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(Securities Code: 2270)
June 6, 2018

To Shareholders with Voting Rights:

1-1, Naebocho 6-chome, Higashi-ku,
Sapporo City, Hokkaido
MEGMILK SNOW BRAND Co., Ltd.
Representative Director and President
Keiji Nishio

NOTICE OF
THE 9TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 9th Annual General Meeting of Shareholders of MEGMILK SNOW BRAND Co., Ltd. (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, please review the attached "Reference Documents for the General Meeting of Shareholders," indicate your vote for or against each proposal on the enclosed Voting Rights Exercise Form and return it, or exercise your voting rights via the Internet. Voting rights must be exercised by 6:00 p.m. on Tuesday, June 26, 2018, Japan time.

1. **Date and Time:** Wednesday, June 27, 2018 at 10:00 a.m., Japan time
(Reception begins at 9:00 a.m.)
2. **Place:** 3rd Floor, International Convention Center PAMIR, Sapporo Prince Hotel,
Nishi 12-chome, Minami 3-jo, Chuo-ku, Sapporo City, Hokkaido

3. **Meeting Agenda:**

Matters to be reported: The Business Report, Consolidated Financial Statements for the Company's 9th Fiscal Year (April 1, 2017 - March 31, 2018) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements

Proposals to be resolved:

Proposal 1: Election of Nine Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

Proposal 2: Election of Three Directors Serving as Audit and Supervisory Committee Members

Proposal 3: Election of Two Substitute Directors Serving as Audit and Supervisory Committee Members

Proposal 4: Continuation of the Policy Against Large-scale Purchases of Shares in the Company (Buyout Prevention Measure)

4. Matters Concerning the Meeting

(1) For shareholders who have given consent to receive Notices of General Meetings of Shareholders via the Internet and indicated that paper copies of the Voting Rights Exercise Form are not required, the Company has not sent Voting Rights Exercise Forms. If you plan to attend on the day of the Meeting, please request a paper copy of the Voting Rights Exercise Form from the shareholder registry administrator (Transfer Agent Department, Mizuho Trust & Banking Co., Ltd.) by Tuesday, June 19, 2018 at 5:00 p.m., Japan time.

(2) Votes may only be exercised via proxy if the proxy is a shareholder with voting rights in the Company. You may not designate more than one proxy. Additionally, in this event, the Voting Rights Exercise Form of the shareholder must be submitted accompanied by written documentation proving the authority of the proxy.

(3) Shareholders who require assistance or Japanese interpretation are allowed to be accompanied by one caregiver or interpreter. However, unless these accompanying individuals are shareholders with voting rights, their speech and conduct will be limited to their capabilities as a caregiver or interpreter. Also, no gifts will be given to caregivers or interpreters who are not shareholders with voting rights.

[Contact Information for Voting Rights Exercise Form Requests]
Transfer Agent Department, Mizuho Trust & Banking Co., Ltd.
8-4 Izumi 2-chome, Suginami-ku, Tokyo, 168-8507
Telephone: 0120-288-324 (Toll free within Japan)
Hours of operation: 9:00 a.m. to 5:00 p.m. (excluding Saturdays, Sundays, and holidays)

- When attending on the day of the Meeting, please submit the enclosed Voting Rights Exercise Form to the receptionist. We also request that you bring these documents with you to as reference.
- In the event that there are revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, or the Non-consolidated Financial Statements, the revised versions shall be posted on the Company's website (http://www.meg-snow.com/).
- Of the documents to be provided with this Notice of General Meeting of Shareholders, the following items are posted on the Company's website in accordance with laws and regulations and Article 16 of the Company's Articles of Incorporation, and are not included in this booklet. As a result, the content of this booklet is a subset of the documents audited by the Audit and Supervisory Committee and the Accounting Auditor to prepare the Audit Reports.
  1. Basic Policies on Control of a Stock Company
  2. Consolidated Statement of Changes in Net Assets
  3. Notes to Consolidated Financial Statements
  4. Non-consolidated Statement of Changes in Net Assets
  5. Notes to Non-consolidated Financial Statements
- Please note that the proceedings of this General Meeting of Shareholders will be conducted entirely in Japanese.
- Large personal items such as long umbrellas may not be carried into the place of the meeting. Please leave them at the cloak desk on the first floor of the venue before entering.

Matters Concerning Exercise of Voting Rights

1. Exercise of Voting Rights via Mail

Please indicate your vote for or against each proposal on the enclosed Voting Rights Exercise Form, and **return it so that it arrives by 6:00 p.m. on Tuesday, June 26, 2018, Japan time.**

2. Exercise of Voting Rights via Internet

(1) Voting Rights Exercise Website

In lieu of exercising voting rights via writing, voting rights may be exercised on the "Voting Rights Exercise Website" (below) designated by the Company. For shareholders who wish to exercise voting rights via the Internet, please log in and follow the on-screen instructions by utilizing the voting rights exercise code and password printed along the right edge of the enclosed Voting Rights Exercise Form. For security purposes, you will be required to change your password upon initial login.

https://soukai.mizuho-tb.co.jp/

(2) Exercise of Voting Rights

a. Votes exercised by 6:00 p.m. on Tuesday, June 26, 2018, Japan time are valid.

b. In the event that voting rights are exercised both via writing and the Internet, the vote cast via the Internet shall be deemed valid.

c. In the event that voting rights are exercised multiple times via the Internet, the most recent vote cast shall be deemed valid.

(3) Passwords

a. Passwords (including those modified by shareholders) are valid only for this general meeting. New passwords will be issued for the next General Meeting of Shareholders.

b. Passwords are an important method to verify the identity of shareholders that are exercising votes via the voting rights exercise website. Please ensure that other people do not know your password. The Company will never request passwords from shareholders.

c. After a certain number of failed login attempts, the password will become locked and invalid. If it becomes locked, please follow the on-screen instructions.

(4) Other Matters to Note

a. Expenses to use the Internet (Internet service provider fees, transmission fees, etc.) are to be borne by the shareholder.

b. The voting rights exercise website has been tested with typical Internet connection equipment, but the website may not be accessible depending upon your equipment.

c. For any questions, please contact the organizations below.

[Contact Information]

1. Dedicated line for inquiries concerning using the voting rights exercise website, etc.
   Internet Help Center, Transfer Agent Department, Mizuho Trust & Banking Co., Ltd.
   Telephone: 0120-768-524 (Toll free within Japan)
   Hours of operation: 9:00 a.m. to 9:00 p.m. (excluding Saturdays, Sundays, and holidays)
2. Inquiries concerning questions other than 1. above
   Transfer Agent Department, Mizuho Trust & Banking Co., Ltd.
   Telephone: 0120-288-324 (Toll free within Japan)
   Hours of operation: 9:00 a.m. to 5:00 p.m. (excluding Saturdays, Sundays, and holidays)

✧ Exercise of Voting Rights via the “Electronic Voting Rights Exercise Platform” for Institutional Investors

Institutional investors that have applied to use the Electronic Voting Rights Exercise Platform operated by ICJ Co., Ltd. ahead of time may use the Platform as the electronic method for exercise of voting rights for this General Meeting of Shareholders of the Company.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Election of Nine Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

The term of office of all nine Directors (excluding Directors Serving as Audit and Supervisory Committee Members; hereinafter the same applies within this Proposal) will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of nine Directors is proposed.

In the event that the election of the Directors is approved, the term of office of Directors will be up to the conclusion of the next Annual General Meeting of Shareholders.

Additionally, the Audit and Supervisory Committee has determined that all candidates for Director in this Proposal are suitable for the position.

The candidates for Director are as follows:

No.	Name	Present positions at the Company	Present responsibilities at the Company	Candidate category
1	Keiji Nishio	Representative Director and President	Overall management	Reappointment
2	Shigeru Nishibaba	Managing Executive Officer	In charge of Institutional Foods	New appointment
3	Takahiro Ishida	Representative Director and Executive Vice President	Overall management and Assistant to the President In charge of General Affairs, Secretarial Dept. and Personnel	Reappointment
4	Shinya Kosaka	Director and Senior Managing Executive Officer	In charge of Corporate Planning Div., Administration and Affiliated Company Control	Reappointment
5	Hideaki Tsuchioka	Director and Senior Managing Executive Officer	Supervising Household Products Division and in charge of National Chain Store Sales, Public Relations and Corporate Social Responsibility	Reappointment
6	Katsuyuki Shirohata	Director and Managing Executive Officer	In charge of Production and Production Technology	Reappointment
7	Masato Koitabashi	Director and Managing Executive Officer General Manager, Dairy Dept.	In charge of Dairy	Reappointment
8	Hideki Motoi	Director and Managing Executive Officer	In charge of Accounting & Finance (including Investor Relations) and Information Technology Deputy Manager of Corporate Planning Div. and Affiliated Company Control	Reappointment
9	Hisa Anan	External Director		Reappointment External Director Independent Officer

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Reappointment Keiji Nishio (February 19, 1959) Record of attendance at Board of Directors meetings 18 out of 18 (100%) Years in office 5 years	April 1981 Joined Snow Brand Milk Products Co., Ltd. April 2002 General Manager, Dairy & Grocery Foods Division of Snow Brand Milk Products Co., Ltd. October 2002 General Manager, Dairy, Grocery Foods & Wine Marketing Dept. of Snow Brand Milk Products Co., Ltd. June 2003 Executive Officer and General Manager, Dairy, Grocery Foods & Wine Marketing Dept. of Snow Brand Milk Products Co., Ltd. January 2004 Executive Officer and Deputy General Manager, Cheese Division of Snow Brand Milk Products Co., Ltd. June 2004 Managing Executive Officer and Chief Operations Officer, Kanto Regional Sales Division of Snow Brand Milk Products Co., Ltd. June 2009 Managing Executive Officer, General Manager, Sales Promotion Dept., and Chief Operations Officer, Kanto Regional Sales Division of Snow Brand Milk Products Co., Ltd. October 2009 Director, Executive Officer, General Manager, Sales Promotion Dept., and Chief Operations Officer, Kanto Regional Sales Division of Snow Brand Milk Products Co., Ltd. April 2011 Executive Officer and General Manager, Marketing Control Dept. of the Company June 2013 Director and Executive Officer March 2014 Director, Executive Officer, and General Manager, Milk Beverages & Desserts Marketing Dept. April 2015 Representative Director and President May 2018 President and Representative Director of Japan Dairy Trade Co., Ltd. To the present (Responsibilities) Overall management (Significant concurrent positions) Chairman of Japan Cheese Promotion Council Committee Chair of Japan Cheese Fair Trade Council President of Japan Dairy Association (J-milk) President and Representative Director of Japan Dairy Trade Co., Ltd.	Common stock 8,661 shares
	[Reasons for selecting the candidate for Director] Mr. Keiji Nishio possesses abundant experience and wide-ranging insight as a corporate manager and is familiar with the Company's business including management planning, sales planning, and product planning, and has shown leadership as a top executive by setting forth clear management policies and others. The Company has determined that he possesses experience and ability fitting of a Director of the Company and has reappointed him as candidate for Director.		

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Past experience, positions, responsibilities and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">2</td><td>New appointment
Shigeru Nishibaba
(October 16, 1956)</td><td>April 1979 Joined National Federation of Agricultural Cooperative Associations (ZEN-NOH)
February 2000 General Manager, Central Livestock Center Meat Dept. of ZEN-NOH
February 2004 Manager, Meat Div., Headquarters Livestock Sales Dept. of ZEN-NOH
September 2006 Managing Director and General Manager, Business Planning Dept. of JA ZEN-NOH MEAT FOODS CO., LTD.
August 2007 Adviser of ZEN-NOH
August 2010 Senior Managing Director of ZENNOH CHICKEN FOODS CORPORATION
June 2011 Representative Director and President of ZENNOH CHICKEN FOODS CORPORATION
August 2012 Adviser of the Company
June 2013 Director and Executive Officer
June 2014 Director, Executive Officer and General Manager, Institutional Foods Dept.
April 2015 Director and Executive Officer
June 2016 Managing Executive Officer
To the present
(Responsibilities)
In charge of Institutional Foods</td><td>Common stock
6,434 shares</td></tr>
<tr><td colspan="3">[Reasons for selecting the candidate for Director]
Mr. Shigeru Nishibaba possesses abundant experience and wide-ranging insight as a corporate manager and is familiar with management planning and marketing divisions, and others, and has shown leadership as a management executive. The Company has determined that he possesses experience and ability fitting of a Director of the Company and has appointed him as candidate for Director.</td></tr>
<tr><td rowspan="2">3</td><td>Reappointment
Takahiro Ishida
(April 2, 1957)

Record of attendance at Board of Directors meetings
18 out of 18 (100%)

Years in office
5 years</td><td>April 1980 Joined The Norinchukin Bank
April 2000 General Manager, Miyazaki Branch of The Norinchukin Bank
July 2002 General Manager, Corporate Planning Div. and Deputy General Manager, Subsidiaries & Affiliates Management Dept., Corporate Planning Div. of The Norinchukin Bank
June 2004 Executive Officer and General Manager, Corporate Planning Dept. of Nippon Milk Community Co., Ltd.
July 2005 Manager and Senior Examiner, JA Bank System Management Div. of The Norinchukin Bank
June 2006 General Manager, System Planning Department of The Norinchukin Bank
June 2007 Representative Director and Vice President of The JA Bank Computer System Co., Ltd.
April 2008 Representative Director, Vice President and General Manager of JASTEM Business Division of Nochu Information System Co., Ltd.
June 2008 Managing Director of The Norinchukin Bank
June 2011 Representative Director and President of Nochu Information System Co., Ltd.
June 2013 Representative Director and Executive Vice President of the Company
To the present
(Responsibilities)
Overall management and Assistant to the President
In charge of General Affairs, Secretarial Dept. and Personnel</td><td>Common stock
6,737 shares</td></tr>
<tr><td colspan="3">[Reasons for selecting the candidate for Director]
Mr. Takahiro Ishida possesses abundant experience and wide-ranging insight as a corporate manager and is familiar with fields such as management planning, human resources, finance, information systems, and others, and has shown leadership as a management executive. The Company has determined that he possesses experience and ability fitting of a Director of the Company and has reappointed him as candidate for Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Past experience, positions, responsibilities and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">4</td><td>Reappointment
Shinya Kosaka
(September 15, 1957)

Record of attendance at Board of Directors meetings
18 out of 18 (100%)

Years in office
7 years</td><td>April 1980 Joined Snow Brand Milk Products Co., Ltd.
April 2002 General Manager, Corporate Planning Dept. of Snow Brand Milk Products Co., Ltd.
January 2003 General Manager, Supply Chain Management Dept. of Snow Brand Milk Products Co., Ltd.
June 2003 Executive Officer and General Manager, Supply Chain Management Dept. of Snow Brand Milk Products Co., Ltd.
January 2004 Executive Officer and General Manager, Cheese Division of Snow Brand Milk Products Co., Ltd.
April 2005 Executive Officer and General Manager, Institutional Foods Division of Snow Brand Milk Products Co., Ltd.
June 2006 General Manager, Institutional Foods Division of Snow Brand Milk Products Co., Ltd.
October 2006 General Manager, Investment Planning Dept. of Snow Brand Milk Products Co., Ltd.
October 2007 General Manager, Distribution Dept. of Snow Brand Milk Products Co., Ltd.
October 2009 Deputy General Manager, Integration Strategy Dept. of the Company
April 2010 General Manager, Integration Strategy Dept.
April 2011 Executive Officer
June 2011 Director and Executive Officer
June 2013 Director and Managing Executive Officer
June 2016 Director and Senior Managing Executive Officer
To the present
(Responsibilities)
In charge of Corporate Planning Div., Administration and Affiliated Company Control</td><td>Common stock
7,247 shares</td></tr>
<tr><td colspan="3">[Reasons for selecting the candidate for Director]
As Mr. Shinya Kosaka has abundant experience in the administration division and is particularly familiar with the fields of management administration, corporate governance, materials procurement and dairy material & products, the Company has determined that he possesses experience and ability fitting of a Director of the Company and has reappointed him as candidate for Director.</td></tr>
<tr><td rowspan="2">5</td><td>Reappointment
Hideaki Tsuchioka
(September 19, 1955)

Record of attendance at Board of Directors meetings
17 out of 18 (94%)

Years in office
7 years</td><td>April 1979 Joined Snow Brand Milk Products Co., Ltd.
January 2003 General Manager, Sapporo Sales Office of Nippon Milk Community Co., Ltd.
May 2003 General Manager, Hokkaido Div. of Nippon Milk Community Co., Ltd.
March 2006 General Manager, Marketing Planning Group, Generalized Marketing Dept. of Nippon Milk Community Co., Ltd.
April 2007 General Manager, Product Marketing and Development Group, Generalized Marketing Dept. of Nippon Milk Community Co., Ltd.
October 2009 Deputy General Manager, Integration Strategy Dept. of the Company
April 2011 Executive Officer
June 2011 Director and Executive Officer
June 2015 Director and Managing Executive Officer
June 2016 Director and Senior Managing Executive Officer
To the present
(Responsibilities)
Supervising Household Products Division and in charge of National Chain Store Sales, Public Relations and Corporate Social Responsibility</td><td>Common stock
4,108 shares</td></tr>
<tr><td colspan="3">[Reasons for selecting the candidate for Director]
As Mr. Hideaki Tsuchioka has abundant experience in the sales division, and is particularly familiar with the fields of sales strategy, product planning, marketing, and national sales, the Company has determined that he possesses experience and ability fitting of a Director of the Company and has reappointed him as candidate for Director.</td></tr>
</table>

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
6	Reappointment Katsuyuki Shirohata (May 8, 1956) Record of attendance at Board of Directors meetings 18 out of 18 (100%) Years in office 5 years	April 1980 Joined Snow Brand Milk Products Co., Ltd. October 2003 General Manager, Noda Plant of Nippon Milk Community Co., Ltd. January 2007 Deputy General Manager, Production Engineering Group, Generalized Production Dept. of Nippon Milk Community Co., Ltd. April 2009 General Manager, Production Engineering Group, Generalized Production Dept. of Nippon Milk Community Co., Ltd. April 2011 General Manager, Quality Assurance Dept. of the Company April 2012 Executive Officer and General Manager, Quality Assurance Dept. June 2013 Director, Executive Officer, and General Manager, Quality Assurance Dept. March 2014 Director, Executive Officer, General Manager, Quality Assurance Dept. and General Manager, Functional Food Marketing Dept. June 2015 Director and Executive Officer, General Manager, Production Control Dept. April 2016 Director and Executive Officer, General Manager, Production Engineering Dept. June 2016 Director and Managing Executive Officer To the present (Responsibilities) In charge of Production and Production Technology	Common stock 4,641 shares
	[Reasons for selecting the candidate for Director] As Mr. Katsuyuki Shirohata has abundant, wide-ranging experience in the divisions of production and production engineering and is particularly familiar with the field of production control and others, and the Company has determined that he possesses experience and ability fitting of a Director of the Company and has reappointed him as candidate for Director.		

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Past experience, positions, responsibilities and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">7</td><td>Reappointment
Masato Koitabashi
(May 28, 1959)

Record of attendance at Board of Directors meetings
18 out of 18 (100%)

Years in office
3 years</td><td>April 1983 Joined Snow Brand Milk Products Co., Ltd.
August 2003 General Manager, Secretarial room of Snow Brand Milk Products Co., Ltd.
January 2004 General Manager, Dairy Material & Products Division of Snow Brand Milk Products Co., Ltd.
October 2006 General Manager, Kyushu Regional Sales Office of Snow Brand Milk Products Co., Ltd.
October 2008 General Manager, Milk Procurement Dept. of Snow Brand Milk Products Co., Ltd.
May 2010 Seconded to Japan Dairy Industry Association
May 2011 Standing Director of Japan Dairy Industry Association
May 2012 Senior Managing Director of Japan Dairy Industry Association
June 2014 Executive Officer and General Manager, Dairy Dept. of the Company
June 2015 Director and Executive Officer, General Manager, Dairy Dept.
June 2016 Director and Managing Executive Officer, General Manager, Dairy Dept.
To the present

(Responsibilities)
In charge of Dairy</td><td>Common stock
5,149 shares</td></tr>
<tr><td colspan="3">[Reasons for selecting the candidate for Director]
As Mr. Masato Koitabashi has abundant accumulated experience and personal network in the sales and dairy divisions, and is particularly familiar with the fields of sales strategy of the dairy material & products division and dairy production, the Company has determined that he possesses experience and ability fitting of a Director of the Company and has reappointed him as candidate for Director.</td></tr>
<tr><td rowspan="2">8</td><td>Reappointment
Hideki Motoi
(December 20, 1961)

Record of attendance at Board of Directors meetings
18 out of 18 (100%)

Years in office
2 years</td><td>April 1984 Joined The Norinchukin Bank
July 2004 Branch Manager, Naha Branch of The Norinchukin Bank
August 2005 General Manager of JA Sales Dept. of Mizuho Securities Co., Ltd.
July 2007 Deputy General Manager, Credit & Alternative Portfolio Planning Div. of The Norinchukin Bank
July 2009 General Manager, Corporate Planning Dept. of Snow Brand Milk Products Co., Ltd.
October 2009 General Manager, Corporate Planning Dept. of the Company
April 2011 General Manager, Corporate Planning Div.
July 2011 General Manager, Agriculture, Forestry, Fishery & Ecology Business Planning Div. of The Norinchukin Bank
June 2014 Managing Director of The Norinchukin Bank
May 2016 Adviser of the Company
June 2016 Director and Managing Executive Officer
To the present

(Responsibilities)
In charge of Accounting & Finance (including Investor Relations), Information Technology, Deputy Manager of Corporate Planning Div. and Affiliated Company Control</td><td>Common stock
1,598 shares</td></tr>
<tr><td colspan="3">[Reasons for selecting the candidate for Director]
As Mr. Hideki Motoi has abundant experience in the finance and accounting divisions and is particularly familiar with the fields of corporate finance and IR, and the Company has determined that he possesses experience and ability fitting of a Director of the Company and has thus reappointed him as candidate for Director.</td></tr>
</table>

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
9	Reappointment External Director Independent Officer Hisa Anan (February 17, 1950) Record of attendance at Board of Directors meetings 18 out of 18 (100%) Years in office 3 years	June 1991 Director of CO-OP TOKYO June 1999 Director of Tokyo Consumers' Co-operative Union June 2001 Director of Japanese Consumers' Co-operative Union August 2003 Director of National Federation of Workers and Consumers Insurance Cooperatives October 2007 Secretariat of SHODANREN May 2008 Secretary General of SHODANREN August 2012 Secretary-General of Consumer Affairs Agency August 2014 Retired from position as Secretary-General of Consumer Affairs Agency June 2015 External Director of the Company To the present (Significant concurrent positions) Representative Director of Association to Create a Society with Consumer Citizenship	Common stock 552 shares

[Reasons for selecting the candidate for External Director]
Although Ms. Hisa Anan has not been previously involved in corporate management directly, as she has abundant experience in consumer organizations and has served as the Secretary-General of Consumer Affairs Agency, etc., and is particularly familiar with the field of consumer lifestyle and others, the Company has determined that she can draw on her background to provide guidance, recommendations and supervision for the Company's management and has reappointed her as candidate for Director.
[Independence as an External Director]
Ms. Hisa Anan has been filed as an Independent Officer provided for by the Tokyo Stock Exchange and Sapporo Stock Exchange. If Proposal 1 and this proposal are approved and Ms. Hisa Anan assumes the position as External Director, she will continue to be filed as an Independent Officer.
She is not scheduled to receive large sums of money or property (excluding remuneration as a Director) from the Company or parties related to the Company, and has not received such items during the past two years. In addition, she is not a spouse, relative within the third degree of kinship, or of other relations of officers with executive authority or otherwise of the Company or parties related to the Company.

(Notes)

1. Mr. Keiji Nishio is President and Representative Director of Japan Dairy Trade Co., Ltd., of which the Company holds 30.1% of its stock, and there are competitive relationships between the Company and said company in the real estate leasing business. There are no special interests between other candidates and the Company.
2. The number of years in office for each candidate are as of the conclusion of this Annual General Meeting of Shareholders.
3. Ms. Hisa Anan is a candidate for External Director.
4. Ms. Hisa Anan is currently an External Director of the Company, and her term of office as External Director of the Company will be three years at the conclusion of this Annual General Meeting of Shareholders.
5. Conclusion of limited liability contract with candidate for External Director
   The Company has concluded a liability limitation contract pursuant to Article 423, Paragraph 1 of the Companies Act with Ms. Hisa Anan. The terms of the contract have stipulated that her upper limit of liability toward the Company is ¥10 million, or the amount provided by laws and regulations, whichever is greater. If she is reappointed Director, the Company plans to continue with said contract.
6. In February 2018, during which Ms. Hisa Anan was in office as External Director of the Company, it was discovered that multiple seeds and seedlings with labeling in violation of the Plant Variety Protection and Seed Act had been sold by the Company's consolidated subsidiary SNOW BRAND SEED CO., LTD., and the company received a Report Collection Order from the Minister of Agriculture, Forestry and Fisheries under Article 65 of the Plant Variety Protection and Seed Act. Although she was not aware of these facts until the violations came to light, she had been regularly calling for attention to the importance of compliance with laws and regulations at the Board of Directors meetings of the Company, etc. After these violations were discovered, she has been fulfilling her duties by making statements as required at the Board of Directors meetings of the Company regarding thorough compliance with laws and regulations and measures to prevent recurrence, etc.
7. Designation of Independent Officers is made pursuant to the "MEGMILK SNOW BRAND Co., Ltd. Independence Standards for External Directors" on page 16.

Proposal 2: Election of Three Directors Serving as Audit and Supervisory Committee Members

The term of office of all three Directors serving as Audit and Supervisory Committee Members will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of three Directors serving as Audit and Supervisory Committee Members is proposed.

In the event that the election of the Directors serving as Audit and Supervisory Committee Members is approved, the term of the office of the Directors serving as Audit and Supervisory Committee Members will be up to the conclusion of the 11th Annual General Meeting of Shareholders.

This proposal has been approved in advance by the Audit and Supervisory Committee. Additionally, the Audit and Supervisory Committee has expressed that all candidates for Director serving as Audit and Supervisory Committee Members are suitable for the position.

The candidates for Directors serving as Audit and Supervisory Committee Members are as follows.

No.	Name	Present positions at the Company	Candidate category
1	Shinobu Chiba	Director serving as Audit and Supervisory Committee Member (Full-time)	Reappointment
2	Ikuo Nishikawa	External Director serving as Audit and Supervisory Committee Member	Reappointment External Director Independent Officer
3	Akito Hattori		New appointment External Director Independent Officer

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions		Number of shares of the Company held
1	Reappointment Shinobu Chiba (January 26, 1955) Record of attendance at Board of Directors meetings 18 out of 18 (100%) Years in office 2 years	April 1978 January 2003 October 2003 January 2004 April 2007 June 2009 October 2009 April 2011 June 2011 June 2015 June 2016 To the present	Joined Snow Brand Milk Products Co., Ltd. General Manager, Corporate Communication Dept. of Nippon Milk Community Co., Ltd. General Manager, Sales Promotion Dept. of Nippon Milk Community Co., Ltd. General Manager, Product Marketing and Development Group, Generalized Marketing Dept. of Nippon Milk Community Co., Ltd. General Manager, General Affairs & Personnel Group, Generalized Administration Dept. of Nippon Milk Community Co., Ltd. Executive Officer and General Manager, Generalized Administration Dept. of Nippon Milk Community Co., Ltd. Director, Executive Officer and General Manager, Generalized Administration Dept. of Nippon Milk Community Co., Ltd. Executive Officer of the Company Director and Executive Officer Audit & Supervisory Board Member Director serving as Audit and Supervisory Committee Member	Common stock 3,192 shares
	[Reasons for selecting the candidate for Director serving as Audit and Supervisory Committee Member] As Mr. Shinobu Chiba has abundant experience in the administration division and has deep knowledge and insight based on his management experience at the Company, the Company has determined that he possesses experience and ability fitting of an individual who will audit and supervise Directors' business execution, and has reappointed him as candidate for Director.			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions		Number of shares of the Company held
2	Reappointment External Director Independent Officer Ikuo Nishikawa (July 1, 1951) Record of attendance at Board of Directors meetings 18 out of 18 (100%) Years in office 2 years	October 1974	Joined Eiko Accounting Audit Corporation (currently Ernst & Young ShinNihon LLC)	Common stock 705 shares
		September 1990	Representative Partner of KPMG Century Audit Corporation (currently Ernst & Young ShinNihon LLC)	
		January 1993	Japanese Representative, Board of Directors, International Accounting Standards Committee (IASC)	
		July 1995	Executive Director of The Japanese Institute of Certified Public Accountants	
		June 1998	Retired from Japanese Representative, Board of Directors, International Accounting Standards Committee (IASC)	
		June 2001	Retired from Executive Director of The Japanese Institute of Certified Public Accountants	
		July 2001	Retired from Shin Nihon & Co. (currently Ernst & Young ShinNihon LLC)	
		August 2001	Vice Chairman of The Accounting Standards Board of Japan	
		April 2007	Chairman of The Accounting Standards Board of Japan	
		April 2012	Professor of Faculty of Business and Commerce, Keio University	
		June 2014	Audit & Supervisory Board Member of the Company	
		June 2014	Outside Director of Eisai Co., Ltd. (current position)	
		June 2016	Outside Director of Daiwa Securities Group Inc. (current position)	
		June 2016	Outside Audit & Supervisory Board Member of Mitsubishi Corporation (current position)	
		June 2016	Director serving as Audit and Supervisory Committee Member of the Company	
			To the present	
		(Significant concurrent positions) Outside Director of Eisai Co., Ltd. Outside Director of Daiwa Securities Group Inc. Outside Audit & Supervisory Board Member of Mitsubishi Corporation		
	[Reasons for selecting the candidate for External Director serving as Audit and Supervisory Committee Member] Although Mr. Ikuo Nishikawa has not been previously involved in corporate management directly, he has a specialized and high degree of knowledge and wide-ranging experience regarding finance and accounting as a certified public accountant, the Company has determined he will be able to draw on his background in the auditing and supervising of Directors' business execution, and has reappointed him as candidate for Director. The Company designates Directors serving as Audit and Supervisory Committee Members pursuant to the "Nomination Policies for Candidates for Director" on page 16 by including at least one person with expertise on finance and accounting. [Independence as an External Director serving as Audit and Supervisory Committee Member] Mr. Ikuo Nishikawa has been filed as an Independent Officer provided for by the Tokyo Stock Exchange and Sapporo Stock Exchange. If Proposal 1 and this proposal are approved, he will continue to be filed as an Independent Officer. He is not scheduled to receive large sums of money or property (excluding remuneration as a Director serving as Audit and Supervisory Committee Member) from the Company or parties related to the Company, and has not received such items during the past two years. In addition, he is not a spouse, relative within the third degree of kinship, or of other relations of officers with executive authority or otherwise of the Company or parties related to the Company.			

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Past experience, positions and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">3</td><td>New appointment
External Director
Independent Officer

Akito Hattori
(November 28, 1958)</td><td>April 1989 Registered as an attorney
Joined Miyake, Hatazawa & Yamazaki Law Office
April 1991 Joined Ozaki Law Office
November 2006 Established Akito Hattori Law Office
To the present
(Significant concurrent positions)
Representative of Akito Hattori Law Office
Representative Director and President of Hagiwara Timber, Co., Ltd.</td><td>Common stock
0 shares</td></tr>
<tr><td colspan="3">[Reasons for selecting the candidate for External Director serving as Audit and Supervisory Committee Member]
As Mr. Akito Hattori is well-versed in corporate law as an attorney, the Company has determined that he can utilize his highly specialized background in the supervision and auditing of Directors' business execution, and has appointed him as a candidate for Director.
[Independence as an External Director serving as Audit and Supervisory Committee Member]
If this proposal is approved and Mr. Akito Hattori assumes the position as External Director serving as Audit and Supervisory Committee Member, he will be filed as an Independent Officer provided for by the Tokyo Stock Exchange and Sapporo Stock
Exchange.
Although he is not scheduled to receive large sums of money or property (excluding remuneration as a Director serving as Audit and Supervisory Committee Member) from the Company, and has not received such items during the past two years, he has concluded a legal advisory contract with AEON CO., LTD., which is a party related to the Company, receives compensation, etc., from said company as part of said contract, and is scheduled to receive such compensation in the future. Furthermore, he is not a spouse, relative within the third degree of kinship, or of other relations of officers with executive authority or otherwise of the Company or parties related to the Company.</td></tr>
</table>

(Notes)

1. Although Mitsubishi Corporation, for which Mr. Ikuo Nishikawa serves as Outside Audit & Supervisory Board Member has transactions with the Company for the sale of products and the purchase of raw materials, the amount of transactions is less than 1% of the consolidated sales of the Company or Mitsubishi Corporation, and therefore there are no special interests between the candidates including Mr. Ikuo Nishikawa and the Company.
2. The number of years in office for each candidate are as of the conclusion of this Annual General Meeting of Shareholders.
3. Mr. Ikuo Nishikawa and Mr. Akito Hattori are candidates for External Director.
4. Mr. Ikuo Nishikawa, currently External Director serving as Audit and Supervisory Committee Member of the Company, will have been in office as External Director serving as Audit and Supervisory Committee Member of the Company for two years at the conclusion of this Annual General Meeting of Shareholders. Furthermore, he was Corporate Auditor of the Company prior to the Company's transition to a Company with an Audit and Supervisory Committee, and his term of office in that position was two years.
5. Conclusion of limited liability contract with each candidate for Director serving as Audit and Supervisory Committee Member

   The Company has concluded liability limitation contracts pursuant to Article 423, Paragraph 1 of the Companies Act with Mr. Shinobu Chiba and Mr. Ikuo Nishikawa respectively. The terms of the contracts have stipulated that their upper limit of liability toward the Company is ¥10 million, or the amount provided by laws and regulations, whichever is greater. If they are reappointed Directors serving as Audit and Supervisory Committee Members, the Company plans to continue with said contracts. If Mr. Akito Hattori is elected Director serving as Audit and Supervisory Committee Members, the Company plans to conclude a similar contract with him.
6. In February 2018, during which Mr. Ikuo Nishikawa was in office as External Director serving as Audit and Supervisory Committee Member of the Company, it was discovered that multiple seeds and seedlings with labeling in violation of the Plant Variety Protection and Seed Act had been sold by the Company's consolidated subsidiary SNOW BRAND SEED CO., LTD., and the company received a Report Collection Order by the Minister of Agriculture, Forestry and Fisheries under Article 65 of the Plant Variety Protection and Seed Act. Although he was not aware of these facts until the violations came to light, he had been regularly calling for attention to the importance of compliance with laws and regulations at the Board of Directors meetings and Audit and Supervisory Committee meetings of the Company, etc. After these violations were discovered, he has been fulfilling his duties by making statements as required at the Board of Directors meetings and Audit and Supervisory Committee meetings of the Company regarding thorough compliance with laws and regulations and measures to prevent recurrence, etc.

7. Designation of Independent Officers is made pursuant to the “MEGMILK SNOW BRAND Co., Ltd. Independence Standards for External Directors” on page 16.

Reference Material

MEGMILK SNOW BRAND Co., Ltd. Nomination Policies for Candidates for Director

Under the premise that none of the candidates for Directors (excluding Directors Serving as Audit and Supervisory Committee Members) fall under any of the disqualifying reasons stipulated by the Companies Act, the candidates are appointed from among persons who possess high ethics, in addition to superior personality, insight, ability, and abundant experience for conducting overall corporate monitoring and supervision of business execution. They are appointed also in consideration of a well-balanced Board of Directors without an overabundance of specialties in any particular field.

Under the premise that none of the candidates for Directors Serving as Audit and Supervisory Committee Members fall under any of the disqualifying reasons stipulated by the Companies Act, the candidates have been appointed from among persons who possess high ethics, in addition to superior personality, insight, ability, and abundant experience for conducting overall corporate monitoring and supervision of business execution. They are appointed also in consideration of whether they can secure their independence from officers with executive authority or whether they can maintain a fair and unchanged attitude, etc. The candidates for Directors Serving as Audit and Supervisory Committee Members must include at least one person who has expertise in finance and accounting.

MEGMILK SNOW BRAND Co., Ltd. Independence Standards for External Directors

MEGMILK SNOW BRAND CO., Ltd. (hereinafter the "Company") and its subsidiaries (collectively, the "Group") judges External Directors (hereinafter "External Directors") to be sufficiently independent so long as they do not fall under any of the following.

1. The following individuals who have had business transactions with the Company or its subsidiaries in any of the past three fiscal years
   (1) Of those who have the Company or its subsidiaries as a client, an individual who the Group has paid an amount totaling more than 2% of the consolidated net sales of that business partner or an officer or employee who executes business of that corporation such as an executive Director, an Executive Officer, or others (hereinafter "executives")
   (2) Of those who the Company or its subsidiaries have as a client, an individual or their executives who pays to the Group an amount totaling more than 2% of the Group's consolidated net sales
   (3) An individual or their executives whose loans to the Company or its subsidiaries total more than 2% of the Group's consolidated total assets
   (4) A consultant, accounting professional, or legal professional who has received from the Company or its subsidiaries monetary or other assets totaling ¥10 million or 2% of total revenue, whichever is greater (excluding Director compensation), or in the event that an organization is acquiring said assets, an individual belonging to that organization

2. The following individuals who have been major shareholders in the past three years
   (1) An individual who possesses a proportion of 10% or more of the Company's voting rights (including indirect possession) or their executives
   (2) An executive of a company whose voting rights the Company or its subsidiaries possesses a proportion of 10% or more of (including indirect possession)

3. Relatives of the Company, the Company's subsidiaries, the Company's business partners, or other related persons
   (1) An individual who was a spouse or relative within the second degree of kinship of one of the following within the past ten years
      1) An executive Director or Executive Officer of the Company or its subsidiaries or a General Manager of Head Office
      2) A non-executive Director of the Company
   (2) An individual who was a spouse or relative within the second degree of kinship of one of the following within the past three years
      1) An individual who corresponds to the aforementioned 1. (1), (2), or (3) or the aforementioned

2., and in the case that the individual is an executive, an officer who executes business of that corporation such as an executive Director or an Executive Officer, or an individual equivalent to a General Manager of departments

2) An individual who corresponds to the aforementioned 1. (4) (limited in the case of an accounting professional to a certified public accountant, and in the case of a legal professional to an attorney-at-law (including associates))

4. Other related persons

(1) An individual who, in any of the past three fiscal years, has received donations from the Company or its subsidiaries in a single fiscal year equivalent to ¥10 million or 2% of total revenue, whichever is greater, or their executives

(2) An executive of a company in which, within the past three years, an individual from the Company or its subsidiaries has served as an external officer

Proposal 3: Election of Two Substitute Directors Serving as Audit and Supervisory Committee Members

To prepare for the case where the number of Directors serving as Audit and Supervisory Committee Members falls below the number required by laws and regulations, the Company proposes the election of two Substitute Directors Serving as Audit and Supervisory Committee Members.

The candidates for Substitute Directors Serving as Audit and Supervisory Committee Members are as follows. Mr. Setsuya Omori is a candidate for Substitute Director for Mr. Shinobu Chiba, who will be a Director serving as Audit and Supervisory Committee Member if Proposal 2 is approved as originally proposed. Similarly, Mr. Tomohiko Manabe is a candidate for Substitute External Director for Mr. Ikuo Nishikawa and Mr. Akito Hattori, who will be Directors serving as Audit and Supervisory Committee Members if Proposal 2 is approved as originally proposed. The resolution of this proposal shall remain in effect up to the beginning of the next Annual General Meeting of Shareholders.

This proposal has been approved in advance by the Audit and Supervisory Committee.

No.	Name (Date of birth)	Past experience and significant concurrent positions	Number of shares of the Company held
1	Setsuya Omori (April 29, 1956)	April 1980 Joined Snow Brand Milk Products Co., Ltd. February 2002 General Manager, General Affairs Dept. of Michinoku Milk Co., Ltd. April 2006 Deputy General Manager, General Affairs & Personnel Group, Generalized Administration Dept. of Nippon Milk Community Co., Ltd. June 2009 General Manager, General Affairs & Personnel Group, Generalized Administration Dept. of Nippon Milk Community Co., Ltd. October 2009 General Manager, Personnel Planning Dept. of the Company April 2011 General Manager, Personnel Dept. June 2013 Corporate Auditor June 2016 Corporate Auditor of Snow Brand Seed Co., Ltd. To the present (Significant concurrent positions) Corporate Auditor of Snow Brand Seed Co., Ltd.	Common stock 1,895 shares
[Reasons for selecting the candidate for Substitute Director serving as Audit and Supervisory Committee Member] As Mr. Setsuya Omori has abundant experience as Corporate Auditor at the Company and group companies, the Company has determined that he possesses experience and ability befitting to an individual who audits and supervises Directors' business execution, and has appointed him as a candidate for Substitute Director serving as Audit and Supervisory Committee Member.			

No.	Name (Date of birth)	Past experience and significant concurrent positions	Number of shares of the Company held
2	Tomohiko Manabe (October 3, 1963)	October 1991 Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC) May 2007 Partner of Ernst & Young ShinNihon LLC July 2010 Partner of Certified Public Tax Accountants' Co. Takano Sogo Accounting Firm July 2013 Senior Partner of Certified Public Tax Accountants' Co. Takano Sogo Accounting Firm May 2015 Outside Director of Freund Corporation (current position) June 2015 Outside Corporate Auditor of NIPPON SHUPPAN HANBAI INC. (current position) June 2017 Outside Corporate Auditor of Shuppan Kyodo Ryutsu Inc. (current position) To the present (Significant concurrent positions) Senior Partner of Certified Public Tax Accountants' Co. Takano Sogo Accounting Firm Outside Director of Freund Corporation Outside Corporate Auditor of NIPPON SHUPPAN HANBAI INC. Outside Corporate Auditor of Shuppan Kyodo Ryutsu Inc.	Common stock 0 shares

[Reasons for selecting the candidate for Substitute External Director serving as Audit and Supervisory Committee Member]

Although Mr. Tomohiko Manabe has not been previously involved in corporate management directly, he has a specialized and high degree of knowledge and wide-ranging experience as a certified public accountant, the Company has determined that he will be able to draw on his background in the supervision and auditing of Directors' business execution, and has appointed him as a candidate for Substitute External Director serving as Audit and Supervisory Committee Member.

[Independence as a Substitute External Director serving as Audit and Supervisory Committee Member]

Mr. Tomohiko Manabe is not scheduled to receive large sums of money or property (excluding remuneration as a Director serving as an Audit and Supervisory Committee Member) from the Company or parties related to the Company, and has not received such items during the past two years. In addition, he is not a spouse, relative within the third degree of kinship, or of other relations of officers with executive authority or otherwise of the Company or parties related to the Company.

(Notes)

1. There is no significant conflict of interest between the Company and each candidate.
2. Mr. Tomohiko Manabe is a candidate for Substitute External Director Serving as an Audit and Supervisory Committee Member.
3. Conclusion of limited liability contract with candidate for Substitute Directors Serving as Audit and Supervisory Committee Members

   In the event that each candidate assumes the position as a Director Serving as an Audit and Supervisory Committee Member, the Company plans to conclude a liability limitation contract with each candidate pursuant to Article 423, Paragraph 1 of the Companies Act. The terms of the contract shall stipulate that each candidate's upper limit of liability toward the Company is a predetermined amount of ¥10 million or higher, or the amount provided by laws and regulations, whichever is greater.
4. If Mr. Tomohiko Manabe assumes the position as External Director serving as Audit and Supervisory Committee Member, he will be filed as an Independent Officer provided for by the Tokyo Stock Exchange and Sapporo Stock Exchange.

Proposal 4: Continuation of the Policy Against Large-scale Purchases of Shares in the Company (Buyout Prevention Measure)

At the 6th Annual General Meeting of Shareholders held on June 25, 2015, the Company received approval from shareholders for the "Continuation of the Policy Against Large-scale Purchases of Shares in the Company (Buyout Prevention Measure)," but this will expire at the conclusion of this Annual General Meeting of Shareholders.

After considering buyout prevention measure after the expiration, the Company resolved at a Board of Directors Meeting held on May 21, 2018 to propose at this meeting to continue with the buyout prevention measure.

Approval by shareholders of this proposal to continue with the buyout prevention measure is requested.

The buyout prevention measure to be continued aim to provide shareholders with sufficient information and time to consider a buyout and to prevent buyouts that would significantly harm the Company's corporate value and shareholder interests, and excluding the fact that the effective period (until the conclusion of the 12th Annual General Meeting of Shareholders) and the names of governing bodies associated with transition to a Company with an Audit and Supervisory Committee will be changed, its content is identical to that approved at the 6th Annual General Meeting of Shareholders.

A summary of the buyout prevention measure is as follows.

1. Basic Policy for Implementation of Buyout Prevention Measure

The Board of Directors of the Company believes that, as long as the Company is listed on securities exchanges, that its shares should be exchanged freely, and even in the event that large-scale purchases of shares are made without the consent of the Board of Directors, the final decision should be left to the shareholders. As such, to allow shareholders to evaluate large-scale purchases, the Board of Directors believes it is important that sufficient information should be provided by the large-scale purchaser regarding the large-scale purchase, that the Board of Directors of the Company should provide information to shareholders as well as their opinion upon evaluating and considering the large-scale purchase, and as required, time should be allotted to allow for the Board of Directors of the Company to provide alternative proposals to shareholders. Based on this conception, the Board of Directors of the Company has decided to set forth Rules for Large-scale Purchases (hereinafter, "Large-scale Purchase Rules") as shown below, to allow shareholders to appropriately decide whether or not to approve the large-scale purchases. The Board of Directors of the Company will request strict adherence to the Large-scale Purchase Rules by the large-scale purchaser, and in the case where sufficient information is provided in line with these rules, the content will be evaluated and considered, and it will be disclosed to shareholders at an appropriate timing, alongside opinions regarding the large-scale purchase.

Conversely, if the large-scale purchaser does not adhere to the Large-scale Purchase Rules, or even if the Large-scale Purchase Rules are adhered to, if the large-scale purchase would significantly harm the Company's corporate value and shareholder interests, the Company may enact countermeasures such as the gratis allotment of stock acquisition rights. However, to eliminate self-defense of Directors of the Company, if the large-scale purchaser adheres to the Large-scale Purchase Rules, countermeasures may only be enacted under the five patterns outlined in 3. (2) below, and after receiving counsel from the Independent Committee outlined in 4. below.

2. Large-scale Purchase Rules

(1) Fundamentals of Large-scale Purchase Rules and definition of large-scale purchase

The fundamentals of the Large-scale Purchase Rules under the buyout prevention measure are as follows.

a. Sufficient information from the large-scale purchaser is provided in advance to the Board of Directors of the Company

b. The large-scale purchase is commenced after the elapse of a fixed evaluation period of the Board of Directors of the Company in relation to the provided information

A "large-scale purchase" is defined as the following actions, and neither are applicable if the Board of Directors of the Company has given prior consent.

a. Purchase of shares, etc.[1] with the intent to give a designated shareholder group[2] a share, etc.

[1] Refers to shares, etc. pursuant to Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act.

[2] Refers to holders pursuant to Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act (including parties that are included in holders pursuant to Article 27-23, Paragraph 3 of the same Act) and joint holders pursuant to Article 27-23,

ownership ratio[3] of 20% or more

b. Public offering[4] of shares, etc.[5] with the intent to give a designated shareholder group[6] a share, etc. ownership ratio[7] of 20% or more

(2) Submission of a Letter of Intent to Conduct a Large-scale Purchase

In the event that a large-scale purchaser wishes to conduct a large-scale purchase, the large-scale purchaser must submit in advance to the Board of Directors of the Company a "Letter of Intent to Conduct a Large-scale Purchase" (hereinafter "Letter of Intent") stating intent to comply with the Large-scale Purchase Rules. The Letter of Intent must include the "name and address of the large-scale purchaser," "governing law of establishment," "name of representative," "domestic contact information," "summary of proposed large-scale purchase," "number of shares held by the large-scale purchaser and joint holders," and "pledge to adhere to the Large-scale Purchase Rules."

Upon receipt of a Letter of Intent from a large-scale purchaser, the Board of Directors of the Company will make prompt disclosure.

(3) Provision of large-scale purchase information

The large-scale purchaser must provide to the Board of Directors of the Company sufficient information (hereinafter "Large-scale Purchase Information") such that shareholders and the Board of Directors of the Company can evaluate and consider the large-scale purchase.

Within five business days of receiving the Letter of Intent, the Board of Directors of the Company will submit an initial list of the Large-scale Purchase Information to the large-scale purchaser that must be provided to the Company with the deadline for a reply determined.

Additionally, the Board of Directors of the Company will swiftly provide initial information that is received to an Independent Committee. The Independent Committee will confirm the content of the initial information, and in the event that it finds that the information is insufficient as Large-scale Purchase Information, it will thereupon set a deadline for the reply, and recommend to the Board of Directors of the Company to acquire additional information until it has sufficient Large-scale Purchase Information.

Once the Independent Committee determines that it has received sufficient information, it will notify the Board of Directors of the Company to notify the large-scale purchaser in writing that the submission of Large-scale Purchase Information is complete, and to disclose the information. Additionally, if the Large-scale Purchase Information is deemed to be necessary for shareholders to make decisions, the Independent Committee will recommend to the Board of Directors of the Company to disclose the information, either in whole or in part, at an appropriate timing.

The Board of Directors of the Company, in line with recommendations from the Independent Committee, will disclose that the submission of the Large-scale Purchase Information is complete, and disclose the Large-scale Purchase Information, either in whole or in part.

(4) Information to be requested by the Company

Main items to be requested as Large-scale Purchase Information from the large-scale purchaser are as follows.

a. Details of the large-scale purchaser and its Group

Specific name, capital structure or primary investors, past experience and history, business description, financial description, experience in similar company or business with the Company, segment information if in a similar business, and experience, target, and result of past large-scale purchases, etc. for joint holders or special related parties (for funds, including fund members and other members)

b. Intent, method, and content of large-scale purchase

Intent, timing of purchase, method of purchase, price and type of compensation for purchase, structure for related transactions, legality of the method of purchase, etc.

c. Basis for compensation for purchase

Paragraph 5 (including parties that are included in joint holders pursuant to Article 27-23, Paragraph 6 of the same Act).

[3] Refers to share, etc. ownership ratio pursuant to Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act.

[4] Refers to a public offering pursuant to Article 27-2, Paragraph 6 of the Financial Instruments and Exchange Act.

[5] Refers to shares, etc. pursuant to Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act.

[6] Refers to the purchaser and special related party pursuant Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act.

[7] Refers to share, etc. ownership ratio pursuant to Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act.

Calculation figures, facts serving as the basis for calculations, calculation methods, person or company responsible for calculations, price effect forecasted to result from the large-scale purchase and its calculation basis, and the portion of the former comprising the price effect appropriated to other shareholders and its calculation basis, etc.

d. Support for purchase funds

Method of raising funds, presence or not and specific name of party providing funds (including substantial provider of funds), transactions related to raising funds

e. Management policy and business plan for the Company subsequent to completion of large-scale purchase

Feasibility and foreseeable risks of the business plans associated with intended management policy, business plan, financial plan, capital measures, and asset use measures of the Company and the Group

f. Synergistic effects attained between the large-scale purchaser and the Company subsequent to growth in transactions after completion of the large-scale purchase

g. Policy and effect for stakeholders (employees of the Company, partners, customers, regional societies) of the Company

h. Specific measures to avoid conflicts of interest with other shareholders of the Company

i. Other information that is reasonably required by the Board of Directors of the Company or the Independent Committee

(5) Evaluation period

Depending upon the content of the large-scale purchase, the Board of Directors of the Company will set a period to evaluate, consider, negotiate, form an opinion, prepare alternative proposals, etc. (hereinafter the "Evaluation Period") of the large-scale purchase of either a. or b. below. The large-scale purchase may only be implemented after the following periods have elapsed.

a. 60 days: For purchases of the Company's stock, etc. that are market purchases with cash provided as compensation

b. 90 days: Other large-scale purchases

The above periods include time required for the Independent Committee to consider the large-scale purchase and to recommend to the Board of Directors of the Company whether or not to implement countermeasures.

However, the Independent Committee recommendation to the Board of Directors to extend the Evaluation Period within the scope required for the Board of Directors of the Company to consider the content of the large-scale purchase, negotiate with the large-scale purchaser, prepare alternative proposals, etc. In the event that the Board of Directors of the Company resolves to extend the Evaluation Period, the reason for extending the Evaluation Period, the length of the extension, and other relevant items that should be disclosed shall be promptly notified to the large-scale purchaser and information disclosed after the Board of Directors Meeting at which the extension is resolved.

(6) Opinions and alternative proposals by the Board of Directors

Within the Evaluation Period, the Board of Directors of the Company, in cooperation with the Independent Committee, shall evaluate and consider the Large-scale Purchase Information provided by the large-scale purchaser from the viewpoint of whether or not the large-scale purchase will be profitable for the corporate value of the Company and its shareholders. The Board of Directors of the Company shall discuss and negotiate with the large-scale purchaser as required, request improvements to the large-scale purchaser regarding the content of the large-scale purchase proposal, or may present an alternative proposal to shareholders.

3. Response in the event that a large-scale purchase is implemented

If the Board of Directors of the Company, after evaluating and considering the content of the Large-scale Purchase Information, and discussing and negotiating with the large-scale purchaser, determines that any of the following apply to the large-scale purchase and that it is appropriate to enact countermeasures, countermeasures as defined in the buyout prevention measure can be implemented as shown below, regardless of whether or not the Evaluation Period has passed.

(1) If the Large-scale Purchase Rules are not followed

If the large-scale purchaser does not follow the Large-scale Purchase Rules, the Board of Directors of the Company, while fully respecting the recommendation by the Independent Committee described in 4. below, may enact gratis allotment of stock acquisition rights or other

countermeasures allowed by the Board of Directors under by the Companies Act, other laws and regulations, and the Articles of Incorporation of the Company.

These countermeasures will not harm general shareholders, but the large-scale purchaser that does not follow the Large-scale Purchase Rules may be financially harmed, and the large-scale purchaser will be warned not to begin a large-scale purchase while ignoring the Large-scale Purchase Rules.

(2) If the Large-scale Purchase Rules are followed

If the large-scale purchaser follows the Large-scale Purchase Rules, even if the Board of Directors of the Company is against the large-scale purchase, the Board of Directors of the Company will only announce its opinion against the large-scale purchase, present an alternative proposal to shareholders, and ask for understanding on an individual basis, and in principle shall not enact countermeasures. As a result, whether or not to comply with a purchase proposal from a large-scale purchaser shall be decided by the shareholders after comparison between the large-scale purchaser's purchase proposal, alternative proposals presented by the Board of Directors of the Company, and management policies for the medium to long term to improve the corporate value of the Company, etc. However, even if the Large-scale Purchase Rules are followed, if any of the following apply to the large-scale purchase, and there is a possibility that it will significantly harm the corporate value and shareholder interests of the Company, the Board of Directors of the Company, while fully respecting the recommendation by the Independent Committee described in 4. below, may enact appropriate countermeasures.

a. Greenmailer: Without intent to engage in management of the Group, intent to artificially inflate the Company's stock price and sell the stock back to the Company
b. Scorched earth management: After temporarily controlling management of the Group, intent to transfer the intellectual property, know-how, primary transaction partners and customers of the Group to the large-scale purchaser or its Group companies, etc.
c. Asset diversion: After controlling management of the Group, intent to divert the assets of the Group as collateral for liabilities or resources for the large-scale purchaser or its Group companies, etc.
d. Temporary high dividends: After temporarily controlling management of the Group, intent to sell or dispose assets of the Group such as real estate, securities, etc., and temporarily pay out high dividends, or to sell shares at a high price upon the stock price rising as a result of the high dividends
e. Oppressive two-stage purchase: Failing to invite the purchase of all shares via the initial purchase and setting or not disclosing unfavorable conditions for the second purchase, etc., substantially forcing shareholders to sell their shares

(3) Method to determine implementation of countermeasures

Based on information obtained from the Large-scale Purchase Information provided by the large-scale purchaser and other research, the Board of Directors of the Company, while seeking advice from financial advisors, lawyers, etc., will consider factors such as if the large-scale purchaser is genuinely seeking to participate in management of the Company, and whether or not the large-scale purchase and proposal will be beneficial to the corporate value and shareholder interests of the Company, and while fully respecting the recommendation of the Independent Committee as described in 4. below, shall resolve at a Board of Directors Meeting of the Company whether or not to implement countermeasures.

If the Board of Directors of the Company resolves to implement or to not implement countermeasures against a large-scale purchaser, it will notify shareholders with appropriate information at an appropriate timing, stating its reasoning.

(4) Cancellation of implementation of countermeasures

Subsequent to resolution to implement a gratis allotment of stock acquisition rights as countermeasures, in the event that either a. or b. below apply, the Board of Directors of the Company may effectively cancel the countermeasures via methods such as the cancellation of the issuance of stock acquisition rights or the gratis acquisition and subsequent cancellation of the stock acquisition rights by the Company. In such a case, the Board of Directors of the Company will promptly disclose the information.

a. In the event that after the Board of Directors of the Company implements countermeasures, the large-scale purchaser retracts its purchase, etc., causing there to no longer be a large-scale purchase

b. In the event that underlying facts related to the implementation of countermeasures change, and the conditions set forth in 3. (1) (2) to implement countermeasures no longer apply to the large-scale purchase, or the Board of Directors of the Company determines that even though the conditions apply, approving of the issuance or exercise of stock acquisition rights is not appropriate

4. Independent Committee

(1) Establishment of an Independent Committee

In the event that the Board of Directors of the Company receives a letter of intent regarding a large-scale purchase or if there is the possibility of a large-scale purchase occurring, in order to ensure that countermeasures are not implemented arbitrarily by the Board of Directors of the Company, a convocation of the Independent Committee will be requested to the members of the Independent Committee as an organization that is independent of the Directors of the Company and the large-scale purchaser, and the Independent Committee shall inquire as to whether or not conditions for implementation of countermeasures, etc. set forth in 3. (1) (2) above apply to the large-scale purchaser. Additionally, concerning the convocation, matters for resolution, and items for resolution, please see [Attachment 1].

Members of the Independent Committee, which shall determine whether or not the large-scale purchase will be beneficial for the Company's corporate value and shareholder interests, shall be composed of three members, consisting of outside experts and External Directors of the Company.

As required, the Independent Committee shall have the authority to request attendance, provision of information, and explanations to the Independent Committee from Directors, employees, etc. of the Company, and shall deliberate and resolve on items related to its inquiries, making recommendations on the contents to the Board of Directors of the Company. Members of the Independent Committee are scheduled to consist of persons listed on [Attachment 2].

(2) Methods to make decisions in the Independent Committee

In the event that the Independent Committee is convened, it shall resolve on recommendations, etc. according to the process below, and promptly disclose information on these recommendations, etc.

a. If the Independent Committee recommends implementation of countermeasures

If the Independent Committee determines that any of the conditions set forth in 3. (1) (2) above apply to the purchase by the large-scale purchaser and that implementation of countermeasures is appropriate, a recommendation to the Board of Directors of the Company will be made to implement countermeasures.

b. If the Independent Committee does not recommend implementation of countermeasures

If after considering the Large-scale Purchase Information provided by the large-scale purchaser and considering the content of negotiations between the Board of Directors of the Company and the large-scale purchaser, etc., the Independent Committee determines that neither of the conditions set forth in 3. (1) (2) above apply to the purchase by the large-scale purchaser or that the implementation of countermeasures is not appropriate even if the conditions do apply, a recommendation to the Board of Directors of the Company will be made not to implement countermeasures. However, if underlying facts related to the decision change and conditions set forth in 3. (1) (2) ultimately apply, a new recommendation may be made.

c. If the Independent Committee recommends an extension for the implementation of countermeasures

If the Independent Committee cannot resolve to make a recommendation regarding whether or not to implement countermeasures within the Evaluation Period as set forth in 2. (5) above, the Independent Committee may, within a reasonable range, resolve to extend the Evaluation Period, and make a recommendation to the Board of Directors of the Company.

The Board of Directors of the Company, after fully respecting the recommendations of the Independent Committee, shall resolve on an opinion as the Board of Directors, and disclose the contents of the information.

5. Content of Countermeasures

(1) Issuance of stock acquisition rights

If the Board of Directors of the Company conducts a gratis allotment of stock acquisition rights as a specific measure against large-scale purchases, as shown in [Attachment 3], it will issue stock acquisition rights that prohibit the large-scale purchaser from exercising the stock acquisition rights

(hereinafter the "Stock Acquisition Rights"), and on a certain day to be determined and notified separately by the Board of Directors of the Company (hereinafter the "Allotment Date"), the stock acquisition rights will be allotted gratis to shareholders. Additionally, if the Stock Acquisition Rights are issued, an exercise period and exercise conditions that take into account its effects as a countermeasure shall be established.

(2) Transfer of stock acquisition rights

The transfer of the Stock Acquisition Rights shall require the consent of the Board of Directors.

(3) Procedures for issuance and exercise of stock acquisition rights

If the Stock Acquisition Rights are issued, it shall be necessary to be recorded in the shareholder registry of the Company by the Allotment Date if the stock acquisition rights are to be allotted. Concerning the exercise of the Stock Acquisition Rights, it shall be necessary to remit a certain amount during the set exercise period in order to acquire new shares.

Concerning specific details of the above process, shareholders will be notified pursuant to relevant laws and regulations at the time that it is resolved to actually issue the Stock Acquisition Rights.

6. Effect on Shareholders and Investors, etc.

(1) Effect of the buyout prevention measure on shareholders and investors

The buyout prevention measure only states that gratis stock acquisition rights may be granted, or that countermeasures may be implemented as allowed by the Board of Directors of the Company pursuant to the Companies Act, relevant laws and regulations, and the Articles of Incorporation of the Company, and at the time of its introduction, countermeasures will not be implemented, thus not having an immediate effect on shareholders and investors.

On the contrary, by continuing with the buyout prevention measure, it will secure sufficient information and time for shareholders and investors to decide whether or not to comply with large-scale purchases, via provision of Large-scale Purchase Information from a large-scale purchaser, alternate proposals from the Board of Directors of the Company, etc.

(2) Effect of implementation of countermeasures on shareholders and investors

If the Board of Directors of the Company resolves to implement specific countermeasures, appropriate information shall be disclosed at the appropriate timing, pursuant to laws and regulations and the Financial Instruments Exchange Act.

When countermeasures are implemented, the Company does not foresee shareholders and investors other than the designated shareholder group, which includes the large-scale purchaser, being significantly negatively impacted in any legal or financial sense, aside from the situations outlined in c. and d. below.

If the Board of Directors of the Company implements the gratis allotment of stock acquisition rights as countermeasures, the effects on shareholders and investors other than the designated shareholder group, which includes the large-scale purchaser, shall be as follows.

a. To shareholders that are recorded in the shareholder registry as of the Allotment Date, to be separately set by the Board of Directors of the Company, one gratis Stock Acquisition Right shall be allotted for every one share of common stock held.
b. For shareholders who have received the Stock Acquisition Rights via gratis allotment to exercise their rights and obtain new stock, payment of an amount set by resolution for gratis allotment of stock acquisition rights by the Board of Directors of the Company must be made within a certain time set by the Board of Directors of the Company for an amount of at least ¥1 for each Stock Acquisition Right.
c. If the shareholder does not make payment of the exercise price within the rights exercise period and does not make arrangements to exercise the rights of the Stock Acquisition Rights, other shareholders will acquire new stock via exercise of their rights, causing the large-scale purchaser and the shareholder who does not make rights exercise arrangements to be subject to the effects of dilution in their ownership of the Company's stock.
d. If after the shareholders who are to receive the Stock Acquisition Rights are determined, and the Board of Directors of the Company cancels the gratis allotment, or if the Company is to acquire gratis the Stock Acquisition Rights that were allotted gratis, dilution of the stock on a per-share basis will not occur, and investors that made transactions under the assumption that dilution would occur may be harmed due to changes in the stock price.

e. At the time of acquiring gratis allotment of the Stock Acquisition Rights and receiving new stock as a result of the exercise of the Stock Acquisition Rights, taxation-related matters will not arise for shareholders. However, shareholders (including the large-scale purchaser) who have transferred their Stock Acquisition Rights to a third party after approval by the Board of Directors of the Company and shareholders who have transferred their new stock to a third party after exercising their Stock Acquisition Rights will be subject to taxation for the transfer.

(3) Effect on large-scale purchaser

The buyout prevention measure may cause financial harm to large-scale purchasers that do not follow the Large-scale Purchase Rules or large-scale purchasers that may significantly harm the Company's corporate value and shareholder interests.

The buyout prevention measure serves as a warning to purchasing activity that ignores the Large-scale Purchase Rules by preemptively stating the potential harm that may come from not following the Large-scale Purchase Rules.

7. Procedures for Shareholders and the Company in line with the Gratis Allotment of Stock Acquisition Rights

(1) Procedures to record in the shareholder registry

If the Board of Directors of the Company resolves for gratis allotment of stock acquisition rights, it will publicly announce the Allotment Date regarding the gratis allotment.

The gratis allotment of Stock Acquisition Rights shall be for shareholders that are recorded in the final shareholder registry as of the Allotment Date, making it a requirement for shareholders to be recorded in the shareholder registry by the Allotment Date.

Shareholders who are recorded in the final shareholder registry as of the Allotment Date shall become holders of stock acquisition rights on the effective date of the gratis allotment of Stock Acquisition Rights.

(2) Procedures to exercise stock acquisition rights (acquire new stock)

To shareholders who are recorded in the final shareholder registry as of the Allotment Date (excluding large-scale purchasers, etc. as shown in 8. (1) to (3) of [Attachment 3]), the Company shall issue exercise requests for the Stock Acquisition Rights (content and number regarding exercise of the Stock Acquisition Rights, required information such as the exercise date, etc. for the Stock Acquisition Rights, guarantees that shareholders are not large-scale purchasers, etc., and other oaths in a format to be determined by the Company) and other required documentation required for the exercise of the Stock Acquisition Rights.

After the gratis allotment of the Stock Acquisition Rights, shareholders shall be issued one share of common stock for every one Stock Acquisition Right held after submission of the required documentation within the exercise period, and after payment of an amount set by resolution for gratis allotment of stock acquisition rights by the Board of Directors of the Company, which shall generally be at least ¥1 for each Stock Acquisition Right.

(3) Procedures for the Company to acquire stock acquisition rights

If the Board of Directors of the Company resolves to acquire the Stock Acquisition Rights, the Company, pursuant to relevant laws and regulations, may acquire the Stock Acquisition Rights on a separate day set by the Board of Directors of the Company.

On the day set by the Board of Directors of the Company, the Company may acquire all Stock Acquisition Rights that have not been exercised by the day before the day set by the Board of Directors of the Company held by parties other than those who cannot exercise the Stock Acquisition Rights (large-scale purchasers, etc. as shown in 8. (1) to (3) of [Attachment 3]), and in return, the Company may allot one share of common stock in the Company for every one Stock Acquisition Right.

Additionally, if a party arises other than those who cannot exercise the Stock Acquisition Rights (large-scale purchasers, etc. as shown in 8. (1) to (3) of [Attachment 3]) after the day that the acquisition was made and is approved by the Board of Directors of the Company, as of a day set by the Board of Directors of the Company that is after the day that the acquisition was made above, all Stock Acquisition Rights held by the party in question that have not been exercised by the day before the day set by the Board of Directors of the Company may be acquired, and in return, the Company may allot one share of common stock in the Company for every one Stock Acquisition Right, and the same shall follow.

(4) Cancellation of issuance of stock acquisition rights and retirement of stock acquisition rights

If a reason exists under 3. (4) above, the Board of Directors of the Company may cancel the issuance of stock acquisition rights until the allotment, and after the allotment, it may retire the stock acquisition rights under the gratis acquisition method.

8. Valid Period, Termination, and Revision of Buyout Prevention Measure

The buyout prevention measure shall be valid for the three years from the conclusion of this General Meeting of Shareholders until the 12th Annual General Meeting of Shareholders to be held in June 2021. However, even before the end of its valid period, if the Board of Directors of the Company resolves to terminate the buyout prevention measure, the buyout prevention measure shall be terminated at that time.

Additionally, even during the valid period of the buyout prevention measure, the Board of Directors of the Company may revise the buyout prevention measure, upon recommendation from the Independent Committee, for the following reasons.

a. If laws, regulations, rules at securities exchanges, etc. relating to the buyout prevention measure are newly established, amended, or terminated, and it is appropriate to reflect these items in the buyout prevention measure
b. If a new method of large-scale purchase becomes apparent, and it is appropriate to revise the content of the buyout prevention measure
c. If additional explanation is required, or errors in print are discovered, and it is appropriate to fix them

If the Board of Directors of the Company terminates or revises the buyout prevention measure, it will promptly disclose the content, etc. of this information.

9. Reasonableness of the Buyout Prevention Measure

The buyout prevention measure fulfills the three basic policies (policy of securing and improving corporate value and shareholder interests, policy of prior disclosure and shareholder intentions, and policy of securing of necessity and appropriateness) that were outlined in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" published on May 27, 2005 by the Ministry of Economy, Trade and Industry and the Ministry of Justice. Additionally, it is also in line with the "Ideal Buyout Prevention Measure that Accounts for Recent Changes in Various Environments," published by the Corporate Value Research Group of the Ministry of Economy, Trade and Industry on June 30, 2008, and [Principle 1.5 Anti-Takeover Measures] of "Japan's Corporate Governance Code" announced by the Tokyo Stock Exchange on June 1, 2015.

(1) Policy of securing and improving corporate value and shareholder profit

As stated in 1. above, the buyout prevention measure is implemented with the intent of providing sufficient information about large-scale purchases from large-scale purchasers to shareholders to evaluate large-scale purchases, providing the Board of Directors of the Company a method to evaluate and consider large-scale purchases and provide shareholders with opinions, and securing adequate time for the Board of Directors of the Company to present alternate proposals to shareholders as required.

(2) Policy of prior disclosure and shareholder intentions

The contents of the buyout prevention measure are disclosed in advance to allow shareholders and investors and large-scale purchasers to enhance predictability, and to secure opportunity for shareholders to make appropriate decisions.

The Board of Directors of the Company believes that the final decision of whether or not to comply with a large-scale purchase should be left to shareholders, and unless the large-scale purchase would cause significant harm to the corporate value or shareholder interests of the Company, it will not implement countermeasures, and it is a structure that serves to confirm the wishes of shareholders when moving to a public offering. For a summary of the buyout prevention measure, please see [Attachment 4].

The buyout prevention measure are valid for the three years until the conclusion of the 12th Annual General Meeting of Shareholders to be held in June 2021, but the buyout prevention measure may be terminated through the election of Directors of the Company each year (excluding Directors Serving as Audit and Supervisory Committee Members).

As of the present, there are no proposals to conduct a large-scale purchase of the Company's stock. For the current state of the Company's stock, please see [Attachment 5].

(3) Policy of securing of necessity and appropriateness

The buyout prevention measure are constructed by the following to ensure the securing of necessity and appropriateness.

a. To prevent arbitrary decisions by the Board of Directors of the Company, an Independent Committee has been put into place, and the Board of Directors shall fully respect the recommendations of the Independent Committee. Additionally, the Independent Committee is able to receive advice from independent specialists at the Company's expense. Through such efforts, it is a structure that will strongly ensure the fairness and objectivity of the decisions made by the Independent Committee.

b. As long as the Large-scale Purchase Rules are followed, it is a structure that generally leaves the decision up to shareholders via public offering, etc.

c. Exceptional conditions within the buyout prevention measure for implementation of countermeasures despite the Large-scale Purchase Rules being followed are limited to the four cases set forth by the Tokyo High Court (Nippon Broadcasting System Incident, presided by the Tokyo High Court, March 23, 2005), and oppressive two-stage purchases.

d. The buyout prevention measure have a structure that allows shareholders other than the large-scale purchaser to fairly acquire new stock by the exercise of stock acquisition rights in proportion to the amount of stock held.

e. The buyout prevention measure are not so-called dead hand-type buyout prevention measure (buyout prevention measure which cannot be stopped despite the replacement of a majority of the members of the Board of Directors), or slow hand-type buyout prevention measure (buyout prevention measure which require time to be stopped as the replacement of members of the Board of Directors cannot be made all at once).

[Attachment 1]

Summary of Independent Committee

1. The Independent Committee shall be established via resolution of the Board of Directors of the Company.
2. The Independent Committee shall consist of three members (hereinafter "Independent Committee Members").
3. Independent Committee Members shall be selected from outside experts and External Directors of the Company. Additionally, the outside expert must be a lawyer, certified public accountant, or person holding certification similar in nature, or a person with expertise in dairy, milk, or management, etc., and must conclude a commission agreement with the Company that includes items requiring duty of diligence.
4. The term of office for Independent Committee Members shall be from the conclusion of this Annual General Meeting of Shareholders until the conclusion of an Annual General Meeting of Shareholders in the final business year that ends within three years. However, this may not necessarily apply if the Board of Directors of the Company resolves to do differently.
5. The Board of Directors of the Company may request a convocation of the Independent Committee to each Independent Committee Member.
6. Independent Committee Members may convene the Independent Committee under the following circumstances.
   (1) If a large-scale purchaser indicates to the Company intent to make a large-scale purchase (not necessarily the submission of a Letter of Intent)
   (2) If a large-scale purchase of the Company's stock becomes apparent
7. Independent Committee Members possess the following rights and duties.
   (1) Collection, evaluation, and consideration of Large-scale Purchase Information, recommendation to disclose information to the Board of Directors of the Company
   (2) Deciding if sufficient Large-scale Purchase Information has been obtained, and if the Large-scale Purchase Information is insufficient, recommend to the Board of Directors of the Company to request additional information from the large-scale purchaser
   (3) As required, request attendance to the Independent Committee, provision of information regarding the large-scale purchase and alternate proposals from Directors, Audit & Supervisory Board Members, and employees, etc. of the Company and request explanations regarding these items
   (4) Deliberation and decision on whether or not the large-scale purchase warrants implementation of countermeasures under the buyout prevention measure
   (5) Recommend to the Board of Directors of the Company on whether or not to implement countermeasures
   (6) Recommend to the Board of Directors of the Company to extend the Evaluation Period
   (7) Recommend to the Board of Directors of the Company on revisions and termination of the buyout prevention measure
   (8) Of other items that must be decided by the Board of Directors of the Company, items that have been inquired to the Independent Committee by the Board of Directors of the Company
   (9) Other items that the Board of Directors of the Company have determined can be conducted by the Independent Committee
   (10) Duty of diligence associated with the above items
8. The Independent Committee is formed by attendance of all Independent Committee Members, and resolves matters via a majority of those present.
9. The Independent Committee may receive advice from independent third party specialists (including financial advisors, lawyers, and other specialists) at the expense of the Company.
10. If a large-scale purchase, etc. of the Company's stock occurs, the Independent Committee shall make a recommendation based on evaluation and consideration of the Large-scale Purchase Information, utilizing benefit to the corporate value and shareholder interests of the Company as an evaluation metric, and must not aim to achieve personal gain or gain for the Directors of the Company.

[Attachment 2]

Past Experience of Independent Committee Members

Nobuhiro Suzuki

Past experience:	April 1982	Joined Ministry of Agriculture, Forestry and Fisheries
	October 1996	Research Exchange Manager of Nousouken Corporation
	April 1997	Assistant Professor, Faculty of Agriculture of Kyushu University
	April 2004	Professor, Graduate Faculty of Agricultural Research of Kyushu University
	September 2006	Professor, Graduate School of Agricultural and Life Sciences of The University of Tokyo (current position)
	April 2011	Chief of Japan-Cooperative General Research Institute

Junichi Mizuo

Past experience:	April 1970	Joined Shiseido Company, Limited
	April 1999	Assistant Professor, Faculty of Economics of Surugadai University
	April 2000	Professor, Faculty of Economics of Surugadai University
	April 2001	Professor, Graduate Faculty of Economics Research of Surugadai University
	May 2003	Director of Japan Society for Business Ethics
	June 2006	Specially Appointed Professor, Graduate School of Engineering of Tokyo Institute of Technology
	April 2010	Visiting Professor, School of Oriental & African Studies, University of London
	April 2011	Senior Researcher of Business Ethics Research Center
	June 2013	Vice Chairman of Japan Society for Business Ethics (current position)
	April 2015	Chief Researcher of Business Ethics Research Center (current position)
	April 2018	Representative of MIZUO Compliance & Governance Research Center (current position)

Hisa Anan

Past experience:	June 1991	Director of CO-OP TOKYO
	June 1999	Director of Tokyo Consumers' Co-operative Union
	June 2001	Director of Japanese Consumers' Co-operative Union
	August 2003	Director of National Federation of Workers and Consumers Insurance Cooperatives
	October 2007	Secretariat of SHODANREN
	May 2008	Secretary General of SHODANREN
	August 2012	Secretary-General of Consumer Affairs Agency
	August 2014	Retired from position as Secretary-General of Consumer Affairs Agency
	June 2015	External Director of the Company

(Note) Ms. Hisa Anan is an Independent Officer provided for by the Tokyo Stock Exchange and the Sapporo Stock Exchange.

[Attachment 3]

Summary of Stock Acquisition Rights

1. Shareholders subject to assignment of stock acquisition rights and issue conditions

To shareholders who are recorded in the final shareholder registry on a date set by the Board of Directors of the Company (hereinafter the "Allotment Date"), one stock acquisition right shall be allotted per one share of stock held (excluding treasury stock).

2. Type and number of stock subject to stock acquisition rights

Stock subject to stock acquisition rights shall be common stock, and the number of share subject to one stock acquisition right shall be one share.

3. Total number of stock acquisition rights to be issued

The total number of stock acquisition rights to be issued shall be the same number of issued shares (excluding treasury stock) of the Company as of the Allotment Date.

4. Issue price of each stock acquisition right

The stock acquisition rights shall be issued gratis.

5. Amount required to be paid upon exercise of each stock acquisition right (execution price)

Amount required shall be ¥1 or more for each stock acquisition right.

6. Limitations on transferability of stock acquisition rights

The transfer of stock acquisition rights shall require the approval of the Board of Directors of the Company.

7. Execution period, etc. of stock acquisition rights

The execution period, execution conditions, retirement conditions, and other required items shall be set separately by the Board of Directors of the Company.

8. Execution conditions of stock acquisition rights

Shareholders to which any of the following apply shall not be able to execute stock acquisition rights.

(1) Designated shareholder groups including the large-scale purchaser
(2) Parties who received or were transferred stock acquisition rights from the designated shareholder group without the consent of the Board of Directors of the Company
(3) Parties located abroad that require additional procedures upon exercise of stock acquisition rights due to foreign laws and regulations

9. Acquisition of stock acquisition rights by the Company

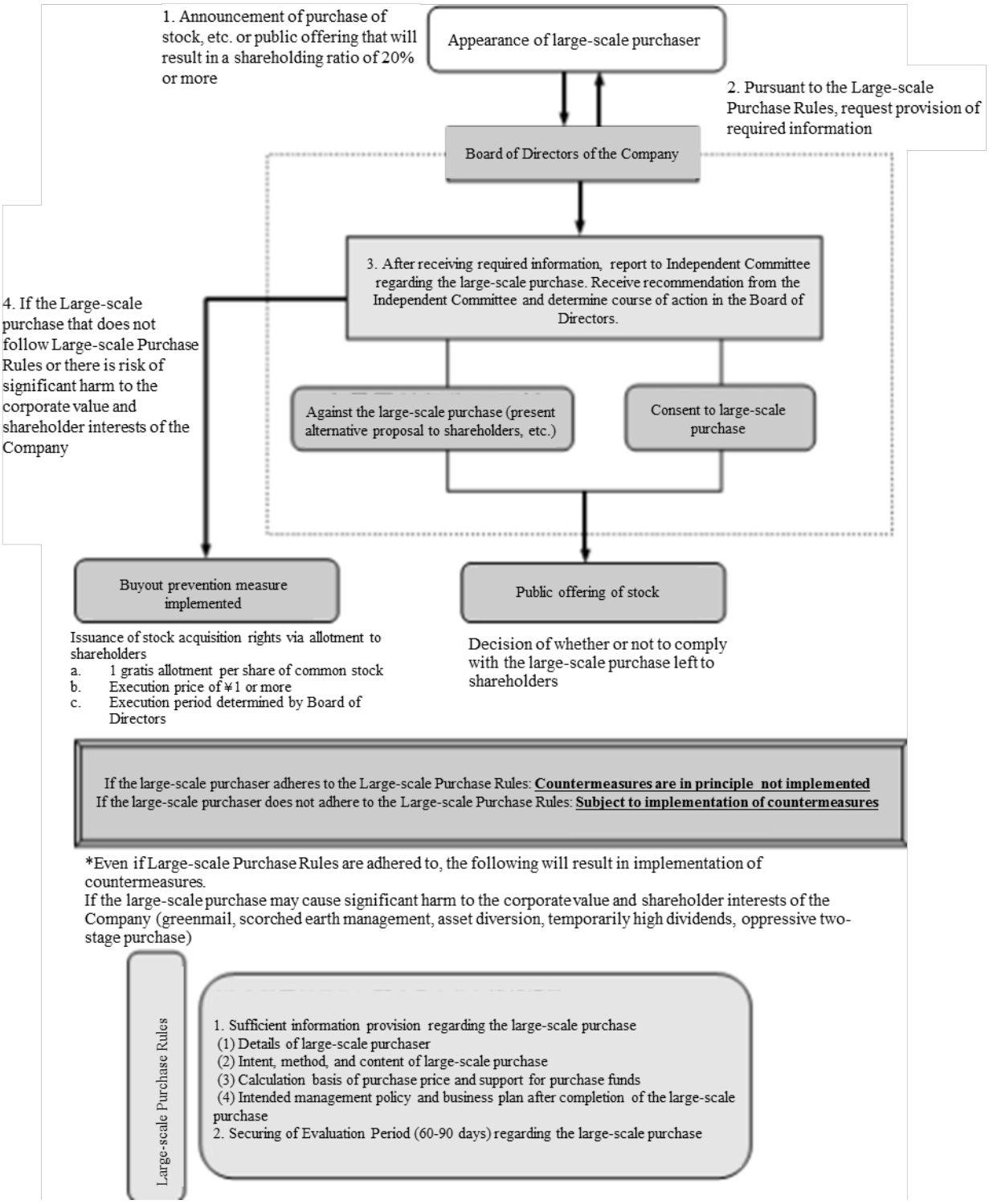
Of the stock acquisition rights held by shareholders other than to which 8. (1) (2) apply, the Board of Directors of the Company may acquire all unexercised stock acquisition rights by the day before the day set forth by the Board of Directors of the Company, and in return, may allot one share of common stock for one stock acquisition right.

10. Other measures regarding stock acquisition rights

In the event that conditions warrant the cancellation of countermeasures, the Board of Directors of the Company may cancel the issuance of stock acquisition rights until the Allotment Date, and after allotment, may retire all stock acquisition rights via the gratis acquisition method.

[Attachment 4]

Summary Diagram of Buyout Prevention Measure



[Attachment 5]

Status of the Company's Stock (as of March 31, 2018)

1. Total number of shares 280,000,000 shares

2. Total number of issued shares 70,751,855 shares

3. Number of shareholders 51,233

4. Status of shares by shareholder type

Shareholder Type	Shares Held	Investment Ratio
Financial Institutions	38,707 thousand shares	57.08%
Securities Companies	916 thousand shares	1.35%
Other Domestic Companies	6,472 thousand shares	9.54%
Foreign Entities	11,185 thousand shares	16.49%
Individuals, Others	10,491 thousand shares	15.47%
Total	70,751 thousand shares	100.00%

5. Status of major shareholders

Shareholder Name	Shares Held	Investment Ratio
National Federation of Agricultural Cooperative Associations (ZEN-NOH)	9,237 thousand shares	13.62%
The Norinchukin Bank	6,728 thousand shares	9.92%
Japan Trustee Services Bank, Ltd. (in trust of Sumitomo Mitsui Trust Bank, Limited, trust account for retirement benefits of ITOCHU Corporation)	3,703 thousand shares	5.46%
Japan Trustee Services Bank, Ltd. (Trust account)	2,866 thousand shares	4.22%
The Master Trust Bank of Japan, Ltd. (Trust account)	2,703 thousand shares	3.98%
Japan Trustee Services Bank, Ltd. (Trust account 9)	1,435 thousand shares	2.11%
GOVERNMENT OF NORWAY	1,199 thousand shares	1.76%
MEGMILK SNOW BRAND Employee Shareholding Association	1,117 thousand shares	1.64%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,083 thousand shares	1.59%
HOKUREN Group	1,074 thousand shares	1.58%
Total	31,147 thousand shares	45.93%

(Note) 1. Although the Company holds 2,941,743 shares of common stock, the Company is excluded from the above list of major shareholders. Calculations of investment ratio exclude common stock.
2. The Bank of Tokyo-Mitsubishi UFJ, Ltd. changed its corporate name to MUFG Bank, Ltd. on April 1, 2018.