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(Stock Exchange Code 3098)
June 7, 2016

To Shareholders with Voting Rights:

Atsushi Tsukamoto
President
cocokara fine Inc.
3-17-6 Shinyokohama, Kohoku-ku,
Yokohama, Kanagawa, Japan

**NOTICE OF
THE 8TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

You are cordially invited to attend the 8th Annual General Meeting of Shareholders of cocokara fine Inc. (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 by submitting the Voting Rights Exercise Form, or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders on page 3, and exercise your voting rights by 5:50 p.m. on Monday, June 27, 2016, Japan time.

1. Date and Time: Tuesday, June 28, 2016 at 10:00 a.m. Japan time

2. Place: "Kenmin Kyosai MIRAI HALL," 1F, Kenmin Kyosai Plaza Building,
1-1-8-2 Sakuragicho, Naka-ku, Yokohama, Kanagawa, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 8th Fiscal Year (April 1, 2015 - March 31, 2016) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 8th Fiscal Year (April 1, 2015 - March 31, 2016)

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Partial Amendments to the Articles of Incorporation
- Proposal No. 3:** Election of Three (3) Members of the Board (Excluding Members of the Board serving as Audit & Supervisory Committee Members)
- Proposal No. 4:** Election of Three (3) Members of the Board serving as Audit & Supervisory Committee Members
- Proposal No. 5:** Election of One (1) Substitute Member of the Board serving as Audit & Supervisory Committee Member
- Proposal No. 6:** Determination of Remuneration, etc., Amounts for Members of the Board (Excluding Members of the Board Serving as Audit & Supervisory Committee Members)
- Proposal No. 7:** Determination of Remuneration, etc., Amounts for Members of the Board serving as Audit & Supervisory Committee Members

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- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
 - ◎ The following items are, in accordance with laws and regulations as well as Article 15 of the Articles of Incorporation of the Company, posted on the Company's website (<http://www.cocokarafine.co.jp/ir/stockinfo/annualmeeting.html>) and are therefore not included with the Attached Documents of this Notice of Convocation.
 - (1) Notes to the Consolidated Financial Statements
 - (2) Notes to the Non-consolidated Financial StatementsFurthermore, regarding the Audit Report prepared by Audit & Supervisory Board Members and the Accounting Auditor's Report prepared by the Accounting Auditor, the Notes to the Consolidated Financial Statements and the Notes to the Non-consolidated Financial Statements have been audited in addition to the Consolidated Financial Statements and the Non-consolidated Financial Statements included in the Attached Documents.
 - ◎ Please understand that any updates to the required contents of the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, and Non-consolidated Financial Statements will be posted on the Company's website after being updated (<http://www.cocokarafine.co.jp/ir/stockinfo/annualmeeting.html>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

It is the Company's basic profit distribution policy to emphasize continuous stable dividends as a measure for returning profits to shareholders, and at the same time, to prepare for future business expansion and strengthen the Company's financial standing by securing internal reserves. Comprehensively taking into account stable dividends and internal reserves, the Company proposes dividends of 40 yen per share.

As a result, full-year dividends for the fiscal year under review will total 70 yen per share, which include an interim dividend of 30 yen.

Matters concerning year-end dividends

- (1) Type of dividend property
Cash
- (2) Matters concerning the allotment of dividend property to shareholders and the total amount
40 yen per share of common stock
Total dividends of 981,477,200 yen
- (3) Effective date of distribution of surplus
June 29, 2016

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

From the viewpoint of improving corporate value, the Company proposes to partially amend the Articles of Incorporation to transition to a Company with Audit & Supervisory Committee that was established by the “Act on Partial Revision of the Companies Act” (Act No. 90 of 2014) with the aim of further strengthening audit and supervisory functions by election of Members of the Board serving as Audit & Supervisory Committee Members (including several Outside Directors) that can exercise voting rights in Board of Directors meetings.

Additionally, due to the amended Companies Act, in line with the ability to conclude liability limitation agreements with Directors that are not business executors other than Outside Directors, the Company proposes to change the scope of persons with which it may conclude such agreements. Furthermore, this amendment to the Articles of Incorporation has received the approval of each Audit & Supervisory Board Member.

The Company also proposes to change Article numbers in line with these amendments.

2. Contents of the amendments are as follows.

(Sections to be amended are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">CHAPTER I. GENERAL PROVISIONS</p> <p>(Trade Name) Article 1 – 18 (Omitted)</p> <p style="text-align: center;">CHAPTER IV. MEMBERS OF THE BOARD AND BOARD OF DIRECTORS</p> <p>(Number of Members of the Board) Article 19 The number of Members of the Board of the Company shall be within <u>ten (10)</u> persons.</p> <p style="text-align: center;">(Newly established)</p> <p>(Election of Members of the Board) Article 20 Members of the Board shall be elected by resolution of a General Meeting of Shareholders.</p> <p style="padding-left: 40px;">2 (Omitted) 3 (Omitted)</p> <p>(Term of Office of Members of the Board) Article 21 The term of office of Members of the Board shall be until close of the Annual General Meeting of Shareholders concerning the final fiscal year of the fiscal year ending within one (1) year of election.</p>	<p style="text-align: center;">CHAPTER I. GENERAL PROVISIONS</p> <p>(Trade Name) Article 1 – 18 (Unchanged)</p> <p style="text-align: center;">CHAPTER IV. MEMBERS OF THE BOARD AND BOARD OF DIRECTORS</p> <p>(Number of Members of the Board) Article 19 The number of Members of the Board <u>(excluding Members of the Board serving as Audit & Supervisory Committee Members)</u> of the Company shall be within <u>eight (8)</u> persons. 2 <u>The number of Members of the Board serving as Audit & Supervisory Committee Members shall be within five (5) persons.</u></p> <p>(Election of Members of the Board) Article 20 Members of the Board shall be elected by resolution of a General Meeting of Shareholders, <u>differentiating between Members of the Board serving as Audit & Supervisory Committee Members and other Members of the Board.</u></p> <p style="padding-left: 40px;">2 (Unchanged) 3 (Unchanged)</p> <p>(Term of Office of Members of the Board) Article 21 The term of office of Members of the Board <u>(excluding Members of the Board serving as Audit & Supervisory Committee Members)</u> shall be until the close of Annual General Meeting of Shareholders concerning the final fiscal year of the fiscal year ending within one (1) year of election.</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p> <p>(Newly established)</p>	<p><u>2 The term of office of Members of the Board serving as Audit & Supervisory Committee Members shall be until close of the Annual General Meeting of Shareholders concerning the final fiscal year of the fiscal year ending within two (2) years of election.</u></p> <p><u>3 The effectiveness of election of Substitute Members of the Board Serving as Audit & Supervisory Committee Members shall be until close of the Annual General Meeting of Shareholders concerning the final fiscal year of the fiscal year ending within two (2) years of election.</u></p>
<p>(Directors with Titles)</p> <p>Article 22 The Board of Directors may, via its resolution, select one (1) President from among Members of the Board, and select one (1) <u>each of Member of the Board and Senior Advisor and</u> Member of the Board and Chairman, and a limited number of Executive Vice Presidents, Senior Managing Directors, and Managing Directors.</p>	<p>(Directors with Titles)</p> <p>Article 22 The Board of Directors may, via its resolution, select one (1) President from among Members of the Board (<u>excluding Members of the Board serving as Audit & Supervisory Committee Members</u>), and select one (1) Member of the Board and Chairman, and a limited number of Executive Vice Presidents, Senior Managing Directors, and Managing Directors.</p>
<p>(Representative Member of the Board)</p> <p>Article 23 (Omitted)</p>	<p>(Representative Member of the Board)</p> <p>Article 23 (Unchanged)</p>
<p>(Convocator and Chairman of Board of Directors Meetings)</p> <p>Article 24 Except in cases separately defined by laws and regulations, Board of Directors meetings shall be convened by the Member of the Board and Chairman, also serving as the Chairman.</p> <p>2 In the case of an accident, etc., to the Member of the Board and Chairman, a different Member of the Board, following an order of succession as defined in advance by the Board of Directors, shall convene the Board of Directors, also serving as the Chairman.</p>	<p>(Convocator and Chairman of Board of Directors Meetings)</p> <p>Article 24 Except in cases separately defined by laws and regulations, Board of Directors meetings shall be convened by the Member of the Board and Chairman, also serving as the Chairman.</p> <p>2 In the case of <u>absence or</u> an accident, etc., to the Member of the Board and Chairman, a different Member of the Board, following an order of succession as defined in advance by the Board of Directors, shall convene the Board of Directors, also serving as the Chairman.</p>
<p>(Procedures for Convening the Board of Directors)</p> <p>Article 25 Convocation Notices for Board of Directors meetings shall be dispatched to each <u>Member of the Board and each Audit & Supervisory Board Member</u> at least three (3) days before the meeting. However, if in emergency, this period may be shortened.</p> <p>2 Under unanimous approval from Members of the Board <u>and Audit & Supervisory Board Members</u>, Board of Directors meetings may be held in absence of convocation procedures.</p>	<p>(Procedures for Convening the Board of Directors)</p> <p>Article 25 Convocation Notices for Board of Directors meetings shall be dispatched to each Member of the Board at least three (3) days before the meeting. However, if in emergency, this period may be shortened.</p> <p>2 Under unanimous approval from Members of the Board, Board of Directors meetings may be held in absence of convocation procedures.</p>
<p>(Resolutions of the Board of Directors)</p> <p>Article 26 (Omitted)</p>	<p>(Resolutions of the Board of Directors)</p> <p>Article 26 (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Omission of Resolutions of the Board of Directors) Article 27 In the event that a Member of the Board makes a proposal for a resolution of the Board of Directors, if Members of the Board (limited to those that can participate in resolution of said proposal) unanimously present approval either in writing or electromagnetic record, the Company will deem a resolution of the Board of Directors to have occurred for said proposal. <u>However, if an Audit & Supervisory Board Member expresses dissent, this will not apply.</u></p>	<p>(Omission of Resolutions of the Board of Directors) Article 27 In the event that a Member of the Board makes a proposal for a resolution of the Board of Directors, if Members of the Board (limited to those that can participate in resolution of said proposal) unanimously present approval either in writing or electromagnetic record, the Company will deem a resolution of the Board of Directors to have occurred for said proposal.</p>
<p>(Regulations of the Board of Directors) Article 28 (Omitted)</p>	<p>(Regulations of the Board of Directors) Article 28 (Unchanged)</p>
<p>(Remuneration, etc.) Article 29 Remuneration, bonuses, and other consideration for the execution of duties provided by the Company to Members of the Board (hereinafter the “Remuneration, etc.”) shall be defined by a General Meeting of Shareholders.</p>	<p>(Remuneration, etc.) Article 29 Remuneration, bonuses, and other consideration for the execution of duties provided by the Company to Members of the Board (hereinafter the “Remuneration, etc.”) shall be defined by a General Meeting of Shareholders, <u>differentiating between Members of the Board serving as Audit & Supervisory Committee Members and other Members of the Board.</u></p>
<p>(Exemption from Liability for Members of the Board) Article 30 (Omitted) 2 As stipulated in Article 427, Paragraph 1 of the Companies Act, the Company may conclude agreements to limit liability for damages due to negligence of duties with <u>Outside Members of the Board</u>. However, the amount of limit of liability under said agreement shall be a predetermined amount of five (5) million yen or higher or the amount stipulated by laws and regulations, whichever is higher.</p>	<p>(Exemption from Liability for Members of the Board) Article 30 (Unchanged) 2 As stipulated in Article 427, Paragraph 1 of the Companies Act, the Company may conclude agreements to limit liability for damages due to negligence of duties with <u>Members of the Board (excluding Executive Directors, etc.)</u>. However, the amount of limit of liability under said agreement shall be a predetermined amount or the amount stipulated by laws and regulations, whichever is higher.</p>
<p>(Executive Officers) Article 31 (Omitted)</p>	<p>(Executive Officers) Article 31 (Unchanged)</p>
<p>(Newly established)</p>	<p><u>(Delegation of Determination of Important Business Execution)</u> Article 32 <u>As stipulated in Article 399-13, Paragraph 6 of the Companies Act, the Company may delegate the determination of important business execution (excluding matters stated in each Item of Article 5 of said Act), either in whole or in part, to Members of the Board via resolution of the Board of Directors.</u></p>
<p>CHAPTER V. AUDIT & SUPERVISORY BOARD MEMBERS AND THE AUDIT & SUPERVISORY BOARD</p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<u>(Establishment of Audit & Supervisory Board Members and the Audit & Supervisory Board)</u>	
<u>Article 32 The Company shall have Audit & Supervisory Board Members and an Audit & Supervisory Board.</u>	(Deleted)
<u>(Number of Audit & Supervisory Board Members)</u>	
<u>Article 33 The number of Audit & Supervisory Board Members of the Company shall be within four (4) persons.</u>	(Deleted)
<u>(Election of Audit & Supervisory Board Members)</u>	
<u>Article 34 Audit & Supervisory Board Members shall be elected by resolution of a General Meeting of Shareholders.</u>	(Deleted)
<u>2 Resolutions to elect Audit & Supervisory Board Members shall be made via a majority of voting rights of shareholders provided that of the shareholders that may exercise voting rights, shareholders holding one-third or more of voting rights are in attendance.</u>	(Deleted)
<u>(Term of Office of Members of the Board)</u>	
<u>Article 35 The term of office of Audit & Supervisory Board Members shall be until close of the Annual General Meeting of Shareholders concerning the final fiscal year of the fiscal year ending within four (4) years of election.</u>	(Deleted)
<u>2 The effectiveness of election of Substitute Audit & Supervisory Board Members shall be until expiration of the term of office for the retired Audit & Supervisory Board Members that was replaced.</u>	(Deleted)
<u>(Full-time Audit & Supervisory Board Members)</u>	
<u>Article 36 The Audit & Supervisory Board shall, via its resolution, select Full-time Audit & Supervisory Board Members.</u>	(Deleted)
<u>(Procedures for Convening the Audit & Supervisory Board)</u>	
<u>Article 37 Convocation Notices for Audit & Supervisory Board meetings shall be dispatched to each Audit & Supervisory Board Member at least three (3) days before the meeting. However, if in emergency, this period may be shortened.</u>	(Deleted)
<u>2 Under unanimous approval from Audit & Supervisory Board Members, Audit & Supervisory Board meetings may be held in absence of convocation procedures.</u>	(Deleted)

Current Articles of Incorporation	Proposed Amendments
<p><u>(Audit & Supervisory Board Regulations)</u> <u>Article 38</u> <u>Matters concerning the Audit & Supervisory Board, aside from those separately defined by laws and regulations, shall be governed by the Audit & Supervisory Board Regulations defined by the Audit & Supervisory Board.</u></p>	(Deleted)
<p><u>(Remuneration, etc.)</u> <u>Article 39</u> <u>Remuneration, etc., Audit & Supervisory Board Members shall be defined by a General Meeting of Shareholders.</u></p>	(Deleted)
<p><u>(Exemption from Liability for Audit & Supervisory Board Members)</u> <u>Article 40</u> <u>As stipulated in Article 426, Paragraph 1 of the Companies Act, the Company may conclude agreements to limit liability for damages due to negligence of duties, within the limit of laws and regulations, with Audit & Supervisory Board Members (including those who were Audit & Supervisory Board Members) via a resolution of the Board of Directors.</u></p>	(Deleted)
<p><u>2</u> <u>As stipulated in Article 427, Paragraph 1 of the Companies Act, the Company may conclude agreements to limit liability for damages due to negligence of duties with Outside Audit & Supervisory Board Members. However, the amount of limit of liability under said agreement shall be a predetermined amount of five (5) million yen or higher or the amount stipulated by laws and regulations, whichever is higher.</u></p>	(Deleted)
(Newly established)	<u>CHAPTER V. AUDIT & SUPERVISORY COMMITTEE</u>
(Newly established)	<u>Article 33</u> <u>The Company shall have Audit & Supervisory Committee Members and an Audit & Supervisory Committee.</u>
(Newly established)	<u>(Full-time Audit & Supervisory Committee Members)</u> <u>Article 34</u> <u>The Audit & Supervisory Committee may, via its resolution, select Full-time Audit & Supervisory Committee Members.</u>
(Newly established)	<u>(Procedures for Convening the Audit & Supervisory Committee)</u> <u>Article 35</u> <u>Convocation Notices for the Audit & Supervisory Committee shall be dispatched to each Audit & Supervisory Committee Member at least three (3) days before the meeting. However, if in emergency, this period may be shortened.</u>
(Newly established)	<u>2</u> <u>Under unanimous approval from Audit & Supervisory Committee Members, Audit & Supervisory Committee meetings may be held in absence of convocation procedures.</u>

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p> <p>CHAPTER VI. ACCOUNTING AUDITORS</p> <p>(Placement of Accounting Auditor) Article 41 – 43 (Omitted)</p> <p>(Remuneration, etc., for the Accounting Auditor) Article 44 Remuneration, etc., for the Accounting Auditor shall be defined by the Representative Member of the Board upon approval from the <u>Audit & Supervisory Board</u>.</p> <p>CHAPTER VII. ACCOUNTS</p> <p>(Fiscal Year) Article 45 - 48 (Omitted)</p>	<p><u>(Audit & Supervisory Committee Regulations)</u> <u>Article 36</u> Matters concerning the Audit & Supervisory Committee, aside from those separately defined by laws and regulations, shall be governed by the <u>Audit & Supervisory Committee Regulations defined by the Audit & Supervisory Committee.</u></p> <p>CHAPTER VI. ACCOUNTING AUDITORS</p> <p>(Placement of Accounting Auditor) Article 37 - 39 (Unchanged)</p> <p>(Remuneration, etc., for the Accounting Auditor) Article 40 Remuneration, etc., for the Accounting Auditor shall be defined by the Representative Member of the Board upon approval from the <u>Audit & Supervisory Committee.</u></p> <p>CHAPTER VII. ACCOUNTS</p> <p>(Fiscal Year) Article 41 - 44 (Unchanged)</p>

Proposal No. 3: Election of Three (3) Members of the Board (Excluding Members of the Board Serving as Audit & Supervisory Committee Members)

Contingent upon the approval of Proposal No. 2 “Partial Amendments to the Articles of Incorporation,” the Company will transition to a Company with Audit & Supervisory Committee, and the terms of office of all four (4) Members of the Board will expire at the conclusion of this year’s Annual General Meeting of Shareholders. Accordingly, the election of three (3) Members of the Board (excluding Members of the Board serving as Audit & Supervisory Committee Members) is proposed.

Additionally, the effectiveness of resolution on this proposal is contingent upon the amendments to the Articles of Incorporation in Proposal No. 2 taking effect.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
1	Atsushi Tsukamoto (November 4, 1962) Reappointment	<p>April 1985 Joined Seijo Co., Ltd.</p> <p>December 1996 Member of the Board and General Manager of Branch Department, Seijo Co., Ltd.</p> <p>July 1999 Member of the Board and General Manager of Sales Department, Seijo Co., Ltd.</p> <p>December 2001 Managing Director and General Manager of Sales Division, Seijo Co., Ltd.</p> <p>December 2002 President, Seijo Co., Ltd.</p> <p>May 2006 President, WIN Drug Inc.</p> <p>April 2008 President, the Company (present post)</p> <p>April 2013 Member of the Board, cocokarafine Healthcare Inc.</p> <p>May 2014 President, WIN Drug Inc. (present post)</p> <p>April 2016 Representative Member of the Board, cocokarafine Healthcare Inc. (present post)</p> <p>[Significant concurrent positions]</p> <p>Representative Member of the Board, cocokarafine Healthcare Inc.</p> <p>President, WIN Drug Inc.</p>	32,888 shares
<p>Reason for selection as a candidate for Member of the Board</p> <p>Mr. Atsushi Tsukamoto has been involved in the pharmacy business and retail business for over 30 years, and serving as President of the Company from 2008 onward, he has a wealth of experience, achievements, and insights as a manager. As the Company has judged that he is suitable to advance the management and strengthen the corporate governance of the Company, he has been selected as a candidate for Member of the Board.</p>			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
2	Toru Shibata (June 24, 1956) Reappointment	<p>April 1983 Joined Kao Corporation</p> <p>January 1990 Joined Lever Japan, Co., Ltd. (currently Unilever Japan K.K.)</p> <p>May 1993 Joined Estee Lauder Group of Companies Inc. General Manager of Business Headquarters, Origins Natural Resources Co., Ltd.</p> <p>March 1996 Member of the Board and General Manager of Marketing Headquarters, Clinique Laboratories Co., Ltd.</p> <p>October 1996 Member of the Board and General Manager of Business Headquarters, Clinique Laboratories Co., Ltd.</p> <p>March 1998 Managing Director and General Manager of Business Headquarters, Clinique Laboratories Co., Ltd.</p> <p>February 2001 Representative Director of Consumer Company, Johnson & Johnson K.K.</p> <p>November 2014 Senior Advisor, the Company</p> <p>April 2015 Executive Vice President and Corporate Officer and Director of Corporate Strategy Division and General Manager of International Business Department, the Company</p> <p>Member of the Board, cocokarafine Healthcare Inc. (present post)</p> <p>Member of the Board, FINECARE Inc. (present post)</p> <p>Member of the Board, cocokarafine OEC Co., Ltd. (present post)</p> <p>Member of the Board, IWASAKI KOHKENDO Co.,Ltd. (present post)</p> <p>Member of the Board, cocokarafine Next Co., Ltd. (present post)</p> <p>June 2015 Executive Vice President, the Company (present post)</p> <p>April 2016 Member of the Board, cocokarafine Associe Co.,Ltd. (present post)</p> <p>Member of the Board, cocokarafine soleil Co.,Ltd. (present post)</p> <p>[Significant concurrent positions]</p> <p>Member of the Board, cocokarafine Healthcare Inc.</p> <p>Member of the Board, FINECARE Inc.</p> <p>Member of the Board, cocokarafine OEC Co., Ltd.</p> <p>Member of the Board, IWASAKI KOHKENDO Co.,Ltd.</p> <p>Member of the Board, cocokarafine Next Co., Ltd.</p> <p>Member of the Board, cocokarafine Associe Co.,Ltd.</p> <p>Member of the Board, cocokarafine soleil Co.,Ltd.</p>	0 shares
<p>Reason for selection as a candidate for Member of the Board</p> <p>Mr. Toru Shibata has experience in management at foreign companies, and maximizing utilization of this wealth of knowledge and wide network, the Company has judged that he is suitable to promote further advancement of management of the Group, and he has been selected as a candidate for Member of the Board.</p>			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
3	Makoto Kitayama (March 11, 1961) Reappointment	<p>April 1994 Registered as an attorney</p> <p>October 2003 Established Kitayama Law Office</p> <p>August 2004 Outside Audit & Supervisory Board Member, LIFORT Co., Ltd.</p> <p>November 2006 Outside Member of the Board, Allied Hearts Holdings Co., Ltd.</p> <p>October 2010 Outside Member of the Board, the Company (present post) [Significant concurrent positions] Representative, Kitayama Law Office</p>	390 shares
<p>Reason for selection as a candidate for Member of the Board</p> <p>Although Mr. Makoto Kitayama has not been involved in corporate management other than as Outside Member of the Board, he is a certified attorney, and from an objective viewpoint on overall corporate management including laws and regulations from his wealth of specialized knowledge and experience, he is suited to monitor management execution with independence. Due to these factors, the Company has judged that he will lead to strengthening of transparency for Members of the Board and supervisory functions, and he has been selected as a candidate for Member of the Board.</p>			

- Notes
1. There are no special interests between the candidates for Member of the Board and the Company.
 2. Mr. Makoto Kitayama is a candidate for Outside Member of the Board.
Additionally, the Company has designated Mr. Makoto Kitayama as an Independent Director/Auditor as stipulated by the Tokyo Stock Exchange, and has made a submission to the aforementioned Exchange.
 3. The term of office of Mr. Makoto Kitayama as Outside Member of the Board will be five years, nine months at the conclusion of this General Meeting.
 4. Based on the stipulations of Article 427, Paragraph 1 of the Companies Act, the Company has concluded a liability limitation agreement with Mr. Makoto Kitayama to limit liabilities of Article 423, Paragraph 1 of the same Act. The liability limit under this agreement is 5.00 million yen or the amount set by laws and regulations, whichever is greater, and if he is reelected at this General Meeting, the Company plans to continue with this agreement.

Proposal No. 4: Election of Three (3) Members of the Board Serving as Audit & Supervisory Committee Members

Contingent upon the approval of Proposal No. 2 “Partial Amendments to the Articles of Incorporation,” the Company will transition to a Company with Audit & Supervisory Committee. Accordingly, the election of three (3) Members of the Board serving as Audit & Supervisory Committee Members is proposed.

The Audit & Supervisory Board has previously given its approval to this proposal.

Additionally, the effectiveness of resolution on this proposal is contingent upon the amendments to the Articles of Incorporation in Proposal No. 2 taking effect.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held	
1	Akira Sakamoto (October 21, 1960) New appointment	April 1984	Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)	0 shares
		July 2002	General Manager, Tsutsujigaoka Branch, Sumitomo Mitsui Banking Corporation	
		April 2004	General Manager, Koganei Branch, Sumitomo Mitsui Banking Corporation	
		April 2006	General Manager, Kamiooka Branch, Sumitomo Mitsui Banking Corporation	
		April 2008	General Manager, Tanashi Branch, Sumitomo Mitsui Banking Corporation	
		April 2010	General Manager, Funabashi Branch, Sumitomo Mitsui Banking Corporation	
		May 2012	Joined The Uehara Memorial Foundation	
		April 2016	Senior Advisor, the Company (present post)	
Reason for selection as a candidate for Member of the Board serving as Audit & Supervisory Committee Member Although Mr. Akira Sakamoto has not been directly involved in corporate management, he served for many years at a financial institution, having adequate knowledge regarding finance and accounting, and to utilize this knowledge and experience in the management of the Company, he has been selected as a candidate for Member of the Board serving as Audit & Supervisory Committee Member.				
2	Taizo Furumatsu (July 10, 1950) New appointment	April 1973	Joined The Sanwa Bank, Limited (currently The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	650 shares
		May 2000	Executive Officer and General Manager of Shinjuku-Shintoshin Branch, The Bank of Tokyo-Mitsubishi UFJ, Ltd.	
		January 2003	Joined Zip Holdings Co., Ltd. (currently the Company)	
		May 2004	Executive Officer and General Manager of Management Planning Department, Zip Holdings Co., Ltd.	
		November 2006	Executive Officer and General Manager of CSR Promotion Office, Allied Hearts Holdings Co., Ltd. (currently the Company)	
		February 2009	Member of the Board and General Manager of CSR Promotion Office, Allied Hearts Holdings Co., Ltd.	
		October 2010	Executive Corporate Officer and General Manager of Internal Audit Office, the Company	
		April 2012	Executive Corporate Officer and in charge of Business Category Development Office, the Company	
June 2012	Audit & Supervisory Board Member, the Company (present post)			
Reason for selection as a candidate for Member of the Board serving as Audit & Supervisory Committee Member Mr. Taizo Furumatsu has served for many years at a financial institution, and while having adequate knowledge regarding finance and accounting, he also has wide insights and specialized knowledge regarding management as an executive, as the Company has judged that he is suitable to strengthen corporate governance of the Company, he has been selected as a candidate for Member of the Board serving as Audit & Supervisory Committee Member.				

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
3	Akira Torii (September 13, 1949) New appointment	November 1975 Joined Daiichi Audit Office (currently Ernst & Young ShinNihon LLC) July 1988 New York Office, KPMG December 1994 Representative Partner, Century Audit Corporation (currently Ernst & Young ShinNihon LLC) April 2000 Representative Partner, Ernst & Young ShinNihon (currently Ernst & Young ShinNihon LLC) July 2003 Representative Partner, KPMG AZSA (currently KPMG AZSA LLC) April 2008 Director, KPMG AZSA July 2012 Established Torii C.P.A. Office (present post) June 2014 Outside Audit & Supervisory Committee Member, the Company (present post)	0 shares
<p>■ Reason for selection as a candidate for Member of the Board serving as Audit & Supervisory Committee Member Although Mr. Akira Torii has not been involved in corporate management other than as an Outside Audit & Supervisory Board Member, the Company has judged that it can utilize in the management of the Company his specialized knowledge and experience, etc., fostered as a certified public accountant, and he has been selected as a candidate for Member of the Board serving as Audit & Supervisory Committee Member.</p>			

- Notes
1. There are no special interests between the candidates for Member of the Board serving as Audit & Supervisory Committee Member and the Company.
 2. Mr. Akira Sakamoto and Mr. Akira Torii are candidates for Outside Member of the Board serving as Audit & Supervisory Committee Member.
 Additionally, the Company has designated Mr. Akira Sakamoto and Mr. Akira Torii as Independent Directors/Auditors as stipulated by the Tokyo Stock Exchange, and has made a submission to the aforementioned Exchange.
 3. Based on the stipulations of Article 427, Paragraph 1 of the Companies Act, the Company plans to conclude a liability limitation agreement with Mr. Akira Sakamoto, Mr. Taizo Furumatsu, and Mr. Akira Torii to limit liabilities of Article 423, Paragraph 1 of the same Act. The liability limit under this agreement is 5.00 million yen or the amount set by laws and regulations, whichever is greater.

Proposal No. 5:Election of One (1) Substitute Member of the Board Serving as Audit & Supervisory Committee Member

Contingent upon the approval of Proposal No. 2 “Partial Amendments to the Articles of Incorporation,” the Company will transition to a Company with Audit & Supervisory Committee. Accordingly, the election of one (1) Substitute Member of the Board serving as Audit & Supervisory Committee Member is proposed.

The Audit & Supervisory Board has previously given its approval to this proposal.

Additionally, the effectiveness of resolution on this proposal is contingent upon the amendments to the Articles of Incorporation in Proposal No. 2 taking effect.

The candidate is as follows:

Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
Hiroshi Kawashima (January 9 1947) Reappointment	April 1969 Joined The Sanwa Bank, Limited (currently The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	0 shares
	January 1993 General Manager of Administrative Planning Department and General Manager of Administrative Leadership Office, The Sanwa Bank, Limited	
	November 1995 General Manager of Muromachi Branch, The Sanwa Bank, Limited	
	June 1997 Managing Director and General Manager of Leasing Headquarters, Sanwa Business Credit Co., Ltd.	
	June 1999 Member of the Board and General Manager of Accounting and Treasury Department, JCB Co., Ltd.	
	June 2006 Senior Executive Corporate Officer and General Manager of Osaka Regional Office, JCB Co., Ltd.	
	April 2009 Chairman, JCB Service Co., Ltd.	
	October 2010 Part-time Advisor, Pasona Inc. (present post)	

■ Reason for selection as a candidate for Substitute Member of the Board serving as Audit & Supervisory Committee Member
Mr. Hiroshi Kawashima has been employed for many years at financial institutions, has adequate knowledge of finance and accounting, and the Company has determined that he will appropriately be able to execute audit duties at the Company. Thus, he is proposed as a candidate for Substitute Outside Audit & Supervisory Board Member.

- Notes
1. There are no special interests between candidate for Substitute Member of the Board serving as Audit & Supervisory Committee Member Mr. Hiroshi Kawashima and the Company.
 2. Mr. Hiroshi Kawashima is a candidate for Substitute Outside Member of the Board.

Proposal No. 6: Determination of Remuneration, etc., Amounts for Members of the Board (Excluding Members of the Board Serving as Audit & Supervisory Committee Members)

The amount of remuneration for Members of the Board of the Company was resolved to be within 300,000 thousand yen per annum at the 1st Annual General Meeting of Shareholders held on June 9, 2009 and has continued to this day, but contingent upon approval of Proposal No. 2 “Partial Amendments to the Articles of Incorporation,” the Company will transition to a Company with Audit & Supervisory Committee. Accordingly, in place of the current definitions regarding the amount of remuneration for Members of the Board, in consideration of various factors such as economic conditions, the Company proposes to set the amount of remuneration for Members of the Board (excluding Members of the Board serving as Audit & Supervisory Committee Members) to within 300,000 thousand yen per annum. Additionally, the amount of remuneration for Members of the Board (excluding Members of the Board serving as Audit & Supervisory Committee Members) shall not include amounts provided as employee salary for employees concurrently serving as Members of the Board. If Proposal No 3 is approved as originally proposed, the number of Members of the Board (excluding Members of the Board serving as Audit & Supervisory Committee Members) will be three (3) persons.

Proposal No. 7: Determination of Remuneration, etc., Amounts for Members of the Board Serving as Audit & Supervisory Committee Members

As of the time that Proposal No 2 “Partial Amendments to the Articles of Incorporation” takes effect, the Company will transition to a Company with Audit & Supervisory Committee. Accordingly, in accordance with the stipulations of Article 361, Paragraph 1 and Paragraph 2 of the Companies Act, in consideration of various factors such as economic conditions, etc., the Company proposes to set the amount of remuneration, etc., for Members of the Board serving as Audit & Supervisory Committee Members to within 50,000 thousand yen per annum, alongside allowing for specific amounts and timing of payment, etc., for each Member of the Board serving as Audit & Supervisory Committee Member to be determined via deliberation between Members of the Board serving as Audit & Supervisory Committee Members.

When the effects of Proposal No. 2 “Partial Amendments to the Articles of Incorporation” and Proposal 4 “Election of Three (3) Members of the Board Serving as Audit & Supervisory Committee Members” take effect, the number of Members of the Board serving as Audit & Supervisory Committee Members is planned to be three (3) persons.

The effectiveness of this proposal is contingent upon Proposal No. 2 “Partial Amendments to the Articles of Incorporation” taking effect.