

To Shareholders with Voting Rights:

Takeshi Matsuzono
Managing Director
JAC Recruitment Co., Ltd.
14F Jinbocho Mitsui Building,
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**NOTICE OF
THE 32ND 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 32nd 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 22, 2019 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 32nd Fiscal Year (January 1, 2018 - December 31, 2018) 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 32nd Fiscal Year (January 1, 2018 - December 31, 2018)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Partial Amendments to Articles of Incorporation
Proposal 3: Election of 6 Directors
Proposal 4: Election of 1 Substitute Audit & Supervisory Board Member
Proposal 5: Revision to Remuneration for Directors

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, 2018)

(Millions of yen)

(Assets)		(Liabilities)	
Item	Amount	Item	Amount
Current assets	11,952	Current liabilities	4,782
Cash and deposits	9,586	Lease obligations	1
Accounts receivable - trade	1,331	Accounts payable - other	463
Supplies	5	Accrued expenses	2,206
Prepaid expenses	244	Income taxes payable	1,149
Deferred tax assets	694	Accrued consumption taxes	453
Accounts receivable - other	55	Deposits received	172
Other	54	Unearned revenue	81
Allowance for doubtful accounts	(21)	Provision for stocks payment	181
Non-current assets	6,773	Provision of contract cancellation	72
Property, plant and equipment	276	Non-current liabilities	0
Buildings	161	Lease obligations	0
Machinery and equipment	16	Total liabilities	4,783
Vehicles	0	(Net Assets)	
Tools, furniture and fixtures	95	Shareholders' equity	13,840
Leased assets	2	Capital stock	619
Intangible assets	2,697	Capital surplus	1,569
Goodwill	2,034	Retained earnings	12,201
Software	87	Treasury stock	(550)
Software in progress	575	Accumulated other comprehensive income	22
Investments and other assets	3,799	Foreign currency translation adjustment	22
Investment securities	2,904	Subscription rights to shares	79
Investments in capital	0		
Lease and guarantee deposits	789		
Claims provable in bankruptcy, claims provable in rehabilitation and other	3		
Deferred tax assets	105		
Long-term accounts receivable - other	9		
Allowance for doubtful accounts	(13)	Total net assets	13,942
Total assets	18,725	Total liabilities and net assets	18,725

Note: Figures less than one million are rounded down.

Consolidated Statement of Income
(From January 1, 2018 to December 31, 2018)

(Millions of yen)

Item	Amount	
Net sales		
Domestic recruitment business income	18,754	
Domestic job offer advertising business income	325	
Overseas business income	4,038	
Reversal of provision of contract cancellation	18	
Provision of contract cancellation	(72)	23,064
Cost of sales		
Domestic recruitment business cost	896	
Domestic job offer advertising business cost	2	
Overseas business cost	1,363	2,262
Gross profit		20,801
Selling, general and administrative expenses		15,270
Operating income		5,531
Non-operating income		
Interest income	20	
Subsidy income	4	
Rent income on facilities	2	
Other	11	38
Non-operating expenses		
Interest expenses	0	
Bad debts expenses	0	
Other	0	0
Ordinary income		5,568
Extraordinary income		
Gain on sales of non-current assets	1	1
Extraordinary losses		
Loss on retirement of non-current assets	1	1
Profit before income taxes		5,568
Income taxes - current	1,909	
Income taxes - deferred	(248)	1,660
Profit		3,908
Profit attributable to owners of parent		3,908

Note: Figures less than one million are rounded down.

Consolidated Statement of Changes in Shareholders' Equity

(From January 1, 2018 to December 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of the year	619	1,569	10,358	(702)	11,845
Changes of items during the year					
Dividends of surplus			(2,064)		(2,064)
Profit attributable to owners of parent			3,908		3,908
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				152	152
Net changes of items other than shareholders' equity					
Total amount of changes during the year	-	-	1,843	152	1,995
Balance at end of the year	619	1,569	12,201	(550)	13,840

	Accumulated other comprehensive income		Subscription rights to shares	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of the year	-	-	43	11,889
Changes of items during the year				
Dividends of surplus				(2,064)
Profit attributable to owners of parent				3,908
Purchase of treasury shares				(0)
Disposal of treasury shares				152
Net changes of items other than shareholders' equity	22	22	35	57
Total amount of changes during the year	22	22	35	2,052
Balance at end of the year	22	22	79	13,942

Note: Figures less than one million are rounded down.

Non-Consolidated Balance Sheet

(As of December 31, 2018)

(Millions of yen)

(Assets)		(Liabilities)	
Item	Amount	Item	Amount
Current assets	9,871	Current liabilities	4,133
Cash and deposits	8,016	Lease obligations	1
Accounts receivable - trade	952	Accounts payable - other	439
Supplies	5	Accrued expenses	1,853
Prepaid expenses	179	Income taxes payable	1,050
Deferred tax assets	663	Accrued consumption taxes	397
Accounts receivable - other	39	Deposits received	171
Other	19	Unearned revenue	4
Allowance for doubtful accounts	(5)	Provision for stocks payment	176
Non-current assets	8,028	Provision of contract cancellation	38
Property, plant and equipment	249	Non-current liabilities	46
Buildings	156	Lease obligations	0
Machinery and equipment	16	Other	45
Tools, furniture and fixtures	74	Total liabilities	4,180
Leased assets	2	(Net Assets)	
Intangible assets	628	Shareholders' equity	13,640
Software	54	Capital stock	619
Software in progress	573	Capital surplus	1,569
Investments and other assets	7,151	Legal capital surplus	594
Shares of subsidiaries and associates	3,422	Other capital surplus	975
Investment securities	2,904	Retained earnings	12,001
Investments in capital	0	Legal retained earnings	1
Lease and guarantee deposits	722	Other retained earnings	12,000
Claims provable in bankruptcy, claims provable in rehabilitation and other	3	Retained earnings brought forward	12,000
Deferred tax assets	101	Treasury stock	(550)
Long-term accounts receivable - other	9	Subscription rights to shares	79
Allowance for doubtful accounts	(13)	Total net assets	13,719
Total assets	17,899	Total liabilities and net assets	17,899

Note: Figures less than one million are rounded down.

Non-Consolidated Statement of Income
(From January 1, 2018 to December 31, 2018)

(Millions of yen)

Item	Amount	
Net sales		
Domestic recruitment business revenue	18,142	
Reversal of provision of contract cancellation	12	
Provision of contract cancellation	(38)	18,116
Cost of sales		
Domestic recruitment business cost	867	867
Gross profit		17,249
Selling, general and administrative expenses		11,957
Operating income		5,291
Non-operating income		
Interest income	15	
Rent income on facilities	4	
Gain on sales of goods	2	
Other	3	25
Non-operating expenses		
Interest expenses	0	
Bad debts expenses	0	
Other	0	1
Ordinary income		5,316
Extraordinary losses		
Loss on retirement of non-current assets	1	1
Profit before income taxes		5,314
Income taxes - current	1,755	
Income taxes - deferred	(236)	1,519
Profit		3,795

Note: Figures less than one million are rounded down.

Non-Consolidated Statement of Changes in Shareholders' Equity

(From January 1, 2018 to December 31, 2018)

(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	10,269	10,270
Changes of items during the year							
Dividends of surplus						(2,064)	(2,064)
Net income						3,795	3,795
Purchase of treasury shares							
Disposal of treasury shares							
Net changes of items other than shareholders' equity							
Total amount of changes during the year	-	-	-	-	-	1,730	1,730
Balance at end of the year	619	594	975	1,569	1	12,000	12,001

	Shareholders' equity		Subscription rights to shares	Total net assets
	Treasury shares	Total shareholders' equity		
Balance at beginning of the year	(702)	11,757	43	11,801
Changes of items during the year				
Dividends of surplus		(2,064)		(2,064)
Net income		3,795		3,795
Purchase of treasury shares	(0)	(0)		(0)
Disposal of treasury shares	152	152		152
Net changes of items other than shareholders' equity			35	35
Total amount of changes during the year	152	1,882	35	1,918
Balance at end of the year	(550)	13,640	79	13,719

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:
¥65 per share of the Company's common stock
Total amount: ¥2,683,935,605
3. Effective date of dividends of surplus:
March 25, 2019

Proposal 2: Partial Amendments to Articles of Incorporation

4. Reasons for the amendments
Aiming to improve the objectivity and transparency of decision-making, the Company requests your approval to partially amend the current Articles of Incorporation so that an External Director who is independent of business execution can serve as Chairman of the Board of Directors.
5. Details of the amendments
The details of the proposed amendments are as follows.

(Amendments are underlined.)

Current Articles of Incorporation	Proposed Amendments
(Convener and Chairman of Board of Directors' Meetings) Article 24. Unless otherwise provided for by laws and regulations, the managing director shall <u>convene meetings of the Board of Directors and serve as Chairman</u> . In the event that the managing director has an accident, another Director shall <u>convene the meeting and chair it</u> in accordance with an order determined in advance by the Board of Directors. (Section 2 is newly established)	(Convener and Chairman of Board of Directors' Meetings) Article 24. Unless otherwise provided for by laws and regulations, the managing director shall <u>convene meetings of the Board of Directors</u> . In the event that the managing director has an accident, another Director shall <u>convene the meeting</u> in accordance with an order determined in advance by the Board of Directors. <u>(2) The Director appointed in advance by the Board of Directors shall be the Chairman of the meetings of the Board of Directors. In the event that the director has an accident, another Director shall be the Chairman in accordance with an order determined in advance by the Board of Directors.</u>

Proposal 3: 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.</p> <p>May 2016 Managing Director of JAC International Co., Ltd.</p> <p>June 2016 General Manager, Business Headquarters of the Company</p>	285,600
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> <p>March 2018 Director and COO of JAC Recruitment Asia Ltd (to present)</p> <p>April 2018 General Manager, Overseas Business Headquarters of the Company (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.</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</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 Managing Director of JAC Recruitment Asia Ltd</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>	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</p> <p>September 2013 Director of JAC Strattons Ltd</p> <p>August 2016 Chairman of The Tazaki Foundation (to present)</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 (to present)</p> <p>[Significant concurrent positions] Special Adviser of Sojitz Corporation External Director of Sekisui Chemical Co., Ltd.</p>	-

(Notes)

1. No conflict of interest exists between all the candidates and the Company.
2. Mr. Shigeoki Togo and Mr. Yutaka Kase are candidates for External Directors.
3. Mr. Shigeoki Togo and Mr. Yutaka Kase are independent candidates based on provisions of the Tokyo Stock Exchange.
4. The term of office of Mr. Shigeoki Togo as a Director of the Company will be four years at the conclusion of this General Meeting of Shareholders.
5. The term of office of Mr. Yutaka Kase as a Director of the Company will be three years 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 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.

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 eleven 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 eleven countries. 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, 2018.

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: Revision to Remuneration for Directors

Pursuant to the resolution of the 28th Annual General Meeting of Shareholders held on March 25, 2015, the amount of remuneration for Directors of the Company is 500 million yen or less per year (excluding employee salaries). Since then it has been four years, and taking into consideration the various circumstances including changes in economic conditions, as well as the possibility of increasing the number of Internal and External Directors resulting from business expansion in the future, the Company proposes the amount of remuneration for Directors be set at 1,000 million yen or less per year (excluding employee salaries).

The number of eligible Directors will be six (including two External Directors) if the proposal of the election of Directors is approved as proposed at this Annual General Meeting of Shareholders.