

To Our Shareholders:

June 2, 2017

Company Name: DAIICHIKOSHO CO., LTD.
Representative: Saburo Hayashi, President
Code Number: 7458
(First Section, Tokyo Stock Exchange)
Contact: General Planning Department
Phone: +81-3-3280-2774

Additional Information Regarding Proposal No. 3 to be Introduced
at the 42nd Ordinary General Meeting of Shareholders

It has come to our attention that Institutional Shareholder Services, Inc. (“ISS”) is recommending shareholders to vote against Ms. Chika Masuda, Director candidate No. 12, nominated under Proposal No. 3 (Election of Twelve (12) Directors), to be introduced at the 42nd Ordinary General Meeting of Shareholders of the Company (scheduled for June 23, 2017), due to the fact that her attendance rate at the Board of Directors meetings fell below 75%.

Therefore, we would like to provide additional information as shown below regarding this Proposal and ask for your understanding.

<Regarding Ms. Chika Masuda’s attendance rate at the Board of Directors meetings>

The convocation notice stated that Outside Director Ms. Masuda’s attendance rate at the Board of Directors meeting was 73% (Please refer to pp. 3 and 12 of the “Notice of Convocation of the 42nd Ordinary General Meeting of Shareholders.”). However, this only represents the attendance rate for her second term of office (42nd term).

ISS has taken the attendance rate of this candidate at the Board of Directors meeting as criteria for her suitability to the office. In this case, the Company believes that the candidate’s attendance rate throughout her entire term of office should be considered and thus provides the following information.

We ask that our shareholders take into account the following information and understand the reasons for Ms. Masuda’s reelection outlined in the convocation notice and the Company’s view on this matter.

	41st term*			42nd term (convocation notice)			Total term of office		
	Number of meetings	Number of meetings attended	Attendance rate	Number of meetings	Number of meetings attended	Attendance rate	Number of meetings	Number of meetings attended	Attendance rate
Regular	10	10	100%	12	10	83%	22	20	91%
Extraordinary	4	4	100%	10	6	60%	14	10	71%
Total	14	14	100%	22	16	73%	36	30	83%

* Number of meetings held and number of meetings attended since Ms. Masuda’s appointment as Director at the 41st Ordinary General Meeting of Shareholders held on June 24, 2016.

(Note) The Company notifies Directors and Corporate Auditors in advance of the schedule of Board of Directors meetings including “Regular” meetings which are held once a month and “Extraordinary” meetings such as those meetings held to coincide with the schedule of financial results (the schedule for the following term is announced in January or February of

each year).

While a total of 20 Board of Directors meetings (12 Regular and 8 Extraordinary) were planned for the 42nd term, in terms of Extraordinary Board of Directors meetings, two previously-unscheduled meetings were added and one previously-scheduled meeting was rescheduled to another date, which resulted in Ms. Masuda not being able to attend these three meetings. The Company provides Directors with detailed information on the agenda of each Extraordinary Board of Directors meeting in advance, including Directors who cannot attend such meetings, and asks that they provide comments and advice should they have any questions or inquiries to reflect them to such Board of Directors meetings.