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(Stock Exchange Code 3088)  
June 1, 2017

**To Shareholders with Voting Rights:**

Kiyoo Matsumoto  
President  
Matsumotokiyoshi Holdings Co., Ltd.  
9-1 Shinmatsudo-Higashi, Matsudo-shi,  
Chiba, Japan

**NOTICE OF  
THE 10TH 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 10th Annual General Meeting of Shareholders of Matsumotokiyoshi Holdings Co., Ltd. (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. If exercising your voting rights in writing, please review the attached Reference Documents for the General Meeting of Shareholders, indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form and return it so that it is received by 6:00 p.m. on Wednesday, June 28, 2017, Japan time.**

**1. Date and Time:** Thursday, June 29, 2017 at 10:00 a.m. Japan time (Open for reception: 8:00 a.m.)

**2. Place:** Conference room at the Corporate Headquarters located at  
9-1 Shinmatsudo-Higashi, Matsudo-shi, Chiba

**3. Meeting Agenda:**

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 10th Fiscal Year (April 1, 2016 - March 31, 2017) and results of audits by the Accounting Auditors and the Board of Corporate Auditors of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company's 10th Fiscal Year (April 1, 2016 - March 31, 2017)

**Proposals to be resolved:**

- |                    |  |
|--------------------|--|
| <b>Proposal 1:</b> | Appropriation of Surplus                           |
| <b>Proposal 2:</b> | Partial Amendment to the Articles of Incorporation |
| <b>Proposal 3:</b> | Election of 10 Directors                           |
| <b>Proposal 4:</b> | Election of 1 Substitute Corporate Auditor         |
| <b>Proposal 5:</b> | Revision of Amount of Compensation for Directors   |

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- ◎When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
  - ◎Notes on the Consolidated Financial Statements and Notes on the Non-consolidated Financial Statements, as part of documents that shall be provided with this Notice, have been posted on the Company's website ([URL:http://www.matsumotokiyoshi-hd.co.jp/index.html](http://www.matsumotokiyoshi-hd.co.jp/index.html)), based on laws and regulations and the Company's Articles of Incorporation. Accordingly, the documents attached to the Notice of the 10th Annual General Meeting of Shareholders constitute a part of Consolidated Financial Statements and Non-Consolidated Financial Statements audited by Accounting Auditor and Corporate Auditor in preparation for Accounting Audit Report and Audit Report.
  - ◎If Reference Documents for the General Meeting of Shareholders, Business Report, Non-Consolidated Financial Statements, and Consolidated Financial Statements are amended, the Company will post the updated documents on the Company's website ([URL:http://www.matsumotokiyoshi-hd.co.jp/index.html](http://www.matsumotokiyoshi-hd.co.jp/index.html)).

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

Appropriation of surplus shall be as follows:

Matters concerning the year-end dividend

The Company regards the distribution of profit to the shareholders to be one of the most important issues for management. The Company's basic policy is to make continuous and stable payment of dividends by strengthening management bases and improving profitability.

Concerning year-end dividends for the fiscal year under review, in comprehensive consideration of the consolidated business results for the fiscal year under review achieving historic highs in each profit indicator and financial conditions, etc., it is proposed to pay a year-end dividend of ¥50 per share, an increase of ¥5 per share compared to year-end dividends for the previous fiscal year.

The Company will utilize its internal reserves for investments that will lead to the Company's growth, such as expansion of existing businesses and development of new businesses including infrastructure development and expansion of services as well as M&A, in order to cope with the expected changes in business environment.

(1) Type of dividend assets

Cash

(2) Appropriation of dividend assets and amount of appropriation

¥50 per share of common stock of the Company total amount ¥2,649,270,500

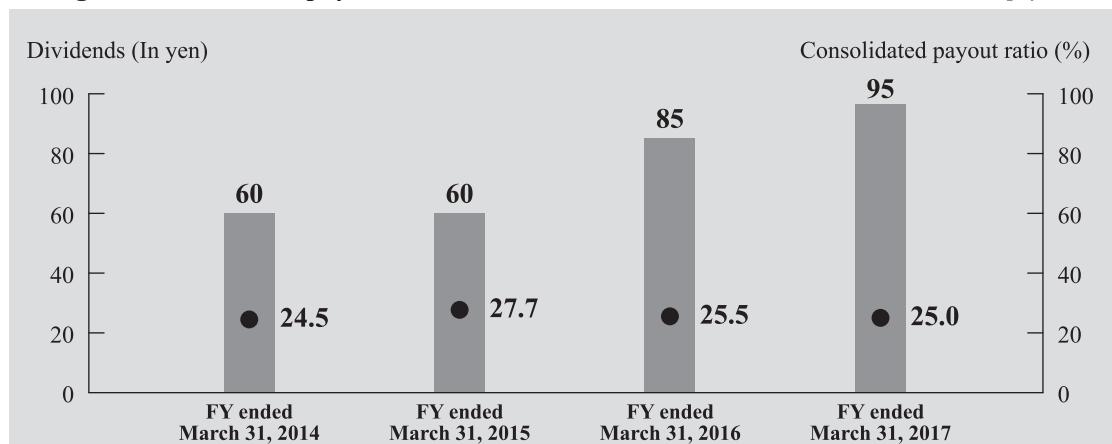
(3) Surplus dividend effective date

June 30, 2017

**(For reference) Dividends per share (Annual)/**

**Changes in consolidated payout ratio**

■ Dividends ● Consolidated payout ratio



**Proposal 2:** Partial Amendment to the Articles of Incorporation

**1. Reasons for Amendment**

As the Group looks toward further expansion in its business scale aimed at realizing the management vision and management targets, and in order to further enhance corporate governance in accordance with the expansion in business scale, the Company proposes to increase the number of Directors stipulated in Article 18 of the Articles of Incorporation.

**2. Content of Amendment**

The content of the amendment is as follows.

(Underlined parts indicate amended parts.)

Current Articles of Incorporation	Proposed Amendment
(Number of Directors) Article 18. The number of Directors of the Company shall not exceed <u>ten</u> (10).	(Number of Directors) Article 18. The number of Directors of the Company shall not exceed <u>fifteen</u> (15).

**Proposal 3:** Election of 10 Directors

The terms of office of all 8 Directors will expire at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, in order to further strengthen the management structure and supervisory function, the election of 10 Directors is proposed, an increase of two (2) internal Directors.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Namio Matsumoto (March 4, 1943) [Reelection]	<p>April 1965                  Joined Drugstore Matsumotokiyoshi, Ltd. (now Matsumoto Kiyoshi Co., Ltd.)</p> <p>April 1975                  Senior Managing Director, Drugstore Matsumotokiyoshi, Ltd.</p> <p>January 1985                Representative Director, Your Sports Club Co., Ltd. (current position)</p> <p>August 1988                Representative Director, Nankai Kousan, Ltd. (now Nankai Kousan Co., Ltd.) (current position)</p> <p>July 1997                  Director and Vice President, Matsumoto Kiyoshi Co., Ltd.</p> <p>June 1998                  Representative Director and Vice President, Matsumoto Kiyoshi Co., Ltd.</p> <p>June 1999                  Chairman, Japan Association of Chain Drug Stores</p> <p>February 2001              President, Matsumoto Kiyoshi Co., Ltd.</p> <p>May 2002                  Vice Chairman, Self-Medication Advocacy Council</p> <p>October 2007               President of the Company</p> <p>April 2009                  Chairman and CEO of the Company</p> <p>April 2011                  Chairman, President and CEO of the Company</p> <p>June 2011                  Chairman and President of the Company</p> <p>April 2014                  Chairman of the Company (current position)</p> <p>[Reasons for nomination as a candidate for Director] Since Mr. Namio Matsumoto's assumption of the position of Representative Director of the Company, he has led the Group with his powerful vision and strong leadership, and through his efforts to increase corporate value he has established the Group's firm position in the drug store industry. He also made efforts to establish the Japan Association of Chain Drug Stores, and through those activities, he has established the overall position of the drug store industry, contributing to the industry's development as a result. In order for him to use this abundant experience, deep insight, etc., in order to further create corporate value for the Group, the Company would like to nominate him for candidate for Director.</p> <p>[Special interest between the candidate and the Company] Mr. Namio Matsumoto is concurrently serving as Representative Director of Nankai Kousan Co., Ltd., with which the Company has business relationship for real estate leasing.</p> <p>[Attendance at meetings of the Board of Directors (10th Fiscal Year)] 13/14 (attendance rate: 93%)</p>	1,429,540

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	Kiyoo Matsumoto (January 20, 1973) [Reelection]	<p>June 1995                          Joined Matsumoto Kiyoshi Co., Ltd.</p> <p>April 2005                          General Manager of Merchandise Department, Matsumoto Kiyoshi Co., Ltd.</p> <p>June 2005                          Director and General Manager of Merchandise Department, Matsumoto Kiyoshi Co., Ltd.</p> <p>July 2007                          Director and Merchandise Manager of Sales Division, Matsumoto Kiyoshi Co., Ltd.</p> <p>October 2007                      Director of the Company</p> <p>April 2008                          Managing Director of the Company</p> <p>July 2008                          Managing Director in charge of Sales Planning and Merchandise Control of the Company</p> <p>April 2009                          Senior Managing Director in charge of Sales Planning and Merchandise Control of the Company</p> <p>July 2009                          Representative Director, Nankai Kousan Co., Ltd. (current position)</p> <p>April 2010                          Senior Managing Director supervising Corporate Planning, Sales Planning and Merchandise Control of the Company</p> <p>April 2011                          President, Matsumoto Kiyoshi Co., Ltd.</p> <p>April 2013                          Representative Director and Vice President supervising Corporate Planning, Sales Planning and Merchandise Control of the Company</p> <p>April 2014                          President of the Company (current position) Chairman, Matsumoto Kiyoshi Co., Ltd.</p> <p>April 2017                          Advisor, Matsumoto Kiyoshi Co., Ltd. (current position)</p> <p>[Reasons for nomination as a candidate for Director] Since Mr. Kiyoo Matsumoto's assumption of the position of Representative Director of the Company, he has carried on the "feelings" of past company heads within a difficult business environment, provided the "Matsumotokiyoshi WAY" as shared principles for all people working in the Group and striven for their widespread adoption, and further strengthened the unity of the Group as a whole. In addition, as President, he has worked toward the business recovery from the fiscal year ended March 31, 2015 and the Group's highest ever profits, and contributed to the increase of the Group's corporate value. In order for him to use this abundant experience, deep insight, etc., in order to further create corporate value for the Group, the Company would like to nominate him for candidate for Director.</p> <p>[Special interest between the candidate and the Company] Mr. Kiyoo Matsumoto is concurrently serving as Representative Director of Nankai Kousan Co., Ltd., with which the Company has business relationship for real estate leasing.</p> <p>[Attendance at meetings of the Board of Directors (10th Fiscal Year)] 14/14 (attendance rate: 100%)</p>	1,231,100

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Kazuo Narita (June 20, 1950) [Reelection]	<p>April 1974      Joined Japan Recruit Center Co., Ltd. (now Recruit Holdings Co., Ltd.)</p> <p>May 2002      Representative Director and CEO, Onezone Corporation (formerly Marutomi Group Co., Ltd)</p> <p>August 2004    Joined Matsumoto Kiyoshi Co., Ltd.</p> <p>April 2006     General Manager of Business Partnership Management Division and General Manager of Corporate Planning Office, Matsumoto Kiyoshi Co., Ltd.</p> <p>October 2007    Director of the Company</p> <p>April 2008     Senior Managing Director in charge of Management and General Manager of Corporate Planning Department of the Company</p> <p>April 2009     Senior Managing Director and CFO in charge of Management and Control of the Company</p> <p>April 2010     Senior Managing Director and CFO supervising Management and Control (concurrently serving FC General Manager of Planning Department) of the Company</p> <p>June 2011     Senior Managing Director supervising Management and Control (concurrently serving FC General Manager of Planning Department) of the Company</p> <p>April 2012     Senior Managing Director supervising Management and Control of the Company</p> <p>Director and Vice President (concurrently in charge of Management and Control), Matsumoto Kiyoshi Co., Ltd.</p> <p>December 2013   Representative Director, Simeno Drug Co., Ltd.</p> <p>April 2014     President, Matsumoto Kiyoshi Co., Ltd.</p> <p>April 2017     Vice President of the Company (current position)</p> <p>Chairman, Matsumoto Kiyoshi Co., Ltd. (current position)</p>	9,100
		[Reasons for nomination as a candidate for Director] Mr. Kazuo Narita has been appointed Representative Director at other companies and possesses abundant experience and deep insight regarding all facets of management. At the Company also, as Vice President, and as Chairman of Matsumoto Kiyoshi Co., Ltd., he worked toward the realization of the three management strategies of the Company, and also toward securing, developing, and retaining the human resources that support the growth strategies of the Group, and has broadly contributed to the increase of the Group's corporate value. In order for him to use this abundant experience, deep insight, etc., in order to further create corporate value for the Group, the Company would like to nominate him for candidate for Director.	
		[Special interest between the candidate and the Company] There are no special interests between Mr. Kazuo Narita and the Company.	
		[Attendance at meetings of the Board of Directors (10th Fiscal Year)] 14/14 (attendance rate: 100%)	

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	Takashi Matsumoto (May 8, 1975) [Reelection]	<p>April 1999                          Joined Sato Pharmaceutical Co., Ltd.</p> <p>April 2002                          Joined Matsumoto Kiyoshi Co., Ltd.</p> <p>April 2008                          General Manager of Drugstore Business Division and General Manager of Business Support Office, Matsumoto Kiyoshi Co., Ltd.</p> <p>April 2009                          Executive Officer of the Company Director, Assistant General Manager of Drugstore Business Division, General Manager of Business Support Office and General Manager of PJ Promotion Planning Office, Matsumoto Kiyoshi Co., Ltd.</p> <p>April 2010                          Director, General Manager of Sales Promotion Division, General Manager of Sales Promotion Department and General Manager of Mail-order Sales, Matsumoto Kiyoshi Co., Ltd.</p> <p>April 2012                          Managing Director (in charge of Store Operations), General Manager of Store Operations Division, Matsumoto Kiyoshi Co., Ltd.</p> <p>June 2013                          Director supervising Sales of the Company</p> <p>April 2014                          Director supervising Sales Planning and Merchandise Control of the Company</p> <p>April 2015                          Managing Director supervising Sales Planning and Merchandise Control of the Company Senior Managing Director and General Manager of Store Operations Division, Matsumoto Kiyoshi Co., Ltd. (current position)</p> <p>April 2017                          Managing Director and General Manager supervising Sales of the Company (current position)</p>	1,233,100
		[Reasons for nomination as a candidate for Director] Mr. Takashi Matsumoto has held posts as the individual responsible for Matsumoto Kiyoshi Co., Ltd.'s store operations, sales promotion, sales planning, and online business, and now as the Managing Director of the Company, he works with a focus on business strategies of building a new business model tailored toward demand creation, and the further evolution of customer relationship management (CRM) based on an omnichannel strategy, and has contributed to the increase of the Group's corporate value. In order for him to use this abundant experience, deep insight, etc., to further create corporate value for the Group, the Company would like to nominate him for candidate for Director.	
		[Special interest between the candidate and the Company] Mr. Takashi Matsumoto is concurrently serving as Director of Nankai Kousan Co., Ltd., with which the Company has business relationship for real estate leasing.	
		[Attendance at meetings of the Board of Directors (10th Fiscal Year)] 13/14 (attendance rate: 93%)	

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	Shingo Obe (August 5, 1962) [New]	<p>April 1985                  Joined The Daiei, Inc.</p> <p>September 1999            Manager of Employment and Education Section, Employment and Education Department, Personnel Planning Office and Manager of Personnel Section, Personnel Department, The Daiei, Inc.</p> <p>June 2002                  Joined MEDICAL ASSOCIA INC., General Manager of Staffing Department</p> <p>April 2003                  Joined Adecco Career Staff Co., Ltd. (now Adecco Ltd.), Manager of Personnel Administration Section, Personnel Department and General Manager of Personnel Department, Personnel Division</p> <p>December 2006            Joined Matsumoto Kiyoshi Co., Ltd., Deputy General Manager of Personnel Department</p> <p>July 2007                  General Manager of Personnel Department, Matsumoto Kiyoshi Co., Ltd.</p> <p>January 2008              General Manager of Personnel Department of the Company</p> <p>July 2010                  Executive Officer and General Manager of Personnel Department of the Company</p> <p>April 2012                  Director and Manager of Personnel, Matsumoto Kiyoshi Co., Ltd. (current position)</p> <p>June 2015                  Executive Officer and General Manager of Personnel Department (concurrently General Manager of Internal Controls Office) of the Company</p> <p>April 2016                  Executive Officer and General Manager of Personnel Department of the Company</p> <p>April 2017                  Executive Officer, General Manager of Administration Department and General Manager of Personnel Department of the Company (current position)</p>	617
		<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Shingo Obe has been involved in creating the personnel structure and building the personnel strategy for the Group, and additionally has held posts as the individual responsible for internal controls and legal affairs, and possesses not only experience and insight regarding personnel and human resources management, but also broad experience and insight regarding compliance and risk management. Additionally, he also possesses abundant experience and insight regarding management as a Director of Matsumoto Kiyoshi Co., Ltd., the core company of the Group.</p> <p>Accordingly, in order for him to use this abundant experience and insight in order to further create corporate value for the Group, the Company would like to nominate him for a new candidate for Director.</p> <p>[Special interest between the candidate and the Company]</p> <p>There are no special interests between Mr. Shingo Obe and the Company.</p>	

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
6	Akio Ishibashi (November 15, 1964) [New]	<p>April 1989      Joined Mitsui Bank (now Sumitomo Mitsui Banking Corporation), Tokyo Corporate Banking Department</p> <p>August 1989     Seconded to General Research Institute (now The Japan Research Institute, Limited), Mitsui Bank</p> <p>June 1999       M&amp;A Advisory Services Department, Wholesale Banking Unit, Mitsui Bank</p> <p>February 2002   Joined Mitsubishi Corporation, M&amp;A Unit, Finance Business Division</p> <p>January 2008     Treasurer's Office, Mitsubishi Corporation</p> <p>October 2009     Joined Matsumoto Kiyoshi Co., Ltd. General Manager of Business Development Office of the Company</p> <p>July 2011        General Manager of Corporate Planning Department of the Company</p> <p>April 2012       Executive Officer and General Manager of Corporate Planning Department of the Company Director and General Manager of Operation Planning Department, Store Operations Division, Matsumoto Kiyoshi Co., Ltd.</p> <p>June 2015        Executive Officer and General Manager of Corporate Planning Department (concurrently General Manager of Finance and Accounting Department) of the Company</p> <p>April 2016       Director, Matsumoto Kiyoshi Co., Ltd. (current position)</p> <p>April 2017       Executive Officer, General Manager of Corporate Planning Division and General Manager of Corporate Planning Department of the Company (current position)</p>		857
		<p>[Reasons for nomination as a candidate for Director] Mr. Akio Ishibashi has been involved in formulation of the Group management policy and management strategy, and formulation and management of annual plans, and additionally has contributed to expanding business scale and increasing management efficiency through internal Group reorganization and management of KPIs for each Group company. Additionally, he also possesses abundant experience and insight regarding management as a Director of Matsumoto Kiyoshi Co., Ltd., the core company of the Group. Accordingly, in order for him to use this abundant experience and insight in order to further create corporate value for the Group, the Company would like to nominate him for a new candidate for Director.</p> <p>[Special interest between the candidate and the Company] There are no special interests between Mr. Akio Ishibashi and the Company.</p>		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
7	Tetsuo Matsumoto (January 2, 1945) [Reelection]	<p>April 1967                  Joined Drugstore Matsumotokiyoshi, Ltd. (now Matsumoto Kiyoshi Co., Ltd.)</p> <p>April 1975                  Managing Director, Matsumoto Kiyoshi Co., Ltd.</p> <p>July 1997                  Director and Vice President, Matsumoto Kiyoshi Co., Ltd.</p> <p>June 1998                  Representative Director and Vice President, Matsumoto Kiyoshi Co., Ltd.</p> <p>October 2007              Director of the Company</p> <p>April 2008                  Director in charge of External Affairs of the Company</p> <p>May 2008                  Director and Advisor in charge of External Affairs of the Company (current position)</p> <p>[Reasons for nomination as a candidate for Director] Mr. Tetsuo Matsumoto has held the posts as the individual responsible for Matsumoto Kiyoshi Co., Ltd.'s store operations, and over the course of many following years, he has held posts as Matsumoto Kiyoshi Co., Ltd.'s Director and Vice President and possesses abundant experience in the drugstore industry and deep insight regarding all facets of management. Additionally, as a major shareholder of the Company he also provides opinions and advice from the perspective of a third-party shareholder. In order for him to use this abundant experience, deep insight, etc., in order to further create corporate value for the Group, the Company would like to nominate him for candidate for Director.</p> <p>[Special interest between the candidate and the Company] The Company has business relationship with Mr. Tetsuo Matsumoto for real estate leasing.</p> <p>[Attendance at meetings of the Board of Directors (10th Fiscal Year)] 13/14 (attendance rate: 93%)</p>	5,567,400

No.	Name (Date of birth)	Past experience, positions responsibilities and significant concurrent positions		Number of shares of the Company held
8	Masahiro Ooya (May 5, 1948) [Outside Director] [Reelection] [Independent]	<p>April 1973      Joined Mitsui Mutual Life Insurance Company (now Mitsui Life Insurance Company Limited)</p> <p>April 2002      Executive Officer and General Manager of Sales Division, Mitsui Mutual Life Insurance Company</p> <p>April 2005      Managing Executive Officer and General Manager of Tokyo Sales Division, Mitsui Mutual Life Insurance Company</p> <p>April 2006      President, Sansei Financial Service Co., Ltd. President, Business Agency, Co., Ltd.</p> <p>June 2007      Outside Director, Cross Plus Inc. (current position)</p> <p>October 2007     Outside Director, Matsumoto Kiyoshi Co., Ltd.</p> <p>Outside Director of the Company (current position)</p> <p>[Reasons for nomination as a candidate for Outside Director] Mr. Masahiro Ooya has experience as Representative Director and Outside Director of other companies, and as the Company expects him to continue to use his high discernment regarding management and auditing abilities in the supervision of the management of the Company, we would like to nominate him as Outside Director.</p> <p>[Special interest between the candidate and the Company] There are no special interests between Mr. Masahiro Ooya and the Company.</p> <p>[Attendance at meetings of the Board of Directors (10th Fiscal Year)] 14/14 (attendance rate: 100%)</p>		—

(Notes)

1. Term of office of Mr. Masahiro Ooya  
His term of office will have reached 9 years and 9 months at the conclusion of this General Meeting of Shareholders.
2. Mr. Masahiro Ooya is now serving as Outside Director of the Company, and the Company has entered into an agreement with him to limit his liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act, as per Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation. The limit of liability for damages under the agreement shall be the higher of ¥10 million or the minimum liability amount provided by laws and regulations. If Mr. Ooya is elected, the Company intends to enter into the same agreement to limit his liability for damages.
3. Mr. Masahiro Ooya is now serving as Outside Director of the Company, and fulfills the criteria for independence set forth by the Company (please refer to page 16), and additionally, the Company has designated him as Independent Officer as stipulated by regulations of the Tokyo Stock Exchange and has reported it thereat.

No.	Name (Date of birth)	Past experience, positions responsibilities and significant concurrent positions		Number of shares of the Company held
9	Ryoichi Kobayashi (October 25, 1946) [Outside Director] [Reelection] [Independent]	<p>April 1971      Joined Nomura Computing Center Co., Ltd. (now Nomura Research Institute, Ltd.)</p> <p>October 1986    President, Nomura Computer Systems America, Inc.</p> <p>June 1994       Director, Nomura Research Institute, Ltd.</p> <p>July 1996       Managing Director, NRI Data Services, Ltd.</p> <p>June 1999       Senior Managing Director, NRI Data Services, Ltd.</p> <p>June 2002       Standing Corporate Auditor, Nomura Research Institute, Ltd.</p> <p>June 2007       Outside Corporate Auditor, Argo 21 Corp. Corporate Auditor, Square Enix Co., Ltd. (current position)</p> <p>June 2008       Outside Director of the Company (current position)</p> <p>October 2008     Standing Outside Corporate Auditor, Square Enix Holdings Co., Ltd. (current position)</p> <p>[Reasons for nomination as a candidate for Outside Director] Mr. Ryoichi Kobayashi has experience as an officer and Outside Corporate Auditor of other companies, and as the Company expects him to continue to use his broad discernment and specialized knowledge regarding management in the supervision of the management of the Company, we would like to nominate him as Outside Director.</p> <p>[Special interest between the candidate and the Company] There are no special interests between Mr. Ryoichi Kobayashi and the Company.</p> <p>[Attendance at meetings of the Board of Directors (10th Fiscal Year)] 13/14 (attendance rate: 93%)</p>		—

(Notes)

1. Term of office of Mr. Ryoichi Kobayashi  
His term of office will have reached 9 years at the conclusion of this General Meeting of Shareholders.
2. Mr. Ryoichi Kobayashi is now serving as Outside Director of the Company, and the Company has entered into an agreement with him to limit his liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act, as per Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation. The limit of liability for damages under the agreement shall be the higher of ¥10 million or the minimum liability amount provided by laws and regulations. If Mr. Kobayashi is elected, the Company intends to enter into the same agreement to limit his liability for damages.
3. Mr. Ryoichi Kobayashi is now serving as Outside Director of the Company, and fulfills the criteria for independence set forth by the Company (please refer to page 16), and additionally, the Company has designated him as Independent Officer as stipulated by regulations of the Tokyo Stock Exchange and has reported it thereat.

No.	Name (Date of birth)	Past experience, positions responsibilities and significant concurrent positions		Number of shares of the Company held
10	Isao Matsushita (April 3, 1947) [Outside Director] [Reelection] [Independent]	<p>April 1970                          Joined Nippon Mining Co. (now JXTG Nippon Oil &amp; Energy Corporation)</p> <p>April 2001                          Executive Officer, Assistant to General Manager of Corporate Planning Department and Chief of Corporate Planning Department (in charge of Finance), Japan Energy Corporation (now JXTG Nippon Oil &amp; Energy Corporation)</p> <p>September 2002                          Director and in charge of Finance at Finance Group, Nippon Mining Holdings, Inc. (now JXTG Holdings, Inc.)</p> <p>June 2003                          Managing Director, Nippon Mining Holdings, Inc. (now JXTG Holdings, Inc.)</p> <p>April 2004                          Managing Executive Officer, Japan Energy Corporation (now JXTG Nippon Oil &amp; Energy Corporation)</p> <p>June 2004                          Director and Managing Executive Officer, Japan Energy Corporation</p> <p>April 2005                          Director and Senior Executive Officer, Japan Energy Corporation (now JXTG Nippon Oil &amp; Energy Corporation)</p> <p>June 2006                          Representative Director and President, Japan Energy Corporation (now JXTG Nippon Oil &amp; Energy Corporation)</p> <p>July 2010                          Representative Director, Vice President, Executive Officer and Assistant to President, JX Nippon Oil &amp; Energy Corporation (now JXTG Nippon Oil &amp; Energy Corporation)</p> <p>June 2012                          Representative Director and President, JX Holdings, Inc. (now JXTG Holdings, Inc.)</p> <p>June 2015                          Advisor, JX Holdings, Inc. (now JXTG Holdings, Inc.) (current position)</p> <p>June 2016                          Outside Director of the Company (current position)                                         Outside Director of INPEX CORPORATION (current position)</p>		—
		[Reasons for nomination as a candidate for Outside Director] Mr. Isao Matsushita has been involved in corporate management in JXTG Group's companies for many years, and possesses abundant experience and insight regarding management, and as the Company expects him to use this high level of insight, experience, and auditing ability in corporate management in the supervision of the management of the Company, we would like to nominate him as Outside Director.		
		[Special interest between the candidate and the Company] There are no special interests between Mr. Isao Matsushita and the Company.		
		[Attendance at meetings of the Board of Directors (10th Fiscal Year)] 9/10 (attendance rate: 90%)		

(Notes)

1. Term of office of Mr. Isao Matsushita  
His term of office will have reached 1 year at the conclusion of this General Meeting of Shareholders.
2. Mr. Isao Matsushita is now serving as Outside Director of the Company, and the Company has entered into an agreement with him to limit his liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act, as per Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation. The limit of liability for damages under the agreement shall be the higher of ¥10 million or the minimum liability amount provided by laws and regulations. If Mr. Matsushita is elected, the Company intends to enter into the same agreement to limit his liability for damages.
3. Mr. Isao Matsushita is now serving as Outside Director of the Company, and fulfills the criteria for independence set forth by the Company (please refer to page 16), and additionally, the Company has designated him as Independent Officer as stipulated by regulations of the Tokyo Stock Exchange and has reported it thereat.

**Proposal 4:** Election of 1 Substitute Corporate Auditor

In case the number of Corporate Auditors falls short of the legally stipulated number, the Company proposes the election of 1 Substitute Corporate Auditor. Accordingly, the election of 1 Substitute Corporate Auditor is proposed.

The Board of Corporate Auditors has previously given its approval to this Proposal.

The candidate is as follows:

Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
Yoshiaki Senoo (May 15, 1949) [Reelection]	<p>April 1974      Entered the Legal Training and Research Institute of Japan (the 28th graduating class)</p> <p>April 1976      Registered as a lawyer (Daini Tokyo Bar Association) Joined Seiichi Ishii Law Office</p> <p>April 1979      Founded Yoshiaki Senoo Law Office (current position)</p> <p>October 2004     Founded MOS (MATSUZAKI OKU SANO &amp; SENOO) Joint Law Office (current position)</p> <p>[Reasons for nomination as a candidate for Substitute Outside Corporate Auditor] Mr. Yoshiaki Senoo possesses abundant business experience and specialized knowledge as a lawyer, and as there are no special interests between Mr. Senoo and the Company, his independence has been ensured, and we would like to nominate him as candidate for Substitute Corporate Auditor as Outside Corporate Auditor.</p> <p>[Special interest between the candidate and the Company] There are no special interests between Mr. Yoshiaki Senoo and the Company.</p>	—

(Notes)

1. Mr. Yoshiaki Senoo is a member of the Independent Committee for the Defensive Measures, approved at the 8th General Meeting of Shareholders held on June 26, 2015.
2. If Mr. Yoshiaki Senoo is appointed as Corporate Auditor, the Company will enter into an agreement with him to limit his liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act, as per Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation. The limit of liability for damages under the agreement shall be the higher of ¥5 million or the minimum liability amount provided by laws and regulations.
3. If Mr. Yoshiaki Senoo is appointed as Corporate Auditor, and fulfills the criteria for independence set forth by the Company (please refer to page 16), and additionally, the Company will designate him as Independent Officer as stipulated by regulations of the Tokyo Stock Exchange and report it thereat.

### **[Independence Criteria]**

- In the event that any of the following items apply, the Company shall deem a lack of independence.
  - (1) An executive officer of the Company or a company in the Group;
  - (2) A Non-executive Director or accounting advisor of the Company or a company in the Group (in the case of an Outside Corporate Auditor);
  - (3) A person whose major business partner (the annual amount of transactions with the Company is 2% or more of consolidated sales in the most recent fiscal year) is the Company or an executive officer thereof;
  - (4) A person who is a major business partner (the annual amount of transactions with the Company is 2% or more of consolidated sales in the most recent fiscal year) of the Company or an executive officer thereof;
  - (5) A financial institution or other major creditor that is essential for the fundraising of the Company, and whom the Company relies on to the extent that they are irreplaceable, or an executive officer thereof;
  - (6) A certified public accountant who is the Accounting Auditor of the Company, or a member, partner or employee of the audit firm (however, this excludes support staff);
  - (7) A major shareholder of the Company (a shareholder with a voting rights ownership ratio of 10% or more) (or if the major shareholder is a corporation, an executive officer thereof);
  - (8) An executive officer of an organization with which the Company has a relationship through the mutual appointment of Outside Officers;
  - (9) An executive officer of an organization to which the Company has made a donation (the average transaction amount per fiscal year over the past three (3) years is ¥5 million or more);
  - (10) An attorney-at-law, certified public accountant, certified tax accountant, or other consultant who has received a significant amount of cash or other property (the average transaction amount per fiscal year over the past three (3) years is ¥5 million or more) from the Company other than officer compensation;
  - (11) A person belonging to a legal firm, audit firm, certified tax accountant firm, consulting firm, or other specialized advisory firm that has received a significant amount of cash or other property (the average transaction amount per fiscal year over the past three (3) years is ¥10 million or more) from the Company other than officer compensation (however, this excludes support staff);
  - (12) A person who fell under either of the above categories (1) or (2) at any point over the past ten (10) years;
  - (13) A person who fell under any of the above categories (3) to (9) at any point over the past three (3) years;
  - (14) A relative within the second degree of kinship of a person falling under any of the above categories (1) to (13).

**Proposal 5:** Revision of Amount of Compensation for Directors

The compensation of Directors of the Company is comprised of “the fixed amount compensation”, “performance compensation” and “stock compensation” (Outside Directors are excluded for “performance compensation” and “stock compensation”).

This proposal proposes a revision to the total amount of “the fixed amount compensation” and “performance compensation” within the structure of compensation to Directors as follows.

■ Specific content of revision of amount of compensation of Directors (total amount of “the fixed amount compensation” and “performance compensation”)

Current	No more than <u>¥416 million</u> per year (however, this does not include salaries paid as the employee portion for Directors who also work as employees) *This content was approved at the 1st Annual General Meeting of Shareholders held on June 27, 2008.
After revision	No more than <u>¥650 million</u> per year (however, this does not include salaries paid as the employee portion for Directors who also work as employees) *The maximum amount of compensation for Outside Directors is <u>¥33 million</u> per year, which is included in the annual amount of <u>¥650 million</u> , and performance compensation is not applicable to Outside Directors.

■ Reasons for the revision

In view of further expansion of the Group’s business scope in the future and working toward further enhancement of corporate governance in line with this expansion of business scope, Proposal 2 at this General Meeting proposes partial amendment to the Articles of Incorporation to increase the number of Directors (from a maximum of 10 Directors to a maximum of 15).

Furthermore, Proposal 3 proposes the election of 10 Directors (of which, 3 Outside Directors). As a result, in consideration of the increased number of Directors in the future, the Company proposes a revision of the amount of compensation to Directors.

Although there are currently 8 Directors (of which, 3 Outside Directors), if Proposal 3 is approved as originally proposed, there will be 10 Directors (of which, 3 Outside Directors).

■ Compensation structure after the revision

If this proposal is approved, the “performance compensation” portion of the new compensation structure of Directors shall be increased from 13% to 23%, and thus the compensation structure shall be revised such that it is more closely linked to performance.

	Fixed amount compensation	Performance compensation *Excludes Outside Directors	Stock compensation *Excludes Outside Directors
Current	Fixed amount compensation (76%) Maximum compensation	+ Performance compensation (13%) No more than <u>¥416 million</u> per year	Stock compensation (11%) ¥50 million per year
After revision	Fixed amount compensation (70%) Maximum compensation	+ Performance compensation (23%) No more than <u>¥650 million</u> per year	Stock compensation (7%) ¥50 million per year