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Securities identification code: 8133

June 5, 2018

To our shareholders:

Kenji Okada
Representative Director,
President and Chief Executive Officer

ITOCHU ENEX CO., LTD.

2-10-1, Toranomom, Minato-ku, Tokyo

NOTICE OF THE 58TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 58th Ordinary General Meeting of Shareholders of ITOCHU ENEX CO., LTD. (the “Company”), which will be held as described below.

If you are not able to attend the meeting, you can exercise your voting rights either by paper ballot or by using the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights.

Meeting Details

1. Date and time: Wednesday, June 20, 2018 at 10:00 a.m. (Japan Standard Time)

2. Venue: New Kasumigaseki Building, Nadao Hall
3-3-2, Kasumigaseki, Chiyoda-ku, Tokyo

3. Purposes:

Items to be reported:

The 58th Term (from April 1, 2017 to March 31, 2018)

1. Business Report, Consolidated Financial Statements, and Non-Consolidated Financial Statements
2. The results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board

Items to be resolved:

Proposal 1: Appropriation of surplus

Proposal 2: Partial amendments to the Articles of Incorporation

Proposal 3: Election of eight (8) Directors

Proposal 4: Election of one (1) Audit & Supervisory Board Member

Exercising your voting rights if you cannot attend the meeting

If you are not able to attend the meeting, you can exercise your voting rights either by paper ballot or over the Internet. Please indicate your approval or disapproval of the proposals on the enclosed voting form after reviewing the attached Reference Documents for the General Meeting of Shareholders and return it by postal mail to reach us no later than 5:30 p.m. (Japan Standard Time), Tuesday, June 19, 2018. Or, please access the following website solely set up for the exercise of voting rights designated by the Company.

[website] <http://www.web54.net> (This website is available in Japanese only.)

For those attending the meeting in person

- If you attend the meeting, please submit the enclosed voting form at the meeting's reception desk. Also, persons accompanying shareholders and representatives who are not shareholders, persons who are other than shareholders who can exercise voting rights are not allowed to enter the venue.
- In the interests of saving resources, please bring this Notice with you.
- At the meeting, the Company's officers and employees will be dressed lightly and without neckties (Coolbiz). We ask that shareholders also come dressed lightly.

Provision method of Convocation Notice (Information regarding Japanese version only)

- The contents of this Notice were disclosed on the Company's website before this Notice was sent out in order to provide information early.
- In the case that there are revisions to the Business Report, Consolidated Financial Statements, Non-Consolidated Financial Statements and Reference Documents for the General Meeting of Shareholders, the revised items will be put on the Company's website.
- Regarding the items below, according to law and provisions of Article 14 of the Articles of Incorporation, by putting them on the Company's website, they do not have to be provided to shareholders so they are not included in this Notice or other materials provided. Therefore, this Notice includes only part of the Consolidated Financial Statements and Non-Consolidated Financial Statements (excluding (Reference)) audited when the Audit & Supervisory Board Member and Accounting Auditor made the Audit Report.

Consolidated Financial Statements: Notes to Consolidated Financial Statements

Non-Consolidated Financial Statements: Notes to Non-Consolidated Financial Statements

(Reference) Consolidated Statements of Cash Flows, Segment Information

[The Company's website] <https://www.itcenex.com> (This website is available in Japanese only.)

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of surplus

The company proposes appropriation of surplus as follows.

Matters related to year-end dividends

The Company's policy with respect to appropriation of its surplus is to continue to pay stable dividends as it maintains sustained growth of its business, and it aims for a dividend payout ratio (Consolidated) of 30% or more.

In consideration of the Company's business performance in its 58th term and its overall prospects for business development, the period-end dividends for the current period is as follows.

(1) Type of dividend property	Cash
(2) Allocation of dividend property and total amount thereof	24.0 yen per common share of the Company Total amount of dividends: 2,711,718,504 yen This brings the total dividends paid in the current period, including the interim dividend of 16.0 yen per share, to 40.0 yen per share
(3) Effective date of distribution of dividends of surplus	June 21, 2018

Changes in basic policy concerning distribution of profits

The Company recognizes the distribution of profits to its shareholders as a key management priority. After comprehensively considering the medium- to long-term business performance and capital efficiency, and so forth, the Company has changed its consolidated payout ratio guideline. Effective from the 59th term (fiscal year ending March 31, 2019), the Company now aims for a dividend payout ratio (Consolidated) of 40% or more. In addition, the Company's basic policy with respect to profit retention is to strengthen its business base and further expand the scale of its earnings by allocating investment capital, etc. to its business.

Proposal 2: Partial amendments to the Articles of Incorporation

The Company proposes the following amendments to revise a portion of its current Articles of Incorporation.

1. Reasons for proposal

- (1) Due to the enforcement of the Act for Partial Revision of the Electricity Business Act and Other Related Acts, the definition of “Gas Business” in the Gas Business Act has been changed. In response to this, the Company seeks to make necessary changes to part of the items stated in Article 2 (Purpose) of the current Articles of Incorporation.
 - (Pre-revision) The term “Gas Business” as used in this Act shall mean general gas business, community gas business, gas pipeline business and large-volume gas business.
 - (Post-revision) The term “Gas Business” as used in this Act shall mean gas retail business, general gas pipeline business, special gas pipeline business and gas production business.
- (2) The Company is planning to relocate its head office in February 2019. As the location of the head office will change from Minato-ku, Tokyo, the current location, to Chiyoda-ku, Tokyo, the Company will amend the location of the head office specified in Article 3 of the Articles of Incorporation.

2. Details of the amendments

The details of the changes are as follows:

(Amended parts are underlined)

Current Articles of Incorporation	Proposed Amendment
<p>Article 2: (Purpose) The purpose of the Company shall be to engage in the following businesses. 1 – 26 (Article text omitted) 27 <u>General gas business, community gas business, large-volume gas business and gas pipeline business</u> under the Gas Business Act; 28 – 41 (Article text omitted)</p> <p>Article 3: (Location of Head Office) The Company’s Head Office shall be located in Minato-ku, Tokyo. (Newly established)</p>	<p>Article 2: (Purpose) The purpose of the Company shall be to engage in the following businesses. 1 – 26 (Unchanged) 27 <u>Gas retail business, general gas pipeline business, special gas pipeline business and gas production business</u> under the Gas Business Act; 28 – 41 (Unchanged)</p> <p>Article 3: (Location of Head Office) The Company’s Head Office shall be located in <u>Chiyoda-ku, Tokyo.</u></p> <p style="text-align: center;"><u>Supplementary Provision</u></p> <p><u>1. The amendment of Article 3 will become effective on the date that the head office is relocated, which will be determined at a Board of Directors Meeting held by January 31, 2019. This Supplementary Provision shall be deleted after the effective date of said amendment of Article 3.</u></p>

Proposal 3: Election of eight (8) Directors

At the conclusion of this meeting, the following eight (8) Directors will have completed their terms of office: Kenji Okada, Masaaki Itoyama, Tatsunosuke Nagao, Masahiko Takasaka, Masayasu Tanaka, Seiichi Shimbo, Ichiro Saeki, and Hisato Okubo. The Company therefore proposes the election of eight (8) Directors. The candidates for Director are as follows.

Furthermore, in order to increase the transparency of the decision-making process with respect to the selection of Director candidates, the Company has made these decisions upon consultation with the Governance Committee, which consists of two (2) Internal Directors, one (1) Outside Director, and one (1) Outside Audit & Supervisory Board Member.

No.	Name		Positions and responsibilities in the Company
1	Kenji Okada	Reelection	Representative Director, President and Chief Executive Officer
2	Masahiko Takasaka	Reelection	Director and Senior Managing Officer, Chief Operating Officer, Power & Utility Group, Chief Operating Officer, Power & Utility Division, and Executive Advisory Officer for Mobility Life Department
3	Kyosuke Wakamatsu	New election	Managing Officer, Chief Operating Officer, Energy & Logistics Group, and Chief Operating Officer, Home-Life Division
4	Tatsuro Utsumi	New election	Executive Officer, Chief Compliance Officer, General Manager, Corporate Planning Department
5	Atsushi Katsu	New election	Corporate Adviser
6	Seiichi Shimbo	Reelection Outside Independent	Director
7	Ichiro Saeki	Reelection Outside Independent	Director
8	Hisato Okubo	Reelection	Director

Reelection: Candidate for reelection as a Director

New election: Candidate for election as a new Director

Outside: Candidate for election as an Outside Director

Independent: Candidate registered at the Tokyo Stock Exchange as an Independent Officer

1	Kenji Okada		[Reelection]
	Date of Birth: March 23, 1951 Age: 67	Tenure of Office on the Board: 6 years Board of Directors Meeting Attendance: 12/12 Meetings	
Number of the Company's shares owned		95,800 shares	
Career summary, position and responsibilities	April 1974	Joined C. Itoh & Co. Ltd. (currently, ITOCHU Corporation)	
	July 2000	General Manager for Construction & Realty Department, General Manager for PFI Business Promotion Office, ITOCHU Corporation	
	April 2004	Chief Operating Officer, Construction & Realty Division, ITOCHU Corporation	
	June 2005	Executive Officer, ITOCHU Corporation	
	April 2007	Executive Vice President, Finance, Realty, Insurance & Logistics Services Company, Chief Operating Officer, Construction & Realty Division, ITOCHU Corporation	
	April 2008	Managing Executive Officer, President, Finance, Realty, Insurance & Logistics Services Company, ITOCHU Corporation	
	June 2008	Member of the Board, Managing Director, ITOCHU Corporation	
	April 2010	Member of the Board, Managing Executive Officer, ITOCHU Corporation	
	May 2012	Corporate Adviser, Itochu Enex Co., Ltd.	
	June 2012	Representative Director, President and Chief Executive Officer, Itochu Enex Co., Ltd. (to date)	
Significant concurrent positions outside the Company	Outside Director, Cosmos Initia Co., Ltd.		
Reasons for nomination as candidate for Director	Kenji Okada has many years of experience at ITOCHU Corporation, primarily in the areas of finance, construction, real estate, and logistics, where he held such positions as Managing Executive Officer and Representative Director. He has been the Company's Representative Director, President and Chief Executive Officer since June 2012. He has been nominated to another term as Director because of his extensive business experience at both ITOCHU Corporation and the Company and his broad knowledge of corporate management.		

2	Masahiko Takasaka		[Reelection]
	Date of Birth: January 4, 1958 Age: 60		Tenure of Office on the Board: 4 years Board of Directors Meeting Attendance: 12/12 Meetings
		Number of the Company's shares owned	11,300 shares
Career summary, position and responsibilities	April 1980	Joined C. Itoh & Co. Ltd. (currently, ITOCHU Corporation)	
	January 2006	General Manager for Department of Automobile Business Strategy and Development, ITOCHU Corporation	
	April 2006	General Manager for Isuzu Business Promotion Department, ITOCHU Corporation	
	April 2007	Deputy Chief Operating Officer, Automobile Division and General Manager for Isuzu Business Department, ITOCHU Corporation	
	April 2008	Chief Operating Officer, Logistics Services Division, ITOCHU Corporation	
	April 2011	Executive Officer, General Manager for Research & Business Development Division, ITOCHU Corporation	
	April 2013	Corporate Adviser, Itochu Enex Co., Ltd.	
	June 2013	Managing Officer, Assistant to the President, Itochu Enex Co., Ltd.	
	April 2014	Managing Officer, General Manager, Power & Utility Division, Itochu Enex Co., Ltd.	
	June 2014	Director and Managing Officer, General Manager, Power & Utility Division, Itochu Enex Co., Ltd.	
	April 2016	Director and Senior Managing Officer, Chief Operating Officer, Power & Gas Business Group, Itochu Enex Co., Ltd.	
	April 2017	Director and Senior Managing Officer, Chief Operating Officer, Power & Gas Business Group, Executive Advisory Officer for Automobile Business Office, Itochu Enex Co., Ltd.	
	April 2018	Director and Senior Managing Officer, Chief Operating Officer, Power & Utility Group, Chief Operating Officer, Power & Utility Division, and Executive Advisory Officer for Mobility Life Department, Itochu Enex Co., Ltd. (to date)	
Significant concurrent positions outside the Company	Director, Osaka Car Life Group Co., Ltd. Director, Nissan Osaka Sales Co., Ltd.		
Reasons for nomination as candidate for Director	Masahiko Takasaka worked primarily in the automobile and logistics businesses at ITOCHU Corporation for many years, during which time he held various managerial positions, including Chief Operating Officer of ITOCHU Corporation's Logistics Services Division and Executive Officer. At the Company, he previously held the post of General Manager for Power & Utilities Division and is currently Chief Operating Officer, Power & Utility Group, Chief Operating Officer, Power & Utility Division, and Executive Advisory Officer for Mobility Life Department. He has been nominated to another term as Director because of his extensive business experience and broad knowledge of corporate management.		

3	Kyosuke Wakamatsu	
	Date of Birth: May 21, 1962 Age: 56	[New election]
Number of the Company's shares owned		14,200 shares
Career summary, position and responsibilities	April 1985	Joined Itochu Fuel Corporation (currently, Itochu Enex Co., Ltd.)
	April 2004	Manager for Corporate Planning Team of Corporate Planning Department, Itochu Enex Co., Ltd.
	April 2007	Manager for Planning & Administration Section of Planning & Administration Department of Home-Life Division, Itochu Enex Co., Ltd.
	April 2008	Deputy General Manager for Planning & Administration Department of Home-Life Division, Itochu Enex Co., Ltd.
	April 2009	General Manager for Planning & Administration Department of Home-Life Division, Itochu Enex Co., Ltd.
	April 2012	General Manager for Planning & Administration Department, Industrial Material Division, Itochu Enex Co., Ltd.
	October 2012	General Manager for Corporate Planning Department, Itochu Enex Co., Ltd.
	April 2013	Executive Officer, General Manager for Corporate & Planning Department, Itochu Enex Co., Ltd.
	April 2016	Representative Director and President and Chief Executive Officer, Itochu Enex Home-Life Tohoku Co., Ltd.
	October 2017	Executive Officer, Deputy Chief Operating Officer for Home-Life Division, General Manager for Planning & Administration Department, Itochu Enex Co., Ltd.
	March 2018	Executive Officer, Chief Operating Officer for Home-Life Division, General Manager for Planning & Administration Department, Itochu Enex Co., Ltd.
	April 2018	Managing Officer, Chief Operating Officer for Energy & Logistics Group, Chief Operating Officer for Home-Life Division, Itochu Enex Co., Ltd. (to date)
Significant concurrent positions outside the Company	None	
Reasons for nomination as candidate for Director	Kyosuke Wakamatsu has worked primarily in the liquefied petroleum gas related business for many years, and has also served as General Manager for the Corporate Planning Department and Representative Director at one of the Company's group companies, Itochu Enex Home-Life Tohoku Co., Ltd. He currently holds the concurrent positions of Chief Operating Officer, for Energy & Logistics Group and Chief Operating Officer for Home-Life Division. He has been nominated as a new candidate for Director because of his extensive business experience at both the Company and its group companies and his broad knowledge of corporate management.	

4	Tatsuro Utsumi	
	Date of Birth: March 21, 1964 Age: 54	[New election]
Number of the Company's shares owned		13,100 shares
Career summary, position and responsibilities	April 1987	Joined Itochu Fuel Corporation (currently, Itochu Enex Co., Ltd.)
	September 2009	General Manager for Corporate Planning Department, Itochu Enex Co., Ltd.
	April 2011	General Manager for Planning & Administration Department, Car-Life Division, Itochu Enex Co., Ltd.
	October 2012	General Manager for Planning & Administration Department, Industrial Material Division, Itochu Enex Co., Ltd.
	April 2013	General Manager for Planning & Administration Department, Energy Trade Division, Itochu Enex Co., Ltd.
	April 2014	General Manager for Human Resources & General Affairs Department, Itochu Enex Co., Ltd.
	April 2015	Executive Officer, General Manager for Human Resources & General Affairs Department, Itochu Enex Co., Ltd.
	April 2016	Executive Officer, General Manager for Corporate Planning Department, Itochu Enex Co., Ltd.
	August 2017	Executive Officer, General Manager for Corporate Planning Department, Deputy Chief Operation Officer for Corporate Administration Division II, Itochu Enex Co., Ltd.
	October 2017	Executive Officer, Chief Compliance Officer, Chief Information Officer, Chief Operation Officer for Corporate Administration Division II, General Manager for Corporate Planning Department, Itochu Enex Co., Ltd.
April 2018	Executive Officer, Chief Compliance Officer, General Manager for Corporate Planning Department, Itochu Enex Co., Ltd. (to date)	
Significant concurrent positions outside the Company	None	
Reasons for nomination as candidate for Director	Tatsuro Utsumi has worked primarily in the liquefied petroleum gas related business for many years, and has also served as General Manager for Human Resources & General Affairs Department and Chief Operation Officer for Corporate Administration Division II. He currently holds the concurrent positions of Chief Compliance Officer and General Manager for Corporate Planning Department. He has been nominated as a new candidate for Director because of his extensive business experience at the Company and his broad knowledge of corporate management.	

5	Atsushi Katsu	
	Date of Birth: April 30, 1959 Age: 59	[New election]
Number of the Company's shares owned - shares		
Career summary, position and responsibilities	April 1983	Joined C. Itoh & Co. Ltd. (currently, ITOCHU Corporation)
	May 2005	General Manager for Structured Finance Department, Finance Division, ITOCHU Corporation
	May 2009	General Manager for Finance and Accounting Department, General Manager for Legal & Credit Control Department, ITOCHU Singapore Pte Ltd., Assistant to CEO for Asia Bloc, ITOCHU Corporation
	October 2010	Chief Administration Control Officer for Asia Bloc, ITOCHU Corporation
	April 2011	Chief Administration Control Officer for ASEAN & South West Asia Bloc, ITOCHU Corporation, Executive Vice President, ITOCHU Singapore Pte Ltd.
	April 2013	Director, Dole International Holdings, Inc. (Seconded)
	April 2014	Executive Officer, ITOCHU Corporation
	April 2015	Director, Executive Vice President, Dole Asia Holdings Pte. Ltd. (Seconded)
	March 2016	Retired from Executive Officer, ITOCHU Corporation
	April 2016	Director, Executive Vice President, Dole Asia Holdings Pte. Ltd.
	May 2018	Corporate Adviser, Itochu Enex Co., Ltd. (to date)
Significant concurrent positions outside the Company	None	
Reasons for nomination as candidate for Director	Atsushi Katsu has many years of experience at ITOCHU Corporation, primarily in Finance and Accounting related operations. He has held various managerial positions, including Executive Officer at ITOCHU Corporation and Director, Vice President at Dole Asia Holdings Pte. Ltd. Currently, he is serving as a Corporate Adviser at the Company. He has been nominated as a new candidate for Director because of his extensive business experience and his knowledge of administration and operations.	

6	Seiichi Shimbo		[Reelection] [Outside] [Independent]
	Date of Birth: April 9, 1951 Age: 67	Tenure of Office on the Board: 3 years Board of Directors Meeting Attendance: 12/12 Meetings	
Number of the Company's shares owned		6,500 shares	
Career summary, position and responsibilities	April 1975	Joined Tokio Marine Fire Insurance Co., Ltd. (currently, Tokio Marine & Nichido Fire Insurance Co., Ltd.)	
	April 2000	General Manager for Corporate Planning Department, Tokio Marine Fire Insurance Co., Ltd.	
	June 2003	General Manager for 3rd Automobile Sales Department of Tokyo Automobile Headquarter, Tokio Marine Fire Insurance Co., Ltd.	
	June 2004	Executive Officer, General Manager for 3rd Automobile Sales Department of Tokyo Automobile Headquarter, Tokio Marine Fire Insurance Co., Ltd.	
	October 2006	Managing Executive Officer, Tokio Marine & Nichido Fire Insurance Co., Ltd.	
	July 2009	Senior Director, Non-life Insurance Policy-holders Protection Corporation of Japan	
	June 2013	Outside Auditor, TOKYO OHKA KOGYO CO., LTD.	
	June 2015	Outside Director, Itochu Enex Co., Ltd. (to date)	
Significant concurrent positions outside the Company	Outside Director, Carlit Holdings Co., Ltd. (scheduled to assume the position on June 28, 2018)		
Reasons for nomination as candidate for Outside Director	At Tokio Marine & Nichido Fire Insurance Co., Ltd., Seiichi Shimbo has held the positions of General Manager for the Corporate Planning Department, General Manager for the Third Automotive Sales Department, and Managing Executive Officer. He has been nominated to another term as Outside Director because of his broad knowledge and extensive experience in the finance and automobile-related businesses and the pertinent advice that he offers to the Company's management from an objective perspective.		

7	Ichiro Saeki		[Reelection] [Outside] [Independent]
	Date of Birth: September 26, 1951 Age: 66	Tenure of Office on the Board: 2 years Board of Directors Meeting Attendance: 12/12 Meetings	
Number of the Company's shares owned		4,100 shares	
Career summary, position and responsibilities	April 1975	Joined The Nippon Fudosan Bank (currently, Aozora Bank, Ltd.)	
	March 1991	Resigned The Nippon Fudosan Bank	
	April 1991	The Supreme Court Legal Apprentice (The 45th term Assigned to the Yokohama District Court)	
	April 1993	Completed Legal Apprentice, reinstated to The Nippon Credit Bank Ltd. (currently, Aozora Bank, Ltd.)	
	June 1993	Deputy General Manager, General Planning Division, The Nippon Credit Bank, Ltd. (currently, Aozora Bank, Ltd.)	
	April 1995	Registered with the Daini Tokyo Bar Association as an attorney-at-law	
	June 1997	General Manager, General Planning Division, The Nippon Credit Bank, Ltd.	
	February 1999	Resigned The Nippon Credit Bank, Ltd. Established Saeki Law Office	
	April 2002	Visiting Professor, Faculty of Law, Teikyo University	
	March 2004	Established Shi-Go-Roku Law Office as Representative Attorney (to date)	
	April 2004	Professor, Omiya Law School	
	April 2007	Professor, Law School, Aoyama Gakuin University (to date)	
	June 2016	Outside Director, Itochu Enex Co., Ltd. (to date)	
Significant concurrent positions outside the Company	Representative Attorney, Shi-Go-Roku Law Office Professor, Law School, Aoyama Gakuin University		
Reasons for nomination as candidate for Outside Director	Ichiro Saeki has specialized knowledge in his capacity as an attorney and extensive experience with corporate legal affairs. He also acquired broad knowledge of banking and finance during his tenure at Nippon Credit Bank Ltd. (currently, Aozora Bank, Ltd.). He has been nominated to another term as a candidate for Outside Director because the Company believes that his deep knowledge of banking and finance will enable him to contribute to the proper oversight of the Company's business conduct and offer advice from an objective and expert point of view.		

8	Hisato Okubo		[Reelection]
	Date of Birth: May 10, 1963 Age: 55	Tenure of Office on the Board: 1 year Board of Directors Meeting Attendance: 8/8 Meetings	
Number of the Company's shares owned		- shares	
Career summary, position and responsibilities	April 1986	Joined C. Itoh & Co. Ltd. (currently, ITOCHU Corporation)	
	September 2009	General Manager for Natural Gas Business Department, ITOCHU Corporation	
	April 2012	General Manager for Energy & Chemicals Planning and Administration Department and Compliance Officer for Energy & Chemicals Company, ITOCHU Corporation	
	April 2013	Deputy Chief Operating Officer, Energy Division No. 2 and General Manager for E&P, ITOCHU Corporation	
	April 2014	Chief Operating Officer, Energy Division No. 2, ITOCHU Corporation	
	April 2016	General Manager for Energy & Chemicals Planning and Administration Department and CP & CITIC Business Development Department, and Compliance Officer for Energy & Chemicals Company, ITOCHU Corporation	
	April 2017	Executive Officer, Chief Operating Officer for Energy Division, ITOCHU Corporation (to date)	
	June 2017	Director, Itochu Enex Co., Ltd. (to date)	
Significant concurrent positions outside the Company	Executive Officer, Chief Operating Officer for Energy Division, ITOCHU Corporation Director, Sakhalin Oil and Gas Development Co., Ltd.		
Reasons for nomination as candidate for Outside Director	Hisato Okubo has worked primarily in energy-related trade and business development and other areas for many years at ITOCHU Corporation and is currently an Executive Officer and Chief Operating Officer for Energy Division at the company. He has been nominated as a candidate for Director because the Company believes that, based on his broad-based knowledge of global business management that he has acquired through his extensive experience, he will suitably provide advice to Company management and contribute to the execution of the Company's business.		

Notes:

1. There is no special interest between each candidate and the Company.
2. The “Career summary, position and responsibilities” of Director candidates Atsushi Katsu, and Hisato Okubo list their positions as Executives and areas of responsibility over the past five (5) years and currently at ITOCHU Corporation, the Company’s parent company, and its subsidiaries.
3. Seiichi Shimbo and Ichiro Saeki are candidates for Outside Director.
4. The term of office of Seiichi Shimbo as Outside Director will be three (3) years as of the conclusion of this meeting. The term of office of Ichiro Saeki as Outside Director will be two (2) years as of the conclusion of this meeting.
5. Hisato Okubo has been serving as a business executive at ITOCHU Corporation, which had specific relations with the Company (parent company), during the past five years. He received salary and other compensation for the last two years from the company as well, and is expected to continue to receive salary and other compensation from the company.
6. Pursuant to prescriptions in Article 427, Paragraph 1 of the Companies Act, the Company has entered into separate limited liability agreements with Seiichi Shimbo, Ichiro Saeki and Hisato Okubo as set forth in Article 423, Paragraph 1 of the Act. In the event that the Director has acted in good faith and committed no gross negligence in the performance of his duties, the liability amount under this contract shall be limited to the Minimum Liability Amount as set forth in Article 425, Paragraph 1, of said Act. If this proposal is approved, the Company will extend the limited liability agreements with each of them.
7. In the event that Seiichi Shimbo and Ichiro Saeki are elected as Director, in accordance with Tokyo Stock Exchange guidelines, the Company will continue to have the candidates as Independent Directors.

Proposal 4: Election of one (1) Audit & Supervisory Board Member

Audit & Supervisory Board Member Hisayoshi Ojima will resign at the conclusion of this meeting. Therefore, the Company proposes the election of one (1) Audit & Supervisory Board Member.

The candidate for Audit & Supervisory Board Member, Toyohiro Sunayama, however, is not a substitute candidate for any retiring Audit & Supervisory Board Member, and his term of office, if elected, will expire at the conclusion of the annual general meeting of shareholders for the last fiscal year that ends within four years from the time of his election.

The Audit & Supervisory Board has given its consent to this proposal.

The candidate for Audit & Supervisory Board Member is as follows:

Furthermore, in order to increase the transparency of the decision-making process in regard to the selection of Audit & Supervisory Board Member candidates, the Company has made these decisions upon consultation with the Governance Committee, which consists of two (2) Internal Directors, one (1) Outside Director, and one (1) Outside Audit & Supervisory Board Member.

Toyohiro Sunayama Date of Birth: August 17, 1960 Age: 57		[New election] [Outside]
Number of the Company's shares owned		- shares
Career summary and position	April 1983	Joined C. Itoh & Co. Ltd. (currently, ITOCHU Corporation)
	April 2008	General Manager for Textile Material & Fabric Department, General Manager for Next-gen DPF Business Promotion Office, ITOCHU Corporation
	April 2009	Chief Corporate Planning Officer & Chief Compliance Officer for Asia Bloc of ITOCHU Corporation, General Manager for Corporate Planning Department of ITOCHU Singapore Pte Ltd.
	October 2010	Chief Corporate Planning Officer & Chief Compliance Officer for Asia Bloc of ITOCHU Corporation, Executive Vice President of ITOCHU Singapore Pte Ltd.
	April 2012	Director for East Asia Bloc, ITOCHU Corporation, Managing Director, ITOCHU HONG KONG LTD.
	April 2015	Executive Officer, Leilian Co., Ltd. (Seconded)
	July 2016	Director, Chief Administration Officer, Leilian Co., Ltd. (Seconded)
	April 2017	Executive Director, Chief Administrative Officer, Leilian Co., Ltd. (Seconded) (to date)
Significant concurrent positions outside the Company	Executive Director, Leilian Co., Ltd. (scheduled to retire the position on June 19, 2018)	
Reasons for nomination as candidate for Outside Audit & Supervisory Board Member	Toyohiro Sunayama has many years of experience at ITOCHU Corporation, primarily in textile-related business, corporate planning operations overseas, etc., and he is currently serving as Executive Director, Chief Administrative Officer at Leilian Co., Ltd. He has been nominated as a new candidate for Audit & Supervisory Board Member because the Company deemed that he can provide management advisory and appropriate supervision of the execution of operations based on his broad knowledge regarding global business management and administrative business gained through abundant experience.	

Notes:

1. There is no special interest between Toyohiro Sunayama and the Company.
2. Toyohiro Sunayama is the candidate for Outside Audit & Supervisory Board Member.
3. The "Career summary and position" of Toyohiro Sunayama lists his positions as Executive and areas of responsibility over the past five (5) years and currently at ITOCHU Corporation, the Company's parent company.
4. If this proposal is approved as originally proposed, pursuant to prescriptions in Article 427, Paragraph 1 of the Companies Act, the Company plans to enter into an agreement with Toyohiro Sunayama that limits liability for damages as set forth in Article 423, Paragraph 1 of the Act. The limit of liability for damages under said agreement, assuming the relevant Audit & Supervisory Board Member carries out his or her duties in good faith and without gross negligence, is the minimum liability limit stipulated in Article 425, Paragraph 1 of the Act.

(Reference) Criteria for Determining the Independence of Outside Directors

In regard to criteria for determining the independence of Outside Directors, the Company determines such independence after confirming the presence or absence of conditions (1) through (5) below and in accordance with the requirements for independence set forth by the Tokyo Stock Exchange, Inc. and other financial exchanges.

- (1) Is not currently, nor has ever been within the past ten (10) years, an Executive* of the Company or of a subsidiary of the Company (for Outside Audit & Supervisory Board Members, this includes Directors who are not Executives).
- (2) Is not currently, nor has been within the past three (3) years, an Executive or director of the Company's parent company or an Executive of another company owned by the Company's parent company.
- (3) Is not currently, nor has been within the past three (3) years, a major shareholder owning a stake of 10% or more, either directly or indirectly, of the Company's shares, or an Executive of such shareholder.
- (4) In either the most recent financial reporting period or during the three periods preceding the most recent financial reporting period, has not been a major customer comprising more than 2% of the turnover (sales or transaction volume) during the Company's most recent financial reporting period in which such transactions took place, or an Executive of such customer.
- (5) Within the past three (3) years, has not served as a consultant, accounting specialist, legal profession, or tax practitioner receiving annual compensation of 10 million yen or more from the Company in addition to Director's compensation (if the person receiving such compensation is an organization, such as a corporation or association, a person who belongs to such organization).

* "Executive" refers to executive directors, executive officers, and other such employees.