This English translation is made for reference purposes only, and in the event of any discrepancies between the English version and the Japanese version, the Japanese version prevails.

Securities Code: 5988
June 6, 2018

To Our Shareholders:

51 Iwai-cho, Hodogaya-ku,
Yokohama-shi, Kanagawa
Piolax, Inc.
Yukihiko Shimazu, President

Notice of the 102nd Annual Meeting of Shareholders

The Company would hereby like to request shareholders to attend the Company's 102nd Annual Meeting of Shareholders as described below.

If you are unable to attend the meeting on the date, you may also exercise your voting rights in writing or via the Internet, etc. We kindly request you to read the following Reference Document for the Annual Meeting of Shareholders and exercise your voting rights no later than the close of business at 5:30 p.m., Monday, June 25, 2018 following the instructions below.

Sincerely yours,

1. Date: 10:00 a.m., June 26 (Tuesday), 2018

2. Venue: 4F Hall, Yokohama Technical Center, Piolax, Inc.
179 Kariba-cho, Hodogaya-ku, Yokohama-shi, Kanagawa

3. Purposes:

Items to be reported:

1. The Business Report, the Consolidated Financial Statements and the Results of Consolidated Financial Statement Audits by the Accounting Auditor and the Audit and Supervisory Committee for the 102nd business period (April 1, 2017 to March 31, 2018)
2. The Non-Consolidated Financial Statements for the 102nd business period (April 1, 2017 to March 31, 2018)

Items to be resolved:

Agenda No. 1: Appropriation of Retained Earnings

Agenda No. 2: Election of Five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members)

Agenda No. 3: Election of Three (3) Directors who are Audit and Supervisory Committee Members

Agenda No. 4: Election of One (1) Director who is Substitute for Audit and Supervisory Committee Member

4. Information on exercise of voting rights, etc. Please see Information on Exercise of Voting Rights, etc. listed on Page 3.

- When you attend the meeting, we kindly request that you submit the enclosed voting form to the receptionist at the venue. Please also bring this notice to the meeting with you to help us preserve resources.
- Of the matters to be included in this notice, the following matters are not listed in this notice, but are put on the Company's website (https://www.piolax.co.jp/en/) in accordance with laws and regulations and the provisions of Article 19 of the Company's Articles of Incorporation.
    - Notes to the Consolidated Financial Statements
    - Notes to the Non-Consolidated Financial Statements
- The Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Audit and Supervisory Committee and Accounting Auditors in the preparation of the Auditor's Report and the Accounting Auditor's Report respectively include the matters stated in the document attached to this notice. They also include matters to be reported in the Notes to the Consolidated Financial Statements and Notes to the Non-Consolidated Financial Statements.
- If there are any revisions to the Reference Document for the Annual Meeting of Shareholders, the Business Report, and/or the Non-Consolidated and the Consolidated Financial Statements, the revised matters will be listed on the Company's website (https://www.piolax.co.jp/en/).

Information on exercise of voting rights, etc.

You may exercise your voting rights by any of the following three methods.

If you attend the Annual Meeting of Shareholders:

Please submit the voting form to the receptionist at the venue. (It is not necessary to affix a seal.)

Date: 10:00 a.m., Tuesday, June 26, 2018 (Reception start: 9:00 a.m.)

Venue: 4F Hall, Yokohama Technical Center, Piolax, Inc.

If you exercise your voting rights by mail:

Please indicate “for” or “against” on each agenda item on the voting form enclosed herewith and post it without attaching a stamp.

Voting deadline: must arrive by 5:30 p.m., Monday, June 25, 2018

If you exercise your voting rights via the Internet, etc.

Please access the Japanese-language voting rights exercise website (https://www.web54.net) through personal computer, smartphone, etc., enter your voting rights exercise code and password listed on the voting form enclosed herewith, and enter “for” or “against” according to the guidance on the screen.

Voting deadline: by 5:30 p.m., Monday, June 25, 2018

(i) Please note that in order to prevent unauthorized access by parties other than shareholders ("spoofing") and the alteration of votes submitted, shareholders who use this function will be asked to change their password on the voting site.

(ii) We will inform you of your new voting rights exercise code and password at every convocation of a Meeting of Shareholders.

(iii) The costs incurred for access to the website to exercise voting rights (such as Internet connection charge, phone charge) shall be borne by the shareholders.

Information on exercise of voting rights via the Internet, etc.

If you exercise your voting rights via the Internet, etc., we kindly request that you access the voting rights exercise website designated by the Company through personal computer or smartphone, etc. and exercise your voting right according to the guidance on the screen.

The voting rights exercise website designated by the Company: https://www.web54.net

Voting rights exercise deadline: by 5:30 p.m., Monday, June 25, 2018

(i) Access to the voting rights exercise site



https://www.web54.net
Click “continue to the next.”

(ii) Login



Enter your voting rights exercise code listed on the voting form and click “Login.”

* If you did not set up your password, you need to register a new password.

(iii) Enter password



Enter your password listed on the voting form and click “Next.”

Please enter “for” or “against” according to the input guidance on the screen for the following.

* If you exercise your voting rights multiple times via the Internet, etc., the last vote shall be deemed valid.

* If you exercise your voting rights both via the Internet, etc. and in writing, the vote via the Internet, etc. shall be deemed valid.

Inquiries about exercise of voting rights via the Internet, etc.

Sumitomo Mitsui Trust Bank, Limited (for Stock Transfer Agency Web Support)

Free dial 0120-652-031 (Hours 9:00 - 21:00)

To institutional investors

Institutional investors may also use an electronic voting rights exercise platform for institutional investors that is operated by ICJ, Inc. as the method for exercising voting rights.

Reference Document for the Annual Meeting of Shareholders

Meeting Agenda and Referential Matters

Agenda No. 1: Appropriation of Retained Earnings

The Company's fundamental policy on the appropriation of profits is to execute balanced management on steady returns of earnings to shareholders and adequate internal reserves to strengthen the business foundations. Based on this policy, the Company proposes the year-end dividends and the appropriation of other retained earnings for the fiscal year under review as follows.

1. Year-end Dividend

(1) Type in which dividends are paid

Cash payment

(2) Allocation of dividends and total amount of dividends

The Company would like to disburse 28 yen per common share of the Company inclusive of a commemorative dividend of 5 yen per share (in commemorating the 85th anniversary of the Company's founding.)

In this case, the total amount of dividends shall be 1,039,346,644 yen.

As a result, the dividends on an annual basis will be 45 yen per share including the interim dividends of 17 yen per share.

(3) Effective date on which dividends are disbursed from retained earnings

June 27, 2018

2. Appropriation of Other Retained Earnings

(1) Increased retained earning item and its amount

General reserve	3,300,000,000 yen

(2) Reduced retained earning item and its amount

Retained earnings brought forward	3,300,000,000 yen

Agenda No. 2: Election of Five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The term of office of all four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same applies in this agenda) will expire upon conclusion of this Annual Meeting of Shareholders. Accordingly, the Company hereby proposes the election of five (5) Directors, increased by one (1) External Director, in order to strengthen the management system.

The Audit and Supervisory Committee confirmed that, after reviewing this agenda, it found no areas in need of attention.

The candidates for Directors are as follows.

Candidate No.	Name	Current position and responsibility, etc.	Attributes
1	Kazuhiko Kato	Chairman and Representative Director Chairman of the Board of Directors	Re-election
2	Yukihiko Shimazu	President and Representative Director Supervision of Sales Department CEO, Wuhan Piolax Co., Ltd. CEO, Dongguan Piolax Co., Ltd.	Re-election
3	Michio Nagamine	Managing Director Supervision of Planning and Administration Department, Purchasing Department, Information Technology Department, and affiliated companies	Re-election
4	Seiichi Sato	Managing Director Supervision of Design Department, Production and Logistics Department, and Quality Assurance Department	Re-election
5	Toru Oka		New External

Re-election The candidates for Directors to be re-elected

New The candidate for new Director

External The candidate for External Director

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th>Brief profile, position and responsibility at the Company
(Significant concurrent positions)</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="2">1</td><td>Kazuhiko Kato
(April 12, 1940)
Re-election</td><td>October 1966 Joined Piolax, Inc.
November 1968 Director
General Manager, Materials Department, Piolax, Inc.
June 1977 Managing Director, Piolax, Inc.
June 1984 President, Piolax, Inc.
April 2010 Chairman, Piolax, Inc. (incumbent)
(Responsibility)
Chairman of the Board of Directors</td><td>1,005,000</td></tr>
<tr><td colspan="3">Reason for the election of Director:
As President and Representative Director of the Company during the period from June 1984 to March 2010, Mr. Kazuhiko Kato led the Company toward growth and has made contributions as a keystone for the formation of the corporate culture of the Company. After assuming the position of Chairman and Representative Director of the Company in April 2010, Mr. Kato served as Chairman and Director of the Company's subsidiary specializing in the manufacture of medical devices from January 2011 to June 2016 and has provided the Group with a broad range of directions needed to implement business strategies.
The Company believes that Mr. Kato would continue to make use of his abundant experience, considerable insight and extensive networks gained over the years for contributing to decision-making at the Board of Directors and bringing benefits for business development on a global scale and improvement in corporate value. Accordingly, the Company proposes that he be a candidate for Director.</td></tr>
</table>

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th>Brief profile, position and responsibility at the Company
(Significant concurrent positions)</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="2">2</td><td>Yukihiko Shimazu
(September 10, 1957)
Re-election</td><td>March 1981 Joined Piolax, Inc.
July 1999 General Manager, Overseas Sales Department, Piolax, Inc.
August 2001 President, Piolax Corporation
June 2005 Director, Piolax, Inc.
June 2006 Director
General Manager, Overseas Sales Department, Piolax, Inc.
April 2010 President, Piolax, Inc. (incumbent)
(Responsibility)
Supervision of Sales Department
(Significant concurrent positions)
CEO, Wuhan Piolax Co., Ltd.
CEO, Dongguan Piolax Co., Ltd.</td><td>47,100</td></tr>
<tr><td colspan="3">Reason for the election of Director:
Mr. Yukihiko Shimazu served as President and Representative Director of the Company from April 2010 up to the present and has led domestic and overseas the Company group companies under the slogan, "ONE PIOLAX," toward growth. He had undertaken the role of President of the U.S. subsidiary of the Company from August 2001 to May 2006, and currently has the concurrent position of CEO (Chairman) of two Chinese subsidiaries of the Company, thus having made contributions to transforming the Company as a global entity.
The Company believes that Mr. Shimazu would continue to make use of his abundant experience, considerable insight and extensive networks gained over the years for contributing to decision-making of the Board of Directors, and bringing benefits for business development on a global scale as well as improvement in corporate value of the Company. Accordingly, the Company proposes that he be a candidate for Director.</td></tr>
</table>

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
3	Michio Nagamine (March 15, 1957) Re-election	April 1979 Joined Japan Development Bank (current Development Bank of Japan Inc.) June 2003 General Manager, Information Resources Department, Development Bank of Japan Inc. June 2007 Advisor, Piolax, Inc. July 2007 Advisor General Manager, ERP Promotion Department, Piolax, Inc. April 2008 Advisor General Manager, Purchasing Department, Piolax, Inc. June 2008 Director General Manager, Purchasing Department, Piolax, Inc. June 2012 Director General Manager, HR Office, Piolax, Inc. April 2013 Managing Director General Manager, HR Office, Piolax, Inc. April 2015 **Managing Director, Piolax, Inc. (incumbent)** (Responsibility) Supervision of Planning and Administration Department, Purchasing Department, Information Technology Department, and affiliated companies	-
	Reason for the election of Director: Mr. Michio Nagamine has served as Managing Director of the Company since April 2013 up to the present, and contributed to the growth of the Company by undertaking roles as General Manager responsible for Planning and Administration, Purchasing, and Information Technology Departments, as well as operations of the affiliates of the Company. He has gained considerable knowledge and insight in IT and finance fields through managerial jobs including the management of Development Bank of Japan Inc. prior to joining the Company in June 2007. The Company believes that Mr. Nagamine would continue to make use of his abundant experience, sufficient insight and extensive networks gained over the years for contributing to decision-making of the Board of Directors, and bringing benefits for business development on a global scale as well as improvement in corporate value of the Company. Accordingly, the Company proposes that he be a candidate for Director.		

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th colspan="2">Brief profile, position and responsibility at the Company
(Significant concurrent positions)</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="2">4</td><td>Seiichi Sato
(May 31, 1955)
Re-election</td><td colspan="2">March 1978 Joined Piolax, Inc.
October 2002 President, Piolax OC Systems Co., Ltd.
April 2004 Executive Officer, Piolax, Inc.
President, Piolax OC Systems Co., Ltd.
June 2011 Managing Executive Officer
Director
General Manager, Design Department, Piolax, Inc.
June 2014 Managing Director
General Manager, Design Department, Piolax, Inc.
June 2017 Managing Director, Piolax, Inc. (incumbent)
(Responsibility)
Supervision of Design Department, Production and Logistics Department, and Quality Assurance Department</td><td>25,500</td></tr>
<tr><td colspan="4">Reason for the election of Director:
Mr. Seiichi Sato has served as Managing Director of the Company since June 2014 up to the present, and contributed to the growth of the Company by undertaking roles as General Manager responsible for Design, Production and Logistics, and Quality Assurance Departments. He also gained managerial experience through the role as President of the Company's subsidiary from October 2002 to September 2005 and accumulated knowledge and insight in the fields of finance as well as design and production.
The Company believes that Mr. Sato would continue to make use of his abundant experience, sufficient insight and extensive networks gained over the years for contributing to decision-making of the Board of Directors, and bringing benefits for business development on a global scale as well as improvement in corporate value of the Company. Accordingly, the Company proposes that he be a candidate for Director.</td></tr>
</table>

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
5	Toru Oka (February 26, 1950) New External	April 1972 Joined Toyo Kogyo Co., Ltd. (current Mazda Motor Corporation) April 1986 US manufacturing subsidiary of Mazda April 1992 Purchasing Division, Mazda Motor Corporation April 1997 General Manager, Parts Purchasing Dept. No. 1, Purchasing Division, Mazda Motor Corporation June 2002 Executive Officer, Mazda Motor Corporation April 2004 Executive Officer General Manager, Purchasing Division, Mazda Motor Corporation April 2006 Managing Executive Officer, Mazda Motor Corporation June 2010 President & Representative Director, DaikyoNishikawa Corporation June 2015 Director and Senior Adviser, DaikyoNishikawa Corporation August 2016 External Director, Ishizaki Honten Company, Limited, (incumbent) March 2018 Retired DaikyoNishikawa Corporation (Significant concurrent positions) External Director, Ishizaki Honten Company, Limited	-
	Reason for the election of External Director During the period from June 2010 to June 2015, Mr. Toru Oka served as President & Representative Director of DaikyoNishikawa Corporation and has served in the managerial role of External Director of Ishizaki Honten Company, Limited from August 2016 to the present. He also gained experience in the US when he worked at Mazda Motor Corporation and accumulated extensive experience and knowledge and insight in Japan and overseas. The Company believes that Mr. Oka would make use of his abundant experience, considerable insight and extensive networks gained over the years for contributing to decision-making at the Board of Directors and bringing benefits for business development on a global scale and improvement in corporate value. Accordingly, the Company proposes that he be a candidate for External Director.		

Notes:

1. There are no special conflicts of interests between the candidates and the Company.
2. Mr. Toru Oka is the candidate for External Director.
3. Mr. Toru Oka meets the requirements for Independent Director in conformity with the regulation of the Tokyo Stock Exchange, Inc. and provided that he is approved at the election of Director, he will be designated as Independent Director.
4. In the event that Mr. Toru Oka is appointed as Director, the Company plans to enter into a contract with him to limit liability for damages prescribed in Article 423, Paragraph 1 of the Companies Act in conformity with the provision of Article 427, Paragraph 1 of thereof. The limited amount of liability under such contracts shall be the amount stipulated in laws and regulations.

Agenda No. 3: Election of Three (3) Directors who are Audit and Supervisory Committee Members

The term of office of all three (3) Directors who are Audit and Supervisory Committee Members will expire upon conclusion of this Annual Meeting of Shareholders. The Company hereby proposes the election of three (3) Directors who are Audit and Supervisory Committee Members.

With regard to this agenda item, the consent of the Audit and Supervisory Committee has been obtained.

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

Candidate No.	Name (Date of birth)	Brief profile and position at the Company (Significant concurrent positions)		Number of the Company's shares owned
1	Yukio Nagamura (February 19, 1956) Re-election	April 1978	Joined The Industrial Bank of Japan, Limited (current Mizuho Bank, Ltd.)	10,200
		May 2004	Joined Piolax, Inc.	
		December 2004	General Manager, Business and Administration Department	
			General Manager, IR Department, Piolax, Inc.	
		August 2011	Advisor	
			General Manager, Business and Administration Department, Piolax, Inc.	
			President and Director, Piolax Business Service Co., Ltd.	
		June 2016	**Director (Audit and Supervisory Committee Member, full-time), Piolax, Inc. (incumbent)**	
		June 2016	External Auditor, Saga Tekkohsho Co., Ltd. (incumbent)	
		(Responsibility) Chairman of the Audit and Supervisory Committee (Significant concurrent positions) External Auditor , Saga Tekkohsho Co., Ltd.		
	Reason for the election of Director: Mr. Yukio Nagamura has served as Director (full-time) who is an Audit and Supervisory Committee Member from June 2016 to the present. He has audited the Company's business execution and provided appropriate advice and recommendations for important management decisions. He gained experience through his roles as General Manager, Business and Administration Department of the Company from December 2004 to June 2016 and as President of the Company's subsidiary from August 2011 to June 2016. He accumulated considerable knowledge and insight in overall business administration including business planning, finance, accounting and internal control, as well as investor relations. The Company expects him to make use of his abundant experience and extensive knowledge gained over the years for auditing and supervising the Company's business execution from an objective point of view, and accordingly proposes that he be a candidate for Director who is Audit and Supervisory Committee Member.			

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th>Brief profile and position at the Company
(Significant concurrent positions)</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="2">2</td><td>Hiroyuki Imanishi
(September 22, 1966)
Re-election
External</td><td>July 1998 Director, Certified Public Accountant, Hiroyuki Imanishi's Office (incumbent)
October 2001 Director, Runsystem Co., Ltd.
March 2003 Employee, Imanishi Tax and Accounting Corporation (incumbent)
March 2005 External Auditor, Asahi Net, Inc. (incumbent)
June 2005 External Auditor, Piolax, Inc.
June 2008 External Auditor, Sockets Inc. (incumbent)
June 2016 External Director (Audit and Supervisory Committee Member) , Piolax, Inc. (incumbent)
(Significant concurrent positions)
Director, Certified Public Accountant, Hiroyuki Imanishi's Office
Employee, Imanishi Tax and Accounting Corporation
External Auditor, Asahi Net, Inc.
External Auditor, Sockets Inc.</td><td>300</td></tr>
<tr><td colspan="3">Reason for the election of External Director:
Mr. Hiroyuki Imanishi served as External Auditor of the Company from June 2005 to June 2016 and has served as an External Director who has been an Audit and Supervisory Committee Member of the Company from the establishment of Company with Audit and Supervisory Committee in June 2016 to the present. He has audited the Company's business execution and provided appropriate advice and recommendations for important management decisions.
In addition, the Company expects him to make use of his experience and knowledge gained over the years as a certified public accountant in the fields of accounting and taxation for auditing and supervising the Company's business execution from an objective point of view. Accordingly, the Company proposes him as a candidate for External Director who is an Audit and Supervisory Committee Member.</td></tr>
<tr><td>3</td><td>Kenichi Asano
(December 11, 1967)
Re-election
External</td><td>April 1996 Registered with Daiichi Tokyo Bar Association
Joined Ueno and Takayama Law Firm
February 2001 External Auditor, Naigai TEC Corporation (incumbent)
June 2004 External Auditor, Shibaura Electronics Co., Ltd. (incumbent)
October 2004 Representative, Ueno and Asano Law Firm (incumbent)
November 2004 Director, Credit Guarantee Servicer Incorporated (incumbent)
June 2011 External Auditor, Piolax, Inc.
June 2016 External Director (Audit and Supervisory Committee Member) , Piolax, Inc. (incumbent)
(Significant concurrent positions)
Representative, Ueno and Asano Law Firm
External Auditor, Naigai TEC Corporation
External Auditor, Shibaura Electronics Co., Ltd.
Director, Credit Guarantee Servicer Incorporated</td><td>-</td></tr>
</table>

	Reason for the election of External Director: Mr. Kenichi Asano served as External Auditor of the Company from June 2011 to June 2016 and has served as an External Director who has been an Audit and Supervisory Committee Member of the Company from the establishment of Company with Audit and Supervisory Committee in June 2016 to the present. He has audited the Company's business execution and provided appropriate advice and recommendations for important management decisions. In addition, the Company expects him to make use of his experience and knowledge gained over the years as an attorney in the legal field for auditing and supervising the Company's business execution from an objective point of view. Accordingly, the Company proposes him as a candidate for External Director who is an Audit and Supervisory Committee Member.

Notes:

1. There are no special conflicts of interest between the candidates and the Company.
2. Mr. Hiroyuki Imanishi and Mr. Kenichi Asano are the candidates for External Directors.
3. Mr. Hiroyuki Imanishi and Mr. Kenichi Asano currently serve as External Directors who are Audit and Supervisory Committee Members of the Company. Both Directors will have held office for two (2) years at the closing time of this Annual Meeting of Shareholders. Further, both Directors were Directors (Auditors) who did not execute the Company's business in the past.
4. The Company designated Mr. Hiroyuki Imanishi and Mr. Kenichi Asano as Independent Directors in conformity with the regulation of the Tokyo Stock Exchange, Inc. and registered them as such at the Tokyo Stock Exchange, Inc. Provided that these two candidates are approved at the election of Directors, they will continue to be Independent Directors.
5. The Company has entered into a contract with Mr. Hiroyuki Imanishi and Mr. Kenichi Asano to limit the liability for damages prescribed in Article 423, Paragraph 1 of the Companies Act in accordance with the provision of Article 427, Paragraph 1 thereof. The limited amount of liability under such contracts is the amount stipulated in laws and regulations. Provided that these two candidates are approved at the re-election of Directors, the Company plans to continue such contracts.

Agenda No. 4: Election of One (1) Director who is Substitute for Audit and Supervisory Committee Member

To prepare for a contingency where the number of Directors who are Audit and Supervisory Committee Members does not reach the number required under laws and regulations, the Company hereby proposes an appointment of one (1) Director who is Substitute for Audit and Supervisory Committee Member.

With regard to this agenda item, the consent of the Audit and Supervisory Committee has been obtained.

The candidate for Director who is Substitute for Audit and Supervisory Committee Member is as follows.

Name (Date of birth)	Brief profile (Significant concurrent positions)		Number of the Company's shares owned
Yasuo Aizawa (December 18, 1942)	April 1966	Joined Japan Finance Corporation for Small and Medium Enterprise (current Japan Finance Corporation)	-
	May 2000	Director, Japan Finance Corporation for Small and Medium Enterprise	
	June 2003	Auditor, Tokyo Small and Medium Business Investment and Consultation Co., Ltd.	
	March 2005	Managing Director, Tokyo Small and Medium Business Investment and Consultation Co., Ltd.	
	July 2007	Retired Tokyo Small and Medium Business Investment and Consultation Co., Ltd.	
	July 2007	Representative, AY Associates Inc. (incumbent)	
	(Significant concurrent positions) Representative, AY Associates Inc.		

Reason for the election of External Director:

After retiring from the post of Director of Japan Finance Corporation for Small and Medium Enterprise, Mr. Yasuo Aizawa, as Representative of AY Associates Inc., a management consulting company, has provided managerial guidance to medium-sized enterprises since July 2007. He had served as a member of the Company's Special Committee in charge of anti-takeover measures for four years since June 2012.

The Company expects him to make use of the wealth of experience and knowledge gained over the years for auditing and supervising the Company's business execution from an objective viewpoint and hereby proposes a candidate for External Director who has been a Substitute for Audit and Supervisory Committee Member since the Company with Audit and Supervisory Committee was established in June 2016. The Company proposes him as a candidate for External Director who is Substitute for Audit and Supervisory Committee Member in conjunction with the replacement time of a Director who is an Audit and Supervisory Committee Member.

Notes:

1. There are no special conflicts of interest between the candidate and the Company.
2. Mr. Yasuo Aizawa is a candidate for Substitute for External Director.
3. In the event that Mr. Yasuo Aizawa is appointed as External Director who is Audit and Supervisory Committee Member, the Company plans to enter into a contract with him to limit liability for damages prescribed in Article 423, Paragraph 1 of the Companies Act in conformity with the provision of Article 427, Paragraph 1 of thereof. The limited amount of liability under such contracts shall be the amount stipulated in laws and regulations.