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Securities code: 2309
November 28, 2019

To our shareholders,

Kazuo Nakamura
Chairman & CEO
CMIC HOLDINGS Co., Ltd.
1-1-1 Shibaura, Minato-ku, Tokyo

Notice of the Convocation of the 35th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 35th Ordinary General Meeting of Shareholders of CMIC HOLDINGS Co., Ltd. (the “Company”), which will be held as described below.

If you are unable to attend the meeting, you may exercise your voting rights in writing or via the internet, etc. Please review the attached “Reference Documents for the General Meeting of Shareholders” below to exercise your voting rights.

- 1. Date and time:** Friday, December 13, 2019 at 10:00 a.m.
- 2. Place:** Banquet hall “JOUR” (Main building 1st floor), Happo-en
1-1-1 Shirokanedai, Minato-ku, Tokyo

3. Agenda:

Matters to be reported:

1. Report on the business report, the consolidated financial statements for the 35th fiscal year (from October 1, 2018 to September 30, 2019) and the results of the audit of the consolidated financial statements by the financial auditor and the Audit and Supervisory Board
2. Report on the non-consolidated financial statements for the 35th fiscal year (from October 1, 2018 to September 30, 2019)

Matters to be resolved:

- Proposal 1: Election of Thirteen (13) Corporate Directors
Proposal 2: Election of Two (2) Audit and Supervisory Board Members
Proposal 3: Determination of Remuneration for Granting Restricted Shares to Corporate Directors (Excluding External Corporate Directors)

4. Exercise of voting rights by proxy:

If you exercise your voting rights by proxy, you may designate one other shareholder holding voting rights in the Company to attend the meeting. Please note, however, that it is necessary to submit a document proving the authority of the proxy.

Any modifications to the Reference Documents for the General Meeting of Shareholders will be posted on the Company’s website (<https://www.cmicgroup.com>; in Japanese only).

Reference Documents for the General Meeting of Shareholders

Proposal 1: Election of Thirteen (13) Corporate Directors

At the conclusion of this Ordinary General Meeting of Shareholders, the terms of office of all twelve (12) Corporate Directors will expire. In that regard, in order to further enhance the corporate governance, the Company proposes to elect a total of thirteen (13) Corporate Directors (of which, five (5) are to be External Corporate Directors), including three (3) new candidates (of which, one (1) is to be an External Corporate Director), thereby increasing the number of Corporate Directors by one (1) External Corporate Director.

The candidates for Corporate Director are as follows:

Candidate No.	Name	Current position in the Company	Candidate attributes		
1	Kazuo Nakamura	Representative Director, Chairman and CEO	Reelection		
2	Keiko Oishi	Representative Director, President and COO	Reelection		
3	Toru Fujieda	Corporate Director	Reelection		
4	Wataru Mochizuki	Corporate Director and CFO	Reelection		
5	Makoto Matsukawa	Corporate Director	Reelection		
6	Yoshiyuki Hano	Corporate Director and CHO	Reelection		
7	Yoichi Kuwajima	Vice Chairman	New election		
8	Takeshi Hamaura	Executive Vice President and CTO	New election		
9	Akira Nakamura	External Corporate Director	Reelection	External	Independent
10	Shinji Kobayashi	External Corporate Director	Reelection	External	Independent
11	Masaru Iwasaki	External Corporate Director	Reelection	External	
12	Takeshi Karasawa	External Corporate Director	Reelection	External	Independent
13	Eriko Kawai	External Audit and Supervisory Board Member	New election	External	Independent

Note: Ms. Keiko Oishi's name on the family register is Keiko Nakamura.

Candidate No. 1	<p><u>Reelection</u></p> <p>Number of the Company's shares owned: 563,220 shares Attendance to meetings of the Board of Directors: 13/13 (100%)</p>
<p>Kazuo Nakamura (December 17, 1946)</p>	<p>[Career summary, position and responsibility in the Company]</p> <p>Apr. 1969 Joined Sankyo Co., Ltd. (currently Daiichi Sankyo Co., Ltd.) Mar. 1992 Representative Director and President, the Company Oct. 2003 Representative Director, Chairman and President CEO, the Company Dec. 2013 Representative Director, Chairman and President CEO, the Company (change of Japanese title only) Apr. 2018 Representative Director, Chairman and CEO, the Company (to present)</p> <p>[Reasons for nomination as candidate for Corporate Director]</p> <p>After working in research and development at a large pharmaceutical corporation, Mr. Kazuo Nakamura founded the Company. He possesses outstanding abilities in executive management, which he has used to steer the Company as a leading company. As the Company expects him to continue to perform a decision-making and supervisory role in management, it again nominated him as a candidate for Corporate Director.</p>
Candidate No. 2	<p><u>Reelection</u></p> <p>Number of the Company's shares owned: 148,600 shares Attendance to meetings of the Board of Directors: 13/13 (100%)</p>
<p>Keiko Oishi (January 3, 1957)</p> <p>(Name on the family register: Keiko Nakamura)</p>	<p>[Career summary, position and responsibility in the Company]</p> <p>Apr. 1982 Joined Nikkei/McGraw-Hill Inc. (currently Nikkei Business Publications, Inc.) Oct. 1989 Joined Genentech, Inc. Jan. 1996 Joined the Company July 2000 Corporate Director, the Company Oct. 2004 Corporate Director and Vice President, the Company Dec. 2010 Representative Director, the Company Apr. 2011 Representative Director, Corporate Officer, in charge of International Business, the Company Dec. 2013 Representative Director, Executive Vice President, Division Head of International Business Development Div., the Company Oct. 2016 Representative Director, Executive Vice President, CEO of CRO Business, Division Head of International Business Management Div., the Company Apr. 2018 Representative Director, President and COO, Supervisory Manager of Business Development & Marketing, the Company (to present)</p> <p><i>Significant concurrent positions outside the Company:</i></p> <p>Chairperson, CMIC Co., Ltd. Representative Director and Vice President, CMIC ShiftZero K.K.</p> <p>[Reasons for nomination as candidate for Corporate Director]</p> <p>With extensive experience at international corporations, Ms. Keiko Oishi has been a member of the Company's senior management since the Company was founded, and she possesses outstanding abilities in executive management. During her time as President of the Company, her efforts toward "globalization" and "training of personnel for globalization" particularly stand out. As the Company expects her to continue to perform a decision-making and supervisory role in management, it again nominated her as a candidate for Corporate Director.</p>

Candidate No. 3	<p>Reelection</p> <p>Number of the Company's shares owned: 3,100 shares Attendance to meetings of the Board of Directors: 13/13 (100%)</p>
<p>Toru Fujieda (November 8, 1959)</p>	<p>[Career summary, position and responsibility in the Company]</p> <p>Apr. 1984 Joined Sankyo Co., Ltd. (currently Daiichi Sankyo Co., Ltd.) June 2004 General Manager of Clinical Development Department, Sankyo Co., Ltd. Feb. 2016 Joined the Company, Senior Corporate Officer Corporate Director and Executive Vice President, CMIC Co., Ltd. Oct. 2016 President, CMIC Co., Ltd. (to present) Dec. 2016 Corporate Director and Executive Vice President, the Company Apr. 2018 Corporate Director and Executive Vice President, Supervisory Manager of Clinical CRO, the Company (to present)</p> <p><i>Significant concurrent positions outside the Company:</i> President, CMIC Co., Ltd.</p> <p>[Reasons for nomination as candidate for Corporate Director]</p> <p>With extensive experience in clinical development and management experience at a large pharmaceutical corporation, Mr. Toru Fujieda plays an instrumental role in the CRO business for the Company. As the Company expects him to continue to perform a decision-making and supervisory role in management, it again nominated him as a candidate for Corporate Director.</p>
Candidate No. 4	<p>Reelection</p> <p>Number of the Company's shares owned: 3,600 shares Attendance to meetings of the Board of Directors: 13/13 (100%)</p>
<p>Wataru Mochizuki (December 10, 1961)</p>	<p>[Career summary, position and responsibility in the Company]</p> <p>Apr. 1985 Joined Nippon Oil & Fats Co., Ltd. (currently NOF CORPORATION) Jan. 1997 Joined Allied Telesis Holdings K.K. Aug. 2005 Joined the Company Oct. 2010 Corporate Officer, in charge of Internal Control/Information Disclosure/ Finance and Accounting, the Company Dec. 2010 Corporate Director, the Company Oct. 2012 Corporate Director, Corporate Officer and CFO, in charge of Internal Control/ Information Disclosure, the Company Oct. 2013 Corporate Director, Senior Corporate Officer and CFO, in charge of Finance and Legal Affairs Department/Internal Control/Information Disclosure, the Company May 2015 Corporate Director, Executive Vice President and CFO, in charge of Internal Control/ Information Disclosure, the Company (to present) Apr. 2018 Corporate Director, Executive Vice President and CFO, Supervisory Manager of Administration and Support Unit, the Company (to present)</p> <p>[Reasons for nomination as candidate for Corporate Director]</p> <p>With extensive knowledge and experience in administrative departments, Mr. Wataru Mochizuki possesses outstanding abilities in executive management. As the Company expects him to continue to perform a decision-making and supervisory role in management, it again nominated him as a candidate for Corporate Director.</p>

Candidate No. 5	<p>Reelection</p> <p>Number of the Company's shares owned: 1,800 shares Attendance to meetings of the Board of Directors: 13/13 (100%)</p>
<p>Makoto Matsukawa (March 30, 1960)</p>	<p>[Career summary, position and responsibility in the Company]</p> <p>Apr. 1984 Joined Akiyama Inc. (currently SUZUKEN CO., LTD.) Oct. 1989 Joined Baxter Limited June 1999 Joined Starbucks Coffee Japan, Ltd. Apr. 2007 Joined Quintiles Transnational Japan K.K. (currently IQVIA Services Japan K.K.) Jan. 2012 Joined the Company, Corporate Officer, in charge of Corporate Planning/IPD Dec. 2012 Corporate Director, Corporate Officer and IPD Company President, the Company May 2015 Senior Executive Officer, in charge of Business Development, the Company Oct. 2016 Senior Executive Officer, in charge of Business Development, CEO of CDMO Business, the Company Dec. 2016 Corporate Director, the Company Apr. 2018 Corporate Director and Executive Vice President, Supervisory Manager of CDMO, Supervisory Manager of CSO, the Company Nov. 2018 Corporate Director and Executive Vice President, Supervisory Manager of CDMO, the Company (to present)</p> <p><i>Significant concurrent positions outside the Company:</i> Representative Director & CEO, CMIC CMO Co., Ltd.</p> <p>[Reasons for nomination as candidate for Corporate Director] Having started up businesses in various industry sectors including not only the pharmaceutical sector, but also large-player service sector, Mr. Makoto Matsukawa possesses management experience and plays an instrumental role in globalization and strategic business development within the Company. As the Company expects him to continue to perform a decision-making and supervisory role in management, it again nominated him as a candidate for Corporate Director.</p>

Candidate No. 6	<p>Reelection</p> <p>Number of the Company's shares owned: 1,000 shares Attendance to meetings of the Board of Directors: 13/13 (100%)</p>
<p>Yoshiyuki Hano (September 8, 1961)</p>	<p>[Career summary, position and responsibility in the Company]</p> <p>Apr. 1985 Joined ICI Pharma K.K. (currently AstraZeneca K.K.) Apr. 2011 Joined Quintiles Transnational Japan K.K. (currently IQVIA Services Japan K.K.) May 2012 Joined the Company Oct. 2012 Corporate Officer and CHO, General Manager of Strategy Human Resources Department, the Company Oct. 2013 Senior Corporate Officer and CHO, in charge of Strategy Human Resources Department, the Company Apr. 2016 Senior Corporate Officer and CHO, in charge of Human Resources and General Affairs, the Company Dec. 2016 Corporate Director, Executive Vice President and CHO, in charge of Human Resources and General Affairs, the Company Apr. 2018 Corporate Director, Executive Vice President and CHO, Supervisory Manager of Administration and Support Unit, the Company (to present)</p> <p>[Reasons for nomination as candidate for Corporate Director]</p> <p>Possessing extensive human-resource related experience, particularly in organizational development at large pharmaceutical corporations, Mr. Yoshiyuki Hano plays an instrumental role in the Company's human-resource strategy. As the Company expects him to continue to perform a decision-making and supervisory role in management, it again nominated him as a candidate for Corporate Director.</p>
Candidate No. 7	<p>New election</p> <p>Number of the Company's shares owned: 2,000 shares Attendance to meetings of the Board of Directors: –</p>
<p>Yoichi Kuwajima (August 30, 1957)</p>	<p>[Career summary, position and responsibility in the Company]</p> <p>Apr. 1981 Joined Eisai Co., Ltd. July 1992 Joined IBRD JAPAN Co., Ltd. Apr. 1997 Representative Director, IBRD JAPAN Co., Ltd. July 2003 Representative Director and Vice President, HuBit genomix, Inc Oct. 2004 Executive Director, Otsuka Pharmaceutical Co., Ltd. May 2006 Established Medi-Skette Corporation, Representative Director and President July 2013 Representative Director and President, Denave Co., Ltd. Feb. 2014 Executive Officer, Deputy General Manager of Business Development Division, MEDIPAL HOLDINGS CORPORATION Oct. 2018 Executive Officer, in charge of Academia Support, Sales Division, MEDICEO CORPORATION Apr. 2019 Joined the Company, Vice Chairman, Division Head of Strategy Management Div. (to present)</p> <p><i>Significant concurrent positions outside the Company:</i> Representative Director and Chairman, CMIC Healthcare Co., Ltd.</p> <p>[Reasons for nomination as candidate for Corporate Director]</p> <p>Mr. Yoichi Kuwajima possesses extensive achievements and highly specialized knowledge in the areas of medicine and healthcare. Since assuming the position of Division Head of Strategy Management Div. this April, he has been strengthening business strategy, including the healthcare revolution. As the Company expects him to perform a decision-making and supervisory role in management based on his business experience and achievements, it has newly nominated him as a candidate for Corporate Director.</p>

Candidate No. 8	<p><u>New election</u></p> <p>Number of the Company's shares owned: – shares Attendance to meetings of the Board of Directors: –</p>
<p>Takeshi Hamaura (November 15, 1960)</p>	<p>[Career summary, position and responsibility in the Company]</p> <p>Apr. 1985 Joined Sankyo Co., Ltd. (currently Daiichi Sankyo Co., Ltd.) Apr. 2012 Vice President of Supply Chain Technology Department, Daiichi Sankyo Co., Ltd. Apr. 2014 Vice President of CMC Planning Department, Daiichi Sankyo Co., Ltd. Apr. 2017 Head of Pharmaceutical Technology Division, Daiichi Sankyo Co., Ltd. Oct. 2019 Joined the Company, General Manager in charge of CDMO Business Promotion, Strategy Management Div. (to present) Nov. 2019 Executive Vice President and CTO, the Company (to present)</p> <p>[Reasons for nomination as candidate for Corporate Director]</p> <p>Mr. Takeshi Hamaura possesses extensive achievements and highly specialized knowledge of formulation technology development and in the CMC area. As the Company expects him to perform a decision-making and supervisory role in management based on his business experience and achievements, it has newly nominated him as a candidate for Corporate Director.</p>
Candidate No. 9	<p><u>Reelection</u> <u>External</u> <u>Independent</u></p> <p>Number of the Company's shares owned: – shares Attendance to meetings of the Board of Directors: 13/13 (100%)</p> <p>[Career summary, position and responsibility in the Company]</p> <p>Apr. 1968 Joined The Sanwa Bank, Ltd. (currently MUFG Bank, Ltd.) June 1994 Director, The Sanwa Bank, Ltd. May 1997 Managing Director, The Sanwa Bank, Ltd. June 1999 President, Sanwa Capital Finance Ltd. (currently Mitsubishi UFJ Capital Co., Ltd.) June 2005 Chairman and Director, Ask Planning Center, Inc. (currently ASK PLANNING, INC.) (to present) July 2005 Chairman, CREEK & RIVER Co., Ltd. Mar. 2011 President, Medical Principle Co., Ltd. Dec. 2014 External Corporate Director, the Company (to present) June 2017 Chairman and Director, ASK HOLDINGS, INC. Chairman and Director, Wealth Management, Inc.</p> <p><i>Significant concurrent positions outside the Company:</i></p> <p>Chairman and Director, ASK PLANNING, INC. Director, ASK GROUP HOLDINGS, INC. Director, Car7 Development. CO., LTD.</p> <p>[Reasons for nomination as candidate for External Corporate Director]</p> <p>With a long standing history of serving in corporate management, Mr. Akira Nakamura possesses extensive experience and insight as a corporate manager. As the Company expects him to utilize this experience and insight to continue fulfilling the role of advising and supervising its overall management from the perspective of effectiveness and objectivity in decision-making of the Company's Board of Directors, it again nominated him as a candidate for External Corporate Director.</p>

Candidate No. 10	<input type="checkbox"/> Reelection <input type="checkbox"/> External <input type="checkbox"/> Independent Number of the Company's shares owned: – shares Attendance to meetings of the Board of Directors: 12/13 (92%)
Shinji Kobayashi (July 31, 1948)	<p>[Career summary, position and responsibility in the Company]</p> Apr. 1972 Joined ITOCHU Corporation June 1989 Seconded to Nihon Parking Card K.K. (currently NIHON PARKING CORPORATION) Representative Director, Nihon Parking Card K.K. Apr. 1994 President, Nihon Parking Card K.K. Mar. 2000 Representative Director, NIHON PARKING CORPORATION May 2011 Chairman of the Board of Directors, NIHON PARKING CORPORATION Oct. 2013 President and Representative Director, IPI Co., LTD. (to present) Dec. 2015 External Corporate Director, the Company (to present)
Candidate No. 11	<input type="checkbox"/> Reelection <input type="checkbox"/> External Number of the Company's shares owned: – shares Attendance to meetings of the Board of Directors: 12/13 (92%)
Masaru Iwasaki (May 3, 1947)	<p>[Career summary, position and responsibility in the Company]</p> Dec. 1973 Joined Department of Surgery II, The University of Tokyo Hospital Apr. 1983 Joined Department of Surgery II, Faculty of Medicine, University of Yamanashi Apr. 1993 Joined Hoechst Japan Co., Ltd. Jan. 2005 Joined GlaxoSmithKline K.K. Sept. 2011 Specially Appointed Professor, Department of Clinical Research, Faculty of Medicine, University of Yamanashi Sept. 2014 Specially Appointed Professor, Department of Advanced Biomedical Research, Faculty of Medicine, University of Yamanashi (to present) Apr. 2015 Vice President, University of Yamanashi (to present) Dec. 2016 External Corporate Director, the Company (to present)

Candidate No. 12	<div style="display: flex; justify-content: space-between; border-bottom: 1px solid black;"> <u>Reelection</u> <u>External</u> <u>Independent</u> </div> <p>Number of the Company's shares owned: – shares Attendance to meetings of the Board of Directors: 11/11 (100%)</p>
Takeshi Karasawa (August 29, 1956)	<p>[Career summary, position and responsibility in the Company]</p> <p>Apr. 1980 Joined Ministry of Health and Welfare (currently Ministry of Health, Labour and Welfare)</p> <p>July 2000 Director, Public Relations Office, General Coordination Division, Minister's Secretariat, Ministry of Health and Welfare</p> <p>July 2004 Director, National Health Insurance Division and Director, General Affairs Division, Health Insurance Bureau, Ministry of Health, Labour and Welfare</p> <p>July 2009 Deputy Director-General (in charge of Medical Insurance, Health Policy, Health Care and Long-term Care Integration), Ministry of Health, Labour and Welfare</p> <p>Sept. 2012 Director-General for Policy Planning and Evaluation (in charge of Social Security), Ministry of Health, Labour and Welfare</p> <p>July 2014 Director General, Health Insurance Bureau, Ministry of Health, Labour and Welfare</p> <p>June 2016 Director-General for Regional Revitalization, Headquarters for Overcoming Population Decline and Vitalizing Local Economy in Japan, Cabinet Secretariat</p> <p>Aug. 2016 Retired from Cabinet Secretariat</p> <p>Dec. 2018 External Corporate Director, the Company (to present)</p> <p><i>Significant concurrent positions outside the Company:</i></p> <p>Project Professor, Graduate School of Media and Governance, Keio University</p> <p>Outside Director, Value HR Co., Ltd.</p> <p>[Reasons for nomination as candidate for External Corporate Director]</p> <p>Mr. Takeshi Karasawa possesses extensive achievements and highly specialized knowledge of healthcare and nursing care related policies and the social security system in general from his experience in government administration. As the Company expects him to continue providing us with practical advice on the Company's business strategy and promotion, it again nominated him as a candidate for External Corporate Director.</p>

Candidate No. 13

New election External Independent

Number of the Company's shares owned: – shares

Attendance to meetings of the Board of Directors: 12/13 (92%)

Eriko Kawai
(April 28, 1958)

[Career summary and position in the Company]

Oct. 1981 Joined Nomura Research Institute, Ltd.
Sept. 1985 Management Consultant, McKinsey & Company
Oct. 1986 Fund Manager, Mercury Asset Management plc, SG Warburg
Nov. 1995 Chief Investment Officer, Yamaichi Regent ABC Polska
July 1998 Joined Bank for International Settlements
Oct. 2004 Senior Pension Fund Administrator, Organisation for Economic Co-operation and Development (OECD)
Mar. 2008 Representative, Kawai Global Intelligence
Apr. 2012 Professor, Institute for the Promotion of Excellence in Higher Education, Kyoto University
Apr. 2013 Professor, Institute for Liberal Arts and Sciences, Kyoto University
Apr. 2014 Professor, Graduate School of Advanced Integrated Studies in Human Survivability, Kyoto University (to present)
Dec. 2017 External Audit and Supervisory Board Member, the Company (to present)

Significant concurrent positions outside the Company:

Professor, Graduate School of Advanced Integrated Studies in Human Survivability, Kyoto University

Outside Director, Daiwa Securities Group Inc.

[Reasons for nomination as candidate for External Corporate Director]

In addition to her extensive experience in international corporations, Ms. Eriko Kawai possesses experience and achievements as a corporate manager and outstanding knowledge in management. As the Company expects her to provide us with practical advice on the Company's business strategy and promotion using her experience and knowledge, it has newly nominated her as a candidate for External Corporate Director, although she has served as External Audit and Supervisory Board Member of the Company since 2017.

- Notes:
1. Special interest between the candidates and the Company:
 - (1) The Company makes donations to University of Yamanashi corporation in which Mr. Masaru Iwasaki serves as vice president.
 - (2) There is no special interest between the other candidates and the Company.
 2. Mr. Akira Nakamura, Mr. Shinji Kobayashi, Mr. Masaru Iwasaki, Mr. Takeshi Karasawa and Ms. Eriko Kawai are candidates for External Corporate Director.
 3. Mr. Akira Nakamura is currently an External Corporate Director of the Company, and at the conclusion of this meeting, his tenure as External Corporate Director will have been five (5) years.
 4. Mr. Shinji Kobayashi is currently an External Corporate Director of the Company, and at the conclusion of this meeting, his tenure as External Corporate Director will have been four (4) years.
 5. Mr. Masaru Iwasaki is currently an External Corporate Director of the Company, and at the conclusion of this meeting, his tenure as External Corporate Director will have been three (3) years.
 6. Mr. Takeshi Karasawa is currently an External Corporate Director of the Company, and at the conclusion of this meeting, his tenure as External Corporate Director will have been one (1) year.
 7. Ms. Eriko Kawai is currently an External Audit and Supervisory Board Member of the Company, and at the conclusion of this meeting, her tenure as External Audit and Supervisory Board Member will have been two (2) years. Ms. Eriko Kawai will resign as External Audit and Supervisory Board Member at the conclusion of this meeting. While the Company also makes donations to the Kyoto University Graduate School, where she is a professor, according to the standards established by the Company, we judge that this does not affect her independence.
 8. The Company has entered into an agreement with Mr. Akira Nakamura, Mr. Shinji Kobayashi, Mr. Masaru Iwasaki and Mr. Takeshi Karasawa to limit their liability amount to the minimum liability amount as provided for by Article 425, paragraph 1 of the Companies Act. If their reelection is approved, the Company plans to continue said limited liability agreement with each one of them. Furthermore, the Company has entered into an agreement with Ms. Eriko Kawai to limit her liability amount to the minimum liability amount as provided for by Article 425, paragraph 1 of the Companies Act. If her election is approved, the Company plans to enter into the aforementioned agreement with her as an External Corporate Director newly.

9. The Company has submitted notification to the Tokyo Stock Exchange that Mr. Akira Nakamura, Mr. Shinji Kobayashi, Mr. Masaru Iwasaki and Mr. Takeshi Karasawa have been appointed as independent officers as provided for by the aforementioned exchange. Should their reelection be approved, the Company intends to submit notification that Mr. Akira Nakamura, Mr. Shinji Kobayashi, and Mr. Takeshi Karasawa have been appointed as independent officers. Moreover, the Company has submitted notification to said exchange that Ms. Eriko Kawai has been appointed as an independent officer who is an External Audit and Supervisory Board Member. Should her election be approved, the Company intends to submit notification to said exchange that she has been appointed as an independent officer who is an External Corporate Director.

Proposal 2: Election of Two (2) Audit and Supervisory Board Members

At the conclusion of this Ordinary General Meeting of Shareholders, the terms of office of Audit and Supervisory Board Members Hiroshi Nakamura and Kei Hata will expire, and Audit and Supervisory Board Member Eriko Kawai will resign. In that regard, the Company proposes the election of two (2) Audit and Supervisory Board Members including one (1) new candidate, lowering the number of Audit and Supervisory Board Members by one (1). The consent of the Audit and Supervisory Board has been obtained for this proposal.

The candidates for Audit and Supervisory Board Member are as follows:

Candidate No. 1	<div style="display: flex; justify-content: space-between; border-bottom: 1px solid black; padding-bottom: 5px;"> <input type="checkbox"/> Reelection <input type="checkbox"/> External <input type="checkbox"/> Independent </div> <p>Number of the Company’s shares owned: – shares</p> <hr/> <p>[Career summary and position in the Company]</p> <p>Oct. 1981 Passed the national bar examination</p> <p>Apr. 1984 Registered as attorney at law Joined Kazama & Co. Law Offices (currently Hata & Co. Law Offices) (to present)</p> <p>Dec. 2015 External Audit and Supervisory Board Member, the Company (to present)</p> <p><i>Significant concurrent positions outside the Company:</i></p> <p>Representative, Hata & Co. Law Offices Lecturer, Graduate School, Rikkyo University</p> <p>[Reasons for nomination as candidate for External Audit and Supervisory Board Member]</p> <p>The Company has again nominated Mr. Kei Hata as a candidate for External Audit and Supervisory Board Member in the expectation that he will continue to fulfill the role of supervision in the Company based on his extensive experience and insight gained from long years of service as an attorney.</p>
Kei Hata (May 23, 1953)	

Candidate No. 2	<div style="display: flex; justify-content: space-between; border-bottom: 1px solid black;"> <input type="checkbox"/> New election <input type="checkbox"/> External <input type="checkbox"/> Independent </div> <p>Number of the Company's shares owned: – shares</p>
<p>Masaru Ota (June 8, 1966)</p>	<p>[Career summary and position in the Company]</p> <p>Oct. 1991 Joined Aoyama Audit Corporation (currently PricewaterhouseCoopers Aarata LLC)</p> <p>Mar. 1997 Joined PwC Consulting Co., Ltd. (currently IBM Japan Ltd)</p> <p>Oct. 1999 Joined ChuoAoyama Audit Corporation</p> <p>Mar. 2001 Joined Sanwa Capital Finance Ltd. (currently Mitsubishi UFJ Capital Co., Ltd.)</p> <p>Dec. 2002 Joined Phoenix Capital Co., Ltd.</p> <p>Mar. 2003 Director, Phoenix Capital Co., Ltd.</p> <p>Apr. 2006 Representative Director, Ascent Partners (to present)</p> <p>June 2015 Outside Corporate Auditor, MORITA HOLDINGS CORPORATION (to present)</p> <p>June 2017 Outside Audit & Supervisory Board Member, Wealth Management, Inc. (to present)</p> <p><i>Significant concurrent positions outside the Company:</i></p> <p>Representative Director, Ascent Partners</p> <p>Outside Corporate Auditor, MORITA HOLDINGS CORPORATION</p> <p>Outside Audit & Supervisory Board Member, Wealth Management, Inc.</p> <p>[Reasons for nomination as candidate for External Audit and Supervisory Board Member]</p> <p>Mr. Masaru Ota possesses extensive knowledge and experience as a certified public accountant and consultant. The Company has newly nominated him as a candidate for External Audit and Supervisory Board Member in the belief that he is capable of carrying out audits of the Corporate Directors' performance of duties accurately and fairly based on that experience and knowledge, and deems him suitable as a new External Audit and Supervisory Board Member.</p>

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Mr. Kei Hata and Mr. Masaru Ota are candidates for External Audit and Supervisory Board Member.
 3. The Company has entered into an agreement, in accordance with Article 427, paragraph 1 of the Companies Act, with Mr. Kei Hata to limit his liability to compensate damages under Article 423, paragraph 1 of the same Act. If the reelection of Mr. Kei Hata is approved, the Company intends to continue the aforementioned limited liability agreement with him. Furthermore, if Mr. Masaru Ota's election is approved, the Company intends to enter into the same limited liability agreement with him.
 4. The Company has submitted notification to the Tokyo Stock Exchange that Mr. Kei Hata has been appointed as an independent officer as provided for by the aforementioned exchange. Should Mr. Kei Hata's reelection be approved, the Company intends to submit notification for his status to remain as independent officer. Furthermore, should Mr. Masaru Ota's election be approved, the Company plans to submit notification to the aforementioned exchange that he has been appointed as an independent officer.

Proposal 3: Determination of Remuneration for Granting Restricted Shares to Corporate Directors (Excluding External Corporate Directors)

The amount of remuneration paid to Corporate Directors of the Company was approved as ¥500 million or less per year (including ¥40 million or less for External Corporate Directors; however, which excludes employee salaries of Directors concurrently serving as employees) at the 32nd Ordinary General Meeting of Shareholders held on December 15, 2016.

In order to provide Corporate Directors (excluding External Corporate Directors) of the Company (the “Eligible Directors”) an incentive to sustainably increase the Company’s corporate value and to further promote shared value with the Company’s shareholders, the Company hereby newly proposes to pay remuneration for granting restricted shares to Eligible Directors, within the remuneration limit stated above, as part of the revision to its remuneration package for Corporate Directors.

In accordance with this proposal, the remuneration to be given to the Eligible Directors for granting restricted shares shall be a monetary claim (the “Monetary Remuneration Claim”), and its total amount shall be ¥50 million or less per year (however, which excludes employee salaries of Directors concurrently serving as employees), which is the amount deemed as appropriate in light of the aforementioned objective. The specific timing for providing thereof and the allocation to each Eligible Director shall be determined by the Board of Directors. However, remuneration for granting restricted shares shall not be provided to External Corporate Directors.

The number of Corporate Directors is currently twelve (12) (including four (4) External Corporate Directors). Subject to the approval and adoption of Proposal 1, “Election of Thirteen (13) Corporate Directors” as originally proposed, the number of Corporate Directors will be thirteen (13) (including five (5) External Corporate Directors).

The Eligible Director shall make contributions in-kind of all of the Monetary Remuneration Claims given under this proposal in accordance with the resolution by the Board of Directors of the Company, and in return receive common shares of the Company, upon issuance or disposal thereof. The total number of common shares of the Company for issuance or disposal thereof shall amount to 30,000 shares or less per year (however, the total number shall be adjusted to a reasonable extent, in cases where, following the date on which this proposal is approved and adopted, there is a share split of common shares of the Company (including allotment of common shares of the Company without contribution) or share consolidation thereof, or otherwise in cases where circumstances arise necessitating adjustment in the total number of common shares of the Company to be issued or disposed of as restricted shares). The amount to be paid in per share shall be determined by the Board of Directors to the extent that the amount would not be particularly favorable to Eligible Directors receiving such common shares, based on the closing price of common shares of the Company on the Tokyo Stock Exchange on the business day preceding the day of each resolution of the Board of Directors (or the closing price on the closest preceding trading day in cases where no transactions are concluded on such date). In addition, for the issuance or disposal of common shares of the Company, the Company and the Eligible Directors shall enter into an agreement on the allotment of restricted shares containing the following details (the “Allotment Agreement”).

(1) Restriction period

The Eligible Director must not transfer, create a security interest on, or dispose of in any other way common shares of the Company allotted under the Allotment Agreement (the “Allotted Shares”), for a period of minimum three years and maximum 30 years from the day the shares are allotted under the Allotment Agreement, as predetermined by the Board of Directors of the Company (the “Restriction Period”). The restrictions described in the preceding sentence will hereinafter be collectively referred to as the “transfer restrictions.”

(2) Lifting of transfer restrictions

Notwithstanding the provision of (1) above, under the condition that the Eligible Director has remained in any position determined in advance by the Board of Directors of the Company throughout the Restriction Period, the Company shall lift the transfer restrictions for all of the Allotted Shares upon the expiration of the Restriction Period. However, in cases where the Eligible Director in question retires from the position defined in (3) below prior to expiration of the Restriction Period due to expiration of term, death or other fair reasons,

the number of the Allotted Shares for which the transfer restrictions will be lifted and the timing of the lifting of the transfer restrictions shall be reasonably adjusted as necessary. In accordance with the provision above, the Company shall automatically acquire without contribution the Allotted Shares on which the transfer restrictions have not been lifted as of the time immediately after the transfer restrictions were lifted.

(3) Treatment on retirement from the position

In cases where the Eligible Director retires from all positions determined in advance by the Board of Directors of the Company prior to expiration of the Restriction Period, excluding cases where the retirement is caused by expiration of term, death or other fair reasons, the Company shall automatically acquire the Allotted Shares without contribution.

(4) Treatment during reorganization, etc.

Notwithstanding the provision of (1) above, if, during the Restriction Period, matters relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. are approved at the Company's General Meeting of Shareholders (or at a meeting of its Board of Directors in cases where approval at the Company's General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company shall lift the transfer restrictions on the Allotted Shares with the number of shares that is reasonably determined considering the period from the start date of the Restriction Period to the date of approval of the reorganization, etc. prior to the date on which the reorganization, etc. becomes effective, by resolution of the Board of Directors of the Company. In cases specified above, the Company shall automatically acquire without contribution the Allotted Shares on which the transfer restrictions have not been lifted as of the time immediately after the transfer restrictions were lifted.

(5) Other matters

Other matters regarding the Allotment Agreement shall be determined by the Board of Directors of the Company.

(Reference)

On the condition that this proposal is approved and adopted, in addition to Eligible Directors, the Company plans to grant the same restricted shares as those granted to Eligible Directors to Corporate Officers not concurrently serving as Corporate Directors of the Company as stipulated by the resolution of the Board of Directors, and newly issue or dispose of common shares of the Company.