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Stock code: 8165

March 8, 2017

## NOTICE OF THE 72<sup>nd</sup> ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholder

You are cordially invited to attend the 72<sup>nd</sup> Ordinary General Meeting of Shareholders of Senshukai Co., Ltd. (“the Company”), which will be held as described hereunder.

If you are unable to attend the meeting, you may exercise your voting rights in writing or via the Internet, etc. Please review the attached Reference Material for Ordinary General Meeting of Shareholders and exercise your voting rights by no later than 5:30 p.m., Wednesday, March 29, 2017, following the “Procedure for Exercising Voting Rights” on next page.

Sincerely yours,

Hiroyuki Hoshino  
President and Representative Director  
**Senshukai Co., Ltd.**  
1-8-9 Doshin, Kita-ku, Osaka

### MEETING AGENDA

- 1. Date and Time:** 10:00 a.m., Thursday, March 30, 2017  
(Reception will open at 9:00 a.m.)
- 2. Venue:** Mielparque Hall Osaka  
4-2-1 Miyahara, Yodogawa-ku, Osaka

**3. Agenda:**

- Items to be reported:*
1. Business Report, Consolidated Financial Statements for the 72<sup>nd</sup> fiscal year (January 1 to December 31, 2016); and Audit Reports of the Accounting Auditors and the Audit & Supervisory Board regarding Consolidated Financial Statements for the 72<sup>nd</sup> fiscal year
  2. Non-consolidated Financial Statements for the 72<sup>nd</sup> fiscal year (January 1 to December 31, 2016)

*Items to be proposed:*

- |            |   |
|------------|---|
| Proposal 1 | Appropriation of surplus  |
| Proposal 2 | Partial amendments to the Articles of Incorporation             |
| Proposal 3 | Election of nine (9) Directors                                  |
| Proposal 4 | Election of one (1) Audit & Supervisory Board Member            |
| Proposal 5 | Election of one (1) substitute Audit & Supervisory Board Member |

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If attending the meeting in person, please present the enclosed voting form at the reception desk. For the purpose of saving resources, please be sure to bring this notice with you.

We will post any corrections to the Reference Material for Ordinary General Meeting of Shareholders, business report, consolidated financial statements, or non-consolidated financial statements on the Company's website (<http://www.senshukai.co.jp/soukai>).

The Company participates in "electronic voting platforms" for institutional investors operated by ICJ Inc.

## **Procedure for Exercising Voting Rights**

### **1. Voting by mail**

Please indicate your approval or disapproval of the proposals on the enclosed voting form and return it to us. All forms must be received by no later than 5:30 p.m., Wednesday, March 29, 2017, the day before the Ordinary General Meeting of Shareholders.

### **2. Voting website**

You can only exercise your voting rights via the Internet by accessing the following dedicated voting website designated by the Company.

Dedicated voting website address: <http://www.web54.net>

### **3. Handling of votes**

- (1) When exercising your voting rights via the Internet, input the "voting right exercise code" and "password" written in the enclosed voting form, and indicate your approval or disapproval by following the on-screen instructions.
- (2) The deadline for voting is 5:30 p.m., Wednesday, March 29, 2017. An early exercise of your vote would be very much appreciated.
- (3) If shareholders duplicate the vote, such as by exercising the voting rights both by mail and via the Internet, we will consider only the Internet vote to be valid. If you vote more than once over the Internet, we will consider the latest vote to be valid.
- (4) Any fees to Internet providers and telecommunication companies (connection fees, etc.) incurred by shareholders in using the dedicated voting website, are to be borne by the shareholders.

### **4. PC-related technical inquiries, etc.**

If you have any technical inquiries regarding the operation of a PC, etc. for voting on this website, contact the following:

Stock Transfer Agency Web Support, Sumitomo Mitsui Trust Bank, Limited Tel: 0120-652-031 (toll-free and available from 9:00 a.m. to 9:00 p.m., only in Japan)
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## Reference Material for Ordinary General Meeting of Shareholders

### Proposal 1: Appropriation of surplus

The Company's basic policy concerning the appropriation of surplus is to provide distribution of profit to shareholders, setting a dividend payout ratio of 30% as a target; provided, however, this is consistent with reinforcing the management base and at the same time maintaining stable dividend and distributing appropriate profit in accordance with earnings.

Under this policy, the year-end dividend for the fiscal year under review was set as follows.

(1) Type of dividend property

Cash

(2) Items concerning allocation of dividend property to shareholders and total amount thereof

4 yen per share of common stock of the Company; the total amount of 208,827,464 yen

(3) Effective date of dividends of surplus:

March 31, 2017

The annual dividend will amount to 8 yen per share, including an interim dividend of 4 yen per share.

## **Proposal 2: Partial amendments to the Articles of Incorporation**

### 1. Reasons for amendments

- (1) The effective period of the Company's recently adopted "Policy toward Large-scale Purchases of Shares of the Company (countermeasures against takeovers)" (hereinafter referred to as "the plan") is set to expire at the conclusion of this General Meeting of Shareholders. The Company has determined that the importance of continuation of the plan has declined in relative terms in consideration of the changes in business environment and the environment regarding the countermeasures against takeovers; therefore, at the meeting of the Board of Directors held on February 17, 2017, the Company's Board of Directors adopted a resolution not to renew the plan but to withdraw it at the conclusion of this General Meeting of Shareholders.

In the event that the Company's Board of Directors is to carry out an allotment of stock acquisition rights granted free of charge in accordance with the countermeasures against takeovers under the plan, we deem that such action should be based on the will of our shareholders, and not solely upon resolution by the Board of Directors. Premised on that notion, the Company established Article 19 and Article 20 in the current Articles of Incorporation, such that include 1) provisions enabling the Company to introduce the plan upon resolution of the General Meeting of Shareholders, and include 2) fundamental provisions enabling the Company either to carry out an allotment of stock acquisition rights granted free of charge upon resolution of the General Meeting of Shareholders, or otherwise delegating the task of carrying out an allotment of stock acquisition rights granted free of charge to the Board of Directors, in accordance with certain conditions such that have been established by the General Meeting of Shareholders.

At its meeting held on February 17, 2017, the Company's Board of Directors adopted a resolution to withdraw from the plan, rather than renew it, at the conclusion of this meeting. As such, Article 19 and Article 20 of the current Articles of Incorporation are to be deleted.

Also, the numbers of the articles from Article 21 onwards of the current Articles of Incorporation will each be brought up, upon deletion of the text.

- (2) The scope of Directors and Audit & Supervisory Board Members who may enter into liability limitation agreements has been changed under the “Act for Partial Revision of the Companies Act” (Act No. 90 of 2014), which came into force on May 1, 2015. Accordingly, the necessary changes are to be made to Article 29 and Article 36 of the current Articles of Incorporation so that expected roles may be duly performed by those Directors who do not engage in business execution and those Audit & Supervisory Board Members who are not Outside Audit & Supervisory Board Members. We have obtained the consent of each Audit & Supervisory Board Member with respect to changing Article 29 (Limitation of Liabilities of Outside Directors) of the current Articles of Incorporation.

2. Details of the proposed amendments

Details of the proposed amendments are following:

(Underlined portions indicate the parts that are to be changed.)

Current Articles	Revised Articles proposed
<p><u>Article 19 (Matters to Be Resolved at General Meeting of Shareholders)</u></p> <p><u>1. At General Meetings of Shareholders, the Company may determine, by way of resolution, not only matters separately prescribed to be resolved thereat in laws and regulations and these Articles of Incorporation but also the policy toward large-scale purchases of shares of the Company.</u></p> <p><u>2. The policy toward large-scale purchases of shares of the Company mentioned in the preceding paragraph shall mean measures that propose to make it difficult to acquire the Company by issuing new shares or stock acquisition rights that are not mainly for business purposes such as funding and tie-ups, and which are introduced before the commencement of acquisition by any party that may prejudice the corporate value of the Company or the common interest of the shareholders. The introduction in the above sentence shall mean the determination of concrete details of the policy toward large-scale purchases of shares of the Company.</u></p>	<p>(Deleted)</p>
<p><u>Article 20 (Decision-making body of allotment of stock acquisition rights granted free of charge)</u></p> <p><u>1. The Company may carry out allotment of stock acquisition rights granted free of charge in accordance with the policy toward large-scale purchases of shares of the Company, provided for in the preceding article, based on a resolution of a General Meeting of Shareholders or a resolution of the Board of Directors, commissioned by a resolution of a General Meeting of Shareholders, in addition to a resolution of the Board of Directors.</u></p> <p><u>2. Resolutions of a General Meeting of Shareholders pursuant to the provisions of the preceding paragraph shall be adopted by a majority of the voting rights of the shareholders present, who shall have at least one-third (1/3) of the aggregate voting rights of all the shareholders who are entitled to exercise voting rights.</u></p>	<p>(Deleted)</p>

Current Articles	Revised Articles proposed
<p>Article <u>21</u> to (Description is omitted.)</p> <p>Article <u>28</u></p> <p>Article <u>29</u> (Limitation of Liabilities of <u>Outside Directors</u>) The Company may, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, conclude with <u>outside Directors</u>, agreements to limit the liabilities for damages caused by the neglect of their duties. However, the maximum amount of the liabilities based on such agreements shall be the amount provided for in laws and regulations.</p> <p>Article <u>30</u> to (Description is omitted.)</p> <p>Article <u>35</u></p> <p>Article <u>36</u> (Limitation of Liabilities of <u>Outside Audit &amp; Supervisory Board Members</u>) The Company may, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, conclude with <u>outside Audit &amp; Supervisory Board Members</u>, agreements to limit the liabilities for damages caused by the neglect of their duties. However, the maximum amount of the liabilities based on such agreements shall be the amount provided by laws and regulations.</p> <p>Article <u>37</u> to (Description is omitted.)</p> <p>Article <u>40</u></p>	<p>Article <u>19</u> to (Unchanged)</p> <p>Article <u>26</u></p> <p>Article <u>27</u> (Limitation of Liabilities of <u>Directors</u>) The Company may, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, conclude with <u>Directors (excluding executive directors, etc.)</u>, agreements to limit the liabilities for damages caused by the neglect of their duties. However, the maximum amount of the liabilities based on such agreements shall be the amount provided for in laws and regulations.</p> <p>Article <u>28</u> to (Unchanged)</p> <p>Article <u>33</u></p> <p>Article <u>34</u> (Limitation of Liabilities of <u>Audit &amp; Supervisory Board Members</u>) The Company may, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, conclude with <u>Audit &amp; Supervisory Board Members</u>, agreements to limit the liabilities for damages caused by the neglect of their duties. However, the maximum amount of the liabilities based on such agreements shall be the amount provided by laws and regulations.</p> <p>Article <u>35</u> to (Unchanged)</p> <p>Article <u>38</u></p>

**Proposal 3: Election of nine (9) Directors**

The terms of office of eight (8) Directors will expire at the conclusion of this meeting. At this juncture, we would like you to elect nine (9) Directors, including two (2) Outside Directors, increasing the number of Directors by one (1) to enhance the business structure.

The candidates for Directors are as follows.

No.	Name (Date of birth)	Brief personal profile, positions and responsibilities at the Company and important concurrent occupations or positions at other organizations	No. of the Company's shares held
1	<p style="text-align: center;">Reelection Years served as Director: 8 years</p> <p style="text-align: center;">Hiroyuki Hoshino (December 10, 1959)</p> <p style="text-align: center;">Board of Directors Meeting Attendance 100% (17/17)</p>	<p>Sep. 1982    Joined the Company</p> <p>Mar. 2006    Executive Officer of the Company</p> <p>Jan. 2008    Division Director of Tokyo Business Division of the Company</p> <p>Mar. 2009    Director and Executive Officer of the Company</p> <p>Dec. 2010    President and Representative Director of Mobakore Co., Ltd.</p> <p>Jan. 2011    Division Director of Business Development Division of the Company</p> <p>Jan. 2013    General Manager of Corporate Planning Division of the Company</p> <p>Mar. 2015    Managing Director and Executive Officer of the Company</p> <p>Aug. 2015    In charge of Administration Division, General Manager of Corporate Planning Division, Division Director of Sales Planning Division of the Company</p> <p>Jan. 2016    President and Representative Director of the Company (present position)</p>	7,300
<p>(Reasons for nomination as a candidate for Director)</p> <p>Since joining the Company, Hiroyuki Hoshino has served in sales, marketing, corporate planning and other divisions and has taken on leading roles in endeavors that include launching the “Belle Maison Net” mail-order website and entering the bridal business sector. He also formerly served in positions that include the Division Director of the Business Development Division involving new business, and the General Manager of the Corporate Planning Division. Given the extensive experience he has gained up to this point, in conjunction with his insight with respect to handling management of the Company, we deem him capable of contributing to development of the Company going forward, and accordingly nominate him for another term as a candidate for Director.</p>			

No.	Name (Date of birth)	Brief personal profile, positions and responsibilities at the Company and important concurrent occupations or positions at other organizations	No. of the Company's shares held
2	<p data-bbox="343 591 512 674">Reelection Years served as Director: 3 years</p> <p data-bbox="325 701 529 757">Koichi Sugiura (November 5, 1958)</p> <p data-bbox="325 784 529 866">Board of Directors Meeting Attendance 100% (17/17)</p>	<p data-bbox="563 351 667 380">Mar. 1981</p> <p data-bbox="563 383 667 412">Jan. 2009</p> <p data-bbox="563 573 667 602">Jan. 2011</p> <p data-bbox="563 629 667 658">Jan. 2014</p> <p data-bbox="563 685 667 714">Mar. 2014</p> <p data-bbox="563 741 667 770">Jan. 2015</p> <p data-bbox="563 797 667 826">Mar. 2015</p> <p data-bbox="563 853 667 882">Aug. 2015</p> <p data-bbox="563 999 667 1028">Jan. 2016</p> <p data-bbox="563 1055 667 1084">Jan. 2017</p> <p data-bbox="699 351 1150 1104">           Joined the Company            Executive Officer of the Company            Division Director of Lifestyle Business Division, General Manager of Fabric Development Department and General Manager of Furniture Development Department of Lifestyle Business Division of the Company            Division Director of Product Development Division of the Company            Division Director of Sales Planning Division of the Company            Director and Executive Officer of the Company            Division Director of Monthly Business Division of the Company            Managing Director and Executive Officer of the Company (present position)            In charge of Belle Maison Division, In charge of Monthly Business Division, Division Director of SPA Brand Business Division, Division Director of Monthly Business Division of the Company            In charge of Belle Maison Division of the Company            In charge of Product Development Division of the Company (present position)         </p>	6,500
<p data-bbox="225 1111 735 1140">(Reasons for nomination as a candidate for Director)</p> <p data-bbox="225 1140 1362 1265">Since joining the Company, Koichi Sugiura has mainly served as division director of divisions in the Company's core mail-order business segment, and has taken on leading roles in developing the Company. Given the extensive experience he has gained up to this point, in conjunction with his insight with respect to handling management of the Company, we deem him capable of contributing to development of the Company going forward, and accordingly nominate him for another term as a candidate for Director.</p>			

No.	Name (Date of birth)	Brief personal profile, positions and responsibilities at the Company and important concurrent occupations or positions at other organizations	No. of the Company's shares held
3	<p data-bbox="347 674 507 757">Reelection Years served as Director: 2 years</p> <p data-bbox="347 786 507 846">Kenji Kajiwara (June 20, 1961)</p> <p data-bbox="331 869 523 952">Board of Directors Meeting Attendance 94% (16/17)</p>	<p data-bbox="564 353 1150 1263"> Aug. 1988    Joined the Company  Jan. 2009    Executive Officer of the Company  Deputy Division Director of Fashion Business  Division of the Company  Jan. 2010    General Manager of Belle Maison Net  Promotion Section of the Company  Jan. 2011    Deputy Division Director of EC Business  Division and General Manager of EC Business  Planning Department of EC Business Division  of the Company  Aug. 2011    General Manager of EC Sales Planning  Department of EC Business Division of the  Company  Jan. 2013    Deputy Division Director of Sales Planning  Division of the Company  Jan. 2014    Division Director of Fashion Business  Division of the Company  Mar. 2015    Director and Executive Officer of the  Company (present position)  Apr. 2015    Division Director of Fashion Business  Division, Division Director of SPA Brand  Business Division of the Company  Aug. 2015    Division Director of Fashion Business  Division of the Company  Jan. 2016    Tokyo Head Office Representative, Division  Director of Business Development Division of  the Company  Jul. 2016    President and Representative Director of  Senshukai Child Care Co., Ltd. (present  position)  Jan. 2017    Tokyo Head Office Representative, In charge  of Business Development of the Company  (present position) </p>	2,100
<p data-bbox="225 1279 735 1301">(Reasons for nomination as a candidate for Director)</p> <p data-bbox="225 1305 1361 1462">Since joining the Company, Kenji Kajiwara has mainly served in divisions related to fashion and online business of the Company's core mail-order business segment. He is currently in charge of the Business Development Division, and has taken on leading roles in developing the Company. Given the extensive experience he has gained up to this point, in conjunction with his insight in regard to handling management of the Company, we deem him capable of contributing to development of the Company going forward, and accordingly nominate him for another term as a candidate for Director.</p>			

No.	Name (Date of birth)	Brief personal profile, positions and responsibilities at the Company and important concurrent occupations or positions at other organizations	No. of the Company's shares held
4	<p>Reelection Years served as Director: 1 year</p> <p>Takeshi Naito (November 14, 1962)</p> <p>Board of Directors Meeting Attendance 100% (13/13) (after assumption of office)</p>	<p>Mar. 1986 Joined the Company</p> <p>Mar. 2008 Executive Officer of the Company</p> <p>Jul. 2009 Division Director of Business Division, General Manager of Business Planning Department of Business Division of the Company</p> <p>Jan. 2010 Division Director of Business Division, General Manager of Business Planning Department and Distribution Planning Department of Business Division of the Company</p> <p>Jan. 2011 General Manager of Corporate Planning Division, General Manager of Human Resources Department of Corporate Planning Division of the Company</p> <p>Jan. 2013 Division Director of Business Development Division of the Company</p> <p>Nov. 2013 President and Representative Director of Senshukai Child Care Co., Ltd.</p> <p>Jan. 2016 General Manager of Corporate Planning Division of the Company</p> <p>Mar. 2016 Director and Executive Officer of the Company (present position)</p> <p>Jan. 2017 In charge of Corporate Planning of the Company (present position)</p>	8,000
<p>(Reasons for nomination as a candidate for Director)</p> <p>Since joining the Company, Takeshi Naito has mainly served in the Company's business, corporate planning, and business development divisions. He is currently in charge of the Corporate Planning Division, and has taken on leading roles in developing the Company. Given the extensive experience he has gained up to this point, in conjunction with his insight in regard to handling management of the Company, we deem him capable of contributing to development of the Company going forward, and accordingly nominate him for another term as a candidate for Director.</p>			
5	<p>New candidate</p> <p>Koichi Ishida (July 14, 1965)</p>	<p>Mar. 1988 Joined the Company</p> <p>Jan. 2009 General Manager of Corporate Business Department of Tokyo Business Division of the Company</p> <p>Jan. 2015 Executive Officer of the Company (present position) Deputy General Manager of Corporate Planning Division, General Manager of Corporate Planning Department of the Company</p> <p>Aug. 2015 Deputy Division Director of Sales Planning Division of the Company</p> <p>Jan. 2016 Division Director of Sales Planning Division of the Company</p> <p>Jan. 2017 In charge of Sales Planning of the Company (present position)</p>	3,000
<p>(Reasons for nomination as a candidate for Director)</p> <p>Since joining the Company, Koichi Ishida has mainly served in the Company's sales, corporate business, sales planning, and corporate planning divisions. He is currently in charge of the Sales Planning Division and has taken on leading roles in developing the Company. Given the extensive experience he has gained up to this point, in conjunction with his insight in regard to handling management of the Company, we deem him capable of contributing to development of the Company going forward, and accordingly nominate him as a new candidate for the position of Director.</p>			

No.	Name (Date of birth)	Brief personal profile, positions and responsibilities at the Company and important concurrent occupations or positions at other organizations	No. of the Company's shares held
6	New candidate Yoshihiro Ogawa (March 19, 1967)	Apr. 1989 Joined Mitsui & Co., Ltd. Oct. 2003 Joined the Company Jan. 2013 General Manager of Belle Maison Business Planning Department of the Company Jan. 2016 Executive Officer of the Company (present position) Division Director of Belle Maison Administration Division of the Company Jan. 2017 In charge of BELLE MAISON Division of the Company (present position)	100
(Reasons for nomination as a candidate for Director) Since joining the Company, Yoshihiro Ogawa has mainly served in the Belle Maison Business Planning Department of the Company's core mail-order business segment. He is currently in charge of the BELLE MAISON Division and has taken on leading roles in developing the Company. Given the extensive experience he has gained up to this point, in conjunction with his insight with respect to handling management of the Company, we deem him capable of contributing to development of the Company going forward, and accordingly nominate him as a new candidate for the position of Director.			
7	New candidate Hideyuki Ikeda (April 11, 1959)	Apr. 1982 Joined The Daimaru, Inc. (presently, Daimaru Matsuzakaya Department Stores Co. Ltd.) Sep. 2001 Manager of Women's Apparel Division, Tokyo Store of The Daimaru, Inc. Mar. 2004 Manager of Women's Apparel Division I, Shinsaibashi Store of The Daimaru, Inc. May 2010 Corporate Officer, Senior General Manager of Merchandising Promotion Division I of Merchandising Strategy Promotion Unit of Sales and Marketing Headquarters of Daimaru Matsuzakaya Department Stores Co. Ltd. Sep. 2014 Corporate Officer, Senior Executive General Manager of Shop Operation Unit I of Merchandising Strategy Promotion Unit of Sales and Marketing Headquarters, In charge of Promotion of Department Store Omni-Channel Retailing of Daimaru Matsuzakaya Department Stores Co. Ltd. Sep. 2015 Corporate Officer, Senior Executive General Manager of Merchandising and Channel Development of Merchandising Strategy Promotion Unit of Sales and Marketing Headquarters of Daimaru Matsuzakaya Department Stores Co. Ltd. Jan. 2016 Advisor of Daimaru Matsuzakaya Department Stores Co. Ltd. (In charge of Special Assignments from President) (present position) Jan. 2017 Counselor of the Company (present position)	0
(Reasons for nomination as a candidate for Director) Since joining Daimaru Matsuzakaya Department Stores Co. Ltd. (formerly The Daimaru, Inc.), Hideyuki Ikeda has served in its sales & marketing operations and its merchandising strategy promotion operations, and has also been in charge of promoting omni-channel retailing. Accordingly, we nominate him as a new candidate for the position of Director in the belief that he will apply the extensive insight, experience and other attributes he has gained up to this point to management of the Company.			

No.	Name (Date of birth)	Brief personal profile, positions and responsibilities at the Company and important concurrent occupations or positions at other organizations	No. of the Company's shares held
8	<p style="text-align: center;">Outside New candidate</p> <p>Naoto Terakawa (April 10, 1958)</p>	<p>Apr. 1982    Joined Sony Corporation</p> <p>Apr. 1989    Vice President of Digital Network Solutions Division, Executive Manager of Human Resources Department of Sony Corporation</p> <p>Apr. 2004    Vice President of Personal Solutions Business Group, Executive Manager of Business Promotion Department of Sony Corporation</p> <p>Jun. 2006    Director of StylingLife Holdings Inc.</p> <p>Mar. 2010    Retired from Director of StylingLife Holdings Inc.</p> <p>Apr. 2010    President and Representative Director of MAXIM'S de Paris Ltd.</p> <p>Mar. 2012    Retired from President and Representative Director of MAXIM'S de Paris Ltd.</p> <p>Jul. 2012    Executive Officer, Executive General Manager of Personnel Headquarters of World Co., Ltd.</p> <p>Oct. 2014    Retired from Executive Officer of World Co., Ltd.</p> <p>Nov. 2014    President and Representative Director of Tera Management Design Co., Ltd. (present position)</p> <p>Nov. 2015    President and Representative Director of Indigo Blue Co., Ltd. (present position)</p> <p>Jun. 2016    Outside Director of PanaHome Corporation (present position)</p>	0
<p>(Reasons for nomination as a candidate for Outside Director)</p> <p>Since joining Sony Corporation, Naoto Terakawa has served in positions such as Director of Sony Group affiliates and other such entities. He has persistently engaged in personnel and labor operations, launched new business operations, and introduced and took the lead in operating head office structural reforms and design of systems for group management. After resigning from Sony Corporation, he served in positions that include directorships of numerous companies. Accordingly, we nominate him as a new candidate for the position of Director in the belief that he will apply the extensive insight, experience and other attributes he has gained up to this point to management of the Company.</p>			

No.	Name (Date of birth)	Brief personal profile, positions and responsibilities at the Company and important concurrent occupations or positions at other organizations	No. of the Company's shares held
9	Outside New candidate  Naomi Aoyama (May 27, 1966)	Apr. 1989    Joined Toshiba Corporation Apr. 2001    Joined eLife Inc. General Manager of New Business Development Department of eLife Inc. Jun. 2004    Established Stylebis Ltd. Representative Director of Stylebis Ltd. (present position) Jun. 2005    Outside Director of Kenko.com, Inc. Jun. 2012    Retired from Outside Director of Kenko.com, Inc.	100

(Reasons for nomination as a candidate for Outside Director)

Naomi Aoyama worked for Toshiba Corporation and then for eLife Inc. in the realm of Internet marketing ventures, and subsequently established Stylebis Ltd., which provides marketing support from a consumer perspective. She has engaged in social media management and e-commerce business particularly as an advisor on cross-border e-commerce for companies, and has served as a member of various committees including the committee on specified commercial transactions of the Consumer Economic Affairs Council of Japan's Ministry of Economy, Trade and Industry (METI). She also took on responsibilities such as running the Working Mother Style website, which aims to provide information to women aiming to enhance their work-life balance. Accordingly, we nominate her as a new candidate for the position of Director in the belief that she will apply the extensive insight, experience and other attributes she has gained up to this point to management of the Company.

Notes:

1. There are no conflicts of interests between the candidates and the Company.
2. Both Naoto Terakawa and Naomi Aoyama are candidates for Outside Directors.
3. If the elections of candidates for Outside Directors, Naoto Terakawa and Naomi Aoyama, are approved and resolved, we plan to conclude an agreement with each of them to limit their liability for compensation as stipulated in Article 427, Paragraph 1 of the Companies Act, based on the provisions of the Articles of Incorporation. The limit of liability for compensation under the relevant agreement is the minimum amount stipulated in laws and regulations.
4. If the elections of candidates for Outside Directors, Naoto Terakawa and Naomi Aoyama, are approved and resolved, the Company plans to notify them as Independent Directors as prescribed by the Financial Instruments Exchange.

(Reference)

[Independence standards and qualifications for independent directors]

The Company adopts the independence standards prescribed by the Tokyo Stock Exchange as well as the following independence standards for independent outside directors and independent outside audit & supervisory board members.

<Independence standards>

The Company deems outside directors and outside audit & supervisory board members (including candidates) independent when the respective individual does not fall under items i) to iv) below. The number of other companies at which directors and audit & supervisory board members, including outside directors and audit & supervisory board members have concurrent positions, is prescribed in v) below.

(i) Business partner

When payment from the Company is received by or payment to the Company is made by a company at which the individual serves as executive, and the annual transaction amount calculated from the average of the past three business years is 2% or more of the consolidated net sales of either company

(ii) Specialist

When remuneration or payment from the Company for specialist legal, accounting, or tax services is received by the individual or an incorporated firm at which the individual is employed, and the annual amount calculated from the average of the past three business years is 10 million yen or more in the case of a sole proprietor, or 2% or more of net sales of the incorporated firm in the case the individual is employed

(iii) Donee

When donations from the Company are received by a non-profit organization (NPO) at which the individual serves as executive, and the annual amount calculated from the average of the past three business years exceeds either 10 million yen or 30% of the annual expenditure of the NPO, whichever is greater

(iv) Close relative of i) to iii) above or of an executive of the Company or its subsidiary

When the individual is a family member up to the second degree of i) to iii) above or of a major executive of the Company or its subsidiary, either currently or at any time within the past five years

(v) Number of other companies at which the individual have concurrent position

The number of listed companies at which the individual have concurrent position as officer (director, audit & supervisory board member, or corporate executive officer) other than the Company is limited to a maximum of four.

**Proposal 4: Election of one (1) Audit & Supervisory Board Member**

To strengthen the audit system by increasing the number of Audit & Supervisory Board Members by one (1), we would like you to elect one (1) Audit & Supervisory Board Member.

Prior to our proposal of this item, we have already obtained the consent of the Audit & Supervisory Board.

The candidate for Audit & Supervisory Board Member is as follows.

Name (Date of birth)	Brief personal profile, positions at the Company and important concurrent occupations or positions at other organizations	No. of the Company's shares held
New candidate Yoshiharu Kitahara (June 7, 1957)	Mar. 1981 Joined the Company Jul. 2006 General Manager of Human Resources Division of the Company Jan. 2011 Executive Officer of the Company Division Director of Business Division of the Company Aug. 2012 President and Representative Director of Belle Maison Logisco Co., Ltd. (present position) Jan. 2013 Deputy Division Director of Product Development Division of the Company Jan. 2014 Deputy Division Director of Product Management Division of the Company Apr. 2014 Deputy General Manager of Corporate Planning Division of the Company Dec. 2015 Retired from Executive Officer of the Company	7,000
(Reasons for nomination as a candidate for Audit & Supervisory Board Member) Since joining the Company, Yoshiharu Kitahara has served in human resources, business, product development and management divisions, and has gained experience in his currently serving position as President and Representative Director of a Senshukai Group company. We deem him capable of applying such knowledge and insight to his duties as Audit & Supervisory Board Member of the Company, and accordingly nominate him as a candidate for the position of Audit & Supervisory Board Member.		

Notes:

1. There are no conflicts of interests between Yoshiharu Kitahara and the Company.
2. If the election of Yoshiharu Kitahara is approved and resolved, we plan to conclude an agreement with him to limit his liability for compensation as stipulated in Article 427, Paragraph 1 of the Companies Act, subject to the approval of Proposal 2, "Partial amendments to the Articles of Incorporation." The limit of liability for compensation under the relevant agreement is the minimum amount stipulated in laws and regulations.
3. Yoshiharu Kitahara will retire from Director of Belle Maison Logisco Co., Ltd. in March 2017.

**Proposal 5: Election of one (1) substitute Audit & Supervisory Board Member**

To provide for a case in which the number of Audit & Supervisory Board Members falls short of the number stipulated by laws and regulations, we would like you to elect one (1) substitute Audit & Supervisory Board Member in advance.

Prior to our proposal of this item, we have already obtained the consent of the Audit & Supervisory Board.

The candidate for substitute Audit & Supervisory Board Member is as follows.

Name (Date of birth)	Brief personal profile and important concurrent occupations or positions at other organizations	No. of the Company's shares held
Outside  Akihito Nakamachi (May 7, 1968)	Apr. 1993 Registered as an Attorney at Law Joined Mori Sogo Law Offices (presently, Mori Hamada & Matsumoto) Oct. 1999 Joined Wilson Sonsini Goodrich & Rosati P.C. (U.S.A.) Oct. 2003 Joined Kirkland & Ellis LLP (U.S.A.) Jan. 2005 Partner of Kirkland & Ellis LLP (U.S.A.) Jul. 2009 Joined Anderson Mori & Tomotsune LPC Partner of Anderson Mori & Tomotsune LPC (present position) Jun. 2014 Outside Audit & Supervisory Board Member of Oisix Inc. (present position) Feb. 2015 Outside Audit & Supervisory Board Member of Metaps Inc. (present position) Apr. 2016 Project Professor of Graduate School of Science, Technology and Innovation of Kobe University (present position)	0
(Reasons for nomination as a candidate for substitute Outside Audit & Supervisory Board Member) Akihito Nakamachi has extensive experience and considerable expertise as an attorney at law, and has accordingly been nominated with the expectation that he will apply such experience and knowledge to the audit system of the Company. Although he lacks past experience taking part in company management, except in the capacity of outside officer, we deem him capable of appropriately executing his respective duties for the aforementioned reasons, if appointed to the position of Audit & Supervisory Board Member.		

Notes:

1. There are no conflicts of interests between Akihito Nakamachi and the Company.
2. Akihito Nakamachi is the candidate for substitute Outside Audit & Supervisory Board Member.
3. We may cancel this election by a resolution of the Board of Directors after obtaining the consent of the Audit & Supervisory Board, if the cancellation is before he takes office.
4. If the election of Akihito Nakamachi is approved and resolved, and he takes his office as Audit & Supervisory Board Member, we plan to conclude an agreement with him to limit his liability for compensation as stipulated in Article 427, Paragraph 1 of the Companies Act, based on the provisions of the Articles of Incorporation. The limit of liability for compensation under the relevant agreement is the minimum amount stipulated in laws and regulations.