

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

(Stock Exchange Code 2533)
March 4, 2019

To Shareholders with Voting Rights:

Yuji Nishinaga
President & CEO
Oenon Holdings, Inc.
Headquarters: 6-2-10 Ginza, Chuo-ku,
Tokyo 104-0061, Japan

**NOTICE OF
THE 112TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 112th Annual General Meeting of Shareholders of Oenon Holdings, Inc. (the “Company”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights via postal mail or the Internet. Please review the Reference Documents for the General Meeting of Shareholders that follow this notice, and exercise your voting rights by no later than 5:00 p.m. on Wednesday, March 20, 2019, Japan time.

- 1. Date and Time:** Friday, March 22, 2019 at 10:00 a.m. Japan time
- 2. Place:** 2nd Floor, Main Building, Peacock West at Imperial Hotel
located at 1-1-1 Uchisaiwai-cho, Chiyoda-ku, Tokyo, Japan
- 3. Meeting Agenda:**
 - Matters to be reported:** Business Report, Consolidated and Non-consolidated Financial Statements for the 112th fiscal year (January 1, 2018 - December 31, 2018), and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
 - Proposals to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Partial Amendments to the Articles of Incorporation
 - Proposal 3:** Election of Four (4) Directors
 - Proposal 4:** Election of Three (3) Corporate Auditors
 - Proposal 5:** Election of One (1) Substitute Corporate Auditor
- 4. Decisions Concerning Convocation:**
 - Please refer to “Guide to Exercising Voting Rights” on the following page.

<Regarding Internet disclosure>

- Should the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated and Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company’s website (<https://www.oenon.jp/ir/>).
- Regarding the documents which are required to be included in this “Notice of Convocation,” as “Notes to the Consolidated Financial Statements” and “Notes to the Non-consolidated Financial Statements” are available on the Company’s website (<https://www.oenon.jp/ir/>) in accordance with laws and regulations and Articles 15 of the Articles of Incorporation, they are not included in the Appendix hereof.
- Concerning the results of the resolution of this General Meeting of Shareholders, notification will be available on the Company’s website (<https://www.oenon.jp/ir/>) and not be mailed as written documents.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

Appropriation of Surplus for the fiscal year under review is as follows.

1. Matters regarding appropriation of surplus

In order to implement stable payout of dividends, we propose a reversal of the reserve for dividends and general reserve as follows.

- | | |
|---|----------------|
| (1) Items of surplus whose amounts are to be decreased and the total amount thereof | |
| Reserve for Dividends | ¥40,000,000 |
| General Reserve | ¥3,302,000,000 |
| (2) Items of surplus whose amounts are to be increased and the total amount thereof | |
| Retained earnings brought forward | ¥3,342,000,000 |

2. Matters regarding year-end dividends

The Company's fundamental policy for dividends is to carry out continuous and stable payout of dividends, comprehensively taking into consideration its business performance, status of consolidated financial results, medium to long term revenue, capital investment plans, amount of internal reserves, and dividend payout ratio, etc.

Concerning year-end dividends for the fiscal year under review, the Company takes into consideration the Company's consolidated and non-consolidated financial results for the fiscal year under review and return of profits to shareholders. The arrangement is as follows.

- | | |
|---|--|
| (1) Matters regarding distribution of dividend property for shareholders and total amount | |
| ¥7 per share of common stock of the Company | |
| Total amount: ¥426,480,789 | |
| (2) Effective date of appropriation of surplus | |
| March 25, 2019 | |

Proposal 2: Partial Amendments to the Articles of Incorporation

It is hereby proposed to partially amend the current Articles of Incorporation as follows.

1. Reasons for the amendment

- (1) In order to clarify the objectives of the Company in line with the current business of the Company, the Company proposes to amend the objectives in Article 2 of the Articles of Incorporation.
- (2) In accordance with the relocation of the head office from Chuo-ku, Tokyo to Sumida-ku, Tokyo, the Articles of Incorporation shall be amended to reflect the location of the head office in Article 3. Moreover, this amendment is to come into effect on the date of the relocation of the head office, to be determined by a meeting of the Board of Directors to be held before the 113th Annual General Meeting of Shareholders scheduled to be held in 2020, and a provision to that effect shall be made in the supplementary provisions. Such supplementary provisions shall be deleted after the effective date of the relocation.

2. Description of the amendments

A description of the amendments is as follows:

(Amended sections are underlined.)

Current Articles of Incorporation	Proposed Amendments
Chapter I. General Provisions	Chapter I. General Provisions
(Objectives)	(Objectives)
Article 2.	Article 2.
1. (Omitted)	1. (Unchanged)
(1) – (9) (Omitted)	(1) – (9) (Unchanged)
(10) <u>Operation of restaurants</u>	(Deleted)
(11) Operation of museums and maintenance, management and operation of gardens	(10) Operation of museums and maintenance, management and operation of gardens
(12) <u>Operation of wedding halls</u>	(Deleted)
(13) Warehouse business	(11) Warehouse business
(14) Consigned freight forwarding business	(12) Consigned freight forwarding business
(15) Insurance agency business for non-life insurance and insurance under Act on Securing Compensation for Automobile Accidents	(13) Insurance agency business for non-life insurance and insurance under Act on Securing Compensation for Automobile Accidents
(16) Any and all businesses incidental or relating to each of the aforementioned items	(14) Any and all businesses incidental or relating to each of the aforementioned items.
2. - 3. (Omitted)	2. - 3. (Unchanged)
4. <u>Operation of restaurants</u>	(Deleted)
5. <u>Businesses relating to bioethanol and any businesses incidental or relating to said business</u>	(Deleted)
6. Any and all businesses incidental or relating to each of the foregoing	4. Any and all businesses incidental or relating to each of the foregoing
(Location of Head Office)	(Location of Head Office)
Article 3. The head office of the Company shall be situated in <u>Chuo-ku</u> , Tokyo.	Article 3. The head office of the Company shall be situated in <u>Sumida-ku</u> , Tokyo.
(Newly established)	<u>Supplementary Provision</u>
	<u>The amendment to Article 3 is to come into effect on the date of the relocation of the head office, to be determined by a meeting of the Board of Directors to be held before the 113th Annual General Meeting of Shareholders scheduled to be held in 2020. This Supplementary Provision shall be deleted after the effective date of the relocation.</u>

Proposal 3: Election of Four (4) Directors

The terms of office of Directors Yukio Nagai, Yuji Nishinaga, Susumu Mukai and Yukimasa Ozaki will expire at the conclusion of this year's Annual General Meeting of Shareholders.

Accordingly, the election of four (4) Directors, including one (1) Outside Director, is proposed.

The candidates for Director are as follows:

No.	Name		Current positions and assignments at the Company	Attendance at the Board of Directors meetings
1	Yukio Nagai	[Reappointment]	Chairman of the Board Overall management of the Group	13 out of 15 meetings
2	Yuji Nishinaga	[Reappointment]	President & CEO Overall management of the Group Chairman of the Nomination and Remuneration Committee Chairman of the Medium-term Management Strategy Committee Chairman of the CSR & Compliance Committee	15 out of 15 meetings
3	Eiji Sugahara	[Newly appointed]		—
4	Yukimasa Ozaki	[Reappointment] [Outside Director] [Independent Director]	Outside Director Member of the Nomination and Remuneration Committee	15 out of 15 meetings

No.	Name (Date of birth)	Past experience, positions and assignments at the Company	Number of shares of the Company held
1	Yukio Nagai (January 23, 1945) [Reappointment] Number of years in office: 22 (at the end of this General Meeting of Shareholders) Attendance at the Board of Directors meetings: 13/15 (86%)	<p>July 1968 Joined Snow Brand Milk Products Co., Ltd.</p> <p>April 1996 General Manager, International Unit of the Company</p> <p>February 1997 General Manager, Corporate Planning Dept. of the Company</p> <p>March 1997 Director of the Company</p> <p> Deputy Head, Wine Business Group</p> <p>March 1998 Executive Director of the Company</p> <p>March 2001 President & CEO</p> <p> Head, Corporate Planning Dept. of the Company</p> <p>March 2005 Overall management of the Group (to present)</p> <p>February 2006 Head, Corporate Planning Dept. and Corporate Communication Dept. of the Company</p> <p>February 2007 Chairman, CSR Committee of the Company</p> <p>February 2011 Chairman, Medium-term Management Strategy Committee of the Company</p> <p>March 2016 Chairman of the Board of the Company (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Chairman, GODO SHUSEI CO., LTD. 	422,800

(Note) There is no special interest between Mr. Yukio Nagai and the Company.

(Reason for nomination as a candidate for Director)

Mr. Yukio Nagai has an extensive experience and broad insight in the Group's business and management, and has contributed to the growth and development of the Group over the years as a representative director of the Company. He currently serves as Chairman of the Board of the Company and plays an important role in management decision making. The Company believes he is capable of contributing to the continued growth and enhancement of medium- to long-term corporate value of the Company, and therefore nominates him again as a candidate for Director.

No.	Name (Date of birth)	Past experience, positions and assignment at the Company	Number of shares of the Company held
2	<p>Yuji Nishinaga (February 7, 1965)</p> <p>[Reappointment]</p> <p>Number of years in office: 9 (at the end of this General Meeting of Shareholders)</p> <p>Attendance at the Board of Directors meetings: 15/15 (100%)</p>	<p>August 1988 Joined the Company</p> <p>February 2007 Executive Officer, GODO SHUSEI CO., LTD.</p> <p>February 2008 General Manager, Corporate Planning Dept. of the Company</p> <p>February 2010 Head, Administration Division of the Group General Manager, Corporate Planning Dept.</p> <p>March 2010 Director of the Company Director, GODO SHUSEI CO., LTD.</p> <p>February 2011 Head, General Affairs & Administration Division of the Group General Secretary, Medium-term Management Strategy Committee of the Company</p> <p>March 2015 President & CEO of the Company (to present) Chairman, Medium-term Management Strategy Committee of the Company (to present) Chairman, CSR Committee of the Company (currently CSR & Compliance Committee) (to present) Vice Chairman, GODO SHUSEI CO., LTD.</p> <p>March 2016 President & CEO, GODO SHUSEI CO., LTD. (to present)</p> <p>December 2016 Chairman, Nomination and Remuneration Committee of the Company (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • President & CEO, GODO SHUSEI CO., LTD. • Director, FUKUTOKUCHO CO., LTD. • Director, AKITAKENHAKKO KOGYO CO., LTD. • Director, OENON PRODUCT SUPPORT CO., LTD. • Director, SUNNY MAIZE CO., LTD. • President & CEO, Oenon Asset Corporation 	142,900

(Notes) 1. Mr. Yuji Nishinaga is President & CEO of GODO SHUSEI CO., LTD. The Company and GODO SHUSEI CO., LTD. has a business relationship regarding trademark right enforcement, real estate leasing etc., and both companies operate a business of the same kind (real estate business).

2. Mr. Yuji Nishinaga is President & CEO of Oenon Asset Corporation. The Company and Oenon Asset Corporation has a business relationship regarding trademark right enforcement, real estate leasing etc., and both companies operate a business of the same kind (real estate business).

(Reason for nomination as a candidate for Director)

Mr. Yuji Nishinaga has accumulated experience in the fields including corporate planning, administration, operation and production, also in a management position of a Group company, and has an extensive experience and broad insight in the Group's business and management. He has been demonstrating strong leadership and determination as President & CEO of the Company. The Company believes his participation in management decision making as one who oversees the management will contribute to the continued growth and enhancement of medium- to long-term corporate value of the Company, and therefore nominates him again as a candidate for Director.

No.	Name (Date of birth)	Past experience, positions and assignments at the Company	Number of shares of the Company held
3	Eiji Sugahara (February 12, 1963) [Newly Appointed]	<p>April 1987 Joined Toyo Jozo Co., Ltd. (currently Asahi Kasei Corporation)</p> <p>February 2008 General Manager, Nirasaki Factory, FUKUTOKUCHO CO., LTD.</p> <p>February 2010 General Manager, Shimizu Factory, GODO SHUSEI CO., LTD.</p> <p>February 2011 General Manager, Tokyo Factory, GODO SHUSEI CO., LTD.</p> <p>February 2013 Executive Officer, GODO SHUSEI CO., LTD.</p> <p>March 2015 Director, GODO SHUSEI CO., LTD.</p> <p>March 2018 Executive Director, GODO SHUSEI CO., LTD. (to present)</p> <p>February 2019 General Manager, Production Headquarters, GODO SHUSEI CO., LTD. (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Executive Director, GODO SHUSEI CO., LTD. • Director, Gotech Co., Ltd. 	22,900

(Note) There is no special interest between Mr. Eiji Sugahara and the Company.

(Reason for nomination as a candidate for Director)

Mr. Eiji Sugahara has accumulated extensive experience and broad insight over the years through involvement in the fields of production, procurement and quality assurance of the Company. The Company believes his participation in management decision making as an expert in these fields will contribute to the continued growth and enhancement of medium- to long-term corporate value of the Company, and therefore nominates him as a candidate for Director.

No.	Name (Date of birth)	Past experience, positions and assignments at the Company	Number of shares of the Company held
4	Yukimasa Ozaki (September 2, 1959) [Reappointment] [Outside Director] [Independent Director] Number of years in office: 4 (at the end of this General Meeting of Shareholders) Attendance at the Board of Directors meetings: 15/15 (100%)	<div> <div>April 1989</div> <div>Registered as Attorney (Daiichi Tokyo BAR Association) Joined Ozaki Law Office</div> </div> <div> <div>December 1992</div> <div>Graduated from Law School, University of Wisconsin (MA in Legal Institutions)</div> </div> <div> <div>January 1993</div> <div>Worked at Godfrey & Kahn, S.C., State of Wisconsin Worked at Kaye, Scholer, Fierman, Hays and Handler, New York City, State of New York</div> </div> <div> <div>August 1993</div> <div>Attorney, Ozaki Law Office (to present)</div> </div> <div> <div>March 2015</div> <div>Director of the Company (to present)</div> </div> <div> <div>December 2016</div> <div>Member, Nomination and Remuneration Committee of the Company (to present)</div> </div>	5,300

- (Notes)
1. There is no special interest between Mr. Yukimasa Ozaki and the Company.
 2. Mr. Yukimasa Ozaki is an Independent Officer prescribed by the provisions of the Tokyo Stock Exchange, Inc. He will continue his role as an Independent Officer, if he is reelected as Director.

(Reason for nomination as a candidate for Outside Director)

The Company nominates Mr. Yukimasa Ozaki again as a candidate for Outside Director because it believes that he is capable of further strengthening the management framework as well as enriching compliance and corporate governance, considering his experience as a lawyer, his independent viewpoint and supervision over the Company's management.

Although he has no prior involvement in corporate management other than serving as an outside officer, the Company believes that he is capable of fulfilling his duties as Outside Director due to the aforementioned reasons.

Proposal 4: Election of Three (3) Corporate Auditors

The terms of office of Corporate Auditors Masahiro Koshiishi, Kazuo Ogawa and Toshikazu Sonoda will expire at the conclusion of this year's Annual General Meeting of Shareholders.

Accordingly, the election of three (3) Corporate Auditors is proposed.

This proposal has already been approved by the Board of Corporate Auditors.

The candidates for Substitute Corporate Auditor are as follows:

No.	Name		Current positions at the Company	Attendance at the Board of Directors meetings	Attendance at the Board of Corporate Auditors meetings
1	Kotaro Yamamura	[Newly appointed]		—	—
2	Takayoshi Ono	[Newly appointed] [Outside Corporate Auditor] [Independent Auditor]		—	—
3	Toshikazu Sonoda	[Reappointment] [Outside Corporate Auditor] [Independent Auditor]	Outside Corporate Auditor	15 out of 15 meetings	16 out of 16 meetings

No.	Name (Date of birth)	Past experience and positions at the Company	Number of shares of the Company held
1	Kotaro Yamamura (January 28, 1959) [Newly appointed]	April 1982 Joined GODO SHUSEI CO., LTD. (currently Oenon Holdings, Inc.) March 2005 Director, FUKUTOKUCHO CO., LTD. February 2007 General Manager, Secretarial Office of the Company March 2012 Director, AKITAKENHAKKO KOGYO CO., LTD. February 2016 General Manager, Auditors' Office of the Company February 2017 Deputy General Manager, General Management Headquarters, GODO SHUSEI CO., LTD.	0

(Note) There is no special interest between Mr. Kotaro Yamamura and the Company.

(Reason for nomination as a candidate for Corporate Auditor)

Since joining the Company, Mr. Kotaro Yamamura has been engaged in financial and accounting operations of the Company and the Group and thus possesses extensive business experience and deep knowledge in the fields of financial and accounting. The Company nominates Mr. Kotaro Yamamura as a candidate for Corporate Auditor because it believes that he is capable of fulfilling his duties properly as Corporate Auditor, utilizing his experience and knowledge.

Mr. Kotaro Yamamura will be appointed to the post of full-time Corporate Auditor at the Board of Corporate Auditors meeting to be held after this year's Annual General Meeting of Shareholders.

No.	Name (Date of birth)	Past experience and positions at the Company		Number of shares of the Company held
2	Takayoshi Ono (March 23, 1956) [Newly appointed] [Outside Corporate Auditor] [Independent Auditor]	April 1978 March 1981 July 1992 July 2008 July 2017	Joined Showa Audit Corporation (currently Ernst & Young ShinNihon LLC) Registered as Certified Public Accountant Partner, Ernst & Young ShinNihon LLC Senior Partner, Ernst & Young ShinNihon LLC Head, Ono CPA Office (to present)	0

- (Notes) 1. There is no special interest between Mr. Takayoshi Ono and the Company.
2. Mr. Takayoshi Ono is an Independent Officer prescribed by the provisions of the Tokyo Stock Exchange, Inc. He will become an Independent Officer, if he is elected as Corporate Auditor.

(Reason for nomination as a candidate for Outside Corporate Auditor)

Having served as Partner at a prestigious accounting firm for many years as a certified public accountant, Mr. Takayoshi Ono has accumulated highly specialized expertise and extensive experience in the fields of finance and accounting. The Company nominates Mr. Takayoshi Ono as a candidate for Outside Corporate Auditor because it believes that he is capable of fulfilling his duties properly as Outside Corporate Auditor, utilizing his experience and knowledge and with his objective and professional viewpoint.

Although he has no prior direct involvement in corporate management, the Company believes that he is capable of fulfilling his duties as Outside Corporate Auditor due to the aforementioned reasons.

No.	Name (Date of birth)	Past experience and positions at the Company	Number of shares of the Company held
3	<p>Toshikazu Sonoda (November 28, 1951)</p> <p>[Reappointment] [Outside Corporate Auditor] [Independent Auditor]</p> <p>Number of years in office: 8 (at the end of this General Meeting of Shareholders)</p> <p>Attendance at the Board of Directors meetings: 15/15 (100%)</p> <p>Attendance at the Board of Corporate Auditors meetings: 16/16 (100%)</p>	<p>April 1970 Joined Kumamoto Regional Taxation Bureau</p> <p>July 1997 Senior Officer, Office for the Establishment of the Financial Supervisory Agency, Cabinet Secretariat</p> <p>July 1999 District Director, Tomioka Tax Office, Kanto-Shinetsu Regional Taxation Bureau</p> <p>July 2001 Special Officer for Research on Personnel Management, Secretarial Division, Minister's Secretariat, Ministry of Finance</p> <p>July 2005 Director, Planning and Administration Division, Tohoku Local Finance Bureau</p> <p>July 2007 Director, Planning and Administration Division, Tokai Local Finance Bureau</p> <p>July 2008 Director, Fiscal Investment and Loan Management Division, Financial Bureau, Ministry of Finance</p> <p>July 2009 Director-General, Hokuriku Local Finance Bureau</p> <p>July 2010 Deputy Director-General, Nippon Automated Cargo and Port Consolidated System, Inc.</p> <p>March 2011 Corporate Auditor of the Company (to present)</p> <p>April 2011 Established Toshikazu Sonoda Tax Accountant Office (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Corporate Auditor, GODO SHUSEI CO., LTD. • Corporate Auditor, FUKUTOKUCHO CO., LTD. 	20,100

- (Notes) 1. There is no special interest between Mr. Toshikazu Sonoda and the Company.
2. Mr. Toshikazu Sonoda is an Independent Officer prescribed by the provisions of the Tokyo Stock Exchange, Inc. He will continue his role as an Independent Officer, if he is reelected as Corporate Auditor.

(Reason for nomination as a candidate for Outside Corporate Auditor)

Mr. Toshikazu Sonoda has accumulated highly specialized expertise and extensive experience as a tax accountant in the fields of finance and accounting. Since being appointed to the post of Corporate Auditor in March 2011, Mr. Toshikazu Sonoda has provided invaluable comments at the meetings of the Board of Directors and Board of Corporate Auditors, utilizing his knowledge in finance and accounting and with his objective and professional viewpoint, which has greatly contributed to the improvement in supervisory function of the Board of Directors and Board of Corporate Auditors. Due to these reasons, the Company nominates Mr. Toshikazu Sonoda again as a candidate for Outside Corporate Auditor because it believes that he is capable of fulfilling his duties properly as Outside Corporate Auditor

Although he has no prior direct involvement in corporate management, the Company believes that he is capable of fulfilling his duties as Outside Corporate Auditor due to the aforementioned reasons.

Proposal 5: Election of One (1) Substitute Corporate Auditor

In preparation for the event where the number of Corporate Auditors falls below the number stipulated by laws and regulations, the advance election of one (1) Substitute Outside Corporate Auditor is proposed.

This Proposal has already been approved by the Board of Corporate Auditors.

The candidate for Substitute Corporate Auditor is as follows:

Name (Date of birth)	Past experience and positions at the Company		Number of shares of the Company held
Sumio Ishikawa (April 27, 1963) [Newly appointed] [Outside Corporate Auditor] [Independent Auditor]	October 1988 March 1992 August 1998 July 2010 July 2017	Joined Century Audit Corporation (currently Ernst & Young ShinNihon LLC) Registered as Certified Public Accountant Partner, Ernst & Young ShinNihon LLC Senior Partner, Ernst & Young ShinNihon LLC Head, Sumio Ishikawa CPA Office (to present)	0

- (Notes) 1. There is no special interest between Mr. Sumio Ishikawa and the Company.
2. If Mr. Sumio Ishikawa assumes office as Corporate Auditor, the Company intends to register him as an Independent Officer as prescribed by the Tokyo Stock Exchange, Inc.

(Reason for nomination as a candidate for Substitute Outside Corporate Auditor)

Mr. Sumio Ishikawa has accumulated substantial knowledge as a certified public accountant in the fields of finance and accounting. The Company nominates Mr. Sumio Ishikawa as a candidate for Substitute Outside Corporate Auditor because it believes that he is capable of further strengthening the management framework as well as enriching compliance and corporate governance, utilizing his extensive experience, insight, and expertise with his independent viewpoint for supervision over the Company's management.

Although he has no direct prior involvement in corporate management, the Company believes that he is capable of fulfilling his duties as Outside Corporate Auditor due to the aforementioned reasons.

Policy on Nominating Candidates for Directors

In order to supervise the management of the Group and make decision on significant business execution, the Company shall nominate as Candidates for Inside Directors those who have knowledge and experience of management of the Group and insight, capabilities, high ethics, fairness and honesty that are necessary for Directors.

In addition, the Company shall nominate multiple Candidates for Outside Directors in order to strengthen management supervising function of the Board. As for Candidates for Outside Directors, from the viewpoint of securing independence, the Company shall nominate those who satisfy the Independent Officer requirements prescribed by Tokyo Stock Exchange, Inc. and “Standards for Independence of Outside Officers” stipulated by the Company, with insight to provide advice on management and highly specialized knowledge and extensive experience in areas such as law, accounting and taxation, with which to provide appropriate supervision of the management of the Company.

Nomination of the Candidates for Directors shall be decided by the Board of Directors, after deliberation by the Nomination and Remuneration Committee of the list Candidates drafted by the President and CEO.

Policy on Nominating Candidates for Corporate Auditors

In order to ensure appropriate auditing and supervision of the management of the Group, the Company shall nominate as Candidates for Inside Corporate Auditors those with insight of the management of the Company, highly specialized knowledge in the areas of accounting, finance, law and risk management, etc. and wide-ranging experience, together with insight, capabilities, high ethics, fairness and honesty that are necessary for Corporate Auditors.

As a Company with a Board of Corporate Auditors, at least half of the Company’s Corporate Auditors shall be Outside Corporate Auditors. As for the Candidates for Outside Corporate Auditors, the Company shall nominate those who satisfy the Independent Officer requirements prescribed by Tokyo Stock Exchange, Inc. and “Standards for Independence of Outside Officers” stipulated by the Company, with highly specialized knowledge and extensive experience in areas such as law, accounting and taxation, with which to provide appropriate auditing and supervision of the management of the Company.

In addition, the Company shall nominate one (1) or more candidates who have appropriate insight in the fields of finance and accounting.

Nomination of the Candidates for Corporate Auditors shall be decided by the Board of Directors with the consent of the Board of Corporate Auditors, after deliberation by the Nomination and Remuneration Committee of the list of Candidates drafted by the President and CEO under discussion with full-time Corporate Auditors,

Standards for Independence of Outside Officers

In order to ensure the objectivity and transparency of governance, the Company shall establish the following independence requirements between Candidates for Outside Directors and Outside Corporate Auditors (collectively “Outside Officers”) themselves and the corporations/organizations they belong to, and the Company and its subsidiaries (the “Group”). If Outside Officers or Candidates for Outside Officers are found not to fall under any of the following items, the Company shall judge that he/she possesses independence.

1. A current executive (Note 1) of the Company or its subsidiaries (collectively “the Group”) or a person who has been an executive of the Group in the past.
(Note 1) An “executive” means an executive director, executive, executive officer, other person similar thereto or employee, when judging the independence of an Outside Corporate Auditor, a non-executive director is included.
2. A current major shareholder (Note 2) of the Company or an executive thereof, or an executive of a company which the Group is the major shareholder thereof.
A current major shareholder of the Company or an executive thereof in most recent three years.
(Note 2) A “major shareholder” means a shareholder who holds shares with 10% or more of total voting rights in his/her own name or another person’s name at the end of the most recent fiscal year of the Company.
3. A major business partner (Note 3) of the Group or an executive thereof.
A major business partner of the Group or an executive thereof in most recent three years.
(Note 3) A “major business partner” means a corporation whose transaction amount with the Group accounts for 2% or more of the consolidated net sales of the Group or the business partner (including its parent company and major subsidiaries, etc.).
4. A person who receives a large amount of donation (Note 4) from the Group (if the person receiving such large amount of donation is an organization such as corporation or union, an executive thereof).
(Note 4) A “large amount of donation” means a donation whose total amount exceeds the higher of 10 million yen or 2% of the total revenue of the organization on an average of the most recent three years.
5. An executive of a company in which an executive of the Group is elected as an officer.
6. A person who has been a principal partner in charge of the audit services (Note 5) of the Group executed by an auditing firm as the Accounting Auditor of the Group in the most recent three years.
(Note 5) A “principal partner in charge of the audit services” means:
 - (1) Engagement partner of the audit services
 - (2) Reviewer of the audit services
 - (3) Any other person who makes significant decision or judgment with regard to important matters of the audit services
7. A person rendering professional services, such as a certified public accountant, attorney-at-law, consultant who does not fall under 6 above and receives a large amount of money and/or other property (Note 6) other than compensation as an officer (however, in the event that the recipient of the said property is an organization such as corporation or union, a person who belongs to the organization).
(Note 6) A “large amount of money and/or other property” means total amount of 10 million yen or more of money and/or property benefits a year on an average of the most recent three years in the case of individuals; and an amount of 2% or more of total revenue of the organization on an average of the most recent three years in the case of organizations.
8. A spouse, relative within the second degree of kinship or a relative within the same household of a person who falls under any of items 1 through 7 (however, in the case of employee, this applies only to an important employee (Note 7)).
(Note 7) An “important employee” means an employee who holds the post of general manager of a division or higher.
9. Revision or abolition of these standards shall be by resolution of the Board of Directors.