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

May 31, 2018

NOTICE OF CONVOCATION OF THE 46th ORDINARY GENERAL MEETING OF SHAREHOLDERS

To: Our Shareholders

You are cordially invited to attend the 46th Ordinary General Meeting of Shareholders, which will be held as described below.
In the event you are unable to attend, you may exercise your voting rights in writing. You are requested to study the attached Reference Documents for the General Meeting of Shareholders, indicate your approval or disapproval for each proposal on the enclosed Voting Rights Exercise Form and return it by Wednesday, June 20, 2018 at 5:00 p.m.

Sincerely yours,

Masao Okawa
Representative Director and President

1. Date and time: 10:00 a.m., Thursday, June 21, 2018

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

3. Agenda

Matters to be reported

(1) Business Report, Consolidated Financial Statements, and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Statutory Auditors for the 46th fiscal term (from April 1, 2017 to March 31, 2018)

(2) Non-consolidated Financial Statements for the 46th fiscal term (from April 1, 2017 to March 31, 2018)

Matters to be resolved

Proposal No.1 : Appropriation of Surplus

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

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

Notes:

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

CONSOLIDATED BALANCE SHEET

(As of March 31, 2018)

		(Thousands of yen)
ASSETS		
CURRENT ASSETS		**13,647,061**
Cash in hand and in banks		2,457,900
Trade receivables		4,406,539
Merchandise and finished goods		5,245,620
Work in process		328,618
Raw materials and supplies		837,416
Deferred tax assets		272,555
Other current assets		110,395
Allowance for bad debts		(11,982)
FIXED ASSETS		**7,223,466**
TANGIBLE:		**6,498,177**
Buildings and structures		670,038
Machinery, equipment and vehicles		206,208
Tools, furniture and fixtures		3,618,563
Land		1,987,593
Other fixed assets		15,773
INTANGIBLE:		**85,632**
INVESTMENTS AND OTHER ASSETS:		**639,656**
Deferred tax assets		582,062
Other investments		57,605
Allowance for bad debts		(12)
	Total assets	**20,870,527**

CONSOLIDATED BALANCE SHEET

(As of March 31, 2018)

	(Thousands of yen)
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	**5,556,055**
Accounts payable	737,604
Short-term bank loans	3,683,775
Lease obligations	67,674
Income taxes payable	133,442
Accrued expenses	316,068
Accounts payable, other	316,078
Accounts payable-installment purchase	72,126
Provision for bonuses	165,697
Provision for directors' bonuses	51,260
Other current liabilities	12,327
LONG-TERM LIABILITIES	**2,051,162**
Long-term bank loans	710,141
Lease obligations	126,739
Net defined benefit liability	949,231
Provision for directors' stock payments	26,994
Asset retirement obligations	26,611
Long-term accounts payable-installment purchase	39,905
Long-term deposits received	5,500
Deferred tax liabilities	166,039
Total liabilities	**7,607,218**
NET ASSETS	
STOCKHOLDERS' EQUITY	**13,118,559**
Common stock	**3,001,929**
Additional paid-in-capital	**2,587,029**
Retained earnings	**7,605,845**
Treasury stocks	**(76,244)**
Valuation And Translation Adjustments Abstract	**114,877**
Deferred gains or losses on hedges	**6,730**
Adjustments on foreign currency statement translation	**311,312**
Remeasurements of defined benefit plans	**(203,166)**
Non-controlling interests	**29,872**
Total net assets	**13,263,309**
Total liabilities and net assets	**20,870,527**

CONSOLIDATED PROFIT AND LOSS STATEMENT

(For the year ended March 31, 2018)

(Thousands of yen)

Net Sales		**14,807,726**
Cost of sales		**4,166,337**
Gross profit		**10,641,388**
Selling, general and administrative expenses		**8,596,040**
Operating income (loss)		**2,045,347**
Non operating income		
Interest income	244	
Commission fee	11,439	
Foreign exchange gains	49,395	
Others	4,520	65,599
Non operating expenses		
Interest expenses	124,176	
Syndicated loan commission	12,436	
Others	9,425	146,037
Ordinary income (loss)		**1,964,909**
Extraordinary losses		
Loss on disposal of fixed assets	45,400	
Impairment loss	186,654	232,055
Profit (loss) before income taxes		**1,732,854**
Income taxes - current	288,017	
Income taxes - deferred	6,900	**294,917**
Profit (loss)		**1,437,936**
Profit (loss) attributable to non-controlling interests		**12,470**
Profit (loss) attributable to owners of parent		**1,425,466**

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
(For the year ended March 31, 2018)

(Thousands of yen)

	Stockholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury Stock	Total
Balance at April 1, 2017	3,001,929	2,587,029	6,365,607	(78,289)	11,876,276
Changes in the year ended March 31, 2018					
Cash dividend			(185,228)		(185,228)
Profit (loss) attributable to owners of parent for the year ended March 31, 2018			1,425,466		1,425,466
Purchase of treasury shares				(188)	(188)
Disposal of treasury shares				2,233	2,233
Net change in items other than shareholders' equity during the year ended March 31, 2018					
Total (net)	—	—	1,240,238	2,044	1,242,283
Balance at March 31, 2018	3,001,929	2,587,029	7,605,845	(76,244)	13,118,559

(Thousands of yen)

	Valuation And Translation Adjustments Abstract				Non-controlling interests	Total net assets
	Deferred gains or losses on hedges	Adjustments on foreign currency statement translation	Remeasurements of defined benefit plans	Total		
Balance at April 1, 2017	18,500	478,776	(105,622)	391,655	20,361	12,288,293
Changes in the year ended March 31, 2018						
Cash dividend						(185,228)
Profit (loss) attributable to owners of parent for the year ended March 31, 2018						1,425,466
Purchase of treasury shares						(188)
Disposal of treasury shares						2,233
Net change in items other than shareholders' equity during the year ended March 31, 2018	(11,769)	(167,463)	(97,544)	(276,777)	9,510	(267,267)
Total (net)	(11,769)	(167,463)	(97,544)	(276,777)	9,510	975,015
Balance at March 31, 2018	6,730	311,312	(203,166)	114,877	29,872	13,263,309

NON-CONSOLIDATED BALANCE SHEET

(As of March 31, 2018)

		(Thousands of yen)
ASSETS		
CURRENT ASSETS		**9,799,684**
Cash in hand and in banks		2,368,020
Notes receivable, trade		992,381
Electronically recorded monetary claims - operating		1,134,450
Accounts receivable, trade		1,510,045
Merchandise and finished goods		3,393,098
Work in process		15,477
Raw materials and supplies		30,996
Prepaid expenses		33,052
Deferred tax assets		296,174
Short-term loans receivable		804
Accounts receivable, other		16,147
Consumption taxes receivable		6,076
Other current assets		14,993
Allowance for bad debts		(12,035)
FIXED ASSETS		**6,084,634**
TANGIBLE:		**4,502,512**
Buildings		417,230
Structures		530
Machinery and equipment		649
Vehicles		2,207
Tools, furniture and fixtures		2,120,975
Land		1,960,919
INTANGIBLE:		**43,248**
Software		34,078
Telephone rights		9,170
INVESTMENTS AND OTHER ASSETS:		**1,538,873**
Investments in subsidiaries		988,882
Long-term loans receivable		3,886
Deferred tax assets		492,397
Leasehold deposits		51,518
Other investments		2,200
Allowance for bad debts		(12)
	Total assets	**15,884,319**

NON-CONSOLIDATED BALANCE SHEET

(As of March 31, 2018)

(Thousands of yen)

LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		**1,860,942**
Accounts payable, trade		576,308
Short-term bank loans		400,032
Lease obligations		67,674
Accounts payable, other		319,915
Accounts payable-installment purchase		72,126
Accrued expenses		71,283
Income taxes payable		124,317
Provision for bonuses		165,697
Provision for directors' bonuses		51,260
Deposits received		12,327
LONG-TERM LIABILITIES		**1,560,410**
Long-term bank loans		678,260
Lease obligations		126,739
Accrued retirement benefits to employees		656,400
Provision for directors' stock payments		26,994
Long-term accounts payable-installment purchase		39,905
Long-term deposits received		5,500
Asset retirement obligations		26,611
Total liabilities		**3,421,353**
NET ASSETS		
STOCKHOLDERS' EQUITY		**12,456,234**
Common stock		**3,001,929**
Capital Surplus		**2,587,029**
Additional paid-in-capital		2,587,029
Retained earnings		**6,943,520**
Legal reserve		197,500
Retained earnings, other		6,746,020
General reserve		4,913,000
Unappropriated retained earnings		1,833,020
Treasury stocks		**(76,244)**
Valuation and translation adjustments		**6,730**
Deferred gains or losses on hedges		6,730
Total net assets		**12,462,965**
Total liabilities and net assets		**15,884,319**

NON-CONSOLIDATED PROFIT AND LOSS STATEMENT

(For the year ended March 31, 2018)

(Thousands of yen)

Net Sales		**9,545,525**
Cost of sales		**3,663,266**
Gross profit		**5,882,259**
Selling, general and administrative expenses		**4,922,282**
Operating income (loss)		**959,976**
Non operating income		
Interest income	244	
Foreign exchange gains	15,870	
Contract services income	100,000	
Commission fee	11,439	
Others	1,211	128,765
Non operating expenses		
Interest expenses	18,191	
Syndicated loan commission	12,436	
Others	2,167	32,795
Ordinary income (loss)		**1,055,946**
Extraordinary losses		
Loss on disposal of fixed assets	42,546	
Impairment loss	186,654	229,201
Profit (loss) before income taxes		**826,745**
Income taxes - current	165,885	
Income taxes - deferred	(50,582)	**115,302**
Profit (loss)		**711,442**

NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(For the year ended March 31, 2018)

(Thousands of yen)

	Stockholders' equity						
	Common stock	Capital surplus	Retained earnings			Treasury stock	Total
		Additional paid-in capital	Legal reserve	Others			
				General reserve	Unappropriated retained earnings		
Balance at April 1, 2017	3,001,929	2,587,029	197,500	4,913,000	1,306,806	(78,289)	11,927,975
Changes in the year ended March 31, 2018							
Cash dividend					(185,228)		(185,228)
Profit(loss) for the year ended March 31, 2018					711,442		711,442
Purchase of treasury shares						(188)	(188)
Disposal of treasury shares						2,233	2,233
Net change in items other than shareholders' equity during the year ended March 31, 2018							
Total (net)	—	—	—	—	526,214	2,044	528,258
Balance at March 31, 2018	3,001,929	2,587,029	197,500	4,913,000	1,833,020	(76,244)	12,456,234

(Thousands of yen)

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total	
Balance at April 1, 2017	18,500	18,500	11,946,476
Changes in the year ended March 31, 2018			
Cash dividend			(185,228)
Profit(loss) for the year ended March 31, 2018			711,442
Purchase of treasury shares			(188)
Disposal of treasury shares			2,233
Net change in items other than shareholders' equity during the year ended March 31, 2018	(11,769)	(11,769)	(11,769)
Total (net)	(11,769)	(11,769)	516,489
Balance at March 31, 2018	6,730	6,730	12,462,965

Proposals and References

Proposal No.1: Appropriation of Surplus

In view of the operating results for the fiscal term, future business development and other factors, the Company proposes to pay the year-end dividend for the 46th fiscal term as follows.

(1) Dividend property classification
Cash

(2) Matters related to allotment of dividend property and its total amount
¥8 per one (1) common stock share of the Company
In this case, the total amount to be paid out in the form of dividends comes to ¥211,687,912.

(3) Effective date of distribution of surplus
June 22, 2018

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

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

The candidates for Directors are as follows:

Candidate Number	Name (Date of Birth)	Career summary, major concurrent titles at other companies, and position and responsibility at the Company		Number of Company shares held
1	**Masao Okawa** (September 8, 1956) (Reappointment)	August 2001	Joined Japan Medical Dynamic Marketing, INC. and appointed Director, Divisional General Manager of the Control Division and General Manager of the Financial Department	38,430 shares
		September 2001	Director of Ortho Development Corporation	
		October 2002	Director in charge of overseas affairs (stationed in the United States)	
		March 2003	Representative Director and President of Ortho Development Corporation	
		August 2003	Managing Director in charge of overseas affairs	
		August 2005	Managing Director in charge of management and overseas affairs and General Manager of the Financial Department	
		June 2007	Director and Divisional Manager of the Control Division in charge of overseas affairs	
		June 2008	Director in charge of the Control Division, overseas affairs and corporate planning	
		August 2009	Representative Director and President	
		December 2009	Director of Ortho Development Corporation (current position)	
		May 2016	Representative Director and President, in charge of corporate planning and the Control Division and in charge of the Business Promotion Division	
		June 2016	Representative Director and President (current position)	
	Reason for the nomination as a candidate for Director Mr. Masao Okawa has been involved in management as the Representative Director, and has led the Company and its Group companies (hereinafter "the Group") in working to enhance its functions as a manufacturer and expand its business in North America. He has steadily advanced the medium-term management plan, bringing recovery of the Group's business performance to a situation in which it can be fully evaluated. In the Board of Directors as well, he has demonstrated his leadership abilities to make critical management decisions, and fully supervise the execution of business by other Directors. The Company has judged that this candidate's achievements and management leadership ability are necessary in order to promote the medium-term management plan which is currently underway by the Company and achieve sustainable growth, and so has nominated Mr. Masao Okawa as a candidate to continue serving as a Director.			

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

July 2001
July 2003
June 2007
August 2007

June 2008</td><td>Joined Japan Medical Dynamic Marketing, INC.
General Manager of the Sales Department of the Sales Division and Head of the Tokyo Sales Office
General Manager of the First Sales Department of the Sales Division
Manager of the Sales Strategy Department of the Sales Division
Divisional Manager of the Sales Division
Director, Divisional Manager of the Sales Division and General Manager of the Sales Promotion Department
Director and Divisional Manager of the Sales Division (current position)</td><td>28,452 shares</td></tr>
<tr><td colspan="4">Reason for the nomination as a candidate for Director
Mr. Katsuhiko Seshita is familiar with sales in the orthopedic medical device industry, has a wealth of sales experience, and has been involved in management of the Company for many years as the person responsible for the sales sector, working to expand the Company’s business performance. Based on his wealth of experience and achievements, he has fully played his role as a Director in deciding important matters, executing business, and supervising other Director’s execution of business. The Company has judged that making use of this candidate’s wealth of knowledge and experience in order to further enhance our sales sector will be optimal for the Company, and so has nominated Mr. Katsuhiko Seshita as a candidate to continue serving as a Director.</td></tr>
<tr><td rowspan="2">3</td><td>Koichi Kondo
(April 7, 1967)
(Reappointment)</td><td>January 1989
July 2003

August 2005
August 2007

June 2008

August 2010

April 2015

May 2015
April 2017</td><td>Joined Japan Medical Dynamic Marketing, INC.
General Manager of the Sales Strategy Department of the Sales Division and Head of the Yokohama Sales Office
General Manager of the Marketing Department
Director, Divisional Manager of the Business Promotion Division and General Manager of the Planning and Development Department
Director, Divisional Manager of the Business Promotion Division and General Manager of the Marketing Department
Director, General Manager of the East Japan Sales Department and in charge of Spine Team
Director, Group Manager of the Marketing Group and General Manager of the Spine Product Department
Director of Ortho Development Corporation (current position)
Director, Divisional Manager of the Marketing Division, General Manager of the Trauma Product Department and General Manager of the Spine Product Department (current position)</td><td>12,290 shares</td></tr>
<tr><td colspan="4">Reason for the nomination as a candidate for Director
Mr. Koichi Kondo is familiar with trends in the orthopedic medical device industry which the Group belongs to, has been involved in management as the person responsible for the marketing sector, and has planned and executed the Group’s product strategies, working actively to enhance the marketing function of the Group. Based on his wealth of experience and achievements, he has fully played his role as a Director in deciding important matters, executing business, and supervising other Director’s execution of business. The Company has judged that making use of this candidate’s wealth of knowledge and experience in order to further enhance our marketing sector will be optimal for the Company, and so has nominated Mr. Koichi Kondo as a candidate to continue serving as a Director.</td></tr>
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Candidate Number	Name (Date of Birth)	Career summary, major concurrent titles at other companies, and position and responsibility at the Company		Number of Company shares held
4	**Toshiyuki Hironaka** (November 17, 1962) (Reappointment)	April 1986 August 2001 August 2003 April 2006 December 2006 August 2009 August 2010 April 2011 August 2011 April 2013 June 2013 April 2014 May 2016 June 2016	Joined ITOCHU Corporation General Manager of Business Sales Headquarters, Dell Japan Inc. General Manager of Enterprise Sales Headquarters Corporate Director, Dell Inc. (in the U.S.) Managing Corporate Officer, Lenovo Japan Ltd. Director, Assistant to President, in charge of sales, Japan Medical Dynamic Marketing, INC. Director in charge of the Sales Division and ODEV Director of Ortho Development Corporation Manager of Healthcare Business Section 1, ITOCHU Corporation Retired from Director of Japan Medical Dynamic Marketing, INC. Retired from Director of Ortho Development Corporation General Manager of the Corporate Planning Division Director of Ortho Development Corporation (current position) Director in charge of sales and corporate planning, and General Manager of the Corporate Planning Division Director in charge of sales, corporate planning and the Control Division, and General Manager of the Corporate Planning Division Resigned as Director General Manager of the Corporate Planning Division Director in charge of corporate planning and General Manager of the Corporate Planning Division (current position)	2,200 shares
	Reason for the nomination as a candidate for Director Mr. Toshiyuki Hironaka has been involved in management of the Group as the person responsible for corporate planning, overseas business, and the administrative sector. He has led planning of the medium-term management plan while striving to expand the business of our United States subsidiary. Based on his wealth of experience and achievements, he has fully played his role as a Director in deciding important matters, executing business, and supervising other Director's execution of business. The Company has judged that making use of this candidate's wealth of knowledge and experience in order to further enhance business administration, as well as planning and execution of the Company's management strategy, will be optimal for the Company, and so has nominated Mr. Toshiyuki Hironaka as a candidate to continue serving as a Director.			

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

July 2011
April 2013
April 2014
June 2015

June 2016

April 2017

April 2018</td><td>Joined NGK SPARK PLUG CO., LTD.
General Manager, Research Department II, R&D Group
Senior General Manager, R&D Center, Engineering R&D Group and concurrently General Manager, FR Research Department
Senior General Manager, Engineering R&D Group
Corporate Officer
Managing Officer
Managing Officer, Member of the Board, Divisional Manager, Engineering R&D Group
Director of Japan Medical Dynamic Marketing, INC. (current position)
Managing Officer, Member of the Board in charge of the Medical Division of NGK SPARK PLUG CO., LTD.
Corporate Advisor, Chief Engineer, Manager of the Tokyo Branch (current position)</td><td>2,100 shares</td></tr>
<tr><td colspan="4">Reason for the nomination as a candidate for Director
Mr. Masahiko Okuyama has belonged to the research and development sector of a company for many years and has a wealth of experience in new technology and new product development, particularly in the development and commercialization of artificial bones in the medical device field. Furthermore, he has been engaged in corporate management as the person responsible for research and development. He is also capable of using extensive personal connections acquired through his experiences including activities in scholarly societies and partnerships with universities both in Japan and overseas. The Company has judged that making use of this candidate's wealth of knowledge and experience in order to further strengthen the Company's research and development structure, will be optimal for the Company, and so has nominated Mr. Masahiko Okuyama as a candidate to continue serving as a Director.</td></tr>
<tr><td rowspan="2">6</td><td>Shinji Nakagaki
(October 18, 1960)
(New candidate)</td><td>April 1983
June 1988
May 2002
February 2012

April 2012

April 2015

April 2016
April 2018</td><td>Joined NGK SPARK PLUG CO., LTD.
Dispatched to NGK SPARK PLUG MFG. (U.S.A.), INC.
Dispatched to NTK TECHNOLOGIES, INC.
General Manager, Development Management Department, Engineering R&D Group, NGK SPARK PLUG MFG. (U.S.A.), INC.
General Manager, Development Management Department, New Business Advancement Group
General Manager, T-SOFC Department, Fuel Cell Advancement Group
General Manager, Business Department, Fuel Cell Division
Associate Director, Medical Division (current position)</td><td>– shares</td></tr>
<tr><td colspan="4">Reason for the nomination as a candidate for Director
Mr. Shinji Nakagaki has been engaged in development work for many years, and has developed excellent knowledge and skills on materials and applied technologies from that experience. He is therefore familiar with operations in the product development field. The Company has judged that making use of this candidate's wealth of knowledge and experience in order to further strengthen the Company's product development and manufacturing as well as quality management structure, will be optimal for the Company, and so has nominated Mr. Shinji Nakagaki as a candidate for Director.</td></tr>
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<tr><th>Candidate Number</th><th>Name
(Date of Birth)</th><th colspan="2">Career summary, major concurrent titles at other companies, and position and responsibility at the Company</th><th>Number of Company shares held</th></tr>
<tr><td rowspan="2">7</td><td rowspan="2">Naoto Sawaki
(January 16, 1963)
(Reappointment)</td><td>April 1981
September 2000

October 2004
February 2009

March 2011

April 2015

June 2016

June 2017

April 2018</td><td>Joined NGK SPARK PLUG CO., LTD.
Seconded to NGK SPARK PLUG MFG. (U.S.A.), INC. (currently NGK Spark Plugs (U.S.A.), Inc.)
Planning Control Department, Sensor Division
General Manager, Management Development, Planning Department, Automotive Components Group
General Manager, Planning Control Unit, SCM Department, Automotive Components Group
Deputy Associate Director, Development Management Department, New Business Advancement Group
Director, Divisional Manager of the Control Division of Japan Medical Dynamic Marketing, INC.
Director, Divisional Manager of the Control Division and in charge of Operation Department
Director, Divisional Manager of the Control Division, Director and Manager, SCM Division (current position)</td><td>– shares</td></tr>
<tr><td colspan="3">Reason for the nomination as a candidate for Director
Mr. Naoto Sawaki has been involved in the management of the Company as the person responsible for the administrative sector, and has made efforts towards strengthening compliance and improving business operations. Furthermore, he is well-informed about promotion and management of projects through his experience in various project activities including those involving the core system, human resources development, SCM (supply chain management) and business concepts of medical devices. The Company has judged that making use of this candidate’s wealth of knowledge and experience in order to promote the Group’s operational reforms and further strengthen management structures, will be optimal for the Company, and so has nominated Mr. Naoto Sawaki as a candidate to continue serving as a Director.</td></tr>
<tr><td rowspan="2">8</td><td rowspan="2">Hiroshi Ishikawa
(June 8, 1968)
(Reappointment)
(Outside Director)</td><td>April 1999
June 2013

December 2013</td><td>Joined Ohhara Law Office, registered as a lawyer (current position)
Outside Director, Japan Medical Dynamic Marketing, INC. (current position)
Supervisory Director, Daiwa House REIT Investment Corporation (current position)</td><td>– shares</td></tr>
<tr><td colspan="3">Reason for the nomination as a candidate for Outside Director
Mr. Hiroshi Ishikawa has extensive knowledge and experience as a lawyer and is familiar with corporate governance. The Company has judged that the Company will be able to further strengthen the supervisory function of the Board of Directors with his advice as a legal expert to improve the transparency and fairness of the Company’s management, and so has nominated Mr. Hiroshi Ishikawa as a candidate to continue serving as an Outside Director. He does not have experience of being directly engaged in corporate management other than serving as an Outside Director, yet the Company has judged him capable of properly executing his duties of Outside Director for the reasons described above.</td></tr>
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Candidate Number	Name (Date of Birth)	Career summary, major concurrent titles at other companies, and position and responsibility at the Company		Number of Company shares held
9	**Toshio Saburi** (June 2, 1949) (Reappointment) (Outside Director)	October 1982 March 1986 September 1993 January 1999 October 2002 June 2004 June 2005 October 2008 May 2010 April 2014 June 2015	Joined Chuo Accounting Audit Corporation Registered as a Certified Public Accountant Partner, Chuo Audit Corporation Joined Tempstaff Co., Ltd. Auditor, e-staffing Co., Ltd. Director, General Manager of Support Division and General Manager of Financial Department, Tempstaff Co., Ltd. Executive Managing Director, Tempstaff Co., Ltd. Executive Managing Director and General Manager of Group Corporate Planning Division, Temp Holdings Co., Ltd. Director, Kelly Services, Inc. Executive Managing Director, General Manager of Group Corporate Planning Division and General Manager of Group Financial Department, Temp Holdings Co., Ltd. Outside Director, Japan Medical Dynamic Marketing, INC. (current position)	1,900 shares
	Reason for the nomination as a candidate for Outside Director Mr. Toshio Saburi has specialized knowledge and experience garnered as a certified public accountant, and also has experience being engaged in corporate management for many years. The Company has judged that the Company will be able to further strengthen the supervisory function of the Board of Directors with his advice to improve the transparency and fairness of the Company's management, and so has nominated Mr. Toshio Saburi as a candidate to continue serving as an Outside Director.			

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

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

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

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

(2) The terms of office since the candidates for Outside Directors are in office as Outside Directors
Mr. Hiroshi Ishikawa, currently an Outside Director of the Company, will have been in office for five (5) years at the conclusion of this General Meeting of Shareholders.
Mr. Toshio Saburi, currently an Outside Director of the Company, will have been in office for three (3) years at the conclusion of this General Meeting of Shareholders.

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

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

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

The candidate for Substitute Statutory Auditor is as follows:

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

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

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

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

MEMO