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Securities Code: 2531

June 4, 2019

To our shareholders:

Mutsumi Kimura
Director and President
TAKARA HOLDINGS INC.
20 Naginataboko-cho, Shijo-dori Karasuma Higashi-iru,
Shimogyo-ku, Kyoto, Japan

Notice of the 108th Annual General Meeting of Shareholders

You are cordially invited to attend the 108th Annual General Meeting of Shareholders of TAKARA HOLDINGS INC. (the “Company”), which will be held as indicated below.

If you are unable to attend the meeting in person, you may exercise your voting rights by either of the following methods. Please review the attached Reference Documents for General Meeting of Shareholders and exercise your voting rights by Wednesday, June 26, 2019, at 5:30 p.m. (JST)

Voting by Mail

Please indicate your approval or disapproval of the proposals in the enclosed voting form and return it so that your vote is received by the voting deadline indicated above.

Voting via the Internet

Please review the “Instructions on Exercise of Voting Rights via the Internet” (in Japanese only), access to the voting website designated by the Company, and enter your approval or disapproval of the proposals according to on-screen instructions by the deadline indicated above.

- 1. Date and Time:** Thursday, June 27, 2019, at 10:00 a.m. (JST)
- 2. Venue:** RIHGA Royal Hotel Kyoto, 2nd floor, “Shunju”
Shimogyo-ku Higashihorikawa-dori Shiokoji-sagaru Taimatsu-cho 1, Kyoto

3. Purpose of the Meeting

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 108th fiscal year (from April 1, 2018 to March 31, 2019), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 108th fiscal year (from April 1, 2018 to March 31, 2019)

Matter to be resolved:

- | | |
|-----------------------|---|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Election of Nine Directors |
| Proposal No. 3 | Election of Two Audit & Supervisory Board Members |
| Proposal No. 4 | Revision of Remuneration Amount for Directors |

- If you attend the meeting in person, please present the enclosed voting form at the venue’s reception. The reception desk is scheduled to open at 9:00 a.m.
- If you attend the meeting in person, voting by mail or via the Internet in advance is not necessary.
- Of the documents that should be attached to the notice, the following documents are posted on the Company’s website (<https://www.takara.co.jp>), pursuant to laws and regulations and the provisions of the Company’s Articles of Incorporation, and are not attached to the notice. Consequently, the documents attached to the notice are part of the Consolidated Financial Statements and the Non-consolidated Financial Statements that were audited by the Accounting Auditor in preparing the financial audit report and

part of the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements that were audited by the Audit & Supervisory Board Members in preparing the audit report.

- (i) “Overview of Systems to Ensure Properness of Operations and Outline of Management of such Systems” and “Basic Guidelines on Company’s Control” in the Business Report
 - (ii) “Consolidated Statement of Changes in Equity” and “Notes to the Consolidated Financial Statements” in the Consolidated Financial Statements
 - (iii) “Statement of Changes in Equity” and “Notes to the Non-consolidated Financial Statements” in the Non-consolidated Financial Statements
- If any revision is made to the Business Report, the Consolidated Financial Statements, the Non-consolidated Financial Statements and the Reference Documents for General Meeting of Shareholders, the Company will post such revision on the Company’s website (<https://www.takara.co.jp>).
 - The Company participates in “electronic voting platforms” for institutional investors operated by ICJ Inc.

Reference Documents for General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1 Appropriation of Surplus

The Company views proactive profit returns to shareholders as one of its important management issues, and returns are provided after comprehensive consideration of a range of factors that include business performance, financial position and future business development.

In accordance with this policy, for the fiscal year under review, the Company proposes to increase the amount of a year-end dividend by ¥2 from the previous fiscal year, and pay 18 yen per share as follows:

Year-end dividends

- (1) Type of dividend property
Cash
- (2) Allotment of dividend property to shareholders and their aggregate amount
¥18 per common share of the Company
Total amount of dividend: ¥3,593,340,666
- (3) Effective date of dividends of surplus
June 28, 2019

Proposal No. 2 Election of Nine Directors

The terms of office of all nine Directors, Hisashi Omiya, Toshio Kakimoto, Mutsumi Kimura, Koichi Nakao, Kenji Murata, Hideo Takahashi, Keisuke Mori, Toshihiko Yoshida, and Masako Tomotsune will expire at the conclusion of this meeting.

Therefore, the Company proposes the election of nine Directors.

The candidates for Director are as follows:

Please refer to page 15 and thereafter for the criteria for candidates for Director and the independence criteria for outside officers established by the Company.

Candidate no.	Name, date of birth, etc.	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	<p>Hisashi Omiya [Reelection] June 9, 1943</p> <p>Relationship of special interest in the Company: None</p> <p>Attendance at the Board of Directors meeting during the fiscal year under review: 14 of 14</p>	<p>Apr. 1968 Joined the Company May 1974 Director of the Company June 1982 Managing Director of the Company June 1988 Senior Managing Director of the Company June 1991 Representative Director and Vice President of the Company June 1993 Representative Director and President of the Company Apr. 2002 Representative Director and President of the Company Representative Director and President of Takara Shuzo Co., Ltd. Director and Chairman of Takara Bio Inc. June 2012 Representative Director and Chairman of the Company Representative Director and Chairman of Takara Shuzo Co., Ltd. Director and Chairman of Takara Bio Inc. July 2017 Representative Director and Chairman of the Company Representative Director and Chairman of Takara Shuzo Co., Ltd. Representative Director and Chairman of Takara Shuzo International Co., Ltd. Director and Chairman of Takara Bio Inc. (to the present)</p> <p>Significant concurrent positions outside the Company Representative Director and Chairman of Takara Shuzo Co., Ltd. Representative Director and Chairman of Takara Shuzo International Co., Ltd. Director and Chairman of Takara Bio Inc.</p>	438,350 shares
<p>Reasons for nomination as candidate for Director Hisashi Omiya has displayed leadership as Representative Director of the Company for many years, possesses abundant experience and track records in every business and area of the Group including the domestic business, overseas business and bio business, and meets the criteria for candidates for Director established by the Company. Therefore, the Company nominated him as a candidate to continue serving as a Director.</p>			

Candidate no.	Name, date of birth, etc.	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	<p data-bbox="347 611 523 701">Mutsumi Kimura [Reelection] February 3, 1963</p> <p data-bbox="284 741 587 797">Relationship of special interest in the Company: None</p> <p data-bbox="300 837 571 958">Attendance at the Board of Directors meeting during the fiscal year under review: 14 of 14</p>	<p data-bbox="611 264 1238 1173"> Apr. 1985 Joined the Company Apr. 2002 Director of Takara Bio Inc. June 2004 Managing Director of Takara Bio Inc. June 2007 Senior Managing Director of Takara Bio Inc. May 2009 Director and Vice President of Takara Bio Inc. June 2009 Representative Director and Vice President of Takara Bio Inc. June 2014 Director of the Company Senior Managing Director of Takara Shuzo Co., Ltd. June 2016 Representative Director and Vice President of the Company Senior Managing Director of Takara Shuzo Co., Ltd. June 2017 Representative Director and Vice President of the Company Director of Takara Shuzo Co., Ltd. July 2017 Representative Director and Vice President of the Company Representative Director and President of Takara Shuzo International Co., Ltd. Director of Takara Shuzo Co., Ltd. June 2018 Representative Director and President of the Company Representative Director and President of Takara Shuzo International Co., Ltd. Director of Takara Shuzo Co., Ltd. (to the present) </p> <p data-bbox="611 1182 1145 1308"> Significant concurrent positions outside the Company Representative Director and President of Takara Shuzo International Co., Ltd. Director of Takara Shuzo Co., Ltd. </p>	52,500 shares
<p data-bbox="276 1317 1441 1464"> Reasons for nomination as candidate for Director Mutsumi Kimura has displayed leadership as Representative Director of the Company, possesses abundant experience and track records in the areas of management planning, finance, accounting, etc., at the Group and experience engaging in overseas business, and meets the criteria for candidates for Director established by the Company. Therefore, the Company nominated him as a candidate to continue serving as a Director. </p>			

Candidate no.	Name, date of birth, etc.	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	<p>Koichi Nakao [Reelection] June 16, 1962</p> <p>Relationship of special interest in the Company: See below</p> <p>Attendance at the Board of Directors meeting during the fiscal year under review: 14 of 14</p>	<p>Apr. 1985 Joined the Company</p> <p>Apr. 2002 Director of Takara Bio Inc.</p> <p>June 2003 Managing Director of Takara Bio Inc.</p> <p>June 2004 Senior Managing Director of Takara Bio Inc.</p> <p>June 2007 Representative Director and Vice President of Takara Bio Inc.</p> <p>May 2009 Representative Director and President of Takara Bio Inc.</p> <p>June 2009 Director of the Company Representative Director and President of Takara Bio Inc. (to the present)</p> <p>Significant concurrent positions outside the Company Representative Director and President of Takara Bio Inc.</p>	19,500 shares
	<p>Reasons for nomination as candidate for Director Koichi Nakao possesses abundant experience and a track record at the bio business of the Group, and meets the criteria for candidates for Director established by the Company. Therefore, the Company nominated him as a candidate to continue serving as a Director.</p> <p>Relationship of special interest in the Company The Company has the following transactions with Takara Bio Inc., where Mr. Nakao serves as Representative Director.</p> <ul style="list-style-type: none"> - Licensing of the Company's trademarks - Consigned operations and maintenance, consigned development, equipment rental, and sales of equipment, software and supplies related to information systems - Office (part of building owned by Takara Bio Inc.) rental 		
4	<p>Kenji Murata [Reelection] November 27, 1959</p> <p>Relationship of special interest in the Company: None</p> <p>Attendance at the Board of Directors meeting during the fiscal year under review: 14 of 14</p>	<p>Apr. 1983 Joined the Company</p> <p>June 2010 Director and Managing Executive Officer of Takara Shuzo Co., Ltd.</p> <p>June 2014 Managing Director of Takara Shuzo Co., Ltd.</p> <p>June 2016 Director of the Company Representative Director and Vice President of Takara Shuzo Co., Ltd.</p> <p>June 2017 Director of the Company Representative Director and President of Takara Shuzo Co., Ltd. (to the present)</p> <p>Significant concurrent positions outside the Company Representative Director and President of Takara Shuzo Co., Ltd.</p>	33,700 shares
	<p>Reasons for nomination as candidate for Director Kenji Murata possesses abundant experience and a track record at the domestic business of the Group, and meets the criteria for candidates for Director established by the Company. Therefore, the Company nominated him as a candidate to continue serving as a Director.</p>		

Candidate no.	Name, date of birth, etc.	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
5	Hideo Takahashi [Reelection] December 7, 1961 Relationship of special interest in the Company: None Attendance at the Board of Directors meeting during the fiscal year under review: 9 of 9 (after appointment as Director)	Apr. 1985 Joined the Company June 2016 Executive Officer of Takara Shuzo Co., Ltd. June 2017 Executive Officer of the Company June 2018 Director of the Company Audit & Supervisory Board Member of Takara Shuzo Co., Ltd. (to the present) Current responsibility in the Company In charge of Personnel, General Affairs, Environment & Public Relations and Quality Assurance Significant concurrent positions outside the Company Audit & Supervisory Board Member of Takara Shuzo Co., Ltd.	10,101 shares
	Reasons for nomination as candidate for Director Hideo Takahashi possesses abundant experience and track records in areas of human resources, etc., of the Group, and meets the criteria for a candidate for Director established by the Company. Therefore, the Company nominated him as a candidate to continue serving as a Director.		
6	Keisuke Mori [Reelection] July 8, 1962 Relationship of special interest in the Company: None Attendance at the Board of Directors meeting during the fiscal year under review: 9 of 9 (after appointment as Director)	Apr. 1985 Joined the Company June 2017 Executive Officer of the Company July 2017 Executive Officer of the Company Audit & Supervisory Board Member of Takara Shuzo International Co., Ltd. June 2018 Director of the Company Audit & Supervisory Board Member of Takara Shuzo International Co., Ltd. (to the present) Current responsibility in the Company In charge of Business Management, Investor Relations, Accounting & Shared Services and Business Support & IT Promotion Significant concurrent positions outside the Company Audit & Supervisory Board Member of Takara Shuzo International Co., Ltd.	10,400 shares
	Reasons for nomination as candidate for Director Keisuke Mori possesses abundant experience and track records in areas of management planning, etc., of the Group, and meets the criteria for candidates for Director established by the Company. Therefore, the Company nominated him as a candidate to continue serving as a Director.		

Candidate no.	Name, date of birth, etc.	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
7	<p>Toshihiko Yoshida [Reelection] <Outside> <Independent> March 18, 1955</p> <p>Relationship of special interest in the Company: None</p> <p>Attendance at the Board of Directors meeting during the fiscal year under review: 11 of 14</p> <p>Tenure as outside Director of the Company: 3 years (at the conclusion of this meeting)</p>	<p>Apr. 1973 Joined Sendai Regional Taxation Bureau, National Tax Agency</p> <p>July 2003 Special Officer for Research on Tax, Tax Bureau, Ministry of Finance</p> <p>July 2004 District Director, Choshi Tax Office, Tokyo Regional Taxation Bureau, National Tax Agency</p> <p>July 2006 Special Officer (Liquor Tax and Industry), Second Taxation Department, Tokyo Regional Taxation Bureau, National Tax Agency</p> <p>July 2007 Director (Liquor Tax and Industry), Liquor Tax and Industry Division, Taxation Department, National Tax Agency</p> <p>July 2009 Director, Planning Division, Planning and Administration Department, Tokyo Regional Taxation Bureau, National Tax Agency</p> <p>July 2010 Director, Liquor Tax and Industry Division, Second Taxation Department, Tokyo Regional Taxation Bureau, National Tax Agency</p> <p>July 2012 Director, Consumption Tax Office, Taxation Department, National Tax Agency</p> <p>July 2014 Regional Commissioner, Takamatsu Regional Taxation Bureau, National Tax Agency</p> <p>July 2015 Retired from National Tax Agency</p> <p>Aug. 2015 Tax accountant, Toshihiko Yoshida Certified Tax Accountant Office (current position)</p> <p>June 2016 Outside Director of the Company (current position) Director (non-Executive Director) of Takara Shuzo Co., Ltd. (until June 2017) (to the present)</p> <p>Significant concurrent positions outside the Company Tax accountant, Toshihiko Yoshida Certified Tax Accountant Office</p>	0 shares
<p>Reasons for nomination as candidate for outside Director, etc.</p> <ul style="list-style-type: none"> - Toshihiko Yoshida is a candidate for outside Director. The Company judges that his abundant experience, a track record and deep insight in tax affairs could be incorporated in the further enrichment of the Company's management structure, and he meets the criteria for candidates for outside Director established by the Company. Therefore, the Company nominated him as a candidate to continue serving as an outside Director. - He has never been involved in the management of a company except as an outside officer or non-executive officer. However, the Company judges that he will appropriately fulfill his duties as an outside Director based on the above reasons. - He was a Director (non-Executive Director) of Takara Shuzo Co., Ltd., which is a subsidiary of the Company. - He fulfills the requirements of the independence criteria for outside officers established by the Company, and the Company has submitted notification to the Tokyo Stock Exchange, Inc., where the shares of the Company are listed, concerning his appointment as an independent officer as provided for by the regulations of the aforementioned exchange. <p>Limited liability agreement The Company has entered into a limited liability agreement with him to limit his liability for damages to the total amount under each item of Article 425, paragraph 1 of the Companies Act. If his election is approved in accordance with this proposal, the Company plans to continue this limited liability agreement.</p>			

Candidate no.	Name, date of birth, etc.	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
8	<p>Masako Tomotsune (Name on family registry: Masako Izaki) [Reelection] <Outside> <Independent> February 17, 1972</p> <p>Relationship of special interest in the Company: None</p> <p>Attendance at the Board of Directors meeting during the fiscal year under review: 9 of 9 (after appointment as Director)</p> <p>Tenure as outside Director of the Company: 1 year (at the conclusion of this meeting)</p>	<p>Oct. 2002 Registered as an attorney at law (Dai-Ichi Tokyo Bar Association) Joined Tanabe & Partners</p> <p>Apr. 2010 Member of SDF Ethics Review Board (current position)</p> <p>Apr. 2013 Partner of Tanabe & Partners (current position)</p> <p>June 2018 Outside Director of the Company (current position) (to the present)</p> <p>Significant concurrent positions outside the Company Partner of Tanabe & Partners Member of SDF Ethics Review Board</p>	0 shares
<p>Reasons for nomination as candidate for outside Director, etc.</p> <ul style="list-style-type: none"> - Masako Tomotsune is a candidate for outside Director. The Company judges that her abundant experience, track records and deep insight in corporate legal affairs, etc. as an attorney could be incorporated in the further enrichment of the Company's management structure, and she meets the criteria for candidates for outside Director established by the Company. Therefore, the Company nominated her as a candidate to continue serving as an outside Director. - She has never been involved in the management of a company except as an outside officer. However, the Company judges that she will appropriately fulfill her duties as an outside Director based on the above reasons. - She fulfills the requirements of the independence criteria for outside officers established by the Company, and the Company has submitted notification to the Tokyo Stock Exchange, Inc., where the shares of the Company are listed, concerning her appointment as an independent officer as provided for by the regulations of the aforementioned exchange. <p>Limited liability agreement The Company has entered into a limited liability agreement with her to limit her liability for damages to the total amount under each item of Article 425, paragraph 1 of the Companies Act. If her election is approved in accordance with this proposal, the Company plans to continue this limited liability agreement.</p>			

Candidate no.	Name, date of birth, etc.	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
9	<p>Tomoko Kawakami [New election] <Outside> <Independent> May 3, 1965</p> <p>Relationship of special interest in the Company: None</p> <p>Attendance at the Board of Directors meeting during the fiscal year under review: -</p>	<p>Apr. 2000 Assistant Professor, Faculty of Commerce, Kansai University</p> <p>Apr. 2002 Associate professor, Faculty of Commerce, Kansai University</p> <p>Apr. 2003 Visiting Scholar, Foster School of Business, University of Washington (until March 2004, and from October 2007 until March 2008)</p> <p>Apr. 2009 Professor, Faculty of Commerce, Kansai University (until March 2015)</p> <p>Aug. 2012 Visiting Scholar, INSEAD Blue Ocean Strategy Institute (France) (current position)</p> <p>Jan. 2013 Fulbright Visiting Scholar, Foster School of Business, University of Washington (until March 2013)</p> <p>Oct. 2013 Research Fellow, The Institute on Asian Consumer Insight, Nanyang Technological University (Singapore) (until July 2018)</p> <p>Apr. 2015 Professor, Waseda Business School, Graduate School of Faculty of Commerce, Waseda University (current position)</p> <p>Apr. 2016 Associate Director, Waseda Blue Ocean Strategy Institute (currently, Waseda Blue Ocean Shift Institute), Comprehensive Research Organization, Waseda University (current position)</p> <p>Apr. 2019 Director, Marketing International Institute, Comprehensive Research Organization, Waseda University (current position) (to the present)</p> <p>Significant concurrent positions outside the Company Professor, Waseda Business School, Graduate School of Faculty of Commerce, Waseda University</p>	0 shares
<p>Reasons for nomination as candidate for outside Director, etc.</p> <ul style="list-style-type: none"> - Tomoko Kawakami is a candidate for outside Director. The Company judges that her abundant experience, a track record and deep insight in the fields of business administration, marketing and etc. could be incorporated in the further enrichment of the Company's management structure, and she meets the criteria for candidates for outside Director established by the Company. Therefore, the Company nominated her as a candidate to serve as an outside Director. - She has never been involved in the management of a company. However, the Company judges that she will appropriately fulfill her duties as an outside Director based on the above reasons. - She fulfills the requirements of the independence criteria for outside officers established by the Company, and the Company will submit notification to the Tokyo Stock Exchange, Inc., where the shares of the Company are listed, concerning her appointment as an independent officer as provided for by the regulations of the aforementioned exchange. <p>Limited liability agreement If her election is approved in accordance with this proposal, the Company plans to enter into a limited liability agreement with her to limit her liability for damages to the total amount under each item of Article 425, paragraph 1 of the Companies Act.</p>			

Proposal No. 3 Election of Two Audit & Supervisory Board Members

The terms of office of the two Audit & Supervisory Board Members, Yuzo Watanabe and Kumiko Kitai will expire at the conclusion of this meeting.

Therefore, the Company proposes the election of two Audit & Supervisory Board Members.

In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidates for Audit & Supervisory Board Member are as follows:

Please refer to page 15 and thereafter for the criteria for candidates for Audit & Supervisory Board Member and the independence criteria for outside officers established by the Company.

Candidate no.	Name, date of birth, etc.	Career summary and position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	<p>Yuzo Watanabe [Reelection] March 20, 1956</p> <p>Relationship of special interest in the Company: None</p> <p>Attendance at the Board of Directors meeting during the fiscal year under review: 14 of 14</p> <p>Attendance at the Audit & Supervisory Board meeting during the fiscal year under review: 14 of 14</p>	<p>Apr. 1978 Joined the Company Apr. 2009 Executive Officer of Takara Shuzo Co., Ltd. June 2015 Standing Audit & Supervisory Board Member of the Company (current position) Audit & Supervisory Board Member of Takara Shuzo Co., Ltd. (until June 2017) (to the present)</p>	14,100 shares
<p>Reasons for nomination as candidate for Audit & Supervisory Board Member</p> <p>Yuzo Watanabe possesses abundant experience, track records and knowledge in the area of technology development and production management as well as possesses abundant experience, track records and knowledge in the area of quality assurance such as product design / labeling inspections and auditing of manufacturing processes, etc. in the domestic business (mainly alcoholic beverages business) of the Group, and meets the criteria for candidates for Audit & Supervisory Board Member established by the Company. Therefore, the Company nominated him as a candidate to continue serving as an Audit & Supervisory Board member.</p>			

Candidate no.	Name, date of birth, etc.	Career summary and position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	<p>Kumiko Kitai [Reelection] <Outside> <Independent> October 29, 1952</p> <p>Relationship of special interest in the Company: None</p> <p>Attendance at the Board of Directors meeting during the fiscal year under review: 14 of 14</p> <p>Attendance at the Audit & Supervisory Board meeting during the fiscal year under review: 14 of 14</p> <p>Tenure as Outside Audit & Supervisory Board Member of the Company: 8 years (at the conclusion of this meeting)</p>	<p>Apr. 1976 Joined Ministry of Labour</p> <p>June 1992 Director, Regional Employment Measures Division, Employment Security Bureau, Ministry of Labour</p> <p>June 1994 Director, Women's Welfare Division, Women's Bureau, Ministry of Labour</p> <p>Apr. 1996 Director, Women's Policy Planning Division, Women's Bureau, Ministry of Labour</p> <p>July 1999 Deputy Governor, Shizuoka Prefecture</p> <p>Aug. 2001 Deputy Director-General of Secretariat, Central Labour Relations Commission</p> <p>Aug. 2003 Deputy Director-General of Minister's Secretariat (in charge of Equal Employment, Children and Families), Ministry of Health, Labour and Welfare</p> <p>Aug. 2005 Director-General, Equal Employment, Children and Families Bureau, Ministry of Health, Labour and Welfare</p> <p>Sept. 2006 Director-General of Secretariat, Central Labour Relations Commission</p> <p>Aug. 2007 Retired from Ministry of Health, Labour and Welfare</p> <p>Aug. 2007 Executive Director, Japan Industrial Safety and Health Association</p> <p>May 2011 Retired from Japan Industrial Safety and Health Association</p> <p>June 2011 Outside Audit & Supervisory Board Member of the Company (current position) Outside Audit & Supervisory Board Member of Takara Shuzo Co., Ltd. (until June 2016)</p> <p>June 2014 Outside Director of Kyowa Exeo Corporation (current position)</p> <p>June 2014 Outside Director of Sumitomo Mitsui Construction Co., Ltd. (current position)</p> <p>July 2014 Attorney, Kachidoki Law Office (current position)</p> <p>June 2016 Audit & Supervisory Board Member of Takara Shuzo Co., Ltd. (until June 2017) (to the present)</p> <p>Significant concurrent positions outside the Company Outside Director of Kyowa Exeo Corporation Outside Director of Sumitomo Mitsui Construction Co., Ltd. Attorney, Kachidoki Law Office</p>	0 shares

Candidate no.	Name, date of birth, etc.	Career summary and position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
		<p>Reasons for nomination as candidate for outside Audit & Supervisory Board Member, etc.</p> <ul style="list-style-type: none"> - Kumiko Kitai is a candidate for outside Audit & Supervisory Board Member. She has held important positions at the Ministry of Health, Labour and Welfare, and the Company judges that her abundant experience, a track record and deep insight in matters, such as labor law and system, could be incorporated in the further enrichment of the Company's audit structure, and she meets the criteria for candidates for outside Audit & Supervisory Board Member established by the Company. Therefore, the Company nominated her as a candidate to continue serving as an outside Audit & Supervisory Board Member. - She has never been involved in the management of a company except as an outside director or a corporate auditor (part-time) of another companies. However, the Company judges that she will appropriately fulfill her duties as an outside Audit & Supervisory Board Member based on the above reasons. - She was an Audit & Supervisory Board Member of Takara Shuzo Co., Ltd., which is a subsidiary of the Company. - She fulfills the requirements of the independence criteria for outside officers established by the Company, and the Company has submitted notification to the Tokyo Stock Exchange, Inc., where the shares of the Company are listed, concerning her appointment as an independent officer as provided for by the regulations of the aforementioned exchange. <p>Limited liability agreement</p> <p>The Company has entered into a limited liability agreement with her to limit her liability for damages to the total amount under each item of Article 425, paragraph 1 of the Companies Act. If her election is approved in accordance with this proposal, the Company plans to continue this limited liability agreement.</p>	

Proposal No. 4 Revision of Remuneration Amount for Directors

The fixed remuneration for the Company's Directors is not more than ¥136 million annually (of which not more than ¥20 million is for outside Directors), resolved at the 106th Annual General Meeting of Shareholders held on June 29, 2017. These amounts have remained unchanged to the present. However, taking into consideration such factors as an increase in the number of outside Directors for further enhancement of the corporate governance system, the Company proposes to change the above remuneration amounts as follows:

Fixed remuneration amount for Directors

Not more than ¥136 million annually (of which not more than ¥30 million is for outside Directors)

The Company proposes that the allocation of remuneration shall be entrusted to the Board of Directors for the payment to the Directors. In addition, the remuneration amount for Directors will not include the portion paid as employee salaries to Directors serving concurrently as employees as before.

The current number of Directors is nine (including two outside Directors). If Proposal No. 2 is approved in its original form, the number of Directors will be nine (including three outside Directors).

(Note) Remuneration for the Company's Directors is comprised of the amount of fixed remuneration and performance-linked remuneration (The annual amount of performance-linked remuneration shall not exceed 1% of consolidated operating profit for the previous fiscal year. However, this only applies to Directors other than outside Directors.), and the Company does not revise the amount of performance-linked remuneration.

(Reference)

Policy and Procedure for Nomination of Candidates for Director and Audit & Supervisory Board Member

Representative Director and President and the other Representative Directors, based on the following criteria, hold discussions about the nomination of candidates for Director and then submit their proposals to the Board of Directors meeting for final decisions.

- These individuals must have outstanding character and knowledge, as well as the ability to recognize and solve management issues from a perspective of management as a whole.
- Inside Directors must have sufficient knowledge, experience and track records in their respective fields of expertise, as well as outstanding skill concerning the operation of an organization.
- Outside Directors must have considerable experience in their respective fields, as well as the capability to provide advice and suggestions from an independent standpoint for ensuring that decisions of the Board of Directors meeting are valid and appropriate.

Representative Director and President and the other Representative Directors, based on the following criteria, hold discussions about the nomination of candidates for Audit & Supervisory Board Member, obtain consent from the Audit & Supervisory Board, and then submit their proposals to the Board of Directors meeting for final decisions.

- These individuals must have outstanding character and knowledge, as well as the ability to recognize management issues and advise management from a perspective of management as a whole.
- Inside Audit & Supervisory Board Members must have sufficient knowledge, experience and track records in their respective fields of expertise.
- Outside Audit & Supervisory Board Members must have considerable experience in their respective fields, as well as the capability to provide advice and suggestions from an independent standpoint for ensuring that decisions of the Board of Directors meeting are valid and appropriate.

Independence Criteria for Outside Officers

The Company determines that outside Directors and outside Audit & Supervisory Board Members (hereinafter “outside officers”) are independent of the Company if they fulfill all of the following requirements.

1. Fulfillment of the following requirement presently and at any time in the past:
The individual was never a business executive (an Executive Director, an Executive Officer, or a manager or other employee, same hereinafter) of the Company or a subsidiary or related company of the Company (hereinafter the “Group”).
2. Fulfillment of all of the following requirements presently and at any time during the previous five years:
 - (1) Not a major shareholder (a party who owns at least 10% of the total of voting rights directly or indirectly) or a business executive thereof
 - (2) Not a company or other organization in which the Group owns at least 10% of the total of voting rights or a business executive thereof
 - (3) Not a major business partner (an entity where transactions with the Group account for at least 2% of consolidated sales in the Company’s fiscal year) with the Group or a business executive thereof
 - (4) Not an entity where the Group is a major business partner (an entity where transactions with the Group account for at least 2% of consolidated sales of that entity’s fiscal year) or a business executive thereof
 - (5) Not a major provider of loans to the Group (a lender where loans to the Group account for at least 2% of the Company’s consolidated total assets; however, even when this is not applicable, a lender is treated as a major provider of loans to the Group if it is included in the list of major lenders in the Company’s Business Report or other report) or a business executive thereof
 - (6) Not an attorney at law, certified public accountant, tax accountant, consultant or other provider of professional services (for services provided by companies and other organizations, not an individual who provides the service as a member of the company or organization) who has received from the Group annual compensation, etc., of at least ¥10 million separately from compensation received from the Group as an officer
 - (7) Not an Accounting Auditor (for a company, not an individual performing the service as a member of the company) of the Group
 - (8) Not an individual (for a company or other organization, not an individual performing business activities as a member of the company or organization) who has received an annual donation of at least ¥10 million from the Group
 - (9) Not a business executive of a company, between which and the Company outside officers are mutually appointed (a business executive of the Group is an outside officer of a company outside the Group and a business executive of that company outside the Group is an outside officer of the Company)
 - (10) Not a close relative (spouse or persons within the second degree of kinship) is a business executive (if an employee, must be a department’s general manager or higher) of the Group or violates any of the preceding criteria (1) through (9) (but for a company business executive, if an employee, must be a department’s general manager or higher; if the individual is a member of an organization other than a company, must be a person who performs significant business tasks)
3. In addition, not an individual for whom there is justification for a rational judgment that the individual is unable to perform the duties of an independent outside officer