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(Stock Exchange Code: 4634)
March 7, 2019

To Shareholders with Voting Rights:

Katsumi Kitagawa
President, Representative Director
TOYO INK SC HOLDINGS CO., LTD.
2-2-1 Kyobashi, Chuo-ku, Tokyo

**NOTICE OF
THE 181ST 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 181st Annual General Meeting of Shareholders of TOYO INK SC 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 electromagnetic means (the Internet).

Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by following the instructions below by 5:00 p.m. on Monday, March 25, 2019, Japan time.

[Exercise of Voting Rights in Writing]

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it by the above deadline.

[Exercise of Voting Rights via electromagnetic means (the Internet)]

Upon reviewing the “Instructions for Exercise of Voting Rights via the Internet, etc.” (Japanese version only), please access the voting rights exercise website (<https://www.web54.net>) designated by the Company and vote for or against the proposals by the above deadline.

1. Date and Time: Tuesday, March 26, 2019 at 10:00 a.m. Japan time

2. Place: Conference room on the 29th floor of the Company located at
2-2-1 Kyobashi, Chuo-ku, Tokyo, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 181st Fiscal Year (January 1, 2018 - December 31, 2018) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 181st Fiscal Year (January 1, 2018 - December 31, 2018)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Election of 14 Directors
Proposal 3: Election of 3 Audit & Supervisory Board Members

1. When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
2. If you exercise your voting rights both by mailing the Voting Rights Exercise Form and via the Internet, only the vote placed via the Internet is deemed valid.
3. Of the documents required to be presented along with this notice of convocation, “Notes to Consolidated Financial Statements” and “Notes to Non-Consolidated Financial Statements” are, in accordance with laws and regulations, and Article 16 of the Articles of Incorporation of the Company, posted on the Company’s website (<https://sched.toyoinkgroup.com/ja/ir/archives/mtg.html>) and are therefore not included in the documents attached to this notice of convocation. Accordingly, the documents attached to this notice of convocation are part of the documents audited by Accounting Auditor and the Audit & Supervisory Board in preparing the Accounting Auditor’s audit report and Audit & Supervisory Board’s audit report, respectively.
4. Should the Reference Documents for the General Meeting of Shareholders, Business Report, Notes to Consolidated Financial Statements and Notes to Non-Consolidated Financial Statements require revisions, the revised versions will be posted on the Company’s website (<https://sched.toyoinkgroup.com/ja/ir/archives/mtg.html>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company's basic policy for distribution of surplus is to put priority on maintaining stable dividend, while also taking into account ensuring the business foundation necessary for sustainable growth over the long term.

Based on the above basic policy, the year-end dividend for the fiscal year is proposed as following by considering the business results for the fiscal year, enhancement of financial structure and future business development.

(1) Type of dividend property
Cash

(2) Matters concerning the allotment of dividend property and the total amount thereof
¥45 per share of common stock of the Company
Total amount: ¥2,627,250,075

The Company conducted a reverse stock split of its common stock at a ratio of one-for-five (1:5) effective July 1, 2018. As an interim dividend of ¥8.00 per share was paid with a record date before the consolidation on June 30, 2018, converted on a post-consolidation basis, the annual dividend for the fiscal year will be equivalent to ¥85.00 per share, combining the interim dividend of ¥40.00 per share and the year-end dividend of ¥45.00 per share.

(3) Effective date of distribution of surplus
March 27, 2019

Proposal 2: Election of 14 Directors

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

The candidates are as follows:

| No. | Name | Term of office | Current positions at the Company | Attendance at meetings of the Board of Directors |
|-----|---|-----------------------|------------------------------------|--|
| 1 | Kunio Sakuma <u>Reappointment</u> | 24 years and 9 months | Chairman | 100% (17/17 meetings) |
| 2 | Katsumi Kitagawa <u>Reappointment</u> | 13 years and 9 months | President, Representative Director | 100% (17/17 meetings) |
| 3 | Hiroya Aoyama <u>Reappointment</u> | 9 years and 9 months | Senior Managing Director | 100% (17/17 meetings) |
| 4 | Satoru Takashima <u>Reappointment</u> | 5 years and 9 months | Managing Director | 100% (17/17 meetings) |
| 5 | Naoki Adachi <u>Reappointment</u> <u>Outside Director</u> | 10 years and 9 months | Director | 100% (17/17 meetings) |
| 6 | Kimito Amari <u>Reappointment</u> <u>Outside Director</u> <u>Independent</u> | 3 years and 9 months | Director | 88% (15/17 meetings) |
| 7 | Keiko Kimura <u>Reappointment</u> <u>Outside Director</u> <u>Independent</u> | 2 years and 9 months | Director | 100% (17/17 meetings) |
| 8 | Kunizo Sakai <u>Reappointment</u> <u>Outside Director</u> <u>Independent</u> | 1 year | Director | 100% (13/13 meetings) |
| 9 | Toshiaki Hirakawa <u>Reappointment</u> | 5 years and 9 months | Director | 100% (17/17 meetings) |
| 10 | Kazuhiko Ide <u>Reappointment</u> | 3 years and 9 months | Director | 100% (17/17 meetings) |
| 11 | Hiroyuki Hamada <u>Reappointment</u> | 2 years and 9 months | Director | 100% (17/17 meetings) |
| 12 | Kazuhiro Nakano <u>Reappointment</u> | 2 years and 9 months | Director | 100% (17/17 meetings) |
| 13 | Shintaro Yamaoka <u>New appointment</u> | - | Executive Operating Officer | - |
| 14 | Kazuo Semba <u>New appointment</u> | - | Executive Operating Officer | - |

| No. | Name (Date of birth) | Past experience, positions, responsibilities, and significant concurrent positions | Number of shares of the Company held |
|--|--|--|--|
| 1 | <p>Kunio Sakuma (August 21, 1944)</p> <p>Attendance at meetings of the Board of Directors 100% (17/17 meetings)</p> <p><u>Reappointment</u></p> | <p>April 1968 Joined the Company</p> <p>June 1994 Director of the Company</p> <p>June 1997 Managing Director of the Company</p> <p>June 2000 President, Representative Director of the Company</p> <p>June 2003 Outside Corporate Auditor of TOPPAN FORMS CO., LTD.</p> <p>June 2006 External Corporate Auditor of TOPPAN PRINTING CO., LTD.</p> <p>June 2010 External Director of TOPPAN PRINTING CO., LTD. (to present)</p> <p>April 2011 Chairman, Representative Director of the Company</p> <p>June 2015 Chairman of the Company (to present)</p> <p>June 2016 Corporate Auditor of TOPPAN FORMS CO., LTD. (to present)</p> <p>Significant concurrent positions: External Director of TOPPAN PRINTING CO., LTD. Corporate Auditor of TOPPAN FORMS CO., LTD.</p> | 53,920 |
| <p>Reasons for nomination as a candidate for Director:</p> <p>Since assuming the office of President, Representative Director of the Company in 2000, Mr. Kunio Sakuma has demonstrated strong leadership over the years and has been undertaking the business execution and supervising function on the Company's overall management. Serving also as Chairman of an industry association related to the Group, he is making contribution to the further development of the industry as a whole, in addition to that of the Group. The Company requests his continuous election as Director with the expectation that he will fulfill his duties as Director of the Company and undertake the supervising function on the Company's overall management.</p> | | | |
| 2 | <p>Katsumi Kitagawa (September 26, 1953)</p> <p>Attendance at meetings of the Board of Directors 100% (17/17 meetings)</p> <p><u>Reappointment</u></p> | <p>April 1977 Joined the Company</p> <p>May 2000 General Manager of Corporate Planning Division of the Company</p> <p>March 2002 Factory Manager of Kawagoe Factory, Polymer Business Administration Department, Chemical Business HQ of the Company</p> <p>March 2004 Deputy Division Director of Colorants Business HQ; General Manager of Plastic Colorants Business Department of the Company</p> <p>June 2004 Operating Officer of the Company</p> <p>June 2005 Director of the Company</p> <p>June 2008 Executive Operating Officer of the Company</p> <p>April 2009 Vice President, Director of the Company</p> <p>June 2009 Vice President, Representative Director of the Company</p> <p>April 2011 President, Representative Director of the Company (to present)</p> <p>April 2014 Group CEO of the Company (to present)</p> | 28,700 |
| <p>Reasons for nomination as a candidate for Director:</p> <p>Since assuming the office of President, Representative Director of the Company in 2011, Mr. Katsumi Kitagawa has demonstrated strong leadership and has been undertaking the business execution and supervising function on the Company's overall management. In addition, he has been undertaking the business execution and supervising function on the Group's overall management as Group CEO from 2014. The Company requests his continuous election as Director with the expectation that he will fulfill his duties as Director of the Company and undertake the supervising function on the Company's overall management, while taking initiative in enhancing the corporate value of the Group.</p> | | | |

| No. | Name (Date of birth) | Past experience, positions, responsibilities, and significant concurrent positions | Number of shares of the Company held |
|--|--|---|--|
| 3 | <p>Hiroya Aoyama (April 2, 1956)</p> <p>Attendance at meetings of the Board of Directors 100% (17/17 meetings)</p> <p><u>Reappointment</u></p> | <p>April 1979 Joined the Company</p> <p>February 2001 General Manager of Human Resources Department of the Company</p> <p>June 2007 Operating Officer of the Company</p> <p>June 2009 Director of the Company</p> <p>July 2011 Supervisor of Human Resources Department, Finance & Accounting Department, General Affairs Department, Corporate Communication Department and Internal Audit Department of the Company (to present)</p> <p>June 2013 Managing Director of the Company</p> <p>June 2015 Senior Managing Director of the Company (to present)</p> | 12,500 |
| <p>Reasons for nomination as a candidate for Director:</p> <p>After assuming key positions mainly in the human resources division, Mr. Hiroya Aoyama assumed office of Director of the Company in 2009. Since then, he has been executing business with his high capabilities and expertise regarding human resource strategy and financial strategy, while supervising the Company's management. The Company requests his continuous election as Director with the expectation that he will appropriately fulfill his duties as Director of the Company and utilize his knowledge in such fields for supervising the Company's management.</p> | | | |
| 4 | <p>Satoru Takashima (April 18, 1960)</p> <p>Attendance at meetings of the Board of Directors 100% (17/17 meetings)</p> <p><u>Reappointment</u></p> | <p>April 1984 Joined the Company</p> <p>December 2004 President & Representative Director of Toyo Ink (Thailand) Co., Ltd.</p> <p>April 2011 General Manager of Corporate Planning Division of the Company</p> <p>June 2012 Operating Officer of the Company</p> <p>June 2013 Director of the Company</p> <p>April 2014 President & Representative Director of TOYOCHEM CO., LTD. (to present)</p> <p>June 2016 Managing Director of the Company (to present)</p> <p>Significant concurrent positions: President & Representative Director of TOYOCHEM CO., LTD.</p> | 9,266 |
| <p>Reasons for nomination as a candidate for Director:</p> <p>After assuming key positions mainly at overseas affiliate companies and in the corporate planning division, Mr. Satoru Takashima assumed office of Director of the Company in 2013. Since then, he has been executing business with his high capabilities and expertise regarding management strategy, while supervising the Company's management. The Company requests his continuous election as Director with the expectation that he will appropriately fulfill his duties as Director of the Company and utilize his knowledge in such fields for supervising the Company's management.</p> | | | |

| No. | Name (Date of birth) | Past experience, positions, responsibilities, and significant concurrent positions | Number of shares of the Company held |
|---|---|---|--|
| 5 | <p>Naoki Adachi (February 23, 1939)</p> <p>Attendance at meetings of the Board of Directors 100% (17/17 meetings)</p> <p><u>Reappointment</u> <u>Outside Director</u></p> | <p>April 1962 Joined TOPPAN PRINTING CO., LTD. June 1993 Director of TOPPAN PRINTING CO., LTD. June 1995 Managing Director of TOPPAN PRINTING CO., LTD. June 1997 Senior Managing Director of TOPPAN PRINTING CO., LTD. June 1998 Vice President & Representative Director of TOPPAN PRINTING CO., LTD. June 2000 President & Representative Director of TOPPAN PRINTING CO., LTD. June 2008 Outside Director of the Company (to present) June 2010 Chairman & Representative Director of TOPPAN PRINTING CO., LTD. (to present) June 2015 Outside Director of DAIICHI SANKYO COMPANY, LIMITED (to present)</p> <p>Significant concurrent positions: Chairman & Representative Director of TOPPAN PRINTING CO., LTD. Outside Director of DAIICHI SANKYO COMPANY, LIMITED</p> | 12,300 |
| <p>Reasons for nomination as a candidate for Outside Director: Although Mr. Naoki Adachi does not satisfy the criteria of independence for outside officers set forth by the Company and therefore has not been designated as an independent director pursuant to the stipulations of Tokyo Stock Exchange, he possesses a wealth of experience in and broad insight into such field as corporate management. Since he assumed the office of Director of the Company in 2008, the Company has received his advice and instruction from an objective perspective for its overall management as a management professional well-versed in the industry. His advice and instruction provided in consideration of the business environment surrounding the Group has encouraged lively discussion at meetings of the Board of Directors. The Company requests his continuous election as Outside Director with the expectation that he will appropriately fulfill his duties as Outside Director of the Company.</p> | | | |
| 6 | <p>Kimito Amari (August 25, 1953)</p> <p>Attendance at meetings of the Board of Directors 88% (15/17 meetings)</p> <p><u>Reappointment</u> <u>Outside Director</u> <u>Independent</u></p> | <p>April 1992 Professor, Faculty of Law, Kumamoto University April 1997 Professor, Faculty of Law, Sophia University (to present) April 2013 Registered with TOKYO BAR ASSOCIATION (to present) June 2013 Outside Audit & Supervisory Board Member of the Company June 2015 Outside Director of the Company (to present)</p> <p>Significant concurrent positions: Professor, Faculty of Law, Sophia University</p> | 2,300 |
| <p>Reasons for nomination as a candidate for Outside Director: Although Mr. Kimito Amari has no direct experience in corporate management other than as outside director or outside auditor, he possesses highly professional knowledge in the Insurance Act and the Companies Act along with distinguished insight as a jurist qualified as a lawyer. By drawing on his experience as Outside Audit & Supervisory Board Member of the Company in the past, he has been fulfilling the role of supervising its management from a fair standpoint since assuming the office of Director of the Company in 2015. The Company requests his continuous election as Outside Director with the expectation that he will appropriately fulfill his duties as Outside Director of the Company.</p> | | | |

| No. | Name (Date of birth) | Past experience, positions, responsibilities, and significant concurrent positions | | Number of shares of the Company held |
|---|--|---|--|--|
| 7 | <p>Keiko Kimura (October 13, 1959)</p> <p>Attendance at meetings of the Board of Directors 100% (17/17 meetings)</p> <p><u>Reappointment</u> <u>Outside Director</u> <u>Independent</u></p> | <p>April 1980 Joined ITOCHU Corporation</p> <p>October 1989 Joined Citibank, N. A.</p> <p>October 2002 Registered with Dai-Ichi Tokyo Bar Association (to present)</p> <p>October 2002 Joined Anzai & Sotoi Law Office (current Anzai Law Office) (to present)</p> <p>June 2016 Outside Director of the Company (to present)</p> <p>Significant concurrent positions: Lawyer, Anzai Law Office</p> | | 500 |
| <p>Reasons for nomination as a candidate for Outside Director: Although Ms. Keiko Kimura has no direct experience in corporate management other than as outside director, with the certification as lawyer, she possesses highly professional knowledge of and broad insight especially into Labor Act and human resource and labor related affairs. Since she assumed the office of Director of the Company in 2016, she has been fulfilling the role of supervising its management from a fair standpoint. The Company requests her continuous election as Outside Director with the expectation that she will appropriately fulfill her duties as Outside Director of the Company.</p> | | | | |
| 8 | <p>Kunizo Sakai (December 23, 1952)</p> <p>Attendance at meetings of the Board of Directors 100% (13/13 meetings)</p> <p><u>Reappointment</u> <u>Outside Director</u> <u>Independent</u></p> | <p>April 1975 Joined Hitachi, Ltd.</p> <p>April 2013 Vice President and Executive Officer of Hitachi, Ltd.</p> <p>April 2015 Senior Vice President and Executive Officer of Hitachi, Ltd.</p> <p>April 2016 Vice President and Executive Officer of Hitachi, Ltd.</p> <p>April 2017 Executive Advisor of Hitachi, Ltd. (to present)</p> <p>March 2018 Outside Director of the Company (to present)</p> <p>Significant concurrent positions: Executive Advisor of Hitachi, Ltd.</p> | | 300 |
| <p>Reasons for nomination as a candidate for Outside Director: Mr. Kunizo Sakai possesses a wealth of experience in and broad insight into management of an international manufacturing corporation. Since he assumed the office of Director of the Company in 2018, he has been fulfilling the role of supervising its management from an objective and a neutral perspective as a management professional. The Company requests his continuous election as Outside Director with the expectation that he will appropriately fulfill his duties as Outside Director of the Company.</p> | | | | |

| No. | Name (Date of birth) | Past experience, positions, responsibilities, and significant concurrent positions | | Number of shares of the Company held |
|--|---|---|--|--|
| 9 | Toshiaki Hirakawa (September 13, 1958) Attendance at meetings of the Board of Directors 100% (17/17 meetings) <u>Reappointment</u> | April 1982 | Joined the Company | 8,600 |
| | | September 2005 | General Manager of Finance & Accounting Department of the Company | |
| | | June 2010 | Operating Officer of the Company | |
| | | April 2011 | General Manager of Finance & Accounting Department of the Company (to present) | |
| | | June 2013 | Director of the Company (to present) | |
| Reasons for nomination as a candidate for Director: After assuming key positions mainly in the finance & accounting division, Mr. Toshiaki Hirakawa assumed office of Director of the Company in 2013. Since then, he has been executing business with his high capabilities and expertise in the fields of finance and accounting, while supervising the Company's management. The Company requests his continuous election as Director with the expectation that he will appropriately fulfill his duties as Director of the Company and utilize his knowledge in such fields for supervising the Company's management. | | | | |
| 10 | Kazuhiko Ide (February 23, 1961) Attendance at meetings of the Board of Directors 100% (17/17 meetings) <u>Reappointment</u> | April 1986 | Joined the Company | 8,705 |
| | | March 2003 | General Manager of Polymer Research Laboratory, Technology-Research-Development HQ of the Company | |
| | | April 2011 | General Manager of Polymer and Coating & Engineering Technology Administration Department of the Company | |
| | | June 2013 | Operating Officer of the Company | |
| | | April 2014 | Senior General Manager of Technology Center of the Company | |
| | | June 2015 | Director of the Company (to present) | |
| | | June 2015 | Supervisor of Technology, Research, Development and Legal of the Company (to present) | |
| Reasons for nomination as a candidate for Director: After assuming key positions mainly in the research and development as well as technology divisions, Mr. Kazuhiko Ide assumed office of Director of the Company in 2015. Since then, he has been executing business with his high capabilities and expertise in the fields of research and development as well as technology, while supervising the Company's management. The Company requests his continuous election as Director with the expectation that he will appropriately fulfill his duties as Director of the Company and utilize his knowledge in such fields for supervising the Company's management. | | | | |

| No. | Name (Date of birth) | Past experience, positions, responsibilities, and significant concurrent positions | | Number of shares of the Company held |
|--|--|---|--|--|
| 11 | Hiroyuki Hamada (July 19, 1958) Attendance at meetings of the Board of Directors 100% (17/17 meetings) <u>Reappointment</u> | April 1981 September 2005 | Joined the Company General Manager of Corporate Administration Department of the Company | 4,623 |
| | | July 2012 June 2013 June 2015 June 2016 June 2016 | President, Representative Director of TOYO INK EUROPE S.A.S. Operating Officer of the Company Executive Operating Officer of the Company Director of the Company (to present) General Manager of Corporate Planning Division of the Company (to present) | |
| Reasons for nomination as a candidate for Director: After assuming key positions mainly in the corporate administration division and overseas affiliate company, Mr. Hiroyuki Hamada assumed the office of Director of the Company in 2016. Since then, he has been executing business with his high capabilities and expertise in the management strategy, while supervising the Company's management. The Company requests his continuous election as Director with the expectation that he will appropriately fulfill his duties as Director of the Company and utilize his knowledge in such fields for supervising the Company's management. | | | | |
| 12 | Kazuhito Nakano (February 22, 1957) Attendance at meetings of the Board of Directors 100% (17/17 meetings) <u>Reappointment</u> | April 1980 April 2009 September 2013 | Joined the Company President, Director of LioChem, INC. Factory Manager of Kawagoe Factory, TOYOCEM CO., LTD. | 3,941 |
| | | June 2014 June 2016 June 2016 June 2017 January 2018 | Operating Officer of the Company Director of the Company (to present) Division Director of Production-Logistics HQ of the Company Supervisor of Information System of the Company; President & Representative Director of Toyo Management Service Co., Ltd. Supervisor of Quality Assurance, Production, Environment and Information System; Senior General Manager of Production-Logistics Center of the Company (to present) | |
| Reasons for nomination as a candidate for Director: After assuming key positions mainly at overseas affiliate companies and production control division, Mr. Kazuhito Nakano assumed the office of Director of the Company in 2016. Since then, he has been executing business with his high capabilities and expertise in the field of production control, while supervising the Company's management. The Company requests his continuous election as Director with the expectation that he will appropriately fulfill his duties as Director of the Company and utilize his knowledge in such fields for supervising the Company's management. | | | | |

| No. | Name (Date of birth) | Past experience, positions, responsibilities, and significant concurrent positions | | Number of shares of the Company held |
|-----|--|---|--|--|
| 13 | Shintaro Yamaoka (January 12, 1959) New appointment | April 1982 | Joined the Company | 9,000 |
| | | October 2009 | General Manager of Printing & Information Research & Development Division, Printing & Information Business HQ of the Company | |
| | | June 2010 | Operating Officer of the Company | |
| | | June 2013 | Executive Operating Officer of the Company (to present) | |
| | | April 2014 | Vice President, Director of Toyo Ink Co., Ltd. (to present) | |
| | Reasons for nomination as a candidate for Director: After assuming key positions mainly in the technology division of the offset printing ink business, Mr. Shintaro Yamaoka assumed the office of Operating Officer of the Company in 2010. Since then, he has been executing business with his high capabilities and expertise in the fields of technology and development. Going forward, with the expectation that he will utilize his knowledge in such fields for supervising the Company's management as Director of the Company, the Company requests his election as a new Director. | | | |
| 14 | Kazuo Semba (August 29, 1958) New appointment | April 1981 | Joined the Company | 2,678 |
| | | April 2011 | President & Representative Director of Toyo Ink (Thailand) Co., Ltd. | |
| | | June 2012 | Operating Officer of the Company | |
| | | June 2015 | Executive Operating Officer of the Company (to present) | |
| | | January 2017 | Managing Director and Senior General Manager of Global Business Division of Toyo Ink Co., Ltd. (to present) | |
| | Reasons for nomination as a candidate for Outside Director: After assuming key positions mainly at overseas affiliate companies, Mr. Kazuo Semba assumed the office of Operating Officer of the Company in 2012. Since then, he has been executing business with his high capabilities and expertise in the field of global business. Going forward, with the expectation that he will utilize his knowledge in such field for supervising the Company's management as Director of the Company, the Company requests his election as a new Director. | | | |

- (Notes) 1. The Candidate for Director, Mr. Naoki Adachi concurrently serves as Representative Director of TOPPAN PRINTING CO., LTD. Although there are no special interests between TOPPAN PRINTING CO., LTD. and the Company, there are sales transactions of merchandise and products between TOPPAN PRINTING CO., LTD. group and the Group of the Company.
2. The Candidate for Director, Mr. Kunizo Sakai was a business executive of Hitachi, Ltd. until March 31, 2017. Although there are no special interests between Hitachi, Ltd. and the Company, there are sales transactions of merchandise and products between the Hitachi Group and the Group. The sales amount of the Group to the Hitachi Group for the most recent fiscal year was less than 0.5% of the total amount of consolidated net sales of the Group for the most recent fiscal year. The sales amount of the Hitachi Group to the Group for the most recent fiscal year was less than 0.1% of the total amount of consolidated net sales of the Hitachi Group for the most recent fiscal year.
3. There are no special interests between other candidates and the Company and between other candidates and the subsidiaries of the Company.
4. Mr. Naoki Adachi, Mr. Kimito Amari, Ms. Keiko Kimura and Mr. Kunizo Sakai are candidates for Outside Director.
5. Mr. Naoki Adachi will have served as Outside Director of the Company for 10 years and nine months at the conclusion of this year's Annual General Meeting of Shareholders. Mr. Kimito Amari will have served as Outside Director of the Company for three years and nine months at the conclusion of this year's Annual General Meeting of Shareholders. Ms. Keiko Kimura will have served as Outside Director of the Company for two years and nine months at the conclusion of this year's Annual General Meeting of Shareholders. Mr. Kunizo Sakai will have served as Director of the Company for one year at the conclusion of this year's Annual General Meeting of Shareholders.
6. As Mr. Kunizo Sakai was elected at the 180th Annual General Meeting of Shareholders held on March 27, 2018, the number of meetings of the Board of Directors held differs from that for other candidates for Directors.
7. The Company has entered into an agreement with each of Mr. Naoki Adachi, Mr. Kimito Amari, Ms. Keiko Kimura and Mr. Kunizo Sakai to limit their liability pursuant to Article 423, Paragraph 1 of the Companies Act. Subject to the approval of the reappointment of Mr. Naoki Adachi, Mr. Kimito Amari, Ms. Keiko Kimura and Mr. Kunizo Sakai, the Company intends to continue the above-mentioned agreement with each of them. The maximum amount of liability pursuant to the agreement is the minimum amount stipulated by laws and regulations.

8. The Company has registered Mr. Kimito Amari, Ms. Keiko Kimura and Mr. Kunizo Sakai as independent officers with Tokyo Stock Exchange pursuant to the stipulations of the Exchange. They also satisfy the criteria for independence for outside officers set forth by the Company. Subject to the approval of their reappointment, they will continue to serve as independent officers.

Proposal 3: Election of Three Audit & Supervisory Board Members

Audit & Supervisory Board Members Mr. Masahiro Sumiyama, Mr. Mitsuru Ominato and Mr. Jusuke Ikegami will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of three Audit & Supervisory Board Members is proposed.

This proposal has obtained the approval of the Audit & Supervisory Board.

The candidates are as follows:

| No. | Name (Date of birth) | Past experience, positions, and significant concurrent positions | Number of shares of the Company held |
|--|---|---|--|
| 1 | <p>Jusuke Ikegami (August 4, 1966)</p> <p>Attendance at meetings of the Board of Directors 94% (16/17 meetings)</p> <p>Attendance at meetings of the Audit & Supervisory Board 93% (13/14 meetings)</p> <p>Reappointment Outside Audit & Supervisory Board Member Independent</p> | <p>April 1993 Joined Boston Consulting Group</p> <p>June 2000 Director and COO of VerticalNet Japan Corp.</p> <p>June 2004 External Director of Pharma Network Co., Ltd.</p> <p>June 2006 Associate Professor of Graduate School of Commerce, Waseda University</p> <p>June 2015 Outside Audit & Supervisory Board Member of the Company (to present)</p> <p>April 2017 Professor of Graduate School of Business and Finance, Waseda University (to present)</p> <p>Significant concurrent positions: Professor of Graduate School of Business and Finance, Waseda University</p> | 1,500 |
| <p>Reasons for nomination as a candidate for Outside Audit & Supervisory Board Member:</p> <p>Mr. Jusuke Ikegami possesses highly professional knowledge as a researcher on corporate strategies and marketing. After assuming the office of Audit & Supervisory Board Member of the Company in 2015, he has been fulfilling the role of supervising its management from an objective and a neutral perspective. The Company requests his continuous election as Outside Audit & Supervisory Board Member with the expectation that he will appropriately fulfill his duties as Outside Audit & Supervisory Board Member of the Company.</p> | | | |
| 2 | <p>Toshihiko Nobe (September 21, 1958)</p> <p>New appointment</p> | <p>April 1982 Joined the Company</p> <p>July 2010 General Manager of General Affairs Department of the Company</p> <p>April 2011 General Manager of General Affairs Department of the Company (to present)</p> <p>June 2011 Operating Officer of the Company</p> <p>June 2017 Executive Operating Officer of the Company (to present)</p> | 4,500 |
| <p>Reasons for nomination as a candidate for Audit & Supervisory Board Member:</p> <p>After assuming key positions mainly in the general affairs division, Mr. Toshihiko Nobe assumed the office of Operating Officer of the Company in 2011. Since then, he has been executing business with his high capabilities and expertise on corporate governance and risk management as well as overall general affairs, and he is well-versed in the Group's business. Going forward, with the expectation that he will utilize such experience and knowledge for appropriately auditing the business execution of the Company, the Company requests his election as a new Audit & Supervisory Board Member.</p> | | | |

| No. | Name (Date of birth) | Past experience, positions, and significant concurrent positions | Number of shares of the Company held |
|---|--|---|--|
| 3 | Chise Onodera (January 2, 1966) <div style="border: 1px solid black; padding: 2px; display: inline-block;"> New appointment Outside Audit & Supervisory Board Member Independent </div> | April 1997 Assistant Professor, Faculty of Management Policy, J.F. Oberlin University April 2005 Professor, School of Law, Tokai University April 2018 Professor, College of Law, Nihon University (to present) Significant concurrent positions: Professor, College of Law, Nihon University | 0 |
| Reasons for nomination as a candidate for Outside Audit & Supervisory Board Member: Although Ms. Chise Onodera has no experience in corporate management, she possesses highly professional knowledge in relation to the Insurance Act and the Companies Act as well as significant insight as a jurist. Therefore, with the expectation that she will fulfill the role of supervising management from a fair standpoint, the Company requests her election as a new Outside Audit & Supervisory Board Member. | | | |

(Notes)

1. There are no special interests between each candidate for Audit & Supervisory Board Member and the Company and between each candidate and the subsidiaries of the Company.
2. Mr. Jusuke Ikegami and Ms. Chise Onodera are candidates for Outside Audit & Supervisory Board Member.
3. Mr. Jusuke Ikegami will have served as Outside Audit & Supervisory Board Member of the Company for three years and nine months at the conclusion of this year's Annual General Meeting of Shareholders.
4. The Company has entered into an agreement with Mr. Jusuke Ikegami to limit his liability pursuant to Article 423, Paragraph 1 of the Companies Act. Subject to the approval of the reappointment of Mr. Jusuke Ikegami, the Company intends to continue the above-mentioned agreement with him. The maximum amount of liability pursuant to the agreement is the minimum amount stipulated by laws and regulations.
5. Subject to the approval of the appointment of Ms. Chise Onodera, the Company intends to enter into an agreement with her to limit her liability pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreement is the minimum amount stipulated by laws and regulations.
6. The Company has registered Mr. Jusuke Ikegami as an independent officer with Tokyo Stock Exchange pursuant to the stipulations of the Exchange. He also satisfies the criteria for independence for outside officers set forth by the Company. Subject to the approval of his reappointment, he will continue to serve as an independent officer.
7. Ms. Chise Onodera satisfies the independence requirements set forth by Tokyo Stock Exchange and the criteria for independence for outside officers set forth by the Company. Subject to the approval of her appointment, she will serve as an independent officer.
8. Ms. Chise Onodera's name under the family register is Chise Sakai.

(Reference)

Criteria of Independence for Outside Officers

The Board of Directors of the Company does not certify Outside Directors and Outside Audit & Supervisory Board Members (hereinafter collectively “outside officers”) as independent officers if they fall under any of the following categories.

- (1) A business executive¹ of the Company or its affiliated company (hereinafter collectively “the Group”)
- (2) A major business partner of the Group² or a business executive of such business partner
- (3) A major client of the Group³ or a business executive of such client
- (4) A major shareholder of the Company⁴ or a business executive of a major subsidiary⁵ of such shareholder
- (5) An entity or a business executive of such entity that receives a large amount of donations⁶ from the Group
- (6) A consultant, accountant, or legal specialist who receives a large amount of monetary or other assets from the Group aside from executive compensation⁷ (in case of corporation, association or other organization, an individual who belongs to such organization)
- (7) A certified public accountant, an employee, partner or staff of an audit firm that provides accounting audit of the Group
- (8) In case of a law firm, audit firm, tax accounting firm or consulting firm, or other professional advisory firm that do not fall under above (6) or (7), an employee, partner, associate or staff of a firm whose major client is the Group⁸
- (9) A business executive of a company whereat a business executive of the Group is an outside officer
- (10) A business executive of a company whose major shareholder is the Company
- (11) An individual who has fallen under criteria (1) above in the past ten years prior to his/her assumption of office (in case of an individual who was a non-executive Director or an Audit & Supervisory Board Member of the Company in the past ten years prior to his/her assumption of office, another ten years prior to such assumption)
- (12) An individual who has fallen under criteria (2) or (3) in the past three business years
- (13) An individual who has fallen under criteria (4) through (8) in the past three years (with regard to (7), this shall apply only to an individual who was actually in charge of handling the audit (excluding ancillary duty) of the Group (including an individual who is retired or resigned at present))
- (14) A close relative⁹ to an individual that would fall under the following
 - a. An important business executive¹⁰ of the Group
 - b. An individual who has fallen under above a. in the past five years
 - c. An individual defined as above (2) through (10) (with regard to “a business executive” in (2) through (5), and (9) and (10), an important business executive, with regard to “an individual who belongs to such organization” in (6), an important business executive and, in case of an audit firm or a law firm, etc., an individual who possesses professional qualification, and with regard to “an employee, partner or staff of an audit firm” in (7), an important business executive and certified public accountant and other professional experts)
 - d. An individual who has fallen under above c. in the past three years

Notes: 1. “A business executive” is defined as executive director, executive officer or employee.

2. “A major business partner of the Group” is defined as any of the following:

- 1) The business partner group that provides products or service to the Group (an individual who belongs to a consolidated group to which the direct business partner belongs; the same applies hereafter), a business partner group whose transactions with the Group exceeds 2% of the consolidated net sales or total income of the business partner group for the most recent fiscal year
- 2) The counterparty group to which the Group is indebted and the aggregate amount of indebtedness of the Group exceeds 2% of consolidated total assets of the counterparty at the end of the most recent fiscal year

3. “A major client of the Group” is defined as any of the following:

- 1) The business partner group to which the Group provides products or service and the transactions with the business partner group exceeds 2% of the consolidated net sales of the Group for the most recent fiscal year

- 2) The counterparty group that is indebted to the Group and the aggregate amount of indebtedness of the counterparty group exceeds 2% of the consolidated total assets of the Group at the end of the most recent fiscal year
- 3) The financial institution group from which the Group is borrowing (defined as an individual who belongs to a consolidated group to which the financial institution from which the Group is directly borrowing belongs) and the aggregate borrowing amount of the Group from the financial institution group exceeds 2% of the consolidated total assets of the Group at the end of the most recent fiscal year.
4. “Major shareholder” is defined as a shareholder who owns 10% or more of the total voting rights either directly or indirectly.
5. “Major subsidiary” is defined as a subsidiary that is presented as a major subsidiary in the “Status of the parent company or major subsidiaries” (Article 120, Paragraph 1, Item 7 of the Ordinance for Enforcement of the Companies Act) in the Business Report of the Company pertaining to the most recent fiscal year, or in other disclosure documents made public by the Company.
6. “Entity that receives a large amount of donations” is defined as an entity who received from the Group a donation amounting to 10 million yen or more, a year taken in average of the three most recent fiscal years, or an amount equivalent to 30% or more of the average total annual cost of such entity, whichever is higher.
7. “A consultant, accountant, or legal specialist who receives a large amount of monetary or other assets from the Group aside from executive compensation” is defined as an individual who receives from the Group, a financial benefit of 10 million yen or more a year taken in average of the three most recent fiscal years aside from executive compensation.
8. “A firm whose major client is the Group” is defined as a firm that received a payment from the Group in an amount equivalent to 2% or more of the consolidated net sales of the firm taken in average of the three most recent fiscal years.
9. “A close relative” is defined as a spouse or relative within the second degree, or a relative living together.
10. Of business executives, “an important business executive” is defined as an individual who executes significant business operations, including executive director, executive officer or general manager.