Japan Medical Dynamic Marketing, INC.
12-2 Ichigayadaimachi, Shinjuku-ku
Tokyo 162-0066 Japan

June 1, 2017

NOTICE OF CONVOCATION OF THE 45th ORDINARY GENERAL MEETING OF SHAREHOLDERS

To: Our Shareholders

You are cordially invited to attend the 45th Ordinary General Meeting of Shareholders, which will be held as described below.
In the event you are unable to attend, you may exercise your voting rights in writing. You are requested to study the attached Reference Documents for the General Meeting of Shareholders, indicate your approval or disapproval for each proposal on the enclosed Voting Rights Exercise Form and return it by Wednesday, June 21, 2017 at 5:00 p.m.

Sincerely yours,

Masao Okawa
Representative Director and President

1. Date and time: 10:00 a.m., Thursday, June 22, 2017

2. Venue: Ohgi Room, 4th Floor of the South Tower, Keio Plaza Hotel 2-2-1 Nishi Shinjuku, Shinjuku-ku, Tokyo

3. Agenda

Matters to be reported

(1) Business Report, Consolidated Financial Statements, and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Statutory Auditors for the 45th fiscal term (from April 1, 2016 to March 31, 2017)

(2) Non-consolidated Financial Statements for the 45th fiscal term (from April 1, 2016 to March 31, 2017)

Matters to be resolved

Proposal No.1: Appropriation of Surplus

Proposal No.2: Election of Nine (9) Directors

Proposal No.3 Election of One (1) Statutory Auditor

Proposal No.4: Election of One (1) Substitute Statutory Auditor

Notes:
1. If the attached documents and the Reference Documents for the General Meeting of Shareholders are amended, the amended matters will be presented on the website of the Company (http://www.jmdm.co.jp/).
2. For those attending, please present the enclosed Voting Rights Exercise Form at the reception desk on arrival at the Meeting.

CONSOLIDATED BALANCE SHEET

(As of March 31, 2017)

		(Thousands of yen)
ASSETS		
CURRENT ASSETS		**14,006,129**
Cash in hand and in banks		2,793,079
Trade receivables		3,963,937
Merchandise and finished goods		5,407,669
Work in process		180,851
Raw materials and supplies		1,120,266
Deferred tax assets		390,090
Other current assets		161,056
Allowance for bad debts		(10,822)
FIXED ASSETS		**7,531,433**
TANGIBLE:		**6,867,358**
Buildings and structures		651,449
Machinery, equipment and vehicles		247,772
Tools, furniture and fixtures		3,781,720
Land		2,160,270
Other fixed assets		26,144
INTANGIBLE:		**102,174**
INVESTMENTS AND OTHER ASSETS:		**561,900**
Deferred tax assets		489,772
Other investments		72,143
Allowance for bad debts		(15)
	Total assets	**21,537,563**

CONSOLIDATED BALANCE SHEET

(As of March 31, 2017)

	(Thousands of yen)
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	**6,513,592**
Accounts payable	578,512
Short-term bank loans	4,535,982
Lease obligations	94,344
Income taxes payable	143,964
Accrued expenses	282,557
Accounts payable, other	178,933
Accounts payable-installment purchase	247,436
Provision for bonuses	179,664
Provision for directors' bonuses	60,972
Other current liabilities	211,225
LONG-TERM LIABILITIES	**2,735,676**
Long-term bank loans	1,403,672
Lease obligations	194,413
Net defined benefit liability	743,154
Provision for directors' stock payments	15,808
Asset retirement obligations	26,675
Accounts payable, other	420
Long-term accounts payable-installment purchase	112,032
Long-term deposits received	3,500
Deferred tax liabilities	236,000
Total liabilities	**9,249,269**
NET ASSETS	
STOCKHOLDERS' EQUITY	**11,876,276**
Common stock	**3,001,929**
Additional paid-in-capital	**2,587,029**
Retained earnings	**6,365,607**
Treasury stocks	**(78,289)**
Valuation And Translation Adjustments Abstract	**391,655**
Deferred gains or losses on hedges	**18,500**
Adjustments on foreign currency statement translation	**478,776**
Remeasurements of defined benefit plans	**(105,622)**
Non-controlling interests	**20,361**
Total net assets	**12,288,293**
Total liabilities and net assets	**21,537,563**

CONSOLIDATED PROFIT AND LOSS STATEMENT

(For the year ended March 31, 2017)

(Thousands of yen)

Net Sales		**13,629,522**
Cost of sales		**3,921,127**
Gross profit		**9,708,395**
Selling, general and administrative expenses		**7,798,514**
Operating income (loss)		**1,909,880**
Non operating income		
Interest income	217	
Commission fee	4,597	
Others	4,612	9,427
Non operating expenses		
Interest expenses	117,367	
Losses on notes receivable discounted	899	
Foreign exchange losses	21,346	
Syndicated loan commission	11,344	
Others	20,776	171,734
Ordinary income (loss)		**1,747,573**
Extraordinary losses		
Loss on disposal of fixed assets	173,713	173,713
Profit (loss) before income taxes		**1,573,860**
Income taxes - current	209,551	
Income taxes - deferred	234,919	**444,470**
Profit (loss)		**1,129,389**
Profit (loss) attributable to non-controlling interests		**(1,314)**
Profit (loss) attributable to owners of parent		**1,130,703**

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
(For the year ended March 31, 2017)

(Thousands of yen)

	Stockholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury Stock	Total
Balance at April 1, 2016	3,001,929	2,587,029	5,393,670	(26,280)	10,956,348
Changes in the year ended March 31, 2017					
Cash dividend			(158,767)		(158,767)
Profit (loss) attributable to owners of parent for the year ended March 31, 2017			1,130,703		1,130,703
Acquisition of treasury stocks				(52,008)	(52,008)
Net change in items other than shareholders' equity during the year ended March 31, 2017					
Total (net)	—	—	971,936	(52,008)	919,927
Balance at March 31, 2017	3,001,929	2,587,029	6,365,607	(78,289)	11,876,276

(Thousands of yen)

	Valuation And Translation Adjustments Abstract				Non-controlling interests	Total net assets
	Deferred gains or losses on hedges	Adjustments on foreign currency statement translation	Remeasurements of defined benefit plans	Total		
Balance at April 1, 2016	(31,155)	497,845	(105,777)	360,912	13,337	11,330,598
Changes in the year ended March 31, 2017						
Cash dividend						(158,767)
Profit (loss) attributable to owners of parent for the year ended March 31, 2017						1,130,703
Acquisition of treasury stocks						(52,008)
Net change in items other than shareholders' equity during the year ended March 31, 2017	49,656	(19,068)	155	30,742	7,024	37,767
Total (net)	49,656	(19,068)	155	30,742	7,024	957,694
Balance at March 31, 2017	18,500	478,776	(105,622)	391,655	20,361	12,288,293

NON-CONSOLIDATED BALANCE SHEET

(As of March 31, 2017)

(Thousands of yen)

ASSETS		
CURRENT ASSETS		**9,748,843**
Cash in hand and in banks		2,717,455
Notes receivable, trade		1,875,328
Accounts receivable, trade		1,404,700
Merchandise and finished goods		3,353,363
Work in process		15,542
Raw materials and supplies		18,525
Prepaid expenses		33,960
Deferred tax assets		290,073
Short-term loans receivable		960
Accounts receivable, other		15,325
Other current assets		34,480
Allowance for bad debts		(10,872)
FIXED ASSETS		**6,228,619**
TANGIBLE:		**4,685,645**
Buildings		425,102
Structures		569
Machinery and equipment		865
Vehicles		1,562
Tools, furniture and fixtures		2,125,437
Land		2,132,108
INTANGIBLE:		**40,308**
Software		31,138
Telephone rights		9,170
INVESTMENTS AND OTHER ASSETS:		**1,502,665**
Investments in subsidiaries		988,882
Long-term loans receivable		4,690
Deferred tax assets		442,628
Leasehold deposits		64,277
Other investments		2,200
Allowance for bad debts		(15)
	Total assets	**15,977,463**

NON-CONSOLIDATED BALANCE SHEET
(As of March 31, 2017)

(Thousands of yen)

LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	**2,009,456**
Accounts payable, trade	448,904
Short-term bank loans	373,362
Lease obligations	94,344
Accounts payable, other	180,359
Accounts payable-installment purchase	247,436
Accrued expenses	69,316
Income taxes payable	143,871
Accrued consumption taxes	199,659
Provision for bonuses	179,664
Provision for directors' bonuses	60,972
Deposits received	11,565
LONG-TERM LIABILITIES	**2,021,531**
Long-term bank loans	1,078,292
Lease obligations	194,413
Accrued retirement benefits to employees	590,389
Provision for directors' stock payments	15,808
Accounts payable, other	420
Long-term accounts payable-installment purchase	112,032
Long-term deposits received	3,500
Asset retirement obligations	26,675
Total liabilities	**4,030,987**
NET ASSETS	
STOCKHOLDERS' EQUITY	**11,927,975**
Common stock	**3,001,929**
Capital Surplus	**2,587,029**
Additional paid-in-capital	2,587,029
Retained earnings	**6,417,306**
Legal reserve	197,500
Retained earnings, other	6,219,806
General reserve	4,913,000
Unappropriated retained earnings	1,306,806
Treasury stocks	**(78,289)**
Valuation and translation adjustments	**18,500**
Deferred gains or losses on hedges	18,500
Total net assets	**11,946,476**
Total liabilities and net assets	**15,977,463**

NON-CONSOLIDATED PROFIT AND LOSS STATEMENT

(For the year ended March 31, 2017)

(Thousands of yen)

Net Sales		**9,063,313**
Cost of sales		**3,543,731**
Gross profit		**5,519,581**
Selling, general and administrative expenses		**4,457,156**
Operating income (loss)		**1,062,425**
Non operating income		
Interest income	217	
Foreign exchange gains	4,565	
Contract services income	100,000	
Commission fee	4,597	
Others	1,750	111,130
Non operating expenses		
Interest expenses	29,836	
Losses on notes receivable discounted	899	
Syndicated loan commission	11,344	
Others	2,318	44,398
Ordinary income (loss)		**1,129,157**
Extraordinary losses		
Loss on disposal of fixed assets	64,402	64,402
Profit (loss) before income taxes		**1,064,755**
Income taxes - current	154,339	
Income taxes - deferred	179,693	**334,033**
Profit (loss)		**730,721**

NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(For the year ended March 31, 2017)

(Thousands of yen)

	Stockholders' equity						
	Common stock	Capital surplus	Retained earnings			Treasury stock	Total
		Additional paid-in capital	Legal reserve	Others			
				General reserve	Unappropriated retained earnings		
Balance at April 1, 2016	3,001,929	2,587,029	197,500	4,913,000	734,852	(26,280)	11,408,030
Changes in the year ended March 31, 2017							
Cash dividend					(158,767)		(158,767)
Profit(loss) for the year ended March 31, 2017					730,721		730,721
Acquisition of treasury stocks						(52,008)	(52,008)
Net change in items other than shareholders' equity during the year ended March 31, 2017							
Total (net)	—	—	—	—	571,953	(52,008)	519,945
Balance at March 31, 2017	3,001,929	2,587,029	197,500	4,913,000	1,306,806	(78,289)	11,927,975

(Thousands of yen)

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total	
Balance at April 1, 2016	(31,155)	(31,155)	11,376,874
Changes in the year ended March 31, 2017			
Cash dividend			(158,767)
Profit(loss) for the year ended March 31, 2017			730,721
Acquisition of treasury stocks			(52,008)
Net change in items other than shareholders' equity during the year ended March 31, 2017	49,656	49,656	49,656
Total (net)	49,656	49,656	569,601
Balance at March 31, 2017	18,500	18,500	11,946,476

Proposals and References

Proposal No.1: Appropriation of Surplus

In view of the operating results for the fiscal term, future business development and other factors, the Company proposes to pay the year-end dividend for the 45th fiscal term as follows.

(1) Dividend property classification
Cash

(2) Matters related to allotment of dividend property and its total amount
¥7 per one (1) common stock share of the Company
In this case, the total amount to be paid out in the form of dividends comes to ¥185,228,211.

(3) Effective date of distribution of surplus
June 23, 2017

Proposal No.2: Election of Nine (9) Directors

The term of office of ten (10) Directors, Messrs. Masao Okawa, Itsuro Numata, Katsuhiko Seshita, Koichi Kondo, Toshiyuki Hironaka, Masahiko Okuyama, Junichi Suzuka, Naoto Sawaki, Hiroshi Ishikawa and Toshio Saburi will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of the following nine (9) Directors.

The candidates for Directors are as follows:

Candidate Number	Name (Date of Birth)	Career summary, major concurrent titles at other companies, and position and responsibility at the Company		Number of Company shares held
1	**Masao Okawa** (September 8, 1956) (Reappointment)	August 2001	Joined Japan Medical Dynamic Marketing, INC. and appointed Director, Divisional General Manager of the Control Division and General Manager of the Financial Department	37,130 shares
		September 2001	Director of Ortho Development Corporation	
		October 2002	Director in charge of overseas affairs (stationed in the United States)	
		March 2003	Representative Director and President of Ortho Development Corporation	
		August 2003	Managing Director in charge of overseas affairs	
		August 2005	Managing Director in charge of management and overseas affairs and General Manager of the Financial Department	
		June 2007	Director and Divisional Manager of the Control Division in charge of overseas affairs	
		June 2008	Director in charge of the Control Division, overseas affairs and corporate planning	
		August 2009	Representative Director and President	
		December 2009	Director of Ortho Development Corporation (current position)	
		May 2016	Representative Director and President, in charge of corporate planning and the Control Division and in charge of the Business Promotion Division	
		June 2016	Representative Director and President (current position)	
	Reason for the nomination as a candidate for Director Mr. Masao Okawa has been involved in management as the Representative Director, and has led the Company and its Group companies (hereinafter "the Group") in working to enhance its functions as a manufacturer and expand its business in North America. He has steadily advanced the medium-term management plan, bringing recovery of the Group's business performance to a situation in which it can be fully evaluated. In the Board of Directors as well, he has demonstrated his leadership abilities to make critical management decisions, and fully supervise the execution of business by other Directors. The Company has judged that this candidate's achievements and management leadership ability are necessary in order to promote the medium-term management plan which is currently underway by the Company and achieve sustainable growth, and so has nominated Mr. Masao Okawa as a candidate to continue serving as a Director.			

<table>
<tr><th>Candidate Number</th><th>Name
(Date of Birth)</th><th colspan="2">Career summary, major concurrent titles at other companies, and position and responsibility at the Company</th><th>Number of Company shares held</th></tr>
<tr><td rowspan="2">2</td><td>Katsuhiko Seshita
(July 26, 1963)
(Reappointment)</td><td>December 1988
March 2001

July 2001
July 2003
June 2007
August 2007

June 2008</td><td>Joined Japan Medical Dynamic Marketing, INC.
General Manager of the Sales Department of the Sales Division and Head of the Tokyo Sales Office
General Manager of the First Sales Department of the Sales Division
Manager of the Sales Strategy Department of the Sales Division
Divisional Manager of the Sales Division
Director, Divisional Manager of the Sales Division and General Manager of the Sales Promotion Department
Director and Divisional Manager of the Sales Division (current position)</td><td>28,052 shares</td></tr>
<tr><td colspan="4">Reason for the nomination as a candidate for Director
Mr. Katsuhiko Seshita is familiar with sales in the orthopedic medical device industry, has a wealth of sales experience, and has been involved in management of the Company for many years as the person responsible for the sales sector, working to expand the Company’s business performance. Based on his wealth of experience and achievements, he has fully played his role as a Director in deciding important matters, executing business, and supervising other Director’s execution of business. The Company has judged that making use of this candidate’s wealth of knowledge and experience in order to further enhance our sales sector will be optimal for the Company, and so has nominated Mr. Katsuhiko Seshita as a candidate to continue serving as a Director.</td></tr>
<tr><td rowspan="2">3</td><td>Koichi Kondo
(April 7, 1967)
(Reappointment)</td><td>January 1989
July 2003

August 2005
August 2007

June 2008

August 2010

April 2015

May 2015
April 2017</td><td>Joined Japan Medical Dynamic Marketing, INC.
General Manager of the Sales Strategy Department of the Sales Division and Head of the Yokohama Sales Office
General Manager of the Marketing Department
Director, Divisional Manager of the Business Promotion Division and General Manager of the Planning and Development Department
Director, Divisional Manager of the Business Promotion Division and General Manager of the Marketing Department
Director, General Manager of the East Japan Sales Department and in charge of Spine Team
Director, Group Manager of the Marketing Group and General Manager of the Spine Product Department
Director of Ortho Development Corporation (current position)
Director, Divisional Manager of the Marketing Division, General Manager of the Trauma Product Department and General Manager of the Spine Product Department (current position)</td><td>12,090 shares</td></tr>
<tr><td colspan="4">Reason for the nomination as a candidate for Director
Mr. Koichi Kondo is familiar with trends in the orthopedic medical device industry which the Group belongs to, has been involved in management as the person responsible for the marketing sector, and has planned and executed the Group’s product strategies, working actively to enhance the marketing function of the Group. Based on his wealth of experience and achievements, he has fully played his role as a Director in deciding important matters, executing business, and supervising other Director’s execution of business. The Company has judged that making use of this candidate’s wealth of knowledge and experience in order to further enhance our marketing sector will be optimal for the Company, and so has nominated Mr. Koichi Kondo as a candidate to continue serving as a Director.</td></tr>
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Candidate Number	Name (Date of Birth)	Career summary, major concurrent titles at other companies, and position and responsibility at the Company		Number of Company shares held
4	**Toshiyuki Hironaka** (November 17, 1962) (Reappointment)	April 1986 August 2001 August 2003 April 2006 December 2006 August 2009 August 2010 April 2011 August 2011 April 2013 June 2013 April 2014 May 2016 June 2016	Joined ITOCHU Corporation General Manager of Business Sales Headquarters, Dell Japan Inc. General Manager of Enterprise Sales Headquarters Corporate Director, Dell Inc. (in the U.S.) Managing Corporate Officer, Lenovo Japan Ltd. Director, Assistant to President, in charge of sales, Japan Medical Dynamic Marketing, INC. Director in charge of the Sales Division and ODEV Director of Ortho Development Corporation Manager of Healthcare Business Section 1, ITOCHU Corporation Retired from Director of Japan Medical Dynamic Marketing, INC. Retired from Director of Ortho Development Corporation General Manager of the Corporate Planning Division Director of Ortho Development Corporation (current position) Director in charge of sales and corporate planning, and General Manager of the Corporate Planning Division Director in charge of sales, corporate planning and the Control Division, and General Manager of the Corporate Planning Division Resigned as Director General Manager of the Corporate Planning Division Director in charge of corporate planning and General Manager of the Corporate Planning Division (current position)	600 shares
	Reason for the nomination as a candidate for Director Mr. Toshiyuki Hironaka has been involved in management of the Group as the person responsible for corporate planning, overseas business, and the administrative sector. He has led planning of the medium-term management plan while striving to expand the business of our United States subsidiary. Based on his wealth of experience and achievements, he has fully played his role as a Director in deciding important matters, executing business, and supervising other Director's execution of business. The Company has judged that making use of this candidate's wealth of knowledge and experience in order to further enhance business administration, as well as planning and execution of the Company's management strategy, will be optimal for the Company, and so has nominated Mr. Toshiyuki Hironaka as a candidate to continue serving as a Director.			

<table>
<tr><th>Candidate Number</th><th>Name
(Date of Birth)</th><th colspan="2">Career summary, major concurrent titles at other companies, and position and responsibility at the Company</th><th>Number of Company shares held</th></tr>
<tr><td rowspan="2">5</td><td>Masahiko Okuyama
(February 24, 1957)
(Reappointment)
(Non-executive Director)</td><td>April 1981
February 2006
July 2009

July 2011
April 2013
April 2014
June 2015

June 2016

April 2017</td><td>Joined NGK SPARK PLUG CO., LTD.
General Manager, Research Department II, R&D Group
Senior General Manager, R&D Center, Engineering R&D Group and concurrently General Manager, FR Research Department
Senior General Manager, Engineering R&D Group
Corporate Officer
Managing Officer
Managing Officer, Member of the Board, Divisional Manager, Engineering R&D Group
Director of Japan Medical Dynamic Marketing, INC. (current position)
Managing Officer, Member of the Board in charge of the Medical Division of NGK SPARK PLUG CO., LTD. (current position)</td><td>800 shares</td></tr>
<tr><td colspan="4">Reason for the nomination as a candidate for Director
Mr. Masahiko Okuyama has belonged to the research and development sector of a company for many years and is familiar with new technology and new product development. He particularly has experience in the development and commercialization of artificial bones in the medical device field. Furthermore, he has been engaged in corporate management as the person responsible for research and development. He also has extensive personal connections acquired through his abundant experiences including activities in scholarly societies, and exchanges and partnerships with universities both in Japan and overseas. The Company has judged that making use of this candidate’s wealth of knowledge and experience in order to further strengthen the Company’s research and development structure, will be optimal for the Company, and so has nominated Mr. Masahiko Okuyama as a candidate to continue serving as a Director.</td></tr>
<tr><td rowspan="2">6</td><td>Junichi Suzuka
(April 11, 1958)
(Reappointment)</td><td>April 1982
July 2000
February 2001
June 2005
October 2008

April 2011

April 2016

June 2016</td><td>Joined NGK SPARK PLUG CO., LTD.
Development Department, Sensor Division
PDX (Cell Business) Project
Medical Technology Department, Fine Ceramics Division
General Manager, Quality Management Department, Fine Ceramics Division
Deputy General Manager, Fine Ceramics Division and concurrently General Manager, Medical Products Department
Associate Director, Medical Products Department, Business Development Division
Director, Divisional Manager of the Pharmaceutical Affairs and Development Division of Japan Medical Dynamic Marketing, INC. (current position)
Director of Ortho Development Corporation (current position)</td><td>– shares</td></tr>
<tr><td colspan="4">Reason for the nomination as a candidate for Director
Mr. Junichi Suzuka has a wealth of experience in technological development including new business fields, and is knowledgeable about materials and technology. He is also well-informed about the management of quality and safety (of medical devices) through his experience as the person responsible for overall manufacturing and sales. The Company has judged that making use of this candidate’s wealth of knowledge and experience in order to further strengthen the Company’s product development and quality and safety management structure, will be optimal for the Company, and so has nominated Mr. Junichi Suzuka as a candidate to continue serving as a Director.</td></tr>
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<tr><th>Candidate Number</th><th>Name
(Date of Birth)</th><th colspan="2">Career summary, major concurrent titles at other companies, and position and responsibility at the Company</th><th>Number of Company shares held</th></tr>
<tr><td rowspan="2">7</td><td>Naoto Sawaki
(January 16, 1963)
(Reappointment)</td><td>April 1981
September 2000

October 2004
February 2009

March 2011

April 2015

June 2016</td><td>Joined NGK SPARK PLUG CO., LTD.
Seconded to NGK SPARK PLUG MFG. (U.S.A.), INC. (currently NGK Spark Plugs (U.S.A.), Inc.)
Planning Control Department, Sensor Division
General Manager, Management Development, Planning Department, Automotive Components Group
General Manager, Planning Control Unit, SCM Department, Automotive Components Group
Deputy Associate Director, Development Management Department, New Business Advancement Group
Director, Divisional Manager of the Control Division of Japan Medical Dynamic Marketing, INC. (current position)</td><td>– shares</td></tr>
<tr><td colspan="4">Reason for the nomination as a candidate for Director
Mr. Naoto Sawaki has been involved in the management of the Company as the person responsible for the administrative sector, and has made efforts towards strengthening compliance and improving business operations. Furthermore, he is well-informed about promotion and management of projects through his experience in various project activities including those involving the core system, human resources development, SCM (supply chain management) and business concepts of medical devices. The Company has judged that making use of this candidate’s wealth of knowledge and experience in order to promote the Group’s operational reforms and further strengthen management structures, will be optimal for the Company, and so has nominated Mr. Naoto Sawaki as a candidate to continue serving as a Director.</td></tr>
<tr><td rowspan="2">8</td><td>Hiroshi Ishikawa
(June 8, 1968)
(Reappointment)
(Outside Director)</td><td>April 1999
June 2013

December 2013</td><td>Joined Ohhara Law Office, registered as a lawyer (current position)
Outside Director, Japan Medical Dynamic Marketing, INC. (current position)
Supervisory Director, Daiwa House Residential Investment Corporation (current position)</td><td>– shares</td></tr>
<tr><td colspan="4">Reason for the nomination as a candidate for Outside Director
Mr. Hiroshi Ishikawa has extensive knowledge and experience as a lawyer and is familiar with corporate governance. The Company has judged that the Company will be able to further strengthen the supervisory function of the Board of Directors with his advice as a legal expert to improve the transparency and fairness of the Company’s management, and so has nominated Mr. Hiroshi Ishikawa as a candidate to continue serving as an Outside Director. He does not have experience of being directly engaged in corporate management other than serving as an Outside Director, yet the Company has judged him capable of properly executing his duties of Outside Director for the reasons described above.</td></tr>
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Candidate Number	Name (Date of Birth)	Career summary, major concurrent titles at other companies, and position and responsibility at the Company		Number of Company shares held
9	**Toshio Saburi** (June 2, 1949) (Reappointment) (Outside Director)	October 1982 March 1986 September 1993 January 1999 October 2002 June 2004 June 2005 October 2008 May 2010 April 2014 June 2015	Joined Chuo Accounting Audit Corporation Registered as a Certified Public Accountant Partner, Chuo Audit Corporation Joined Tempstaff Co., Ltd. Auditor, e-staffing Co., Ltd. Director, General Manager of Support Division and General Manager of Financial Department, Tempstaff Co., Ltd. Executive Managing Director, Tempstaff Co., Ltd. Executive Managing Director and General Manager of Group Corporate Planning Division, Temp Holdings Co., Ltd. Director, Kelly Services, Inc. Executive Managing Director, General Manager of Group Corporate Planning Division and General Manager of Group Financial Department, Temp Holdings Co., Ltd. Outside Director, Japan Medical Dynamic Marketing, INC. (current position)	1,300 shares
	Reason for the nomination as a candidate for Outside Director Mr. Toshio Saburi has specialized knowledge and experience garnered as a certified public accountant, and also has experience being engaged in corporate management for many years. The Company has judged that the Company will be able to further strengthen the supervisory function of the Board of Directors with his advice to improve the transparency and fairness of the Company's management, and so has nominated Mr. Toshio Saburi as a candidate to continue serving as an Outside Director.			

Notes: 1. No conflict of interest exists between the Company and the above candidates for Director.

2. Messrs. Hiroshi Ishikawa and Toshio Saburi are candidates for Outside Director.
When Messrs. Hiroshi Ishikawa and Toshio Saburi are re-elected as Outside Directors, they will continue to be Independent Directors in accordance with the listing regulations of the Tokyo Stock Exchange, Inc.

3. Special notes with regard to candidates for Outside Directors are as follows:

(1) Independence of candidates for Outside Directors
Messrs. Hiroshi Ishikawa and Toshio Saburi have not accepted any significant amount of money or other asset (excluding remuneration for Directors) from the Company or any parties specially related to the Company in the past two years, nor will they do so in the future. In addition, they are not spouses, relatives within the third degree of kinship, or any other equivalents of the executive officers or officers of the Company or of any parties specially related to the Company.

(2) The terms of office since the candidates for Outside Directors are in office as Outside Directors
Mr. Hiroshi Ishikawa, currently an Outside Director of the Company, will have been in office for four (4) years at the conclusion of this General Meeting of Shareholders.
Mr. Toshio Saburi, currently an Outside Director of the Company, will have been in office for two (2) years at the conclusion of this General Meeting of Shareholders.

4. Liability limitation agreement with the candidates for Directors
Mr. Masahiko Okuyama has actually concluded a liability limitation agreement with the Company and is scheduled to conclude the same with the Company after the re-election.
Messrs. Hiroshi Ishikawa and Toshio Saburi have actually concluded a liability limitation agreement with the Company and are scheduled to conclude the same with the Company after the re-election.
The content of the agreement is outlined as follows:
- Liability of the Director as stipulated in Article 423, Paragraph 1 of the Company Law shall be borne by the Company to the extent permitted by laws and regulations, if such Director performs his/her duties in good faith and without gross negligence.

Proposal No.3: Election of One (1) Statutory Auditor

Statutory Auditor, Mr. Yasuki Ogawa will resign at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of the following one (1) Statutory Auditor.

Furthermore, the candidate for Statutory Auditor will be elected as a substitute for Statutory Auditor, Mr. Yasuki Ogawa, thus his term of office will be expire on the expiration of the term of office of the resigning Statutory Auditor according to the regulations of the Company's Articles of Incorporation.

The Board of Statutory Auditors has previously given its approval for this proposal. The candidate for Statutory Auditor is as follows:

Name (Date of Birth)	**Career summary, major concurrent titles at other companies, and position at the Company**		**Number of Company shares held**
Itsuro Numata (May 18, 1960) (New candidate)	March 1984	Joined Japan Medical Dynamic Marketing, INC.	49,205 shares
	July 2001	General Manager of the Sales and Planning Department of the Sales Division and General Manager of the Product Management Department	
	October 2002	Manager of the Marketing Strategy Department of the Sales Division and General Manager of the Product Management Department	
	August 2003	Director and Divisional Manager of the Sales Division Director of Ortho Development Corporation	
	August 2005	Director in charge of product management and marketing	
	June 2007	Representative Director and President, Director in charge of the Sales Division	
	August 2009	Director in charge of the Business Promotion Division	
	August 2010	Director, Divisional Manager of the Business Promotion Division and General Manager of Marketing Department	
	November 2012	Director, Divisional Manager of the Business Promotion Division	
	April 2013	Director in charge of Trauma Business Promotion and Operation Department (current position)	
Reason for the nomination as a candidate for Statutory Auditor Mr. Itsuro Numata has been in charge of a wide range of operations including those in the sales, marketing and operation sectors in his many years as a Director of the Company, and has knowledge and a wealth of experience acquired through these duties. Thus, the Company has judged him capable of properly auditing Directors' execution of duties.			

Note: No conflict of interest exists between the Company and the above candidate for Statutory Auditor.

Proposal No.4: Election of One (1) Substitute Statutory Auditor

In preparation for the case of lacking the number of Statutory Auditors required by laws and regulations, the Company proposes the election of one (1) Substitute Statutory Auditor in advance. The Board of Statutory Auditors has previously given its approval for this proposal.
The candidate for Substitute Statutory Auditor is as follows:

Name (Date of Birth)	**Career summary, major concurrent titles at other companies, and position at the Company**		**Number of Company shares held**
Masaaki Ayukawa (July 28, 1945)	April 1969	Joined Chuo Accounting Audit Corporation	– shares
	February 1971	Registered as a Certified Public Accountant	
	May 2000	Executive Board Member and Divisional Manager of the International Affairs Division of Chuo Aoyama Audit Corporation	
	September 2006	Executive Board Member and Divisional Manager of the International Affairs Division of Misuzu Audit Corporation	
	August 2007	Liquidator of Misuzu Audit Corporation	
	March 2009	Outside Statutory Auditor, TonenGeneral Sekiyu K.K.	
	June 2014	Outside Statutory Auditor, Kumagai Gumi Co., Ltd. (current position)	
	March 2016	Outside Director, Aucnet Inc. (current position)	
Reason for the nomination as a candidate for Outside Substitute Statutory Auditor Mr. Masaaki Ayukawa has specialized knowledge and experience garnered as a certified public accountant, and has a wealth of experience cultivated as an outside auditor in many companies for many years. The Company has nominated Mr. Masaaki Ayukawa as an Outside Statutory Auditor in order for him to make use of his specialized knowledge and experience in the Company's auditing system. He does not have experience of being directly engaged in corporate management, yet he is deemed to be qualified to perform the duties of Outside Statutory Auditor properly for the reasons described above.			

Notes: 1. No conflict of interest exists between the Company and the above candidate for Statutory Auditor.

2. The above candidate for Statutory Auditor is a candidate for Substitute Outside Statutory Auditor.
When Mr. Masaaki Ayukawa is elected as Outside Statutory Auditor, he will be Independent Auditor.

3. Special notes with regard to candidate for Substitute Outside Statutory Auditor are as follows:
(1) Mr. Masaaki Ayukawa has not accepted any significant amount of money or other asset (excluding remuneration for Statutory Auditor) from the Company or any parties specially related to the Company in the past two years, nor will he do so in the future. Furthermore, he is not a spouse, a relative within the third degree of kinship, or any other equivalent of the executive officers or officers of the Company or of any parties specially related to the Company.
(2) Liability limitation agreement with Outside Statutory Auditors
Mr. Masaaki Ayukawa is scheduled to conclude a liability limitation agreement with the Company after the election.
The contents of the agreement are outlined as follows:
- Liability of the Outside Statutory Auditor as stipulated in Article 423, Paragraph 1 of the Company Law shall be borne by the Company to the extent permitted by laws and regulations, if such Outside Statutory Auditor performs his/her duties in good faith and without gross negligence.

MEMO