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(Securities Code: 7167)
June 1, 2020

To Shareholders with Voting Rights:

Ritsuo Sasajima
President
Mebuki Financial Group, Inc.
7-2, Yaesu 2-chome, Chuo-ku,
Tokyo, Japan

**NOTICE OF CONVOCAION OF
THE 4TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

The 4th Ordinary General Meeting of Shareholders (the “Meeting”) of Mebuki Financial Group, Inc. (the “Company”) will be held as described below.

Shareholders are strongly advised to exercise their voting rights in advance by post or via the Internet, etc. to the extent possible, and refrain from attending the meeting in person, from the standpoint of preventing the further spread of the novel coronavirus (COVID-19).

- 1. Date and Time:** Wednesday, June 24, 2020 at 10:00 a.m. (JST)
(Reception opens at 9:00 a.m.)
- 2. Place:** Head Office 3rd Floor Main Conference Room, The Ashikaga Bank, Ltd.
1-25, Sakura 4-chome, Utsunomiya, Tochigi, Japan
(The Company’s Utsunomiya Head Office location, Utsunomiya City, has been chosen as the Meeting venue. Since the venue is different from the previous year, please refer to “The Venue Information for the Ordinary General Meeting of Shareholders” (Japanese only) at the end of the notice for details.)
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report, Consolidated Financial Statements and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee for the Company’s 4th Fiscal Year (from April 1, 2019 to March 31, 2020)
 2. Non-consolidated Financial Statements for the Company’s 4th Fiscal Year (from April 1, 2019 to March 31, 2020)**Proposals to be resolved:**
 - Proposal No.1:** Election of Seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)
 - Proposal No.2:** Election of Five (5) Directors who are Audit and Supervisory Committee Members
 - Proposal No.3:** Election of One (1) Substitute Director who is an Audit and Supervisory Committee Member
 - Proposal No.4:** Determination of Restricted Stock Remuneration Plan for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors)

Please note that no live broadcast venue will be set up for the Meeting, and no souvenirs will be provided to shareholders attending the Meeting. We appreciate your understanding.

4. Exercise of Voting Rights:

Exercise of Voting Rights via Attendance at the Meeting

Please bring the notice with you and submit the enclosed Voting Rights Exercise Form to the reception upon arrival.

Date and Time:
Wednesday, June 24, 2020 at
10:00 a.m. (JST)
(Reception opens at 9:00 a.m.)

Exercise of Voting Rights in Writing

Please vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it by post so that it is received by the deadline. Please use the sticker on the Form to cover and protect your information.

Deadline:
Tuesday, June 23, 2020 at 5:00
p.m. (JST)

Exercise of Voting Rights via the Internet, etc.

Please refer to the guidance page (Japanese only) and choose either "method to enter login ID and temporary password" or "method to scan QR code" to vote for or against the proposals by the deadline.

Deadline:
Tuesday, June 23, 2020 at 5:00
p.m. (JST)

(1) Handling of duplicate voting

If you vote both in writing on the Voting Rights Exercise Form and via the Internet, etc., only your vote placed via the Internet, etc., will be deemed valid.

In addition, if you vote multiple times via the Internet, etc., only the last vote will be deemed valid.

(2) Matters disclosed on the Internet

A. In accordance with laws and regulations as well as Article 14 of the Articles of Incorporation of the Company, items (i) through (iii) below are posted on the Company's website and are therefore not included with this notice.

(i) "Matters regarding stock acquisition rights" in the Business Report

(ii) "Consolidated Statements of Changes in Net Assets" and "Notes to the Consolidated Financial Statements" in the Consolidated Financial Statements

(iii) "Statements of Changes in Net Assets" and "Notes to the Non-consolidated Financial Statements" in the Non-consolidated Financial Statements

The Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Audit and Supervisory Committee are the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements attached to this notice as well as items (i) through (iii) above listed on the Company's website. The Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Accounting Auditor are the Consolidated Financial Statements and Non-consolidated Financial Statements attached to this notice as well as items (ii) and (iii) above, which are posted on the Company's website.

B. Please note that any updates to the Reference Documents for the Meeting, the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements, and other information required on these documents will be posted on the Company's website.

Company's website (in Japanese): <https://www.mebuki-fg.co.jp/shareholder/>

End

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- © In the case of exercising voting rights by proxy, please appoint as a proxy one of the other shareholders holding voting rights of the Company. You cannot appoint two or more shareholders as your proxy.
- © Please note that the Meeting will be held in Cool Biz (light) dress code. We appreciate your attendance in casual attire.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Election of Seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire at the conclusion of the Meeting. Accordingly, the election of seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members) is proposed.

The Company, in an effort to ensure the objectivity and transparency related to Directors' compensation and appointments, has established a Corporate Governance Committee, as an advisory body to the Board of Directors. The Board of Directors selects candidates for Director based on the deliberation at the Corporate Governance Committee.

The Corporate Governance Committee is chaired by an Outside Director, and the majority of its members are also Outside Directors including the Outside Directors of subsidiary banks.

- Opinion of the Audit and Supervisory Committee regarding the selection of Directors (excluding Directors who are Audit and Supervisory Committee Members)

At the Audit and Supervisory Committee, the content of this proposal has been deliberated based on reports from Audit and Supervisory Committee Members (Outside Directors) who took part in the discussion at the Corporate Governance Committee, an advisory body to the Board of Directors. We notify that there are no issues to be declared with regard to this proposal.

The details of the candidates are as follows:

No.	Name		Current positions and responsibilities at the Company	Attendance at Board of Directors' meetings (FY2019)
1	Ritsuo Sasajima	[Reappointed]	President (Representative Director)	100% (12/12)
2	Kazuyuki Shimizu	[Newly appointed]	Executive Officer In charge of Regional Revitalization (Regional Revitalization Department)	-
3	Hidebumi Nishino	[Newly appointed]	-	-
4	Yoshihiro Naito	[Newly appointed]	-	-
5	Tetsuya Akino	[Reappointed]	Director In charge of Corporate Planning (Corporate Planning Department)	100% (12/12)
6	Hiromichi Ono	[Reappointed] [Outside] [Independent]	Director (Outside Director)	100% (10/10) (*Note)
7	Yoshimi Shu	[Reappointed] [Outside] [Independent]	Director (Outside Director)	100% (10/10) (*Note)

* (Note) As Mr. Hiromichi Ono (No. 6) and Ms. Yoshimi Shu assumed the office of Director of the Company on June 25, 2019, the attendance at Board of Directors' meetings stated only includes meetings held thereafter.

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Reappointed Ritsuo Sasajima (Mar. 3, 1958)	Apr. 1980 Joined The Joyo Bank, Ltd. Jul. 2000 Deputy General Manager, Corporate Planning Division Jun. 2005 Senior Deputy General Manager, Corporate Planning Division Jun. 2006 General Manager, Koriyama Branch Apr. 2008 General Manager, Treasury and Securities Division Jun. 2009 General Manager, Corporate Planning Division Jun. 2011 Executive Officer and General Manager, Corporate Planning Division Jun. 2013 Managing Director, The Joyo Bank, Ltd. Oct. 2016 Director, in charge of Corporate Planning, the Company Jun. 2017 Senior Managing Director, The Joyo Bank, Ltd. Jun. 2018 President, the Company (current position) President, The Joyo Bank, Ltd. (current position) (Significant concurrent positions) President, The Joyo Bank, Ltd.	51,587 shares
● Reasons for being selected as a Candidate Mr. Ritsuo Sasajima took office as Managing Director of The Joyo Bank, Ltd. in June 2013 and has served as Senior Managing Director, Director of the Company, as well as President of the Company and President of The Joyo Bank, Ltd. since June 2018, accumulating abundant experience and achievements as a manager. He is selected as a candidate for Director (excluding Directors who are Audit and Supervisory Committee Members; hereinafter, the same shall apply) in the expectation that he may continue to contribute to the management of the Company.			
2	Newly appointed Kazuyuki Shimizu (Sep. 11, 1961)	Apr. 1984 Joined The Ashikaga Bank, Ltd. Oct. 2004 Chief Manager, Financial Planning Headquarters Jun. 2006 General Manager, Planning Division Jun. 2008 General Manager, Management Planning Division Jul. 2008 General Manager, Management Planning Department, Ashikaga Holdings Co., Ltd. (concurrent position) Jan. 2009 General Manager, Tochigi Branch, The Ashikaga Bank, Ltd. Jun. 2010 General Manager, Utsunomiya Chuo Branch Apr. 2012 Executive Officer and General Manager, Business Promotion Division Jun. 2012 Executive Officer and General Manager, Business Planning Division Apr. 2014 Executive Officer and General Manager, Corporate Management Department, Ashikaga Holdings Co., Ltd. Executive Officer, The Ashikaga Bank, Ltd. Apr. 2015 Executive Officer, General Manager, Corporate Planning Department, Ashikaga Holdings Co., Ltd. Managing Executive Officer, The Ashikaga Bank, Ltd. Jun. 2016 Managing Director, The Ashikaga Bank, Ltd. Oct. 2016 Director, in charge of Corporate Management, Risk Management, and Information Security, the Company Jun. 2017 Director, in charge of Regional Revitalization, the Company Jun. 2018 Senior Managing Director, The Ashikaga Bank, Ltd. (current position) Jun. 2019 Executive Officer, in charge of Regional Revitalization, the Company (current position) (Significant concurrent positions) To be President, The Ashikaga Bank, Ltd.	27,874 shares

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
	● Reasons for being selected as a Candidate Mr. Kazuyuki Shimizu took office as Executive Officer of Ashikaga Holdings Co., Ltd. and The Ashikaga Bank, Ltd. in April 2014, and since then he has accumulated abundant experience and achievements as a manager through his positions as Managing Executive Officer, Managing Director, and Senior Managing Director of The Ashikaga Bank, Ltd. and as Director of the Company from October 2016 to June 2019. He is selected as a candidate for Director in the expectation that he may contribute to the management of the Company.		

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Newly appointed Hidebumi Nishino (Jul. 8, 1960)	Apr. 1983 Joined The Joyo Bank, Ltd. Jul. 2003 Secretariat, Corporate Administration Division Jun. 2005 Deputy General Manager, Business Administration Division Jun. 2007 General Manager, Shinjuku Branch Jun. 2010 General Manager, Taira Branch Jun. 2012 General Manager, in charge of Business Promotion Division Jun. 2013 Executive Officer and General Manager, Business Promotion Division Jun. 2015 Managing Executive Officer and Vice Director-General of Business Headquarters Oct. 2016 Director, in charge of Regional Revitalization, the Company Jun. 2017 Retired from the position as Director, the Company Managing Director, The Joyo Bank, Ltd. (current position) (Significant concurrent positions) To be Managing Executive Officer, The Joyo Bank, Ltd.	40,223 shares
● Reasons for being selected as a Candidate Mr. Hidebumi Nishino took office as Managing Director of The Joyo Bank, Ltd. in June 2017 and also served as the Director of the Company from October 2016 to June 2017, accumulating abundant experience and achievements as a manager. He is selected as a candidate for Director in the expectation that he may contribute to the management of the Company.			
4	Newly appointed Yoshihiro Naito (Dec. 5, 1963)	Apr. 1986 Joined The Ashikaga Bank, Ltd. Apr. 2008 General Manager, Ota Minami Retail Office Jun. 2010 General Manager, Shiraoka Branch Apr. 2012 General Manager, Kaminokawa Branch Jun. 2013 General Manager, International and Treasury Administration Division Feb. 2015 General Manager, in charge of Business Administration Department, Ashikaga Holdings Co., Ltd. General Manager, Personnel Division and General Manager, In-house Training Office, The Ashikaga Bank, Ltd. Apr. 2015 General Manager, Personnel Division, The Ashikaga Bank, Ltd. Apr. 2016 Executive Officer and General Manager, Personnel Division, The Ashikaga Bank, Ltd. Oct. 2016 General Manager, in charge of Corporate Management Department, the Company Jun. 2017 General Manager, Corporate Management Department, the Company Executive Officer and General Manager, Risk Management Division, The Ashikaga Bank, Ltd. Jun. 2019 Managing Director, The Ashikaga Bank, Ltd. (current position) (Significant concurrent positions) To be Director, Managing Executive Officer, The Ashikaga Bank, Ltd.	11,559 shares
● Reasons for being selected as a Candidate Mr. Yoshihiro Naito took office as General Manager, in charge of Corporate Management Department of the Company in October 2016, and since then he has accumulated abundant experience and achievements as an administrator and a manager of both the Company and The Ashikaga Bank, Ltd. through his positions as General Manager of the Corporate Management Department of the Company from June 2017 and Managing Director of The Ashikaga Bank, Ltd. from June 2019. He is selected as a candidate for Director in the expectation that he may contribute to the management of the Company.			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	Reappointed Tetsuya Akino (May 23, 1963)	Apr. 1986 Joined The Joyo Bank, Ltd. Mar. 2006 Corporate Management Division Jun. 2008 Deputy General Manager, Business Administration Division Jun. 2011 Senior Deputy General Manager, Business Administration Division Jun. 2012 General Manager, Shimotsuma Branch Jun. 2013 General Manager, Corporate Risk Management Division Jun. 2015 General Manager, Personnel Division Jun. 2016 Executive Officer and General Manager, Personnel Division Oct. 2016 General Manager, Corporate Management Department, the Company Jun. 2017 General Manager, Corporate Planning Department, the Company Executive Officer and General Manager, Corporate Planning Division, The Joyo Bank, Ltd. Jun. 2018 Director, in charge of Corporate Planning, the Company (current position) Managing Director, The Joyo Bank, Ltd. (current position) (Significant concurrent positions) To be Director, Managing Executive Officer, The Joyo Bank, Ltd.	35,192 shares
● Reasons for being selected as a Candidate Mr. Tetsuya Akino took office as Director of the Company and Managing Director of The Joyo Bank, Ltd. since June 2018, and since then he has accumulated abundant experience and achievements as a manager. He is selected as a candidate for Director in the expectation that he may continue to contribute to the management of the Company.			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
6	Reappointed Outside Independent Hiromichi Ono (Aug. 11, 1956)	Apr. 1979 Joined Ajinomoto Co., Inc. Mar. 2004 General Manager, Finance Department Jun. 2007 Corporate Executive Officer Jun. 2011 Member of the Board & Corporate Vice President, in charge of finance and procurement, Ajinomoto Co., Inc. Director, Japan Investor Relations Association Apr. 2013 Member of Investment Committee, Government Pension Investment Fund Jun. 2017 Retired from Member of the Board & Corporate Vice President, Ajinomoto Co., Inc. Retired from Director, Japan Investor Relations Association Retired from member of Investment Committee, Government Pension Investment Fund Jun. 2019 Outside Director, the Company (current position) (Significant concurrent positions) To be Outside Audit & Supervisory Board Member, Tokyo Gas Co., Ltd.	- shares
● Reasons for being selected as a Candidate Mr. Hiromichi Ono has accumulated a broad range of insights and abundant experience as a manager of a major food company. He is selected as a candidate for Outside Director in the expectation that he may continue to provide appropriate guidance and advice for the overall business operation of the Company by utilizing insights and experience as a corporate manager. His term of office as Outside Director of the Company will be one year at the conclusion of the Meeting.			
7	Reappointed Outside Independent Yoshimi Shu (Mar. 7, 1969)	Aug. 2000 Joined JPMorgan Securities Japan Co., Ltd. Jun. 2006 Head of Tokyo Control Room, Compliance Department May 2012 Managing Director Oct. 2012 Head of Japan Controls & Oversight Department Jan. 2014 Resigned from JPMorgan Securities Japan Co., Ltd. Feb. 2014 Joined Core Value Management, Co., Ltd. Nov. 2016 Deputy President & Representative Director, Core Value Management, Co., Ltd. (current position) Jun. 2019 Outside Director, the Company (current position) (Significant concurrent positions) Deputy President & Representative Director, Core Value Management, Co., Ltd.	- shares
● Reasons for being selected as a Candidate Ms. Yoshimi Shu has accumulated abundant work experience as well as experience and achievements as a senior manager at a global financial institution. In addition, she has obtained insights and experience in various aspects towards the development of corporate leaders. She is selected as candidate for Outside Director in the expectation that she may continue to provide appropriate guidance and advice for the overall business operation of the Company from a professional perspective. Her term of office as Outside Director of the Company will be one year at the conclusion of the Meeting.			

- (Notes)
1. There are no specific interests between each candidate and the Company.
 2. Mr. Hiromichi Ono and Ms. Yoshimi Shu are candidates for Outside Director.
 3. If this Proposal is approved, and in case Mr. Hiromichi Ono and Ms. Yoshimi Shu take office as Outside Directors, pursuant to Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Company, the Company plans to continue with the liability limitation agreements concluded with them to limit liabilities as set forth in Article 423, Paragraph 1 of the Companies Act. The limit of liability under such agreements shall be limited to the minimum amount stipulated by the Article 425, Paragraph 1 of the Companies Act, or ten (10) million yen or more, whichever is greater, assuming that they performed their duties as Outside Director in good faith and without gross negligence.
 4. Mr. Hiromichi Ono and Ms. Yoshimi Shu satisfy the "Independence Standards for Outside Directors" of the Company and are registered as Independent Directors with the Tokyo Stock Exchange who do not have conflicts of interest with general shareholders. In case they are elected, they will continue to be Independent Directors.

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

The terms of office of all five (5) Directors who are Audit and Supervisory Committee Members will expire at the conclusion of the Meeting. Accordingly, the election of five (5) Directors who are Audit and Supervisory Committee Members is proposed.

This proposal has received the consent from the Audit and Supervisory Committee.

The details of the candidates are as follows.

No.	Name		Current positions and responsibilities at the Company	Attendance at Board of Directors' meetings (FY2019)
1	Eiji Murashima	[Newly appointed]	Director In charge of Corporate Management (Basel) In charge of Group anti-money laundering (Corporate Management Department, Basel Unit)	100% (12/12)
2	Kunihiro Ono	[Reappointed]	Director (Audit and Supervisory Committee Member) (Full-time Audit and Supervisory Committee Member)	100% (12/12)
3	Satoru Kawamata	[Newly appointed] [Outside] [Independent]	-	-
4	Toru Nagasawa	[Reappointed] [Outside] [Independent]	Director (Audit and Supervisory Committee Member) (Outside Director)	100% (12/12)
5	Takashi Shimizu	[Reappointed] [Outside] [Independent]	Director (Audit and Supervisory Committee Member) (Outside Director)	92% (11/12)

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	<u>Newly appointed</u> Eiji Murashima (Jul. 1, 1955)	Apr. 1979 Joined The Joyo Bank, Ltd. Jul. 1999 General Manager, Misato Branch Jun. 2001 General Manager, Legal Office, Corporate Audit Division Jun. 2005 General Manager, Corporate Risk Management Division Jun. 2007 General Manager, Corporate Audit Division Jun. 2008 General Manager, Retail Banking Division Jun. 2010 Executive Officer and General Manager, Business Administration Division Jun. 2011 Executive Officer and General Manager, Business Promotion Division Jun. 2012 Managing Executive Officer and Vice Director-General of Business Headquarters Jun. 2013 Managing Director, The Joyo Bank, Ltd. Oct. 2016 Director, in charge of Corporate Management (Basel), the Company (current position) Jun. 2018 Senior Managing Director, The Joyo Bank, Ltd. (current position) (Significant concurrent positions) To be Corporate Auditor, Mebuki Securities Co., Ltd.	71,078 shares
● Reasons for being selected as a Candidate Mr. Eiji Murashima took office as Managing Director of The Joyo Bank, Ltd. in June 2013, and since then has served as the Senior Managing Director of The Joyo Bank, Ltd. and the Director of the Company. He has the knowledge and experience to accurately, fairly, and effectively implement the business management of the Company. He is selected as a candidate for Director who is an Audit and Supervisory Committee member in the expectation that he may contribute to the management of the Company.			
2	<u>Reappointed</u> Kunihiro Ono (Jan. 11, 1957)	Apr. 1980 Joined The Ashikaga Bank, Ltd. Jun. 2003 General Manager, Ohira Branch Oct. 2004 General Manager, Shinjuku Branch Oct. 2007 General Manager, Operation Planning Division Jun. 2010 Executive Officer, General Manager, New Accounting System Transition Promotion Division Oct. 2011 Executive Officer Jun. 2012 Director Jun. 2013 Director, Ashikaga Holdings Co., Ltd. Jun. 2016 Retired from the position as Director, The Ashikaga Bank, Ltd. Oct. 2016 Director (Audit and Supervisory Committee Member), the Company (current position) Jun. 2017 Corporate Auditor, Mebuki Lease Co., Ltd. (current position) (Significant concurrent positions) Corporate Auditor, Mebuki Lease Co., Ltd.	14,200 shares
● Reasons for being selected as a Candidate Mr. Kunihiro Ono took office as Executive Officer of The Ashikaga Bank, Ltd. in June 2010, and served as Director of The Ashikaga Bank, Ltd., the Director of Ashikaga Holdings Co., Ltd., and the Director (Audit and Supervisory Committee Member) of the Company since October 2016. He has the knowledge and experience to accurately, fairly, and effectively implement the business management of the Company. He is selected as a candidate for Director who is an Audit and Supervisory Committee member in the expectation that he may continue to contribute to the management of the Company.			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Newly appointed Outside Independent Satoru Kawamata (Oct. 30, 1944)	Apr. 1968 Joined Hitachi, Ltd. Jun. 1995 Deputy Head, Hitachi Works Apr. 1999 Head, Power and Electricity Group, Hitachi Works Jun. 1999 Director, Head, Power and Electricity Group, Hitachi Works Jun. 2001 Representative Director and President, Hitachi Life, Ltd. Jun. 2009 Advisor, Hitachi Life, Ltd. Jun. 2011 Honorary Advisor, Hitachi Life, Ltd. Mar. 2013 Retired from position as Honorary Advisor, Hitachi Life Ltd. Jun. 2018 Outside Director, The Joyo Bank, Ltd. (Audit and Supervisory Committee Member) (current position) (Significant concurrent positions) Not applicable	- shares
● Reasons for being selected as a Candidate Mr. Satoru Kawamata has accumulated abundant insight and experience as a corporate manager and has conducted his duties appropriately as Outside Director (Audit and Supervisory Committee Member) of The Joyo Bank, Ltd. since June 2018. He is selected as a candidate for Outside Director who is Audit and Supervisory Committee Member in the expectation that he may utilize his insight and experience as a corporate manager to provide appropriate guidance and advice in relation to the overall business management of the Company.			
4	Reappointed Outside Independent Toru Nagasawa (Jan. 15, 1959)	Apr. 1984 Registered as an attorney Apr. 1995 Nagasawa Law Office (Currently, Nagasawa Law Offices) opened, Representative Attorney (current position) Sep. 2007 Outside Corporate Auditor, GREE, Inc. (current position) Oct. 2014 Outside Corporate Auditor, LANCERS, INC. (current position) Jun. 2015 Outside Director, TOHO HOLDINGS CO., LTD. (current position) Jun. 2016 Outside Director, Ashikaga Holdings Co., Ltd. Oct. 2016 Outside Director (Audit and Supervisory Committee Member), the Company (current position) (Significant concurrent positions) Representative Attorney, Nagasawa Law Offices Outside Corporate Auditor, GREE, Inc. Outside Director, TOHO HOLDINGS CO., LTD. Outside Corporate Auditor, LANCERS, INC.	- shares
● Reasons for being selected as a Candidate Mr. Toru Nagasawa does not have experience related to business management other than as Outside Officer, but has specialized knowledge and experience in corporate legal affairs as an attorney, and has conducted his duties appropriately as Outside Director of Ashikaga Holdings Co., Ltd. since June 2016, and Outside Director (Audit and Supervisory Committee Member) of the Company since October 2016. He is selected as a candidate for Outside Director who is Audit and Supervisory Committee Member in the expectation that he may continue to provide appropriate guidance and advice from a specialist's perspective in relation to the overall business management of the Company. His term of office as Outside Director of the Company will be four years and his term of office as Director (Audit and Supervisory Committee Member) will be three years and nine months at the conclusion of the Meeting.			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	Reappointed Outside Independent Takashi Shimizu (Aug. 14, 1959)	Apr. 1995 Lecturer, School of Commerce, Waseda University Apr. 1997 Associate Professor, School of Commerce, Waseda University Sep. 2000 Received Ph.D. in Commerce (Waseda University) Apr. 2002 Professor, School of Commerce, Waseda University Aug. 2002 Visiting Researcher, University of California, Berkeley (until August 2003) Apr. 2005 Professor, Graduate School of Accountancy, Waseda University (current position) Oct. 2016 Outside Director (Audit and Supervisory Committee Member), the Company (current position) (Significant concurrent positions) Professor, Graduate School of Accountancy, Waseda University	- shares
● Reasons for being selected as a Candidate Mr. Takashi Shimizu does not have experience related to business management other than as Outside Officer, but has specialized knowledge and extensive experience in accounting, and has conducted his duties appropriately as Outside Director (Audit and Supervisory Committee Member) of the Company since October 2016. He is selected as a candidate for Outside Director who is Audit and Supervisory Committee Member in the expectation that he may continue to provide appropriate guidance and advice from a specialist's perspective in relation to the overall business management of the Company. His term of office as Outside Director (Audit and Supervisory Committee Member) of the Company will be three years and nine months at the conclusion of the Meeting.			

(Notes)

1. There are no specific interests between each candidate and the Company.
2. The three persons – Messrs. Satoru Kawamata, Toru Nagasawa, and Takashi Shimizu – are candidates for Outside Director.
3. If this Proposal is approved as proposed and Mr. Satoru Kawamata takes office as an Outside Director, pursuant to Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Company, the Company plans to enter into a liability limitation agreement to limit liabilities as set forth in Article 423, Paragraph 1 of the Companies Act. Additionally, if Messrs. Toru Nagasawa and Takashi Shimizu take office as Outside Directors, the Company plans to continue with the liability limitation agreements concluded with them. The limit of liability under such agreements shall be limited to the minimum amount stipulated by the Article 425, Paragraph 1 of the Companies Act, or ten (10) million yen or more, whichever is greater, assuming that they performed their duties as Outside Director in good faith and without gross negligence.
4. Mr. Satoru Kawamata satisfies the “Independence Standards for Outside Directors” of the Company and is scheduled to be registered as an Independent Director with the Tokyo Stock Exchange who does not have conflicts of interest with general shareholders. Additionally, Messrs. Toru Nagasawa and Takashi Shimizu satisfy the “Independence Standards for Outside Directors” of the Company and are registered as Independent Directors with the Tokyo Stock Exchange who do not have conflicts of interest with general shareholders. In case they are elected, they will continue to be Independent Directors.

Proposal No. 3: Election of One (1) Substitute Director who is an Audit and Supervisory Committee Member

The election of Mr. Naoki Goto as a substitute Director who is an Audit and Supervisory Committee Member will lose effect at the beginning of the Meeting. Accordingly, in order to prepare for the case where the number of Directors who are Audit and Supervisory Committee Members falls below the number required by laws and regulations, the preliminary election of one (1) substitute for the position is proposed.

Pursuant to the Articles of Incorporation, the effective period of the resolution on the preliminary election of a substitute Director who is an Audit and Supervisory Committee Member shall be up to the beginning of the Ordinary General Meeting of Shareholders pertaining to the last fiscal year ending within two years of the Meeting.

This proposal has received the consent from the Audit and Supervisory Committee.

The details of the candidate are as follows:

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Outside Independent Kazunori Shinozaki (May 1, 1972)	Oct. 2001 Registered as an attorney Apr. 2007 Deputy Chairman, Ibaraki Bar Association (until March 2008) Apr. 2008 Deputy General Manager, Japan Legal Support Center Ibaraki District Office (until March 2014) Jun. 2016 Outside Director (Audit and Supervisory Committee Member), SUZUNUI CORPORATION Dec. 2017 Member, Mito City Board of Education (current position) Jun. 2019 Outside Corporate Auditor, SUZUNUI CORPORATION (current position)	- shares

(Notes)

- Mr. Kazunori Shinozaki is a candidate for substitute Outside Director who is an Audit and Supervisory Committee Member (the “Substitute Director”).
- Reasons for selection as a candidate for the Substitute Director are as follows.
Mr. Kazunori Shinozaki does not have experience related to business management other than as an Outside Officer but has specialized knowledge and experience as an attorney, and in the expectation that appropriate guidance and advice from his expert perspective regarding the Company's overall management will be received, the Company proposes his election as the Substitute Director.
- If this Proposal is approved, and in case Mr. Kazunori Shinozaki takes office as an Outside Director, pursuant to Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Company, the Company plans to enter into liability limitation agreements with him to limit liabilities as set forth in Article 423, Paragraph 1 of the Companies Act. The limit of liability under such agreements shall be limited to the minimum amount stipulated by the Article 425, Paragraph 1 of the Companies Act, or ten (10) million yen or more, whichever is greater, assuming that he performed his duties as Outside Director in good faith and without gross negligence.
- If this Proposal is approved, and in case Mr. Kazunori Shinozaki takes office as an Outside Director, the Company plans to register him with the Tokyo Stock Exchange as an Independent Director who does not have conflicts of interest with general shareholders.
- There are no specific interests between the candidate and the Company.

Independence Standards for Outside Directors of the Company are as follows:

-“Independence Standards for Outside Directors” of the Company

Outside Directors who are independent from the Company meet the legal requisites for Outside Directors as stipulated in Article 2, Item 15 of the Companies Act, and do not fall under any of the following items.

- (1) A major shareholder of the Company (holding directly or indirectly 10% or more of the voting rights of the Company) or Executive Director, Executive, Manager, or other employee thereof (hereinafter, the “Executive Directors, etc.”)
- (2) A person who has the Company and its consolidated subsidiaries (together, the “Group”) as a major business partner (to which (a) or (b) below applies, and includes its parent company or its significant subsidiaries) or the Executive Directors, etc., thereof
 - (a) A person who receives payment from the Group of 2% or more of its total consolidated net sales for the most recent fiscal year
 - (b) A person for which borrowings from the Group is the highest, and substituting the borrowings by another fund procurement method in the short term is deemed difficult
- (3) A major business partner of the Group (to which (a) or (b) below applies, and includes its parent company or its significant subsidiaries) or the Executive Directors, etc., thereof
 - (a) A person who pays to the Group 2% or more of consolidated gross profit of the Company for the most recent fiscal year
 - (b) A person which is important to the Group in the fund procurement aspect; that is, a major creditor, etc., on which the Group depends to the extent that it is irreplaceable
- (4) Directors or other Executive Directors, etc., of a corporation or organization which has received donations from the Group for an annual average of more than 10 million yen for the past three years
- (5) A consultant, accounting specialist, or legal professional (in the case of corporations or other organizations, a person who belongs to such groups is included) who has received from the Group compensation or other property benefit for an annual average of 10 million yen or more, excluding officer remuneration, for the past three years
- (6) A person who has fallen under any of (1) to (5) above in the past three years
- (7) An individual affiliated with a party with which the Group has a personnel relationship of mutual dispatch of outside officers
- (8) An individual whose spouse or relative within the second degree of kinship falls under (1) to (7) above
- (9) A person which might potentially pose continual and substantial conflicts of interest with overall general shareholders of the Company due to reasons not provided in (1) to (8) above

Proposal No.4: Determination of Restricted Stock Remuneration Plan for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors)

It was approved at the Ordinary General Meeting of Shareholders held on June 28, 2016, that the amount of remuneration for the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members) would be set at 200 million yen or less per year (however, excluding employee salaries for Directors concurrently serving as employees) and that stock acquisition rights granted as stock compensation-type stock options would be allocated to the Directors (excluding Directors who are Audit and Supervisory Committee Members) within the above-mentioned amount.

The Company, as part of its review of the executive remuneration plan, proposes to pay the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; the "Eligible Directors") remuneration within the above-mentioned amount for the granting of stock under a new restricted remuneration plan, in lieu of the above-mentioned stock compensation-type stock options, to provide an additional incentive to the Eligible Directors to achieve sustainable enhancement of the Company's corporate value as well as promoting further value-sharing with the Company's shareholders.

In conjunction, the previous stock compensation-type stock options will be abolished and future stock acquisition rights granted as stock compensation-type stock options will no longer be allocated to the Directors.

Based on this Proposal, remuneration to be paid to the Eligible Directors for the granting of restricted stock will be monetary compensation claims and the total amount of such claims will be set at 20 million yen or less per year (however, excluding employee salaries for Directors concurrently serving as employees), which has been deemed a reasonable amount in light of the above purpose. The specific timing and allocation of payment to each Eligible Director shall be determined by the Board of Directors.

If Proposal No. 1 "Election of Seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)" is approved as proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) eligible under this Proposal shall be five (5).

The Eligible Directors, in accordance with the resolution of the Board of Directors of the Company, shall make payments in kind as contributed assets using all of the monetary compensation claims provided to them by the Company and receive the issuance or disposal of the Company's common shares and the total number of common shares issued or disposed of by the Company shall be 200 thousand shares or less per year (provided, however, that if a share split (including a gratis allotment of common stock) or share consolidation is performed effective or any other event occurs requiring adjustment of the total number of the Company's common shares to be issued or disposed of as restricted stock on or after the date when this Proposal is approved by the General Meeting of Shareholders, the total number of shares shall be adjusted within a reasonable range).

The amount to be paid in per common share shall be determined by the Board of Directors so that the amount is not particularly favorable to the Eligible Directors receiving the common shares. It shall be based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately prior to the Board of Directors' resolution of issuance or disposal of the common share (if the transaction is not completed on this business day, it will be based on the closing price of the immediately previous trading day). In addition, upon issuance or disposal of the Company's common shares, the Company and each of the Eligible Directors receiving restricted stock remuneration based on the plan shall enter into a restricted stock allocation agreement (the "Allocation Agreement") which provides for among other things the following conditions:

(1) Transfer Restriction Period

The Eligible Directors may not transfer, use as collateral or otherwise dispose of the Company's common shares allocated in accordance with the Allocation Agreement (the "Allotted Shares") for a period of 30 years (the "Transfer Restriction Period") from the date on which allocation was received in accordance with the Allocation Agreement (this prohibition is hereinafter referred to as the "Transfer Restriction").

(2) Treatment in the event of resignation

In the event that an Eligible Director, prior to the expiry of the Transfer Restriction Period, resigns from a position stipulated by the Company's Board of Directors for any reason other than the expiry of the term of office, death or any other legitimate reason, the Company shall rightfully acquire the Allotted Shares without consideration.

(3) Removal of Transfer Restrictions

Notwithstanding the provisions of (1) above, the Company shall remove the Transfer Restrictions on all Allotted Shares, at the expiry of the Transfer Restriction Period, on the conditions that the Eligible Director

continuously remains in a position stipulated by the Company's Board of Directors during the Transfer Restriction Period. However, if the Eligible Director resigns from a position stipulated by the Company's Board of Directors prior to the expiry of the Transfer Restriction Period due to the expiry of the term of office, death or any other legitimate reason, stipulated in (2) above, the number of the Allotted Shares for which the Transfer Restrictions are to be removed and the timing of the removal of the Transfer Restrictions shall be reasonably adjusted, as necessary. Furthermore, the Company shall rightfully acquire without consideration any Allotted Shares for which the Transfer Restriction had not been removed immediately after the removal of the Transfer Restrictions in accordance with the above provisions.

(4) Handling in the case of organizational restructuring, etc.

Notwithstanding the provisions in (1) above, during the Transfer Restriction Period, in the case that a merger agreement in which the Company becomes the non-surviving company, a share exchange agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary or other matters related to its organizational restructuring is approved at the general meeting of shareholders of the Company (or at the Board of Directors, if such organizational restructuring in question does not involve the approval of the general meeting of shareholders of the Company), the Company shall remove the Transfer Restriction on all Allotted Shares, by resolution of the Board of Directors of the Company, prior to the effective date of such organizational restructuring, etc. Furthermore, the Company shall rightfully acquire without consideration any Allotted Shares for which the Transfer Restriction had not been removed immediately after the removal of the Transfer Restrictions in accordance with the above provisions.

(5) Other matters

Other matters relating to the Allocation Agreement shall be determined by the Board of Directors of the Company.

- Opinion of the Audit and Supervisory Committee on the determination of remuneration for Directors (Excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) for the granting of restricted stock

The Audit and Supervisory Committee, upon receiving a report from an Audit and Supervisory Committee Member (Outside Director) who participated in the discussions of the Corporate Governance Committee, an advisory body to the Board of Directors, deliberated this proposal and has announced that there is nothing in particular to report.

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