

**To Shareholders with Voting Rights:**

Takeshi Matsuzono  
President and Representative Director  
JAC Recruitment Co., Ltd.  
14F Jinbocho Mitsui Building,  
105 Jinbocho 1-Chome,  
Chiyoda-ku, Tokyo

**NOTICE OF  
THE 29TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to take this opportunity to extend our best wishes to all our shareholders.

You are cordially invited to attend the 29th Annual General Meeting of Shareholders of JAC Recruitment Co., Ltd. (the "Company"). The meeting will be held for the purposes as described below.

**1. Date and Time:** Thursday, March 24, 2016 at 10:00 a.m. Japan time (Reception opens at 9:30 a.m.)

**2. Place:** Conference Room of the Company, 14F Jinbocho Mitsui Building, 105 Jinbocho 1-Chome, Chiyoda-ku, Tokyo

**3. Meeting Agenda:**

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 29th Fiscal Year (January 1, 2015 - December 31, 2015) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company's 29th Fiscal Year (January 1, 2015 - December 31, 2015)

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Partial Amendment to Articles of Incorporation  
**Proposal 3:** Election of 7 Directors  
**Proposal 4:** Election of 1 Substitute Audit & Supervisory Board Member  
**Proposal 5:** Election of Accounting Auditor  
**Proposal 6:** Introduction of a Stock Option System for Directors and Determination of Details

**4. Convocation Decisions:**

**The exercise of voting rights by proxy**

If you wish to exercise your voting rights by proxy, you may appoint one other shareholder with voting rights as your proxy; in such case, however, the submission of a document proving your authorization of said shareholder as proxy is required.

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

Revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements will be posted on the Company's website (<http://corp.jac-recruitment.jp/>).

**Consolidated Balance Sheet**  
(As of December 31, 2015)

(Millions of yen)

(Assets)		(Liabilities)	
Item	Amount	Item	Amount
<b>Current assets</b>	<b>8,587</b>	<b>Current liabilities</b>	<b>2,438</b>
Cash and deposits	7,504	Accounts payable - other	221
Accounts receivable - trade	619	Accrued expenses	909
Supplies	0	Income taxes payable	836
Prepaid expenses	77	Accrued consumption taxes	325
Deferred tax assets	374	Lease obligations	1
Accounts receivable - other	7	Deposits received	50
Other	5	Unearned revenue	59
Allowance for doubtful accounts	(1)	Provision of contract cancellation	34
<b>Non-current assets</b>	<b>645</b>	<b>Non-current liabilities</b>	<b>4</b>
<b>Property, plant and equipment</b>	<b>116</b>	Lease obligations	4
Buildings	65	<b>Total liabilities</b>	<b>2,443</b>
Tools, furniture and fixtures	45	<b>(Net Assets)</b>	
Leased assets	5	<b>Shareholders' equity</b>	<b>6,790</b>
<b>Intangible assets</b>	<b>162</b>	<b>Capital stock</b>	<b>619</b>
Goodwill	142	<b>Capital surplus</b>	<b>1,569</b>
Trademark right	0	<b>Retained earnings</b>	<b>5,427</b>
Software	18	<b>Treasury stock</b>	<b>(825)</b>
Software in progress	1		
<b>Investments and other assets</b>	<b>366</b>		
Investment securities	0		
Investments in capital	0		
Lease and guarantee deposits	362		
Deferred tax assets	3		
Long-term accounts receivable - other	9		
Other	0		
Allowance for doubtful accounts	(9)	<b>Total net assets</b>	<b>6,790</b>
<b>Total assets</b>	<b>9,233</b>	<b>Total liabilities and net assets</b>	<b>9,233</b>

Note: Figures less than one million are rounded down.

**Consolidated Statement of Income**  
(From January 1, 2015 to December 31, 2015)

(Millions of yen)

Item	Amount	
<b>Net sales</b>		
Recruitment business income	10,884	
Provision of contract cancellation	(34)	
Reversal of provision of contract cancellation	5	
Advertising business income	344	11,200
<b>Cost of sales</b>		
Recruitment business cost	301	
Advertising business cost	2	304
<b>Gross profit</b>		<b>10,896</b>
<b>Selling, general and administrative expenses</b>		<b>7,376</b>
<b>Operating income</b>		<b>3,519</b>
<b>Non-operating income</b>		
Interest income	1	
Rent income on facilities	2	
Reversal of allowance for doubtful accounts	0	
Gain on maturity of insurance contract	1	
Other	0	7
<b>Non-operating expenses</b>		
Interest expenses	0	
Bad debts expenses	0	
Other	0	1
<b>Ordinary income</b>		<b>3,525</b>
<b>Extraordinary losses</b>		
Loss on retirement of non-current assets	15	
Impairment loss	428	
Other	4	449
<b>Income before income taxes</b>		<b>3,076</b>
Income taxes - current	1,322	
Income taxes - deferred	(57)	1,264
<b>Income before minority interests</b>		<b>1,811</b>
<b>Net income</b>		<b>1,811</b>

Note: Figures less than one million are rounded down.

**Consolidated Statement of Changes in Shareholders' Equity**  
(From January 1, 2015 to December 31, 2015)

(Millions of yen)

	Shareholders' equity		
	Capital stock	Capital surplus	Retained earnings
Balance at beginning of the year	619	785	4,139
Changes of items during the year			
Dividends of surplus			(524)
Net income			1,811
Purchase of treasury shares			
Disposal of treasury shares		784	
Total amount of changes during the year	-	784	1,287
Balance at end of the year	619	1,569	5,427

	Shareholders' equity		Total net assets
	Treasury shares	Total shareholders' equity	
Balance at beginning of the year	(41)	5,503	5,503
Changes of items during the year			
Dividends of surplus		(524)	(524)
Net income		1,811	1,811
Purchase of treasury shares	(825)	(825)	(825)
Disposal of treasury shares	41	825	825
Total amount of changes during the year	(784)	1,287	1,287
Balance at end of the year	(825)	6,790	6,790

Note: Figures less than one million are rounded down.

**Non-Consolidated Balance Sheet**  
(As of December 31, 2015)

(Millions of yen)

(Assets)		(Liabilities)	
Item	Amount	Item	Amount
<b>Current assets</b>	<b>8,283</b>	<b>Current liabilities</b>	<b>2,331</b>
Cash and deposits	7,265	Accounts payable - other	215
Accounts receivable - trade	568	Accrued expenses	884
Supplies	0	Income taxes payable	831
Prepaid expenses	74	Accrued consumption taxes	313
Deferred tax assets	344	Lease obligations	1
Accounts receivable - other	25	Deposits received	49
Other	5	Unearned revenue	1
Allowance for doubtful accounts	(1)	Provision of contract cancellation	33
<b>Non-current assets</b>	<b>788</b>	<b>Non-current liabilities</b>	<b>21</b>
<b>Property, plant and equipment</b>	<b>114</b>	Lease obligations	4
Buildings	64	Other	16
Tools, furniture and fixtures	44	<b>Total liabilities</b>	<b>2,352</b>
Leased assets	5	<b>(Net Assets)</b>	
<b>Intangible assets</b>	<b>19</b>	<b>Shareholders' equity</b>	<b>6,719</b>
Trademark right	0	<b>Capital stock</b>	<b>619</b>
Software	17	<b>Capital surplus</b>	<b>1,569</b>
Software in progress	1	Legal capital surplus	594
<b>Investments and other assets</b>	<b>655</b>	Other capital surplus	975
Shares of subsidiaries and associates	300	<b>Retained earnings</b>	<b>5,355</b>
Investment securities	0	Legal retained earnings	1
Investments in capital	0	Other retained earnings	5,354
Lease and guarantee deposits	350	Retained earnings brought forward	5,354
Deferred tax assets	3	<b>Treasury stock</b>	<b>(825)</b>
Long-term accounts receivable - other	9		
Other	0		
Allowance for doubtful accounts	(9)		
		<b>Total net assets</b>	<b>6,719</b>
<b>Total assets</b>	<b>9,071</b>	<b>Total liabilities and net assets</b>	<b>9,071</b>

Note: Figures less than one million are rounded down.

**Non-Consolidated Statement of Income**  
(From January 1, 2015 to December 31, 2015)

(Millions of yen)

Item	Amount	
<b>Net sales</b>		
Recruitment business revenue	10,590	
Provision of contract cancellation	(33)	
Reversal of provision of contract cancellation	4	
Other	0	10,562
<b>Cost of sales</b>		
Recruitment business cost	292	292
<b>Gross profit</b>		<b>10,269</b>
<b>Selling, general and administrative expenses</b>		<b>6,780</b>
<b>Operating income</b>		<b>3,488</b>
<b>Non-operating income</b>		
Interest income	2	
Rent income on facilities	3	
Reversal of allowance for doubtful accounts of subsidiaries and associates	20	
Other	0	26
<b>Non-operating expenses</b>		
Interest expenses	0	
Bad debts expenses	0	
Other	0	0
<b>Ordinary income</b>		<b>3,514</b>
<b>Extraordinary losses</b>		
Loss on retirement of non-current assets	15	
Loss on valuation of shares of subsidiaries and associates	472	
Other	4	492
<b>Income before income taxes</b>		<b>3,021</b>
Income taxes - current	1,298	
Income taxes - deferred	(34)	1,263
<b>Net income</b>		<b>1,757</b>

Note: Figures less than one million are rounded down.

## Non-Consolidated Statement of Changes in Shareholders' Equity

(From January 1, 2015 to December 31, 2015)

(Millions of yen)

	Shareholders' equity						
	Capital stock	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings
					Retained earnings brought forward		
Balance at beginning of the year	619	594	191	785	1	4,121	4,122
Changes of items during the year							
Dividends of surplus						(524)	(524)
Net income						1,757	1,757
Purchase of treasury shares							
Disposal of treasury shares			784	784			
Total amount of changes during the year	-	-	784	784	-	1,232	1,232
Balance at end of the year	619	594	975	1,569	1	5,354	5,355

	Shareholders' equity		Total net assets
	Treasury shares	Total shareholders' equity	
Balance at beginning of the year	(41)	5,486	5,486
Changes of items during the year			
Dividends of surplus		(524)	(524)
Net income		1,757	1,757
Purchase of treasury shares	(825)	(825)	(825)
Disposal of treasury shares	41	825	825
Total amount of changes during the year	(784)	1,232	1,232
Balance at end of the year	(825)	6,719	6,719

Note: Figures less than one million are rounded down.

# Reference Documents for the General Meeting of Shareholders

## Proposal 1: Appropriation of Surplus

The following dividends for the term are proposed in consideration of the business performance for the current fiscal year and business expansion moving forward.

1. Type of property dividend:  
Cash
2. Details and amount of the allotment of property dividend:  
¥19 per share of the Company's common stock (comprising ¥16 ordinary dividend and ¥3 commemorative dividend for the Company's listing on the First Section of the Tokyo Stock Exchange).  
Total amount: ¥784,540,818
3. Effective date of dividends of surplus:  
March 25, 2016

## Proposal 2: Partial Amendment to Articles of Incorporation

### 1. Reasons for the amendment

In order to prepare for promotion of business expansion going forward and the strengthening of the Company's management base, the Company seeks the approval of the shareholders to amend Article 20 (Number of Directors) of the current Articles of Incorporation as follows.

### 2. Details of the amendment

Details of the amendment are as follows:

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendment
(Number of Directors) Article 20. The number of Directors of the Company shall not exceed <u>8</u> .	(Number of Directors) Article 20. The number of Directors of the Company shall not exceed <u>10</u> .



**Proposal 3:** Election of 7 Directors

The terms of office of all 6 Directors will expire at the conclusion of this Annual General Meeting of Shareholders. The election of 7 Directors is proposed for the purpose of strengthening the management structure.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Past experience, positions and responsibilities in the Company (Significant concurrent positions)	Number of shares of the Company held
1	Takeshi Matsuzono (January 3, 1958)	<p>May 1983      Joined Shushoku Joho Center Co., Ltd. (present Recruit Career Co., Ltd.)</p> <p>April 2003      Joined Recruit Ablic Inc. (present Recruit Career Co., Ltd.)</p> <p>April 2005      Executive Officer of Recruit Ablic Inc.</p> <p>April 2006      President and Representative Director of Recruit Executive Agent Co., Ltd.</p> <p>April 2008      Director of Recruit Executive Agent Co., Ltd.</p> <p>November 2008      Joined the Company as Deputy General Manager, Sales Headquarters</p> <p>February 2009      General Manager, Sales Headquarters of the Company</p> <p>March 2009      Senior Managing Director of the Company</p> <p>January 2011      President and Representative Director of the Company (to present)</p> <p>January 2011      COO of the Company</p> <p>December 2013      Representative Director of C.C. Consulting Co., Ltd.</p> <p>January 2016      President and Representative Director of C.C. Consulting Co., Ltd. (to present)</p>	275,500
2	Hiroo Hattori (December 25, 1954)	<p>July 2001      Director of the Company</p> <p>August 2001      Vice President and Director of the Company</p> <p>April 2005      General Manager, Administration Division of the Company</p> <p>July 2006      General Manager, Administration Headquarters of the Company</p> <p>January 2008      General Manager, Sales Headquarters of the Company</p> <p>April 2008      Vice President and Representative Director of the Company</p> <p>February 2009      General Manager, Administration Headquarters of the Company (to present)</p> <p>January 2011      Vice President and Representative Director of the Company (to present)</p> <p>January 2011      CFO of the Company</p> <p>December 2013      Director of C.C. Consulting Co., Ltd. (to present)</p>	635,100

No.	Name (Date of birth)	Past experience, positions and responsibilities in the Company (Significant concurrent positions)	Number of shares of the Company held
3	Hiromi Tazaki (December 23, 1950)	<p>May 1981 Joined T. TAZAKI&amp;Co Ltd</p> <p>March 1987 Director at incorporation of JAC Singapore Pte Ltd (present JAC Recruitment Pte Ltd)</p> <p>March 1988 Director at incorporation of the Company</p> <p>August 1991 Representative Director of T. TAZAKI&amp;Co Ltd</p> <p>December 1998 Representative Director at incorporation of JAC Strattons Ltd</p> <p>January 2000 Representative Director of the Company</p> <p>November 2001 Representative Director at incorporation of JAC Financial Design Ltd</p> <p>September 2002 Representative Director at incorporation of JAC Recruitment (UK) Ltd</p> <p>March 2005 Chairman and Director of the Company</p> <p>August 2005 Director of JAC (Beijing) Business Consultation Co., Ltd. (to present)</p> <p>December 2005 Director of JAC Personnel Recruitment Ltd</p> <p>December 2005 Director of JAC Recruitment (Malaysia) Sdn Bhd</p> <p>July 2007 Director of JAC Strattons Ltd</p> <p>February 2008 Representative Director of JAC Strattons Ltd (to present)</p> <p>April 2008 President and Representative Director of the Company</p> <p>June 2008 Director of PT JAC Indonesia</p> <p>January 2011 Chairman, CEO and Representative Director of the Company</p> <p>January 2011 Director of JAC Personnel Eastern Seaboard Ltd</p> <p>July 2011 Director of JAC Recruitment Hong Kong Co., Ltd</p> <p>July 2011 Director of JAC Recruitment Korea Co., Ltd</p> <p>November 2011 Director of JAC Recruitment China (HK) Ltd</p> <p>March 2012 Representative Director of JAC Recruitment Asia Ltd (to present)</p> <p>March 2012 Director of PT JAC Consulting Indonesia</p> <p>December 2012 Director of JAC International Recruitment Ltd</p> <p>March 2013 Director of Guangzhou JAC Human Resources Co., Ltd. (to present)</p> <p>May 2013 Director of JAC Recruitment Vietnam Co., Ltd (to present)</p> <p>June 2013 Director of Shanghai Aoshi Recruitment Services Co., Ltd. (present Shanghai JAC Human Resources Co., Ltd.) (to present)</p> <p>March 2015 Chairman and Director of the Company (to present)</p> <p>January 2016 Director of JAC Recruitment (UK) Ltd (to present)</p> <p>[Significant concurrent positions]</p> <p>Representative Director of JAC Recruitment Asia Ltd</p> <p>Representative Director of JAC Strattons Ltd</p> <p>Director of JAC (Beijing) Business Consultation Co., Ltd.</p> <p>Director of Shanghai JAC Human Resources Co., Ltd</p> <p>Director of JAC Recruitment Vietnam Co., Ltd</p> <p>Director of Guangzhou JAC Human Resources Co., Ltd.</p> <p>Director of JAC Recruitment (UK) Ltd</p>	7,179,600
4	Tadayoshi Tazaki (July 16, 1943)	<p>November 1974 Director at incorporation of T. TAZAKI&amp;Co Ltd</p> <p>March 1988 Representative Director at incorporation of the Company</p> <p>January 2000 Director of the Company</p> <p>March 2005 Director and Advisor</p> <p>March 2012 Director and Chief Advisor (to present)</p> <p>March 2012 Director of JAC Recruitment Asia Ltd (to present)</p> <p>September 2013 Director of JAC Strattons Ltd (to present)</p> <p>[Significant concurrent positions]</p> <p>Director of JAC Recruitment Asia Ltd</p> <p>Director of JAC Strattons Ltd</p>	13,505,100

No.	Name (Date of birth)	Past experience, positions and responsibilities in the Company (Significant concurrent positions)	Number of shares of the Company held
5	Otohiko Ueno (November 28, 1972)	<p>April 1996      Joined Sumitomo Marine &amp; Fire Insurance Co., Ltd. (present Mitsui Sumitomo Insurance Company, Limited)</p> <p>January 2001    Joined Recruit Ablic Inc. (present Recruit Career Co., Ltd.)</p> <p>November 2006   Joined Fractalist Co., Ltd. (present UNITED, Inc.)</p> <p>November 2007   Joined Full Speed Inc.</p> <p>July 2009        Joined the Company</p> <p>April 2011        Executive Officer of the Company</p> <p>October 2011    General Manager, Sales Headquarters of the Company</p> <p>March 2012      Director and General Manager, Business Headquarters of the Company (to present)</p> <p>December 2013   Director of C.C. Consulting Co., Ltd. (to present)</p> <p>November 2014   President and Representative Director of JAC International Co., Ltd. (to present)</p>	79,300
6	Shigeoki Togo (September 2, 1943)	<p>April 1966      Joined the Bank of Japan</p> <p>July 1993        Director-General, Secretariat of the Policy Board of the Bank of Japan</p> <p>April 1995        Director-General, International Department of the Bank of Japan</p> <p>June 1996        Managing Director, The Nippon Credit Bank, Ltd. (present Aozora Bank, Ltd.)</p> <p>August 1997     President of The Nippon Credit Bank, Ltd.</p> <p>June 2000        President of Osaka Zosenjo Co., Ltd. (present DAIZO CORPORATION)</p> <p>June 2010        President and Director of Nippon RAD Inc.</p> <p>June 2011        General Executive Officer of Nippon RAD Inc.</p> <p>March 2012      External Audit &amp; Supervisory Board Member of the Company</p> <p>April 2012        Advisor of MORI TRUST CO., LTD.</p> <p>June 2012        Advisor of Nippon RAD Inc.</p> <p>June 2012        External Audit &amp; Supervisory Board Member of Nitta Gelatin Inc. (to present)</p> <p>October 2012    Chairman of the Board of Directors of Higashi-Nihon-Gakuen (to present)</p> <p>March 2015      External Director of the Company (to present)</p> <p>[Significant concurrent positions]</p> <p>External Audit &amp; Supervisory Board Member of Nitta Gelatin Inc.</p>	-

No.	Name (Date of birth)	Past experience, positions and responsibilities in the Company (Significant concurrent positions)	Number of shares of the Company held
7	Yutaka Kase (February 19, 1947)	<p>May 1970      Joined Nissho Iwai Corporation</p> <p>November 1992      President of Nissho Iwai New Zealand Corporation and General Manager of Auckland Branch</p> <p>April 1995      General Manager, Wood Products Department of Nissho Iwai Corporation</p> <p>June 1997      General Manager, Portland Branch of Nissho Iwai American Corporation</p> <p>January 1999      Group Executive, Consumer Life &amp; Resources Business Group of Nissho Iwai Corporation</p> <p>June 2001      Executive Officer of Nissho Iwai Corporation Executive Vice President of Nissho Iwai American Corporation</p> <p>April 2002      President, Chemicals &amp; Forest Products Company of Nissho Iwai Corporation</p> <p>April 2003      Director and Managing Executive Officer of Nissho Iwai Corporation</p> <p>April 2004      The corporate name was changed to Sojitz Corporation due to the merger of Nichimen Corporation and Nissho Iwai Corporation Representative Director and Senior Managing Executive Officer of Sojitz Corporation</p> <p>August 2004      Director and Executive Vice President of Sojitz Corporation</p> <p>October 2005      The corporate name was changed to Sojitz Corporation due to the merger of Sojitz Holdings Corporation and Sojitz Corporation Director and Executive Vice President of Sojitz Corporation</p> <p>April 2007      Representative Director, President &amp; CEO of Sojitz Corporation</p> <p>April 2012      Representative Director and Chairman of the Board of Sojitz Corporation (to present)</p> <p>June 2013      External Director of Astellas Pharma Inc. (to present)</p> <p>[Significant concurrent positions] Representative Director and Chairman of the Board of Sojitz Corporation External Director of Astellas Pharma Inc.</p>	-

(Notes)

1. Mrs. Hiromi Tazaki, a candidate for Director, concurrently serves as a Director of JAC (Beijing) Business Consultation Co., Ltd., Shanghai JAC Human Resources Co., Ltd., JAC Recruitment Vietnam Co., Ltd, Guangzhou JAC Human Resources Co., Ltd., and JAC Recruitment (UK) Ltd, and the Company has business relationships with these companies in international recruitment and other services. JAC Recruitment Asia Ltd, for which Mrs. Tazaki serves as a Representative Director and for which Mr. Tadayoshi Tazaki, a candidate for Director, concurrently serves as a Director, is the holding company of JAC Recruitment (UK) Ltd and JAC Recruitment Vietnam Co., Ltd.
2. No conflict of interest exists between the other candidates and the Company.
3. Mr. Shigeoki Togo and Mr. Yutaka Kase are candidates for External Directors.
4. Mr. Shigeoki Togo and Mr. Yutaka Kase are independent candidates based on provisions of the Tokyo Stock Exchange.
5. The term of office of Mr. Shigeoki Togo as a Director of the Company will be one year at the conclusion of this General Meeting of Shareholders.
6. The reasons for nominating these candidates as External Directors, the reasons for determining that the candidates are able to carry out their duties as External Directors, and the limited liability agreement with External Directors are as follows:
  - (1) Mr. Shigeoki Togo and Mr. Yutaka Kase have been nominated as candidates mainly for the reason that they will participate in management from a broad perspective in order to ensure adequacy and fairness based on their extensive experience as business managers. It was further determined that both candidates execute their duties as External Directors of the Company in an appropriate manner as they possess sufficient insight into company management from their many years of experience in corporate management.
  - (2) Limited liability agreement with External Directors  
The Company has entered into a limited liability agreement with Mr. Shigeoki Togo, a candidate for External Director. The Company plans to conclude a limited liability agreement with Mr. Yutaka Kase, a candidate for External Director.  
Details of the content of these agreements are as follows:
    - 1) In the event that the Company assumes liability for damages as a result of the failure of an External Director to perform his duties, that liability shall be assumed at the minimum amount specified in Article 427, Paragraph 1 of the Companies Act.
    - 2) The aforementioned limitation of liability shall be applicable only when the performance of duties by an External Director that resulted in said liability were carried out in good faith and without gross negligence.
7. Reasons for nominating other candidates as Directors:

Mr. Takeshi Matsuzono has been the President and Representative Director of Recruit Executive Agent Co., Ltd., a recruitment company within the Recruit Group specializing in high-value professionals, and joined the Company in November 2008 as Deputy General Manager of Sales Headquarters (present Business Headquarters) to help shift the Company's recruitment business towards specialization of high-value professionals. Mr. Matsuzono has demonstrated his achievements in expanding the scope of the Company's recruitment business since being appointed as a Director in March 2009. The Company has determined that he carries out his duties as Director in an appropriate manner.

Mr. Hiroo Hattori has gained business experience mainly in accounting and finance, prior to his former position, as General Manager of Finance Division of Recruit Co., Ltd. (present Recruit Holdings Co., Ltd.). Mr. Hattori also gained business experience mainly in business strategy planning in his previous position as Director and General Manager of Secretariat Office of Half Century More Co., Ltd., and was appointed as a Director of the Company in July 2001 at the time the Company was aiming to become listed. Since then, Mr. Hattori has demonstrated his achievements within the Company mainly as Director and General Manager of Administration Headquarters. The Company has determined that Mr. Hattori carries out his duties as Director in an appropriate manner.

Mrs. Hiromi Tazaki is the wife of Mr. Tadayoshi Tazaki, the founder of the Company, and has been a Director of the Company since its establishment. Since joining T. TAZAKI&Co Ltd of the U.K. in May 1981, Mrs. Tazaki has been involved in management of the recruitment business in ten countries. The Company has determined that she carries out her duties as Director in an appropriate manner.

Mr. Tadayoshi Tazaki is the founder of the Company and a Director since its establishment. Since establishing T. TAZAKI&Co Ltd in the U.K. in November 1974, Mr. Tazaki has developed the recruitment business in ten countries. The Company has determined that he carries out his duties as

Director in an appropriate manner.

Mr. Otohiko Ueno has gained experience in the recruitment business at Recruit Ablic Inc. (present Recruit Career Co., Ltd.), and joined the Company in July 2009 as Assistant General Manager in charge of the Finance Department of the Tokyo Head Office to strengthen the management of the Company's recruitment business. Since being appointed as a Director in March 2012, Mr. Ueno has demonstrated his achievements in broadening the scope of the Company's recruitment business. The Company has determined that he carries out his duties as Director in an appropriate manner.

8. The number of Company shares held by the aforementioned candidates for Director as of December 31, 2015.

**Proposal 4:** Election of 1 Substitute Audit & Supervisory Board Member

To prepare for any shortage in the number of Audit & Supervisory Board Members from the number provided for in laws and regulations, it is proposed that 1 Substitute Audit & Supervisory Board Member be elected.

The Audit & Supervisory Board has consented to this proposal.

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

Name (Date of birth)	Past experience (Significant concurrent positions)	Number of shares of the Company held
Masataka Iwasaki (November 28, 1964)	April 1992 Registered as a lawyer August 1996 Assistant to the Office of Practicing Attorney Professor for Civil Advocacy of The Legal Training and Research Institute of Japan September 2004 Joint establishment and Partner of Nijinohashi Law Offices (to present) April 2010 Practicing Attorney Professor for Civil Advocacy of The Legal Training and Research Institute of Japan April 2013 Professor at Sophia Law School (to present)	-

(Notes)

1. No conflict of interest exists between the Company and the candidate for Substitute Audit & Supervisory Board Member.
2. The candidate fulfills the requirements for External Audit & Supervisory Board Member, and is nominated as a Substitute External Audit & Supervisory Board Member.
3. The candidate fulfills the requirements for independent Audit & Supervisory Board Member based on provisions of the Tokyo Stock Exchange, and is nominated as a substitute independent Audit & Supervisory Board Member.
4. Mr. Masataka Iwasaki has been nominated as a candidate for External Audit & Supervisory Board Member mainly for the reason that he will provide advice and recommendations to ensure adequacy and fairness from his professional viewpoint as a lawyer.  
The Company has determined that Mr. Masataka Iwasaki executes his duties as an External Audit & Supervisory Board Member in an appropriate manner as he possesses sufficient insight into the auditing operations of companies from the legal knowledge and experience he has gained over many years as a lawyer.

**Proposal 5: Election of Accounting Auditor**

The term of office of the Accounting Auditor, Ernst & Young ShinNihon LLC, will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company seeks the approval of the shareholders to appoint Deloitte Touche Tohmatsu LLC as the Accounting Auditor based on a resolution of the Audit & Supervisory Board.

The Audit & Supervisory Board has nominated Deloitte Touche Tohmatsu LLC as the Accounting Auditor based on its determination that Deloitte Touche Tohmatsu LLC possesses the expertise, independence and appropriateness required as the Accounting Auditor of the Company, and has in place a structure to ensure that the accounting audit of the Company is conducted fairly and adequately.

The outline of the candidate for Accounting Auditor is as follows:

Name	Deloitte Touche Tohmatsu LLC		
Location of the Main Office	Shinagawa Intercity Tower C, 2-15-3 Konan, Minato-ku, Tokyo		
History	May 1968	Tohmatsu Awoki & Co. established	
	May 1975	Joined Touche Ross International alliance (present Deloitte Touche Tohmatsu Ltd.)	
	February 1990	Changed company name to Tohmatsu & Co.	
	July 2009	Converted to a limited liability company and changed company name to Deloitte Touche Tohmatsu LLC	
Outline	Capital stock		¥898 million
	Number of employees	Partners (including Specified Partners)	588
		Professional staff	5,094
		Clerical staff	623
		Total	6,305
		Including:	
		Certified Public Accountants	3,179
		Successful candidates of Certified Public Accounting examinations and others (including junior accountants)	1,289
	Audit clients		3,574 companies

(as of September 30, 2015)

**Proposal 6:** Introduction of a Stock Option System for Directors and Determination of Details

The maximum annual remuneration for Directors was approved at the 28th Ordinary Annual General Meeting of Shareholders held on March 25, 2015 (excluding employee salaries) to be within the limit of ¥500 million.

Now, the Company would like to allow the issuance of subscription rights to shares within the limit of ¥150 million per annum as stock compensation-type stock options for Directors (excluding External Directors) separately from the aforementioned annual remuneration for the purpose of enhancing the incentive and morale of Directors to improve earnings and increase the share price by means of a mechanism to share any rise and fall of the share price with shareholders. Details of these subscription rights to shares are outlined below.

If Proposal 3 (Election of 7 Directors) is approved as proposed, the number of Directors subject to this proposal shall be 5.

Details of subscription rights to shares

(1) Details of the type and number of shares subject to subscription rights to shares

1) Total number of subscription rights to shares

The upper limit of subscription rights to shares to be issued within one year from the date of the Annual General Meeting of Shareholders held in relation to each fiscal year shall be 1,500 shares.

2) Type and number of shares subject to subscription rights to shares

The upper limit of shares that may be issued within one year from the date of the Annual General Meeting of Shareholders held in relation to each fiscal year and which can be granted by exercising subscription rights to shares shall be 150,000 common shares.

3) Number of shares subject to each stock acquisition right (hereinafter referred to as the “number of granted shares”)

This number shall be 100. If a stock split, a gratis allotment of shares, or a reverse stock split is conducted, the number of granted shares shall be adjusted according to the following formula. However, this adjustment shall be made to the number of shares subject to subscription rights to shares that have not been exercised at the time of the subscription rights to shares.

Number of granted shares after adjustment = number of granted shares before adjustment x ratio of stock split and reverse stock split

In addition to the above, if unavoidable circumstances necessitate an adjustment to the number of granted shares, the number shall be adjusted to the extent reasonable. Fractions less than one share resulting from this adjustment shall be disregarded.

(2) Payment of the stock acquisition right

No payment shall be required in exchange for subscription rights to shares.

(3) Amount of property to be contributed upon exercise of each stock acquisition right

The amount of property to be contributed upon the exercise of each stock acquisition right shall be ¥1, which is the amount to be paid for each share that can be granted upon exercise of the stock acquisition right, multiplied by the number of granted shares.

(4) Period during which subscription rights to shares may be exercised

The period shall be a period to be decided by the Board of Directors within 20 years from the day immediately following the allotment date.

(5) Transfer of subscription rights to shares

Acquisition of subscription rights to shares by way of transfer shall require the approval of the Board of Directors of the Company.

(6) Other conditions for the exercise of subscription rights to shares

1) Subscription rights to shares may be exercised in principle from the day three years from the day immediately following the allotment date.

2) Other terms and conditions regarding the exercise of subscription rights to shares shall be determined by the Board of Directors which decides on subscription matters for these subscription rights to shares.