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(Securities Code 5105)  
March 5, 2020

**To Shareholders with Voting Rights:**

Takashi Shimizu  
President & CEO, Representative Director  
Toyo Tire Corporation  
2-2-13 Fujinoki, Itami City, Hyogo

**NOTICE OF  
THE 104TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

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

You are cordially invited to attend the 104th Annual General Meeting of Shareholders of Toyo Tire Corporation (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 in writing or by electromagnetic method (the Internet). In such case, please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 6:00 p.m. on Thursday, March 26, 2020, Japan time.**

- 1. Date and Time:** Friday, March 27, 2020 at 10:00 a.m. Japan time (Seating starts at 9:00 a.m.)
- 2. Place:** Hall, 3rd floor at Headquarters of the Company located at  
2-2-13 Fujinoki, Itami City, Hyogo
- 3. Purpose of the Meeting:**  
**Matters to be reported:**
  1. The Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements for the 104th business term (from January 1, 2019 to December 31, 2019)
  2. Results of audits by the Accounting Auditors and the Audit & Supervisory Board of the Consolidated Financial Statements for the 104th business term

**Proposals to be resolved:**

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Partial Amendment to the Articles of Incorporation
- Proposal No. 3:** Election of Nine (9) Directors
- Proposal No. 4:** Election of Two (2) Audit & Supervisory Board Members
- Proposal No. 5:** Election of One (1) Substitute Audit & Supervisory Board Member
- Proposal No. 6:** Revision of the Amount of Compensation to Directors
- Proposal No. 7:** Determination of Compensation in the Form of a Grant of Restricted Stock to Directors (excluding Outside Directors)

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- “Notes to Consolidated Financial Statements” and “Notes to Non-consolidated Financial Statements” are posted on the Company’s website (<https://www.toyotires.co.jp/>) in accordance with provisions of laws and regulations as well as Article 16 of the Company’s Articles of Incorporation and therefore are not provided in this Notice’s Appendix.
  - Please acknowledge that if the Reference Documents for the General Meeting of Shareholders, the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company’s website specified above.
  - Please acknowledge that results of resolutions will be posted on the Company’s website specified above in lieu of sending a written notice of resolutions.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal No. 1: Appropriation of Surplus

It is proposed that the year-end dividend for the business term under review be 25 yen per share taking into consideration factors such as the results of operation for the business term under review and future business development.

Accordingly, the amount of annual dividend for the business term under review will be 45 yen per share in total with 20 yen of interim dividend already paid.

- (1) Type of dividend property:  
Cash
- (2) Matter related to allotment of dividend property to shareholders and its total amount:  
25 yen per share of common stock of the Company  
Total amount: 3,848,070,175 yen
- (3) Effective date for dividend of surplus:  
March 30, 2020

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

(1) Reason for amendment

To prepare for a contingency in which the number of Audit & Supervisory Board Members falls short of such number as is required by laws and regulations, it is proposed that provisions concerning Substitute Audit & Supervisory Board Members be established and the effective term of the resolution for election of Substitute Audit & Supervisory Board Members be stipulated. Additionally, in order to clarify the term of office of an Audit & Supervisory Board Member assumed by a Substitute Audit & Supervisory Board Member, it is proposed that necessary amendments be made to Article 30 (Election of Audit & Supervisory Board Members) and Article 31 (Term of Office of Audit & Supervisory Board Members) in the current Articles of Incorporation.

(2) Details of amendment

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed amendment
<p>Article 1-28 (Omitted)</p> <p>Chapter 5 Audit &amp; Supervisory Board Members and Audit &amp; Supervisory Board</p> <p>(Number of Audit &amp; Supervisory Board Members) Article 29 The Company shall have no more than four (4) Audit &amp; Supervisory Board Members.</p> <p>(Election of Audit &amp; Supervisory Board Members) Article 30 Audit &amp; Supervisory Board Members shall be elected at the General Meeting of Shareholders. Resolutions for the election of Audit &amp; Supervisory Board Members shall be adopted by a majority vote of the shareholders present at the meeting where the shareholders who hold one-third (1/3) or more of the voting rights of shareholders entitled to vote are present.</p> <p>(New)</p> <p>(New)</p>	<p>Article 1-28 (Unchanged)</p> <p>Chapter 5 Audit &amp; Supervisory Board Members and Audit &amp; Supervisory Board</p> <p>(Number of Audit &amp; Supervisory Board Members) Article 29 (Unchanged)</p> <p>(Election of Audit &amp; Supervisory Board Members) Article 30 (Unchanged)</p> <p><u>Pursuant to the provision of Article 329, Paragraph 3 of the Companies Act, the Company may elect Substitute Audit &amp; Supervisory Board Members at a General Meeting of Shareholders in order to prepare for a contingency in which the number of Audit &amp; Supervisory Board Members falls short of such number as is required by laws and regulations.</u></p> <p><u>The effective term of the resolution for election of a Substitute Audit &amp; Supervisory Board Member set forth in the preceding paragraph shall expire at the beginning of an Annual General Meeting of Shareholders pertaining to the last business year ending within four (4) years from the time of such resolution.</u></p>

Current Articles of Incorporation	Proposed amendment
<p>(Term of Office of Audit &amp; Supervisory Board Members)</p> <p>Article 31      The term of office of an Audit &amp; Supervisory Board Member shall expire upon conclusion of an Annual General Meeting of Shareholders pertaining to the last business year ending within four (4) years from the time of his/her election.</p> <p>Article 32-40 (Omitted)</p>	<p>(Term of Office of Audit &amp; Supervisory Board Members)</p> <p>Article 31      The term of office of an Audit &amp; Supervisory Board Member shall expire upon conclusion of an Annual General Meeting of Shareholders pertaining to the last business year ending within four (4) years from the time of his/her election. <u>The term of office of an Audit &amp; Supervisory Board Member elected to fill a vacancy left by an Audit &amp; Supervisory Board Member retiring prior to the expiration of his/her term of office shall be the remaining term of office of the retired Audit &amp; Supervisory Board Member.</u></p> <p>Article 32-40 (Unchanged)</p>

**Proposal No. 3: Election of Nine (9) Directors**

The terms of office of all eight (8) Directors will expire at the conclusion of this General Meeting. Accordingly, the election of nine (9) Directors including three (3) Outside Directors is proposed, which will result in an addition of one (1) more Outside Director to the Board in order to further strengthen the management structure, ensure greater transparency of the management, and further enhance corporate governance.

The candidates for Directors are as follows:

Nominee No.	Name		Positions, assignment and significant concurrent positions	Attendance rate at meetings of the Board of Directors
1	Yasuhiro Yamada	Reappointment	Director, Chairman of the Board	100% (14/14 times)
2	Takashi Shimizu	Reappointment	President & CEO, Representative Director	100% (18/18 times)
3	Masayuki Kanai	Reappointment	Director; Senior Corporate Officer; Division General Manager, Digital Innovation Division; Deputy Division General Manager, Seismic Rubber Task Force Headquarters	100% (14/14 times)
4	Tatsuo Mitsuata	Reappointment	Director; Corporate Officer; Vice President, Sales Headquarters; Division General Manager, Original Equipment Sales Division	100% (14/14 times)
5	Yoji Imura	Reappointment	Director; Corporate Officer; Vice President, Production Headquarters	100% (14/14 times)
6	Takehiko Sasamori	Reappointment	Director; Corporate Officer; Vice President, Corporate Headquarters; Division General Manager, Capital and Business Alliance Co-ordination Division	100% (14/14 times)
7	Ken Morita	Reappointment Outside Director Independent Director	Director	100% (18/18 times)
8	Atsushi Takeda	Reappointment Outside Director Independent Director	Director	100% (18/18 times)
9	Michio Yoneda	New appointment Outside Director Independent Director	Outside Director, Kawasaki Heavy Industries, Ltd.; Outside Director, Asahi Broadcasting Group Holdings Corporation; Outside Corporate Auditor, Sumitomo Chemical Company, Limited	—

(Note) Attendance rates at meetings of the Board of Directors shown for Messrs. Yasuhiro Yamada, Masayuki Kanai, Tatsuo Mitsuata, Yoji Imura, and Takehiko Sasamori indicate the rates after their assumption of office as Director on March 28, 2019.

No.	Name (Date of birth)	Career summary, positions, assignment and significant concurrent positions	Number of shares of the Company held
1	Yasuhiro Yamada (April 8, 1958)  Reappointment	<p>Apr. 1983    Joined Mitsubishi Corporation</p> <p>Jun. 2007    Director, Hokuetsu Paper Mills, Ltd. (currently, Hokuetsu Corporation)</p> <p>Apr. 2013    General Manager, Paper &amp; Packaging Dept., Mitsubishi Corporation</p> <p>Apr. 2015    Senior Vice President; Division COO, Living Essential Products Division, Mitsubishi Corporation</p> <p>Apr. 2018    Adviser (full-time), the Company</p> <p>Mar. 2019    Director, Chairman of the Board, the Company (current position)</p> <p>[Reason for nomination as candidate for Director] Having extensive experience and deep knowledge mainly on business management in and outside Japan, Mr. Yasuhiro Yamada has managed the Board meeting for open-minded and disciplined discussions as Chairman of the Board since he was appointed to the post in March 2019, while participating in discussions at the Board of Directors from diverse perspectives based on his experience, thereby enhancing the effectiveness of the Board of the Directors. In addition to these knowledge and track records, he has excellent personality and insight. As the Company believes that he can manage the Company in a way that contributes to the improvement of corporate value of the Company, the Company nominates him as a candidate for Director.</p>	600 shares
2	Takashi Shimizu (April 2, 1961)  Reappointment	<p>Apr. 1985    Joined the Company</p> <p>Apr. 2010    President, Toyo Tire Holdings of Americas Inc.</p> <p>Jan. 2013    Division General Manager, Tire Planning Division</p> <p>Mar. 2014    Corporate Officer; Division General Manager, Tire Planning Division, Tire Business Group Headquarters; General Manager, Europe Business Unit</p> <p>July 2015    Senior Corporate Officer; Division General Manager, Tire Planning Division, Tire Business Group Headquarters; General Manager, North America Business Unit</p> <p>Nov. 2015    President &amp; CEO, Representative Director (current position)</p> <p>[Reason for nomination as candidate for Director] Since Mr. Takashi Shimizu was appointed to the post of President &amp; CEO, Representative Director in November 2015, he has demonstrated strong leadership and built a solid management base. Leveraging local management experience in the North America tire business, profit source of the Company, and experience in being responsible for the planning of tire business globally, he has steadily strengthened business management and pressed ahead with growth strategies. In addition to these knowledge and track records, he also has excellent personality and insight. As the Company believes that he can manage the Company in a way that contributes to the improvement of corporate value of the Company, the Company nominates him as a candidate for Director.</p>	14,000 shares

No.	Name (Date of birth)	Career summary, positions, assignment and significant concurrent positions	Number of shares of the Company held
3	Masayuki Kanai (September 4, 1963)  Reappointment	<p>Apr. 1987    Joined the Company</p> <p>Oct. 2010    General Manager, PCR And LTR Tire Development Dept.</p> <p>Jan. 2016    Corporate Officer; Division General Manager, Tire R&amp;D Division, Tire Business Group Headquarters</p> <p>Jan. 2017    Corporate Officer; Vice President, R&amp;D Headquarters</p> <p>Mar. 2017    Senior Corporate Officer</p> <p>Mar. 2019    Director; Senior Corporate Officer</p> <p>Feb. 2020    Director; Senior Corporate Officer; Division General Manager, Digital Innovation Division (current position)</p> <p>[Reason for nomination as candidate for Director] Having held important posts such as Division General Manager of Tire R&amp;D Division, and Vice President of R&amp;D Headquarters, Mr. Masayuki Kanai has extensive experience and knowledge mainly on technology development. In addition to being familiar with the Company's business, he also has excellent personality and insight. As the Company believes that he can manage the Company in a way that contributes to the improvement of corporate value of the Company, the Company nominates him as a candidate for Director.</p>	8,100 shares
4	Tatsuo Mitsuata (December 13, 1964)  Reappointment	<p>Apr. 1988    Joined the Company</p> <p>Jan. 2012    President, Toyo Tire U.S.A. Corp.</p> <p>July 2014    General Manager, Europe Business Unit, Tire Business Group Headquarters</p> <p>Jan. 2016    Corporate Officer; Division General Manager, Tire Planning Division, Tire Business Group Headquarters</p> <p>Jan. 2017    Corporate Officer; Vice President, North American Business Development Division</p> <p>Jan. 2019    Corporate Officer; Vice President, Sales Headquarters</p> <p>Mar. 2019    Director; Corporate Officer; Vice President, Sales Headquarters (current position)</p> <p>[Reason for nomination as candidate for Director] Having held important posts such as President of overseas subsidiaries, Vice President of North American Business Development Division, and Vice President of Sales Headquarters, Mr. Tatsuo Mitsuata has extensive experience and knowledge mainly on sales. In addition to being familiar with the Company's business, he also has excellent personality and insight. As the Company believes that he can manage the Company in a way that contributes to the improvement of corporate value of the Company, the Company nominates him as a candidate for Director.</p>	9,100 shares

No.	Name (Date of birth)	Career summary, positions, assignment and significant concurrent positions	Number of shares of the Company held
5	Yoji Imura (May 26, 1964)  Reappointment	<p>Apr. 1987    Joined the Company</p> <p>Apr. 2011    General Manager, Manufacturing Dept., Kuwana Plant, Tire Business Group Headquarters</p> <p>July 2013    Deputy Plant General Manager, Toyo Tyre Malaysia Sdn. Bhd.</p> <p>Nov. 2014    Plant General Manager, Kuwana Plant, Tire Production Division, the Company</p> <p>May 2017    Corporate Officer; Vice President, Production Headquarters</p> <p>Mar. 2019    Director; Corporate Officer; Vice President, Production Headquarters (current position)</p>	3,767 shares
<p>[Reason for nomination as candidate for Director] Having engaged in the launch of a tire plant in North America and a plant in Malaysia and having held important posts such as Plant General Manager of Kuwana Plant, and Vice President of Production Headquarters, Mr. Yoji Imura has extensive experience and knowledge mainly on production technology. In addition to being familiar with the Company's business, he also has excellent personality and insight. As the Company believes that he can manage the Company in a way that contributes to the improvement of corporate value of the Company, the Company nominates him as a candidate for Director.</p>			
6	Takehiko Sasamori (August 7, 1962)  Reappointment	<p>Apr. 1985    Joined Mitsubishi Corporation</p> <p>Sep. 2007    Director, P.T. Krama Yudha Tiga Berlian Motors (Indonesia)</p> <p>June 2013    Director and Corporate Officer, NIHON SHOKUHIN KAKO CO., LTD.</p> <p>Apr. 2017    General Manager, Risk Administration Office, Mitsubishi Corporation</p> <p>Apr. 2018    Division General Manager, Corporate Planning Division, the Company</p> <p>Jan. 2019    Corporate Officer; Vice President, Corporate Headquarters</p> <p>Mar. 2019    Director; Corporate Officer; Vice President, Corporate Headquarters (current position)</p>	1,400 shares
<p>[Reason for nomination as candidate for Director] Having held important posts such as corporate officer in charge of administration and financial affairs of affiliated companies of Mitsubishi Corporation in and outside Japan, and Vice President of Corporate Headquarters of the Company, Mr. Takehiko Sasamori, who holds a certified public accountant qualification in Delaware, the United States, has extensive experience and deep knowledge mainly on business management in and outside Japan. In addition, he has excellent personality and insight. As the Company believes that he can manage the Company in a way that contributes to the improvement of corporate value of the Company, the Company nominates him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, assignment and significant concurrent positions	Number of shares of the Company held			
7	<p data-bbox="256 371 459 445"><b>Ken Morita</b> (October 24, 1948)</p> <table border="1" data-bbox="256 465 459 600"> <tr><td data-bbox="256 465 459 510">Reappointment</td></tr> <tr><td data-bbox="256 510 459 555">Outside Director</td></tr> <tr><td data-bbox="256 555 459 600">Independent Director</td></tr> </table> <p data-bbox="256 622 459 779">Term of office as Outside Director: four (4) years and four (4) months (at the conclusion of this General Meeting)</p>	Reappointment	Outside Director	Independent Director	<p data-bbox="464 300 1294 633"> Apr. 1971    Joined Matsushita Electric Industrial Co., Ltd. (currently, Panasonic Corporation)  Oct. 2000    President, Matsushita Plasma Display Co., Ltd.  Apr. 2006    Senior Vice President, AVC Networks Company (currently, Connected Solutions Company), Matsushita Electric Industrial Co., Ltd.  June 2009    Representative Director and Senior Managing Executive Officer, Panasonic Corporation  June 2012    Advisor, Panasonic Corporation  Nov. 2015    Outside Director, the Company (current position) </p> <p data-bbox="464 640 1294 846"> [Reason for nomination as candidate for Outside Director]  In addition to having extensive experience and deep knowledge as a business executive gained through his experience of having served as President of Matsushita Plasma Display Co., Ltd. and Representative Director and Senior Managing Executive Officer of Panasonic Corporation, Mr. Ken Morita has excellent personality and insight. As the Company believes that he can properly perform duties as Outside Director, the Company nominates him as a candidate for Outside Director. </p>	0 shares
Reappointment						
Outside Director						
Independent Director						
8	<p data-bbox="256 880 459 954"><b>Atsushi Takeda</b> (February 27, 1947)</p> <table border="1" data-bbox="256 974 459 1108"> <tr><td data-bbox="256 974 459 1019">Reappointment</td></tr> <tr><td data-bbox="256 1019 459 1064">Outside Director</td></tr> <tr><td data-bbox="256 1064 459 1108">Independent Director</td></tr> </table> <p data-bbox="256 1131 459 1288">Term of office as Outside Director: four (4) years (at the conclusion of this General Meeting)</p>	Reappointment	Outside Director	Independent Director	<p data-bbox="464 853 1294 1086"> May 1970    Joined Nippon Steel Corporation  June 2002    Director, Nippon Steel Corporation  Apr. 2006    President and Representative Director, Nittetsu Steel Sheet Corporation (currently, Nippon Steel Coated Sheet Corporation)  June 2014    Director and Advisor, Nippon Steel &amp; Sumikin Coated Sheet Corporation (currently, Nippon Steel Coated Sheet Corporation)  Mar. 2016    Outside Director, the Company (current position) </p> <p data-bbox="464 1093 1294 1294"> [Reason for nomination as candidate for Outside Director]  In addition to having extensive experience and deep knowledge as a business executive gained through his experience of having served as Director of Nippon Steel Corporation and President and Representative Director of Nippon Steel &amp; Sumikin Coated Sheet Corporation (currently, Nippon Steel Coated Sheet Corporation), Mr. Atsushi Takeda has excellent personality and insight. As the Company believes that he can properly perform duties as Outside Director, the Company nominates him as a candidate for Outside Director. </p>	0 shares
Reappointment						
Outside Director						
Independent Director						

No.	Name (Date of birth)	Career summary, positions, assignment and significant concurrent positions	Number of shares of the Company held			
9	<p>Michio Yoneda (June 14, 1949)</p> <table border="1"> <tr> <td>New appointment</td> </tr> <tr> <td>Outside Director</td> </tr> <tr> <td>Independent Director</td> </tr> </table>	New appointment	Outside Director	Independent Director	<p>Apr. 1973    Joined Bank of Japan Dec. 2003    President &amp; CEO, Osaka Securities Exchange Co., Ltd. (currently, Osaka Exchange, Inc.) Jan. 2013    Director &amp; Representative Executive Officer, Group COO, Japan Exchange Group, Inc. June 2016    Outside Director, Kawasaki Heavy Industries, Ltd. (current position) Dec. 2016    Special Advisor (part-time), the Company June 2018    Outside Director, Asahi Broadcasting Group Holdings Corporation (current position) June 2018    Outside Corporate Auditor, Sumitomo Chemical Company, Limited (current position)</p> <p>[Significant concurrent positions] Outside Director, Kawasaki Heavy Industries, Ltd. Outside Director, Asahi Broadcasting Group Holdings Corporation Outside Corporate Auditor, Sumitomo Chemical Company, Limited</p> <p>[Reason for nomination as candidate for Outside Director] In addition to having extensive experience and deep knowledge as a business executive gained through his experience of having served as President &amp; CEO of Osaka Securities Exchange Co., Ltd. (currently, Osaka Exchange, Inc.) and Director &amp; Representative Executive Officer, Group COO of Japan Exchange Group, Inc., Mr. Michio Yoneda has excellent personality and insight. As the Company believes that he can properly perform duties as Outside Director, the Company nominates him as a candidate for Outside Director.</p>	0 shares
New appointment						
Outside Director						
Independent Director						

- (Notes)
1. There is no special interest between each candidate for Director and the Company.
  2. The Company has registered Messrs. Ken Morita and Atsushi Takeda as Independent Director in accordance with the provisions of the Tokyo Stock Exchange. If Mr. Michio Yoneda is elected, the Company will register him with the Tokyo Stock Exchange as Independent Director in accordance with the provisions of the exchange.
  3. Although Mr. Michio Yoneda served as part-time Special Advisor of the Company from December 2016 to March 2019, his role during his tenure was limited to the provision of advice and suggestions mainly on the compliance and governance areas based on his extensive experience and deep knowledge gained at Osaka Securities Exchange Co., Ltd. and Japan Exchange Group, Inc., and he was not involved in business execution.
  4. The Company has entered into agreements with Messrs. Ken Morita and Atsushi Takeda in accordance with the Company's Articles of Incorporation to limit their liability for damages pursuant to Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreements is the minimum liability amount stipulated by laws and regulations. If Mr. Michio Yoneda is elected, the Company will enter into a similar agreement with him.

**Proposal No. 4:** Election of Two (2) Audit & Supervisory Board Members

The term of office of Audit & Supervisory Board Members Messrs. Akio Hirano, Sachio Yamamoto and Terumichi Saeki will expire at the conclusion of this General Meeting. Accordingly, the new election of two (2) Audit & Supervisory Board Members is proposed.

The Audit & Supervisory Board has given its consent to this Proposal.

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

No.	Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
1	Satoshi Taketsugu (January 16, 1963)  New appointment	<p>Apr. 1987    Joined the Company</p> <p>Apr. 2008    General Manager, Accounting Dept., Administrative Division</p> <p>July 2011    General Manager, Finance Dept., Administrative Division</p> <p>June 2016    General Manager, O.E. Sales Planning and Administrative Dept.</p> <p>Jan. 2017    General Manager, Sales Administration Dept.</p> <p>June 2019    Accounting Dept., Corporate Administration Division (current position)</p> <p>[Reason for nomination as candidate for Audit &amp; Supervisory Board Member] In addition to having extensive experience and knowledge through his experience of having engaged in finance and accounting, and sales administration at the Company, Mr. Satoshi Taketsugu has excellent personality and insight. As the Company believes that he can properly perform duties as Audit &amp; Supervisory Board Member, the Company nominates him as a candidate for Audit &amp; Supervisory Board Member.</p>	1,000 shares
2	Katsusuke Amano (February 27, 1952)  New appointment Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member	<p>Apr. 1978    Admitted to the bar.                   Joined Tamura Tokuo Law Office</p> <p>Apr. 1983    Joined Kitahama Law Office (currently, Kitahama Partners)</p> <p>Jan. 1985    Partner, Kitahama Law Office (currently, Kitahama Partners)</p> <p>Feb. 2003    External Auditor, Aoyama Capital Co., Ltd.                   (current position)</p> <p>June 2010    Outside Director, GUNZE LIMITED</p> <p>June 2012    External Auditor, ROHTO Pharmaceutical Co., Ltd.                   (current position)</p> <p>Jan. 2020    Attorney at Law, Kitahama Partners                   (current position)</p> <p>[Significant concurrent positions] Attorney at Law, Kitahama Partners External Auditor, Aoyama Capital Co., Ltd. External Auditor, ROHTO Pharmaceutical Co., Ltd.</p> <p>[Reason for nomination as candidate for Outside Audit &amp; Supervisory Board Member] Although Mr. Katsusuke Amano has not been directly involved in the management of a company, he has extensive experience and deep knowledge as an attorney-at-law, and has excellent personality and insight. As the Company believes that he can properly perform duties as Outside Audit &amp; Supervisory Board Member, the Company nominates him as a candidate for Outside Audit &amp; Supervisory Board Member.</p>	0 shares

- (Notes)
1. There is no special interest between each candidate for Audit & Supervisory Board Member and the Company.
  2. If Mr. Katsusuke Amano is elected, the Company will register him with the Tokyo Stock Exchange as Independent Audit & Supervisory Board Member in accordance with the provisions of the exchange.
  3. There is no retainer agreement concluded between Kitahama Partners, to which Mr. Katsusuke Amano belongs, and the Company.
  4. If Mr. Katsusuke Amano is elected, the Company will enter into an agreement with him in accordance with the Company's Articles of Incorporation to limit his liability for damages pursuant to Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreement will be the minimum liability amount stipulated by laws and regulations.

**Proposal No. 5:** Election of One (1) Substitute Audit & Supervisory Board Member

To prepare for a contingency in which the number of Audit & Supervisory Board Members falls short of such number as is required by laws and regulations, the election of one (1) Substitute Audit & Supervisory Board Member is proposed. If the Proposal No. 2 “Partial Amendment to the Articles of Incorporation” is approved as proposed, the effective term of the resolution for election of a Substitute Audit & Supervisory Board Member shall expire at the beginning of an annual general meeting of shareholders relating to the last business year ending within four (4) years from the time of such resolution.

The Audit & Supervisory Board has given its consent to this Proposal

The candidate for Substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held			
<p>Tomoyuki Matsuba (March 10, 1951)</p> <table border="1" data-bbox="209 801 392 1061"> <tr> <td data-bbox="209 801 392 869">New appointment</td> </tr> <tr> <td data-bbox="209 869 392 965">Outside Audit &amp; Supervisory Board Member</td> </tr> <tr> <td data-bbox="209 965 392 1061">Independent Audit &amp; Supervisory Board Member</td> </tr> </table>	New appointment	Outside Audit & Supervisory Board Member	Independent Audit & Supervisory Board Member	<p>Apr. 1978 Admitted to the bar (Osaka Bar Association) Apr. 1981 Founded Matsuba Law Office (currently, Matsuba, Itano and Nakamura) June 2009 Outside Director, DAISUI Co., Ltd. (current position) June 2011 Chairman, Specified Non-profit Corporation Consumer Net Kansai (current position) Apr. 2015 President, Osaka Bar Association Apr. 2015 Vice President, Japan Federation of Bar Associations</p> <p>[Significant concurrent positions] Attorney at Law, Matsuba, Itano and Nakamura Outside Director, DAISUI Co., Ltd. Chairman, Specified Non-profit Corporation Consumer Net Kansai</p> <p>[Reason for nomination as candidate for Substitute Outside Audit &amp; Supervisory Board Member] Although Mr. Tomoyuki Matsuba has not been directly involved in the management of a company, he has extensive experience and deep knowledge as an attorney-at-law and has excellent personality and insight. As the Company believes that he can properly perform duties as Outside Audit &amp; Supervisory Board Member, the Company nominates him as a candidate for Substitute Outside Audit &amp; Supervisory Board Member.</p>	<p>0 shares</p>
New appointment					
Outside Audit & Supervisory Board Member					
Independent Audit & Supervisory Board Member					

- (Notes)
1. Mr. Tomoyuki Matsuba is a candidate for Substitute Outside Audit & Supervisory Board Member.
  2. There is no special interest between the candidate and the Company.
  3. If Mr. Tomoyuki Matsuba is elected and assumes office of Outside Audit & Supervisory Board Member, the Company will register him with the Tokyo Stock Exchange as Independent Audit & Supervisory Board Member in accordance with the provisions of the exchange.
  4. If Mr. Tomoyuki Matsuba is elected and assumes office of Outside Audit & Supervisory Board Member, the Company will enter into an agreement with him in accordance with the Company’s Articles of Incorporation to limit his liability for damages pursuant to Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreement will be the minimum liability amount stipulated by laws and regulations.
  5. The election of Mr. Tomoyuki Matsuba as Substitute Audit & Supervisory Board Member may be cancelled based on a resolution of the Board of Directors, provided that such cancellation is done prior to the assumption of office and with the consent of the Audit & Supervisory Board.

**Proposal No. 6:** Revision of the Amount of Compensation to Directors

It was approved at the 90th Annual General Meeting of Shareholders held on June 29, 2006 that the amount of compensation to Directors of the Company shall be within 300 million yen per year (excluding the amount of employee salary paid to Directors who serve concurrently as employees). Due to changes in economic conditions and operating environment thereafter, however, responsibilities of Directors are expected to further increase. Moreover, taking into account factors such as the currently planned increase in the number of Outside Directors with the aim of further strengthening corporate governance as stated in the reasons for proposition of Proposal 3, it is proposed that the amount of compensation to Directors be revised to be within 450 million yen per year (of which, within 50 million yen per year for Outside Directors).

Additionally, the above-mentioned amount of compensation will not include employee salary to Directors who serve concurrently as employees.

The current number of Directors is eight (8) (including two (2) Outside Directors), but if Proposal 3 “Election of Nine (9) Directors” is approved and resolved as originally proposed, the number of Directors will become nine (9) (including three (3) Outside Directors).

**Proposal No. 7:** Determination of Compensation in the Form of a Grant of Restricted Stock to Directors (excluding Outside Directors)

The amount of compensation for Directors of the Company shall be within 450 million yen per year (of which, within 50 million yen per year is for Outside Directors; excluding the amount of employee salary paid to those who serve concurrently as employees), if Proposal 6 “Revision of the Amount of Compensation to Directors” is approved and resolved as originally proposed.

As part of the ongoing revision of the compensation system for officers, the Company proposes to provide new compensation in the form of a grant of restricted stock to Directors of the Company (excluding Outside Directors, hereinafter referred to as “Eligible Directors”) within the above-mentioned amount of compensation in order to provide them an incentive to sustainably increase the Company’s corporate value and to further promote shared value between shareholders and them.

The compensation to Eligible Directors in the form of a grant of restricted stock in accordance with this Proposal shall be provided as monetary claims (hereinafter referred to as “Monetary Compensation Receivables”). The total amount thereof shall be within 50 million yen per year, an amount deemed reasonable in consideration of the aforementioned aims. The specific time to grant the Monetary Compensation Receivables and allocation thereof to each Eligible Director shall be determined by the Board of Directors. However, no compensation in the form of a grant of restricted stock shall be provided to Outside Directors.

The above-mentioned amount of compensation shall not include employee salary to Directors who serve concurrently as employees.

The current number of Directors is eight (8) (including two (2) Outside Directors), but if Proposal 3 “Election of Nine (9) Directors” is approved and resolved as originally proposed, the number of Directors will become nine (9) (including three (3) Outside Directors).

Eligible Directors shall, based on a resolution of the Company’s Board of Directors, contribute all the Monetary Compensation Receivables to be provided according to this Proposal as property contributed in kind, and common shares of the Company shall either be issued to or disposed of for them with the upper limit of the total number of such shares set at 50,000 shares per year. (However, the total number may be adjusted within a reasonable range in the case that a share split (including an allotment of the Company’s common shares without contribution) or a share consolidation of the Company’s common shares is conducted, or there is any other reason that requires an adjustment to the total number of common shares to be issued or disposed of by the Company as restricted stock, on or after the day on which this Proposal is approved and resolved.)

The amount to be contributed per share shall be determined by the Board of Directors based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately prior to the date on which a resolution is made at Board of Directors meetings (or the closing price on the transaction day immediately prior thereto if no transaction is made on such business day) within the amount that would not be particularly favorable to the Eligible Directors receiving such common shares. For the purpose of such issuance or disposal of common shares of the Company, a contract on the allotment of restricted stock (hereinafter referred to as “Allotment Contract”) that includes the following provisions shall be concluded between the Company and Eligible Directors:

(1) Transfer restriction period

Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of the Company’s common shares that are allotted according to Allotment Contract (hereinafter referred to as “Allotted Shares”) during a period from the day when Eligible Directors are allotted such shares according to the Allotment Contract until the time immediately after their retirement from the positions predetermined by the Board of Directors of the Company (such restriction shall be hereinafter referred to as “Transfer Restriction,” and the period during which the transfer is restricted shall be hereinafter referred to as “Transfer Restriction Period”).

(2) Lifting of transfer restriction

Notwithstanding the provision of (1) above, the Company shall lift the Transfer Restriction on all of the Allotted Shares at the expiration of Transfer Restriction Period on the condition that Eligible Directors have continuously served in the positions stipulated in (1) above for a period predetermined by the Board of Directors of the Company (hereinafter referred to as “Service Provision Period”). However, if such Eligible Directors resign from the positions stipulated in (1) above prior to the expiry of Service Provision Period for the reason of the expiration of term of office, death or any other justifiable reason, the number of Allotted Shares for which Transfer Restriction is to be lifted and the time of the lifting of Transfer Restriction shall be reasonably adjusted as necessary. At the time immediately after the lifting of Transfer Restriction pursuant to

the stipulation above, the Company shall automatically acquire Allotted Shares for which Transfer Restriction has not been lifted without consideration.

(3) Treatment on retirement due to reasons other than justifiable reasons

Notwithstanding the provisions of (2) above, in the event that Eligible Directors retire from the positions stipulated in (1) above due to reasons other than justifiable reasons during Transfer Restriction Period, the Company shall automatically acquire all of the Allotted Shares without consideration.

(4) Treatment on organizational restructuring, etc.

Notwithstanding the provision of (1) above, in the case where an agreement of merger through which the Company becomes the non-surviving company, agreement of share exchange or plan for share transfer through which the Company becomes a wholly-owned subsidiary, or any matter concerning other organizational restructuring, etc. is approved by the General Meeting of Shareholders of the Company (or at the Company's Board of Directors in the case where approval of the General Meeting of Shareholders is not required for the said organizational restructuring, etc.) during Transfer Restriction Period, Transfer Restriction shall be lifted by a resolution of the Company's Board of Directors prior to the effective date of the said organizational restructuring, etc., with regard to the number of the Allotted Shares reasonably determined in light of the period from the start date of Transfer Restriction Period to the approval date of the said organizational restructuring, etc. In the case described above, at the time immediately after the lifting of Transfer Restriction, the Company shall automatically acquire Allotted Shares for which Transfer Restriction has not been lifted without consideration.

(5) Other matters

Any other matters concerning Allotment Contract shall be determined by the Company's Board of Directors.