

Please note that the following is an unofficial English translation of Japanese original text of the Notice of Convocation of the 87th Ordinary General Meeting of Shareholders of Subaru Corporation. The Company provides this translation for reference and convenience purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

(Securities Code: 7270)

May 31, 2018

SUBARU CORPORATION

1-20-8, Ebisu, Shibuya-ku, Tokyo, Japan

Notice of Convocation of The 87th Ordinary General Meeting of Shareholders

To our Shareholders:

You are cordially invited to attend the 87th Ordinary General Meeting of Shareholders of Subaru Corporation. (the “Company”), to be held as set forth below.

If you are unable to attend, your voting rights may be exercised using one of the following methods; please review the below reference documents for the general meeting of shareholders and exercise your voting rights.

Sincerely,

*Yasuyuki Yoshinaga,
President and CEO*

1 Date	June 22, 2018 (Friday) 10 a.m. (Reception to open at 9 a.m.)				
2 Venue	The Westin Tokyo, B2F Galaxy Room 4-1 Mita 1-chome, Meguro-ku, Tokyo (at Yebisu Garden Place)				
3 Purpose of Meeting	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; vertical-align: top;">Matters for Reporting</td> <td> <ol style="list-style-type: none"> 1. Business report, consolidated financial statements and reporting of results of audits on consolidated financial statements by accounting auditors and the Board of Corporate Auditors for the 87th fiscal period (April 1, 2017 to March 31, 2018) 2. Report on non-consolidated financial statements for the 87th fiscal period (April 1, 2017 to March 31, 2018) </td> </tr> <tr> <td style="vertical-align: top;">Matters for Resolution</td> <td> Proposal No. 1: Approval of the Proposed Appropriation of Retained Earnings Proposal No. 2: Partial Amendment to the Articles of Incorporation Proposal No. 3: Election of Eight (8) Directors of the Board Proposal No. 4: Election of One (1) Substitute Corporate Auditor </td> </tr> </table>	Matters for Reporting	<ol style="list-style-type: none"> 1. Business report, consolidated financial statements and reporting of results of audits on consolidated financial statements by accounting auditors and the Board of Corporate Auditors for the 87th fiscal period (April 1, 2017 to March 31, 2018) 2. Report on non-consolidated financial statements for the 87th fiscal period (April 1, 2017 to March 31, 2018) 	Matters for Resolution	Proposal No. 1: Approval of the Proposed Appropriation of Retained Earnings Proposal No. 2: Partial Amendment to the Articles of Incorporation Proposal No. 3: Election of Eight (8) Directors of the Board Proposal No. 4: Election of One (1) Substitute Corporate Auditor
Matters for Reporting	<ol style="list-style-type: none"> 1. Business report, consolidated financial statements and reporting of results of audits on consolidated financial statements by accounting auditors and the Board of Corporate Auditors for the 87th fiscal period (April 1, 2017 to March 31, 2018) 2. Report on non-consolidated financial statements for the 87th fiscal period (April 1, 2017 to March 31, 2018) 				
Matters for Resolution	Proposal No. 1: Approval of the Proposed Appropriation of Retained Earnings Proposal No. 2: Partial Amendment to the Articles of Incorporation Proposal No. 3: Election of Eight (8) Directors of the Board Proposal No. 4: Election of One (1) Substitute Corporate Auditor				
4 Exercise of Voting Rights	<p>[Exercise of Voting Rights by Mail] Please indicate your vote for or against each of the proposals on the enclosed voting form, and return the form to the Company so that it arrives no later than 5:45 p.m., Thursday, June 21, 2018 (Japan time).</p> <p>[Exercise of Voting Rights via the Internet] Please access the “Website for the exercise of voting rights (https://soukai.mizuho-tb.co.jp/)” designated by the Company. This site is provided in Japanese only. Once on the site, please enter the Voting Code and the Password provided on the right-hand side of the enclosed voting form and follow the instructions on screen to complete your vote for or against each of the proposals no later than 5:45 p.m., Thursday, June 21, 2018 (Japan time).</p> <p>[Matters for Acknowledgment] In case the voting rights are exercised in duplicate via the form and on internet, exercise of voting rights on the internet will be deemed to be the effective vote.</p>				

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	In case the voting right is exercised multiple times via the internet, the last exercise shall be deemed to be the effective vote.
5 Other matters concerning General Meeting of Shareholders	<p>Of the documents to be provided to shareholders in relation to this notice, information concerning matters to be stated or displayed on consolidated notes to financial statements and notes to the non-consolidated financial statements are not included in this notice, as they are made available on our website pursuant to the provisions of laws and Article 15 of the Articles of Incorporation.</p> <p>Company Website https://www.subaru.co.jp/en/ir/stock/meeting.html</p> <p>Consolidated financial statements and financial statements audited for preparation of the audit report by the Board of Corporate Auditors and accounting audit report by the accounting auditors included matters to be displayed as part of such notes to consolidated financial statements and notes to the non-consolidated financial statements in addition to matters stated on attachments to this notice.</p>

- * If you will be attending the meeting, please submit the attached voting form at the reception.
- * **Please note that agents and companions who are not shareholders will not be permitted to attend the meeting of general shareholders.**
- * In case amendments are made to reference documents for the meeting of general shareholders, business report, consolidated financial statements and/or non-consolidated financial statements, such information will be posted in the company website.
- * The contents of this notice have been posted on the company website prior to dispatch by mail from the perspective of early provision of information.

No gifts will be offered to shareholders participating in the meeting of general shareholders. We appreciate your understanding.

REFERENCE DOCUMENTS FOR THE EXERCISE OF VOTING RIGHTS

Proposal No. 1: Approval of the Proposed Appropriation of Retained Earnings

As for the appropriation of surplus for the year under review, it is proposed as follows.

The Company positions the return to shareholders as an important managerial issue and intends to continue payment of dividends by giving consideration to each year's performance, investment plans and the management environment. In addition, the Company will decide dividends for each fiscal year based on a consolidated dividend payout ratio of 30% to 50%, taking into consideration the circumstances.

Upon consideration of the Company's business performance for the year under review and future business possibilities, as well as its management environment and other factors, it is hereby proposed that the year-end dividend for the 87th fiscal period be as follows.

1. Type of Dividend:

Cash

2. Regarding Dividends to Shareholders and their Amount:

¥72 per share of the Company's common stock

Total dividends: ¥55,232,700,048

The annual dividend for the year under review would be ¥144 per share including the paid interim dividend of ¥72 per share, the same amount as the previous fiscal year.

3. Effective Date:

June 25, 2018

(Reference) Trends of Dividends, etc.

Term		84th FYE2015	85th FYE2016	86th FYE2017	87th (Current) FYE2018
Annual dividend per share	(Yen)	68	144	144	144 (Planned)
Annual dividends	(Millions of yen)	53,093	112,432	110,460	110,466 (Planned)
Consolidated dividend payout ratio	(%)	20.3	25.7	39.4	50.1 (Planned)

Note: The annual dividend per share and annual dividends for the 87th fiscal period (the year under review) are predicated on the approval and adoption of the proposal as proposed.

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Proposal No. 2: Partial Amendment to the Articles of Incorporation

1. Reasons for the Proposal

The Company has introduced an executive officer system to facilitate the separation of supervision and execution, thereby promoting speedy decision-making and clarifying responsibilities concerning business execution. As part of our efforts to improve the supervisory function of the Board of Directors and to create agile execution structure, we have decided to position the president and other executive roles as executive officers, instead of directors, to further clarify the roles and responsibilities assigned to directors and executive officers. This will enable us to appoint the president from among the executive officers who are not directors, as needed, depending on the Company’s situation.

Based on the above approach, we would like to revise the Articles of Incorporation as follows:

- (1) Clarify the method of election and roles of executive officers (Article 31, Paragraph 1 below) and position the president and other executive roles as executive officers instead of directors (delete Article 22 and add Article 31, Paragraph 2 as below).
- (2) Given the possibility of electing the president from among the executive officers who are not directors, revise the necessary provisions concerning the convener and chairperson of the general meeting of shareholders (Article 14 below).
- (3) Make any changes, such as changing the Article number, necessitated by the above revisions.

2. Details of the Revision

The details of the amendment are as stated below.

(All revisions to the Articles are shown as underlined text.)

Current version	Revised version
<p style="text-align: center;">Chapter 3, General Meeting of Shareholders (Convener and Chairman)</p> <p>Article 14.</p> <p><u>The President of the Company shall convene a General Meeting of Shareholders and shall act as the chairman therein. In the event the President is unable to do so, a Director shall serve in the President’s place, in accordance with the order decided upon in advance by a resolution of the Board of Directors.</u></p>	<p style="text-align: center;">Chapter 3, General Meeting of Shareholders (Convener and Chairman)</p> <p>Article 14.</p> <p><u>A Director nominated in advance by a resolution of the Board of Directors shall convene the General Meeting of Shareholders and shall act as the chairman therein, unless otherwise specifically stipulated in laws or ordinances. In the event the said Director is unable to do so due to accidents or other reasons,</u> other Directors will act in place of the said Director, in accordance with the order decided upon in advance by a resolution of the Board of Directors.</p>
<p style="text-align: center;">Chapter 4, Directors and the Board of Directors (President, etc.)</p> <p><u>Article 22.</u></p> <p><u>One Chairman, one President, Vice Chairmen, Vice Presidents and other Directors executing the operations may be determined by a resolution of the Board of Directors.</u></p>	<p style="text-align: center;">Chapter 4, Directors and the Board of Directors</p> <p style="text-align: center;">(Deleted)</p>

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Current version	Revised version
<p>(Representative Directors) Article <u>23</u>. Directors who are to represent the Company shall be selected from the Directors <u>set forth in Article 23</u> by a resolution of the Board of Directors.</p> <p>Article <u>24</u>. to Article <u>31</u>. (Omitted)</p> <p>(New)</p>	<p>(Representative Directors) Article <u>22</u>. Directors who are to represent the Company shall be selected from among the Directors <u>of the Company</u> by a resolution of the Board of Directors.</p> <p>Article <u>23</u>. to Article <u>30</u>. (No change)</p> <p><u>(Executive Officers)</u> <u>Article 31.</u> <u>The Board of Directors may elect Executive Officers by its resolution and assign and have them execute the Company's business.</u> <u>The Board of Directors may appoint one President and other senior executive officers from among the Executive Officers of the Company by a resolution of the Board of Directors.</u></p>

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Proposal No. 3: Election of Eight (8) Directors of the Board

The terms of office of all eight (8) Directors of the Board will expire at the conclusion of this Ordinary General Meeting of Shareholders. It is hereby proposed that eight (8) Directors of the Board be elected.


The Company nominates as the candidates for directors and corporate auditors individuals who have abundant experience, superior abilities and knowledge, and high expertise appropriate for a director/corporate auditor of the Company, in order to realize our corporate philosophy, effective corporate governance, and sustainable growth, and to improve mid- to long-term corporate value. To ensure fairness and transparency of determination of affairs concerning corporate officers, nomination of candidates for directors and corporate auditors is deliberated at the Executive Nomination Meeting comprising of the representative directors, director in charge of Secretarial Office, and outside directors based on the advice from the Board of Directors. The nomination proposal unanimously approved by all the members of the Executive Nomination Meeting is submitted to the Board of Directors and finalized with a resolution of the Board

Candidates for the position of Director of the Board are as follows:

[Translation for Reference and Convenience Purposes Only]

No.	Name (Date of Birth)	Biography, Posts and Main Fields of Responsibilities in the Company, Significant Positions Concurrently Held, Reasons for Nominating the Candidates for Directors of the Board, and Attendance at the Board of Directors Meetings during the Year under Review	Number of the Company's Shares Held
1	 <p>Yasuyuki Yoshinaga (March 5, 1954)</p> <p>Candidate for reelection</p>	<p>Apr. 1977 Joined the Company Oct. 1999 General Manager, Sales Planning Department, Domestic Sales Division Apr. 2005 Corporate Vice President, Senior General Manager, Strategy Development Division General Manager, Corporate Planning Department Jun. 2006 Corporate Vice President, Chief General Manager, Strategy Development Division Apr. 2007 Corporate Vice President, Chief General Manager, Subaru Japan Sales & Marketing Division and General Manager of Sales Promotion Department Jun. 2007 Corporate Senior Vice President, Chief General Manager, Subaru Japan Sales & Marketing Division Jun. 2009 Director of the Board, Corporate Executive Vice President Chief General Manager, Subaru Japan Sales & Marketing Division Jun. 2011 President and Chief Operating Officer Representative Director of the Board Jun. 2012 President and Chief Executive Officer Representative Director of the Board (to the present)</p> <p><u>(Main fields of responsibilities in the Company)</u> CEO (Chief Executive Officer), “TADASHII-KAISHA” Promotion Dept., Compliance Office, Aerospace Company, Quality</p> <p><u>(Significant Positions Concurrently Held)</u> Director, Subaru of Indiana Automotive, Inc. (SIA) Chairman, The Society of Japanese Aerospace Companies Chairman, Japan Aircraft Development Corporation</p> <p><u>(Reasons for nominating the candidate for Director of the Board)</u> Mr. Yasuyuki Yoshinaga has led the management of the Company since his appointment as the Representative Director of the Board and President in 2011. He has abundant experience and knowledge as a long-serving member of the management team of the Company and its Group companies. He is aware of the needs to fundamentally transform the Company’s corporate culture in the wake of the recent nonconforming final vehicle inspection. To achieve this, we strongly expect him to exercise his leadership that is underscored by the insight he has cultivated during his career.</p> <p><u>(Attendance at the Board of Directors meetings during the year under review)</u> 17 of 17 meetings (100%)</p>	57,598 shares


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2	 Tomomi Nakamura (May 17, 1959) New candidate	<p>Apr. 1982 Joined the Company</p> <p>Jun. 2004 General Manager, Marketing Planning Department, Subaru Japan Sales & Marketing Division</p> <p>Apr. 2011 Corporate Vice President, Senior General Manager, Strategy Development Division General Manager, Corporate Planning Department</p> <p>Jun. 2011 Corporate Vice President, Chief General Manager, Strategy Development Division General Manager, Corporate Planning Department</p> <p>Apr. 2013 Corporate Vice President, Senior General Manager, Subaru Global Marketing Division Senior General Manager, Subaru Overseas Sales & Marketing Division 1 Senior General Manager, Subaru Overseas Sales & Marketing Division 2</p> <p>Apr. 2014 Corporate Senior Vice President Chief General Manager, Subaru Overseas Sales & Marketing Division 1 Chairman & CEO, Subaru of America, Inc.</p> <p>Apr. 2016 Corporate Executive Vice President Chief General Manager, Subaru Overseas Sales & Marketing Division 1 Chairman & CEO, Subaru of America, Inc.</p> <p>Apr. 2018 Corporate Executive Vice President (to the present)</p> <p><u>(Significant Positions Concurrently Held)</u> Director, Subaru of America, Inc. (SOA)</p> <p><u>(Reasons for nominating the candidate for Director of the Board)</u> Mr. Tomomi Nakamura is expected to contribute to supervision of management and enhance decision making function of the Board of Directors with consideration of interests of all stakeholders based on the abundant experience and knowledge acquired through extensive service at the Company and its Group companies mainly in the area of sales, marketing, corporate planning and overseas business to realize sustainable growth for the Group.</p>	7,400 shares

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3	 <p>Masaki Okawara (January 1, 1960)</p> <p>New candidate</p>	<p>Apr. 1982 Joined the Company</p> <p>Jun. 2003 General Manager, 2nd Manufacturing Engineering Department</p> <p>Apr. 2012 Corporate Vice President President & CEO, Subaru of Indiana Automotive, Inc.</p> <p>Apr. 2014 Corporate Senior Vice President Chief General Manager, Subaru Manufacturing Division</p> <p>Apr. 2016 Corporate Executive Vice President Chief General Manager, Subaru Manufacturing Division</p> <p>Apr. 2017 Corporate Executive Vice President & CIO Chief General Manager, IT Strategy Division (to the present)</p> <p><i>(Main fields of responsibilities in the Company)</i> CIO (Chief Information Officer), IT Strategy Division, Manufacturing</p> <p><i>(Significant Positions Concurrently Held)</i> Director, Subaru of Indiana Automotive, Inc. (SIA)</p> <p><i>(Reasons for nominating the candidate for Director of the Board)</i> Mr. Masaki Okawara is expected to contribute to supervision of management with consideration of interests of all stakeholders, improve global productivity and implement reform in the IT area based on the abundant experience and knowledge acquired through extensive service at the Company and Group companies mainly in the area of manufacturing, to realize sustainable growth for the Group.</p>	9,621 shares

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4	 <p>Toshiaki Okada (October 30, 1960)</p> <p>Candidate for reelection</p>	<p>Apr. 1984 Joined the Company Oct. 2004 General Manager, Sales Planning Department, Manager, 1st Sales Planning Section, Subaru Marketing Division Apr. 2013 Corporate Vice President, General Manager, Corporate Planning Department Apr. 2015 Corporate Senior Vice President, General Manager, Corporate Planning Department Apr. 2017 Corporate Executive Vice President & CFO Jun. 2017 Director of the Board, Corporate Executive Vice President & CFO (to the present)</p> <p><u>(Main fields of responsibilities in the Company)</u> CFO (Chief Financial Officer), Corporate Planning Dept., Secretarial Office, Finance & Accounting Dept., Human Resources Dept., "TADASHII-KAISHA" Promotion Dept., Compliance Office, Subaru Next Story Promotion Office</p> <p><u>(Significant Positions Concurrently Held)</u> Director, Subaru of Indiana Automotive, Inc. (SIA) Director, Subaru of America, Inc. (SOA)</p> <p><u>(Reasons for nominating the candidate for Director of the Board)</u> Mr. Toshiaki Okada is expected to contribute to supervision of management with consideration of interests of all stakeholders and enhance financial strength and corporate governance for the whole Group based on the abundant experience and knowledge acquired through extensive service at the Company and Group companies mainly in sales, procurement, and corporate planning area, to realize sustainable growth for the Group.</p> <p><u>(Attendance at the Board of Directors meetings during the year under review)</u> 13 of 13 meetings (100%)</p>	7,535 shares

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5	 <p>Yoichi Kato (September 14, 1959) Candidate for reelection</p>	<p>Apr. 1983 Joined the Ministry of International Trade and Industry (MITI), Japanese government (Present Ministry of Economy, Trade and Industry)</p> <p>Jul. 2010 Director-General, Chubu Bureau of Economy, Trade and Industry</p> <p>Aug. 2011 Director-General, Business Environment Department, Small and Medium Enterprise Agency</p> <p>Sep. 2012 Councillor, Cabinet Secretariat</p> <p>Dec. 2012 Deputy Director-General for Policy Evaluation, (METI)</p> <p>Jun. 2013 Director-General for Regional Economic and Industry Policy</p> <p>Oct. 2014 Corporate Vice President of the Company</p> <p>Apr. 2015 Corporate Vice President General Manager, External Relations Department</p> <p>Apr. 2016 Corporate Senior Vice President General Manager, External Relations Department</p> <p>Apr. 2017 Corporate Senior Vice President General Manager, External Relations Department Chief General Manager, Corporate Administration Division</p> <p>Jun. 2017 Director of the Board, Corporate Senior Vice President General Manager, External Relations Department Chief General Manager, Corporate Administration Division</p> <p>Jun. 2018 Director of the Board, Corporate Executive Vice President General Manager, Legal Department (to the present)</p>	2,262 shares

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5	Yoichi Kato (September 14, 1959) Candidate for reelection	<p>[Continued from the previous page]</p> <p><u>(Main fields of responsibilities in the Company)</u> External Relations Dept., General Administration Dept., CSR & Environment Dept., Affiliated Companies Dept. Legal Dept., Internal Audit Dept.</p> <p><u>(Significant Positions Concurrently Held)</u> None applicable</p> <p><u>(Reasons for nominating the candidate for Director of the Board)</u> Mr. Yoichi Kato has served in significant positions at the Ministry of Economy, Trade and Industry, and accumulated experience from a non-insider viewpoint mainly in the areas of external relationship and business management at the Company and Group companies. He is expected to contribute to supervision of management with consideration of interest of all stakeholders and enhance external relationship and corporate governance for the whole Group based on abundant experience and broad knowledge and expertise, as well as deep insight into corporate social responsibility, to realize sustainable growth for the Group.</p> <p><u>(Attendance at the Board of Directors meetings during the year under review)</u> 13of 13 meetings (100%)</p>	


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No.	Name (Date of Birth)	Biography, Posts and Main Fields of Responsibilities in the Company, Significant Positions Concurrently Held, Reasons for Nominating the Candidates for Directors of the Board, and Attendance at the Board of Directors Meetings during the Year under Review	Number of the Company's Shares Held
6	 <p>Tetsuo Onuki (November 15, 1960) New candidate</p>	<p>Apr. 1984 Joined the Company Apr. 2006 General Manager, Subaru Product & Portfolio Planning Division, Design Department Sep. 2008 General Manager, Subaru Engineering Division, Body Design Department Apr. 2014 Corporate Vice President, Senior General Manager, Subaru Engineering Division General Manager, Subaru Engineering Division, Body Design Department Apr. 2016 Corporate Senior Vice President, Chief General Manager, Subaru Engineering Division 1 Chief General Manager, Subaru Technical Research Center Apr. 2018 Corporate Executive Vice President & CTO Chief General Manager, Engineering Management Division Chief General Manager, Engineering Division 1 (to the present)</p> <p><u>(Main fields of responsibilities in the Company)</u> CTO (Chief Technology Officer), Engineering Management Div., Engineering Division 1, Intellectual Property Dept. <u>(Significant Positions Concurrently Held)</u> President, Subaru Research & Development, Inc <u>(Reasons for nominating the candidate for Director of the Board)</u> Mr. Tetsuo Onuki is expected to contribute to supervision of management with consideration of interests of all stakeholders and properly enhance global technology/product/market strategy centering on “Enjoyment and Peace of Mind” based on the abundant experience and knowledge acquired through extensive service at the Company and Group companies mainly in the area of technology and product planning, to realize sustainable growth for the Group.</p>	7,104 shares

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7	 <p>Yoshinori Komamura (February 20, 1948)</p> <p>Candidate for reelection</p> <p>Candidate for Outside Director</p> <p>Candidate for Independent Director</p>	<p>Apr. 1970 Joined Komatsu Ltd.</p> <p>Jun. 1999 Chairman & Managing Director, Komatsu Europe International S.V.</p> <p>Jun. 2005 Director & Senior Executive Officer President, Construction & Mining Equipment Marketing Division, Komatsu Ltd.</p> <p>Apr. 2007 Director and Senior Executive Officer, President, Construction and Mining Equipment Marketing Division, Komatsu Ltd.</p> <p>Jun. 2010 Representative Director, Executive Vice President, Komatsu Ltd.</p> <p>Jun. 2013 Senior Adviser, Komatsu Ltd.</p> <p>Jun. 2015 Outside Director of the Company (to the present)</p> <p>Jun. 2016 Adviser, Komatsu Ltd. (to the present)</p> <p><u>(Significant Positions Concurrently Held)</u> Adviser, Komatsu Ltd. Member of the Board, Institute for Strategic Leadership (ISL)</p> <p><u>(Reasons for nominating the candidate for Outside Director of the Board)</u> Mr. Yoshinori Komamura has served three years as an independent outside director of the Company at the conclusion of the Ordinary General Meeting of Shareholders. During his tenure, he has drawn on his career in management and provided valuable advice on the management of the Company based on his abundant experience and extensive knowledge as a business manager and his deep insight into corporate social responsibility. The Company expects that he will continue to provide sufficient advice and supervision on all aspects of the Company's management from an independent perspective as outside director.</p> <p><u>(Attendance at the Board of Directors meetings during the year under review)</u> 17 of 17 meetings (100%)</p>	1,400 shares

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No.	Name (Date of Birth)	Biography, Posts and Main Fields of Responsibilities in the Company, Significant Positions Concurrently Held, Reasons for Nominating the Candidates for Directors of the Board, and Attendance at the Board of Directors Meetings during the Year under Review	Number of the Company's Shares Held
8	 <p>Shigehiro Aoyama (April 1, 1947)</p> <p>Candidate for reelection</p> <p>Candidate for Outside Director</p> <p>Candidate for Independent Director</p>	<p>Apr. 1969 Joined Suntory Limited</p> <p>Mar. 1994 Director, Manager of the Board, Spirits Division, Suntory Limited</p> <p>Mar. 1999 Managing Director, Member of the Board, Sales Development & Marketing Promotion Division, Suntory Limited</p> <p>Mar. 2001 Managing Director, Member of the Board, Corporate Planning Division, Suntory Limited</p> <p>Mar. 2003 Senior Managing Director, Member of the Board, Corporate Planning Division, Suntory Limited</p> <p>Sep. 2005 Senior Managing Director, Member of the Board, President of Spirits, Wine & Beer Company, Suntory Limited</p> <p>Mar. 2006 Executive Vice President, Member of the Board, President of Spirits, Wine & Beer Company, Suntory Limited</p> <p>Feb. 2009 Executive Vice President, COO, Member of the Board, Suntory Holdings Limited</p> <p>Mar. 2010 Executive Vice President, COO, Member of the Board, Representative Director, Suntory Holdings Limited</p> <p>Oct. 2014 Vice Chairman of the Board, Representative Director, Suntory Holdings Limited</p> <p>Apr. 2015 Supreme Advisor, Suntory Holdings Limited</p> <p>Jun. 2016 Outside Director of the Company (to the present)</p> <p>Apr. 2018 Senior Adviser, Suntory Holdings Limited (to the present)</p> <p><u>(Significant Positions Concurrently Held)</u></p> <p>Senior Advisor, Suntory Holdings Limited</p> <p>External Director, Takamatsu Construction Group Co., Ltd.</p> <p>President, The Distribution Economics Institute of Japan</p> <p>Director, Japan Marketing Association</p> <p><u>(Reasons for nominating the candidate for Outside Director of the Board)</u></p> <p>Mr. Shigehiro Aoyama has served two years as an independent outside director of the Company at the conclusion of the Ordinary General Meeting of Shareholders. During his tenure, he has drawn on his career in management to provide valuable advice on management of the Company based on his abundant experience and extensive knowledge and his deep insight into corporate social responsibility. The Company expects that he will continue to provide sufficient advice and supervision on all aspects of the Company's management from an independent perspective as an outside director.</p> <p><u>(Attendance at the Board of Directors meetings during the year under review)</u></p> <p>17 of 17 meetings (100%)</p>	600 shares

Notes:

1. The candidates have no special interest relationships with the Company.

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2. The attendance at the Board of Directors meetings of Toshiaki Okada and Yoichi Kato shows figures covering the meetings held after his assumption of office on June 23, 2017.
3. To allow the Company's Directors and Corporate Auditors fulfill the roles expected of them, the Company's Articles of Incorporation provides that the Company may conclude a contract with its Directors of the Board (excluding those who are executive directors, managers or other employees of the Company or its subsidiaries) to limit their liabilities for the compensation of damages under Article 423, Item 1 of the Companies Act. Based on this provision, the Company has concluded a contract with Messrs. Yoshinori Komamura and Shigehiro Aoyama, respectively, to set the upper limit for their liabilities at the amount stipulated under Article 425, Item 1 of the Companies Act. If they are reelected as directors in this General Meeting of Shareholders, the Company will continue the above contract with both of them.
4. The Company designates Yoshinori Komamura and Shigehiro Aoyama as Independent Directors as set forth by the Tokyo Stock Exchange. If their reelections are approved, the Company will continue the designation.
5. During the tenure of Messrs. Yoshinori Komamura and Shigehiro Aoyama as outside directors, nonconforming practices and misconduct were identified at the Gunma Manufacturing Division where personnel who were not qualified as final vehicle inspector conducted final inspection and measurements and data were altered in a sample test of fuel efficiency and gas emissions which formed part of the final vehicle inspection process. These two outside directors had no prior knowledge of such facts and were routinely providing advices on the importance of compliance and internal control based on their abundant experience and extensive knowledge. After the identification of the facts, they have fulfilled their responsibilities by, for instance, receiving reports as needed on the progress status of the investigation into relevant facts to understand the situation, responding appropriately to requests and so on from the Ministry of Land, Infrastructure, Transport, and Tourism in a timely manner, further enhancing and ensuring compliance, and seeking the implementation of appropriate measures to prevent the recurrence of similar problems.

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

At the commencement of the 87th Ordinary General Meeting of Shareholders, the resolution on the election of the Substitute Auditor, made at the 86th Ordinary General Meeting of Shareholders held on June 23, 2017, expires. Therefore, it is proposed that one (1) Substitute Auditor for Outside Corporate Auditor be elected in case a vacancy of the statutory number of Corporate Auditors arises.

The candidate for the position of Substitute Auditor for Outside Corporate Auditor is as follows:

The validity of the resolution on the election of Kenji Tamazawa shall expire at the opening of the first Ordinary General Meeting of Shareholders to be held after said resolution is made, and can be nullified by resolution of the Board of Directors, with the consent of the Board of Corporate Auditors Meeting, only before he assumes office.

The proposal has been approved by the Board of Corporate Auditors Meeting.

Name (Date of Birth)	Biography, Significant Positions Concurrent Held, and Reasons for Nominating the Candidate for Substitute Corporate Auditor	Number of the Company's Shares Held
Kenji Tamazawa (November 20, 1949)	<p>Apr. 1973 Enter Tokyo Regional Taxation Bureau Jul. 1984 Resign National Tax Agency Aug. 1984 Register as Certified Public Accountant Aug. 2001 Register as Certified Tax Accountant Sep. 2001 Establish Kenji Tamazawa Tax Accountant Office (Representative, to the present) May 2010 Outside Auditor, Three F Co., Ltd. (to the present) May 2012 Outside Corporate Auditor of the Company Jun. 2012 Retired as Outside Corporate Auditor of the Company</p> <p><u>(Reasons for nominating the candidate for Outside Substitute Corporate Auditor)</u> Having been working as a Certified Public Accountant and Certified Tax Accountant over the years, Kenji Tamazawa has advanced professional expertise in corporate management based on his academic knowledge and experience. Although he has no experience dealing directly with corporate management other than as an Outside Auditor, he has adequate insights to guide corporate management based on his expertise in corporate accounting and tax. Based on the above, the Company concluded that he is capable as an Outside Corporate Auditor and should be able to fulfill the relevant duties appropriately if he takes office.</p>	0 shares

Notes:

1. Kenji Tamazawa has no special interest relationship with the Company.
2. Kenji Tamazawa is nominated for Substitute Auditor for Outside Corporate Auditor.
3. To allow the Company's Directors and Corporate Auditors fulfill the roles expected of them, the Company's Articles of Incorporation provides that the Company may conclude a contract with its Directors of the Board (excluding those who are executive directors, managers or other employees of the Company or its subsidiaries) to limit their liabilities for the compensation of damages under Article 423, Item 1 of the Companies Act. Based on this provision, if he assumes office as the Corporate Auditor, the Company will conclude the above contract to set the upper limit for their liabilities at the amount stipulated under Article 425, Item 1 of the Companies Act with him.
4. After Mr. Tamazawa assumes office, the Company will register him as the Independent Corporate Auditor set forth by Tokyo Stock Exchange.

[Translation for Reference and Convenience Purposes Only]

(Reference) Criteria for Independence of Outside Officers

The Company considers that it is desirable for outside directors and outside corporate auditors (hereafter, collectively referred to as “outside officers”) to maintain independence to the maximum extent possible, in order to ensure corporate management with high levels of objectivity and transparency and a strong management oversight function, and to improve corporate value.

Accordingly, the Company shall set the criteria for independence and conduct an investigation to the extent reasonably possible. If any of the following items apply to an outside officer, the Company deems that the relevant outside officer does not maintain adequate independence.

1. A person engaged in business execution^{*1} of the Company and its current consolidated subsidiaries (hereafter, referred to as the “Group”)
2. A major shareholder^{*2} of the Company or a person engaged in business execution of a major shareholder
3. A major business partner^{*3} of the Group or a person engaged in business execution of such business partner, or a business partner for whom the Group is a major business partner^{*4} or a person engaged in business execution of such business partner
4. A person engaged in business execution of the Group’s major lender^{*5}
5. A party whose shares corresponding to 5% or more of the voting rights the Group holds, or a person engaged in business execution of such party
6. A person who belongs to the accounting firm that performs statutory audits of the Company
7. A consultant, accounting professional or legal professional obtaining large amounts^{*6} of money or other financial benefits other than officers’ compensation from the Company (if such financial benefits are obtained by an organization, such as an incorporated entity and union, a person belonging to such organization)
8. A person or a person who belongs to a corporation or association receiving a large donation^{*6} from the Group and who is directly engaged in the activity for the donation.
9. If a person engaged in business execution of the Group is concurrently holding the position of outside officer at another company, a person engaged in business execution of such company
10. Close relatives^{*7} of a person who fall within any of items 1. through 9. above.
11. A person who fall within any of items 2. through 10. above during the past 5 years
12. A person who has been holding the position of outside officer of the Company for a cumulative total of eight or more years
13. A person for whom a substantial conflict of interest may constantly occur with the Company’s general shareholders as a whole for reasons other than those considered in items 1. through 12. above

*1 A person engaged in business execution refers to executive directors, executive officers, corporate vice presidents or other persons performing an equivalent function and employees who belong to the Group currently.

*2 A major shareholder refers to a shareholder holding 5% or more of the voting rights of the Company in their own name or another person’s name as of the end of the most recent fiscal year. If a major shareholder is an organization such as an incorporated entity and union, a person engaged in business execution of item 2. refers to such person who belongs to said organization.

*3 A major business partner of the Group refers to a business partner with which the Company conducts business transactions for which net sales, etc., in any one fiscal year of the three fiscal years immediately preceding the most recent fiscal year exceed 2% of the Group’s annual consolidated net sales, etc., in the relevant fiscal year.

*4 A business partner to which the Group is a major business partner refers to a business partner with which the Company or its consolidated subsidiaries conduct business transactions for which net sales, etc., in any one fiscal year of the three fiscal years immediately preceding the most recent fiscal year exceed 2% of the annual net sales, etc., of the said company group.

*5 A major lender refers to a financial institution from which the Group borrows funds for which the outstanding borrowings as of the end of the most recent fiscal year exceed 2% of the consolidated total assets of the Company.

*6 A large amount refers to a case in which the amount of consideration or donation received from the Company exceeds 10 million yen for an individual and either higher amount of followings 10 million yen or 2% of annual gross income or consolidated net sales for an incorporated entity or association per year.

*7 Close relatives refer to spouses and first- and second-degree relatives.