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(Stock Exchange Code 3252)
June 8, 2020

To Shareholders with Voting Rights:

Tetsuya Matsuoka
Chief Executive Officer
Nippon Commercial Development Co., Ltd.
4-1-1, Imabashi, Chuo-ku, Osaka, Japan

**NOTICE OF
THE 20TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We are pleased to announce the 20th Annual General Meeting of Shareholders of Nippon Commercial Development Co., Ltd. (the “Company”). The meeting will be held for the purposes as described below.

In order to prevent the spread of the novel coronavirus (COVID-19), we ask all shareholders to exercise your voting rights in advance in writing or via the Internet, etc., in all possible circumstances. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights in accordance with the “Guide to Exercising Voting Rights” on pages 2 to 3 by 5:30 p.m. on Wednesday, June 24, 2020, Japan time.

1. **Date and Time:** Thursday, June 25, 2020 at 10:00 a.m. Japan time (reception starts at 9:00 a.m.)
2. **Place:** The Ritz-Carlton Ballroom on the 4th floor of The RITZ-CARLTON OSAKA located at 2-5-25, Umeda, Kita-ku, Osaka, Japan
3. **Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the Company’s 20th Fiscal Year (April 1, 2019 - March 31, 2020) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 20th Fiscal Year (April 1, 2019 - March 31, 2020)
 - Proposals to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Partial Amendments to the Articles of Incorporation
 - Proposal 3:** Election of Four (4) Directors (Excluding Directors who are Audit and Supervisory Committee Members)
 - Proposal 4:** Election of Four (4) Directors who are Audit and Supervisory Committee Members
 - Proposal 5:** Determination of Remuneration, etc., for Directors (Excluding Directors who are Audit and Supervisory Committee Members)
 - Proposal 6:** Determination of Remuneration, etc., for Directors who are Audit and Supervisory Committee Members

When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Should the Reference Documents for the General Meeting of Shareholders, the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company’s website (<https://www.ncd-jp.com>).

Guide to Exercising Voting Rights

There are three ways to exercise your voting rights, and in order to prevent the spread of the COVID-19, we ask all shareholders to exercise your voting rights in advance in writing or via the Internet, etc., in all possible circumstances.

1 Exercise of voting rights by attending the meeting



Please bring the enclosed Voting Rights Exercise Form and submit it at the reception desk.

10:00 a.m., Thursday, June 25, 2020, Japan time

2 Exercise of voting rights by mail



Please indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form and return it to the Company.

Arrival by 5:30 p.m., Wednesday, June 24, 2020, Japan time

3 Exercise of voting rights via the Internet, etc.



If you exercise your voting rights via the Internet, etc., please see the “Guide to Exercising Voting Rights via the Internet, etc.” on the next page and exercise your voting rights.

If you have any questions, please contact the Stock Transfer Agency Web Support Hotline provided on the next page in “3. Inquiries for exercising voting rights via the Internet.”

Until 5:30 p.m., Wednesday, June 24, 2020, Japan time

Please use “Smart Exercise” to exercise voting rights by smartphone.

Please scan the “smartphone voting website login QR code” printed on the enclosed Voting Rights Exercise Form with your smartphone camera.



The Company has introduced a service that enables shareholders to view the main content of its convocation notice and exercise voting rights easily using a smartphone or other device. Shareholders can access this service using the link or scanning the QR Code on the cover page.

**QR Code" is a registered trademark of Denso Wave Incorporated.

[Guide to Exercising Voting Rights via the Internet, etc.]

When exercising your voting rights via the Internet, etc., please note the following items.

1. Voting rights exercise website

Exercise of voting rights via the Internet may be conducted only by accessing the following voting rights exercise website designated by the Company.

Voting Rights Exercise Website (<https://www.web54.net>)

2. Handling of voting rights exercise

- (1) When you exercise your voting rights via the Internet, please enter the “voting rights exercise code” and “password” printed on the enclosed Voting Rights Exercise Form and follow the on-screen instructions.
- (2) The deadline for exercising voting rights is the end of the business hours of the Company (5:30 p.m., Japan time) on Wednesday, June 24, 2020. Your prompt voting is appreciated.
- (3) If you exercise your voting rights both by mail and via the Internet, etc., the vote via the Internet, etc., will be treated as effective. If you exercise your voting rights multiple times by the same means, the most recent exercise of your voting rights will be deemed to be effective.
- (4) Any fees payable to Internet service providers and carriers (Internet connection fees, etc.) for accessing the Voting Rights Exercise Website shall be borne by the shareholder.

3. Inquiries for exercising voting rights via the Internet

If you have any questions about how to operate your personal computer, etc., when exercising your voting rights via this website, please contact:

<p>Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Web Support Hotline (Phone) 0120-652-031 (Business Hours) 9:00 a.m. to 9:00 p.m.</p>

4. The Electronic Voting System Platform (for institutional investors)

Institutional investors may exercise their voting rights for this Annual General Meeting of Shareholders via electromagnetic means through the “Electronic Voting System Platform” operated by ICJ, Inc.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The basic policy of the Company is to carry out a stable dividend policy in consideration of the business results for the current fiscal year as well as future business development and required internal reserves. Internal reserves will be allocated to effective investments for future business development, among other purposes.

Based on this policy, the Company proposes the year-end dividend for the fiscal year under review as follows.

- (1) Type of dividend property
Cash
- (2) Matters concerning the allotment of dividend property and the total amount
55 yen per share of common stock of the Company
The total amount of dividend will be 1,005,711,245 yen.
- (3) Effective date of distribution of surplus
June 26, 2020

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

- (1) The Company will make a transition from a company with an Audit & Supervisory Board into a company with an Audit and Supervisory Committee to further enhance corporate governance through improvement of the supervisory function of the Board of Directors and greater strengthening of the oversight system by having Audit and Supervisory Committee Members who are responsible for auditing Directors' execution of duties and others serve as members of the Board of Directors. Accordingly, the Company proposes to amend the Articles of Incorporation, including establishment of new provisions on Directors who are Audit and Supervisory Committee Members and the Audit and Supervisory Committee, and deletion of provisions on Audit & Supervisory Board Members and the Audit & Supervisory Board, which are necessary for the transition into a company with an Audit and Supervisory Committee.
- (2) Beyond that, the Company proposes to make required amendments resulting from the new establishment and deletion of provisions, such as changing the numbering of articles and modifying wording.

2. Details of the amendments

Details of the amendments are as follows.

The amendments to the Articles of Incorporation pertaining to this proposal shall take effect at the conclusion of this Annual General Meeting of Shareholders.

(Underlines indicate amended parts.)

Current Articles of Incorporation	Proposed amendments
Chapter I General Provisions	Chapter I General Provisions
Articles 1 – 3 (Omitted)	Articles 1 – 3 (Same as current)
Article 4 (Organs) The Company shall have, in addition to the general meeting of shareholders and Directors, the following organs: (1) Board of Directors (2) <u>Audit & Supervisory Board Members</u> (3) <u>Audit & Supervisory Board</u> (4) Accounting Auditor	Article 4 (Organs) The Company shall have, in addition to the general meeting of shareholders and Directors, the following organs: (1) Board of Directors (2) <u>Audit and Supervisory Committee</u> (Deleted) (3) Accounting Auditor
Article 5 (Omitted)	Article 5 (Same as current)
Chapter II Shares	Chapter II Shares
Articles 6 – 11 (Omitted)	Articles 6 – 11 (Same as current)
Chapter III General Meeting of Shareholders	Chapter III General Meeting of Shareholders
Articles 12 – 17 (Omitted)	Articles 12 – 17 (Same as current)
Chapter IV Directors and Board of Directors	Chapter IV Directors and Board of Directors
Article 18 (Number of Directors) The Company shall have not more than ten (10) Directors. (Newly established)	Article 18 (Number of Directors) <u>1. The Company shall have not more than ten (10) Directors (excluding Directors who are Audit and Supervisory Committee Members).</u> <u>2. The Company shall have not more than five (5) Directors who are Audit and Supervisory Committee Members.</u>
Article 19 (Method of Election of Directors) 1. Directors shall be elected at a general meeting of shareholders.	Article 19 (Method of Election of Directors) 1. Directors shall be elected at a general meeting of shareholders <u>with a distinction made between Directors who are Audit and Supervisory Committee Members and other Directors.</u>

Current Articles of Incorporation	Proposed amendments
<p>2. – 3. (Omitted)</p> <p>Article 20 (Term of Office of Directors)</p> <p>1. The term of office of a Director shall expire at the conclusion of the annual general meeting of shareholders for <u>the last business year</u> terminating within <u>two</u> years after the election of the Director.</p> <p>(Newly established)</p> <p>2. <u>The term of office of a Director who is elected as the additional member or substitute shall continue until the time the term of office of incumbent Directors is to expire.</u></p> <p>(Newly established)</p>	<p>2. – 3. (Same as current)</p> <p>Article 20 (Term of Office of Directors)</p> <p>1. The term of office of a Director <u>(excluding Directors who are Audit and Supervisory Committee Members)</u> shall expire at the conclusion of the annual general meeting of shareholders for <u>the last business year out of the business years</u> terminating within <u>one</u> year after the election of the Director.</p> <p>2. <u>The term of office of a Director who is an Audit and Supervisory Committee Member shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within two years after the election of the Director.</u></p> <p>(Deleted)</p> <p>3. <u>The term of office of a Director who is an Audit and Supervisory Committee Member who is elected as the substitute shall continue until the time the term of office of the Director who is an Audit and Supervisory Committee Member who retired from office is to expire.</u></p>
<p>Articles 21 – 22 (Omitted)</p> <p>Article 23 (Notice of Meeting of the Board of Directors)</p> <p>1. When convening a meeting of the Board of Directors, a notice shall be dispatched to each Director <u>and each Audit & Supervisory Board Member</u> at least three days before the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.</p> <p>2. With the consent of all Directors <u>and Audit & Supervisory Board Members</u>, a meeting of the Board of Directors may be held without following the convening procedures.</p>	<p>Articles 21 – 22 (Same as current)</p> <p>Article 23 (Notice of Meeting of the Board of Directors)</p> <p>1. When convening a meeting of the Board of Directors, a notice shall be dispatched to each Director at least three days before the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.</p> <p>2. With the consent of all Directors, a meeting of the Board of Directors may be held without following the convening procedures.</p>
<p>Article 24 (Omitted)</p> <p>Article 25 (Omission of Resolutions of the Board of Directors)</p> <p>When all Directors agree in writing or by means of electronic records to a proposal to be resolved by the Board of Directors, the Company shall deem that the Board of Directors has passed a resolution to adopt the proposal to be resolved; <u>provided, however, that this shall not apply to cases where any Audit & Supervisory Board Member expresses an objection.</u></p> <p>(Newly established)</p>	<p>Article 24 (Same as current)</p> <p>Article 25 (Omission of Resolutions of the Board of Directors)</p> <p>When all Directors agree in writing or by means of electronic records to a proposal to be resolved by the Board of Directors, the Company shall deem that the Board of Directors has passed a resolution to adopt the proposal to be resolved.</p> <p><u>Article 26 (Delegation of Decision-Making on the Execution of Important Operations)</u></p> <p><u>Pursuant to the provisions of Article 399-13, paragraph 6 of the Companies Act, the Board of Directors may delegate all or part of decision-making on the execution of important operations (excluding matters stipulated in each item of paragraph 5 of the same article) to a Director by its resolution.</u></p>
<p>Article <u>26</u> (Remuneration, etc., to Directors)</p> <p>Remuneration, etc., to Directors shall be determined by resolution of a general meeting of shareholders.</p>	<p>Article <u>27</u> (Remuneration, etc., to Directors)</p> <p>Remuneration, etc., to Directors shall be determined by resolution of a general meeting of shareholders, <u>with a distinction made between Directors who are Audit and Supervisory Committee Members and other Directors.</u></p>
<p>Article <u>27</u> (Omitted)</p>	<p>Article <u>28</u> (Same as current)</p>

Current Articles of Incorporation	Proposed amendments
<p><u>Chapter V Audit & Supervisory Board Members and Audit & Supervisory Board</u></p>	(Deleted)
<p><u>Article 28 (Number of Audit & Supervisory Board Members)</u></p>	(Deleted)
<p><u>The Company shall have not more than three (3) Audit & Supervisory Board Members.</u></p>	
<p><u>Article 29 (Method of Election of Audit & Supervisory Board Members)</u></p>	(Deleted)
<p><u>1. Audit & Supervisory Board Members shall be elected at a general meeting of shareholders.</u></p> <p><u>2. Resolutions on the election of an Audit & Supervisory Board Member shall be made by a majority of the votes of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present.</u></p>	
<p><u>Article 30 (Term of Office of Audit & Supervisory Board Members)</u></p>	(Deleted)
<p><u>1. The term of office of an Audit & Supervisory Board Member shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within four years after the election of the Audit & Supervisory Board Member.</u></p> <p><u>2. The term of office of an Audit & Supervisory Board Member who is elected as the substitute shall continue until the time the term of office of the Audit & Supervisory Board Member who retired from office is to expire.</u></p>	
<p><u>Article 31 (Full-Time Audit & Supervisory Board Members)</u></p>	(Deleted)
<p><u>The Audit & Supervisory Board shall appoint full-time Audit & Supervisory Board Member(s) by its resolution.</u></p>	
<p><u>Article 32 (Notice of Meeting of the Audit & Supervisory Board)</u></p>	(Deleted)
<p><u>1. When convening a meeting of the Audit & Supervisory Board, a notice shall be dispatched to each Audit & Supervisory Board Member at least three days before the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.</u></p> <p><u>2. With the consent of all Audit & Supervisory Board Members, a meeting of the Audit & Supervisory Board may be held without following the convening procedures.</u></p>	
<p><u>Article 33 (Regulations of the Audit & Supervisory Board)</u></p> <p><u>Matters concerning the Audit & Supervisory Board shall be governed by the Regulations of the Audit & Supervisory Board established by the Audit & Supervisory Board, in addition to applicable laws and regulations and these Articles of Incorporation.</u></p>	(Deleted)
<p><u>Article 34 (Remuneration, etc., to Audit & Supervisory Board Members)</u></p>	(Deleted)
<p><u>Remuneration, etc., to Audit & Supervisory Board Members shall be determined by resolution of a general meeting of shareholders.</u></p>	

Current Articles of Incorporation	Proposed amendments
<p><u>Article 35 (Liability Exemption for Audit & Supervisory Board Members)</u></p> <p>1. <u>Pursuant to Article 426, paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) from liability for damages due to negligence of duties, to the extent provided by laws and regulations.</u></p> <p>2. <u>Pursuant to Article 427, paragraph 1 of the Companies Act, the Company may conclude agreements with Audit & Supervisory Board Members to limit their liability for damages due to negligence of duties. However, the limit of liability of such agreements shall be the amount stipulated by laws and regulations.</u></p>	<p>(Deleted)</p>
<p>(Newly established)</p> <p>(Newly established)</p>	<p><u>Chapter V Audit and Supervisory Committee</u></p>
<p>(Newly established)</p>	<p><u>Article 29 (Notice of Meeting of the Audit and Supervisory Committee)</u></p> <p>1. <u>When convening a meeting of the Audit and Supervisory Committee, a notice shall be dispatched to each Audit and Supervisory Committee Member at least three days before the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.</u></p> <p>2. <u>With the consent of all Audit and Supervisory Committee Members, a meeting of the Audit and Supervisory Committee may be held without following the convening procedures.</u></p>
<p>(Newly established)</p>	<p><u>Article 30 (Regulations of the Audit and Supervisory Committee)</u></p> <p><u>Matters concerning the Audit and Supervisory Committee shall be governed by the Regulations of the Audit and Supervisory Committee established by the Audit and Supervisory Committee, in addition to applicable laws and regulations and these Articles of Incorporation.</u></p>
<p>Chapter VI Accounting Auditor</p>	<p>Chapter VI Accounting Auditor</p>
<p>Articles <u>36 – 37</u> (Omitted)</p>	<p>Articles <u>31 – 32</u> (Same as current)</p>
<p>Article <u>38</u> (Remuneration, etc., to Accounting Auditor)</p> <p>Remuneration, etc., to an Accounting Auditor shall be determined by the Chief Executive Officer upon obtaining agreement from the <u>Audit & Supervisory Board</u>.</p>	<p>Article <u>33</u> (Remuneration, etc., to Accounting Auditor)</p> <p>Remuneration, etc., to an Accounting Auditor shall be determined by the Chief Executive Officer upon obtaining agreement from the <u>Audit and Supervisory Committee</u>.</p>
<p>Chapter VII Accounts</p>	<p>Chapter VII Accounts</p>
<p>Articles <u>39 – 42</u> (Omitted)</p>	<p>Articles <u>34 – 37</u> (Same as current)</p>
<p>(Newly established)</p> <p>(Newly established)</p>	<p><u>Supplementary Provision</u></p>
<p>(Newly established)</p>	<p><u>Article 1 (Transitional Measures Concerning Liability Exemption for Audit & Supervisory Board Members)</u></p> <p><u>With regard to any acts conducted before the conclusion of the 20th Annual General Meeting of Shareholders, the Company may, by resolution of the Board of Directors, exempt Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) from liability for damages due to negligence of duties, to the extent provided by laws and regulations.</u></p>

Proposal 3: Election of Four (4) Directors (Excluding Directors who are Audit and Supervisory Committee Members)

In the event that Proposal 2: Partial Amendments to the Articles of Incorporation is approved as originally proposed, the Company will make a transition to a company with an Audit and Supervisory Committee, and the terms of office of all five (5) Directors will expire once the amendments to the Articles of Incorporation take effect. Accordingly, the election of four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter, the same applies in this proposal) is proposed to take place after the transition to a company with an Audit and Supervisory Committee.

This proposal shall become effective under the condition that the amendments to the Articles of Incorporation in Proposal 2: Partial Amendments to the Articles of Incorporation take effect.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions and responsibilities (significant concurrent positions)	Number of shares of the Company held
1	Tetsuya Matsuoka (July 10, 1961)	April 1986 Joined Kanematsu Toshikaihatsu Co., Ltd. April 2000 Established the Company Chief Executive Officer of the Company (current position) (Significant concurrent positions) Chief Executive Officer of JINUSHI USA INC.	6,332,900 shares
	[Reasons for nomination as a candidate for Director] Mr. Tetsuya Matsuoka is the founder/president of the Company and an establisher of the JINUSHI Business model of the Company. He has led the Company to its current scale with his swift, appropriate and well-balanced managerial judgment. The Company nominates him based on the belief that it will need him as an essential leader to the Company.		
2	Hiroshi Harada (November 24, 1966)	April 1990 Joined Kanematsu Corporation November 1999 Joined KYOCERA Corporation September 2000 Joined NIPPON PARKING DEVELOPMENT CO., LTD. August 2003 Director of Market Makers Co., Ltd. December 2004 Joined the Company November 2006 Director of the Company July 2007 Director, General Manager of Osaka Business Development Dept. of the Company June 2013 Managing Director, General Manager of Osaka Business Development Dept. of the Company July 2016 Managing Director, General Manager of Osaka Business Development Dept., General Manager of Nagoya Business Development Dept. of the Company January 2017 Senior Managing Director, General Manager of Osaka Business Development Dept., General Manager of Nagoya Business Development Dept. of the Company March 2018 Senior Managing Director in charge of Osaka and Nagoya Business Development of the Company April 2018 Senior Managing Director in charge of Osaka and Nagoya Business Development Dept., Deputy General Manager of Tokyo Business Development Dept. of the Company February 2019 Senior Managing Director in charge of Business Development Dept. of the Company June 2019 Senior Managing Director, Manager of CEO's Office of the Company December 2019 Senior Managing Director, Supervising Business Development, Manager of Tokyo Branch and General Manager of Overseas Business Dept. of the Company (current position)	- shares
	[Reasons for nomination as a candidate for Director] Mr. Hiroshi Harada was appointed Director in November 2006 for his thorough knowledge of the real estate market and his high business ability. The Company evaluates his extensive expertise in real estate market and broad network of human contacts, and nominates him based on the belief that he is suitable as a Chief Business Development Officer who can contribute to expansion of the JINUSHI Business.		

No.	Name (Date of birth)	Past experience, positions and responsibilities (significant concurrent positions)	Number of shares of the Company held	
3	Kenji Irie (March 28, 1970)	April 1990	Joined Kanematsu Toshikaihatsu Co., Ltd.	262,100 shares
		October 2000	Joined the Company	
		June 2005	Director, Manager of Finance/Accounting & General Affairs Sec. of the Company	
		October 2005	Director, General Manager of Administration Dept. of the Company	
		July 2008	Director, General Manager of Finance and Accounting Dept. of the Company	
		January 2017	Managing Director, General Manager of Finance and Accounting Dept. of the Company	
		April 2018	Managing Director in charge of Business Management and Finance Dept., General Manager of Finance Dept. of the Company	
		June 2019	Managing Director, General Manager of Finance Dept. of the Company (current position)	
	[Reasons for nomination as a candidate for Director] Mr. Kenji Irie was appointed Director in June 2005 for his extensive finance and accounting experience and managerial capacity. The Company nominates him based on the belief that he is suitable as a Chief Financial Officer for conducting the financing and financial strategies involved in the land purchases.			
4	Kazuya Matsumoto (July 24, 1965) <u>New election</u>	April 1989	Joined Yahagi Construction Co., Ltd.	15,000 shares
		October 2012	Joined the Company	
		June 2017	Deputy General Manager of Nagoya Business Development Dept. of the Company (Manager of Nagoya Branch)	
		March 2018	General Manager of Nagoya Business Development Dept. of the Company (current position) (Manager of Nagoya Branch)	
	[Reasons for nomination as a candidate for Director] The Company has evaluated Mr. Kazuya Matsumoto on his efforts to promote the expansion of the JINUSHI Business as Manager of the Nagoya Branch and extensive experience in the Nagoya area in addition to his broad network of human contacts, and nominates him based on the belief that he is suitable as a Director given his performance record to date and his knowledge.			

(Notes)

1. There are no special interests between each candidate for Director and the Company.
2. We have obtained approval for appointments from each candidate for Director, conditional upon the approval of this proposal.

Proposal 4: Election of Four (4) Directors who are Audit and Supervisory Committee Members

In the event that Proposal 2: Partial Amendments to the Articles of Incorporation is approved as originally proposed, the Company will make a transition to a company with an Audit and Supervisory Committee. Therefore, the election of four (4) Directors who are Audit and Supervisory Committee Members is proposed.

The Company has obtained the approval of Audit & Supervisory Board for the submission of this proposal.

This proposal shall become effective under the condition that the amendments to the Articles of Incorporation in Proposal 2: Partial Amendments to the Articles of Incorporation take effect.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions and responsibilities (significant concurrent positions)	Number of shares of the Company held
1	Hiroyuki Nishimura (August 11, 1958) New election Outside Director Independent Director	April 1983 Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.) October 2008 Joined Korea Exchange Bank Compliance Officer of Osaka Branch April 2013 Compliance Officer Supervising Japan Region of Korea Exchange Bank September 2015 Compliance Officer Supervising Japan Region of KEB Hana Bank (current position)	- shares
	[Reasons for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member] The Company nominates Mr. Hiroyuki Nishimura based on the belief that he is suitable as an Outside Director who is an Audit and Supervisory Committee Member because he has a wealth of knowledge and experience accumulated as a person responsible for the compliance section in a financial institution.		
2	Akira Shimizu (November 10, 1957) New election Outside Director Independent Director	April 1981 Joined SHIMIZU TAX OFFICE (current position) April 1989 Joined Asahi & Co. (currently KPMG AZSA LLC.) August 1993 Registered as certified public accountant August 2000 Outside Audit & Supervisory Board Member of Faith, Inc. (current position) October 2000 Registered as licensed tax accountant November 2006 Audit & Supervisory Board Member of the Company (current position) July 2016 Partner of Higashiginza Audit Company (current position) (Significant concurrent positions) Partner of Higashiginza Audit Company Outside Audit & Supervisory Board Member of Faith, Inc.	18,500 shares
	[Reasons for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member] Although Mr. Akira Shimizu has not been directly involved in corporate management in the past, other than as an outside officer, the Company nominates him based on the belief that he is suitable as an Outside Director who is an Audit and Supervisory Committee Member because he is capable of appropriately fulfilling the duties by capitalizing on his experience as an Audit & Supervisory Board Member of other listed companies and from a professional perspective as a certified public accountant and licensed tax accountant. He will have served as Outside Audit & Supervisory Board Member of the Company for a period of thirteen years and seven months at the conclusion of this Annual General Meeting of Shareholders.		

No.	Name (Date of birth)	Past experience, positions and responsibilities (significant concurrent positions)	Number of shares of the Company held
3	<p>Yoshihiro Taniguchi (July 30, 1946)</p> <p><input type="checkbox"/> New election</p> <p><input type="checkbox"/> Outside Director</p> <p><input type="checkbox"/> Independent Director</p>	<p>April 1969 Joined KURABO INDUSTRIES LTD.</p> <p>March 1993 General Manager of Planning and Development Department of KURABO INDUSTRIES LTD.</p> <p>April 1996 General Manager of Cotton Synthetic Fiber Planning Department of KURABO INDUSTRIES LTD.</p> <p>November 1998 General Manager of Textile Products Department of KURABO INDUSTRIES LTD.</p> <p>June 2000 Full-time Auditor & Supervisory Committee Member of KURABO INDUSTRIES LTD.</p> <p>September 2006 Corporate Auditor of Aramis Company Limited (current position)</p> <p>June 2010 Resigned full-time Auditor & Supervisory Committee Member of KURABO INDUSTRIES LTD.</p> <p>June 2013 Audit & Supervisory Board Member of the Company (current position)</p> <p>(Significant concurrent positions) Corporate Auditor of Aramis Company Limited</p>	1,000 shares
	<p>[Reasons for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member]</p> <p>The Company nominates Mr. Yoshihiro Taniguchi based on the belief that he is suitable as an Outside Director who is an Audit and Supervisory Committee Member because he is capable of auditing the overall management of the Company and providing useful advice by capitalizing on his wealth of experience and broad insight accumulated as a full-time Auditor & Supervisory Committee Member at a listed company. He will have served as Outside Audit & Supervisory Board Member of the Company for a period of seven years at the conclusion of this Annual General Meeting of Shareholders.</p>		
4	<p>Kensuke Shiwa (December 11, 1978)</p> <p><input type="checkbox"/> New election</p> <p><input type="checkbox"/> Outside Director</p> <p><input type="checkbox"/> Independent Director</p>	<p>October 2006 Registered as attorney Joined Kitahama Partners</p> <p>January 2014 Established Shiwa Law Office Representative</p> <p>June 2018 Director of the Company (current position)</p> <p>July 2018 Attorney of Shiwa Takahashi Law Office (current position)</p>	- shares
	<p>[Reasons for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member]</p> <p>Although Mr. Kensuke Shiwa has not been directly involved in corporate management in the past, the Company nominates him based on the belief that he is suitable as an Outside Director who is an Audit and Supervisory Committee Member because he has a high degree of expertise in corporate legal affairs as well as wealth of knowledge and experience as an attorney. He will have served as Outside Director of the Company for a period of two years at the conclusion of this Annual General Meeting of Shareholders.</p>		

(Notes)

1. There are no special interests between each candidate for Director who is an Audit and Supervisory Committee Member and the Company.
2. We have obtained approval for appointments from each candidate for Director who is an Audit and Supervisory Committee Member, conditional upon the approval of this proposal.
3. Messrs. Akira Shimizu, Yoshihiro Taniguchi, and Kensuke Shiwa are candidates for Outside Director. The Company has reported them to the Tokyo Stock Exchange and Nagoya Stock Exchange as Independent Director stipulated by the said Exchanges. If they are elected as originally proposed, they will remain as Independent Directors.
4. Mr. Hiroyuki Nishimura is a candidate for Outside Director and satisfies the Independence Standards for Outside Officers stipulated by the Tokyo Stock Exchange and Nagoya Stock Exchange. If he is elected as originally proposed, the Company plans to report him as Independent Director to the said Exchanges.
5. Messrs. Akira Shimizu, Yoshihiro Taniguchi, and Kensuke Shiwa have concluded with the Company liability limitation agreements that limits the amount of liability as provided in Article 423, Paragraph 1 of the Companies Act to the minimum amount of liability stipulated by laws and regulations. If each of them is elected as originally proposed, the Company plans to continue the said liability limitation agreement with them.
6. If Mr. Hiroyuki Nishimura is elected as originally proposed, the Company plans to conclude a liability limitation agreement with him that limits the amount of liability as provided in Article 423, Paragraph 1 of the Companies Act to the minimum amount of liability stipulated by laws and regulations.

Proposal 5: Determination of Remuneration, etc., for Directors (Excluding Directors who are Audit and Supervisory Committee Members)

The remuneration, etc., for Directors of the Company was approved to be 800 million yen or less per annum (of which the maximum amount of remuneration for Outside Directors is 50 million yen, excluding the portions of their salaries as employees) at the 15th Annual General Meeting of Shareholders held on June 25, 2015. However, if Proposal 2: Partial Amendments to the Articles of Incorporation is approved as originally proposed, the Company will make a transition to a company with an Audit and Supervisory Committee. Considering the status of various factors such as recent economic trends, the Company proposes that the remuneration, etc., amount for Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter, the same applies in this proposal) shall be 800 million yen or less per annum after the transition to a company with an Audit and Supervisory Committee, and that the specific amount, timing of payment, etc., for each Director shall be determined by resolution of the Board of Directors.

Furthermore, the remuneration, etc., shall not include compensation as an employee for those who serve as both employees and Directors.

The number of Directors is currently five (5) including one (1) Outside Director. If Proposal 2: Partial Amendments to the Articles of Incorporation and Proposal 3: Election of Four (4) Directors (Excluding Directors who are Audit and Supervisory Committee Members) are approved as originally proposed, the number of Directors will be four (4).

This proposal shall become effective under the condition that the amendments to the Articles of Incorporation in Proposal 2: Partial Amendments to the Articles of Incorporation take effect.

Proposal 6: Determination of Remuneration, etc., for Directors who are Audit and Supervisory Committee Members

If Proposal 2: Partial Amendments to the Articles of Incorporation is approved as originally proposed, the Company will make a transition to a company with an Audit and Supervisory Committee. Considering the status of various factors such as recent economic trends, the Company proposes that the remuneration, etc., amount for Directors who are Audit and Supervisory Committee Members shall be 100 million yen or less per annum after the transition to a company with an Audit and Supervisory Committee, and that the specific amount, timing of payment, etc., for each Director who is an Audit and Supervisory Committee Member shall be determined through deliberation by Directors who are Audit and Supervisory Committee Members.

If Proposal 2: Partial Amendments to the Articles of Incorporation and Proposal 4: Election of Four (4) Directors who are Audit and Supervisory Committee Members are approved as originally proposed, the number of Directors who are Audit and Supervisory Committee Members will be four (4).

This proposal shall become effective under the condition that the amendments to the Articles of Incorporation in Proposal 2: Partial Amendments to the Articles of Incorporation take effect.