

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities identification Code: 2120
June 6, 2017

To our shareholders:

Takashi Inoue
President and CEO
Lifull Co., Ltd.
1-4-4 Kojimachi, Chiyoda-ku, Tokyo

NOTICE OF THE 22ND ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 22nd Ordinary General Meeting of Shareholders of Lifull Co., Ltd. (the “Company”), which will be held as described below.

If you are unable to attend the meeting in person, you can vote on the proposals through one of the following methods. Therefore, we ask that you please review the attached Reference Documents for the General Meeting of Shareholders and then place your votes.

If you wish to vote in writing:

Please indicate your approval or disapproval of the proposals on the enclosed voting form, and return it by postal mail to reach us no later than 5:00 p.m., Tuesday, June 27, 2017 (Japan Standard Time).

If you wish to vote over the Internet:

Please access the voting website designated by the Company (<http://www.web54.net>) and use “the voting code” and “password” you will find on the enclosed voting form. After this, please indicate your approval or disapproval of the proposals in accordance with the on-screen instructions no later than 5:00 p.m., Tuesday, June 27, 2017 (Japan Standard Time).

We ask that you please check “Information on Exercise of Voting Rights” when you vote over the Internet (Japanese Only).

1. Date and Time: Wednesday, June 28, 2017 at 10:00 a.m. (Japan Standard Time)
(Reception opens at 9:00 a.m.)

2. Venue: 8F the Company's Conference Room
1-4-4 Kojimachi, Chiyoda-ku, Tokyo
Please note that there has been a change in venue due to the relocation of our Head Office.

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 22nd Term (from April 1, 2016 to March 31, 2017), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-Consolidated Financial Statements for the 22nd Term (from April 1, 2016 to March 31, 2017)

Items to be resolved:

- Proposal 1:** Appropriation of surplus
- Proposal 2:** Partial amendments to the Articles of Incorporation
- Proposal 3:** Election of six (6) Directors
- Proposal 4:** Election of four (4) Audit & Supervisory Board Members
- Proposal 5:** Election of Accounting Auditor

4. Information on Exercise of Voting Rights:

Please refer to "Information on Exercise of Voting Rights" (Japanese only).

5. Decisions on the convocation of the meeting:

- (1) If you vote multiple times over the Internet, we shall treat your final vote as the valid one.
- (2) If you vote with overlapping methods in writing and over the Internet, we will treat your vote over the Internet as the valid one.
- (3) If you wish to use your voting rights to vote both in approval and disapproval of a proposal, please inform us of your intention to do so and the reason for this no later than three days prior to the day of the General Meeting of Shareholders.

Reference Documents for the General Meeting of Shareholders

Proposal 1 Appropriation of surplus

The Company considers one of our important management policies to be the substantial return of profit to our shareholders while focusing on “investment for future growth” with the aim of continuously increasing profit and on our “internal reserves” to enhance and strengthen our financial structure by actively promoting business development.

The Company’s basic policy in regards to dividends is to distribute flexible results according to our performance in each fiscal year while taking into account our mid-to-long term business plan and other considerations.

The Company aims for a dividend payout ratio of 20% of profit attributable to the owners of our parent company in regards to year-end dividends for the fiscal year under review. We propose to round off to the second decimal place to even more accurately calculate the dividend payout ratio of 20% in regards to the calculation of the dividend per share.

Moreover, the Company celebrated the 20th anniversary in March 2017 since our establishment. We propose to add a commemorative dividend of ¥1 per share to celebrate the 20th anniversary since our establishment. Therefore, we propose a dividend for the fiscal year under review as below.

Year-end dividends

In light of business results for the fiscal year under review and based on the policy above, the Company proposes to pay a year-end dividend for the fiscal year as follows:

Type of dividend property	Cash
Allotment of dividend property and their aggregate amount	¥5.66 per common share of the Company Total dividends: ¥671,929,339
Effective date of dividends of surplus	June 29, 2017

Proposal 2 Partial amendments to the Articles of Incorporation

1. Reasons for the proposal

- (1) The Company proposes to amend Article 1 (Trade Name) of our current Articles of Incorporation to change our trade name from “Lifull Co., Ltd.” to “LIFULL Co., Ltd.” due to a change to our brand strategy.
- (2) The business year of the Company commences on April 1 of each year and ends on March 31 of the following year. However, the Company proposes to change our business year to commence on October 1 of each year and end on September 30 of the following year to optimize our sales strategy, performance management, management and business operation.
Accordingly, the Company proposes to make the necessary changes to Articles 12, 13, 39, 40 and 41 of our current Articles of Incorporation.

Moreover, due to the change to our business year, our 23rd business year will have an accounting period of six months from April 1, 2017 to September 30, 2017. Therefore, the Company proposes to add Articles 1 and 2 in Supplementary Provisions as a transitional measure.

- (3) The Company proposes to abolish directors with special titles to optimize management by separating management and business execution. Accordingly, the Company proposes to make the necessary changes to Articles 14, 22 and 23 of our current Articles of Incorporation.

2. Details of the amendments

Details of the amendments are as follows:

(Underlined portions indicate amendments.)

Current Articles of Incorporation	Proposed amendments
<p>(Trade Name) Article 1. The name of the Company shall be “Kabushiki Kaisha <u>Lifull</u>” and in English it shall be “<u>Lifull</u> Co., Ltd.” (Convocation of the General Meeting of Shareholders) Article 12. An annual general meeting of shareholders of the Company shall be convened in <u>June</u> every year. An extraordinary general meeting of shareholders shall be convened whenever necessary. (Record Date of Annual General Meeting of Shareholders) Article 13. The record date for voting rights at the Company’s annual general meeting of shareholders shall be <u>March 31</u> every year. (Convener and Chairmanship of General Meeting of Shareholders) Article 14. 1. The <u>Director and President</u> shall convene general meetings of shareholders and chair the meetings. 2. In cases where the <u>Director and President</u> is prevented from so acting, another Director who is designated in accordance with an order of priority determined in advance by the Board of Directors shall convene a general meeting of shareholders and chair the meeting. (Representative Directors <u>and Directors With Special Titles</u>) Article 22. 1. (Omitted) 2. <u>The Board of Directors may appoint, by its resolution, one Director and Chairman, one Director and President, and one or a small number of Director and Vice Presidents.</u></p>	<p>(Trade Name) Article 1. The name of the Company shall be “Kabushiki Kaisha <u>LIFULL</u>” and in English it shall be “<u>LIFULL</u> Co., Ltd.” (Convocation of the General Meeting of Shareholders) Article 12. An annual general meeting of shareholders of the Company shall be convened in <u>December</u> every year. An extraordinary general meeting of shareholders shall be convened whenever necessary. (Record Date of Annual General Meeting of Shareholders) Article 13. The record date for voting rights at the Company’s annual general meeting of shareholders shall be <u>September 30</u> every year. (Convener and Chairmanship of General Meeting of Shareholders) Article 14. 1. The <u>Representative Director</u> shall convene general meetings of shareholders and chair the meetings. 2. In cases where the <u>Representative Director</u> is prevented from so acting, another Director who is designated in accordance with an order of priority determined in advance by the Board of Directors shall convene a general meeting of shareholders and chair the meeting. (Representative Directors) Article 22. 1. (Unchanged) 2. (Deleted)</p>

Current Articles of Incorporation	Proposed amendments
<p>(Convener and Chairmanship of Meeting of the Board of Directors) Article 23. 1. Unless otherwise provided for by laws and regulations, the <u>Director and President</u> shall convene meetings of the Board of Directors and chair the meetings. 2. In cases where the <u>Director and President</u> is prevented from so acting, another Director who is designated in accordance with an order of priority determined in advance by the Board of Directors shall convene meeting of the Board of Directors and chair the meeting.</p> <p>(Business Year) Article 39. The business year of the Company shall commence on <u>April 1</u> of each year and end on <u>March 31</u> of the following year.</p> <p>(Record Date for Dividends of Surplus) Article 40. The record date for year-end dividends of the Company shall be <u>March 31</u> of each year.</p> <p>(Interim Dividends) Article 41. The Company may pay interim dividends with a record date of <u>September 30</u> of each year, by a resolution of the Board of Directors.</p>	<p>(Convener and Chairmanship of Meeting of the Board of Directors) Article 23. 1. Unless otherwise provided for by laws and regulations, the <u>Representative Director</u> shall convene meetings of the Board of Directors and chair the meetings. 2. In cases where the <u>Representative Director</u> is prevented from so acting, another Director who is designated in accordance with an order of priority determined in advance by the Board of Directors shall convene meeting of the Board of Directors and chair the meeting.</p> <p>(Business Year) Article 39. The business year of the Company shall commence on <u>October 1</u> of each year and end on <u>September 30</u> of the following year.</p> <p>(Record Date for Dividends of Surplus) Article 40. The record date for year-end dividends of the Company shall be <u>September 30</u> of each year.</p> <p>(Interim Dividends) Article 41. The Company may pay interim dividends with a record date of <u>March 31</u> of each year, by a resolution of the Board of Directors.</p>
<p>(Newly established)</p>	<p style="text-align: center;"><u>Supplementary Provisions</u></p> <p><u>(23rd Business Year)</u> <u>Article 1.</u> <u>Notwithstanding the provisions in Article 39, the 23rd business year shall be six months from April 1, 2017 to September 30, 2017.</u></p> <p><u>(Expiration Date of the Supplementary Provisions)</u> <u>Article 2.</u> <u>These supplementary provisions shall be effective until September 30, 2017 and shall then be deleted with the passage of this day.</u></p>

Proposal 3 Election of six (6) Directors

At the conclusion of this meeting, the terms of office of all five currently serving Directors will expire. Therefore, the Company proposes the election of six Directors, including one new candidate.

The candidates for Director are as follows:

Candidate No.	Name	Position in the Company	
1	Takashi Inoue	President and CEO	Reelection
2	Takashi Yamada	Director, Managing Officer, General Manager of LIFULL HOME'S Division and Technology Platform Department	Reelection
3	Yosuke Hisamatsu	Director, Managing Officer, Marketing Strategy Division Manager, LIFULL HOME'S Division	Reelection
4	Masato Takahashi	Director	Reelection Candidate for outside Director
5	Akira Morikawa	Director	Reelection Independent officer Candidate for outside Director
6	Yoshihisa Yamada	Director	New election Candidate for outside Director

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Takashi Inoue (November 23, 1968) Reelection	<p>Apr. 1991 Joined Recruit Cosmos Co., Ltd. (currently Cosmos Initia Co., Ltd.)</p> <p>Apr. 1992 Transferred to Recruit Co., Ltd.</p> <p>July 1995 Founded Next Home Co.</p> <p>Mar. 1997 Established the Company, President and CEO (current position)</p> <p>Mar. 2014 Representative Director of Next Wisdom Foundation (current position)</p> <p>Nov. 2014 Chairperson of Trovit Search, S.L. (current position)</p> <p>Feb. 2016 Director of Japan Association of New Economy (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Representative Director of Next Wisdom Foundation</p> <p>Chairperson of Trovit Search, S.L.</p>	32,941,000 shares
<p>Reasons for nomination as candidate for Director</p> <p>Takashi Inoue is the founder of the Company. He has served as CEO since founding the Company. He plays an important role in the growth of the Group by demonstrating strong leadership in determining and implementing management policies and business strategies with his extensive experience and knowledge on the real estate industry and Internet services. The Company proposes his election as Director because we judge that we can expect him to continue contributing to the sustainable improvement in the corporate value of the Company in the future.</p>			
2	Takashi Yamada (October 16, 1973) Reelection	<p>Apr. 1992 Joined Bab-Hitachi Business Corporation</p> <p>Jan. 1996 Joined Eto Soft Office Ltd.</p> <p>Mar. 2000 Joined the Company</p> <p>Apr. 2010 Managing Officer, Deputy General Manager of HOME'S Business Department and General Manager of Product Development Department</p> <p>Apr. 2014 Managing Officer and General Manager of HOME'S Business Department</p> <p>June 2014 Director, Managing Officer and General Manager of HOME'S Business Department</p> <p>Apr. 2017 Director, Managing Officer, General Manager of LIFULL HOME'S Division and Technology Platform Department (current position)</p>	160,200 shares
<p>Reasons for nomination as candidate for Director</p> <p>Takashi Yamada has been involved in the development of our in-house services as a systems engineer since he joined the Company in March 2000. Currently, he oversees the LIFULL HOME'S Business Department, a major department in the Company. He has supported this department for many years. The Company proposes his election as Director because we judge that we can expect him to continue contributing to the sustainable improvement in the corporate value of the Company in the future.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Yosuke Hisamatsu (December 28, 1971) Reelection	Apr. 1994 Joined R&C TOURS CO., LTD. Oct. 2003 Joined the Company Apr. 2012 Managing Officer and Manager of Marketing Division, HOME'S Business Department Apr. 2014 Managing Officer, Deputy General Manager of HOME'S Business Department and Manager of Marketing Division June 2014 Director, Managing Officer, Deputy General Manager of HOME'S Business Department and Manager of Marketing Division Apr. 2017 Director, Managing Officer and Marketing Strategy Division Manager, LIFULL HOME'S Division (current position)	8,000 shares
		<p>Reasons for nomination as candidate for Director</p> <p>Yosuke Hisamatsu has engaged in measuring the effect of advertising and analyzing market trend data since he joined the Company in October 2003. Currently, he oversees the Marketing Strategy Division. He has extensive experience and knowledge on marketing strategies. The Company proposes his election as Director because we judge that we can expect him to continue contributing to the sustainable improvement in the corporate value of the Company in the future.</p>	
4	Masato Takahashi (April 24, 1959) Reelection	Apr. 1982 Joined Recruit Co., Ltd. Sept. 2007 Joined Rakuten, Inc. Oct. 2011 Managing Executive Officer Feb. 2012 Representative Director and President of Fine Trading Co., Ltd. Representative Director and President of Rakuten Shigoto Shokai, Inc. Director of Rakuten Mart, Inc. Aug. 2012 Director of Shareee, Inc. (currently Rakuten Coupon, Inc.) Sept. 2012 Director of Rakuten EMOBILE, Inc. Jan. 2013 Director of Rakuten Liquor, Inc. (currently Rakuten Mart, Inc.) June 2013 Outside Director of the Company (current position) Dec. 2014 Representative Director and President of Rakuten Auction, Inc.	– shares
		<p>Reasons for nomination as candidate for outside Director</p> <p>Masato Takahashi worked at Recruit Co., Ltd. for many years, so he has a wealth of experience in the real estate information business as well as achievements in B-to-C and rich knowledge in the e-commerce field. The Company proposes his election as outside Director because we would like to make maximum use of his advice and recommendations based on his abundant insight to achieve our management strategies.</p>	

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
5	Akira Morikawa (January 13, 1967) Reelection	Apr. 1989 Joined Nippon Television Network Corporation	– shares
		Feb. 2000 Joined Sony Corporation	
		May 2003 Joined Hangame Japan Corporation (currently LINE Corporation)	
		Oct. 2007 Representative Director and President	
		Mar. 2015 Established C Channel Co., Ltd., Representative Director and President (current position)	
		June 2015 Outside Director of the Company (current position)	
		(Significant concurrent positions outside the Company) Representative Director and President of C Channel Co., Ltd.	
Reasons for nomination as candidate for outside Director The Company proposes the election of Akira Morikawa because we would like to maximum use of his wealth of experience in corporate management and extensive insight and experience in social networking services (SNS) to achieve our management strategies.			
6	Yoshihisa Yamada (April 17, 1964) New election	Apr. 1987 Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)	– shares
		Sept. 1999 Joined the Goldman Sachs Japan Co., Ltd.	
		Feb. 2000 Managing Director of Rakuten, Inc.	
		Mar. 2004 Representative Director and President of Rakuten Travel Inc.	
		Aug. 2010 Managing Executive Officer of Rakuten, Inc.	
		Representative Director and President of bitWallet Inc. (currently Rakuten Edy Inc.)	
		Mar. 2013 Chief Financial Officer of Rakuten, Inc.	
		Jan. 2014 Chief Financial Officer and Executive Vice President of Rakuten, Inc. (current position)	
Reasons for nomination as candidate for outside Director Yoshihisa Yamada worked in financial industry for many years and serves as director, executive officer, CFO and CRO at Rakuten, Inc. and its group companies. The Company proposes his election as outside Director because we would like to make maximum use of his advice and recommendations based on his abundant insight to achieve our management strategies.			

- Notes: 1. The following have relationships of special interest in the Company among the candidates for Director.
- Candidate for Director Takashi Inoue concurrently holds the positions of Commissioner of PT. Lifull Media Indonesia and outside Director of FLYMEe Inc. These firms and the Company have a substantial competitive relationship.
- Candidate for Director Yoshihisa Yamada is the Chief Financial Officer and Executive Vice President of Rakuten, Inc. which owns 23,797,100 shares in the Company (20.03% of all issued shares in the Company). The Company has a business relationship mainly concerning orders for advertising and publicity with this firm and firms in its group.
- Candidate for Director Akira Morikawa is the Representative Director of C Channel Co., Ltd. There is a business relationship mainly concerning orders for advertising and publicity between the Company and this firm.
- There is no special interest between any other candidates for Director and the Company.
 - Candidates for Director Masato Takahashi, Akira Morikawa and Yoshihisa Yamada are candidates for outside Director.
 - Masato Takahashi and Akira Morikawa are currently outside Directors of the Company, and their terms of office as outside Directors will have been four years and two years, respectively, at the conclusion of this meeting.
 - The Company may enter into a limited liability contract which limits liability for damages prescribed in Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, and has entered into the limited liability contract with Masato Takahashi and Akira Morikawa. Pursuant to this agreement, the defined maximum amount of liability for damages, if they have acted in good faith and without gross negligence in performing his duties, is the minimum liability amount provided for under Article 425, paragraph 1 of the Companies Act. If the reelection of them is approved, the Company plans to enter into

said limited liability agreements with them. If the election of Yoshihisa Yamada is approved, the Company plans to enter into an agreement with similar content with him.

6. The Company has submitted notification to the Tokyo Stock Exchange that Akira Morikawa has been designated as an independent officer as provided for by the aforementioned exchange. If the reelection of Akira Morikawa is approved, the Company plans for his appointment as an independent officer to continue.

Proposal 4: Election of four (4) Audit & Supervisory Board Members

The terms of office of all four (4) Audit & Supervisory Board Members will expire at the conclusion of this meeting. Therefore, the Company proposes the election of four (4) Audit & Supervisory Board Members.

In addition, the consent of the Audit & Supervisory Board has been obtained for the submission of this proposal.

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

Candidate No.	Name (Date of birth)	Career summary and position in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	<p>Kiyoshi Shishido (December 24, 1956)</p> <p>Reelection</p>	<p>Apr. 1980 Joined Mitsubishi Corporation</p> <p>Jan. 1998 General Manager of Motor Vehicle Dept. of Mitsubishi International Steel Inc. (U.S.)</p> <p>Mar. 2006 Chief Executive Officer of Vitamin C60 BioResearch Corporation</p> <p>May 2007 Specially Appointed Professor of Tokyo Institute of Technology</p> <p>Aug. 2007 General Manager of Technology & Business Development Dept., Mitsubishi Corporation</p> <p>Jan. 2011 Member of the Board and Executive Officer in charge of Strategy Planning of Trility Pty Ltd (Australia)</p> <p>Apr. 2016 General Manager in charge of audits of Global Environmental & Infrastructure Business Group of Mitsubishi Corporation</p> <p>June 2016 Outside Audit & Supervisory Board Member of the Company (current position)</p>	100 shares
<p>Reasons for nomination as candidate for outside Audit & Supervisory Board Member</p> <p>Kiyoshi Shishido has many years of experience working in the general trading company industry at Mitsubishi Corporation and has served as a director at affiliated companies in that group. The Company proposes his election as outside Audit & Supervisory Board Member because we would like to use his wealth of knowledge and experience as a corporate manager cultivated throughout his career in our management oversight and auditing.</p>			

Candidate No.	Name (Date of birth)	Career summary and position in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
2	Hideki Matsushima (April 19, 1943) Reelection	Apr. 1971 Registered to Tokyo Bar Association Mar. 1976 Established Tokiwa Sogo Law Offices Apr. 2003 Representative Director of Japanese Association of Turnaround Professionals Jan. 2004 Senior Partner of Nishimura & Partners (currently Nishimura & Asahi) Sept. 2005 Outside Audit & Supervisory Board Member of the Company (current position) Aug. 2006 Outside Director of Business Planning Forum Co., Ltd. (current position) June 2007 Outside Director of Nojima Corporation (current position) Nov. 2007 Outside Audit & Supervisory Board Member of Raysum Co., Ltd. (current position) June 2008 Outside Audit & Supervisory Board Member of Kumamoto Electric Railway Co., Ltd. (current position) Feb. 2012 Outside Director of Corporation for Revitalizing Earthquake Affected Business Apr. 2013 Non-Executive Director of Regional Economy Vitalization Corporation of Japan (current position) Adviser of Japanese Association of Turnaround Professionals (current position) Jan. 2014 Partner of Nishimura & Asahi (current position)	– shares
Reasons for nomination as candidate for outside Audit & Supervisory Board Member Although Hideki Matsushima has not been involved with corporate management other than as an outside officer, he has considerable knowledge on the administration of justice as an attorney at law. The Company proposes his election as outside Audit & Supervisory Board Member because we would like to use his wealth of expertise and strong insight in our management oversight structure and auditing.			

Candidate No.	Name (Date of birth)	Career summary and position in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	<p style="text-align: center;">Takeshi Hanai (October 16, 1954)</p> <p style="text-align: center;">Reelection</p>	<p>Apr. 1977 Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)</p> <p>Apr. 2004 Executive Officer and General Manager of Shanghai Branch</p> <p>Mar. 2006 Managing Executive Officer and Head of Asia & Oceania</p> <p>June 2007 Chairman of Mizuho Corporate Bank (China), Ltd. (currently Mizuho Bank, Ltd.)</p> <p>Apr. 2009 Director</p> <p>May 2009 Managing Executive Officer of Rakuten, Inc.</p> <p>June 2009 Corporate Auditor of eBANK Corporation (currently Rakuten Bank, Ltd.)</p> <p>Sept. 2009 Director of Rakuten Securities, Inc.</p> <p>Jan. 2010 Director of bitWallet Inc. (currently Rakuten Edy Inc.)</p> <p>Mar. 2010 Director and Managing Executive Officer of Rakuten, Inc.</p> <p>June 2010 Director of Rakuten Bank, Ltd.</p> <p>Sept. 2010 Director of Airio Life Insurance Co., Ltd.</p> <p>Mar. 2011 Director of Rakuten KC Co., Ltd. (currently Rakuten Card Co., Ltd.)</p> <p>Director of Rakuten Insurance Planning, Co., Ltd.</p> <p>Aug. 2011 Adviser of Kowa Real Estate Co., Ltd. (currently Nippon Steel Kowa Real Estate Co., Ltd.)</p> <p>Aug. 2012 Adviser of The Senshu Ikeda Bank, Ltd. Adviser of Corporate Directions, Inc. (current position)</p> <p>June 2013 Outside Audit & Supervisory Board Member of the Company (current position)</p> <p>June 2014 Outside Director of ASICS Corporation (current position) Outside Director of Maruwn Corporation (current position)</p> <p>June 2015 Outside Director of Nippon Seisen Co., Ltd. (current position)</p>	– shares
<p>Reasons for nomination as candidate for outside Audit & Supervisory Board Member</p> <p>Takeshi Hanai has many years of experience working in the financial industry and has also served as the director and audit & supervisory board member of affiliated companies in the Rakuten Group. The Company proposes his election as outside Audit & Supervisory Board Member to make use of his wealth of financial insight and insight as an affiliated company manager cultivated throughout his career in our management oversight and auditing.</p>			

Candidate No.	Name (Date of birth)	Career summary and position in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
4	Makiko Nakamori (August 18, 1963) Reelection	<p>Apr. 1987 Joined Nippon Telegraph And Telephone Corporation</p> <p>Oct. 1991 Joined Asahi & Co. (currently KPMG AZSA LLC)</p> <p>Apr. 1996 Registered as certified public accountant</p> <p>July 1997 Director of Nakamori CPA offices (current position)</p> <p>Aug. 2000 Audit & Supervisory Board Member of Oracle Corporation Japan</p> <p>Dec. 2006 Outside Auditor of istyle Inc. (current position)</p> <p>Aug. 2008 Directors of Oracle Corporation Japan</p> <p>Mar. 2010 Outside Audit & Supervisory Board Member of Global-Dining, Inc.</p> <p>Sept. 2011 Outside Audit & Supervisory Board Member of the Jade Group K.K. (currently Locondo, Inc.) (current position)</p> <p>Dec. 2011 Outside Audit & Supervisory Board Member of M&A Capital Partners Co., Ltd. (current position)</p> <p>Sept. 2012 Outside Director of ITOCHU Techno-Solutions Corporation (current position)</p> <p>June 2013 Outside Audit & Supervisory Board Member of the Company (current position)</p> <p>Nov. 2015 Outside Audit & Supervisory Board Member of TeamSpirit Inc. (current position)</p>	– shares
<p>Reasons for nomination as candidate for outside Audit & Supervisory Board Member Although Makiko Nakamori has not been involved with corporate management other than as an outside officer, she has considerable knowledge on financial affairs and accounting as a certified public accountant. The Company proposes her election as outside Audit & Supervisory Board Member to make use of her wealth of expertise and auditor experience in our management oversight and auditing.</p>			

- Notes:
- Each candidate for Audit & Supervisory Board Member is a candidate for outside Audit & Supervisory Board Member.
 - Candidate for Audit & Supervisory Board Member Hideki Matsushima is a partner of Nishimura & Asahi. There is a business relationship between the Company and this office to provide services from other partner attorneys at law in this office. Moreover, he concurrently holds the positions of Outside Director of Business Planning Forum Co., Ltd., Outside Audit & Supervisory Board Member of Raysum Co., Ltd., Outside Audit & Supervisory Board Member of Kumamoto Electric Railway Co., Ltd. and Non-Executive Director of Regional Economy Vitalization Corporation of Japan. However, there are no special interests between these firms and the Company.
 - Candidate for Audit & Supervisory Board Member Makiko Nakamori concurrently holds the positions of Director of Nakamori CPA offices, Outside Auditor of istyle Inc., Outside Audit & Supervisory Board Member of Locondo, Inc., Outside Audit & Supervisory Board Member of M&A Capital Partners Co., Ltd. and Outside Audit & Supervisory Board Member of TeamSpirit Inc. However, there are no special interests between these firms and the Company.
 - There is no special interest between any of the candidates for Audit & Supervisory Board Member and the Company other than those above.
 - Kiyoshi Shishido, Hideki Matsushima, Takeshi Hanai and Makiko Nakamori are currently Audit & Supervisory Board Members of the Company, and their terms of office as Audit & Supervisory Board Members will have been one year, 11 years and nine months, 4 years and 4 years respectively, at the conclusion of this meeting.
 - The Company may enter into a limited liability contract which limits liability for damages prescribed in Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, and has entered into the limited liability contract with outside Directors, Kiyoshi Shishido, Hideki Matsushima, Takeshi Hanai and Makiko Nakamori. Pursuant to this agreement, the defined maximum amount of liability for damages, if they have acted in good faith and without gross negligence in performing their duties, is the minimum liability amount provided for under Article 425, paragraph 1 of the Companies Act. If the election of each candidate is approved, the Company plans to continue said limited liability agreement with each one of them.

7. The Company has submitted notification to the Tokyo Stock Exchange that Kiyoshi Shishido, Takeshi Hanai and Makiko Nakamori have been designated as independent officers as provided for by the aforementioned exchange. If the reelection of each candidate is approved, the Company plans for their appointments as independent officers to continue.

Proposal 5: Election of Accounting Auditor

Deloitte Touche Tohmatsu LLC, the Company’s Accounting Auditor, will retire as the firm’s term of office will expire at the conclusion of this meeting. Therefore, the Company proposes the election of a new Accounting Auditor.

In addition, this proposal is based on the decision of the Audit & Supervisory Board.

The Audit & Supervisory Board has nominated PricewaterhouseCoopers Aarata LLC as candidate for Accounting Auditor because this auditor has been judged to have a structure to ensure the Company’s financial audits are carried out appropriately and reasonably due to the fact it has the expertise, independence and appropriateness required of our Accounting Auditor.

The candidate for Accounting Auditor is as below.

Name of Auditor	PricewaterhouseCoopers Aarata LLC		
Offices	Main office	Sumitomo Fudosan Shiodome Hamarikyu Bldg. 8-21-1 Ginza, Chuo-ku, Tokyo Sumitomo Fudosan Shiodome Hamarikyu Bldg. 8-21-1 Ginza, Chuo-ku, Tokyo	
	Other offices	Nagoya, Osaka and Fukuoka	
History	June 2006	Establishment of PricewaterhouseCoopers Aarata as a member firm in Japan of PricewaterhouseCoopers (PwC)	
	July 2006	Commencement of operations	
	July 2016	Changed its corporate name to “PricewaterhouseCoopers Aarata LLC”	
	Oct. 2016	Launched AI Audit Lab	
Overview	Number of companies involved in auditing:	930 companies (as of June 30, 2016)	
	Capital:	1,000 million yen (as of March 31, 2017)	
	Staffing:	2,751 persons (as of March 31, 2017)	
		Partners	129
		CPAs	883
		Junior certified public accountant and those who have passed all subjects	495
		U.S. CPAs and other professionals	768
	Clerks	476	
	Total	2,751	