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(Securities Code 7701)
June 5, 2017

To Shareholders with Voting Rights:

Teruhisa Ueda
President and Representative Director
SHIMADZU CORPORATION
1, Nishinokyo Kuwabara-cho, Nakagyo-ku,
Kyoto, Japan

**NOTICE OF
THE 154TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

You are cordially invited to attend the 154th Annual General Meeting of Shareholders of SHIMADZU 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 (by submitting the enclosed Voting Rights Exercise Form) or by electromagnetic means (via the Internet etc.). Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:00 p.m. on Wednesday, June 28, 2017, Japan standard time (hereinafter JST).

- 1. Date and Time:** Thursday, June 29, 2017 at 10:00 a.m. (JST)
- 2. Place:** Main Hall at the Head Office
1, Nishinokyo Kuwabara-cho, Nakagyo-ku, Kyoto, Japan
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the 154th Fiscal Year (April 1, 2016 - March 31, 2017) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the 154th Fiscal Year (April 1, 2016 - March 31, 2017)
 - Matters to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Election of Eight (8) Directors
 - Proposal 3:** Election of One (1) Corporate Auditor
 - Proposal 4:** Determination of Amount and the Content of Performance-Linked Stock Compensation for Directors etc.

Instructions for the Exercise of Voting Rights

The following methods are available for exercising voting rights. Please review the attached Reference Documents for the General Meeting of Shareholders from Page 4 onward and exercise your voting rights.

If you are able to attend the meeting

Please submit the enclosed Voting Rights Exercise Form at the reception desk.

Date and time: 10:00 a.m. Thursday, June 29, 2017 (JST)

If you are unable to attend the meeting

You can exercise your voting rights in writing or by electromagnetic means.

- **Exercise of voting rights in writing**

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form by mail so that we can receive it no later than the following deadline.

Deadline: 5:00 p.m. Wednesday, June 28, 2017 (JST)

- **Exercise of voting rights via the Internet etc.**

Please access the Company's designated website (<http://www.evotep.jp>) from a computer, a smartphone, and/or a mobile phone, enter your "Login ID" and "Temporary Password", both of which are noted on the Voting Rights Exercise Form, follow the on-screen instructions and exercise your voting rights.

For details, please refer to Page 3.

Deadline: 5:00 p.m. Wednesday, June 28, 2017 (JST)

Handling of duplicate voting

- 1) If the voting rights are exercised both in writing and by electromagnetic means and the vote for the same proposal differs, the exercise of voting rights by electromagnetic means shall be deemed valid.
- 2) If the voting rights are exercised by electromagnetic means multiple times and the vote for the same proposal differs, the last exercise of voting rights shall be deemed valid.

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- ◎ Of the documents required to be appended to this Notice of Convocation as attachments, the Consolidated Statement of Changes in Net Assets and the Notes to the Consolidated Financial Statements, which are part of the Consolidated Financial Statements, and the Statement of Changes in Net Assets and the Notes to the Non-consolidated Financial Statements, which are part of the Non-consolidated Financial Statements, have been posted on the Company's website (<http://www.shimadzu.co.jp/>) in accordance with laws and regulations and Article 15 of the Articles of Incorporation of the Company, and are therefore not included in the attached documents. The Consolidated Statement of Changes in Net Assets and the Notes to the Consolidated Financial Statements as well as the Statement of Changes in Net Assets and the Notes to the Non-consolidated Financial Statements were audited by the Accounting Auditor and the Board of Corporate Auditors as part of the Consolidated Financial Statements and the Non-consolidated Financial Statements in preparing the Audit Report.
 - ◎ Should matters to be described in the Reference Documents for the General Meeting of Shareholders require revisions, the revised versions will be posted on the Company's website (<http://www.shimadzu.co.jp/>).

Guide to the Exercise of Voting Rights by Electromagnetic Means (via the Internet etc.)

If you exercise your voting rights via the Internet, please check the following items.

If you are attending the meeting, it is unnecessary to exercise your voting rights in writing or by electromagnetic means (via the Internet etc.).

1. Exercise of Voting Rights Website

- (1) Exercising your voting rights via the Internet is possible only by accessing the Company's designated website (<http://www.evot.jp>), from a computer, smartphone, and/or mobile phone (i-mode, EZweb, or Yahoo! Keitai). (Please note that the website is unavailable from 2:00 a.m. to 5:00 a.m. every day.)
* "i-mode", "EZweb", and "Yahoo!" are trademarks or registered trademarks of NTT DOCOMO Inc., KDDI CORPORATION and Yahoo! Inc. (U.S.) respectively.
- (2) In some cases, you may not be able to use the website for exercising voting rights, depending upon the network environment at accessing the Internet (*), the service and/or the equipment you are using.
(*): the use of a firewall, the use of antivirus software, the use of a proxy server, and/or unavailability of TLS encrypted transmission etc.
- (3) To exercise your voting rights on mobile phones, please use i-mode, EZweb, or Yahoo! Keitai services. For security reasons, you cannot vote by a mobile phone that does not have the function of TLS encrypted transmission or transmission of phone ID information.
- (4) Exercising voting rights via the Internet is available until 5:00 p.m. on Wednesday, June 28, 2017. Shareholders are requested to do so as early as possible. If you have any questions, please contact our Help Desk.

2. Exercise of Voting Rights via the Internet

- (1) Please enter your "Login ID" and "Temporary Password", both of which are noted on the Voting Rights Exercise Form and follow the instructions on your computer screen to exercise your voting rights.
- (2) To prevent unauthorized access by persons who are not qualified shareholders ("impersonation") and manipulation of voting details, please be aware that shareholders using this site will be asked to change their temporary passwords.
- (3) You will be provided with a new "Login ID" and "Temporary Password" each time a General Meeting of Shareholders is convened.

3. Fees for Accessing the Exercise of Voting Rights Website

Any fees (such as Internet access fees, telephone charges, packet transmission fees, etc.) will be borne by shareholders.

For inquiries about the system and other matters, contact:
Securities Business Division (Help Desk), Mitsubishi UFJ Trust and Banking Corporation
Phone: (0120) 173-027 (Toll Free) (available from 9:00 to 21:00) (Japan only)

<Electronic Platform for Exercising Voting Rights>

Institutional investors can use the Electronic Voting Platform operated by ICJ, Inc. if they submit an application to do so in advance.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company views the return of profits to shareholders as a key management objective. The Company's basic policy is to maintain stable dividends while taking into consideration earnings performance and cash flows comprehensively.

With respect to the appropriation of surplus (year-end dividend) for the fiscal year ended March 31, 2017, taking into consideration the earnings performance for the year and business development from now on, the Company proposes payment of a dividend of 10 yen per share, an increase of 1 yen per share as shown below. Combined with the interim dividend, the total annual dividend will be 20 yen per share, an increase of 2 yen from the previous fiscal year.

1. Type of dividend property
Cash
2. Matters related to the allotment of dividend property to shareholders and the total amount
10 yen per share of common stock of the Company
Total amount: 2,948,245,860 yen
3. Effective date of distribution of surplus
June 30, 2017


Proposal 2: Election of Eight (8) Directors

The terms of office of all nine (9) Directors will expire at the closing of this Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of eight (8) Directors.


The candidates for Director are as follows.

No.	Name			Current positions and responsibilities at the Company	Attendance at Board of Directors' meetings
1	Akira Nakamoto	Reappointment		Chairman and Representative Director Chairman of the Board	100% (15/15)
2	Teruhisa Ueda	Reappointment		President and Representative Director CEO	100% (15/15)
3	Hiroshi Fujino	Reappointment		Director Senior Managing Executive Officer In charge of Corporate Strategy Planning & Investor Relations, Public Relations, and Global Environmental Management	100% (15/15)
4	Yasuo Miura	Reappointment		Director Managing Executive Officer In charge of Finance & Marketing General Manager, Tokyo Office	100% (15/15)
5	Koji Furusawa	New appointment		Managing Executive Officer Managing Director, Shimadzu (Hong Kong) Ltd.	-
6	Minoru Sawaguchi	Reappointment	Outside Director	Director (part-time)	100% (15/15)
7	Taketsugu Fujiwara	Reappointment	Outside Director Independent Officer	Director (part-time)	100% (15/15)
8	Hiroko Wada	Reappointment	Outside Director Independent Officer	Director (part-time)	100% (11/11)


(Note) As for the attendance at the Board of Directors' meetings of Ms. Hiroko Wada, the Board Meetings applicable to her only those held subsequent to her assumption of office on June 29 2016.

No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions	Number of shares of the Company held:
1	<p data-bbox="252 383 464 450">Akira Nakamoto (November 25, 1945)</p>  <p data-bbox="268 752 448 779"><Reappointment></p>	<p data-bbox="504 282 1198 539"> April 1969 Joined the Company June 2001 Director June 2005 Managing Director June 2007 Senior Managing Director June 2009 President and Representative Director June 2013 CEO June 2015 Chairman and Representative Director (to present) June 2015 Chairman of the Board (to present) </p> <p data-bbox="504 573 970 629">[Significant concurrent position] Outside Director, Furukawa Electric Co., Ltd.</p> <p data-bbox="504 651 1398 884">[Reasons for nomination as a candidate for Director] As the Chairman of the Board, Mr. Akira Nakamoto is running the Board appropriately and is striving to enhance corporate value by strengthening corporate governance. He has profound insight, abundant experience and a distinguished track record. Therefore, the Company expects that Mr. Nakamoto is suitable to serve as a Director in order to strengthen the Board's functions for decision-making on important matters and for monitoring and oversight of business execution, and has nominated him again as a candidate for Director.</p>	<p data-bbox="1238 282 1409 327">59,173</p> <hr/> <p data-bbox="1238 338 1409 461">Years served as Director: 16 years (at the closing of this Meeting)</p> <hr/> <p data-bbox="1238 472 1409 640">Attendance at Board of Directors' meetings in FY2016: 15/15 (100%)</p>


(Note) There are no special interests between Mr. Akira Nakamoto and the Company.

No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions	Number of shares of the Company held:
2	<p>Teruhisa Ueda (May 14, 1957)</p>  <p><Reappointment></p>	<p>April 1982 Joined the Company June 2007 Corporate Officer June 2007 Deputy General Manager, Analytical and Measuring Instruments Division June 2011 Director June 2011 General Manager, Analytical and Measuring Instruments Division June 2013 Managing Executive Officer June 2014 Senior Managing Executive Officer June 2015 President and Representative Director (to present) June 2015 CEO (to present)</p> <p>[Reasons for nomination as a candidate for Director] Responsible for management of the Group as the CEO, Mr. Teruhisa Ueda is accurately conducting his duties at the Board of Directors in terms of decision-making on important matters and oversight of execution of business. Based on his strong leadership, abundant business experience and track record, the Company expects that Mr. Ueda is suitable to serve as a Director of the Company promoting the new medium-term management plan and leading the Group to achieve sustainable growth and enhance corporate value, and has nominated him again as a candidate for Director.</p>	<p>14,322</p> <hr/> <p>Years served as Director: 6 years (at the closing of this Meeting)</p> <hr/> <p>Attendance at Board of Directors' meetings in FY2016: 15/15 (100%)</p>


(Note) There are no special interests between Mr. Teruhisa Ueda and the Company.

No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions	Number of shares of the Company held:
3	<p data-bbox="276 416 440 479">Hiroshi Fujino (June 21, 1955)</p>  <p data-bbox="269 786 446 813"><Reappointment></p>	<p data-bbox="502 293 1198 689"> April 1979 Joined the Company June 2005 General Manager, International Marketing Division June 2007 Corporate Officer June 2009 General Manager, Corporate Strategy Planning Department June 2012 Director (to present) June 2012 In charge of Corporate Strategy Planning & Investor Relations (to present) June 2013 Managing Executive Officer June 2013 In charge of Public Relations (to present) June 2015 Senior Managing Executive Officer (to present) June 2015 In charge of Global Environmental Management (to present) </p>	<p data-bbox="1246 293 1401 349">17,442</p> <hr/> <p data-bbox="1246 376 1401 499">Years served as Director: 5 years (at the closing of this Meeting)</p> <hr/> <p data-bbox="1246 526 1401 689">Attendance at Board of Directors' meetings in FY2016: 15/15 (100%)</p>
		<p data-bbox="502 703 1401 936"> [Reasons for nomination as a candidate for Director] Mainly responsible for corporate strategy planning as a Senior Managing Executive Officer, Mr. Hiroshi Fujino is fulfilling accountability to the Board and is involved in decision-making on important business execution. Based on his abundant business experience abroad and track record as well as knowledge about management strategy, the Company expects that Mr. Fujino is capable of further contributing to the Group's sustainable growth and enhancement of corporate value, and has nominated him again as a candidate for Director. </p>	


(Note) There are no special interests between Mr. Hiroshi Fujino and the Company.

No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions	Number of shares of the Company held:																
4	<p data-bbox="272 389 443 456">Yasuo Miura (April 25, 1957)</p>  <p data-bbox="269 763 445 786"><Reappointment></p>	<table border="0"> <tr> <td data-bbox="501 293 619 315">April 1980</td> <td data-bbox="699 293 906 315">Joined the Company</td> </tr> <tr> <td data-bbox="501 322 619 344">April 2005</td> <td data-bbox="699 322 1177 378">General Manager, Corporate Strategy Planning Department</td> </tr> <tr> <td data-bbox="501 385 619 407">June 2007</td> <td data-bbox="699 385 879 407">Corporate Officer</td> </tr> <tr> <td data-bbox="501 414 619 436">June 2009</td> <td data-bbox="699 414 1177 436">President, Shimadzu Europa GmbH (Germany)</td> </tr> <tr> <td data-bbox="501 443 619 465">June 2013</td> <td data-bbox="699 443 906 465">Director (to present)</td> </tr> <tr> <td data-bbox="501 472 619 495">June 2013</td> <td data-bbox="699 472 1114 495">Managing Executive Officer (to present)</td> </tr> <tr> <td data-bbox="501 501 619 524">June 2013</td> <td data-bbox="699 501 1169 524">In charge of Finance & Marketing (to present)</td> </tr> <tr> <td data-bbox="501 530 619 553">June 2015</td> <td data-bbox="699 530 1150 553">General Manager, Tokyo Office (to present)</td> </tr> </table> <p data-bbox="501 651 1043 674">[Reasons for nomination as a candidate for Director]</p> <p data-bbox="483 680 1404 860">Responsible for Accounting and Sales as a Managing Executive Officer, Mr. Yasuo Miura is fulfilling accountability to the Board and is involved in decision-making on important business execution. Based on his abundant experience and track record in sales operations and management of an overseas subsidiary and knowledge, the Company expects that Mr. Miura is capable of further contributing to the Group's sustainable growth and enhancement of corporate value, and has nominated him again as a candidate for Director.</p>	April 1980	Joined the Company	April 2005	General Manager, Corporate Strategy Planning Department	June 2007	Corporate Officer	June 2009	President, Shimadzu Europa GmbH (Germany)	June 2013	Director (to present)	June 2013	Managing Executive Officer (to present)	June 2013	In charge of Finance & Marketing (to present)	June 2015	General Manager, Tokyo Office (to present)	<p data-bbox="1241 286 1393 342">15,058</p> <hr/> <p data-bbox="1241 349 1393 405">Years served as Director:</p> <p data-bbox="1289 412 1361 434">4 years</p> <p data-bbox="1241 441 1404 474">(at the closing of this Meeting)</p> <hr/> <p data-bbox="1241 481 1377 537">Attendance at Board of Directors' meetings in</p> <p data-bbox="1241 544 1329 566">FY2016:</p> <p data-bbox="1257 573 1393 629">15/15 (100%)</p>
April 1980	Joined the Company																		
April 2005	General Manager, Corporate Strategy Planning Department																		
June 2007	Corporate Officer																		
June 2009	President, Shimadzu Europa GmbH (Germany)																		
June 2013	Director (to present)																		
June 2013	Managing Executive Officer (to present)																		
June 2013	In charge of Finance & Marketing (to present)																		
June 2015	General Manager, Tokyo Office (to present)																		

(Note) There are no special interests between Mr. Yasuo Miura and the Company.


	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions	Number of shares of the Company held:
5	<p>Koji Furusawa (April 7, 1955)</p>  <p><New appointment></p>	<p>April 1979 Joined the Company</p> <p>April 2000 Chief Representative, Shanghai Office, and General Manager, Analytical Instruments Division, Shimadzu (Hong Kong) Ltd.</p> <p>October 2003 General Manager, Scientific & Industrial Equipment Department, International Marketing Division, the Company</p> <p>June 2005 Deputy General Manager, International Marketing Division</p> <p>June 2007 Managing Director, Shimadzu (Hong Kong) Ltd. (to present)</p> <p>June 2009 Corporate Officer, the Company</p> <p>June 2013 Managing Executive Officer (to present)</p> <p>[Reasons for nomination as a candidate for Director] As a Managing Executive Officer, Mr. Koji Furusawa is contributing to expansion of the Company's business in China. Based on his abundant experience and track record in as well as knowledge about international business and corporate management, the Company expects that Mr. Furusawa is capable of contributing to the Group's sustainable growth and enhancement of corporate value, and has nominated him as a new candidate for Director.</p>	<p>5,000</p> <hr/> <p>Years served as Director: -</p> <hr/> <p>Attendance at Board of Directors' meetings in FY2016: -</p>

(Note) There are no special interests between Mr. Koji Furusawa and the Company.

No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions	Number of shares of the Company held:
6	<p>Minoru Sawaguchi (July 23, 1966)</p>  <p><Reappointment> Outside Director</p>	<p>April 1993 Registered as attorney-at-law April 1993 Joined Mori Sogo Law Office (currently Mori Hamada & Matsumoto) (to present) June 2013 Director of the Company (to present)</p> <p>[Significant concurrent position] Visiting professor, Graduate Schools for Law and Politics, The University of Tokyo</p> <p>[Reasons for nomination as a candidate for Outside Director] Mr. Minoru Sawaguchi has profound insight about management and oversight capabilities based on his abundant experience in corporate legal affairs and corporate governance. He has been vigorously stating his opinions and providing recommendations at meetings of the Board of Directors of the Company. The Company judges that Mr. Sawaguchi is suitable for serving as a Director overseeing management in order to achieve sustainable growth and enhancement of corporate value of the Group, and has nominated him again as a candidate for Outside Director. Although Mr. Sawaguchi has no experience of involvement in corporate management other than serving as an Outside Director, the Company expects that Mr. Sawaguchi is capable of performing duties as an Outside Director appropriately for the reasons stated above.</p>	<p>0</p> <hr/> <p>Years served as Director: 4 years (at the closing of this Meeting)</p> <hr/> <p>Attendance at Board of Directors' meetings in FY2016: 15/15 (100%)</p>


(Notes)

1. There are no special interests between Mr. Minoru Sawaguchi and the Company.
2. Mr. Minoru Sawaguchi is a candidate for Outside Director as stipulated in Article 2, Item 15 of the Companies Act.
3. In May 2016, which falls during the term of office of Mr. Minoru Sawaguchi as the Company's Outside Director, concerning a repair contract of the Aircraft Equipment Division with the Ministry of Defense, a certain problem with execution of the contract was found as a result of internal investigation, and the Company reported this matter to the Ministry of Defense. Although Mr. Sawaguchi was unaware of this infringement in advance, he had been providing recommendations from the viewpoint of legal compliance in the course of his duties as an Outside Director. After detection of the said fact, Outside Directors demanded a thorough investigation and provided recommendations for strengthening the internal control system to prevent recurrence and to ensure compliance.
4. The Company has entered into an agreement with Mr. Minoru Sawaguchi to limit his 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 if he is without knowledge and is not grossly negligent in performing his duties.
5. Mr. Minoru Sawaguchi satisfies the requirements for independent officers prescribed by the Tokyo Stock Exchange and the independence standards for Outside Directors and Outside Corporate Auditors specified by the Company. The independence standards for Outside Directors and Outside Corporate Auditors specified by the Company are available on Page 20.

No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions	Number of shares of the Company held:
7	<p>Taketsugu Fujiwara (February 19, 1947)</p>  <p><Reappointment> <u>Outside Director</u> <u>Independent Officer</u></p>	<p>April 1969 Joined Asahi Chemical Industry Co., Ltd. (currently Asahi Kasei Corporation)</p> <p>June 2000 Director, Asahi Kasei</p> <p>April 2003 President & Representative Director, Asahi Kasei Chemicals Corporation</p> <p>June 2003 Senior Executive Officer, Asahi Kasei Corporation</p> <p>April 2009 Vice-Presidential Executive Officer, Asahi Kasei</p> <p>June 2009 Director, Asahi Kasei</p> <p>April 2010 President & Representative Director, Presidential Executive Officer, Asahi Kasei</p> <p>April 2014 Vice Chairman, Asahi Kasei</p> <p>June 2014 Director of the Company (to present)</p> <p>June 2015 Standing Counsellor, Asahi Kasei (to present)</p> <p>[Significant concurrent positions] Outside Director, KOKUYO Co., Ltd. Outside Director, IHI Corporation</p> <p>[Reasons for nomination as a candidate for Outside Director] Mr. Taketsugu Fujiwara has abundant experience and extensive insight as a manager through his involvement in management of a global company over many years. He has been vigorously stating his opinions and providing recommendations at meetings of the Board of Directors of the Company. The Company expects that Mr. Fujiwara is suitable for serving as a Director overseeing management in order to achieve sustainable growth and enhancement of corporate value of the Group, and has nominated him again as a candidate for Director.</p>	<p>2,138</p> <hr/> <p>Years served as Director: 3 years (at the closing of this Meeting)</p> <hr/> <p>Attendance at Board of Directors' meetings in FY2016: 15/15 (100%)</p>

(Notes)

1. There are no special interests between Mr. Taketsugu Fujiwara and the Company.
2. Mr. Taketsugu Fujiwara is a candidate for Outside Director as stipulated in Article 2, Item 15 of the Companies Act.
3. In May 2016, which falls during the term of office of Mr. Taketsugu Fujiwara as the Company's Outside Director, concerning a repair contract of the Aircraft Equipment Division with the Ministry of Defense, a certain problem with execution of the contract was found as a result of internal investigation, and the Company reported this matter to the Ministry of Defense. Although Mr. Fujiwara was unaware of this infringement in advance, he had been providing recommendations from the viewpoint of legal compliance in the course of his duties. After detection of the said fact, Outside Directors demanded a thorough investigation and provided recommendations for strengthening the internal control system to prevent recurrence and to ensure compliance.
4. The Company has entered into an agreement with Mr. Taketsugu Fujiwara to limit his 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 if he is without knowledge and is not grossly negligent in performing his duties.
5. Mr. Taketsugu Fujiwara satisfies the requirements for independent officers prescribed by the Tokyo Stock Exchange and the independence standards for Outside Directors and Outside Corporate Auditors specified by the Company. The Company designated him as an independent officer and filed a notification to the said exchange. The independence standards for Outside Directors and Outside Corporate Auditors specified by the Company are available on Page 20. The Company has a business relationship (sales of products) with Asahi Kasei Corporation where Director Taketsugu Fujiwara holds a significant concurrent position. However, the amount of transactions with Asahi Kasei represents less than 0.1% of the Company's consolidated net sales for the most recent fiscal year and has no materiality that may affect his independence.

No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions	Number of shares of the Company held:
8	<p data-bbox="284 412 432 479">Hiroko Wada (May 4, 1952)</p>  <p data-bbox="268 779 448 887"><Reappointment> Outside Director Independent Officer</p>	<p data-bbox="501 297 1198 734"> April 1977 Joined Procter & Gamble Sunhome Co., Ltd. (currently Procter & Gamble Japan K.K.) January 1998 Vice President, In charge of Corporate New Ventures, Asia, The Procter & Gamble Company (U.S.) March 2001 President and Representative Director, Dyson Ltd. April 2004 President and Representative Director, Chief Operating Officer, Toys"R"Us-Japan, Ltd. November 2004 Established Office WaDa (to present) May 2009 Outside Director, Aderans Holdings Co., Ltd. (currently Aderans Co., Ltd.) April 2016 Advisor, Nutraceuticals Division, Otsuka Pharmaceutical Co., Ltd. (to present) June 2016 Director of the Company (to present) </p> <p data-bbox="501 741 1410 1003"> [Reasons for nomination as a candidate for Outside Director] Ms. Hiroko Wada has a diverse management track record, including as an executive at the headquarters of a multinational company and as the president of Japanese subsidiaries of foreign companies, and great insight into global marketing. She has been vigorously stating her opinions and providing recommendations at meetings of the Board of Directors of the Company. The Company expects that Ms. Wada is suitable for serving as a Director overseeing management in order to achieve sustainable growth and enhancement of corporate value of the Group, and has nominated her again as a candidate for Director. </p>	<p data-bbox="1241 297 1394 342">860</p> <hr/> <p data-bbox="1241 349 1410 472">Years served as Director: 1 year (at the closing of this Meeting)</p> <hr/> <p data-bbox="1241 479 1410 734">Attendance at Board of Directors' meetings in FY2016: 11/11 (100%) (after her appointment as a Director of the Company)</p>

(Notes)

1. There are no special interests between Ms. Hiroko Wada and the Company.
2. Ms. Hiroko Wada is a candidate for Outside Director as stipulated in Article 2, Item 15 of the Companies Act.
3. The Company has entered into an agreement with Ms. Hiroko Wada 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 if she is without knowledge and is not grossly negligent in performing her duties.
4. Ms. Hiroko Wada satisfies the requirements for independent officers prescribed by the Tokyo Stock Exchange and the independence standards for Outside Directors and Outside Corporate Auditors specified by the Company. The Company designated her as an independent officer and filed a notification to the said exchange. The independence standards for Outside Directors and Outside Corporate Auditors specified by the Company are available on Page 20.

Proposal 3: Election of One (1) Corporate Auditor

The term of office of Corporate Auditor Mr. Hiroyuki Fujii will expire at the closing of this Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of one (1) Corporate Auditor. The Board of Corporate Auditors has previously given its approval to this proposal. The candidate for Corporate Auditor is as follows.

Name (Date of birth)	Career summary, positions, and significant concurrent positions	Number of shares of the Company held:																		
<p>Hiroyuki Fujii (August 1, 1954)</p>  <p><Reappointment></p>	<table border="0"> <tr> <td>April 1981</td> <td>Joined the Company</td> </tr> <tr> <td>April 2005</td> <td>General Manager, Human Resources Department</td> </tr> <tr> <td>June 2007</td> <td>Corporate Officer</td> </tr> <tr> <td>June 2009</td> <td>Director</td> </tr> <tr> <td>June 2009</td> <td>In charge of Human Resources and Global Environmental Management</td> </tr> <tr> <td>June 2011</td> <td>In charge of Public Relations</td> </tr> <tr> <td>June 2013</td> <td>Corporate Auditor (to present)</td> </tr> <tr> <td colspan="2">[Significant concurrent positions]</td> </tr> <tr> <td colspan="2">Outside Corporate Auditor, Dai Nippon Toryo Co., Ltd.</td> </tr> </table>	April 1981	Joined the Company	April 2005	General Manager, Human Resources Department	June 2007	Corporate Officer	June 2009	Director	June 2009	In charge of Human Resources and Global Environmental Management	June 2011	In charge of Public Relations	June 2013	Corporate Auditor (to present)	[Significant concurrent positions]		Outside Corporate Auditor, Dai Nippon Toryo Co., Ltd.		<p>15,649</p> <hr/> <p>Years served as Corporate Auditor: 4 years (at the closing of this Meeting)</p> <hr/> <p>Attendance at Board of Directors' meetings in FY2016: 15/15 (100%)</p> <hr/> <p>Attendance at Board of Corporate Auditors' meetings in FY2016: 17/17 (100%)</p>
April 1981	Joined the Company																			
April 2005	General Manager, Human Resources Department																			
June 2007	Corporate Officer																			
June 2009	Director																			
June 2009	In charge of Human Resources and Global Environmental Management																			
June 2011	In charge of Public Relations																			
June 2013	Corporate Auditor (to present)																			
[Significant concurrent positions]																				
Outside Corporate Auditor, Dai Nippon Toryo Co., Ltd.																				
	<p>[Reasons for nomination as a candidate for Corporate Auditor]</p> <p>Mr. Hiroyuki Fujii is fulfilling his role in appropriately operating the Board of Corporate Auditors and his responsibilities of overseeing Directors' execution of duties through attendance at meetings of the Board of Directors and other important internal meetings. As a Senior Corporate Auditor, he is striving to improve the audit environment and collect internal information and is monitoring the status of formulation and operation of internal control systems. Holding periodic meetings with Outside Directors, he is helping Outside Directors keep abreast of various developments. The Company expects that Mr. Fujii is suitable to serve as a Corporate Auditor strengthening corporate governance of the Company, and has nominated him again as a candidate for Corporate Auditor.</p>																			

(Notes) There are no special interests between Mr. Hiroyuki Fujii and the Company.

Proposal 4: Determination of Amount and the Content of Performance-Linked Stock Compensation for Directors etc.

1. Reasons for the proposal and reasons that the proposed compensation is considered to be reasonable

Compensation for Directors of the Company is comprised of “monthly compensation” and “short-term performance-linked compensation.” Additionally, the Company hereby proposes the introduction of a performance-linked stock compensation scheme (the “Scheme”) to deliver or pay (the “Delivery etc.”) shares of the Company and the money equivalent to the amount after being converted from shares to cash to directors of the Company (excluding Outside Directors and non-residents of Japan (“Non-residents”); the same hereinafter) and the Company’s Executive Officers (excluding Non-residents. Together with Directors, hereinafter collectively referred to as “Directors etc.”) according to position, achievement of performance targets outlined in the medium-term management plan etc.

This Proposal is to grant stock compensation to Directors etc. separately from the maximum cash compensation for Directors (within annually 800 million yen) approved at the 144th Annual General Meeting of Shareholders held on June 28, 2007.

The number of Directors subject to the Scheme shall be five (5) if Proposal 2 “Election of eight (8) Directors” is approved as originally proposed. And as described above, Executive Officers are also subject to the Scheme. The number of Executive Officers (excluding Directors) subject to the Scheme at the conclusion of this Annual General Meeting of Shareholders will be six (6). However, the number of Executive Officers (excluding Directors) subject to the Scheme from among those to be appointed at the Extraordinary Board of Directors meeting held after this Annual General Meeting of Shareholders will be seven (7).

In addition, part of the monthly compensation and short-term performance-linked compensation which have been provided in cash, will be used as the principal of the Scheme. The Scheme is to be introduced for the purposes of further clarifying the relationship between compensation of Directors etc. and the stock price of the Company, increasing motivation of Directors etc. to improve performance of the Company over the medium- to long-term, increasing their awareness on the contribution to the enhancement of shareholder value, and sharing the interests of shareholders. The Company thus deems the introduction of the Scheme to be reasonable.

2. Amount and the Content of Compensation in the Scheme

(1) Outline of the Scheme

The Scheme is a performance-linked stock compensation scheme in which shares of the Company will be acquired through a trust, using cash contributed by the Company, and the Delivery etc. of the Company Shares etc. will be made to the Directors etc. of the Company according to the Company’s performance based on the share delivery policy established by the Company. The Delivery etc. of Company Shares etc. will be made through the trust. (See (2) below onward for details.)

1) Persons eligible for the Delivery etc. of Company Shares etc. in this proposal	<ul style="list-style-type: none"> • Directors of the Company (excluding Outside Directors and Non-residents) • Executive Officers of the Company (excluding Non-residents)
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2) Upper limit of cash contributed by the Company, upper limit of shares of the Company acquired by Directors etc. and the impact that the shares referred to in this proposal will have on the total number of issued shares	
Upper limit of cash contributed by the Company (as stated in (2) below)	<ul style="list-style-type: none"> • Applicable to three business years; total of 540 million yen
Upper limit of the number of the Company Shares etc. acquired by Directors etc. and method of acquisition of shares of the Company (as stated in (3) below)	<ul style="list-style-type: none"> • The upper limit of the number of shares will be 350,000 shares over three years in total, and the proportion to the total number of issued shares (as of March 31, 2017) is approximately 0.11%. • As shares of the Company are to be acquired from the stock market, dilution will not occur.

3) Contents of conditions for achievement of performance targets (as stated in (3) below)	<ul style="list-style-type: none"> Varies in the range of 50% to 200% depending on the degree of achievement of the Company's performance targets outlined in the medium-term management plan, such as consolidated net sales and consolidated operating income.
4) Timing of Delivery etc. of Company Shares etc. to Directors etc. (as stated in (4) below)	<ul style="list-style-type: none"> Upon the passing of three business years, in principle

(2) Upper limit of cash contributed by the Company

The Scheme, in consideration of its relevance to the medium-term management plan announced by the Company, will be applicable to the three consecutive business years (the "Applicable Period") corresponding to the duration of the medium-term management plan. The initial Applicable Period will be the three business years from the business year ending on March 31, 2018 to the business year ending on March 31, 2020.

For each Applicable Period, the Company will contribute cash within the upper limit amount of 540 million yen in total as compensation for Directors etc. of the Company, and set a trust (the "Trust") with a trust period of three years (including extensions of the trust period as stated below; the same hereinafter) with Directors etc. who satisfy the beneficiary requirements as beneficiaries. The Trust, under direction of the trust administrator, will acquire shares of the Company from the stock market, using entrusted cash. During the trust period, the Company will grant points to Directors etc. (as stated in (3) below) and Delivery etc. of Company Shares etc. will be made through the Trust.

Upon expiration of the trust period of the Trust, the Trust may be continued by modifying the trust period and making additional contributions to the Trust in lieu of setting a new Trust. In such a case, the trust period of the Trust will be extended and the Applicable Period will be the three consecutive business years corresponding to the duration of the medium-term management plan after the extension of the trust period. The Company will, for each trust period, make additional contributions, within the limit of 540 million yen in total, and during the extended trust period, it will continue to grant points to Directors etc. and Delivery etc. of Company Shares etc. However, in the case that there are remaining shares of the Company ("Remaining Company Shares") and cash (along with Remaining Company Shares, collectively "Remaining Company Shares etc.") in the trust property as of the final day of the trust term prior to extension, additional contributions will be made so that the amount of the Remaining Company Shares etc. and the additionally contributed trust funds will be within the limit of 540 million yen in total, and the number of Remaining Company Shares and shares additionally acquired by the Trust will be within the limit of 350,000 shares in total.

(3) Calculation method and upper limit of Company Shares etc., to be acquired by Directors etc.

On May 20 of every year during the trust period, Directors etc. will be granted points according to position, achievement of performance targets outlined in the medium-term management plan etc. Indicators used for evaluating the degree of achievement of performance targets are consolidated net sales, consolidated operating income etc. and awarding of points will vary in the range from 50% to 200% depending on the degree of achievement of the Company's performance targets outlined in the medium-term management plan etc. Whereas the number of points to be granted will be determined on May 20 immediately after the last day of the first year and the second year of the Applicable Period according to the achievement of performance targets for the year etc., respectively, the total number of points to be granted in the Applicable Period will be determined on May 20 immediately after the end of the Applicable Period according to the achievement of performance targets outlined in the medium-term management plan etc., and the determined total number of points less the number of points that have already been awarded will be awarded.

Then, cumulative share delivery points ("Number of Cumulative Points") granted to Directors etc. will be calculated for each Director etc. in office on May 20 immediately after the end of the Applicable Period (May 20, 2020 for the first round), and the Delivery etc. of Company Shares etc. will be done according to the Number of Cumulative Points based on (4) below, with one share of the Company being granted per point. However, in the event that shares of the Company undergo a share split, reverse share split etc. during the trust period, the number of shares of the Company for one point will be adjusted according to the split ratio, reverse split ratio etc. of shares of the Company.

The upper limit of the total number of shares of the Company acquired by the Trust and delivered to Directors etc. in each Applicable Period is 350,000 shares. This upper limit number of shares is determined based on the most recent stock price etc. in consideration of the upper limit of trust funds stated in (2) above.

(4) Method and timing of Delivery etc. of Company Shares etc. to Directors etc.

Directors etc. who meet the beneficiary requirements will receive a delivery of shares of the Company for 50% of the Number of Cumulative Points (shares of less than one trading unit will be round up) in approximately July immediately after the end of the Applicable Period (July 2020 for the first round), and concerning the remaining shares, upon conversion within the Trust, the Directors etc. will receive the cash equivalent to the amount of shares after being converted from shares to cash.

If a Director etc. retires during a trust period (except when the retirement is due to personal circumstances or dismissal based on justifiable grounds for dismissal), the Director etc. will receive shares of the Company corresponding to 50% of the Number of Cumulative Points (shares of less than one trading unit will be rounded up), and concerning the remaining shares, upon conversion within the Trust, the Directors etc. will receive the cash equivalent to the amount of shares after being converted from shares to cash.

Moreover, if a Director etc. becomes a Non-resident during a trust period, the Director etc. will receive the cash equivalent to the shares of the Company that correspond to the Number of Cumulative Points at that point after conversion within the Trust.

Furthermore, if a Director etc. passes away during a trust period, the heir to the Director etc. will receive the cash equivalent to the shares of the Company that correspond to the Number of Cumulative Points at that point after conversion within the Trust.

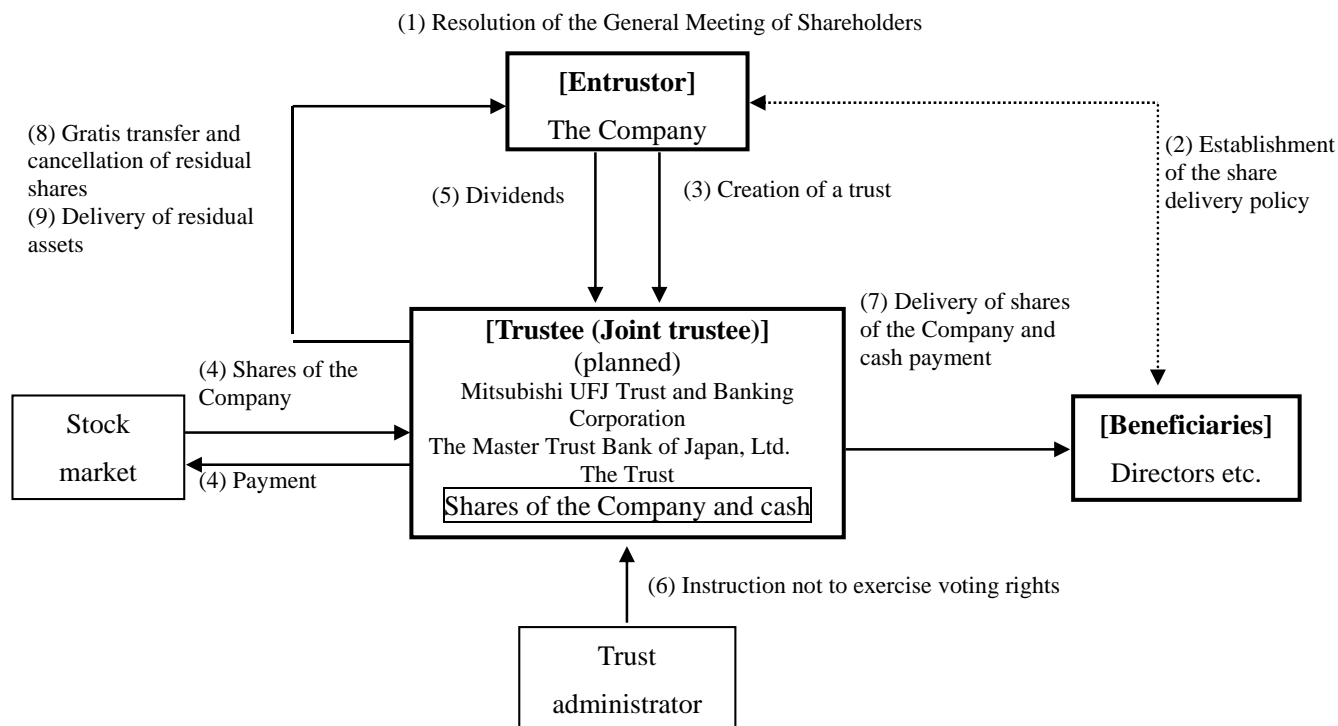
(5) Voting rights for shares of the Company within the Trust

Concerning the shares of the Company within the Trust, in order to secure objectivity in management, voting rights will not be exercised during the trust period.

(6) Other contents of the Scheme

Concerning other contents regarding the Scheme, the Company requests that the determination be left to the discretion of the Board of Directors each time the Trust is set, the trust agreement is modified or an additional contribution to the Trust is made.

For Reference: Outline of the Scheme



- (1) The Company will obtain an approval for compensation for directors at the General Meeting of Shareholders in relation to introduction of the Scheme.
- (2) The Company will establish the share delivery policy for compensation for directors in relation to introduction of the Scheme, at the Board of Directors meeting.
- (3) The Company will entrust money to the extent approved by the resolution of the General Meeting of Shareholders in (1) above and create a trust (the "Trust") wherein the Directors etc. who meet the beneficiary requirements are beneficiaries.
- (4) The Trust will acquire shares of the Company from the stock market by using money entrusted in (3) above in accordance with the instructions of the trust administrator. The number of shares acquired by the Trust shall be within the limit as approved and resolved at the General Meeting of Shareholders in (1) above.
- (5) The Company will pay dividends for shares of the Company in the Trust in the same manner as for other shares of the Company.
- (6) Voting rights for the shares of the Company in the Trust will not be exercised during the trust period.
- (7) During the trust period, in accordance with the Company's share delivery policy, Directors etc. will receive a certain number of points and are granted shares of the Company corresponding to a certain percentage of the number of such points. As for shares of the Company corresponding to the remaining points, Directors etc. will receive cash equivalent to the market value of such shares after conversion into cash in the Trust in accordance with the trust agreement.
- (8) If there are residual shares at the expiry of the trust period due to non-achievement of performance targets or any other reason, the Company may continue to use the Trust for the Scheme or for a new stock compensation plan similar to the Scheme by modifying the trust agreement and making additional entrustment to the Trust, or after gratis transfer of the residual shares from the Trust to the Company, the Company will cancel such shares by a resolution of the Board of Directors.
- (9) Residual property after distribution to Directors etc. upon termination of the Trust will belong to the Company to the extent of allowances for trust expenses, which are calculated as the trust money less share acquisition funds. The portion exceeding the allowances for trust expenses will be donated to organizations that have no vested interest with the Company and Directors etc.

Note: If no shares of the Company remain in the Trust after Delivery etc. of the Company shares etc. to the Directors etc. who meet the beneficiary requirements, the Trust will be discontinued before the expiry of the trust period. The Company may make an additional entrustment to the Trust to the extent approved by the resolution of this General Meeting of Shareholders as funds for acquiring shares of the Company for Delivery etc. to Directors etc.

[Trust Agreement Contents]

- | | |
|----------------------------------|---|
| (1) Type of Trust: | Monetary trust other than a specified solely administered monetary trust (third party benefit trust) |
| (2) Purpose of Trust: | To provide incentives to Directors etc. |
| (3) Entrustor: | The Company |
| (4) Trustee: | Mitsubishi UFJ Trust and Banking Corporation
(planned)
(Joint trustee: The Master Trust Bank of Japan, Ltd.
(planned)) |
| (5) Beneficiaries: | Directors etc. who meet the beneficiary requirements |
| (6) Trust administrator: | A third party who has no vested interest in the Company (Certified public accountant) |
| (7) Date of trust agreement: | August 10, 2017 (planned) |
| (8) Trust period: | August 10, 2017 to August 31, 2020 (planned) |
| (9) Start of the Scheme: | August 10, 2017 (planned)
Start of points granted on May 20, 2018 (planned) |
| (10) Exercise of voting rights: | No voting rights will be exercised. |
| (11) Type of acquired shares: | Shares of the Company's common stock |
| (12) Upper limit of trust money: | 540 million yen (planned) (including trust fees and trust expenses) |
| (13) Period of acquiring shares: | August 15, 2017 (planned) to September 22, 2017
(planned) |
| (14) Method of acquiring shares: | To be acquired from the stock market |
| (15) Vested rights holder: | The Company |

(16) Residual property: Residual property that the Company is entitled to receive as the holder of vested rights will be within the extent of allowances for trust expenses, which are calculated as trust money less share acquisition funds.

[Administrative tasks related to the trusts and shares]

(1) Trust-related administration: Mitsubishi UFJ Trust and Banking Corporation is to be the trustee of the BIP (Board Incentive Plan) Trust and will conduct trust-related administration.

(2) Share-related administration: Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. will conduct administration related to the delivery of the Company's shares to beneficiaries based on the administration service contract.

For more details of the Scheme, please refer to "Notice Regarding the Introduction of a Performance-Linked Stock Compensation Scheme" (press release dated March 30, 2017).

(Reference)

Independence Standards for Outside Directors and Outside Corporate Auditors

An Outside Director or an Outside Corporate Auditor (including candidates for such posts) is considered independent and is unlikely to have any conflicts of interest with general shareholders if none of the following applies.

- (1) A person for whom the Company is a major business partner (i.e. a person who received payments from the Company that represent 2% or more of its annual consolidated sales for the most recent fiscal year), or an executive officer thereof
- (2) A major business partner of the Company (i.e. a person who made payments to the Company that represent 2% or more of the Company's annual consolidated sales for the most recent fiscal year), or an executive officer thereof
- (3) A consultant, accounting professional, or legal professional who has received a large amount of monetary consideration or other property (10 million yen or more in the most recent fiscal year) from the Company besides compensation as a Director or a Corporate Auditor (If the person who has received such property is an organization such as a corporation or a union, a person who is affiliated with such organization)
- (4) A person to whom any of the items (1) through (3) applies during the most recent 12 months
- (5) A second-degree relative or closer of a person listed in items 1) through 3) below (excluding immaterial persons)
 - 1) A person listed in items (1) through (4) above
 - 2) An executive officer of a subsidiary of the Company (including a director who does not serve as an executive officer in the case of designation of an Outside Corporate Auditor as an independent officer)
 - 3) A person to whom 2) applied during the most recent 12 months or who was an executive officer of the Company (including a director who does not serve as an executive officer in the case of designation of an Outside Corporate Auditor as an independent officer) during the most recent 12 months