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(Securities Code 5541)  
June 3, 2019

**To Shareholders with Voting Rights:**

Akira Sasaki  
President Director & Representative  
Director  
PACIFIC METALS CO., LTD.  
6-1, Otemachi 1-Chome, Chiyoda-ku,  
Tokyo, Japan

**NOTICE OF CONVOCAION OF  
THE 93RD ANNUAL GENERAL SHAREHOLDERS MEETING**

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

You are cordially invited to attend the 93rd Annual General Shareholders Meeting of PACIFIC METALS CO., LTD. (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you may exercise your voting rights in writing or via electromagnetic means (the Internet, etc.). Please review the attached Reference Documents for the General Shareholders Meeting and, following the instructions stated in the Guide to Exercising Voting Rights on page 2, exercise your voting rights by 5:30 p.m. Japan time on Tuesday, June 25, 2019.

- 1. Date and Time:** Wednesday, June 26, 2019 at 10:00 a.m. Japan time
- 2. Place:** Iidabashi Rainbow Building (7F) located at  
11 Ichigayafunagawaramachi, Shinjuku-ku, Tokyo  
(For the location of the venue, please refer to the map of the venue of the General Shareholders Meeting at the end of this document.)
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 93rd Fiscal Year (April 1, 2018 - March 31, 2019) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Auditors
  2. Non-consolidated Financial Statements for the Company's 93rd Fiscal Year (April 1, 2018 - March 31, 2019)
- Proposals to be resolved:**
- Proposal 1:** Election of nine (9) Directors
- Proposal 2:** Election of three (3) Auditors

\* The reception desk at the venue is scheduled to open at 9:00 a.m.

\* Notes to Consolidated Financial Statements and Notes to Non-consolidated Financial Statements are posted on the Company's website in accordance with provisions of laws and regulations as well as Article 17 of the Company's Articles of Incorporation and therefore are not provided in the Appendix to this Notice. If there are any revisions in the Reference Documents for the General Shareholders Meeting, Business Report, Non-consolidated Financial Statements and Consolidated Financial Statements, the revised versions will be posted on the Company's website (Japanese only).

The Company's website: <https://www.pacific-metals.co.jp>

## Guide to Exercising Voting Rights

### **If attending the General Shareholders Meeting**

When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.  
Please also bring this Notice with you.

**Date & time of General Shareholders Meeting**

Wednesday, June 26, 2019 at 10:00 a.m. Japan time

### **Exercise your voting rights by postal mail (in writing)**

Please indicate your vote for or against each proposal on the enclosed Voting Rights Exercise Form and send it back so that it is received by the voting deadline below.

**Deadline for exercising voting rights**

Tuesday, June 25, 2019 at 5:30 p.m. Japan time

### **Exercise your voting rights via the Internet**

Please access the voting website (<https://www.web54.net>) (Japanese only), use the “Voting Right Exercise Code” and “Password” indicated on the enclosed Voting Rights Exercise Form and enter your vote for or against each proposal by following the instructions displayed on the screen.

For details when exercising your voting rights via the Internet, please read the “Guide to Exercising Voting Rights via the Internet” on page 3.

**Deadline for exercising voting rights**

Tuesday, June 25, 2019 at 5:30 p.m. Japan time

## Guide to Exercising Voting Rights via the Internet

If you wish to exercise your voting rights via the Internet, please confirm the following matters before voting.

1. You may exercise your voting rights via the Internet only by accessing the voting website designated by the Company (<https://www.web54.net>) (Japanese only). Please note that you cannot vote on the voting website by accessing the Internet from a mobile phone.
2. Please exercise your voting rights via the Internet by 5:30 p.m. Japan time on Tuesday, June 25, 2019 to allow for vote counting.
3. If you exercise your voting rights both in writing and via the Internet, whichever vote that is received later will be treated as valid. If your vote in writing and your vote via the Internet are received on the same day, only the latter will be treated as valid.
4. If you exercise your voting rights more than once via the Internet, only your last vote will be treated as valid.
5. If you fail to indicate your vote for or against a proposal (or your abstention from voting on a proposal), you will be deemed to have voted in favor of that proposal.
6. The password is important information for confirming that the person who is exercising the voting rights is the actual shareholder. Please treat it with utmost care, in the same manner as your seal and personal identification number. Please bear in mind that we cannot respond to any inquiries about your Voting Right Exercise Code or password.
7. If you enter the wrong password more than a certain number of times, it will become unusable. If you wish to have a new password issued, please follow the on-screen instructions on how to apply for a new password.
8. The Voting Right Exercise Code included in the Voting Rights Exercise Form is valid exclusively at the upcoming General Shareholders Meeting.
9. Shareholders will be required to bear any connection fees payable to internet service providers and communication fees (telephone charges, etc.) payable to communication carriers that may be incurred upon using the voting website.
10. Inquiries regarding the use of devices such as personal computer
  - (1) If you are unsure of how to use your device such as personal computer with regard to exercising your voting rights via the Internet, please contact:

**Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Web Support**

**TEL: 0120-652-031 (Business hours: 9:00 – 21:00)**

- (2) If you have any other inquiries, please contact the following.
  - (a) Shareholders who have an account with a securities company: Please contact your securities company.
  - (b) Shareholders who do not have an account with a securities company (i.e., Shareholders who have a special account): Please contact the following.

**Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Center**

**TEL: 0120-782-031 (Business hours: 9:00 – 17:00, excluding Saturdays, Sundays and national holidays)**

For institutional investors: The Company is a participant of the Electronic Voting System Platform operated by ICJ, Inc.

# Reference Documents for the General Shareholders Meeting

## Proposals and References

### Proposal 1: Election of nine (9) Directors

The terms of office of all nine (9) Directors will expire at the conclusion of this year's Annual General Shareholders Meeting. Accordingly, the election of nine (9) Directors is proposed. The candidates are as follows.

Details about each candidate such as career summary, reason for nomination and other information are stated in pages 6 to 12.

No.	Name	Term of office	Position	Responsibilities	Attendance at Board of Directors meeting
1	Akira Sasaki <span style="border: 1px solid black; padding: 2px;">Reappointment</span>	12 years	President Director	Representative Director	22 out of 22 meetings (100.0%)
2	Tamaki Fujiyama <span style="border: 1px solid black; padding: 2px;">Reappointment</span>	9 years	Director & Senior Managing Executive Officer	Assistant to the President, In charge of Internal Controls and General Affairs, and General Manager, Personnel & Labor Relation Dept.	22 out of 22 meetings (100.0%)
3	Keiichi Koide <span style="border: 1px solid black; padding: 2px;">Reappointment</span>	9 years	Director & Managing Executive Officer	In charge of IR, Corporate Planning, and Ore Purchasing & Mining Engineering	22 out of 22 meetings (100.0%)
4	Masayuki Aoyama <span style="border: 1px solid black; padding: 2px;">Reappointment</span>	5 years	Director & Managing Executive Officer	General Manager, Production Dept., Production Div.	21 out of 22 meetings (95.5%)
5	Yoshiharu Inomata <span style="border: 1px solid black; padding: 2px;">Reappointment</span>	2 years	Director & Senior Executive Officer	In charge of Safety & Health Management, Quality Control & Environmental Management, and General Manager, Technical Research & Development Dept.	22 out of 22 meetings (100.0%)
6	Kenichi Hara <span style="border: 1px solid black; padding: 2px;">Reappointment</span>	1 year	Director & Senior Executive Officer	In charge of Sales, General Manager, Ferro Nickel Sales Dept.	16 out of 16 meetings (100.0%)
7	Terunobu Matsuyama <span style="border: 1px solid black; padding: 2px;">Reappointment</span>	1 year	Director & Senior Executive Officer	General Manager, Finance & Accounting Dept.	16 out of 16 meetings (100.0%)
8	Shinya Matsumoto <span style="border: 1px solid black; padding: 2px;">Reappointment</span> <span style="border: 1px solid black; padding: 2px;">Outside</span> <span style="border: 1px solid black; padding: 2px;">Independent</span>	6 years	Outside Director	—	20 out of 22 meetings (90.9%)
9	Hikari Imai <span style="border: 1px solid black; padding: 2px;">Reappointment</span> <span style="border: 1px solid black; padding: 2px;">Outside</span> <span style="border: 1px solid black; padding: 2px;">Independent</span>	3 years	Outside Director	—	22 out of 22 meetings (100.0%)

- Notes:
1. Term of office, position and responsibilities are as at the time of this Annual General Shareholders Meeting.
  2. Candidates for Director Kenichi Hara and Terunobu Matsuyama's attendance at the Board of Directors meetings is based on the Board of Directors meetings held after their appointment to Director on June 27, 2018.

Reappointment: Candidate for Director to be reappointed

New candidate: Candidate for Director to be newly appointed

Outside: Candidate for Outside Director

Independent: Independent Director

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Akira Sasaki (October 8, 1949)	<p>April 1972      Joined the Company</p> <p>December 1997      Deputy General Manager, Production Dept. No.1, Hachinohe Plant</p> <p>July 1999      Deputy General Manager, Production Dept., Production Div.</p> <p>April 2001      General Manager, Utility &amp; Maintenance Dept., Production Div.</p> <p>June 2006      Director and General Manager, Utility &amp; Maintenance Dept., Production Div.</p> <p>April 2008      General Manager, Environmental Business Dept., Production Div.</p> <p>April 2009      Director and Assistant General Manager, Production Div.</p> <p>April 2009      General Manager, Environmental Management Dept.</p> <p>June 2009      Senior Executive Officer and Assistant General Manager, Production Div.</p> <p>June 2010      Director</p> <p>June 2010      Senior Executive Officer</p> <p>June 2010      General Manager, Production Div. and General Manager, Production Dept.</p> <p>June 2011      Managing Executive Officer</p> <p>December 2012      General Manager, Production Dept., Production Div.</p> <p>June 2014      President Director &amp; Representative Director (to present)</p>	6,005
	Reason for nomination as candidate for Director	The Company nominated Akira Sasaki as a candidate for Director because he has extensive experience and broad insight as a corporate manager, has demonstrated leadership as the Company's top management executive, is well versed in not only the production division but also the facility construction division, overseas affiliates and other divisions, and we determined that he has the experience and abilities suited to Representative Director of the Company.	

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	Tamaki Fujiyama (February 25, 1950)	<p>April 1973      Joined the Company</p> <p>December 1997      Deputy General Manager, Quality Control Dept., Hachinohe Plant</p> <p>April 2001      General Manager, Quality Control Dept., Production Div.</p> <p>June 2006      General Manager, Internal Audit Dept.</p> <p>June 2009      Senior Executive Officer</p> <p>June 2010      Director (to present)</p> <p>June 2012      Managing Executive Officer</p> <p>June 2013      In charge of Safety &amp; Health Management, Environmental Management, Quality Control and Technical Research &amp; Development</p> <p>June 2014      Senior Managing Executive Officer (to present)</p> <p>June 2014      Assistant to President (to present)</p> <p>June 2017      In charge of Internal Controls and General Affairs (to present)</p> <p>April 2018      General Manager, Personnel &amp; Labor Relation Dept. (to present)</p>	4,100
	Reason for nomination as candidate for Director	<p>The Company nominated Tamaki Fujiyama as a candidate for Director because he has extensive experience and broad insight in various fields of the Company such as quality control, internal audit divisions, general affairs and personnel &amp; labor relation, has demonstrated leadership as the Company's management executive, and we determined that he has the experience and abilities suited to a Director who can take charge of the management of the Company.</p>	

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Keiichi Koide (October 22, 1950)	<p>April 1974      Joined the Company</p> <p>July 1999      Deputy General Manager, Ore Purchasing &amp; Mining Engineering Dept.</p> <p>December 2003      Associate General Manager, Ore Purchasing &amp; Mining Engineering Dept.</p> <p>December 2008      General Manager, Ore Purchasing &amp; Mining Engineering Dept.</p> <p>June 2009      Executive Officer</p> <p>June 2010      Director, Rio Tuba Nickel Mining Corporation</p> <p>June 2010      Director, Taganito Mining Corporation</p> <p>June 2010      Director, the Company (to present)</p> <p>June 2010      Senior Executive Officer</p> <p>June 2010      General Manager, Ore Purchasing &amp; Mining Engineering Dept.</p> <p>June 2014      Managing Executive Officer (to present)</p> <p>June 2014      In charge of Ore Purchasing &amp; Mining Engineering (to present)</p> <p>February 2016      General Manager, Corporate Planning Dept.</p> <p>June 2017      In charge of Corporate Planning (to present)</p> <p>June 2018      In charge of IR (to present)</p>	3,800
	Reason for nomination as candidate for Director	The Company nominated Keiichi Koide as a candidate for Director because he is engaged in the exploration and purchasing of nickel ore (i.e., the main raw material), is involved in the management of overseas affiliates (suppliers), has demonstrated leadership in corporate planning, and we determined that he has the experience and abilities suited to a Director who can take charge of the management of the Company by leveraging such experience and track record.	



No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	Masayuki Aoyama (December 7, 1954)	<p>April 1975      Joined the Company</p> <p>December 2004      Deputy General Manager, Utility &amp; Maintenance Dept., Production Div. and Manager, Electric Power Sec.</p> <p>December 2008      Associate General Manager, Utility &amp; Maintenance Dept., Production Div.</p> <p>April 2009      General Manager, Utility &amp; Maintenance Dept., Production Div.</p> <p>May 2010      Director, Pacific Energy Center Co., Ltd. (to present)</p> <p>June 2011      Executive Officer, the Company</p> <p>June 2014      Director, Rio Tuba Nickel Mining Corporation (to present)</p> <p>June 2014      Director, Taganito Mining Corporation (to present)</p> <p>June 2014      Director, the Company (to present)</p> <p>June 2014      Senior Executive Officer (to present)</p> <p>June 2014      General Manager, Production Dept., Production Div. (to present)</p> <p>May 2017      President &amp; Representative Director, Pacific Gas Center Co., Ltd. (to present)</p> <p>June 2018      Managing Executive Officer, the Company (to present)</p>	2,000
	Reason for nomination as candidate for Director	The Company nominated Masayuki Aoyama as a candidate for Director because he has experience in engaging in the creation of new ferronickel manufacturing technologies/facilities and maintenance of existing ones and dealing in electric power facilities, etc., and is also involved in the management of overseas affiliates, and we determined that he has the experience and abilities suited to a Director who can take charge of the management of the Company by leveraging such experience and track record.	

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	Yoshiharu Inomata (June 6, 1954)	<p>April 1975      Joined the Company</p> <p>December 2004      Deputy General Manager, Quality Control Dept., Production Div. and Manager, Analysis Sec.</p> <p>December 2006      Deputy General Manager, Quality Control Dept., Production Div., Manager, Quality Assurance Sec. and Manager, Analysis Sec.</p> <p>December 2007      Associate General Manager, Quality Control Dept., Production Div., Manager, Quality Assurance Sec. and Manager, Analysis Sec.</p> <p>July 2008      General Manager, Quality Control Dept., Production Div., Manager, Quality Assurance Sec. and Manager, Analysis Sec.</p> <p>April 2009      General Manager, Quality Control Dept. and Manager, Quality Assurance Sec.</p> <p>June 2012      Executive Officer and General Manager, Quality Control Dept.</p> <p>June 2014      Senior Executive Officer, General Manager, Quality Control Dept. and General Manager, Environmental Management Dept.</p> <p>July 2016      Senior Executive Officer and General Manager, Quality Control &amp; Environmental Management Dept.</p> <p>September 2016      Senior Executive Officer, General Manager, Quality Control &amp; Environmental Management Dept., General Manager, Technical Research &amp; Development Dept. and Manager, Pyrometallurgy Development Sec.</p> <p>June 2017      Director (to present)</p> <p>June 2017      In charge of Safety &amp; Health Management, Quality Control &amp; Environmental Management (to present)</p> <p>June 2017      Senior Executive Officer and General Manager, Technical Research &amp; Development Dept. (to present)</p>	1,927
	Reason for nomination as candidate for Director	The Company nominated Yoshiharu Inomata as a candidate for Director because he has extensive experience in quality control, environmental management fields and technical research & development, and we determined that he has the experience and abilities suited to a Director who can take charge of the management of the Company by leveraging such experience and track record.	

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
6	Kenichi Hara (May 20, 1964)	<p>April 1988      Joined the Company</p> <p>October 2010    Assistant General Manager, Environment &amp; Recycle Business Dept.</p> <p>December 2011   Assistant General Manager, Ferro Nickel Sales Dept.</p> <p>December 2012   Associate General Manager, Ferro Nickel Sales Dept.</p> <p>June 2014        Executive Officer and General Manager, Ferro Nickel Sales Dept. (to present)</p> <p>June 2017        Senior Executive Officer and General Manager, Ferro Nickel Sales Dept. (to present)</p> <p>March 2018      Director, Pacific Sowa Corporation (to present)</p> <p>June 2018        Director, the Company (to present)</p> <p>June 2018        In charge of Sales (to present)</p>	1,200
	Reason for nomination as candidate for Director	The Company nominated Kenichi Hara as a candidate for Director because he has extensive experience in the sales field, and we determined that he has the experience and abilities suited to a Director who can take charge of the management of the Company by leveraging his past experience and track record.	
7	Terunobu Matsuyama (December 16, 1969)	<p>April 1988      Joined the Company</p> <p>December 2010   Assistant General Manager, Finance &amp; Accounting Dept.</p> <p>December 2013   Associate General Manager, Finance &amp; Accounting Dept.</p> <p>May 2014        Auditor, Pacific Gas Center Co., Ltd.</p> <p>June 2014        General Manager, Finance &amp; Accounting Dept., the Company</p> <p>June 2017        Executive Officer</p> <p>June 2018        Director (to present)</p> <p>June 2018        Senior Executive Officer and General Manager, Finance &amp; Accounting Dept. (to present)</p>	643
	Reason for nomination as candidate for Director	The Company nominated Terunobu Matsuyama as a candidate for Director because he has a wealth of knowledge in the accounting/financial fields, and we determined that he has the experience and abilities suited to a Director who can take charge of the management of the Company by leveraging such experience and track record.	
8	[Candidate for Outside Director] Shinya Matsumoto (August 12, 1959)	<p>April 1987      Registered as attorney, joined Marunouchi Sogo Law Office</p> <p>July 1996        Partner and attorney</p> <p>June 2001        Outside Corporate Auditor, Impress Corporation (now Impress Holdings, Inc.) (to present)</p> <p>June 2006        Member of Special Committee, the Company (to present)</p> <p>June 2007        Outside Director, The Shibusawa Warehouse Co., Ltd. (to present)</p> <p>October 2011    Partner and Representative Attorney, Marunouchi Sogo Law Office (to present)</p> <p>June 2013        Outside Director, the Company (to present)</p>	0
	Reason for nomination as candidate for Outside Director	The Company nominated Shinya Matsumoto as a candidate for Outside Director because we determined that he is capable of properly performing his duties as Outside Director in order to promote the enhancement of compliance and improvement of corporate governance from a technical perspective and based on his broad insight as an attorney.	

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
9	[Candidate for Outside Director] Hikari Imai (July 23, 1949)	<p>April 1974      Joined Yamaichi Securities Co., Ltd.</p> <p>January 1986    Joined Morgan Stanley Japan Securities Co., Ltd.</p> <p>April 1993      Joined Merrill Lynch Japan Incorporated</p> <p>January 1999    Deputy Chairman, and Chairman, Investment Banking Division, Merrill Lynch Japan Securities Co., Ltd</p> <p>November 2007   Vice-President and Director, RECOF Corporation</p> <p>April 2008      President</p> <p>July 2010        Advisor, Ebara Foods Industry, Inc.</p> <p>April 2012      Outside Director, Olympus Corporation</p> <p>June 2015       Outside Director, CYBERDYNE Inc. (to present)</p> <p>June 2016      Outside Director, the Company (to present)</p>	0
	Reason for nomination as candidate for Outside Director	The Company nominated Hikari Imai as a candidate for Outside Director because we determined that he is capable of properly performing his duties as Outside Director based on his extensive experience as a corporate manager over many years.	

- Notes:
1. There are no special interests between each candidate and the Company.
  2. Contract for limited liability with Directors  
The Company has entered into a contract for limited liability with each of the candidates for Directors Mr. Shinya Matsumoto and Mr. Hikari Imai pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and Article 30 of the Articles of Incorporation, and plans to continue the said contract subject to the approval of their reappointment.  
The gist of the said contract for limited liability is that the liability referred to in Article 423, Paragraph 1 of the Companies Act shall be limited to the amount provided for in laws and regulations when Mr. Shinya Matsumoto and Mr. Hikari Imai have acted in good faith and without gross negligence in performing their duties as Directors.
  3. Matters concerning Outside Directors are as follows.
    - (1) Candidates Mr. Shinya Matsumoto and Mr. Hikari Imai are candidates for Outside Directors provided for in Article 2, Paragraph 3(vii) of the Ordinance for Enforcement of the Companies Act.  
The Company has appointed Mr. Shinya Matsumoto and Mr. Hikari Imai as Independent Directors pursuant to the regulations set forth by Tokyo Stock Exchange and submitted a notification of their appointment to said exchange.
    - (2) Number of years served as Outside Directors by candidates for Outside Directors since their appointment
      - (i) Mr. Shinya Matsumoto will have served as Outside Director of the Company for six years at the conclusion of this Annual General Shareholders Meeting.
      - (ii) Mr. Hikari Imai will have served as Outside Director of the Company for three years at the conclusion of this Annual General Shareholders Meeting.
    - (3) Candidates Mr. Shinya Matsumoto and Mr. Hikari Imai have not been Executives or Officers (excluding those who are Executives) of a Specified Associated Service Provider (Article 2, Paragraph 3(xix) of the Ordinance for Enforcement of the Companies Act) of the Company over the past five years.
    - (4) Candidates Mr. Shinya Matsumoto and Mr. Hikari Imai each have held office as a director of other stock companies over the past five years, and there are no circumstances indicating unfair execution of business during their term of office at these companies.

**Proposal 2: Election of three (3) Auditors**

The terms of office of three (3) Auditors will expire at the conclusion of this year's Annual General Shareholders Meeting. Accordingly, the election of three (3) Auditors is proposed. The candidates for Auditor are as follows.

This proposal has prior consent of the Board of Auditors.

No.	Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
1	Kiichi Tatsunaka (June 26, 1944)	<p>April 1963      Joined the Company</p> <p>December 1995      Assistant General Manager, Administration Dept., Hachinohe Plant and Manager, Finance &amp; Accounting Dept.</p> <p>July 1999      Assistant General Manager, Finance &amp; Accounting Dept. and Manager, Finance &amp; Planning Dept.</p> <p>April 2003      General Manager, Finance &amp; Accounting Dept.</p> <p>June 2003      Auditor</p> <p>June 2005      Full-time Auditor (to present)</p>	7,300
	Reason for nomination as candidate for Auditor	The Company nominated Kiichi Tatsunaka as a candidate for Auditor because we determined that he is capable of properly performing his duties as Auditor based on his appropriate knowledge in finance and accounting due to his previous positions in the Company's Finance & Accounting Dept.	
2	[Candidate for Outside Auditor] Ken Yasuda (May 24, 1953)	<p>April 1976      Joined The Kyowa Bank, Ltd.</p> <p>April 1995      Manager of Kawachi Chiyoda Branch, The Asahi Bank, Ltd.</p> <p>April 1997      Manager of Kosaka Branch, The Asahi Bank, Ltd.</p> <p>June 1999      Manager of Kudan Branch, The Asahi Bank, Ltd.</p> <p>April 2001      Manager of Tokyo Chuo Branch and General Manager of Branch Sales Dept. No.1, The Asahi Bank, Ltd.</p> <p>July 2001      General Manager of Tokyo Chuo Region Sales Dept. and General Manager of Regional Sales Dept. No.1, The Asahi Bank, Ltd.</p> <p>January 2003      Manager of Tokyo Chuo Branch, The Asahi Bank, Ltd.</p> <p>June 2003      Executive Officer, General Manager of Tokyo Sales Administration Dept. and In Charge of Tokyo Real Estate Dept., Resona Bank, Limited</p> <p>October 2003      Executive Officer and General Manager of Tokyo Sales Dept., Resona Bank, Limited</p> <p>June 2006      General Manager of General Affairs Dept., JCB Co., Ltd.</p> <p>June 2007      Standing Corporate Auditor, Hibiya Engineering, Ltd.</p> <p>June 2016      External Auditor, Nihon Plast Co., Ltd. (to present)</p> <p>June 2018      Auditor, the Company (to present)</p>	0
	Reason for nomination as candidate for Outside Auditor	The Company nominated Ken Yasuda as a candidate for Auditor because we determined that he is capable of properly performing his duties as Auditor based on his broad insight and wealth of knowledge and experience as auditor at other companies.	

No.	Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
3	[New candidate] [Candidate for Outside Auditor] Hideki Ogata (March 3, 1954)	<p>April 1976 October 1999</p> <p>June 2002</p> <p>June 2004</p> <p>May 2005</p> <p>June 2005</p> <p>June 2007 June 2015</p> <p>Joined Hokkaido-Tohoku Development Corp. Assistant General Manager, Human Resources Management Dept., Development Bank of Japan Inc. Head of Regional Development Dept., Development Bank of Japan Inc. Head of Inspection Dept., Development Bank of Japan Inc. Head of Investigation Dept., Development Bank of Japan Inc. Inspector (Part-time), Development Bank of Japan Inc. Full-time Auditor, Hokkaido Gas Co., Ltd. Full-time Auditor, Hokkaido Sugar Co., Ltd. (to present)</p>	0
	Reason for nomination as candidate for Outside Auditor	The Company nominated Hideki Ogata as a candidate for Auditor because we determined that he is capable of properly performing his duties as Auditor based on his broad insight and wealth of knowledge and experience as auditor at other companies.	

- Notes:
1. Candidate Mr. Hideki Ogata is a candidate for a new Auditor.
  2. There are no special interests between each candidate and the Company.
  3. Contract for limited liability with Auditors  
The Company has entered into a contract for limited liability with candidate for Auditor Mr. Ken Yasuda pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and Article 39 of the Articles of Incorporation, and plans to continue the said contract subject to the approval of his reappointment.  
Furthermore, the Company plans to enter into a contract that limits liability for damages referred to in Article 423, Paragraph 1 of the Companies Act with candidate for Auditor Mr. Hideki Ogata pursuant to the provisions of Article 423, Paragraph 1 of the Companies Act and Article 39 of the Articles of Incorporation, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, subject to the approval of his appointment at this Annual General Shareholders Meeting.  
The gist of the said contract for limited liability is that the liability referred to in Article 423, Paragraph 1 of the Companies Act shall be limited to the amount provided for in laws and regulations when the candidates have acted in good faith and without gross negligence in performing their duties as Auditors.
  4. Matters concerning Auditors are as follows.
    - (1) Candidates Mr. Ken Yasuda and Mr. Hideki Ogata are candidates for Outside Auditors provided for in Article 2, Paragraph 3(viii) of the Ordinance for Enforcement of the Companies Act.  
The Company has appointed Mr. Ken Yasuda as Independent Officer pursuant to the regulations set forth by Tokyo Stock Exchange and submitted a notification of his appointment to said exchange.  
Furthermore, the Company plans to appoint Mr. Hideki Ogata as Independent Officer pursuant to the regulations set forth by Tokyo Stock Exchange and submit a notification of his appointment to said exchange subject to the approval of his appointment as Outside Auditor of the Company.
    - (2) Mr. Ken Yasuda will have served as Outside Auditor of the Company for one year at the conclusion of this Annual General Shareholders Meeting.
    - (3) Candidates Mr. Ken Yasuda and Mr. Hideki Ogata have not been Executives or Officers (excluding those who are Executives) of a Specified Associated Service Provider (Article 2, Paragraph 3(xix) of the Ordinance for Enforcement of the Companies Act) of the Company over the past five years.

**<Reference> Criteria for determining independence of independent officers**

The Company has established the criteria for determining independence of its independent officers as follows.

1. An independent officer shall be an Outside Director or an Outside Auditor with no risk of conflict of interest arising with general shareholders.
2. An independent officer shall not be a major business partner (supplier or buyer) of the Company or a director, executive or auditor thereof.
3. An independent officer shall not be a consultant, attorney, certified public accountant, certified tax accountant, etc. to whom the Company pays annual compensation amounting to one million yen or more other than officer's compensation.
4. An independent officer shall not be a shareholder of the Company.
5. An independent officer shall not be a friend of a Director or Auditor of the Company.
6. An independent officer shall not formerly or currently be:
  - (1) A director, executive, auditor or accounting advisor of the Company or the Company's subsidiaries, etc.;
  - (2) A shareholder who holds 5% or more of the Company's shares or a director, executive or auditor of an institutional shareholder who holds 5% or more of the Company's shares;
  - (3) A director, executive or auditor of the parent company of the shareholder referred to in paragraph (2) above;
  - (4) A member of a corporation organized by a consultant, attorney, certified public accountant, certified tax accountant, etc. to whom the Company pays annual compensation amounting to one million yen or more other than officer's compensation;
  - (5) A major business partner (supplier or buyer) of the Company or a former member of such client other than director, executive or auditor thereof;
  - (6) A shareholder who holds 5% or more of the Company's shares or a former member of an institutional shareholder who holds 5% or more of the Company's shares other than director, executive or auditor thereof;
  - (7) A former member of the parent company of the shareholder referred to in paragraph (6) above other than director, executive or auditor of such parent company;
  - (8) A member of a company whose relationship with the Company involves having outside officers from both parties;
  - (9) A recipient of donations from the Company or a former member thereof; or
  - (10) A relative within third degree of kinship to any of the aforementioned persons.

[End of document]