

(Stock Exchange Code 2124)
March 7, 2018

To Shareholders with Voting Rights:

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

**NOTICE OF
THE 31ST 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 31st 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: Friday, March 23, 2018 at 10:00 a.m. Japan time (Reception opens at 9:30 a.m.)

2. Place: Conference Room of the Company, 20F 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 31st Fiscal Year (January 1, 2017 - December 31, 2017) 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 31st Fiscal Year (January 1, 2017 - December 31, 2017)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Election of 6 Directors
Proposal 3: Election of 3 Audit & Supervisory Board Members
Proposal 4: Election of 1 Substitute Audit & Supervisory Board Member

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, 2017)

(Millions of yen)

(Assets)		(Liabilities)	
Item	Amount	Item	Amount
Current assets	10,816	Current liabilities	3,252
Cash and deposits	9,269	Lease obligations	1
Accounts receivable - trade	926	Accounts payable - other	393
Supplies	1	Accrued expenses	1,245
Prepaid expenses	134	Income taxes payable	875
Deferred tax assets	462	Accrued consumption taxes	358
Accounts receivable - other	9	Deposits received	132
Other	15	Unearned revenue	55
Allowance for doubtful accounts	(2)	Provision for stocks payment	153
Non-current assets	4,326	Provision of contract cancellation	35
Property, plant and equipment	229	Non-current liabilities	2
Buildings	146	Lease obligations	2
Machinery and equipment	5	Total liabilities	3,254
Tools, furniture and fixtures	54	(Net Assets)	
Leased assets	3	Shareholders' equity	11,845
Construction in progress	19	Capital stock	619
Intangible assets	384	Capital surplus	1,569
Goodwill	23	Retained earnings	10,358
Trademark right	0	Treasury stock	(702)
Software	55	Subscription rights to shares	43
Software in progress	304		
Investments and other assets	3,713		
Investment securities	2,905		
Investments in capital	0		
Lease and guarantee deposits	725		
Claims provable in bankruptcy, claims provable in rehabilitation and other	3		
Deferred tax assets	83		
Long-term accounts receivable - other	11		
Allowance for doubtful accounts	(15)	Total net assets	11,889
Total assets	15,143	Total liabilities and net assets	15,143

Note: Figures less than one million are rounded down.

Consolidated Statement of Income
(From January 1, 2017 to December 31, 2017)

(Millions of yen)

Item	Amount	
Net sales		
Recruitment business income	15,722	
Reversal of provision of contract cancellation	16	
Provision of contract cancellation	(35)	
Advertising business income	340	16,044
Cost of sales		
Recruitment business cost	745	
Advertising business cost	2	748
Gross profit		15,295
Selling, general and administrative expenses		9,986
Operating income		5,309
Non-operating income		
Interest income	5	
Rent income on facilities	3	
Insurance return	3	
Other	1	13
Non-operating expenses		
Interest expenses	0	
Other	0	0
Ordinary income		5,322
Extraordinary losses		
Loss on retirement of non-current assets	1	
Impairment loss	87	88
Profit before income taxes		5,234
Income taxes - current	1,590	
Income taxes - deferred	(42)	1,548
Profit		3,685
Profit attributable to owners of parent		3,685

Note: Figures less than one million are rounded down.

Consolidated Statement of Changes in Shareholders' Equity
(From January 1, 2017 to December 31, 2017)

(Millions of yen)

	Shareholders' equity		
	Capital stock	Capital surplus	Retained earnings
Balance at beginning of the year	619	1,569	7,911
Changes of items during the year			
Dividends of surplus			(1,238)
Profit attributable to owners of parent			3,685
Purchase of treasury shares			
Disposal of treasury shares			
Net changes of items other than shareholders' equity			
Total amount of changes during the year	-	-	2,446
Balance at end of the year	619	1,569	10,358

	Shareholders' equity		Subscription rights to shares	Total net assets
	Treasury shares	Total shareholders' equity		
Balance at beginning of the year	(825)	9,275	8	9,283
Changes of items during the year				
Dividends of surplus		(1,238)		(1,238)
Profit attributable to owners of parent		3,685		3,685
Purchase of treasury shares	(0)	(0)		(0)
Disposal of treasury shares	123	123		123
Net changes of items other than shareholders' equity			35	35
Total amount of changes during the year	123	2,570	35	2,605
Balance at end of the year	(702)	11,845	43	11,889

Note: Figures less than one million are rounded down.

Non-Consolidated Balance Sheet
(As of December 31, 2017)

(Millions of yen)

(Assets)		(Liabilities)	
Item	Amount	Item	Amount
Current assets	10,346	Current liabilities	3,101
Cash and deposits	8,855	Lease obligations	1
Accounts receivable - trade	870	Accounts payable - other	369
Supplies	1	Accrued expenses	1,219
Prepaid expenses	130	Income taxes payable	844
Deferred tax assets	445	Accrued consumption taxes	344
Accounts receivable - other	28	Deposits received	132
Other	16	Unearned revenue	7
Allowance for doubtful accounts	(2)	Provision for stocks payment	148
Non-current assets	4,594	Provision of contract cancellation	34
Property, plant and equipment	221	Non-current liabilities	38
Buildings	143	Lease obligations	2
Machinery and equipment	5	Other	35
Tools, furniture and fixtures	50	Total liabilities	3,139
Leased assets	3	(Net Assets)	
Construction in progress	19	Shareholders' equity	11,757
Intangible assets	360	Capital stock	619
Trademark right	0	Capital surplus	1,569
Software	56	Legal capital surplus	594
Software in progress	304	Other capital surplus	975
Investments and other assets	4,012	Retained earnings	10,270
Shares of subsidiaries and associates	295	Legal retained earnings	1
Investment securities	2,905	Other retained earnings	10,269
Investments in capital	0	Retained earnings brought forward	10,269
Lease and guarantee deposits	728	Treasury stock	(702)
Claims provable in bankruptcy, claims provable in rehabilitation and other	3	Subscription rights to shares	43
Deferred tax assets	83		
Long-term accounts receivable - other	11		
Allowance for doubtful accounts	(15)	Total net assets	11,801
Total assets	14,941	Total liabilities and net assets	14,941

Note: Figures less than one million are rounded down.

Non-Consolidated Statement of Income
(From January 1, 2017 to December 31, 2017)

(Millions of yen)

Item	Amount	
Net sales		
Recruitment business revenue	15,288	
Reversal of provision of contract cancellation	15	
Provision of contract cancellation	(34)	15,269
Cost of sales		
Recruitment business cost	723	723
Gross profit		14,546
Selling, general and administrative expenses		9,354
Operating income		5,191
Non-operating income		
Interest income	5	
Rent income on facilities	3	
Other	2	11
Non-operating expenses		
Interest expenses	0	
Other	0	0
Ordinary income		5,203
Extraordinary income		
Dividends from subsidiaries and associates	65	65
Extraordinary losses		
Loss on retirement of non-current assets	1	1
Profit before income taxes		5,267
Income taxes - current	1,538	
Income taxes - deferred	(37)	1,500
Profit		3,766

Note: Figures less than one million are rounded down.

Non-Consolidated Statement of Changes in Shareholders' Equity
(From January 1, 2017 to December 31, 2017)

(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	975	1,569	1	7,741	7,743
Changes of items during the year							
Dividends of surplus						(1,238)	(1,238)
Net income						3,766	3,766
Purchase of treasury shares							
Disposal of treasury shares							
Net changes of items other than shareholders' equity							
Total amount of changes during the year	-	-	-	-	-	2,527	2,527
Balance at end of the year	619	594	975	1,569	1	10,269	10,270

	Shareholders' equity		Subscription rights to shares	Total net assets
	Treasury shares	Total shareholders' equity		
Balance at beginning of the year	(825)	9,106	8	9,115
Changes of items during the year				
Dividends of surplus		(1,238)		(1,238)
Net income		3,766		3,766
Purchase of treasury shares	(0)	(0)		(0)
Disposal of treasury shares	123	123		123
Net changes of items other than shareholders' equity			35	35
Total amount of changes during the year	123	2,651	35	2,686
Balance at end of the year	(702)	11,757	43	11,801

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:
¥50 per share of the Company's common stock
Total amount: ¥2,064,574,050
3. Effective date of dividends of surplus:
March 26, 2018

Proposal 2: Election of 6 Directors

The terms of office of all 6 Directors will expire at the conclusion of this Annual General Meeting of Shareholders. The election of 6 Directors is proposed.

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>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 Chief Director of the Company</p> <p>January 2011 Managing 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 Managing Director of C.C. Consulting Co., Ltd. (to present)</p> <p>May 2016 Managing Director of JAC International Co., Ltd.</p> <p>June 2016 General Manager, Business Headquarters of the Company</p>	284,100
2	Hiroo Hattori (December 25, 1954)	<p>July 2001 Director of the Company</p> <p>August 2001 Deputy Managing 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 Deputy Managing Director of the Company</p> <p>February 2009 General Manager, Administration Headquarters of the Company (to present)</p> <p>January 2011 Deputy Managing 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>	335,100

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&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&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 Managing 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 (to present)</p> <p>July 2011 Director of JAC Recruitment Korea Co., Ltd</p> <p>November 2011 Director of JAC Recruitment China (HK) Ltd (to present)</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</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>Director of Shanghai JAC Human Resources Co., Ltd</p> <p>Director of Guangzhou JAC Human Resources Co., Ltd.</p> <p>Director of JAC Recruitment (UK) Ltd</p> <p>Director of JAC Recruitment Hong Kong Co., Ltd</p> <p>Director of JAC Recruitment China (HK) Ltd</p>	7,179,600

No	Name (Date of birth)	Past experience, positions and responsibilities in the Company (Significant concurrent positions)	Number of shares of the Company held
4	Tadayoshi Tazaki (July 16, 1943)	<p>November 1974 Director at incorporation of T. TAZAKI&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 of the Company</p> <p>March 2012 Director and Chief Advisor of the Company (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>August 2016 Chairman of The Tazaki Foundation (to present)</p> <p>[Significant concurrent positions]</p> <p>Director of JAC Recruitment Asia Ltd</p>	8,505,100
5	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 & 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 & 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 & 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
6	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 & 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 & 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 & CEO of Sojitz Corporation</p> <p>April 2012 Representative Director and Chairman of the Board of Sojitz Corporation</p> <p>June 2013 External Director of Astellas Pharma Inc.</p> <p>March 2016 External Director of the Company (to present)</p> <p>June 2016 External Director of Sekisui Chemical Co., Ltd. (to present)</p> <p>June 2017 Special Adviser of Sojitz Corporation</p> <p>[Significant concurrent positions] Special Adviser of Sojitz Corporation External Director of Sekisui Chemical Co., Ltd.</p>	-

(Notes)

1. Mrs. Hiromi Tazaki, a candidate for Director, concurrently serves as a Shanghai JAC Human Resources Co., Ltd., Guangzhou JAC Human Resources Co., Ltd., JAC Recruitment (UK) Ltd, JAC Recruitment Hong Kong Co., Ltd, JAC Recruitment China (HK) 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 China (HK) 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 three years at the conclusion of this General Meeting of Shareholders.
6. The term of office of Mr. Yutaka Kase as a Director of the Company will be two years at the conclusion of this General Meeting of Shareholders.
7. 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 and 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.
8. 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.
9. The number of Company shares held by the aforementioned candidates for Director as of December 31, 2017.

Proposal 3: Election of 3 Audit & Supervisory Board Members

The terms of office of all 3 Audit & Supervisory Board Members will expire at the conclusion of this Annual General Meeting of Shareholders. The election of 3 Audit & Supervisory Board Members is proposed.

The Audit & Supervisory Board has consented to this proposal.

The candidates for Audit & Supervisory Board Members are as follows:

No.	Name (Date of birth)	Past experience and positions in the Company (Significant concurrent positions)	Number of shares of the Company held
1	Minoru Yamashita (November 1, 1959)	<p>April 1982 Joined Japan Recruit Center (present Recruit Holdings Co., Ltd.)</p> <p>May 1985 Joined Recruit Cosmos Co., Ltd. (present Cosmos Initia Co., Ltd.)</p> <p>May 1994 Joined Central Service System Co., Ltd.</p> <p>November 1996 Joined Gold Crest Co., Ltd.</p> <p>February 2000 Established Brain Forum Co., Ltd. Director</p> <p>March 2001 Audit & Supervisory Board Member of Resonance Inc.</p> <p>March 2003 Director of NFG Investment Support Co., Ltd.</p> <p>March 2005 Full-Time Audit & Supervisory Board Member of the Company (to present)</p>	2,500
2	Hisashi Ito (May 26, 1958)	<p>April 1985 Registered as a lawyer Joined Ginza Law Office (present Abe, Ikubo & Katayama Law Office)</p> <p>December 1989 External Audit & Supervisory Board Member of KUNIMINE INDUSTRIES CO., LTD.</p> <p>April 1991 Assistant of the Legal Training and Research Institute of the Supreme Court of Japan (in charge of Civil Advocacy Instructor's Office)</p> <p>January 1998 Partner of Abe, Ikubo & Katayama Law Office (to present)</p> <p>April 2003 Instructor of the Legal Training and Research Institute of the Supreme Court of Japan (in charge of Civil Advocacy Instructor's Office)</p> <p>March 2011 External Audit & Supervisory Board Member of the Company (to present)</p> <p>June 2016 Director of KUNIMINE INDUSTRIES CO., LTD. (Audit & Supervisory Committee Member) (to present)</p> <p>[Significant concurrent positions] Lawyer (Partner of Abe, Ikubo & Katayama Law Office) Director of KUNIMINE INDUSTRIES CO., LTD. (Audit & Supervisory Committee Member)</p>	—
3	Naoto Yokoi (April 27, 1951)	<p>April 1975 Joined Asahi & Co. (present KPMG AZSA LLC)</p> <p>August 1979 Registered as a certified public accountant</p> <p>May 2000 Representative Partner of Asahi & Co. (present KPMG AZSA LLC)</p> <p>October 2013 Chief of Naoto Yokoi Certified Public Accountant & Certified Tax Accountant Office (to present)</p> <p>June 2014 External Director of TAKEEI CORPORATION (to present)</p> <p>June 2014 External Audit & Supervisory Board Member of Nichiban Co., Ltd. (to present)</p> <p>March 2015 External Audit & Supervisory Board Member of the Company (to present)</p> <p>June 2015 External Director of INAGEYA CORPORATION (to present)</p> <p>[Significant concurrent positions] External Director of TAKEEI CORPORATION External Audit & Supervisory Board Member of Nichiban Co., Ltd. External Director of INAGEYA CORPORATION</p>	—

(Notes)

1. No conflict of interest exists between each candidate and the Company.
2. Mr. Minoru Yamashita, Mr. Hisashi Ito and Mr. Naoto Yokoi are candidates for External Audit & Supervisory Board Members.
3. Mr. Minoru Yamashita, Mr. Hisashi Ito and Mr. Naoto Yokoi are independent candidates based on provisions of the Tokyo Stock Exchange.
4. The reasons for nominating these candidates as External Audit & Supervisory Board Members, the reasons for determining that the candidates are able to carry out their duties as External Audit & Supervisory Board Members, and the limited liability agreement with External Audit & Supervisory Board Members are as follows:
 - (1) Mr. Minoru Yamashita 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 based on his extensive experience in accounting and financial operations. The Company has determined that Mr. Minoru Yamashita 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 his many years of experience in accounting and finance.
 - (2) Mr. Hisashi Ito 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. Hisashi Ito 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.
 - (3) Mr. Naoto Yokoi 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 certified public accountant. The Company has determined that Mr. Naoto Yokoi 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 accounting knowledge and experience he has gained over many years as a certified public accountant, although he has not participated in corporate management in the past other than as an External Director or an External Audit & Supervisory Board Member.
 - (4) Limited liability agreement with External Audit & Supervisory Board Members
The Company has entered into a limited liability agreement with Mr. Hisashi Ito and Mr. Naoto Yokoi, candidates for External Audit & Supervisory Board Members, respectively.
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 Audit & Supervisory Board Member 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 Audit & Supervisory Board Member that resulted in said liability were carried out in good faith and without gross negligence.
5. The term of office of Mr. Minoru Yamashita as an Audit & Supervisory Board Member of the Company will be thirteen years at the conclusion of this General Meeting of Shareholders.
6. The term of office of Mr. Hisashi Ito as an Audit & Supervisory Board Member of the Company will be seven years at the conclusion of this General Meeting of Shareholders.
7. The term of office of Mr. Naoto Yokoi as an Audit & Supervisory Board Member of the Company will be three years at the conclusion of this General Meeting of Shareholders.
8. The number of Company shares held by the aforementioned candidates for External Audit & Supervisory Board Members is as of December 31, 2017.

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.