Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from this translation.

(Stock Exchange Code 4326)
June 5, 2018

To Shareholders with Voting Rights:

Kenji Miyakubi
President and Representative Director
INTAGE HOLDINGS Inc.
Intage Akihabara Building
3 Kanda-neribeicho,
Chiyoda-ku, Tokyo, Japan

NOTICE OF CONVOCATION OF THE 46TH 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 46th Annual General Meeting of Shareholders of INTAGE HOLDINGS Inc. (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights by one of the methods below. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights.

[Exercise of Voting Rights in Writing]

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that it is received no later than 5:30 p.m. on Tuesday, June 26, 2018 Japan time.

[Exercise of Voting Rights via the Internet, etc.]

Upon review of the "Precautions When Exercising Voting Rights via the Internet, etc." below (Japanese version only), please access the voting rights exercise website (https://evote.tr.mufg.jp/) using the "Login ID" and "Temporary Password" indicated on the enclosed Voting Rights Exercise Form, and follow the instructions on the screen to vote for or against the proposals no later than 5:30 p.m. on Tuesday, June 26, 2018 Japan time.

Date and Time: Wednesday, June 27, 2018 at 10:00 a.m. Japan time

Place: Akiba Hall, 5F, Akiba Plaza, Fuji Soft
3 Kanda-neribeicho, Chiyoda-ku, Tokyo, 101-0022, Japan

Meeting Agenda:

Matters to be reported:
1. The Business Report, Consolidated Financial Statements for the Company's 46th Fiscal Year (April 1, 2017 - March 31, 2018) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee
2. Non-consolidated Financial Statements for the Company's 46th Fiscal Year (April 1, 2017 - March 31, 2018)

Proposals to be resolved:

Proposal No. 1: Distribution of Surplus

Proposal No. 2: Election of Six (6) Directors (excluding Directors serving as Audit & Supervisory Committee Members)

Proposal No. 3: Election of Four (4) Directors serving as Audit & Supervisory Committee Members

Matters Concerning the Convocation

(1) In the event that voting rights are exercised both via the Voting Rights Exercise Form and via the Internet, etc., the vote via the Internet, etc., will be deemed valid.
(2) In the event that voting rights are exercised multiple times via the Internet, etc., the most recent one to arrive will be deemed valid.
(3) If you wish to split the exercise of your voting rights, please provide notification in writing of your intent and reasons for such split by three days prior to the General Meeting of Shareholders.

◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
◎ If exercising voting rights via proxy, please submit documentation authorizing the proxy along with the Voting Rights Exercise Form at the reception desk. The proxy must be a shareholder of the Company with voting rights, and you may not designate more than one (1) proxy.

(Notice)
1) Of the documents to be provided with this Notice of Convocation, "Matters Concerning Share Acquisition Rights, etc. in the Business Report", "Notes to Consolidated Financial Statements" and "Notes to Non-Consolidated Financial Statements" have been omitted, as they have been posted on the Company's homepage (http://www.intageholdings.co.jp) in accordance with laws and regulations and Article 18 of the Articles of Incorporation of the Company.
2) In the event that revisions are required for the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, or Non-consolidated Financial Statements, revised documents will be disclosed on the Company's homepage.
3) The content of this convocation notice has been disclosed on the Company's homepage prior to this convocation notice being sent via postal service with the aim of early disclosure.
4) Souvenirs will not be available for shareholders attending the Annual General Meeting of Shareholders. Your kind understanding would be appreciated.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Distribution of Surplus

The Company considers profit distribution to its shareholders as one of its highest management priorities. The basic policy is to conduct profit distribution using consolidated business results as a base and taking into consideration the balance between dividends and internal reserves.

Regarding dividends for the 46th fiscal year, in consideration of consolidated business results for the fiscal year and the above policy, the Company proposes dividends of 20 yen per share. In this case, the ratio between Profit attributable to owners of parent and dividends, or the consolidated dividend payout ratio, will be 26.3%.

1. Matters concerning year-end dividends (for the 46th fiscal year)
   (1) Type of dividend property
   Cash
   (2) Matters concerning the allotment of dividend property and the total amount
   20 yen per share of common stock
   Total amount of 828,311,200 yen
   (3) Effective date of distribution of surplus
   June 28, 2018
2. Other matters concerning the distribution of surplus
   Not applicable.

Proposal No. 2: Election of Six (6) Directors (excluding Directors serving as Audit & Supervisory Committee Members)

The terms of office of all six (6) Directors (excluding Directors serving as Audit & Supervisory Committee Members) will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of six (6) Directors (excluding Directors serving as Audit & Supervisory Committee Members) is proposed.

Furthermore, the Audit & Supervisory Committee judged that all candidates for Directors to be elected in this Proposal are suited to serve as such, based on the assessment of the execution of their duties and the business results, etc. for the fiscal year under review.

The candidates for Directors (excluding Director serving as Audit & Supervisory Committee Members) are as follows:

No.	Name	Positions and Responsibilities at the Company	Attendance at the meetings of the Board of Directors (Fiscal Year 2017)
1 Reappointment	Kenji Miyakubi	President and Representative Director	100% (17/17)
2 Reappointment	Noriaki Ishizuka	Representative Director and Executive Vice President	94% (16/17)
3 Reappointment	Kenji Ikeya	Director and CFO in charge of Internal Controls	100% (17/17)
4 Reappointment	Yoshiya Nishi	Director in charge of Group Healthcare Business and promoting work style reform	100% (17/17)
5 Reappointment	Kiyomi Miyauchi	Director in charge of Group Overseas Business and Chief Senior Director of Overseas Business	100% (13/13)
6 Reappointment	Shizue Kishi Outside Director Independent Director	Outside Director	100% (17/17)

(Note) Mr. Kiyomi Miyauchi was newly elected as Director of the Company at the 45th Annual General Meeting of Shareholders held on June 27, 2017 and took office on the same day; therefore, his attendance at the meetings of the Board of Directors stated above refers to those convened since he took office as Director.

1. Kenji Miyakubi

December 10, 1957
60 years old

Reappointment

Number of shares of the Company held	65,000 shares
Term of office	11 years
Current positions and responsibilities	President and Representative Director, the Company

Past experience

April 1980	Joined the Company
June 2007	Director and General Manager, Incubation Center
April 2010	Executive Director and General Manager, Business Development Group
April 2011	President, Representative Director and General Manager, Business Development Group
April 2012	President and Representative Director (current position)

Significant concurrent positions

Not applicable.

Reasons for selecting Mr. Miyakubi as a candidate for Director

Mr. Kenji Miyakubi assumed the office of President and Representative Director of the Company in 2011. Since then, he has demonstrated strong leadership to enhance corporate value and has been fulfilling his duties as Director, including the achievement of the goals in the mid-term business plan.
For these reasons, the Company, in an endeavor to further strengthen the Group's management foundation and enhance corporate value, has determined that he is an appropriate person to execute business. The Company therefore reselected him as a candidate for Director.

2. Noriaki Ishizuka

January 10, 1959
59 years old

Reappointment

Number of shares of the Company held	33,900 shares
Term of office	12 years
Current positions and responsibilities	Representative Director and Executive Vice President, the Company

Past experience

April 1982	Joined the Company
June 2006	Director and Deputy General Manager, Sales Group
April 2008	Director and Unit Director, Business Solutions Unit
April 2009	Director and General Manager, Sales Group
April 2011	Director and General Manager, DCG and Services Business Group
April 2013	Executive Director
October 2013	President and Representative Director, INTAGE Inc. (current position)
June 2015	Director
June 2017	Representative Director and Executive Vice President (current position)

Significant concurrent positions

President and Representative Director, INTAGE Inc.

Reasons for selecting Mr. Ishizuka as a candidate for Director

Mr. Noriaki Ishizuka assumed the office of Director of the Company in 2006. Since then, as President and Representative Director of INTAGE Inc., the core company of the Group, he has been fulfilling his duties as Director, including contribution to the reinforcement of the company's business and improvement of its profitability.
For these reasons, the Company, in an endeavor to further strengthen the Group's management foundation and enhance corporate value, has determined that he is an appropriate person to execute business. The Company therefore reselected him as a candidate for Director.

3. Kenji Ikeya

November 21, 1956
61 years old

Reappointment

Number of shares of the Company held	16,006 shares
Term of office	2 years
Current positions and responsibilities	Director and CFO in charge of Internal Controls, the Company

Past experience

April 1980	Joined The Saitama Bank, Ltd.
October 2011	General Manager, Corporate Management Division, the Company
April 2013	Executive Officer and General Manager, Finance & Investor Relations Division
April 2014	Executive Officer in charge of Finance & Investor Relations Division
October 2014	Executive Officer in charge of Finance & Investor Relations Division and General Manager, Corporate Administration Office
April 2015	Executive Officer in charge of Finance & Investor Relations Division and General Manager, President's Office
June 2015	Senior Executive Officer in charge of Finance, General Manager, President's Office In charge of Crisis Management Committee, Internal Control Committee
April 2016	Senior Executive Officer in charge of Corporate Finance Division, President's Office, Internal Control and Risk Management Division, Crisis Management Committee, Internal Control Committee
June 2016	Director and CFO, in charge of Internal Controls (current position)

Significant concurrent positions

Not applicable.

Reasons for selecting Mr. Ikeya as a candidate for Director

After joining the Company, as an officer responsible for financial affairs, Mr. Kenji Ikeya has promoted initiatives in the financial and capital policies of the Company by drawing on his knowledge and business experience at a financial institution. He has thus a wealth of experience and knowledge regarding overall management administration.
For these reasons, the Company, in an endeavor to further strengthen the Group's management foundation and enhance corporate value, has determined that he is an appropriate person to execute business. The Company therefore reselected him as a candidate for Director.

4. Yoshiya Nishi

January 23, 1967
51 years old

Reappointment

Number of shares of the Company held	120,000 shares
Term of office	2 years
Current positions and responsibilities	Director in charge of Group Healthcare Business and responsible for promoting work style reform, the Company

Past experience

June 1992	Joined Social Survey Research Information Co., Ltd.
December 1994	Director, TM Marketing Inc. (currently ANTERIO Inc.)
January 2005	Vice President and Representative Director, TM Marketing Inc.
March 2007	President and Representative Director, TM Marketing Inc. (current position)
July 2014	Executive Officer in charge of Group Healthcare Solution, the Company
April 2015	Executive Officer in charge of Group Healthcare Business
May 2015	Director, ASKLEP Inc. (current position)
June 2016	Director in charge of Group Healthcare Business
April 2017	Director in charge of Group Healthcare Business and responsible for promoting work style reform (current position)

Significant concurrent positions

President and Representative Director, ANTERIO Inc.
Director, ASKLEP Inc.

Reasons for selecting Mr. Nishi as a candidate for Director

As President and Representative Director of ANTERIO Inc., Mr. Yoshiya Nishi has strengthened the business and improved profitability of the company, in addition to his achievements in global business development. He has thus a wealth of experience and knowledge regarding Healthcare Business of the Group.
For these reasons, the Company, in an endeavor to further strengthen the Group's management foundation and enhance corporate value, has determined that he is an appropriate person to execute business. The Company therefore reselected him as a candidate for Director.

5. Kiyomi Miyauchi

August 15, 1959
58 years old

Reappointment

Number of shares of the Company held	9,018 shares
Term of office	1 year
Current positions and responsibilities	Director in charge of Group Overseas Business and Chief Senior Director of Overseas Business, the Company

Past experience

April 1983	Joined the Company
April 2005	General Manager, Global Research Division, Solution Group
October 2007	General Manager, Sales Division IX, Sales Group
July 2008	CEO, INTAGE (Thailand) Co., Ltd. (current position)
April 2014	Executive Officer in charge of Overseas Business, ASEAN and India Representative, INTAGE Holdings Inc. Regional Office (current position)
January 2015	Executive Officer in charge of Group Overseas Business
June 2015	Senior Executive Officer in charge of Group Overseas Business
April 2016	Senior Executive Officer in charge of Group Overseas Business and Chief Senior Director of Overseas Business
June 2017	Director in charge of Group Overseas Business and Chief Senior Director of Overseas Business (current position)

Significant concurrent positions

Not applicable.

Reasons for selecting Mr. Miyauchi as a candidate for Director

Mr. Kiyomi Miyauchi not only has experience in global research, but also has a proven track record in management at the Company's overseas bases, ASEAN and India to begin with, and has a wealth of experience and knowledge towards the Group's overseas business.
For these reasons, the Company, in an endeavor to further strengthen the Group's management foundation and enhance corporate value, has determined that he is an appropriate person to execute business. The Company therefore reselected him as a candidate for Director.

6. Shizue Kishi

November 12, 1951
66 years old

Reappointment **Outside Director** **Independent Director**

Number of shares of the Company held	2,200 shares
Term of office as an Outside Director	3 years
Current positions and responsibilities	Outside Director, the Company

Past experience

April 1983	Full-time Instructor, Faculty of Commerce, Nagoya University of Commerce & Business
March 1988	Assistant Professor, Faculty of Economics, Nagoya City University
April 1996	Professor, Faculty of Economics, Nagoya City University
April 1998	Professor, Faculty of Business Administration, Tokyo Keizai University (current position)
October 1998	Executive Director, Japan Academy of Advertising (current position)
October 2010	Chairperson, Japan Academy of Advertising
April 2014	Dean, Faculty of Business Administration, Tokyo Keizai University
June 2015	Outside Director, the Company
June 2016	Outside Director serving as Audit & Supervisory Committee Member
June 2017	Outside Director (current position)
April 2018	Vice President and Director, Tokyo Keizai University (current position)

Significant concurrent positions

Vice President and Director, Tokyo Keizai University
Executive Director, Japan Academy of Advertising

Reasons for selecting Ms. Kishi as a candidate for Outside Director

Ms. Shizue Kishi, as a university professor, has been a specialist in the fields of advertising, marketing communications, and consumer behavior. She is providing advice and suggestions as an Outside Director of the Company to secure legal compliance and appropriateness of the decision making of the Board of Directors by utilizing her experience and knowledge.
Although she has not been directly involved in corporate management other than as Outside Director, for above reasons, the Company judged that she will provide appropriate advice and supervision on the management of the Group, and therefore reselected her as a candidate for Outside Director.

(Notes) 1. There are no special conflicts of interest between the candidates and the Company.
2. Number of shares of the Company held by each candidate is as of March 31, 2018.
3. Ms. Shizue Kishi is a candidate for Outside Director. Ms. Shizue Kishi has been designated as Independent

Director pursuant to the regulations of the Tokyo Stock Exchange, Inc. and registered with the aforementioned Exchange as such, and if her election is approved as originally proposed, she will continue to be designated as Independent Director. Additionally, in view of the “Independence criteria for Outside Directors” (presented on Page 13) defined by the Company, the Company deems her to be independent as an Outside Director.

4. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has concluded a liability limitation agreement with Ms. Shizue Kishi, limiting her liability under Article 423, Paragraph 1 of the same Act. The maximum liability limit under this agreement has been set to the amount stipulated by laws and regulations. If the election of Ms. Shizue Kishi as Outside Director is approved, the Company plans to continue the agreement with her.

Proposal No. 3: Election of Four (4) Directors serving as Audit & Supervisory Committee Members

The terms of office of all four (4) Directors serving as Audit & Supervisory Committee Members will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of four (4) Directors to serve as Audit & Supervisory Committee Members is proposed.

Additionally, this Proposal has received the approval of the Audit & Supervisory Committee.

The candidates for Directors serving as Audit & Supervisory Committee Members are as follows:

No.		Name		Positions and Responsibilities at the Company	Attendance at the meetings of the Board of Directors (Fiscal Year 2017)
1	Reappointment	Takashi Ito		Director serving as Audit & Supervisory Committee Member (Full-time Audit & Supervisory Committee Member)	100% (17/17)
2	Reappointment	Hajime Nakajima	Outside Director Independent Director	Outside Director serving as Audit & Supervisory Committee Member	100% (17/17)
3	Reappointment	Yuzo Miyama	Outside Director Independent Director	Outside Director serving as Audit & Supervisory Committee Member	100% (13/13)
4	New appointment	Shizuo Kashima	Outside Director Independent Director	–	–

(Note) Mr. Yuzo Miyama was newly elected as Director serving as Audit & Supervisory Committee Member of the Company as a substitute for his predecessor at the 45th Annual General Meeting of Shareholders held on June 27, 2017 and took office on the same day; therefore, his attendance at the meetings of the Board of Directors stated above refers to those convened since he took office as Director serving as Audit & Supervisory Committee Member.

1. Takashi Ito

September 22, 1954
63 years old

Reappointment

Number of shares of the Company held	17,876 shares
Term of office	2 years
Current positions and responsibilities	Director serving as Audit & Supervisory Committee Member (Full-time Audit & Supervisory Committee Member), the Company

Past experience

April 1977	Joined IBM Japan, Ltd.
January 2008	Deputy General Manager, Sales Group, the Company
April 2012	Executive Officer, General Manager, FMCG Business Group
December 2015	Senior Executive, Auditing Staff and in charge of Internal Audit Office
April 2016	Senior Executive, Auditing Staff and in charge of Internal Audit Division
June 2016	Director serving as Audit & Supervisory Committee Member (Full-time Audit & Supervisory Committee Member) (current position)
April 2017	Corporate Auditor, INTAGE Inc. (current position)

Significant concurrent positions

Corporate Auditor, INTAGE Inc.

Reasons for selecting Mr. Ito as a candidate for Director serving as Audit & Supervisory Committee Member

After joining the Company, Mr. Takashi Ito has served as an officer responsible for Sales division by drawing on his knowledge and experience working at IBM Japan, Ltd., and engaged in the internal audit affairs as Senior Executive of the Company. He has thus a wealth of experience and knowledge regarding sales and overall management administration. Additionally, after assuming the office of Director serving as Audit & Supervisory Committee Member, he has appropriately supervised the execution of business of the Company as Full-time Audit & Supervisory Committee Member.

For these reasons, the Company, in an endeavor to further strengthen the Group's management foundation and enhance corporate value, has determined that he is an appropriate person to conduct supervision, etc. on the execution of business. The Company therefore reselected him as a candidate for Director serving as Audit & Supervisory Committee Member.

2. Hajime Nakajima

December 7, 1955
62 years old

Reappointment **Outside Director** **Independent Director**

Number of shares of the Company held	2,200 shares
Term of office	2 years
Current positions and responsibilities	Outside Director serving as Audit & Supervisory Committee Member, the Company

Past experience

April 1986	Appointed as judge
April 1997	Judge, Tokyo District Court
April 2002	General Manager, Administrative Bureau, Secretarial Training Institute, Supreme Court
April 2004	General Manager of Training, Comprehensive Training Institute for Court Staff
April 2005	Judge, Tokyo High Court
March 2007	Retired from Judge, Tokyo High Court
April 2007	Professor, Toin Law School (current position)
June 2007	Registered as an Attorney
June 2014	Substitute Corporate Auditor, the Company
June 2015	Outside Corporate Auditor
June 2016	Outside Director serving as Audit & Supervisory Committee Member (current position)
June 2017	Outside Director, Toyo Sugar Refining Co., Ltd. (current position)

Significant concurrent positions

Attorney
Professor, Toin Law School
Outside Director, Toyo Sugar Refining Co., Ltd.

Reasons for selecting Mr. Nakajima as a candidate for Outside Director serving as Audit & Supervisory Committee Member

Mr. Hajime Nakajima is well-versed in corporate law, finance, and accounting as an attorney, and has an adequate amount of knowledge regarding corporate management policy. He is providing opinions and suggestions as an Outside Director serving as Audit & Supervisory Committee Member of the Company to secure legal compliance for the decision making of the Board of Directors. Additionally, although he has not been directly involved in corporate management other than as Outside Corporate Auditor or Outside Director, in an endeavor to further strengthen the Group's management foundation and enhance corporate value, the Company has determined that he is an appropriate person to conduct supervision, etc. on the execution of business, for the above reasons. The Company therefore reselected him as a candidate for Outside Director serving as Audit & Supervisory Committee Member.

3. Yuzo Miyama

February 28, 1955
63 years old

Reappointment **Outside Director** **Independent Director**

Number of shares of the Company held	0 shares
Term of office	1 year
Current positions and responsibilities	Director serving as Audit & Supervisory Committee Member, the Company

Past experience

April 1983	Registered as lawyer (Daiichi Tokyo BAR Association)
September 1986	Established YUZO MIYAMA LAW OFFICE
July 2001	Representative, MIYAMA LAW OFFICE (current position)
April 2007	Outside Director, Ai Holdings Corporation (current position)
May 2016	Member of the independent committee, the Company
June 2017	Outside Director serving as Audit & Supervisory Committee Member (current position)

Significant concurrent positions

Lawyer
Outside Director, Ai Holdings Corporation

Reasons for selecting Mr. Miyama as a candidate for Outside Director serving as Audit & Supervisory Committee Member

Through his many years of service as an attorney, Mr. Yuzo Miyama has a wealth of experience, in-depth insight and expertise. He is providing opinions and suggestions as Outside Director serving as Audit & Supervisory Committee Member of the Company to secure legal compliance for the decision making of the Board of Directors. Additionally, although he has not been directly involved in corporate management other than as Outside Director, in an endeavor to further strengthen the Group's management foundation and enhance corporate value, the Company has determined that he is an appropriate person to conduct supervision, etc. on the execution of business, for the above reasons. The Company therefore reselected him as a candidate for Outside Director serving as Audit & Supervisory Committee Member.

4. Shizuo Kashima

November 30, 1958
59 years old

New appointment | **Outside Director** | **Independent Director**

Number of shares of the Company held	0 shares
Term of office	0 years
Current positions and responsibilities	Not applicable.

Past experience

March 1982	Joined Arthur Young & Company, Tokyo Office
March 1985	Registered as Certified Public Accountant
June 1987	Transferred to International Business Department of Asahi Shinwa Kaikeisha Audit Firm due to the integration of Arthur Young & Company and Asahi Shinwa Kaikeisha Audit Firm
October 1992	Established Kashima Certified Public Accountant Office
December 1992	Registered as Certified Tax Accountant Established Kashima Certified Tax Accountant Office Head, Kashima Certified Tax Accountant Office (current position)
March 2002	Representative Director, Horwath Japan Corporation (currently Minato Trust Corporation) (current position)
September 2002	Established Kashima & Komiyama Certified Public Accountant Office Representative Certified Public Accountant, Kashima & Komiyama Certified Public Accountant Office (current position)
December 2008	Corporate Auditor, MIKI TOURIST CO., LTD. (current position)
April 2010	Corporate Certified Public Accountant, the Company (until March 2018)

Significant concurrent positions

Certified Public Accountant
Certified Tax Accountant
Representative Director, Minato Trust Corporation
Corporate Auditor, MIKI TOURIST CO., LTD.

Reasons for selecting Mr. Kashima as a candidate for Outside Director serving as Audit & Supervisory Committee Member

Mr. Shizuo Kashima has an adequate amount of knowledge of finance and accounting and sufficient views on corporate management as a certified public accountant and a certified tax accountant. The Company, in an endeavor to further strengthen the Group's management foundation and enhance corporate value, has determined that he is an appropriate person to conduct supervision, etc. on the execution of business, and therefore, newly selected him as a candidate for Outside Director serving as Audit & Supervisory Committee Member.

(Notes)
1. There are no special conflicts of interest between the candidates and the Company.
2. Number of shares of the Company held by the candidate is as of March 31, 2018.
3. Mr. Hajime Nakajima, Mr. Yuzo Miyama, and Mr. Shizuo Kashima are candidates for Outside Director serving as Audit & Supervisory Committee Member.
4. Mr. Hajime Nakajima and Mr. Yuzo Miyama have been designated as Independent Directors pursuant to the regulations of the Tokyo Stock Exchange, Inc. and registered with the aforementioned Exchange as such, and if their election is approved as originally proposed, they will continue to be designated as Independent Directors. Additionally, in view of the "Independence criteria for Outside Directors" (presented on Page 13) defined by the Company, the Company deems them to be independent as Outside Directors.
5. If the election of Mr. Shizuo Kashima is approved as originally proposed, the Company plans to designate him as Independent Director pursuant to the regulations of the Tokyo Stock Exchange and to register him with the aforementioned Exchange as such. Additionally, he served as Corporate Certified Public Accountant of the Company and Trust Administrator of the Performance-Linked Stock Compensation Plan for Directors of the Company until March 31, 2018, and the compensations paid to him are less than 1.5 million yen per year. In view of the "Independence Criteria for Outside Directors" defined by the Company, the Company deems him to be independent as an Outside Director.
6. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has concluded a liability limitation agreement with Mr. Hajime Nakajima and Mr. Yuzo Miyama, limiting their liabilities under Article 423, Paragraph 1 of the same Act. The maximum liability limit under this agreement has been set to the amount stipulated by laws and regulations. If this Proposal is approved as originally proposed, the Company plans to continue the agreement with them, and enter into the same agreement with Mr. Shizuo Kashima.

(Reference) Independence Criteria for Outside Directors

The Company determines that Outside Directors possess independence only in the event that they do not fall under any of the following items at present or at any time within the last ten (10) years.

1. A business executing person of the Company or a company in the Group
2. A person or business executing person of an entity in case the Company or a company in the Group is a major transaction partner of the person or entity (*1), or a person or business executing person of an entity that is a major transaction partner of the Company or a company in the Group (*2)
3. A consultant, accounting specialist, or legal specialist who receives large amounts of money or other assets (*3) aside from Director remuneration from the Company or a company in the Group (In the event that the one receiving such assets is an organization such as a corporation or partnership, etc., this applies to a person belonging to the organization in question.)
4. A business executing person of a major shareholder of the Company (major shareholders within the top 10)
5. A business executing person of a major lender of the Company or the Group (banks within the top 2 lenders)
6. A close relative of any of those in the previous 5 items (excluding those not considered to be important)

*1 "In case the Company or a company in the Group is a major transaction partner of the person or entity" refers to any case where the person or entity received a payment of 2% or more of consolidated net sales of the person or entity over the most recent fiscal year from the Company or a company in the Group.

*2 "A person or business executing person of an entity that is a major transaction partner of the Company or a company in the Group" refers to any person or entity that made a payment of 2% or more of consolidated net sales of the Company over the most recent fiscal year toward the Company or a company in the Group.

*3 "Large amounts" refers to the amount of 10 million yen or more per year in the case of an individual, and the amount of 2% or more of consolidated net sales of the entity over the most recent fiscal year in the case of an entity.

End