July 24, 2015

Dear Shareholders,

Supplementary Explanation for the Proposal No.2 Election of Corporate Auditor at the 53th Ordinary General Meeting of Shareholders

We have presented a proposal to appoint Mr. Fumiyo Fujii the Corporate Outside Auditor in the Proposal No.2 of the 53th Ordinary General Meeting of Shareholders scheduled to be held on August 7, 2015. However, Institutional Shareholder Services, Inc. (hereinafter referred to as "ISS") recommended a vote "against" for the proposal in their voting advice recommendation report. ISS insists the reason is because North Pacific Bank, Ltd., which he is an officer for, is one of Tsuruha's main banks. Although we and our subsidiaries deal with the bank for mainly deposit-related transactions, we do not place the bank as a main bank. We do not have a concept of "main bank" not only for North Pacific Bank but also for the other banks. We and our subsidiaries presently have no loan account with the bank and do not schedule to execute any loan. Therefore, we recognize we have no affect for our decision makings by the bank, and it may by no means occur any conflict of interest with general shareholders.

As the conclusion, we strongly would like to request you to vote "for" to the proposal for the election of Mr. Fujii as the Corporate Outside Auditor.

We would appreciate your kindness.

Masashi Horikawa
President & Representative Director
Chief Executive Officer
Tsuruha Holdings Incorporated