Member of Financial Accounting Standards Foundation (FASF)

February 14, 2017

Company name: Okabe Co., Ltd.
Representative: Makoto Hirowatari, President
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Notice Regarding Transition to a Company with an Audit & Supervisory Board

Okabe Co., Ltd. announces that a meeting of its Board of Directors held on February 14, 2017 resolved to change to a company with an audit & supervisory board, pending approval at the 73rd ordinary general meeting of shareholders to be held on March 30, 2017.

An amendment of the Articles of Incorporation and the assignment of officers associated with the transistion are disclosed separately in the Notice Regarding Amendment to the Articles of Incorporation and the Notice Regarding Assignment of Officers after Transition to a Company with an Audit & Supervisory Board dated February 14, 2017. Details are as follows.

1. Reason of transition to a company with an audit & supervisory board
   (1) Increasing management transparency
   The Company aims to achieve more transparent management and to build a structure to respond to the expecations of stakeholders in Japan and overseas more appropriately by having an audit & supervisory board, a majority of whose members are outside directors, inspect and supervise the legitimacy and appropriateness of the execution of operations.
   (2) Expediting decision making
   The Company aims to expedite management decision making and execution under the appropriate supervision of the Board of Directors by establishing a system where the Board of Directors may delegate its authority to making decisions on business execution to directors.

2. Timing of transition to a company with an audit & supervisory board
   The Company will change to a company with an audit & supervisory board after a necessary amendment to the Articles of Incorporation is approved at the 73rd ordinary general meeting of shareholders to be held on March 30, 2017.