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

June 3, 2020

NOTICE OF CONVOCATION OF THE 48th ORDINARY GENERAL MEETING OF SHAREHOLDERS

To: Our Shareholders

You are cordially invited to attend the 48th 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 Thursday, June 18, 2020 at 5:00 p.m.

Sincerely yours,

Masao Okawa
Representative Director and President

1. Date and time: 10:00 a.m., Friday, June 19, 2020

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 48th fiscal term (from April 1, 2019 to March 31, 2020)

(2) Non-consolidated Financial Statements for the 48th fiscal term (from April 1, 2019 to March 31, 2020)

Matters to be resolved

Proposal No.1 : Appropriation of Surplus
Proposal No.2 : Partial Amendment to the Articles of Incorporation
Proposal No.3 : Election of Ten (10) Directors
Proposal No.4 : Election of One (1) Substitute Statutory Auditor

Notes:
1. If the Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements 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, 2020)

		(Thousands of yen)
ASSETS		
CURRENT ASSETS		**15,834,894**
Cash in hand and in banks		2,512,870
Trade receivables		4,428,726
Merchandise and finished goods		7,347,313
Work in process		233,781
Raw materials and supplies		1,123,342
Other current assets		201,245
Allowance for bad debts		(12,385)
FIXED ASSETS		**9,082,318**
TANGIBLE:		**7,526,815**
Buildings and structures		726,408
Machinery, equipment and vehicles		308,885
Tools, furniture and fixtures		4,473,387
Land		1,988,235
Other fixed assets		29,898
INTANGIBLE:		**282,196**
INVESTMENTS AND OTHER ASSETS:		**1,273,306**
Deferred tax assets		1,223,318
Other investments		49,999
Allowance for bad debts		(12)
	Total assets	**24,917,213**

CONSOLIDATED BALANCE SHEET

(As of March 31, 2020)

	(Thousands of yen)
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	**3,716,047**
Accounts payable	808,073
Short-term bank loans	1,692,070
Lease obligations	32,139
Income taxes payable	177,163
Accrued expenses	397,820
Accounts payable, other	275,152
Accounts payable-installment purchase	3,097
Provision for bonuses	175,332
Provision for directors' bonuses	51,102
Other current liabilities	104,095
LONG-TERM LIABILITIES	**4,207,855**
Long-term bank loans	2,337,232
Lease obligations	70,621
Net defined benefit liability	1,140,540
Provision for directors' stock payments	56,840
Asset retirement obligations	28,436
Long-term deposits received	7,000
Deferred tax liabilities	567,184
Total liabilities	**7,923,903**
NET ASSETS	
STOCKHOLDERS' EQUITY	**16,783,237**
Common stock	**3,001,929**
Additional paid-in-capital	**2,587,029**
Retained earnings	**11,305,538**
Treasury stocks	**(111,259)**
Valuation And Translation Adjustments Abstract	**145,062**
Deferred gains or losses on hedges	**21,542**
Adjustments on foreign currency statement translation	**325,813**
Remeasurements of defined benefit plans	**(202,293)**
Non-controlling interests	**65,010**
Total net assets	**16,993,309**
Total liabilities and net assets	**24,917,213**

CONSOLIDATED PROFIT AND LOSS STATEMENT

(For the year ended March 31, 2020)

(Thousands of yen)

Net Sales		**18,083,187**
Cost of sales		**5,278,817**
Gross profit		**12,804,370**
Selling, general and administrative expenses		**10,159,830**
Operating income (loss)		**2,644,539**
Non operating income		
Interest income	161	
Commission fee	11,376	
Foreign exchange gains	10,278	
Others	10,539	32,354
Non operating expenses		
Interest expenses	80,577	
Syndicated loan commission	6,187	
Others	8,355	95,120
Ordinary income (loss)		**2,581,774**
Extraordinary gains		
Compensation income	103,127	103,127
Extraordinary losses		
Litigation settlement	33,706	
Loss on disposal of fixed assets	35,419	69,125
Profit (loss) before income taxes		**2,615,775**
Income taxes - current	381,386	
Income taxes - deferred	46,922	**428,308**
Profit (loss)		**2,187,467**
Profit (loss) attributable to non-controlling interests		**22,521**
Profit (loss) attributable to owners of parent		**2,164,945**

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
(For the year ended March 31, 2020)

(Thousands of yen)

	Stockholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury Stock	Total
Balance at April 1, 2019	3,001,929	2,587,029	9,378,741	(76,268)	14,891,431
Changes in the year ended March 31, 2020					
Cash dividend			(238,148)		(238,148)
Profit (loss) attributable to owners of parent for the year ended March 31, 2020			2,164,945		2,164,945
Purchase of treasury shares				(34,991)	(34,991)
Net change in items other than shareholders' equity during the year ended March 31, 2020					
Total (net)	—	—	1,926,797	(34,991)	1,891,805
Balance at March 31, 2020	3,001,929	2,587,029	11,305,538	(111,259)	16,783,237

(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, 2019	23,141	458,457	(184,229)	297,369	44,742	15,233,543
Changes in the year ended March 31, 2020						
Cash dividend						(238,148)
Profit (loss) attributable to owners of parent for the year ended March 31, 2020						2,164,945
Purchase of treasury shares						(34,991)
Net change in items other than shareholders' equity during the year ended March 31, 2020	(1,599)	(132,643)	(18,064)	(152,307)	20,267	(132,039)
Total (net)	(1,599)	(132,643)	(18,064)	(152,307)	20,267	1,759,766
Balance at March 31, 2020	21,542	325,813	(202,293)	145,062	65,010	16,993,309

NON-CONSOLIDATED BALANCE SHEET

(As of March 31, 2020)

(Thousands of yen)

ASSETS		
CURRENT ASSETS		**10,105,489**
Cash in hand and in banks		2,110,912
Notes receivable, trade		878,515
Electronically recorded monetary claims - operating		1,228,816
Accounts receivable, trade		1,644,396
Merchandise and finished goods		4,050,797
Work in process		22,368
Raw materials and supplies		42,879
Prepaid expenses		82,332
Short-term loans receivable		926
Accounts receivable, other		15,460
Other current assets		40,515
Allowance for bad debts		(12,431)
FIXED ASSETS		**8,529,034**
TANGIBLE:		**4,878,782**
Buildings		393,917
Structures		484
Machinery and equipment		216
Vehicles		1,018
Tools, furniture and fixtures		2,522,226
Land		1,960,919
INTANGIBLE:		**210,384**
Software		201,213
Telephone rights		9,170
INVESTMENTS AND OTHER ASSETS:		**3,439,868**
Investments in subsidiaries		2,643,682
Long-term loans receivable		3,797
Deferred tax assets		746,197
Leasehold deposits		40,926
Other investments		5,275
Allowance for bad debts		(12)
Total assets		**18,634,524**

NON-CONSOLIDATED BALANCE SHEET

(As of March 31, 2020)

(Thousands of yen)

LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		**1,952,807**
Accounts payable, trade		519,668
Short-term bank loans		582,004
Lease obligations		32,139
Accounts payable, other		282,305
Accounts payable-installment purchase		3,097
Accrued expenses		76,486
Income taxes payable		126,575
Accrued consumption taxes		90,114
Provision for bonuses		175,332
Provision for directors' bonuses		51,102
Deposits received		13,980
LONG-TERM LIABILITIES		**2,739,649**
Long-term bank loans		1,727,784
Lease obligations		70,621
Accrued retirement benefits to employees		848,967
Provision for directors' stock payments		56,840
Long-term deposits received		7,000
Asset retirement obligations		28,436
Total liabilities		**4,692,457**
NET ASSETS		
STOCKHOLDERS' EQUITY		**13,920,525**
Common stock		**3,001,929**
Capital Surplus		**2,587,029**
Additional paid-in-capital		2,587,029
Retained earnings		**8,442,826**
Legal reserve		197,500
Retained earnings, other		8,245,326
General reserve		4,913,000
Unappropriated retained earnings		3,332,326
Treasury stocks		**(111,259)**
Valuation and translation adjustments		**21,542**
Deferred gains or losses on hedges		21,542
Total net assets		**13,942,067**
Total liabilities and net assets		**18,634,524**

NON-CONSOLIDATED PROFIT AND LOSS STATEMENT

(For the year ended March 31, 2020)

(Thousands of yen)

Net Sales		**10,923,715**
Cost of sales		**4,404,107**
Gross profit		**6,519,608**
Selling, general and administrative expenses		**5,343,199**
Operating income (loss)		**1,176,408**
Non operating income		
Interest income	161	
Foreign exchange gains	4,509	
Contract services income	100,000	
Commission fee	11,376	
Others	5,188	121,235
Non operating expenses		
Interest expenses	11,812	
Syndicated loan commission	6,187	
Others	4,497	22,497
Ordinary income (loss)		**1,275,146**
Extraordinary losses		
Loss on disposal of fixed assets	33,367	33,367
Profit (loss) before income taxes		**1,241,778**
Income taxes - current	192,759	
Income taxes - deferred	79,392	**272,151**
Profit (loss)		**969,626**

NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(For the year ended March 31, 2020)

(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, 2019	3,001,929	2,587,029	197,500	4,913,000	2,600,847	(76,268)	13,224,038
Changes in the year ended March 31, 2020							
Cash dividend					(238,148)		(238,148)
Profit(loss) for the year ended March 31, 2018					969,626		969,626
Purchase of treasury shares						(34,991)	(34,991)
Net change in items other than shareholders' equity during the year ended March 31, 2020							
Total (net)	—	—	—	—	731,478	(34,991)	696,486
Balance at March 31, 2020	3,001,929	2,587,029	197,500	4,913,000	3,332,326	(111,259)	13,920,525

(Thousands of yen)

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total	
Balance at April 1, 2019	23,141	23,141	13,247,179
Changes in the year ended March 31, 2020			
Cash dividend			(238,149)
Profit(loss) for the year ended March 31, 2018			969,626
Purchase of treasury shares			(34,991)
Net change in items other than shareholders' equity during the year ended March 31, 2020	(1,599)	(1,599)	(1,599)
Total (net)	(1,599)	(1,599)	694,887
Balance at March 31, 2020	21,542	21,542	13,942,067

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 48th fiscal term as follows.

(1) Dividend property classification
Cash

(2) Matters related to allotment of dividend property and its total amount
¥10 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 ¥264,608,620.

(3) Effective date of distribution of surplus
June 22, 2020

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

(1) Reason for the amendment

In order to further reinforce the management system, the Company proposes to amend the number of Directors from no more than ten (10) Directors to no more than twelve (12) Directors.

(2) Description of the amendment

The description of the amendment is as follows. (Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendment
CHAPTER IV DIRECTORS AND THE BOARD OF DIRECTORS (Number of Directors) Article 19. The Company shall have no more than ten (10) Directors.	CHAPTER IV DIRECTORS AND THE BOARD OF DIRECTORS (Number of Directors) Article 19. The Company shall have no more than twelve (12) Directors.

Proposal No.3: Election of Ten (10) Directors

The term of office of nine (9) Directors, Messrs. Masao Okawa, Katsuhiko Seshita, Koichi Kondo, Toshiyuki Hironaka, Yoshiyuki Takayanagi, Shinji Nakagaki, 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 ten (10) Directors, increasing the number of Directors by one in order to further reinforce the Company's management foundation.

The candidates for Directors are as follows:

<table>
<tr><th>Candidate Number</th><th>Name
(Date of Birth)</th><th colspan="2">Career summary, major concurrent titles at other companies, and positions and responsibilities at the Company</th><th>Number of Company shares held</th></tr>
<tr><td rowspan="2">1</td><td>Masao Okawa
(September 8, 1956)
(Reappointment)</td><td>October 1982
August 2001

September 2001
October 2002
March 2003

August 2003
August 2009
May 2019</td><td>Joined Chuo Accounting Audit Corporation
Joined Japan Medical Dynamic Marketing, INC. and appointed Director, Divisional General Manager of the Control Division
Director of Ortho Development Corporation (current position)
Director in charge of overseas affairs (stationed in the United States)
Representative Director and President of Ortho Development Corporation
Managing Director in charge of overseas affairs
Representative Director and President (current position)
Director of Ortho Development Pty Ltd. (current position)</td><td>41,130 shares</td></tr>
<tr><td colspan="4">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.</td></tr>
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<table>
<tr><th>Candidate Number</th><th>Name
(Date of Birth)</th><th colspan="2">Career summary, major concurrent titles at other companies, and positions and responsibilities 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</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 (current position)</td><td>28,952 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, 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
August 2010

April 2015
May 2015
June 2016</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
Director, General Manager of the East Japan Sales Department and in charge of Spine Team
Director, Group Manager of the Marketing Group
Director of Ortho Development Corporation (current position)
Director, Divisional Manager of the Marketing Division (current position)</td><td>12,690 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>
</table>

Candidate Number	Name (Date of Birth)	Career summary, major concurrent titles at other companies, and positions and responsibilities at the Company		Number of Company shares held
4	**Toshiyuki Hironaka** (November 17, 1962) (Reappointment)	April 1986 August 2001 August 2003 December 2006 August 2009 August 2010 August 2011 April 2013 June 2013 April 2014 May 2016 June 2016 May 2019	Joined ITOCHU Corporation General Manager of Business Sales Headquarters, Dell Japan Inc. General Manager of Enterprise Sales Headquarters 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 Retired from Director of Japan Medical Dynamic Marketing, INC. Retired from Director of Ortho Development Corporation Director of Ortho Development Corporation (current position) Director in charge of sales and corporate planning Director in charge of sales, corporate planning and the Control Division Resigned as Director General Manager of the Corporate Planning Division Director in charge of corporate planning (current position) Director of Ortho Development Pty Ltd. (current position)	5,300 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 positions and responsibilities at the Company</th><th>Number of Company shares held</th></tr>
<tr><td rowspan="2">5</td><td>Naoto Sawaki
(January 16, 1963)
(Reappointment)</td><td>April 1981
February 2009

April 2015

June 2016

June 2017

April 2018</td><td>Joined NGK SPARK PLUG CO., LTD.
General Manager, Management Development, Planning 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 and Divisional Manager of SCM Division (current position)</td><td>– shares</td></tr>
<tr><td colspan="4">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 and SCM (supply chain management) sectors, 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 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">6</td><td>Yasuaki Hidaka
(September 11, 1970)
(New Candidate)</td><td>December 1992
June 2008
August 2010

April 2015

April 2017</td><td>Joined Japan Medical Dynamic Marketing, INC.
General Manager of the Sales Department of the Sales Division
General Manager of the West Japan Sales Department of the Sales Division
General of Manager of the Trauma Product Department of the Marketing Group, the Business Promotion Division
General Manager of the Special Sales Department of the Sales Division (current position)</td><td>– shares</td></tr>
<tr><td colspan="4">Reason for the nomination as a candidate for Director
Mr. Yasuaki Hidaka has a wealth of sales experience in the field of orthopedic medical devices, and has been engaged in product development by leveraging his network with health care professionals. In addition to these ample experience and achievement, he also has served as a member of the Management Council, an advisory body for Representative Directors. Therefore, he will be able to fully play 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 strengthen the Company’s sales department, will be optimal for the Company, and so has nominated Mr. Yasuaki Hidaka as a candidate for Director.</td></tr>
</table>

Candidate Number	Name (Date of Birth)	Career summary, major concurrent titles at other companies, and positions and responsibilities at the Company		Number of Company shares held
7	**Yoshiyuki Takayanagi** (August 23, 1965) (Reappointment) (Non-executive Director)	April 1988 February 2013 January 2015 April 2016 October 2016 April 2018 April 2019 June 2019	Joined NGK SPARK PLUG CO., LTD. General Manager, Planning Department, Information and Communications-related Group General Manager, Planning and Administration Department, Semiconductor Division, Technical Ceramics-related Group General Manager, Business Department, Semiconductor Division Director of NTK CERAMIC CO., LTD. Corporate Officer of NGK SPARK PLUG CO., LTD. Executive Officer, in charge of Medical Div. of NGK SPARK PLUG CO., LTD. (current position) Director of Japan Medical Dynamic Marketing, INC.	– shares
	Reason for the nomination as a candidate for Director Mr. Yoshiyuki Takayanagi has been engaged in the accounting and planning sectors for many years, and has extensive knowledge and a wealth of experience in planning and practicing business strategies. He is the person in charge of the Medical Business of NGK SPARK PLUG CO., LTD., a capital and business alliance partner of the Company. The Company has judged that making use of this candidate's extensive knowledge and wealth of experience in order to further strengthen appropriate collaboration and relationships with NGK SPARK PLUG CO., LTD., will be optimal for the Company, and so has nominated Mr. Yoshiyuki Takayanagi as a candidate to continue serving as a Director.			
8	**Kazuyoshi Terashita** (December 26, 1969) (New Candidate) (Non-executive Director)	April 1992 April 2017 April 2019 April 2020	Joined NGK SPARK PLUG CO., LTD. General Manager of Accounting & Finance Department, Corporate Administration Group Corporate Officer, Deputy General Manager of Corporate Administration Group and General Manager of Accounting & Finance Department Corporate Officer, General Manager of Global Group Governance Headquarter (current position)	– shares
	Reason for the nomination as a candidate for Director Mr. Kazuyoshi Terashita has been engaged in the accounting and corporate administration sectors for many years, and has a wealth of experience in administrative operations such as accounting and finance. Also, he is the person in charge of internal audit and group governance of NGK SPARK PLUG CO., LTD., a capital and business alliance partner of the Company. The Company has judged that making use of this candidate's extensive knowledge and wealth of experience will be optimal for the Company, and so has nominated Mr. Kazuyoshi Terashita as a candidate for Director.			
9	**Hiroshi Ishikawa** (June 8, 1968) (Reappointment) (Outside Director)	April 1999 June 2013 December 2013	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)	– shares
	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.			

Candidate Number	Name (Date of Birth)	Career summary, major concurrent titles at other companies, and positions and responsibilities at the Company		Number of Company shares held
10	**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 July 2019	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, 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, Temp Holdings Co., Ltd. Outside Director, Japan Medical Dynamic Marketing, INC. (current position) Outside Director, RAIZNEXT Corporation (current position)	2,900 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 seven (7) 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 five (5) years at the conclusion of this General Meeting of Shareholders.

4. Liability limitation agreement with the candidates for Directors
Messrs. Yoshiyuki Takayanagi, 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. As Mr. Kazuyoshi Terashita is scheduled to be elected as a Non-executive Director, the Company plans to conclude a liability limitation agreement with him in the event that his election is approved as proposed.

The contents of the agreement are outlined as follows:

- Liability of the Director as stipulated in Article 423, Paragraph 1 of the Companies Act 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.4: 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 positions 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. (currently JXTG Nippon Oil & Energy Corporation)	
	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 Substitute Outside 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 maintenance and enhancement of the Company's auditing system.			

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 Companies Act 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

MEMO