Dear Shareholders,

Convocation Notice of the 159th Annual General Meeting of Shareholders

We are pleased to inform you that the 159th Annual General Meeting of Shareholders will be held as shown below. You are respectfully requested to attend the meeting.

If you are unable to attend the meeting, you may exercise your voting rights in writing. Please examine the Reference Material for the General Meeting of Shareholders enclosed hereto, complete the enclosed proxy card to indicate your votes concerning the proposals, and return the proxy card to us no later than 5:30 p.m. on June 23, 2015 (Tuesday).

Yours Faithfully,

Tsuneo Amano
Representative Director and President

Mitsui Matsushima Co., Ltd.
1-1-12 Otemon, Chuo-ku, Fukuoka City

(Securities Code 1518)
June 2, 2015
PARTICULARS

1. **Time and date:** 10:00 a.m., June 24, 2015 (Wednesday)
2. **Place:** Conference Room on the 2nd floor of Otemon Pine Buildings, 1-1-12 Otemon, Chuo-ku, Fukuoka City
3. **Agenda:**

   **Matters to be reported:**
   1. Report on the business report, consolidated financial statements for the 159th fiscal year (from April 1, 2014 to March 31, 2015) and reports on the results of the audit of the consolidated financial statements by the accounting auditors and the Audit & Supervisory Board
   2. Report on the non-consolidated financial statements for 159th fiscal year (from April 1, 2014 to March 31, 2015)

   **Matters to be resolved:**
   
   **First Proposal:** Election of Five (5) Directors
   **Second Proposal:** Election of One (1) Substitute Audit & Supervisory Board Member

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**Notes:**

1. If you attend the General Meeting of Shareholders in person, please submit the enclosed voting form at the reception desk.
2. Countermeasures to Large-Scale Purchases of Company’s Shares, etc. (Takeover Defense Measures), Consolidated Statements of Shareholders' Equity and Notes to Consolidated Financial Statements, Statements of Shareholders' Equity and Notes to Financial Statements that should be stated in the business report attached to the notice of the Annual General Meeting of Shareholders are posted on our website (http://www.mitsui-matsushima.co.jp/news/index.php) and not included in this notice of convocation or the attached documents pursuant to the provisions of laws, regulations and Article 14 of the Articles of Incorporation (Japanese only).
3. If there is a need to make corrections to the attached documents and Reference Material for the General Meeting of Shareholders, such corrections will be posted on our website. (http://www.mitsui-matsushima.co.jp/english/index.php)
Company Management Systems and Policies

(1) Systems to ensure that the directors’ performance of their duties is in compliance with laws, regulations and the Articles of Incorporation and other systems to ensure appropriateness of business activities:

Pursuant to the provisions of the Companies Act and the Companies Act Enforcement Regulations, the Board of Directors of the Company has approved the following basic policies concerning the establishment of internal control systems.

Based on the basic policy, the Company ensures the appropriateness of business activities, and constantly reviews and improves the current systems for the purpose of establishing better internal control systems.

1. System to ensure that the directors’ performance of their duties is in compliance with laws, regulations and the Articles of Incorporation:

The Company has established and enforces the Code of Behavior and Compliance Manual as the codes of conduct for all members of the Company including directors and employees. With respect to the Board of Directors, the Regulations for the Board of Directors have been established so that its proper activities are ensured. The Board of Directors meetings are in principle held once a month and at any time necessary. Directors exchange opinions and mutually supervise the execution of business operations, seek the opinions of legal counsel and other professionals as required, and take actions aimed at preventing violations of laws, regulations and the Articles of Incorporation.

The Company has an Audit & Supervisory Board. Each Audit & Supervisory Board member audits the performance of directors in accordance with auditing methods and divisions of responsibilities prescribed by the Audit & Supervisory Board Members. If a director discovers a violation of the laws, regulations or the Company’s Articles of Incorporation by another director, he or she shall immediately report it to the Audit & Supervisory Board Members and the Board of Directors so that the corrective measures could be taken.

2. System for the storage and management of information concerning the directors’ performance of their duties:

The information and documents concerning the directors’ performance of their duties shall be properly stored and managed (including the disposal thereof) in accordance with the
Company’s internal rules, with the actual conditions of storage and management to be checked and the rules to be reviewed and amended, as necessary.

3. Regulations and other systems concerning risk management of loss:
   i. Based on the Risk Management Regulations that set forth the basic framework for risk management for the group of companies consisting of the Company and its subsidiaries (hereinafter referred to as the "Corporate Group"), the Company, mainly Risk Management Committee, shall collect and assess risk information in an integrated and comprehensive manner, identify critical risks and deal with such risks according to their materiality.
   ii. Risks inherent in significant decision making for business operations shall be considered by each department in advance before further assessment by the Management Meeting and the Board of Directors to prevent losses from occurring.
   iii. Risks in business activities in each department, such as risks in purchase and sale transactions, foreign exchange and interest rate fluctuations, and credit risks shall be assessed, settled or approved based on the Regulations for Delegating Job Responsibilities to avoid or prevent the risk of loss.
   iv. The Internal Audit Department shall perform audits of the risk management system. The audited department shall promptly take corrective or improvement measures as needed.

4. System to ensure the efficient execution of Directors’ duties:
   i. The executive officer system shall be introduced with the aim of prompt and efficient decision making through the separation of the management function and business execution.
   ii. As a decision-making body other than the Board of Directors, the Company has established the Management Meeting, which is comprised of the representative directors and executive officers, and delegate part of the authority to it, leaving only the most important matters for resolutions by the Board of Directors, to ensure the efficient execution of Directors' duties. The Company shall establish a system to ensure that all directors receive sufficient material in advance on the items on agenda presented to the Board of Directors in accordance with the principle of management decisions.
   iii. In order to conduct daily business activities, authority shall be delegated to relevant departments based on the Regulations for Delegating Job Responsibilities and Regulations for the Assignment of Business Activities. In addition, the responsible persons of each level shall perform their jobs in accordance with the decision-making rules.
5. Systems to ensure that employees perform their duties in compliance with laws, regulations and the Articles of Incorporation:
   i. In order to ensure that all employees of the Corporate Group thoroughly comply with laws, regulations and the Articles of Incorporation, the Company has established the Compliance Committee chaired by the Representative Director and President and a system for all of the employees of the Corporate Group to internally report a violation of the laws, regulations, or the Articles of Incorporation under the Compliance Rules and Compliance Manual.
   ii. The Company has established a reporting system whereby the details of a situation related to compliance and proposals for appropriate countermeasures are reported to the Board of Directors and the Audit & Supervisory Board Members via the Compliance Committee, in cases where any event with regard to compliance occurs.
   iii. The Compliance Committee shall appoint a responsible person and a promoter in each department in accordance with the provisions of the Compliance Rules, and control and supervise the status of conformity with the Compliance Manual.
   iv. The Internal Audit Department shall perform audits of the status of compliance with laws, the articles of incorporation and internal regulations. The audited department shall promptly take corrective or improvement measures as needed.

6. System to ensure the appropriateness of business operations of the group of companies consisting of the Company and its subsidiaries:
   i. The Company has established the Group Companies Management Rules which specify the policy for the appropriate management of its subsidiaries, and set up the Control Department in Energy Business Division and Non-Energy Business Division respectively which administers the matters to be reported by the subsidiaries to the Company and the matters to be approved by the Company.
   ii. Decision-making processes related to the business execution of the subsidiaries shall be implemented according to the Regulations for Delegating Job Responsibilities of the Company and the subsidiaries. The Company shall ensure the appropriateness of the business operations of the subsidiaries by maintaining certain involvement by the Company in the decision making of the subsidiaries.
   iii. The Internal Audit Department of the Company shall enter into an internal auditing agreement with its subsidiaries and shall conduct internal audits for the Group as a whole. The audit results shall be reported to relevant departments and the Board of Directors and corrective and improvement measures shall be taken as needed.
   iv. As members of society, the Company and the subsidiaries shall not have any relationship
with antisocial forces or organizations that threaten the order and safety of civil society, and shall take a firm stance against such forces or organizations.

7. Matters concerning the appointment of employees to assist the Audit & Supervisory Board Members in performing their duties:

The Company may assign employees to assist the Audit & Supervisory Board Members in performing their duties for the required period of time, if requested by the Audit & Supervisory Board Members.

8. Matters concerning independence from the directors of employees assisting the Audit & Supervisory Board Members in performing their duties and matters for ensuring the effectiveness of instructions given to such employees:

i. Consent of the Audit & Supervisory Board is required to appoint or remove employees who assist the Audit & Supervisory Board Members in performing their duties.

ii. The employee who assists the Audit & Supervisory Board Members in performing their duties shall be subject to the direction and orders of the Audit & Supervisory Board Members during the period of his or her services in assisting the Audit & Supervisory Board Members.

9. System for directors and employees of the Corporate Group to report to the Audit & Supervisory Board Members and other systems for reporting to the Audit & Supervisory Board Members, as well as system to ensure that those who made reports to the Audit & Supervisory Board Members as described in this paragraph does not receive any adverse treatment for having made such reports:

i. Directors and employees of the Corporate Group shall make a necessary report or provide necessary information upon the Audit & Supervisory Board Member’s request, in accordance with the decision of the Audit & Supervisory Board.

ii. Matters to be reported or informed under the preceding paragraph shall mainly include the following:

* Situation of activities of the departments involved in the establishment of the Corporate Group’s internal control system
* Situation of activities of the audit & supervisory board members and the internal audit department or any equivalent departments of any of the Subsidiaries, etc.
* The Corporate Group’s significant accounting policy, accounting standards and changes thereof
* The details of the announcement of the operating results of the Corporate Group or forecast thereof and other important disclosure documents of the Corporate Group
Operation of the internal reporting system of the Corporate Group and the reported information
Obligatory circulation of decision approval forms and minutes of meetings of the Corporate Group requested by the Audit & Supervisory Board Members

iii. The Company shall not adversely treat any person of the Corporate Group who made reports to the Audit & Supervisory Board Members as described in this paragraph on the ground that he/she made such reports.

10. Matters concerning the procedure for advance payment or reimbursement of expenses incurred in relation to the execution of the duties by the Audit & Supervisory Board Members and any other policy for settlement of costs and debts to be incurred in relation to the execution of their duties:
   i. The Company shall include in its budget for each fiscal year a certain amount to reimburse expenses to be incurred in relation to the execution of the duties by the Audit & Supervisory Board Members.
   ii. If the Audit & Supervisory Board Members make a request for advance payment of expenses to be incurred in relation to the execution of their duties or other similar requests to the Company, the Company shall settle such expenses or debts in a timely manner upon consideration by the relevant department unless it determines that the expenses or debts pertaining to such request is not necessary for the execution of their duties.

11. Other systems to ensure the effectiveness of audits by the Audit & Supervisory Board Member:
The Audit & Supervisory Board shall meet at least twice a year to hear from the Executive Directors in charge of each business operation and important employees individually (or at any time the Board of Audit & Supervisory Board Members deems necessary). In addition, periodic meetings shall be held for the Representative Director and President and the accounting auditors to exchange opinions.

12. System to ensure the reliability of financial reports:
In order to ensure the reliability of financial reports, and to effectively and appropriately submit the internal control reports specified in Article 24-4-4 of the Financial Instruments and Exchange Act that was promulgated by the Financial Services Agency in June 2006, the Company, under the direction of the Representative Director and President, has established an internal control system, and along with continuously evaluating and making the necessary adjustments in order to ensure the appropriate functioning of its mechanism, thereby the
Company ensures compliance with the Financial Instruments and Exchange Act as well as other related laws and regulations.

(2) Basic Policy concerning the control of a stock company:

1. Outline of Basic Policy:
   The Company, as a company whose shares are listed on financial instrument exchanges, respects free transactions of the Company’s shares on markets and does not unconditionally refuse large-scale purchases of the Company’s shares by a particular person, as far as they will facilitate the securement and enhancement of the corporate value of the Corporate Group and, in turn, the common interests of its shareholders. Furthermore, the Company considers that the decisions as to whether or not to accept a proposal of large-scale purchase by a large-scale purchaser and to agree to such large-scale purchase should ultimately be left to the judgment of shareholders.

   However, there are certain proposals of large-scale purchases of shares that, if implemented, are likely to damage the corporate value of the Corporate Group and, in turn, the common interests of its shareholders, including those that could have an adverse effect on the maintenance of good relationships between the Corporate Group and its stakeholders, as well as those that might not fully reflect the value of the Corporate Group, and those that might not provide sufficient information necessary for shareholders to make a final decision.

   The view of the Company’s Board of Directors, as the directors entrusted the management of the Company by its shareholders, is that its duty is to, in response to such proposals, secure the time and information necessary for the shareholders, to engage in negotiations with such persons who propose to make a large-scale purchase of shares, and to conduct other necessary acts, thereby securing and enhancing the corporate value of the Corporate Group and, in turn, the common interests of its shareholders.

2. Outline of the Effort to Realize the Basic Policy:
   In the current environment where global coal demand is expected to grow particularly in emerging countries, the Corporate Group continues to proactively develop and acquire rights and interests in mines by positioning the fuel business of coal sales and coal production as our core business.

   On the other hand, performance in the fuel business is greatly influenced by external factors such as coal prices and foreign exchange rates. In addition, we continue to see structural changes relating to energy resources, including renewable energy and shale gas.

   In order to adapt to such future changes in the energy resource business and achieve a more stabilized and diversified revenue base, the Corporate Group views the development of a
stable business portfolio as an urgent task for its growth strategy, to be achieved by maintaining our ongoing efforts and developing new business models in the fuel business while also fostering new core businesses in fields other than the fuel business.

In line with this strategy, the Corporate Group is now working on the development and expansion of new businesses.

We believe that this growth strategy of the Corporate Group based on increasing the profitability of our core business by securing mining rights for new coal mines and stabilizing and diversifying profitability by developing new businesses and our efforts to realize such strategy will greatly contribute to securing and enhancing our corporate value and the common interests of shareholders of the Company.

3. Framework for preventing inappropriate parties, in light of this basic policy, from gaining control of the Company’s financial and business policies:

At the Board of Directors’ meeting held on December 20, 2007, the Board of Directors of the Company resolved to introduce the “Countermeasures to Large-scale Purchases Actions (Takeover Defense Measures)” (hereinafter referred to as “the Measures”), which were in effect until the close of the 152nd annual general meeting of shareholders in consideration of the importance of the Measures.

At the 152nd annual general meeting of shareholders held on June 27, 2008, the 155th annual general meeting of shareholders held on June 24, 2011 and the 158th annual general meeting of shareholders held on June 27, 2014, it was proposed to extend the effective period of the Measures for three years each time, and such proposals were approved by the shareholders.

The Measures aim to require an individual or group that attempts to purchase at least 20% of the Company’s shares without prior approval of the Board of Directors of the Company (hereinafter referred to as “Large-scale Purchaser”) to abide by the Large-scale Purchase Rules of the Company in order for sufficient time and information to be secured, to allow the shareholders to properly decide whether or not to sell their shares to the Large-scale Purchaser. If the Large-scale Purchaser does not comply with the Large-scale Purchase Rules, or if it is reasonably decided that such purchase would be highly likely to be detrimental to the Company’s corporate value and shareholders’ value, the Board of Directors may fulfill its obligation to the shareholders by taking countermeasures that are regarded as necessary and appropriate, including an allotment of share acquisition rights without contribution with the terms and conditions of the exercise, acquisition and exercise period thereof to be set taking into account its effectiveness as a defensive measure against such Large-Scale Purchaser.

The outline of the Measures is described above. The details are published on the website of
the Company. Please refer to "Basic Policy concerning the control of a stock company" via the URL below.

4. Decision of the Board of Directors on the Framework described in Item 3 above:
   The Board of Directors of the Company believes that the framework described in item 3 above aims to ensure the enhancement of the Company’s corporate value and shareholders’ value, as formulated in accordance with the basic policy concerning the control of the Company in Item 1 above, and the Board of Directors of the Company believes that the framework does not harm the common interests of the shareholders.

   In addition, the Company believes that the framework has a mechanism for preventing arbitrary decisions and use of the defense mechanism solely for the purpose of protecting the positions of current directors for the following reasons. Firstly, the Company has established a system in which the use of defensive measures should be decided taking the advice of the Independent Committee consisting of External Audit & Supervisory Board Members or other external expert individuals who are independent from the management team that executes business activities into consideration. Secondly, the Measures can be terminated at any time at an annual general meeting of shareholders or by the Board of Directors, which is composed of directors elected by the shareholders at the annual general meeting of shareholders. Thirdly, there are the requirement of the recommendation of the Independent Committee and reasonable and objective terms and conditions of the resolutions or decisions by the Board of Directors set forth with respect to its decisions about whether or not to use the defensive measures or to suspend or cease the Measures.

(3) Policy concerning the determination of dividend, etc. distributed from Retained Earnings:
   The Company considers that to return the profit to the shareholders is one of the important management priorities.

   The Company has a basic policy of continuing to return profits to the shareholders in proportion to the operating results, retaining the necessary internal reserves for the stable growth of the Company, and the financial flexibility necessary for responding to the changing business environment.

Significant Facts concerning the Status of the Corporate Group That Have Occurred after the End of the Accounting Period
There are no relevant items.
Matters to be resolved and Reference Information

First Proposal: Election of Five (5) Directors
The terms of office of all five (5) incumbent Directors will expire at the close of this general meeting of shareholders. Therefore, the shareholders are asked to elect five (5) Directors. Director candidates are presented below:

<table>
<thead>
<tr>
<th>No.</th>
<th>Name (Date of birth)</th>
<th>Summary of career, title and responsibility, and important position at other organizations concurrently assumed</th>
<th>Candidate’s shareholding in the Company</th>
</tr>
</thead>
</table>
| 1   | Shinichiro Kushima (June 4, 1951) | **April 1975** Joined Mitsui Bank, Ltd. (presently Sumitomo Mitsui Banking Corporation)  
**Feb. 1995** In charge of International Planning Department of Sakura Bank, Ltd. (presently Sumitomo Mitsui Banking Corporation) and Vice President of Bank Sakura Swadharma  
**Oct. 1999** General Manager of Kagoshima Branch of Sakura Bank Ltd.  
**April 2004** Director and General Manager of Administration Division of Verde Kyushu Co., Ltd.  
**June 2005** Joined the Company as Director and Managing Executive Officer  
**June 2007** Director and Senior Managing Executive Officer  
**April 2008** Director, Executive Vice President and Executive Officer  
**Oct. 2008** Representative Director, President and Chief Executive Officer  
**June 2014** Representative Director and Chairman (to present)  
(Important position at other organizations concurrently assumed)  
Director, Mitsui Matsushima International Pty. Ltd. | 84,000 shares |
| 2   | Tsuneo Amano (July 8, 1958) | **April 1981** Joined Kawasho Corporation (presently JFE Shoji Trade Corporation)  
**April 2001** General Manager of Raw Materials Division of Kawasho Corporation  
**Jan. 2004** Joined Corning International KK, General Manager of Optical Communication System Sales Department  
**Aug. 2008** Joined the Company, temporally transferred to Mitsui Matsushima International Pty. Ltd.  
**June 2009** Executive Officer and General Manager of Fuel and Energy Business Division  
**June 2010** Director and Managing Executive Officer, General Manager of Fuel and Energy Business Division  
**April 2013** Director and Managing Executive Officer, General Manager of Fuel and Energy Business Division, in charge of Real Estate Business Division and Overseas Business Department  
**June 2014** Representative Director and President (to present)  
(Important position at other organizations concurrently assumed)  
CEO, Mitsui Matsushima International Pty. Ltd. | 44,000 shares |
This English translation is based on the original Japanese version and prepared only for the convenience of readers unfamiliar with the Japanese language. Please note that when and if any discrepancy arises between the Japanese original and this English translation, the former shall prevail.

<table>
<thead>
<tr>
<th>No.</th>
<th>Name (Date of birth)</th>
<th>Summary of career, title and responsibility, and important position at other organizations concurrently assumed</th>
<th>Candidate’s shareholding in the Company</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Shinji Koyanagi (September 19, 1958)</td>
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<td>3</td>
<td></td>
<td>April 1982 Joined the Company</td>
<td>43,000 shares</td>
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<td></td>
<td>July 2003 Executive Secretary</td>
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<td></td>
<td></td>
<td>June 2006 Manager of Corporate Planning Office</td>
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<td></td>
<td></td>
<td>June 2007 Executive Officer and Manager of Corporate Planning Office and General Manager of Overseas Business Department</td>
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<td></td>
<td></td>
<td>June 2010 Managing Executive Officer, General Manager of Business Planning Office in charge of Overseas Business Department</td>
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<td></td>
<td>June 2011 Director and Managing Executive Officer, General Manager of Business Planning Department in charge of Overseas Business Department</td>
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<td></td>
<td>Oct. 2011 Director and Managing Executive Officer, General Manager of Business Planning Department and Domestic-related Business in charge of Overseas Business Department</td>
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<tr>
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<td></td>
<td>April 2013 Director and Managing Executive Officer, in charge of Business Planning Department, General Affairs Department, Human Resources Department, Domestic-Related Business Department and Internal Audit Department</td>
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<td></td>
<td>June 2014 Director and Senior Managing Executive Officer, in charge of General Affairs Department, Human Resources Department, Domestic-Related Business Department, Internal Audit Department and Real Estate Business Division</td>
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<tr>
<td></td>
<td></td>
<td>July 2014 Director and Senior Managing Executive Officer, in charge of General Affairs Department, Human Resources Department, Internal Audit Department and Non-Energy Business Division (to present)</td>
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(Important position at other organizations concurrently assumed)
- Director, Mitsui Matsushima International Pty. Ltd.
- Director, Nippon Straw Co., Ltd.
- Director, M&M Services Co., Ltd.
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<th>Summary of career, title and responsibility, and important position at other organization concurrently assumed</th>
<th>Candidate’s shareholding in the Company</th>
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</table>
April 2004 General Manager, Kawaguchi Corporate Business Office of the Bank  
April 2006 General Manager, Jiyugaoka Corporate Business Office of the Bank  
April 2009 General Manager, Omori Corporate Business Office of the Bank  
May 2011 Temporally transferred to the Company, General Manager of Corporate Planning Department  
May 2012 Joined the Company, Administration Officer, General Manager of Corporate Planning Department  
April 2013 Executive Officer, General Manager of Corporate Planning Department, in charge of Accounting Department and Information System Department  
June 2014 Director and Managing Executive Officer, in charge of Accounting Department and Information System Department  
July 2014 Director and Senior Managing Executive Officer, in charge of Accounting Department and System Planning Development Office  
(Important position at other organizations concurrently assumed)  
Director, Mitsui Matsushima International Pty. Ltd.  
Director, Nippon Straw Co., Ltd  
Director, M&M Service Co., Ltd. | 6,000 shares |
| 5   | Takashi Shinohara (December 7, 1954) | March 1980 Registered as Certified Public Accountant  
Jan. 1982 Opened CPA Shinohara Takashi Office (to present)  
May 1984 Registered as Certified Public Tax Accountant  
Jan. 2010 Representative Partner of Shinohara and Ueda Tax Corporation (to present)  
June 2010 External Director of the Company (to present)  
(Important position at other organizations concurrently assumed)  
External Audit & Supervisory Board Member, Best Denki Co., Ltd.  
Supervisory Officer, Fukuoka REIT Corporation | None |
(Notes)

1. There is no special interest between the Company and any of the Director candidates.
2. Mr. Takashi Shinohara is a candidate for External Director.
3. The Company has submitted its Notice of Independent Officers to Tokyo Stock Exchange, Inc. and the Fukuoka Stock Exchange, which states Mr. Takashi Shinohara to be an Independent Officer.
4. Reason to elect the candidate as External Director, his independence and the Agreement for Limitation of Liability between the Company and the External Director:

   (1) The reason to elect the candidate as External Director and his independence:
      1. The Company asks shareholders to elect Mr. Takashi Shinohara as External Director because upon assumption of office as External Director he would supervise and give advice to the overall management of the Company based on his rich experience and broad knowledge as a certified public accountant and certified public tax accountant, and contribute to the reinforcement of the Company’s corporate governance.
      2. Mr. Takashi Shinohara is not a business executor or a board member of a business entity that has a special relationship with the Company and has not ever been so in the last five years.
      3. Neither Mr. Takashi Shinohara is scheduled to receive a large amount of money or other property (excluding the compensation received as Director) from the Company or a business entity that has a special relationship with the Company, nor has ever received any such money or property in the last two years.
      4. Mr. Takashi Shinohara is not a spouse, family member within the third degree of kinship of a business executor or a board member of the Company or a business entity that has a special relationship with the Company or a person equivalent to any of the foregoing.
      5. Mr. Takashi Shinohara had not been a business executor of any company from which its rights and obligations were transferred to the Company by a merger, absorption-type split, incorporation-type split or business transfer in the last two years, immediately before such merger, absorption-type split, incorporation-type split or business transfer.

   (2) Reason why the Company believes he is able to perform his duties as External Director:
      Mr. Takashi Shinohara has deep insights as a certified public accountant and certified public tax accountant and has given appropriate comments from a fair and objective viewpoint as External Director of the Company for the last five years. Therefore, the Company made a judgment that we can continue to request him for proper supervision upon decision-making at Board of Directors’ meetings.

   (3) The number of years since the candidate took office as External Director:
      At the close of this General Meeting of Shareholders, Mr. Takashi Shinohara will have been in office of External Director for five (5) years.

   (4) The Agreement for Limitation of Liability between the External Director and the Company:
      Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an Agreement for Limitation of Liability with Mr. Takashi Shinohara to the effect that the liability under Article 423, Paragraph 1 of the Companies Act shall be limited to Yen 8,000,000 or the minimum liability amount specified by laws and regulations, whichever is higher. Upon approval of his reelection, the Company is scheduled to continue the aforementioned Agreement for Limitation of Liability with him.
Second Proposal: Election of One (1) Substitute Audit & Supervisory Board Member

The effectiveness of the election of a Substitute Audit & Supervisory Board Member, Mr. Hiroyuki Nagato, who was elected at the 158th General Meeting of Shareholders on June 27, 2014, will expire at the close of this General Meeting of Shareholders. Therefore, it is proposed to elect candidate Mr. Hiroyuki Nagato as the Audit & Supervisory Board Member in the case where there is any vacancy in the office of the Audit & Supervisory Board Members. The effectiveness of the election under this Proposal may be cancelled based on a resolution of the Board of Directors, provided such cancellation is done prior to the assumption of office and with the consent of the Audit & Supervisory Board. Moreover, this Proposal has been consented by the Audit & Supervisory Board.

The candidate for Substitute Audit & Supervisory Board Member is stated below.

<table>
<thead>
<tr>
<th>Name (Date of birth)</th>
<th>Summary of career, title and responsibility, and important position at other organization concurrently assumed</th>
<th>Candidate’s shareholding in the Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hiroyuki Nagato (July 29, 1951)</td>
<td>April 1981 Registered as Attorney-at-Law</td>
<td>10,000 shares</td>
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<tr>
<td></td>
<td>April 1986 Opened Hiroyuki Nagato Law Office (to present)</td>
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<td></td>
<td>June 2002 Audit &amp; Supervisory Board Member of the Company</td>
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<td>June 2010 External Audit &amp; Supervisory Board Member of Ohishi Sangyo Co., Ltd. (to present)</td>
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<td></td>
<td>March 2013 Audit &amp; Supervisory Board Member of Fujiseiki Co., Ltd (to present)</td>
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(Notes)
1. There is no special interest between the candidate for Substitute Audit & Supervisory Board Member and the Company.
2. Mr. Hiroyuki Nagato is a candidate for External Substitute Audit & Supervisory Board Member.
3. Reason to elect the candidate for Substitute External Audit & Supervisory Board Member:
   Since Mr. Hiroyuki Nagato is qualified as a lawyer, and has been engaged in auditing the Company as External Audit & Supervisory Board Member of the Company, the Company asks shareholders to elect him as Substitute Audit & Supervisory Board Member, deeming him to be able to duly discharge his duties as External Audit & Supervisory Board Member activating his affluent professional knowledge and experience.
4. Upon approval of election and assumption of office of External Audit & Supervisory Board Member by Mr. Hiroyuki Nagato, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company is scheduled to enter into the Agreement for Limitation of Liability with Mr. Hiroyuki Nagato, to the effect that the liability under Article 423, Paragraph 1 of the Companies Act shall be limited to a certain predetermined amount which is not less than Yen 8,000,000 or the minimum liability amount specified by laws and regulations, whichever is higher.