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(Securities Code: 7167)

June 1, 2018

To Shareholders with Voting Rights:

Kazuyoshi Terakado
President
Mebuki Financial Group, Inc.
7-2, Yaesu 2-chome, Chuo-ku,
Tokyo, Japan

NOTICE OF CONVOCATION OF THE 2ND ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 2nd Ordinary General Meeting of Shareholders (the “Meeting”) of Mebuki Financial Group, Inc. (the “Company”). The Meeting will be held as described below.

If you are unable to attend the Meeting, you can exercise your voting rights in writing by submitting the enclosed Voting Rights Exercise Form, or via the Internet, etc. Please review the Reference Documents for the Meeting (described hereinafter) and exercise your voting rights.

- 1. Date and Time:** Wednesday, June 27, 2018 at 10:00 a.m. Japan time
(Reception opens at 9:00 a.m.)
- 2. Place:** Main Hall, Tochigi Education Center
1-6, Komanyu 1-chome, Utsunomiya City, Tochigi, Japan
(The Company’s Utsunomiya Head Office location, Utsunomiya City, has been chosen as the Meeting venue. Since the venue is different from the previous year, please refer to “The Venue Information for the Ordinary General Meeting of Shareholders” (Japanese only) at the end of the notice for details.)
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee for the Company’s 2nd Fiscal Year (from April 1, 2017 to March 31, 2018)
 2. Non-consolidated Financial Statements for the Company’s 2nd Fiscal Year (from April 1, 2017 to March 31, 2018)
 - Proposals to be resolved:**
 - Proposal No. 1:** Election of Seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)
 - Proposal No. 2:** Election of Five (5) Directors who are Audit and Supervisory Committee Members
 - Proposal No. 3:** Election of One (1) Substitute Director who is an Audit and Supervisory Committee Member

Please note that souvenirs which had been provided to shareholders attending the general meeting of shareholders are no longer provided as of last year. We appreciate your understanding.

4. Exercise of Voting Rights:

Exercise of Voting Rights via Attendance at the Meeting

Please bring this notice with you and submit the enclosed Voting Rights Exercise Form to the reception upon arrival.

Exercise of Voting Rights in Writing

Please vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it by post so that it is received by the deadline. Please use the sticker on the Form to cover and protect your information.

Exercise of Voting Rights via the Internet, etc.

Please access the Company's designated voting website (<https://evote.tr.mufg.jp/>), follow the on-screen instructions and vote for or against the proposals by the deadline.

Date and Time:

Wednesday, June 27, 2018 at 10:00 a.m. Japan time
(Reception opens at 9:00 a.m.)

Deadline:

Tuesday, June 26, 2018 at 5:00 p.m. Japan time

Deadline:

Tuesday, June 26, 2018 at 5:00 p.m. Japan time

(1) Handling of duplicate voting

If you vote both in writing on the Voting Rights Exercise Form and via the Internet, etc., only your vote placed via the Internet, etc., will be deemed valid.

In addition, if you vote multiple times via the Internet, etc., only the last vote will be deemed valid.

(2) Matters to be disclosed on the Internet

A. In accordance with laws and regulations as well as Article 14 of the Articles of Incorporation of the Company, items (i) through (iii) below are posted on the Company's website and are therefore not included with this notice.

(i) "Matters regarding stock acquisition rights" in the Business Report

(ii) "Consolidated Statements of Changes in Net Assets" and "Notes to the Consolidated Financial Statements" in the Consolidated Financial Statements

(iii) "Statements of Changes in Net Assets" and "Notes to the Non-consolidated Financial Statements" in the Non-consolidated Financial Statements

The Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Audit and Supervisory Committee are the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements attached to this notice as well as items (i) through (iii) above listed on the Company's website. The Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Accounting Auditor are the Consolidated Financial Statements and Non-consolidated Financial Statements attached to this notice as well as items (ii) and (iii) above, which are posted on the Company's website.

B. Please note that any updates to the Reference Documents for the Meeting, the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements, and other information required on these documents will be posted on the Company's website.

Company's website (in Japanese): <http://www.mebuki-fg.co.jp/shareholder/>

End

◎ In the case of exercising voting rights by proxy, please appoint as a proxy one of the other shareholders holding voting rights of the Company. You cannot appoint two or more shareholders as your proxy.

◎ Please note that the Meeting will be held in Cool Biz (light) dress code. We appreciate your attendance in casual attire.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Election of Seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire at the conclusion of this Meeting. Accordingly, the election of seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members) is proposed.

The Audit and Supervisory Committee has deliberated on this proposal and has notified that there are no issues to be declared with regard to this proposal.

The details of the candidates are as follows:

No.	Name		Current positions and responsibilities at the Company
1	Ritsuo Sasajima	Reappointed	Director In charge of Corporate Planning (Corporate Planning Department)
2	Masanao Matsushita	Reappointed	Executive Vice President (Representative Director)
3	Kazuyoshi Terakado	Reappointed	President (Representative Director)
4	Yutaka Horie	Reappointed	Director In charge of Corporate Management, Risk Management, and Information Security (Corporate Management Department)
5	Eiji Murashima	Reappointed	Director In charge of Corporate Management (Basel) (Basel Office, Corporate Management Department)
6	Kazuyuki Shimizu	Reappointed	Director In charge of Regional Revitalization (Regional Revitalization Department)
7	Tetsuya Akino	Newly appointed	General Manager Corporate Planning Department

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	<p style="text-align: center;"><u>Reappointed</u></p> <p>Ritsuo Sasajima (Mar. 3, 1958)</p>	<p>Apr. 1980 Joined The Joyo Bank, Ltd.</p> <p>Jul. 2000 Deputy General Manager, Corporate Planning Division</p> <p>Jun. 2005 Senior Deputy General Manager, Corporate Planning Division</p> <p>Jun. 2006 General Manager, Koriyama Branch</p> <p>Apr. 2008 General Manager, Treasury and Securities Division</p> <p>Jun. 2009 General Manager, Corporate Planning Division</p> <p>Jun. 2011 Executive Officer and General Manager, Corporate Planning Division</p> <p>Jun. 2013 Managing Director, The Joyo Bank, Ltd.</p> <p>Oct. 2016 Director, in charge of Corporate Planning, the Company (current position)</p> <p>Jun. 2017 Senior Managing Director, The Joyo Bank, Ltd. (current position)</p> <p style="text-align: center;">(Significant concurrent positions) To be President, The Joyo Bank, Ltd.</p>	37,287 shares
<p>● Reasons for being selected as a Candidate</p> <p>Mr. Ritsuo Sasajima took office as Managing Director of The Joyo Bank, Ltd. in June 2013 and has served as Director of the Company since October 2016, accumulating abundant experience and achievements as a manager. He is selected as a candidate for Director (excluding Directors who are Audit and Supervisory Committee Members; hereinafter, the same shall apply) in the expectation that he may continue to contribute to the management of the Company.</p>			
2	<p style="text-align: center;"><u>Reappointed</u></p> <p>Masanao Matsushita (Feb. 8, 1957)</p>	<p>Apr. 1979 Joined The Ashikaga Bank, Ltd.</p> <p>Jun. 2002 General Manager, Public and Financial Institutions Division</p> <p>Aug. 2004 Deputy Chief Officer, Loan Headquarters</p> <p>Oct. 2005 General Manager, Isesaki Branch</p> <p>Apr. 2007 General Manager, Mooka Branch</p> <p>Jan. 2009 Executive Officer</p> <p>Jun. 2012 Executive Officer, General Manager, Corporate Planning Department, Ashikaga Holdings Co., Ltd. Managing Executive Officer, Corporate Planning Division, The Ashikaga Bank, Ltd.</p> <p>Apr. 2014 Executive Officer, Ashikaga Holdings Co., Ltd. Managing Executive Officer, The Ashikaga Bank, Ltd.</p> <p>Jun. 2014 Director, President and Chief Executive Officer, Ashikaga Holdings Co., Ltd. Director, President and Chief Executive Officer, The Ashikaga Bank, Ltd.</p> <p>Jun. 2016 President, The Ashikaga Bank, Ltd. (current position)</p> <p>Oct. 2016 Executive Vice President, the Company (current position)</p> <p style="text-align: center;">(Significant concurrent positions) President, The Ashikaga Bank, Ltd.</p>	20,800 shares
<p>● Reasons for being selected as a Candidate</p> <p>Since taking office as Executive Officer of The Ashikaga Bank, Ltd. in January 2009, Mr. Masanao Matsushita has accumulated abundant experience and achievements as a manager through his positions as Director, President and Chief Executive Officer of Ashikaga Holdings Co., Ltd., Director, President and Chief Executive Officer as well as President of The Ashikaga Bank, Ltd., and Executive Vice President of the Company since October 2016. He is selected as a candidate for Director in the expectation that he may continue to contribute to the management of the Company.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	<p style="text-align: center;">Reappointed</p> <p>Kazuyoshi Terakado (Jan. 28, 1952)</p>	<p>Apr. 1974 Joined The Joyo Bank, Ltd. Jul. 1994 Deputy Director-General, Strategic Planning Division Jun. 1996 General Manager, Taga Branch Jul. 1998 Senior Deputy General Manager, Business Administration Division Jun. 1999 Senior Deputy General Manager, Retail Banking Planning Division Jul. 2000 Senior Deputy General Manager, Retail Banking Division Jun. 2001 General Manager, Retail Banking Division and General Manager, Living and Business Consulting Center Jun. 2002 General Manager, Corporate Planning Division Jun. 2003 Executive Officer and General Manager, Corporate Planning Division Jun. 2005 Managing Director Jun. 2009 Senior Managing Director Jun. 2011 President, The Joyo Bank, Ltd. (current position) Oct. 2016 President, the Company (current position)</p> <p style="text-align: center;">(Significant concurrent positions) To be Chairman and Director, The Joyo Bank, Ltd.</p>	111,272 shares
<p>● Reasons for being selected as a Candidate Since taking office as Managing Director of The Joyo Bank, Ltd. in June 2005, Mr. Kazuyoshi Terakado has accumulated abundant experience and achievements as a manager through his positions at the said bank as Senior Managing Director, President, and the President of the Company since October 2016. He is selected as a candidate for Director in the expectation that he may continue to contribute to the management of the Company.</p>			
4	<p style="text-align: center;">Reappointed</p> <p>Yutaka Horie (Nov. 11, 1957)</p>	<p>Apr. 1980 Joined The Ashikaga Bank, Ltd. Jun. 2001 General Manager, Kiryu Nishi Branch Jun. 2002 General Manager, Risk Management Office Jun. 2004 General Manager, General Administration Division Jun. 2006 General Manager, Personnel Division Sep. 2006 General Manager, Koriyama Branch Apr. 2008 General Manager, Takasaki Branch Jun. 2009 Executive Officer Apr. 2014 Managing Executive Officer Apr. 2015 Executive Officer, General Manager, Corporate Management Department, Ashikaga Holdings Co., Ltd. Senior Managing Executive Officer, The Ashikaga Bank, Ltd. Jun. 2016 Senior Managing Director, The Ashikaga Bank, Ltd. (current position) Jun. 2017 Director, in charge of Corporate Management, Risk Management, and Information Security, the Company (current position)</p> <p style="text-align: center;">(Significant concurrent positions) Senior Managing Director, The Ashikaga Bank, Ltd.</p>	10,400 shares
<p>● Reasons for being selected as a Candidate Since taking office as Executive Officer of The Ashikaga Bank, Ltd. in June 2009, Mr. Yutaka Horie has accumulated abundant experience and achievements as a manager through his positions as Executive Officer, General Manager, Corporate Management Department of Ashikaga Holdings Co., Ltd., Senior Managing Executive Officer as well as Senior Managing Director of The Ashikaga Bank, Ltd., and Director of the Company since June 2017. He is selected as a candidate for Director in the expectation that he may continue to contribute to the management of the Company.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	<p>Reappointed</p> <p>Eiji Murashima (Jul. 1, 1955)</p>	<p>Apr. 1979 Joined The Joyo Bank, Ltd.</p> <p>Jul. 1999 General Manager, Misato Branch</p> <p>Jun. 2001 General Manager, Legal Office, Corporate Audit Division</p> <p>Jun. 2005 General Manager, Corporate Risk Management Division</p> <p>Jun. 2007 General Manager, Corporate Audit Division</p> <p>Jun. 2008 General Manager, Retail Banking Division</p> <p>Jun. 2010 Executive Officer and General Manager, Business Administration Division</p> <p>Jun. 2011 Executive Officer and General Manager, Business Promotion Division</p> <p>Jun. 2012 Managing Executive Officer and Vice Director-General of Business Headquarters</p> <p>Jun. 2013 Managing Director, The Joyo Bank, Ltd. (current position)</p> <p>Oct. 2016 Director, in charge of Corporate Management (Basel), the Company (current position)</p> <p>(Significant concurrent positions) To be Senior Managing Director, The Joyo Bank, Ltd.</p>	58,578 shares
<p>● Reasons for being selected as a Candidate</p> <p>Mr. Eiji Murashima took office as Managing Director of The Joyo Bank, Ltd. in June 2013 and has served as Director of the Company since October 2016, accumulating abundant experience and achievements as a manager. He is selected as a candidate for Director in the expectation that he may continue to contribute to the management of the Company.</p>			
6	<p>Reappointed</p> <p>Kazuyuki Shimizu (Sep. 11, 1961)</p>	<p>Apr. 1984 Joined The Ashikaga Bank, Ltd.</p> <p>Oct. 2004 Chief Manager, Financial Planning Headquarters</p> <p>Jun. 2006 General Manager, Planning Division</p> <p>Jun. 2008 General Manager, Management Planning Division</p> <p>Jul. 2008 General Manager, Management Planning Department, Ashikaga Holdings Co., Ltd. (concurrent position)</p> <p>Jan. 2009 General Manager, Tochigi Branch, The Ashikaga Bank, Ltd.</p> <p>Jun. 2010 General Manager, Utsunomiya Chuo Branch</p> <p>Apr. 2012 Executive Officer, General Manager, Business Promotion Division</p> <p>Jun. 2012 Executive Officer, General Manager, Business Planning Division</p> <p>Apr. 2014 Executive Officer, General Manager, Corporate Management Department, Ashikaga Holdings Co., Ltd. Executive Officer, The Ashikaga Bank, Ltd.</p> <p>Apr. 2015 Executive Officer, General Manager, Corporate Planning Department, Ashikaga Holdings Co., Ltd. Managing Executive Officer, The Ashikaga Bank, Ltd.</p> <p>Jun. 2016 Managing Director, The Ashikaga Bank, Ltd. (current position)</p> <p>Oct. 2016 Director, in charge of Corporate Management, Risk Management, and Information Security, the Company</p> <p>Jun. 2017 Director, in charge of Regional Revitalization, the Company (current position)</p> <p>(Significant concurrent positions) To be Senior Managing Director, The Ashikaga Bank, Ltd.</p>	11,100 shares
<p>● Reasons for being selected as a Candidate</p> <p>Since taking office as Executive Officer of Ashikaga Holdings Co., Ltd. and The Ashikaga Bank, Ltd. in April 2014, Mr. Kazuyuki Shimizu has accumulated abundant experience and achievements as a manager through his positions as Executive Officer, General Manager, Corporate Planning Department of Ashikaga Holdings Co., Ltd., Managing Executive Officer and Managing Director of The Ashikaga Bank, Ltd., and Director of the Company since October 2016. He is selected as a candidate for Director in the expectation that he may continue to contribute to the management of the Company.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
7	<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Newly appointed</div> Tetsuya Akino (May 23, 1963)	Apr. 1986 Joined The Joyo Bank, Ltd. Mar. 2006 Corporate Management Division Jun. 2008 Deputy General Manager, Business Administration Division Jun. 2011 Senior Deputy General Manager, Business Administration Division Jun. 2012 General Manager, Shimotsuma Branch Jun. 2013 General Manager, Corporate Risk Management Division Jun. 2015 General Manager, Personnel Division Jun. 2016 Executive Officer and General Manager, Personnel Division Oct. 2016 General Manager in charge of Corporate Management Department, the Company Jun. 2017 General Manager, Corporate Planning Department, the Company (current position) Executive Officer and General Manager, Corporate Planning Division, The Joyo Bank, Ltd. (current position) (Significant concurrent positions) To be Managing Director, The Joyo Bank, Ltd.	20,450 shares
<p>● Reasons for being selected as a Candidate</p> <p>Since taking office as General Manager in charge of Corporate Management Department of the Company in October 2016, Mr. Tetsuya Akino has accumulated abundant experience and achievements in corporate planning and corporate management of the Company and The Joyo Bank, Ltd., through his positions such as General Manager of Corporate Planning Department. He is selected as a candidate for Director in the expectation that he may contribute to the management of the Company.</p>			

(Note) There are no specific interests between each candidate and the Company.

Proposal No. 2: Election of Five (5) Directors who are Audit and Supervisory Committee Members

The terms of office of all five (5) Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this Meeting. Accordingly, the election of five (5) Directors who are Audit and Supervisory Committee Members is proposed.

This proposal has received the consent from the Audit and Supervisory Committee.

The details of the candidates are as follows:

No.	Name		Current positions and responsibilities at the Company
1	Yoshiaki Terakado	Reappointed	Director (Audit and Supervisory Committee Member) (Full-time Audit and Supervisory Committee Member)
2	Kunihiro Ono	Reappointed	Director (Audit and Supervisory Committee Member) (Full-time Audit and Supervisory Committee Member)
3	Ryuzaburo Kikuchi	Reappointed	Director (Audit and Supervisory Committee Member) (Outside Director)
4	Toru Nagasawa	Reappointed	Director (Audit and Supervisory Committee Member) (Outside Director)
5	Takashi Shimizu	Reappointed	Director (Audit and Supervisory Committee Member) (Outside Director)

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	<p style="text-align: center;"><u>Reappointed</u></p> <p>Yoshiaki Terakado (June 4, 1950)</p>	<p>Apr. 1974 Joined The Joyo Bank, Ltd.</p> <p>Apr. 1995 Deputy General Manager, Personnel Division</p> <p>Apr. 2000 Senior Deputy General Manager, Personnel Division</p> <p>Jun. 2002 General Manager, Kencho Branch</p> <p>Jun. 2004 Executive Officer and General Manager, Retail Banking Division</p> <p>Jun. 2006 Executive Officer and General Manager, Business Administration Division</p> <p>Jun. 2008 Standing Corporate Auditor</p> <p>Jun. 2016 Retired from position as Standing Corporate Auditor</p> <p>Oct. 2016 Director (Audit and Supervisory Committee Member), the Company (current position)</p> <p style="text-align: center;">(Significant concurrent positions)</p>	40,863 shares
<p>● Reasons for being selected as a Candidate</p> <p>Mr. Yoshiaki Terakado took office as Standing Corporate Auditor of The Joyo Bank, Ltd. in June 2008, and served as Director (Audit and Supervisory Committee Member) of the Company since October 2016. He has the knowledge and experience to accurately, fairly and effectively implement the business management of the Company. He is selected as a candidate for Director who is Audit and Supervisory Committee Member in the expectation that he may continue to contribute to the management of the Company.</p>			
2	<p style="text-align: center;"><u>Reappointed</u></p> <p>Kunihiro Ono (Jan. 11, 1957)</p>	<p>Apr. 1980 Joined The Ashikaga Bank, Ltd.</p> <p>Jun. 2003 General Manager, Ohira Branch</p> <p>Oct. 2004 General Manager, Shinjuku Branch</p> <p>Oct. 2007 General Manager, Operation Planning Division</p> <p>Jun. 2010 Executive Officer, General Manager, New Accounting System Transition Promotion Division</p> <p>Oct. 2011 Executive Officer</p> <p>Jun. 2012 Director</p> <p>Jun. 2013 Director, Ashikaga Holdings Co., Ltd.</p> <p>Jun. 2016 Retired from position as Director, The Ashikaga Bank, Ltd.</p> <p>Oct. 2016 Director (Audit and Supervisory Committee Member), the Company (current position)</p> <p>Jun. 2017 Corporate Auditor, Mebuki Lease Co.,Ltd. (current position)</p> <p style="text-align: center;">(Significant concurrent positions)</p> <p style="text-align: center;">Corporate Auditor, Mebuki Lease Co.,Ltd.</p>	9,900 shares
<p>● Reasons for being selected as a Candidate</p> <p>Mr. Kunihiro Ono took office as Executive Officer of The Ashikaga Bank, Ltd. in June 2010, and served as Director of The Ashikaga Bank, Ltd. since June 2012, Director (Audit Committee Member) of Ashikaga Holdings Co., Ltd. since June 2013, and Director (Audit and Supervisory Committee Member) of the Company since October 2016. He has the knowledge and experience to accurately, fairly and effectively implement the business management of the Company. He is selected as a candidate for Director who is Audit and Supervisory Committee Member in the expectation that he may continue to contribute to the management of the Company.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	<div style="text-align: center;"> Reappointed Outside Independent </div> <p>Ryuzaburo Kikuchi (Aug. 27, 1940)</p>	<p>Apr. 1969 Lecturer, Mito Junior College Apr. 1971 Associate Professor, Mito Junior College Apr. 1972 Institutional Assistant, Ibaraki University Apr. 1974 Lecturer, Ibaraki University Apr. 1976 Associate Professor, Ibaraki University Apr. 1986 Professor, Ibaraki University Sep. 1996 Dean, College of Education and Education Research Council Member, Ibaraki University Sep. 2004 President, National University Corporation Ibaraki University Aug. 2008 Retired from position as President, National University Corporation Ibaraki University Jun. 2009 Outside Director, The Joyo Bank, Ltd. Sep. 2013 Special Assignment Professor, College of Human Science, Department of Education, Tokiwa University (current position) Jun. 2016 Retired from position as Outside Director, The Joyo Bank, Ltd. Oct. 2016 Outside Director (Audit and Supervisory Committee Member), the Company (current position)</p> <p style="text-align: center;">(Significant concurrent positions)</p>	18,306 shares
<p>● Reasons for being selected as a Candidate Mr. Ryuzaburo Kikuchi does not have experience related to business management other than as Outside Officer, but has specialized knowledge and extensive experience for many years in college education, and has conducted his duties appropriately as Outside Director of The Joyo Bank, Ltd. since June 2009, and Outside Director (Audit and Supervisory Committee Member) of the Company since October 2016. He is selected as a candidate for Outside Director who is Audit and Supervisory Committee Member in the expectation that he may continue to provide guidance and advice from a specialist's perspective in relation to the overall business management of the Company. His term of office as Outside Director (Audit and Supervisory Committee Member) of the Company will be one year and nine months at the conclusion of this Meeting.</p>			
4	<div style="text-align: center;"> Reappointed Outside Independent </div> <p>Toru Nagasawa (Jan. 15, 1959)</p>	<p>Apr. 1984 Admitted as an attorney Apr. 1995 Nagasawa Law Office (Currently, Nagasawa General Law Office) opened, Representative Attorney (current position) Sep. 2007 Outside Corporate Auditor, GREE, Inc. (current position) Jun. 2015 Outside Director, Toho Holdings Co., Ltd. (current position) Jun. 2016 Outside Director, Ashikaga Holdings Co., Ltd. Oct. 2016 Outside Director (Audit and Supervisory Committee Member), the Company (current position)</p> <p style="text-align: center;">(Significant concurrent positions) Representative Attorney, Nagasawa General Law Office Outside Corporate Auditor, GREE, Inc. Outside Director, Toho Holdings Co., Ltd.</p>	- shares
<p>● Reasons for being selected as a Candidate Mr. Toru Nagasawa does not have experience related to business management other than as Outside Officer, but has specialized knowledge and experience in corporate legal affairs as an attorney, and has conducted his duties appropriately as Outside Director of Ashikaga Holdings Co., Ltd. since June 2016, and Outside Director (Audit and Supervisory Committee Member) of the Company since October 2016. He is selected as a candidate for Outside Director who is Audit and Supervisory Committee Member in the expectation that he may continue to provide guidance and advice from a specialist's perspective in relation to the overall business management of the Company. His term of office as Outside Director (Audit and Supervisory Committee Member) of the Company will be two years and his term of office as Director (Audit and Supervisory Committee Member) will be one year and nine months at the conclusion of this Meeting.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Reappointed</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Independent</div> Takashi Shimizu (Aug. 14, 1959)	Apr. 1995 Lecturer, School of Commerce, Waseda University Apr. 1997 Associate Professor, School of Commerce, Waseda University Sep. 2000 PhD, Commerce, (Waseda University) Apr. 2002 Professor, School of Commerce, Waseda University Aug. 2002 Visiting Researcher, Berkeley, University of California (until August 2003) Apr. 2005 Professor, Graduate School of Accounting, Waseda University (current position) Oct. 2016 Outside Director (Audit and Supervisory Committee Member), the Company (current position) (Significant concurrent positions) Professor, Graduate School of Accounting, Waseda University	- shares
<p>● Reasons for being selected as a Candidate</p> <p>Mr. Takashi Shimizu does not have experience related to business management other than as Outside Officer, but has specialized knowledge and extensive experience in accounting, and has conducted his duties appropriately as Outside Director (Audit and Supervisory Committee Member) of the Company since October 2016. He is selected as a candidate for Outside Director who is Audit and Supervisory Committee Member in the expectation that he may continue to provide guidance and advice from a specialist's perspective in relation to the overall business management of the Company. His term of office as Outside Director (Audit and Supervisory Committee Member) of the Company will be one year and nine months at the conclusion of this Meeting.</p>			

- (Notes)
1. There are no specific interests between each candidate and the Company.
 2. The three persons of Messrs. Ryuzaburo Kikuchi, Toru Nagasawa and Takashi Shimizu, are candidates for Outside Director.
 3. The three persons of Messrs. Ryuzaburo Kikuchi, Toru Nagasawa and Takashi Shimizu, are candidates for Outside Director, and in case they are elected and take office as an Outside Director who are Audit and Supervisory Committee Member, the Company will continue liability limitation agreements with them pursuant to Article 427, Paragraph 1 of the Companies Act. The limit of liability under such agreements shall be limited to the minimum amount stipulated by the Article 425, Paragraph 1 of the Companies Act, or the amount previously set of ten (10) million yen or more, whichever is greater.
 4. The three persons of Messrs. Ryuzaburo Kikuchi, Toru Nagasawa and Takashi Shimizu satisfy "Independence Standards for Outside Directors" of the Company, are registered as Independent Directors with the Tokyo Stock Exchange who do not have conflicts of interests with general shareholders. In case they are elected, they will continue to be Independent Directors.

<Reference> Independence Standards for Outside Directors

Independence Standards for Outside Directors of the Company are as follows:

-“Independence Standards for Outside Directors” of the Company

Outside Directors who are independent from the Company meet the legal requisites for Outside Directors as stipulated in Article 2, Item 15 of the Companies Act and do not fall under any of the following items.

- (1) A major shareholder of the Company (holding directly or indirectly 10% or more of the voting rights of the Company) or Executive Director, Executive, Manager, or other employee thereof (hereinafter, the “Executive Directors, etc.”)
- (2) A person who has the Company and its consolidated subsidiaries (together, the “Group”) as a major business partner (to which (a) or (b) below applies, and includes its parent company or its significant subsidiaries) or the Executive Directors, etc., thereof
 - (a) A person who receives payment from the Group of 2% or more of its total consolidated net sales for the most recent fiscal year
 - (b) A person for which borrowings from the Group is the highest, and substituting the borrowings by another fund procurement method in the short term is deemed difficult
- (3) A major business partner of the Group (to which (a) or (b) below applies, and includes its parent company or its significant subsidiaries) or the Executive Directors, etc., thereof
 - (a) A person who pays to the Group 2% or more of consolidated gross profit of the Company for the most recent fiscal year
 - (b) A person which is important to the Group in the fund procurement aspect; that is, a major creditor, etc., on which the Group depends to the extent that it is irreplaceable
- (4) Directors or other Executive Directors, etc., of a corporation or organization which has received donations from the Group for an annual average of more than 10 million yen for the past three years
- (5) A consultant, accounting specialist, or legal professional (in the case of corporations or other organizations, a person who belongs to such groups is included) who has received from the Group compensation or other property benefit for an annual average of 10 million yen or more, excluding officer remuneration, for the past three years
- (6) A person who has fallen under any of (1) to (5) above in the past three years
- (7) An individual affiliated with a party with which the Group has a personnel relationship of mutual dispatch of outside officers
- (8) An individual whose spouse or relative within the second degree of kinship falls under (1) to (7) above
- (9) A person which might potentially pose continual and substantial conflicts of interests with overall general shareholders of the Company due to reasons not provided in (1) to (8) above

Proposal No. 3: Election of One (1) Substitute Director who is an Audit and Supervisory Committee Member

The election of Mr. Naoki Goto as a substitute Director who is an Audit and Supervisory Committee Member will lose effect at the beginning of this Meeting. Accordingly, in order to prepare for the cases where the number of Directors who are Audit and Supervisory Committee Members falls below the number required by laws and regulations, the preliminary election of one (1) substitute for the position is proposed.

Pursuant to the Articles of Incorporation, the effective period of the resolution on preliminary election of a substitute Director who is an Audit and Supervisory Committee Member shall be up to the beginning of the Ordinary General Meeting of Shareholders pertaining to the last fiscal year ending within two years of this Meeting.

This proposal has received the consent from the Audit and Supervisory Committee.

The details of the candidate are as follows:

Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Independent</div> Naoki Goto (Jul. 28, 1960)	Apr. 1993 Registered as an attorney Apr. 2014 Chairman, Ibaraki Bar Association Executive Governor, Japan Federation of Bar Associations Mar. 2015 Retired from position as Chairman at the Ibaraki Bar Association Retired from position as Executive Governor at the Japan Federation of Bar Associations Apr. 2018 General Manager, Japan Legal Support Center IBARAKI District Office (current position)	- shares

(Notes) 1. Mr. Naoki Goto is a candidate for substitute Outside Director who is an Audit and Supervisory Committee Member (the "Substitute Director").

2. Reasons for selection as a candidate for the Substitute Director are as follows.

Mr. Naoki Goto does not have experience related to business management other than as Outside Officer, but has specialized knowledge and experience as an attorney, and in order to receive appropriate guidance and advice from his expert perspective regarding the Company's overall management, the Company proposes his election as Substitute Director.

3. If this Proposal is approved, and in case Mr. Naoki Goto takes office as an Outside Director, pursuant to Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Company, the Company plans to enter into liability limitation agreements with him to limit liabilities as set forth in Article 423, Paragraph 1 of the Companies Act. The limit of liability under such agreements shall be limited to the minimum amount stipulated by the Article 425, Paragraph 1 of the Companies Act, or ten (10) million yen, whichever is greater, assuming that he performed his duties as Outside Director in good faith and without gross negligence.

4. If this Proposal is approved, and in case Mr. Naoki Goto takes office as an Outside Director, the Company plans to register him with the Tokyo Stock Exchange as an Independent Director who does not have conflicts of interests with general shareholders.

5. There are no specific interests between the candidate and the Company.

End