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(Stock Exchange Code: 3880)  
June 9, 2017

**To Our Shareholders:**

Masayoshi Sako  
President and Director  
Daio Paper Corporation  
2-60, Mishimakamiya-cho,  
Shikokuchuo City, Ehime Prefecture

**NOTICE OF  
THE 106TH 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 106th Annual General Meeting of Shareholders of Daio Paper Corporation (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 or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights no later than 5:30 p.m. on Wednesday, June 28, 2017, Japan time.**

- 1. Date and Time:** Thursday, June 29, 2017 at 10:00 a.m. Japan time  
(Reception opens at 9:00 a.m. and doors open at 9:30 a.m.)
- 2. Place:** Convention Hall on the 8th floor of Shikoku Headquarters & Production Center of the Company  
2-60, Mishimakamiya-cho, Shikokuchuo City, Ehime Prefecture, Japan
- 3. Meeting Agenda:**  
**Matters to be reported:**
  1. The Business Report, Consolidated Financial Statements for the Company’s 106th Fiscal Year (April 1, 2016 - March 31, 2017) and results of the audit of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors
  2. Non-Consolidated Financial Statements for the Company’s 106th Fiscal Year (April 1, 2016 - March 31, 2017)

**Proposals to be resolved:**

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|--------------------|--|
| <b>Proposal 1:</b> | <b>Appropriation of surplus</b>            |
| <b>Proposal 2:</b> | <b>Election of thirteen (13) Directors</b> |

- If the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements are amended, the amended items will be announced on the Company's website (<http://www.daio-paper.co.jp/>).
- Of the documents to be provided along with this Notice, the Notes to Consolidated Financial Statements of the Consolidated Financial Statements and the Notes to Non-Consolidated Financial Statements of the Non-Consolidated Financial Statements are made available to shareholders by posting them on the Company's website (<http://www.daio-paper.co.jp/>) pursuant to the provisions of laws, regulations and Article 14 of the Company's Articles of Incorporation, and therefore are not included in this Notice.  
The Non-Consolidated Financial Statements and the Consolidated Financial Statements attached to this Notice form a part of the documents that were audited by Corporate Auditors and the Board of Corporate Auditors, as well as the Accounting Auditor for the preparation of the Audit Report and the Accounting Audit Report, respectively.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of surplus

The Company recognizes that one of the most important management tasks is the return of profits to all of its shareholders, and its fundamental dividend policy is to continue making stable payment of dividends, while taking into consideration the state of its business performance and the enhancement of internal reserves.

Based on that policy, we propose a year-end dividend for the fiscal year under review as described below.

#### Matters relating to year-end dividends

- |  |  |
|--|--|
| [1] Dividend type  | Cash   |
| [2] Dividend allocation and total dividend payment       | We propose a year-end dividend of ¥5.50 per common share of the Company.<br>The total amount of dividends will be ¥ 805,384,701. |
| [3] Effective date of distributing dividend from surplus | We propose that the effective date of distributing dividend from surplus be June 30, 2017.                                       |

**Proposal 2:** Election of thirteen (13) Directors

The terms of office of all fourteen (14) Directors will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of thirteen (13) Directors is proposed.

The candidates for Director are as follows:

Candidate No.	Name		Current position, etc. at the Company
1	Re-appointment	Masayoshi Sako	President and Representative Director
2	Re-appointment	Toshihiro Adachi	Executive Director and Representative Director
3	Re-appointment	Kunihiro Okazaki	Executive Director and Representative Director
4	Re-appointment	Takashi Ono	Managing Director
5	Re-appointment	Hiroshi Yamasaki	Director
6	Re-appointment	Yoshiyuki Shinohara	Director
7	Re-appointment	Toshiki Yamagami	Director
8	New-appointment	Tetsuya Watanabe	Executive Officer
9	New-appointment	Yukihiro Tanaka	Executive Officer
10	New-appointment	Yorifusa Wakabayashi	Executive Officer
11	Re-appointment	Nobuhiko Yoshida	Outside Director Independent Director
12	Re-appointment	Yukimasa Yoneda	Outside Director Independent Director
13	New-appointment	Mizue Unno	Outside Director Independent Director

No.	Name, Date of birth, etc.	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
1	<p>Masayoshi Sako October 28, 1955 (Age 61)</p> <p>Period of service as Director: 12 years</p> <p>Attendance record at the Board of Directors meeting: 100% (14/14)</p> <p>&lt;Re-appointment&gt;</p>	<p>April 1978      Joined the Company</p> <p>April 1997      President and Representative Director of Elleair Texel Corporation</p> <p>March 2002      President and Representative Director of Nagoya Pulp Co., Ltd. (current Kani Mill)</p> <p>January 2005    General Manager of Sales Promotion Department, Home &amp; Personal Care Business Division, the Company</p> <p>June 2005      Managing Director of the Company</p> <p>June 2006      Executive Director of the Company</p> <p>June 2008      Executive Vice President and Director of the Company</p> <p>June 2011      President and Representative Director of the Company (current position)</p> <p>[Significant concurrent positions] —</p> <p>[Reason for nomination as a candidate for Director] Mr. Masayoshi Sako has engaged in the paper and paperboard business and household paper products business. After serving as Managing Director, Executive Director, Executive Vice President and Director, he has been serving as President and Representative Director of the Company since 2011. The Company nominates him again as a candidate for Director, because it expects him to contribute to the sustainable growth of the Group, considering that he has a wealth of business experience and achievements in the Company and its Group companies.</p>	15,600 shares
2	<p>Toshihiro Adachi September 19, 1955 (Age 61)</p> <p>Period of service as Director: 11 years</p> <p>Attendance record at the Board of Directors meeting: 100% (14/14)</p> <p>&lt;Re-appointment&gt;</p>	<p>April 1979      Joined the Company</p> <p>July 2002      Managing Director of Nagoya Pulp Co., Ltd. (current Kani Mill)</p> <p>December 2003   President and Representative Director of Dainichi Paper Corporation</p> <p>June 2004      Executive Vice President and Representative Director of Suehiro Printing Co., Ltd. (current Daio Printing Corporation)</p> <p>June 2006      Director of the Company</p> <p>January 2007    Managing Director of the Company</p> <p>June 2012      Executive Director of the Company</p> <p>April 2016      Executive Director and Representative Director of the Company (current position)</p> <p>[Significant concurrent positions] —</p> <p>[Reason for nomination as a candidate for Director] Mr. Toshihiro Adachi has mainly engaged in the household paper products business. After serving as Director, Managing Director, Executive Director, he has been serving as Executive Director and Representative Director of the Company since 2016. The Company nominates him again as a candidate for Director, because it expects him to contribute to the sustainable growth of the Group, considering that he has a wealth of business experience and achievements in the Company and its Group companies.</p>	13,700 shares

No.	Name, Date of birth, etc.	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
3	<p>Kunihiro Okazaki December 21, 1954 (Age 62)</p> <p>Period of service as Director: 5 years</p> <p>Attendance record at the Board of Directors meeting: 100% (14/14)</p> <p>&lt;Re-appointment&gt;</p>	<p>April 1977      Joined the Company</p> <p>October 1998    President and Representative Director of Daio Sanitary Products Co., Ltd. (current Elleair Product Co., Ltd.)</p> <p>June 2000      Director of the Company</p> <p>June 2008      Managing Director of the Company</p> <p>June 2011      Executive Director and Representative Director of Daiken Paper Co., Ltd. (current Daio Pulp &amp; Paper Co., Ltd.)</p> <p>March 2012     Executive Officer, Deputy General Manager of Home &amp; Personal Care Business Division, the Company</p> <p>June 2012      Managing Director of the Company</p> <p>June 2015      Executive Director of the Company</p> <p>April 2016      Executive Director and Representative Director of the Company (current position)</p> <p>[Significant concurrent positions]</p> <p>—</p> <p>[Reason for nomination as a candidate for Director]</p> <p>Mr. Kunihiro Okazaki has engaged in the paper and paperboard business and household paper products business, etc. After serving as Director, Managing Director, Executive Director, he has been serving as Executive Director and Representative Director of the Company since 2016.</p> <p>The Company nominates him again as a candidate for Director, because it expects him to contribute to the sustainable growth of the Group, considering that he has a wealth of business experience and achievements in the Company and its Group companies.</p>	9,600 shares
4	<p>Takashi Ono August 8, 1953 (Age 63)</p> <p>Period of service as Director: 5 years</p> <p>Attendance record at the Board of Directors meeting: 100% (14/14)</p> <p>&lt;Re-appointment&gt;</p>	<p>April 1977      Joined the Company</p> <p>July 1995      Acting Manager of Mishima Mill, the Company</p> <p>February 1997   Executive Director and Representative Director of Harima Paper Tech. Corporation</p> <p>July 1999      Managing Director of Nagoya Pulp Co., Ltd. (current Kani Mill)</p> <p>July 2002      Executive Director of Iwaki Daio Paper Corporation</p> <p>June 2008      Director, Manager of New Mishima Mill, the Company</p> <p>April 2011      Acting Manager of Mishima Mill, the Company</p> <p>July 2011      Executive Director of Taisei Paper Corporation</p> <p>June 2012      Director, Manager of Mishima Mill, Production Division, the Company</p> <p>April 2013      Director, Deputy General Manager of Production Division and Manager of Mishima Mill, the Company</p> <p>May 2017      Managing Director, General Manager of Production Division, the Company (current position)</p> <p>[Significant concurrent positions]</p> <p>—</p> <p>[Reason for nomination as a candidate for Director]</p> <p>Mr. Takashi Ono has engaged mainly in the production division and served as Director. He currently serves as Managing Director and General Manager of Production Division.</p> <p>The Company nominates him again as a candidate for Director, because it expects him to contribute to the sustainable growth of the Group, considering that he has a wealth of business experience and achievements in the Company and its Group companies.</p>	6,500 shares

No.	Name, Date of birth, etc.	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
5	<p>Hiroshi Yamasaki March 10, 1962 (Age 55)</p> <p>Period of service as Director: 4 years</p> <p>Attendance record at the Board of Directors meeting: 100% (14/14)</p> <p>&lt;Re-appointment&gt;</p>	<p>April 1984      Joined the Company</p> <p>March 2001    Executive Director and Representative Director of Elleair Home Paper Co., Ltd. (current Elleair Paper Co., Ltd.)</p> <p>July 2002      Manager of Kawano Mill, the Company</p> <p>February 2006 Executive Director and Representative Director of Ohmiya Paper Corporation</p> <p>January 2008   President and Representative Director of Daio Engineering Co., Ltd.</p> <p>October 2010   General Manager of Planning Section, Home &amp; Personal Care Business Division, the Company</p> <p>July 2011      Acting Manager of Mishima Mill and General Manager of Operation Department, New Mishima Mill, the Company</p> <p>June 2012      Executive Officer, Acting Manager of Mishima Mill, Production Division, the Company</p> <p>June 2013      Director, General Manager of Resources and Materials Purchasing Division, the Company</p> <p>May 2017      Director, Deputy General Manager of Production Division and Manager of Mishima Mill, the Company (current position)</p> <p>[Significant concurrent positions]</p> <p>—</p> <p>[Reason for nomination as a candidate for Director]</p> <p>Mr. Hiroshi Yamasaki has engaged mainly in the production division and served as Executive Officer. He currently serves as Director, Deputy General Manager of Production Division and Manager of Mishima Mill.</p> <p>The Company nominates him again as a candidate for Director, because it expects him to contribute to the sustainable growth of the Group, considering that he has a wealth of business experience and achievements in the Company and its Group companies.</p>	3,500 shares
6	<p>Yoshiyuki Shinohara August 31, 1958 (Age 58)</p> <p>Period of service as Director: 2 years</p> <p>Attendance record at the Board of Directors meeting: 100% (14/14)</p> <p>&lt;Re-appointment&gt;</p>	<p>April 1982      Joined the Company</p> <p>April 2002      Executive Director and Representative Director of Japan Communication Paper Chemical Engineering Co., Ltd. (current Kani Mill)</p> <p>April 2006      Executive Director and Representative Director of Elleair Home Paper Co., Ltd. (current Elleair Paper Co., Ltd.)</p> <p>July 2008      Executive Director and Representative Director of Bikodo Co., Ltd. (current Daio Printing Corporation)</p> <p>April 2010      President and Representative Director of Computer Printing Co., Ltd. (current Daio Printing Corporation)</p> <p>June 2011      Director, General Manager of Printing Paper Sales Division and General Manager of Sales Promotion Division, the Company</p> <p>October 2012   Director of the Company, President and Representative Director of Suehiro Printing Co., Ltd. (current Daio Printing Corporation)</p> <p>June 2015      Director, Assistant Manager of Mishima Mill, Production Division, the Company</p> <p>June 2016      Director, Manager of Kani Mill, Production Division, the Company (current position)</p> <p>[Significant concurrent positions]</p> <p>—</p> <p>[Reason for nomination as a candidate for Director]</p> <p>Mr. Yoshiyuki Shinohara has engaged in the production division, printing paper business, etc. He currently serves as Director and Manager of Kani Mill, Production Division.</p> <p>The Company nominates him again as a candidate for Director, because it expects him to contribute to the sustainable growth of the Group, considering that he has a wealth of business experience and achievements in the Company and its Group companies.</p>	2,700 shares

No.	Name, Date of birth, etc.	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
7	<p>Toshiki Yamagami March 9, 1961 (Age 56)</p> <p>Period of service as Director: 2 years</p> <p>Attendance record at the Board of Directors meeting: 100% (14/14)</p> <p>&lt;Re-appointment&gt;</p>	<p>April 1983      Joined the Company</p> <p>January 2004    President and Representative Director of Elleair Paper Tech. Co., Ltd. (current Elleair Product Co., Ltd.)</p> <p>October 2005    General Manager of Product Planning Section, Product Planning Department, Home &amp; Personal Care Business Division, the Company</p> <p>August 2007    Executive Director and Representative Director, Ohmiya Paper Corporation</p> <p>July 2008       General Manager of Production Planning Section, Home &amp; Personal Care Business Division, the Company</p> <p>April 2011      Acting Manager of Kani Mill, the Company</p> <p>August 2012    President and Representative Director of Daio Paper Converting Co., Ltd. (current Elleair Product Co., Ltd.)</p> <p>April 2013      Executive Officer of the Company, President and Representative Director of Elleair Product Co., Ltd.</p> <p>July 2014       Executive Officer, General Manager of Overseas Business Department, Home &amp; Personal Care Business Division, the Company</p> <p>June 2015      Director, General Manager of Overseas Business Department, Home &amp; Personal Care Business Division, the Company</p> <p>May 2017       Director, General Manager of Home &amp; Personal Care Overseas Business Division, the Company (current position)</p> <p>[Significant concurrent positions] —</p> <p>[Reason for nomination as a candidate for Director] Mr. Toshiki Yamagami has engaged in the production and development divisions, etc. He currently serves as Director and General Manager of Home &amp; Personal Care International Business Division. The Company nominates him again as a candidate for Director, because it expects him to contribute to the sustainable growth of the Group, considering that he has a wealth of business experience and achievements in the Company and its Group companies.</p>	2,800 shares
8	<p>Tetsuya Watanabe April 26, 1956 (Age 61)</p> <p>Period of service as Director: —</p> <p>Attendance record at the Board of Directors meeting: —</p> <p>&lt;New-appointment&gt;</p>	<p>April 1980      Joined the Company</p> <p>July 2004       Acting General Manager of Budget Planning Department, Home &amp; Personal Care Business Division, the Company</p> <p>May 2006       General Manager of Related Business Department II, the Company</p> <p>December 2010   General Manager of Personnel Department, the Company</p> <p>June 2011      Executive Officer, General Manager of Personnel Department and in charge of Related Business Division, the Company</p> <p>April 2013      Executive Officer, General Manager of Personnel and Related Business Division, the Company</p> <p>February 2017   Executive Officer, General Manager of General Affairs and Personnel Division, the Company (current position)</p> <p>[Significant concurrent positions] —</p> <p>[Reason for nomination as a candidate for Director] Mr. Tetsuya Watanabe has mainly engaged in the administration division, and currently serves as Executive Officer and General Manager of General Affairs and Personnel Division. The Company newly nominates him as a candidate for Director, because it expects him to contribute to the sustainable growth of the Group, considering that he has a wealth of business experience and achievements in the Company and its Group companies.</p>	3,000 shares



No.	Name, Date of birth, etc.	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
9	Yukihiro Tanaka May 15, 1957 (Age 60)  Period of service as Director: —  Attendance record at the Board of Directors meeting: —  <New-appointment>	<p>April 1980      Joined the Company</p> <p>April 1993      Acting General Manager of Communication Paper Section, Printing Paper Sales Division, the Company</p> <p>July 1996        Acting General Manager of General Affairs Department, Tokyo Headquarters, the Company</p> <p>April 2002       Chairman of Elleair Hawaii Inc.</p> <p>February 2006   Director, General Manager of Personnel Department and in charge of General Affairs Department, Tokyo Headquarters, the Company</p> <p>April 2010       Director, General Manager of Publication Paper Sales Division, the Company</p> <p>April 2013       General Manager of Kyushu Branch, the Company</p> <p>June 2015       Executive Officer, General Manager of General Affairs Division, the Company</p> <p>May 2017        Executive Officer, General Manager of Corporate Planning Division, the Company (current position)</p> <p>[Significant concurrent positions] —</p> <p>[Reason for nomination as a candidate for Director] Mr. Yukihiro Tanaka has engaged in the printing paper business, the administration divisions, etc., and currently serves as Executive Officer and General Manager of Corporate Planning Division. The Company newly nominates him as a candidate for Director, because it expects him to contribute to the sustainable growth of the Group, considering that he has a wealth of business experience and achievements in the Company and its Group companies.</p>	4,000 shares
10	Yorifusa Wakabayashi August 13, 1961 (Age 55)  Period of service as Director: —  Attendance record at the Board of Directors meeting: —  <New-appointment>	<p>April 1984      Joined the Company</p> <p>April 1999      Acting General Manager of Newsprint Department, Osaka Branch, the Company</p> <p>April 2000      Acting General Manager of Accounting Department, the Company</p> <p>July 2002        Acting General Manager of Finance Department, the Company</p> <p>July 2004        General Manager of Kyushu Branch, the Company</p> <p>July 2005        General Manager of Newsprint Department, Osaka Branch, the Company</p> <p>April 2009      General Manager of Kyushu Branch, the Company</p> <p>January 2012    Executive Officer, General Manager of Newsprint Sales Division, the Company</p> <p>April 2016      Executive Officer, General Manager of Printing Paper Sales Division, the Company</p> <p>May 2017        Executive Officer, General Manager of Home &amp; Personal Care Domestic Business Division, the Company (current position)</p> <p>[Significant concurrent positions] —</p> <p>[Reason for nomination as a candidate for Director] Mr. Yorifusa Wakabayashi has engaged in the printing paper business, the finance divisions, etc., and currently serves as Executive Officer and General Manager of Home &amp; Personal Care Domestic Business Division. The Company newly nominates him as a candidate for Director, because it expects him to contribute to the sustainable growth of the Group, considering that he has a wealth of business experience and achievements in the Company and its Group companies.</p>	6,200 shares

No.	Name, Date of birth, etc.	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
11	<p>Nobuhiko Yoshida February 8, 1946 (Age 71)</p> <p>Period of service as Director: 5 years</p> <p>Attendance record at the Board of Directors meeting: 100% (14/14)</p> <p>&lt;Re-appointment&gt; &lt;Outside&gt; &lt;Independent&gt;</p>	<p>July 1969      Joined Yawata Iron &amp; Steel Co., Ltd. (current NIPPON STEEL &amp; SUMITOMO METAL CORPORATION)</p> <p>June 1999      Director, General Manager of Sales Management Division, Nippon Steel Corporation (current NIPPON STEEL &amp; SUMITOMO METAL CORPORATION)</p> <p>April 2001     Director, General Manager of Management Planning Division, Nippon Steel Corporation</p> <p>June 2003      Representative Director and President of Sanko Metal Industrial Co., Ltd.</p> <p>May 2007      Chairman of Incorporated Association of Japan Metal Roofing Association (current General Incorporated Association of Japan Metal Roofing Association)</p> <p>June 2011     Director and Advisor of Sanko Metal Industrial Co., Ltd.</p> <p>June 2012     Outside Director of the Company (current position)</p> <p>June 2013     Supreme Counselor of Sanko Metal Industrial Co., Ltd.</p> <p>May 2014      Director and Advisor of General Incorporated Association of Japan Metal Roofing Association (current position)</p> <p>[Significant concurrent positions] Director and Advisor of General Incorporated Association of Japan Metal Roofing Association</p> <p>[Reason for nomination as a candidate for Director] The Company nominates Mr. Nobuhiko Yoshida again as a candidate for Outside Director because it has judged that he will execute his duties appropriately as Outside Director from an independent standpoint by leveraging his wealth of experience and extensive insight gained through his career as an executive of other companies.</p>	0 shares
12	<p>Yukimasa Yoneda October 22, 1950 (Age 66)</p> <p>Period of service as Director: 4 years</p> <p>Attendance record at the Board of Directors meeting: 100% (14/14)</p> <p>&lt;Re-appointment&gt; &lt;Outside&gt; &lt;Independent&gt;</p>	<p>April 1976      Joined ITOCHU Corporation</p> <p>February 2002    Joined HAC Kimisawa Co., Ltd. (current CFS Corporation)</p> <p>March 2003      President and Representative Director of HAC Kimisawa Co., Ltd.</p> <p>May 2007      Joined Pigeon Corporation</p> <p>April 2008      Managing Director, in charge of International Business Division, Pigeon Corporation</p> <p>December 2008    Joined Sugi Holdings Co., Ltd.</p> <p>March 2009      President of Sugi Pharmacy Co., Ltd.</p> <p>May 2009      President of Sugi Holdings Co., Ltd.</p> <p>October 2011     Joined S.T. CORPORATION</p> <p>April 2012      President and Chief Operating Officer of S.T. CORPORATION</p> <p>June 2013      Outside Director of the Company (current position)</p> <p>September 2014    Vice Director of Marketing Consulting Office, Inc.</p> <p>April 2015      Part-time Lecturer of Faculty of Business, Kokushikan University (current position)</p> <p>March 2017      Outside Director of SEAOS, Inc. (current position)</p> <p>[Significant concurrent positions] Part-time Lecturer of Faculty of Business, Kokushikan University Outside Director of SEAOS, Inc.</p> <p>[Reason for nomination as a candidate for Director] The Company nominates Mr. Yukimasa Yoneda again as a candidate for Outside Director because it has judged that he will execute his duties appropriately as Outside Director from an independent standpoint by leveraging his wealth of experience and extensive insight regarding overseas business, gained through his career as an executive in the sundry goods industry.</p>	0 shares

No.	Name, Date of birth, etc.	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
13	Mizue Unno February 18, 1961 (Age 56)  Period of service as Director: —  Attendance record at the Board of Directors meeting: —  <New-appointment> <Outside> <Independent>	October 1989    Joined Chuo Coopers & Lybrand Consulting Co., Ltd. (current PwC Consulting LLC) April 1992      Joined Roland Berger Ltd. November 1996   Representative Director of So-Tech Consulting Inc. (current position) June 2007      Outside Director of BROTHER INDUSTRIES, LTD. [Significant concurrent positions] Representative Director of So-Tech Consulting Inc. [Reason for nomination as a candidate for Director] The Company newly nominates Ms. Mizue Unno as a candidate for Outside Director because it has judged that she will execute her duties appropriately as Outside Director from an independent standpoint by leveraging her wealth of experience and extensive insight regarding the environment and CSR, gained through her career in management support of Japanese companies as a consultant in the environmental business and CSR fields.	0 shares

(Notes)

1. There are no conflicts of interests between each candidate and the Company.
2. Messrs. Nobuhiko Yoshida and Yukimasa Yoneda and Ms. Mizue Unno are candidates for Outside Director.
3. Messrs. Nobuhiko Yoshida and Yukimasa Yoneda are incumbent Outside Directors of the Company. Mr. Nobuhiko Yoshida will have served in such post for five (5) years and Mr. Yukimasa Yoneda for four (4) years as at the conclusion of this year's Annual General Meeting of Shareholders.
4. Article 25, Paragraph 2 of the Articles of Incorporation of the Company prescribes that the Company may enter into an agreement with each Outside Director that limits their liability for damages to the Company within a certain extent, pursuant to Article 427, Paragraph 1 of the Companies Act. The limit of liability for damages set out under such agreement is ¥10 million or the minimum amount of liability for damages set out under Article 425, Paragraph 1 of the Companies Act, whichever is higher.  
The Company has entered into agreements to limit liability for damages with each of Messrs. Nobuhiko Yoshida and Yukimasa Yoneda.  
Such agreement with each of Messrs. Nobuhiko Yoshida and Yukimasa Yoneda shall be renewed once their appointments are approved at this year's Annual General Meeting of Shareholders.  
The Company will enter into the same agreement to limit liability for damages with Ms. Mizue Unno once her appointment is approved at this year's Annual General Meeting of Shareholders.
5. The Company has registered Messrs. Nobuhiko Yoshida and Yukimasa Yoneda as independent directors with the Tokyo Stock Exchange pursuant to the rules of the Exchange. The Company shall keep them registered as independent directors upon the approval of their appointments at this year's Annual General Meeting of Shareholders.  
Ms. Mizue Unno satisfies the requirements for an independent director pursuant to the rules of the Tokyo Stock Exchange. The Company will register her as independent director with the Exchange upon the approval of her appointment.