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Securities Code 7458
June 2, 2017

To Our Shareholders:

Saburo Hayashi
President
DAIICHIKOSHO CO., LTD.
5-5-26 Kitashinagawa, Shinagawa-ku, Tokyo

**Notice of Convocation of
the 42nd Ordinary General Meeting of Shareholders**

- 1. Date and Time:** Friday, June 23, 2017 at 10:00 a.m. (Reception starts at 9:00 a.m.)
- 2. Venue:** “Pegasus,” 1st floor, Hilton Tokyo Odaiba
1-9-1 Daiba, Minato-ku, Tokyo
- 3. Purpose of the Meeting:**
Proposals to be resolved:
 - Proposal No. 1:** Appropriation of Surplus
 - Proposal No. 2:** Partial Amendments to the Articles of Incorporation
 - Proposal No. 3:** Election of Twelve (12) Directors

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

The Company maintains a basic policy of making active return of profit that reflects consolidated business performance while taking into account internal reserves for future investment, etc.

The Company proposes to pay a year-end dividend for the current fiscal year as follows:

(1) Type of dividend property

Cash

(2) Allotment of dividend property to shareholders and the aggregate amount

¥55 per common share of the Company (Annual dividend of ¥109 when including the interim dividend)

Aggregate amount of dividends will be ¥3,142,206,760.

(3) Effective date of dividends of surplus

June 26, 2017

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

Amendments will be made to change the method of public notice of the Company to public notices via the Internet in order to raise the effectiveness of public notices and to streamline their procedures, and to set forth the method of public notice in the event that public notices via the Internet are not possible due to unavoidable circumstance.

2. Description of the amendments

Description of the amendments is as follows:

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed amendment
Chapter I. General Provisions Article 1. through Article 3. (Omitted) Article 4. (Method of Public Notice) All public notices made by the Company shall be inserted in the Nikkei.	Chapter I. General Provisions Article 1. through Article 3. (Unchanged) Article 4. (Method of Public Notice) All public notices made by the Company shall be <u>made public via the Internet. However, in the event of an accident or other unavoidable circumstances that render notification via the Internet impossible,</u> public notices shall be inserted in the Nikkei.

Proposal No. 3: Election of Twelve (12) Directors

At the conclusion of this Ordinary General Meetings of Shareholders, the terms of office of all Directors will expire. Therefore, the Company proposes to elect twelve (12) Directors.

The candidates for Director are as follows:

Candidate No.	Name	Current responsibilities and significant concurrent positions	Attendance at the Board of Directors meetings
1	<u>Reappointment</u> Tadahiro Hoshi	Senior Managing Director and Senior Corporate Officer, and Chief Officer of Sales Management Headquarters and Advertising Dept.	100% (22 out of 22)
2	<u>Reappointment</u> Kenichi Nemoto	Senior Managing Director and Senior Corporate Officer, and Chief Officer of Store Business Headquarters	95% (21 out of 22)
3	<u>Reappointment</u> Tatsuya Kumagai	Senior Managing Director and Senior Corporate Officer, General Manager of Development Headquarters, and Chief Officer of Production Dept., Program Planning Dept. and BGM Broadcasting Dept.	100% (22 out of 22)
4	<u>Reappointment</u> Hiroshi Mitomi	Senior Managing Director and Senior Corporate Officer, and General Manager of Administration Headquarters	100% (22 out of 22)
5	<u>Reappointment</u> Yasutaka Wada	Managing Director and Senior Corporate Officer, and Chief Officer of Production Management Dept. and Music Software Subsidiary Administration Dept. Representative Director & President of Nippon Crown Co., Ltd. Representative Director & President of Tokuma Japan Communications Co., Ltd.	100% (22 out of 22)
6	<u>Reappointment</u> Yuichi Murai	Managing Director and Senior Corporate Officer, Deputy General Manager of Development Headquarters, and General Manager of Consumer Business Promotion Dept.	95% (21 out of 22)
7	<u>Reappointment</u> Yasuhito Watanabe	Director and Senior Corporate Officer, General Manager of Production Headquarters, General Manager of Production Dept., and General Manager of Programming Planning Dept.	100% (22 out of 22)
8	<u>Reappointment</u> Noriyuki Takehana	Director and Senior Corporate Officer, and General Manager of Advertising Dept.	91% (20 out of 22)
9	<u>New appointment</u> Kenji Otsuka	Senior Corporate Officer and General Manager of Sales Management Headquarters	-
10	<u>Reappointment</u> Katsuhiko Baba	Part-time Director of the Company Representative Director & President of Kyushu Daiichikoshu Co., Ltd.	91% (20 out of 22)
11	<u>Reappointment</u> <u>Outside Director</u> <u>Independent Officer</u> Atsuya Furuta		86% (19 out of 22)
12	<u>Reappointment</u> <u>Outside Director</u> <u>Independent Officer</u> Chika Masuda		73% (16 out of 22)

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	<p data-bbox="204 591 394 618">[Reappointment]</p> <p data-bbox="212 651 386 707">Tadahiro Hoshi (March 6, 1971)</p> <p data-bbox="204 741 410 891">[Attendance at the Board of Directors meetings] 22 out of 22 meetings (100%)</p>	<p data-bbox="427 320 539 347">Feb. 1999</p> <p data-bbox="427 349 539 376">Apr. 2004</p> <p data-bbox="427 409 539 436">May 2005</p> <p data-bbox="427 470 539 497">June 2005</p> <p data-bbox="427 553 539 580">Apr. 2007</p> <p data-bbox="427 636 539 663">June 2007</p> <p data-bbox="427 719 539 745">Sept. 2009</p> <p data-bbox="427 846 539 873">June 2010</p> <p data-bbox="427 929 539 956">June 2011</p> <p data-bbox="427 990 539 1016">Apr. 2015</p> <p data-bbox="427 1072 539 1099">June 2015</p> <p data-bbox="643 320 1278 1167"> Joined the Company General Manager, Production Management Dept., Production Headquarters of the Company General Manager, Record Subsidiary Administration Dept., Music Software Business Headquarters of the Company Corporate Officer, Deputy General Manager, Music Software Business Headquarters, and General Manager, Record Subsidiary Administration Dept. of the Company Corporate Officer and General Manager, Directly-managed Store Sales Dept., Sales Management Headquarters of the Company Director and Corporate Officer, Deputy General Manager, Sales Management Headquarters, and General Manager, Direct-managed Sales Dept. of the Company Managing Director and Senior Corporate Officer, Deputy General Manager, Sales Management Headquarters, and General Manager, Directly-managed Stores Sales Dept. of the Company Managing Director and Senior Corporate Officer, and Deputy General Manager, Sales Management Headquarters of the Company Managing Director and Senior Corporate Officer, and General Manager, Sales Management Headquarters of the Company Managing Director and Senior Corporate Officer, and Chief Officer of Sales Management Headquarters and Advertising Dept. of the Company Senior Managing Director and Senior Corporate Officer, and Chief Officer of Sales Management Headquarters and Advertising Dept. of the Company (current position) </p>	6,246,000
<p data-bbox="193 1167 708 1193">[Reason for nomination as candidate for Director]</p> <p data-bbox="193 1196 1437 1375">Mr. Hoshi has business experience in a wide range of areas in the Company including sales, production, advertising and music software. Since his appointment as Director in 2007, he has been leading the Group subsidiaries by mainly overseeing the sales divisions, and has been playing a leading role in the reinforcement and the expansion of a stable earnings base. The Company proposes the reappointment for his extensive experience and knowledge, which he acquired through the management of the Company and its record subsidiaries, for the sustained growth of the Company and the medium- to long-term enhancement of corporate value.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	<p data-bbox="204 434 394 465">[Reappointment]</p> <p data-bbox="181 495 416 555">Kenichi Nemoto (December 25, 1957)</p> <p data-bbox="204 584 394 734">[Attendance at the Board of Directors meetings] 21 out of 22 meetings (95%)</p>	<p data-bbox="432 320 539 351">Apr. 1981</p> <p data-bbox="432 351 539 383">May 1989</p> <p data-bbox="432 412 539 443">May 1992</p> <p data-bbox="432 443 539 474">June 1993</p> <p data-bbox="432 495 539 526">June 1998</p> <p data-bbox="432 546 539 577">June 1999</p> <p data-bbox="432 607 539 638">June 2005</p> <p data-bbox="432 703 539 734">Sept. 2009</p> <p data-bbox="432 799 539 831">Apr. 2011</p> <p data-bbox="432 860 539 891">Mar. 2013</p> <p data-bbox="432 956 539 987">Apr. 2015</p> <p data-bbox="432 1008 539 1039">Apr. 2017</p> <p data-bbox="628 320 1278 1084"> Joined Taito Daiichikoshō Co., Ltd. Director and General Manager of Sales Dept. of Taito Daiichikoshō Co., Ltd. Managing Director of Taito Daiichikoshō Co., Ltd. Senior Managing Director of Taito Daiichikoshō Co., Ltd. Representative Director and Senior Managing Director of Taito Daiichikoshō Co., Ltd. Representative Director and President of Taito Daiichikoshō Co., Ltd. Managing Director and Senior Corporate Officer, General Manager, Store Business Headquarters, and General Manager, Store Business Promotion Dept. of the Company Senior Managing Director and Senior Corporate Officer, General Manager, Store Business Headquarters, and General Manager, Store Business Promotion Dept. of the Company Senior Managing Director and Senior Corporate Officer, and General Manager, Store Business Headquarters of the Company Senior Managing Director and Senior Corporate Officer, General Manager, Store Business Headquarters, and General Manager, Store Business Promotion Dept. of the Company Senior Managing Director and Senior Corporate Officer, and General Manager, Store Business Headquarters of the Company Senior Managing Director and Senior Corporate Officer, and Chief Officer of Store Business Headquarters of the Company (current position) </p>	24,700
<p data-bbox="197 1099 707 1131">[Reason for nomination as candidate for Director]</p> <p data-bbox="197 1131 1430 1301">Mr. Nemoto has long been involved in the store management of the Company and since his appointment as Managing Director of the Company in 2005, he has been promoting the expansion of business as well as the earnings base by combining “BIG ECHO” with restaurants and actively opening various restaurant brands. The Company proposes the reappointment for his extensive experience and knowledge, which he acquired through the management of the Company and its subsidiaries, for the sustained growth of the Company and the medium- to long-term enhancement of corporate value.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	<p data-bbox="204 824 395 853">[Reappointment]</p> <p data-bbox="204 887 400 969">Tatsuya Kumagai (November 16, 1955)</p> <p data-bbox="204 1010 411 1155">[Attendance at the Board of Directors meetings] 22 out of 22 meetings (100%)</p>	<p data-bbox="432 304 536 333">Feb. 1991</p> <p data-bbox="432 338 536 367">June 1996</p> <p data-bbox="432 371 536 400">Oct. 2000</p> <p data-bbox="432 427 536 456">June 2003</p> <p data-bbox="432 517 536 546">Apr. 2004</p> <p data-bbox="432 573 536 602">June 2005</p> <p data-bbox="432 629 536 658">June 2010</p> <p data-bbox="432 719 536 748">Apr. 2011</p> <p data-bbox="432 775 536 804">June 2011</p> <p data-bbox="432 831 536 860">May 2012</p> <p data-bbox="432 920 536 949">Apr. 2013</p> <p data-bbox="432 1099 536 1128">July 2013</p> <p data-bbox="432 1279 536 1308">Apr. 2014</p> <p data-bbox="432 1413 536 1442">Apr. 2015</p> <p data-bbox="432 1525 536 1554">Apr. 2017</p> <p data-bbox="632 304 1294 1675"> Joined the Company Director of Technology Development Dept. of the Company Deputy General Manager, Development Headquarters and General Manager, Product Development Dept. of the Company Corporate Officer, Deputy General Manager, Development Headquarters, and General Manager, Product Development Dept. of the Company Corporate Officer and General Manager, Development Headquarters of the Company Director and Corporate Officer, and General Manager, Development Headquarters of the Company Managing Director and Senior Corporate Officer, General Manager, Development Headquarters, and General Manager, Development Management Dept. of the Company Managing Director and Senior Corporate Officer, and General Manager, Development Headquarters of the Company Senior Managing Director and Senior Corporate Officer, and General Manager, Development Headquarters of the Company Senior Managing Director and Senior Corporate Officer, General Manager, Development Headquarters, and Chief Officer of Production Dept., Program Planning Dept. and Advertising Dept. of the Company Senior Managing Director and Senior Corporate Officer, General Manager, Development Headquarters, General Manager, Product Development Dept., and Chief Officer of Production Dept., Program Planning Dept. and Advertising Dept. of the Company Senior Managing Director and Senior Corporate Officer, General Manager, Development Headquarters, General Manager, Product Development Dept., General Manager, Overseas Business Promotion Dept., and Chief Officer of Production Dept., Program Planning Dept. and Advertising Dept. of the Company Senior Managing Director and Senior Corporate Officer, General Manager, Development Headquarters, and Chief Officer of Production Dept., Program Planning Dept. and Advertising Dept. of the Company Senior Managing Director and Senior Corporate Officer, General Manager, Development Headquarters, and Chief Officer of Production Dept. and Program Planning Dept. of the Company Senior Managing Director and Senior Corporate Officer, General Manager, Development Headquarters, and Chief Officer of Production Dept., Program Planning Dept. and BGM Broadcasting Dept. of the Company (current position) </p>	48,300
<p data-bbox="197 1682 708 1711">[Reason for nomination as candidate for Director]</p> <p data-bbox="197 1715 1458 1886">Mr. Kumagai has long been involved in the research and development of our flagship product, the “DAM” commercial karaoke systems and its peripheral device, the “DENMOKU” songbook, at the Company’s development divisions, and has continued to promote the development of products that incorporate the latest technology. The Company proposes the reappointment for his extensive experience and knowledge, which he acquired through the management of the Company and its overseas subsidiaries, for the sustained growth of the Company and the medium- to long-term enhancement of corporate value.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	<p data-bbox="204 741 392 770">[Reappointment]</p> <p data-bbox="181 797 416 857">Hiroshi Mitomi (December 23, 1950)</p> <p data-bbox="204 884 392 1037">[Attendance at the Board of Directors meetings] 22 out of 22 meetings (100%)</p>	<p data-bbox="432 304 536 333">Apr. 1975</p> <p data-bbox="432 360 536 389">June 2002</p> <p data-bbox="432 416 536 445">Oct. 2003</p> <p data-bbox="432 506 536 535">Apr. 2004</p> <p data-bbox="432 595 536 624">June 2007</p> <p data-bbox="432 685 536 714">Oct. 2008</p> <p data-bbox="432 797 536 826">Apr. 2009</p> <p data-bbox="432 887 536 916">June 2009</p> <p data-bbox="432 976 536 1005">June 2010</p> <p data-bbox="432 1066 536 1095">Apr. 2011</p> <p data-bbox="432 1178 536 1207">June 2011</p> <p data-bbox="432 1290 536 1319">Oct. 2013</p> <p data-bbox="432 1379 536 1408">Jan. 2014</p> <p data-bbox="632 304 1286 1469"> Joined the Mitsubishi Trust and Banking Corporation (currently Mitsubishi UFJ Trust and Banking Corporation) General Manager, Corporate Agency Division of the Mitsubishi Trust and Banking Corporation Seconded to the Company General Manager, Administration Dept., Administration Headquarters of the Company Joined the Company General Manager, Administration Dept., Administration Headquarters of the Company Director and Corporate Officer, Deputy General Manager, Administration Headquarters, and General Manager, Administration Dept. of the Company Director and Corporate Officer, Deputy General Manager, Administration Headquarters, General Manager, Administration Dept., and General Manager, Credit Management Dept. of the Company Director and Corporate Officer, Deputy General Manager, Administration Headquarters and General Manager, Finance Dept. of the Company Director and Corporate Officer, General Manager, Administration Headquarters, and General Manager, Finance Dept. of the Company Managing Director and Senior Corporate Officer, General Manager, Administration Headquarters, and General Manager, Finance Dept. of the Company Managing Director and Senior Corporate Officer, General Manager, Administration Headquarters, General Manager, Finance Dept., and General Manager, the Legal Office of the Company Senior Managing Director and Senior Corporate Officer, General Manager, Administration Headquarters, General Manager, Finance Dept., and General Manager, the Legal Office of the Company Senior Managing Director and Senior Corporate Officer, General Manager, Administration Headquarters and General Manager, Finance Dept. of the Company Senior Managing Director and Senior Corporate Officer, and General Manager, Administration Headquarters of the Company (current position) </p>	36,100
<p data-bbox="197 1473 708 1503">[Reason for nomination as candidate for Director]</p> <p data-bbox="197 1503 1461 1668">Mr. Mitomi has long been involved in the administrative divisions including administration, personnel affairs, finance, credit management and legal affairs of the Company, and has been promoting the reinforcement of corporate governance by such means as steering the "Personnel Affairs and Remuneration Advisory Committee," which was launched in 2016, as a member (officer in charge of personnel affairs). The Company proposes the reappointment for his extensive experience and knowledge in the management of the Company and in the field of finance for the sustained growth of the Company and the medium- to long-term enhancement of corporate value.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	<p>[Reappointment]</p> <p>Yasutaka Wada (June 4, 1953)</p> <p>[Attendance at the Board of Directors meetings] 22 out of 22 meetings (100%)</p>	<p>Nov. 1986 Joined the Company</p> <p>Oct. 2000 General Manager, Production Management Dept., Production Headquarters of the Company</p> <p>June 2003 Corporate Officer and General Manager, Production Management Dept., Production Headquarters of the Company</p> <p>Apr. 2004 Corporate Officer, Deputy General Manager, Production Headquarters, and General Manager, Production Management Dept. of the Company</p> <p>June 2005 Director and Corporate Officer, General Manager, Production Headquarters, and General Manager, Production Management Dept. of the Company</p> <p>Aug. 2006 President of the Company</p> <p>Sept. 2009 Managing Director and Senior Corporate Officer, and Chief Officer of Production Headquarters of the Company</p> <p>Oct. 2011 Managing Director and Senior Corporate Officer, and Chief Officer of Production Headquarters and Music Software Subsidiary Administration Dept. of the Company</p> <p>May 2012 Managing Director and Senior Corporate Officer, and Chief Officer of Production Management Dept. and Music Software Subsidiary Administration Dept. of the Company</p> <p>Oct. 2013 Managing Director and Senior Corporate Officer, General Manager, Legal Office, and Chief Officer of Production Management Dept. and Music Software Subsidiary Administration Dept. of the Company</p> <p>June 2015 Managing Director and Senior Corporate Officer, and Chief Officer of Production Management Dept. and Music Software Subsidiary Administration Dept. of the Company (current position)</p> <p>Mar. 2016 Representative Director & President of Nippon Crown Co., Ltd. (current position)</p> <p>Mar. 2016 Representative Director & President of Tokuma Japan Communications Co., Ltd. (current position)</p>	200,000
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Wada has long been involved in the production divisions, particularly in the management of copyrights, and has been contributing significantly to the establishment of a framework for the industry by facilitating the relationship between karaoke operators and the copyright administrators. Since his appointment as Representative Director in 2006, he established and improved the framework for business management and internal controls, and he is currently promoting management reforms of two record subsidiaries as their Representative Director. The Company proposes the reappointment for his extensive experience and knowledge, which he acquired through the management of the Company and its subsidiaries, for the sustained growth of the Company and the medium- to long-term enhancement of corporate value.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held		
6	<p>[Reappointment]</p> <p>Yuichi Murai (January 17, 1959)</p> <p>[Attendance at the Board of Directors meetings] 21 out of 22 meetings (95%)</p>	<p>Mar. 1991 Joined the Company</p> <p>July 1996 General Manager, DAM Business Dept., Development Headquarters of the Company</p> <p>May 2001 General Manager, Marketing Dept. of the Company</p> <p>June 2003 Corporate Officer and General Manager, Marketing and Advertising Dept. of the Company</p> <p>Apr. 2005 Corporate Officer, Deputy General Manager, Gateway Business Headquarters, and General Manager, DS Business Promotion Dept. of the Company</p> <p>June 2005 Director and Corporate Officer, General Manager, Gateway Business Headquarters, and General Manager, DS Business Promotion Dept. of the Company</p> <p>Apr. 2006 Director and Corporate Officer, Deputy General Manager, Sales Management Headquarters, and General Manager, Gateway Business Dept. of the Company</p> <p>Apr. 2008 Director and Corporate Officer, and Deputy General Manager, Development Headquarters of the Company</p> <p>Apr. 2011 Director and Corporate Officer, Deputy General Manager, Development Headquarters, and General Manager, Contents Planning Dept. of the Company</p> <p>June 2011 Managing Director and Senior Corporate Officer, Deputy General Manager, Development Headquarters, and General Manager, Contents Planning Dept. of the Company</p> <p>Apr. 2014 Managing Director and Senior Corporate Officer, Deputy General Manager, Development Headquarters, and General Manager, Consumer Business Promotion Dept. of the Company (current position)</p>	41,500		
		<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Murai has long been involved in the research and development of our flagship product, the “DAM” commercial karaoke systems and its peripheral device, the “DENMOKU” songbook, at the Company’s development divisions, and has continued to promote the development of various services for consumers. The Company proposes the reappointment for his extensive experience and knowledge, which he acquired through the management of the Company, for the sustained growth of the Company and the medium- to long-term enhancement of corporate value.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
7	[Reappointment] Yasuhito Watanabe (May 7, 1961) [Attendance at the Board of Directors meetings] 22 out of 22 meetings (100%)	Jan. 1987	Joined the Company	206,600
		Apr. 2005	General Manager, Gateway Management Dept., Gateway Business Headquarters of the Company	
Apr. 2006	Deputy General Manager, Gateway Business Dept., Sales Management Headquarters of the Company			
Apr. 2007	General Manager, DS Service Dept., Sales Management Headquarters of the Company			
Apr. 2009	General Manger, Web Business Dept., Media Business Headquarters of the Company			
Oct. 2009	General Manager, Production Headquarters and General Manager, Program Planning Dept. of the Company			
June 2010	Director and Corporate Officer, General Manager, Production Headquarters, and General Manager, Program Planning Dept. of the Company			
		Mar. 2016	Director and Corporate Officer, General Manager, Production Headquarters, General Manager, Production Dept., and General Manager, Program Planning Dept. of the Company	
		June 2016	Director and Senior Corporate Officer, General Manager, Production Headquarters, General Manager, Production Dept., and General Manager, Program Planning Dept. of the Company (current position)	
[Reason for nomination as candidate for Director] Mr. Watanabe has long been involved in the production of songs on the “DAM” commercial karaoke systems and the licensing rights of various artists and animation images at the Company’s production divisions, and continues to focus on differentiating our contents from others and the development of the music industry. The Company proposes the reappointment for his extensive experience and knowledge, which he acquired through the management of the Company, for the sustained growth of the Company and the medium- to long-term enhancement of corporate value.				
8	[Reappointment] Noriyuki Takehana (July 12, 1959) [Attendance at the Board of Directors meetings] 20 out of 22 meetings (91%)	May 1993	Joined the Company	199,000
		May 2005	Deputy General Manager, Marketing and Advertising Dept. of the Company	
Apr. 2007	General Manager, Advertising Dept. of the Company			
June 2013	Director and Corporate Officer and General Manager, Advertising Dept. of the Company			
June 2016	Director and Senior Corporate Officer, and General Manager, Advertising Dept. of the Company (current position)			
[Reason for nomination as candidate for Director] Mr. Takehana has long been involved in advertising and marketing at the Company’s advertising divisions, and has been focusing on raising the Company’s brand awareness by developing various commercials for the “DAM” commercial karaoke systems and “BIG ECHO,” the karaoke rooms. The Company proposes the reappointment for his extensive experience and knowledge, which he acquired through the management of the Company, for the sustained growth of the Company and the medium- to long-term enhancement of corporate value.				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
9	[New appointment]	Dec. 1987	Joined the Company	4,300
	Kenji Otsuka (September 29, 1966)	Apr. 1998	General Manager, Matsuyama Sales Office (currently Matsuyama Branch) of the Company	
		Apr. 2004	General Manager, Hiroshima Branch of the Company	
		Apr. 2007	General Manager, Osaka Branch of the Company	
		Oct. 2009	General Manager, Directly-managed Stores Sales Dept., Sales Management Headquarters of the Company	
		Oct. 2011	General Manager, Directly-managed Stores Sales Dept., Sales Management Headquarters, and General Manager, FC Business Promotion Dept., of the Company	
		Apr. 2012	Deputy General Manager, Sales Management Headquarters, General Manager, Subsidiary Sales Dept., General Manager, FC Business Promotion Dept., and Chief Officer of Special Sales Dept. of the Company	
		June 2012	Corporate Officer, Deputy General Manager, Sales Management Headquarters, General Manager, Subsidiary Sales Dept., and Chief Officer of Special Sales Dept. of the Company	
		Apr. 2014	Corporate Officer and Deputy General Manager, Sales Management Headquarters of the Company	
[Attendance at the Board of Directors meetings] -	Apr. 2015	Corporate Officer and General Manager of Sales Management Headquarters of the Company		
	June 2016	Senior Corporate Officer and General Manager, Sales Management Headquarters of the Company (current position)		
[Reason for nomination as candidate for Director] Mr. Otsuka is a new candidate for Director. He has been involved in the sales divisions of the Company and has long been involved in overseeing the directly-managed stores and sales subsidiaries nationwide, as well as focusing on launching and operating new businesses in an effort to establish new earnings bases. The Company proposes the election for his extensive experience and knowledge of the commercial practices of each region throughout Japan for the sustained growth of the Company and the medium- to long-term enhancement of corporate value.				
10	[Reappointment]	Oct. 1980	Joined Kyushu Daiichikosho Co., Ltd.	7,600
	Katsuhiko Baba (September 28, 1955)	Feb. 1990	Joined the Company	
		Apr. 1995	General Manager, Tokushima Sales Office (currently Tokushima Branch) of the Company	
		Apr. 2006	General Manager, Kumamoto Branch of the Company	
		Apr. 2011	Representative Director of Kyushu Daiichikosho Co., Ltd. (current position)	
[Attendance at the Board of Directors meetings] 20 out of 22 meetings (91%)	June 2015	Part-time Director of the Company (current position)		
[Reason for nomination as candidate for Director] Mr. Baba has been involved in the sales divisions of the Company, particularly in overseeing directly-managed stores and sales subsidiaries in the Kyushu region. The Company proposes the reappointment for his extensive experience and knowledge, which he acquired through the management of the Company and its subsidiaries, for the sustained growth of the Company and the medium- to long-term enhancement of corporate value.				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
11	[Reappointment] Atsuya Furuta (August 6, 1965)	Apr. 1988 Dec. 1989 Feb. 1990 Jan. 1994	Joined TOYOTA MOTOR CORPORATION Resigned from TOYOTA MOTOR CORPORATION Joined Yakult Swallows (currently Tokyo Yakult Swallows) Established A Point Co., Ltd. and appointed to its Representative Director (current position)	0
	[Attendance at the Board of Directors meetings] 19 out of 22 meetings (86%)	Oct. 2005 Nov. 2007 June 2015	Appointed to Manager of Yakult Swallows (currently Tokyo Yakult Swallows) Retired from Tokyo Yakult Swallows Outside Director of the Company (current position)	
[Reason for nomination as candidate for Outside Director] Since his appointment as Outside Director of the Company in 2015, Mr. Furuta has been supervising the Board of Directors' management of the Company primarily from the shareholders' and other stakeholders' perspective, based on the "Roles and Responsibilities of the Board of Directors" and the "Fiduciary Duty of the Directors and Corporate Auditors." In addition, as the Chairman of the "Personnel and Remuneration Advisory Committee," which was launched in 2016, he has been focusing on maintaining the stability of the nomination and remuneration processes of Directors. The Company proposes the reappointment of Mr. Furuta as Outside Director so that he will continue to provide the Company with appropriate advice and supervision.				
12	[Reappointment] Chika Masuda (August 16, 1972)	Apr. 1993 Feb. 2007 Sept. 2010	Joined the Takarazuka Revue Company (under the name of Natsuki Mizu) Appointed to Top Star (Male Lead) of Snow Troupe of the Takarazuka Revue Retired from the Takarazuka Revue Company	300
	[Attendance at the Board of Directors meetings] 16 out of 22 meetings (73%)	Oct. 2010 Oct. 2013 June 2015	Became affiliated with Blooming Agency Co., Ltd. Became affiliated with AQUA Co., Ltd. (engaged in the entertainment business) Outside Director of the Company (current position)	
[Reason for nomination as candidate for Outside Director] Since her appointment as Outside Director of the Company in 2015, Ms. Masuda has been supervising the Board of Directors' management of the Company primarily from the shareholders' and other stakeholders' perspective, based on the "Roles and Responsibilities of the Board of Directors" and the "Fiduciary Duty of the Directors and Corporate Auditors." In addition, as a member of the "Personnel and Remuneration Advisory Committee," which was launched in 2016, she has been focusing on maintaining the stability of the nomination and remuneration processes of Directors. The Company proposes the reappointment of Ms. Masuda as Outside Director so that she will continue to provide the Company with appropriate advice and supervision.				

(Notes)

1. There is no special interest between any of the candidates and the Company.
2. Atsuya Furuta and Chika Masuda are candidates for Outside Director.
3. Atsuya Furuta and Chika Masuda are currently serving as Outside Directors of the Company, and at the conclusion of this General Meeting of Shareholders, the tenures of both Atsuya Furuta and Chika Masuda will have been two (2) years.
4. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into agreements with Atsuya Furuta and Chika Masuda to limit their liability for damages under Article 423, paragraph 1 of the same Act. The maximum amount of liability for damages pursuant to the aforesaid agreement is the amount stipulated by laws and regulations. If the reelection of Atsuya Furuta and Chika Masuda is approved, the Company plans to renew the respective agreements with each one of them.
5. The Company has submitted notification to the Tokyo Stock Exchange that Atsuya Furuta and Chika Masuda have been appointed as independent officers as provided for by the aforementioned exchange. If their reelection is approved, the Company plans for their appointments as independent officers to continue.

(Reference)

Policies and Procedures for the Election of the Senior Management Team and the Nomination of candidates for Director and Corporate Auditor

Members of the senior management team are elected from talent with a deep understanding of the Group's corporate philosophy and strategies and equipped with powerful business execution capabilities, upon being recommended by each business headquarters and deliberation by the Board of Directors.

With respect to the nomination of candidates for Director, qualified individuals capable of executing their duties and responsibilities, are nominated upon comprehensively taking into consideration their character, skills and insight necessary to carry out management and supervision.

With respect to the nomination of candidates for Corporate Auditor, qualified individuals with insight into corporate risk, capable of voicing honest remarks to management and contributing to the improvement of the soundness and transparency of management are nominated.

In the nomination of candidates for Director and Corporate Auditor, the Personnel Affairs Advisory Committee comprising the President, officers in charge of personnel affairs and Outside Directors, conducts prior deliberation based on the nomination policy and states its opinions to the Board of Directors

Criteria for Assessing the Independence of Independent Officers of the Company

The Company sets forth the "Criteria for Assessing the Independence of Independent Officer of the Company," and designates individuals to whom none of the following criteria apply as Independent Officers.

- (1) An executive of the Company or an affiliate of the Company.
- (2) A person who has the Group as its major business partner or its executive.
- (3) A person who is the major business partner of the Daiichikoshu Group or its executive.
- (4) A person who is a major shareholder of the Company (directly or indirectly holding 10% or more of the voting rights) or its executive.
- (5) A person in whom 10% or more of the voting rights is held directly or indirectly by the Company or its executive.
- (6) A person affiliated with an audit firm, which serves as the Accounting Auditor of the Group.
- (7) An attorney, a certified public accountant, a tax accounting or a consultant, and the like, who receives considerable monetary compensation or other properties from the Group other than executive compensation.

- (8) A director or other executive of legal entities or organization, including legal firms, audit firms, tax accountant firms or consulting firms, and the like, which receives considerable monetary compensation or other properties from the Group.
- (9) A person, who receives considerable amounts of donations or subsidies from the Group, or a director or other executive of legal entities or organizations including legal firms, audit firms, tax accountant firms or consulting firms, and the like, which receives considerable amounts of donations or subsidies from the Group.
- (10) An Executive Director, an Executive Officer, a Corporate Officer or an employee, including a Manager of a company, at which an Executive Director or a Standing Corporate Auditor of the Group concurrently serves as Outside Director or Outside Corporate Auditor
- (11) Any person to whom items (2) through (10) applied in the past three (3) years; and
- (12) In cases where a person to whom items (1) through (11) above applies is in an important position, the spouse or a relative within the second degree of kinship of such person.