



June 20, 2018

To whom it may concern

F R O N T E O , I n c .  
Representative: Masahiro Morimoto, Chief  
Executive Officer and President  
(Tokyo Stock Exchange Company Code: 2158)  
(T i c k e r S y m b o l : F T E O , N A S D A Q )  
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Modification of Convocation Notice of the 15<sup>th</sup> General Meeting of Shareholders

FRONTEO, Inc. (the “Company”) hereby announces modification of “Convocation Notice of the 15<sup>th</sup> General Meeting of Shareholders”, which the Company sent out on June 15, 2018, by adding information stated below. The Company asks the shareholders to accept its sincere apology for any inconvenience this modification may cause.

1. 2<sup>nd</sup> Proposal election of Two (2) Statutory Auditors

Additional information to Notes under Mr. Kunihiro Sudo, Candidate Number 1

Additional information to Notes under Mr. Takaharu Yasumoto, Candidate Number 2

2. Information added to “Convocation Notice of the 15<sup>th</sup> General Meeting of Shareholders”

- i) Subscription rights to shares
- ii) Company Executives

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## TRANSLATION

### Attachment

#### 1. Item 2 Election of Two (2) Statutory Auditors

Information added to each candidate's note section is underlined

Additional information to Notes under Mr. Kunihiro Sudo, Candidate Number 1

Additional information to Notes under Mr. Takaharu Yasumoto, Candidate Number 2

Candidate Number	Name (Date of Birth)	Career summary and position in the Company (important concurrent positions at other organizations)	Number of the Company's shares held by candidate  (As of March, 31, 2018)
1	Kunihiro Sudo (Born on August 14, 1945)	<p>December 1969    Joined Victor Company of Japan, Limited (currently JVC KENWOOD Corporation)</p> <p>July 2002        Director and Administration Manager, Victor Leisure System Co., Ltd.</p> <p>August 2005     Retired from Victor Company of Japan, Limited</p> <p>October 2005    Advisor, Victor Leisure System Co., Ltd.</p> <p>March 2007      Advisor, XING Inc.</p> <p>July 2007        Joined Kabushiki Kaisha Aqua Cast ("Aqua Cast")</p> <p>October 2007    Director and General Manager of Administration, Aqua Cast</p> <p>January 2009    Retired from Aqua Cast</p> <p>April 2011       Outside Statutory Auditor, the Company (current)</p>	2,600

(Notes) 1. There is no special interest between the candidate for Statutory Auditor and the Company.

2. Mr. Kunihiro Sudo is a candidate for Outside Statutory Auditor, and the reason for nomination is as follows:

Mr. Kunihiro Sudo, who is knowledgeable about accounting and business management, is being nominated so that the Company can expect his long years of experience and wide knowledge to be reflected in the Company's auditing work.

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3. The numbers of elapsed years from the date when the candidate for Statutory Auditor was appointed as Outside Statutory Auditor is as follows:

Seven (7) years and two (2) months will have passed at the conclusion of this meeting of shareholders since Mr. Kunihiro Sudo, Outside Statutory Auditor of the Company at present, was appointed as such position.

4. The agreement with candidate for Outside Statutory Auditor to limit liabilities is as follows:

In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Kunihiro Sudo which restricts his liability for compensation of damages under Article 423, Paragraph 1 of the Companies Act when requirements provided for by laws and ordinances are met. The limit amount of liability under such agreement shall be the minimum amount of liability provided for by laws and ordinances if he has performed his duties in good faith and without gross negligence.

When the election of Outside Statutory Auditor is approved, the Company intends to continue such agreement.

5. There are no transactions between the companies in which Mr. Kunihiro Sudo holds concurrent positions and the Company, and it has been concluded that there are no conflicts of interest between general shareholders and him. The Company has registered him as an independent director stipulated by Tokyo Stock Exchange, Inc. Upon his re-election, the Company intends to continue to designate him as independent director.

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Candidate Number	Name (Date of Birth)	Career summary and position in the Company (important concurrent positions at other organizations)	Number of the Company's shares held by candidate  (As of March, 31, 2018)
2	Takaharu Yasumoto (Born on March 10, 1954)	<p>November 1978    Joined Auditing Corporation Asahi Kaikeisha (currently KPMG AZSA LLC)</p> <p>August 1982      Registered as Certified Public Accountant in Japan</p> <p>April 1992        President, Yasumoto CPA Office (current)</p> <p>November 1993   Statutory Auditor, Fast Retailing Co., Ltd. (current)</p> <p>August 2001      Statutory Auditor, ASKUL Corporation (current)</p> <p>June 2003        Statutory Auditor, Link International Co., Ltd. (currently Link Theory Japan Co., Ltd.) (current)</p> <p>April 2007        Guest Professor, Chuo Graduate School of International Accounting</p> <p>June 2010        Outside Statutory Auditor, the Company (current)</p> <p>December 2017   Corporate Auditor, GROOVE X, Inc. (current)</p>	4,000

- (Notes)
1. There is no special interest between the candidate for Statutory Auditor and the Company.
  2. Mr. Takaharu Yasumoto is a candidate for Outside Statutory Auditor, and the reason for nomination is as follows:  
Mr. Takaharu Yasumoto, who is qualified as a certified public accountant in Japan, is being nominated so that he can exercise his talent in auditing the Company's business to a standard of high professionalism.
  3. The numbers of elapsed years from the date when the candidate for Statutory Auditor was appointed as Outside Statutory Auditor is as follows:  
Eight (8) years will have passed at the conclusion of this meeting of shareholders since

## TRANSLATION

Mr. Takaharu Yasumoto, Outside Statutory Auditor of the Company at present, was appointed as such position.

4. The agreement with candidate for Outside Statutory Auditor to limit liabilities is as follows:

In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Takaharu Yasumoto which restricts his liability for compensation of damages under Article 423, Paragraph 1 of the Companies Act when requirements provided for by laws and ordinances are met. The limit amount of liability under such agreement shall be the minimum amount of liability provided for by laws and ordinances if he has performed his duties in good faith and without gross negligence.

When the election of Outside Statutory Auditor is approved, the Company intends to continue such agreement.

5. There are transactions which relates to system distribution between ASKUL corporation, one of the companies in which Mr. Takaharu Yasumoto holds concurrent positions, and the Company. However, the volume is scarce and because Company does not have any transactions with other Companies that Mr. Yasumoto holds concurrent positions, it has been concluded that there are no conflicts of interest between general shareholders and him. The Company has registered him as an independent director stipulated by Tokyo Stock Exchange, Inc. Upon his re-election, the Company intends to continue to designate him as independent director.

## TRANSLATION

### 2. Information added to “Convocation Notice of the 15<sup>th</sup> General Meeting of Shareholders”

#### i) Subscription rights to shares

- 1) Subscription rights to shares issued to the Company’s executives as remuneration for performance of their duties (As of March 31, 2018)

Name of subscription rights		<b>The sixth subscription rights to shares</b>	
Resolution date for issuance		June 1, 2012	
Number of subscription rights		400	
Class and number of shares for subscription rights		Common stock of the Company 40,000 (100 shares for every subscription right to shares)	
Issue price of subscription rights		Issued without consideration	
Value of property to be contributed upon exercise of each subscription right		Value per subscription right to shares 80,960 yen (Value per share 810 yen)	
Exercise period		From June 22, 2015 to June 21, 2018	
Conditions for exercise		(Note 1)	
Subscription rights held by executives (Note 2)	Outside directors	Number of subscription rights	200
		Number of shares for subscription rights	20,000
		Number of holders	2
	Audit and Supervisory Board Members	Number of subscription rights	200
		Number of shares for subscription rights	20,000
		Number of holders	2

(Note) 1. 1) A person to whom the subscription rights to shares have been allotted (hereinafter referred to as “holder”) must be a director, Audit and Supervisory Board Member, corporate officer, or employee of the Company or its subsidiaries (including collaborators for the sixth subscription rights to shares) when exercising the rights unless the holder is no longer in such a position because he or she has retired at the end of his or her term or reached retirement age, received notification of compulsory redundancy, or for some other valid reason.

2) Inheritance of subscription rights to shares is not permitted.

3) Partial exercise of subscription rights to shares is not permitted.

4) Other conditions are defined in “Allotment of Subscription Rights to Shares Agreement” concluded between the Company and the holder in accordance with the Board of Directors’ resolution.

(Note) 2. This is not applicable to directors (except for outside directors).

## TRANSLATION

Name of subscription rights		<b>The 17th subscription rights to shares</b>	
Resolution date for issuance		June 14, 2017	
Number of subscription rights		1,702	
Class and number of shares for subscription rights		Common stock of the Company 170,200 (100 shares for every subscription right to shares)	
Issue price of subscription rights		Value per subscription right to shares 4,200 yen (Value per share 42 yen)	
Value of property to be contributed upon exercise of each subscription right		Value per subscription right to shares 73,100 yen (Value per share 731 yen)	
Exercise period		From July 1, 2019 to July 6, 2022	
Conditions for exercise		(Note 3)	
Subscription rights held by executives	Directors	Number of subscription rights	1,702
		Number of shares for subscription rights	170,200
		Number of holders	3

(Note) 3. 1) The holders described above may exercise the subscription right for the number of shares held in accordance with the percentage stated in (a) or (b) below ("exercisable percentage"), when the cumulative amount of operating profit in the consolidated statement of income (the statement of income if the consolidated statement of income is not prepared) in the Securities Reports from the fiscal year ended March 31, 2018, through the fiscal year ending March 31, 2019, fulfills the condition stated in (a) or (b) below. Fractions less than one subscription right to shares are rounded down. When the concepts of the referencing items change significantly by the application of International Financial Reporting Standards, for example, new referencing indexes will be determined at the Board of Directors.

(a) Operating profit exceeding 800 million yen: exercisable percentage is 50 %.

(b) Operating profit exceeding 1,000 million yen: exercisable percentage is 100 %.

2) In order to exercise subscription rights, the holder must meet the following requirements: (i) the person has continuously been either a director (including Officers in the U.S.), Audit and Supervisory Board Member, or employee (including those who became temporary employees by re-employment rules) of the Company or its subsidiaries for at least two years before the time of exercising subscription rights; (ii) the person is either a director (including Officers in the U.S.), Audit and Supervisory Board Member, or employee (including those who became temporary employees by re-employment rules) of the Company or its subsidiaries at the time of exercising subscription rights. However, if the holder does not fulfill the requirement stated in (ii) at the time of exercising the subscription rights because he or she has retired at the end of his or her term, or reached the retirement age, or for some other reasons recognized as valid by the Board of Directors, the holder may exercise the subscription rights by fulfilling only the requirement stated in (i) within 90 days from the date of the retirement from the position stated in (ii).

3) Exercise of subscription rights to shares by heirs of holders is not permitted.

4) Subscription rights cannot be exercised when exercising the rights would result in the total number of issued and outstanding shares exceeding the number of authorized shares by the Company.

5) Exercise of less than one subscription right to shares is not permitted.

## TRANSLATION

Name of subscription rights		<b>The 20th subscription rights to shares</b>	
Resolution date for issuance		December 22, 2017	
Number of subscription rights		600	
Class and number of shares for subscription rights		Common stock of the Company 60,000 (100 shares for every subscription right to shares)	
Issue price of subscription rights		Issued without consideration	
Value of property to be contributed upon exercise of each subscription right		Value per subscription right to shares 70,600 yen (Value per share 706 yen)	
Exercise period		From December 26, 2020 to December 25, 2023	
Conditions for exercise		(Note 4)	
Subscription rights held by executives	Directors	Number of subscription rights	600
		Number of shares for subscription rights	60,000
		Number of holders	3

(Note) 4. 1) In order to exercise subscription rights, the holder must meet the following requirements: (i) the person has continuously been either a director (including Officers in the U.S.), Audit and Supervisory Board Member, or employee (including those who became temporary employees by re-employment rules) of the Company or its subsidiaries for at least three years before the time of exercising subscription rights; (ii) the person is either a director (including Officers in the U.S.), Audit and Supervisory Board Member, or employee (including those who became temporary employees by re-employment rules) of the Company or its subsidiaries at the time of exercising subscription rights. However, if the holder does not fulfill the requirement stated in (ii) at the time of exercising the subscription rights because he or she has retired at the end of his or her term, or reached the retirement age, or for some other reasons recognized as valid by the Board of Directors, the holder may exercise the subscription rights by fulfilling only the requirement stated in (i) within 90 days from the date of the retirement from the position stated in (ii).

2) Inheritance of subscription rights to shares is not permitted.

3) Partial exercise of subscription rights to shares is not permitted.

4) Other conditions are defined in "Allotment of Subscription Rights to Shares Agreement" concluded between the Company and the holder in accordance with the Board of Directors' resolution.



## TRANSLATION

- 2) Issuance of subscription rights to shares to the Company's employees and the subsidiaries' executives and employees as remuneration for performance of their duties for the year ended March 31, 2018

Name of subscription rights		<b>The 16th subscription rights to shares</b>	
Resolution date for issuance		April 20, 2017	
Number of subscription rights		1,050	
Class and number of shares for subscription rights		Common stock of the Company 105,000 (100 shares for every subscription right to shares)	
Issue price of subscription rights		Issued without consideration	
Value of property to be contributed upon exercise of each subscription right		Value per subscription right to shares 77,400 yen (Value per share 774 yen)	
Exercise period		From April 22, 2020 to April 21, 2023	
Conditions for exercise		(Note 1)	
Subscription rights held by executives and employees	Employees of the Company	Number of subscription rights	450
		Number of shares for subscription rights	45,000
		Number of holders	3
	Officers and employees of the subsidiaries	Number of subscription rights	600
		Number of shares for subscription rights	60,000
		Number of holders	3

## TRANSLATION

Name of subscription rights		The 18th subscription rights to shares	
Resolution date for issuance		June 22, 2017	
Number of subscription rights		700	
Class and number of shares for subscription rights		Common stock of the Company 70,000 (100 shares for every subscription right to shares)	
Issue price of subscription rights		Issued without consideration	
Value of property to be contributed upon exercise of each subscription right		Value per subscription right to shares 76,300 yen (Value per share 763 yen)	
Exercise period		From June 24, 2020 to June 23, 2023	
Conditions for exercise		(Note 1)	
Subscription rights held by executives and employees	Employees of the Company	Number of subscription rights	350
		Number of shares for subscription rights	35,000
		Number of holders	24
	Officers and employees of the subsidiaries	Number of subscription rights	350
		Number of shares for subscription rights	35,000
		Number of holders	15

- (Note) 1. 1) In order to exercise subscription rights, the holder must meet the following requirements: (i) the person has continuously been either a director (including Officers in the U.S.), Audit and Supervisory Board Member, or employee (including those who became temporary employees by re-employment rules) of the Company or its subsidiaries for at least three years before the time of exercising subscription rights; (ii) the person is either a director (including Officers in the U.S.), Audit and Supervisory Board Member, or employee (including those who became temporary employees by re-employment rules) of the Company or its subsidiaries at the time of exercising subscription rights. However, if the holder does not fulfill the requirement stated in (ii) at the time of exercising the subscription rights because he or she has retired at the end of his or her term, or reached the retirement age, or for some other reasons recognized as valid by the Board of Directors, the holder may exercise the subscription rights by fulfilling only the requirement stated in (i) within 90 days from the date of the retirement from the position stated in (ii).
- 2) Inheritance of subscription rights to shares is not permitted.
  - 3) Partial exercise of subscription rights to shares is not permitted.
  - 4) Other conditions are defined in “Allotment of Subscription Rights to Shares Agreement” concluded between the Company and the holder in accordance with the Board of Directors’ resolution.

## TRANSLATION

Name of subscription rights		<b>The 17th subscription rights to shares</b>	
Resolution date for issuance		June 14, 2017	
Number of subscription rights		5,808	
Class and number of shares for subscription rights		Common stock of the Company 580,800 (100 shares for every subscription right to shares)	
Issue price of subscription rights		Issued without consideration	
Value of property to be contributed upon exercise of each subscription right		Value per subscription right to shares 4,200 yen (Value per share 42 yen)	
Exercise period		From July 1, 2019 to July 6, 2022	
Conditions for exercise		(Note 2)	
Subscription rights held by executives and employees	Employees of the Company	Number of subscription rights	1,188
		Number of shares for subscription rights	118,800
		Number of holders	22
	Officers and employees of the subsidiaries	Number of subscription rights	4,620
		Number of shares for subscription rights	462,000
		Number of holders	14

(Note) 2. 1) The holders described above may exercise the subscription right for the number of shares held in accordance with the percentage stated in (a) or (b) below (“exercisable percentage”), when the cumulative amount of operating profit in the consolidated statement of income (the statement of income if the consolidated statement of income is not prepared) in the Securities Reports from the fiscal year ended March 31, 2018, through the fiscal year ending March 31, 2019, fulfills the condition stated in (a) or (b) below. Fractions less than one subscription right to shares are rounded down. When the concepts of the referencing items change significantly by the application of International Financial Reporting Standards, for example, new referencing indexes will be determined at the Board of Directors.

(a) Operating profit exceeding 800 million yen: exercisable percentage is 50 %.

(b) Operating profit exceeding 1,000 million yen: exercisable percentage is 100 %.

2) In order to exercise subscription rights, the holder must meet the following requirements: (i) the person has continuously been either a director (including Officers in the U.S.), Audit and Supervisory Board Member, or employee (including those who became temporary employees by re-employment rules) of the Company or its subsidiaries for at least two years before the time of exercising subscription rights; (ii) the person is either a director (including Officers in the U.S.), Audit and Supervisory Board Member, or employee (including those who became temporary employees by re-employment rules) of the Company or its subsidiaries at the time of exercising subscription rights. However, if the holder does not fulfill the requirement stated in (ii) at the time of exercising the subscription rights because he or she has retired at the end of his or her term, or reached the retirement age, or for some other reasons recognized as valid by the Board of Directors, the holder may exercise the subscription rights by fulfilling only the requirement stated in (i) within 90 days from the date of the retirement from the position stated in (ii).

3) Exercise of subscription rights to shares by heirs of holders is not permitted.

4) Subscription rights cannot be exercised when exercising the rights would result in the total number of issued and outstanding shares exceeding the number of authorized shares by the Company.

5) Exercise of less than one subscription right to shares is not permitted.

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Name of subscription rights		The 20th subscription rights to shares
Resolution date for issuance		December 22, 2017
Number of subscription rights		850
Class and number of shares for subscription rights		Common stock of the Company 85,000 (100 shares for every subscription right to shares)
Issue price of subscription rights		Issued without consideration
Value of property to be contributed upon exercise of each subscription right		Value per subscription right to shares 70,600 yen (Value per share 706 yen)
Exercise period		From December 26, 2020 to December 25, 2023
Conditions for exercise		(Note 3)
Subscription rights held by executives and employees	Employees of the Company	Number of subscription rights 700
		Number of shares for subscription rights 70,000
		Number of holders 4
	Officers and employees of the subsidiaries	Number of subscription rights 150
		Number of shares for subscription rights 15,000
		Number of holders 1

Name of subscription rights		The 21st subscription rights to shares
Resolution date for issuance		March 26, 2018
Number of subscription rights		224
Class and number of shares for subscription rights		Common stock of the Company 22,400 (100 shares for every subscription right to shares)
Issue price of subscription rights		Issued without consideration
Value of property to be contributed upon exercise of each subscription right		Value per subscription right to shares 83,000 yen (Value per share 830 yen)
Exercise period		From March 27, 2021 to March 26, 2024
Conditions for exercise		(Note 3)
Subscription rights held by executives and employees	Officers of the subsidiaries	Number of subscription rights 224
		Number of shares for subscription rights 22,400
		Number of holders 1

(Note) 3. 1) In order to exercise subscription rights, the holder must meet the following requirements: (i) the person has continuously been either a director (including Officers in the U.S.), Audit and Supervisory Board Member, or employee (including those who became temporary employees by re-employment rules) of the Company or its subsidiaries for at least three years before the time of exercising subscription rights; (ii) the person is either a director (including Officers in the U.S.), Audit and Supervisory Board Member, or employee (including those who became temporary employees by re-employment rules) of the Company or its subsidiaries at the time of exercising subscription rights. However, if the holder does not fulfill the requirement stated in (ii) at the time of exercising the subscription rights because he or she has retired at the end of his or her term, or reached the retirement age, or for some other reasons recognized as valid by the Board of Directors, the holder may exercise the subscription rights by fulfilling only the requirement stated in (i) within 90 days from the date of the retirement from the position stated in (ii).

2) Inheritance of subscription rights to shares is not permitted.

3) Exercise of less than one subscription right to shares is not permitted.

4) Other conditions are defined in "Allotment of Subscription Rights to Shares Agreement" concluded between the Company and the holder in accordance with the Board of Directors' resolution.

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### ii) Company executives

#### 1) Directors and Audit and Supervisory Board Members of the Company (As of March 31, 2018)

Position	Name	Concurrent positions
Chief Executive Officer and Chairman of the Board	Masahiro Morimoto	Director of FRONTEO USA, Inc. Executive Chairman of FRONTEO Healthcare, Inc. Director of FRONTEO Communications, Inc.
Executive Vice-President Chief Operating Officer and Director	Naritomo Ikeue	President and Chief Executive Officer of FRONTEO USA, Inc. Director of FRONTEO Healthcare, Inc. Director of FRONTEO Communications, Inc.
Director	Hideki Takeda	Director of FRONTEO Healthcare, Inc. Director of FRONTEO Communications, Inc.
Director	Makoto Funahashi	Chief Executive Officer of The Institute of Security Technology Director of Japan Image Analysis Association Director of Medical IT Security Forum
Director	Hirooki Kirisawa	Chairman of HIBIKI Tax Accountants Corporation Chief Executive Officer of Management Farm K.K.
Audit and Supervisory Board Member (Full-time)	Kunihiro Sudo	N/A
Audit and Supervisory Board Member	Takaharu Yasumoto	President of Yasumoto CPA Office Audit and Supervisory Board Member of FAST RETAILING CO., LTD. Audit and Supervisory Board Member of ASKUL Corporation Audit and Supervisory Board Member of LINK THEORY JAPAN CO., LTD. Audit and Supervisory Board Member of GROOVE X, Inc.
Audit and Supervisory Board Member	Kei Okubo	Partner of Nagashima Ohno & Tsunematsu Law Offices

- (Note) 1. The following are registered with the Tokyo Stock Exchange as independent directors: Mr. Makoto Funahashi, Mr. Hirooki Kirisawa, Mr. Kunihiro Sudo, and Mr. Takaharu Yasumoto.
- Mr. Makoto Funahashi and Mr. Hirooki Kirisawa are outside directors.
  - Mr. Kunihiro Sudo, Mr. Takaharu Yasumoto, and Mr. Kei Okubo are outside Audit and Supervisory Board Members.
  - Mr. Kunihiro Sudo has extensive knowledge in accounting and corporate management, and the Company believes that he has comprehensive knowledge in the areas of finance and accounting.
  - Mr. Takaharu Yasumoto is a certified public accountant and the Company believes that he has comprehensive knowledge in the areas of finance and accounting.
  - Mr. Kei Okubo is a registered attorney, and the Company believes that he has comprehensive knowledge in the area of law.

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### 2) Outline of a limited liability contract

The Company has entered into agreements, in accordance with the provision of Article 427, Paragraph 1 of the Companies Act, with all the outside directors and the Audit and Supervisory Board Members to limit their liabilities to compensate damages under Article 423, Paragraph 1 of the Companies Act. These agreements limit the amount of their liability to compensate damages to the minimum liability amount stipulated by laws and regulations.

### 3) Compensation to Directors and Audit and Supervisory Board Members

Position	Number of people	Total compensation (thousands of yen)
Director	5	126,540
Audit and Supervisory Board Member	3	20,350
Total	8	146,890

- (Note) 1. The compensation for directors was authorized, by resolution of the ninth general ordinary meeting of shareholders on June 22, 2012, as within the annual amount of 350,000 thousand yen (excluding the amount of compensation as employees).
2. Total compensation to directors includes 11,100 thousand yen paid to two outside directors.
3. The compensation for Audit and Supervisory Board Members was authorized, by resolution of the special general meeting of shareholders on February 6, 2007, as within the annual amount of 80,000 thousand yen.
4. Total compensation to Audit and Supervisory Board Members includes 20,350 thousand yen paid to three outside Audit and Supervisory Board Members.

### 4) Outside Executives

#### I. Important positions held concurrently and relationships between the Company and respective organizations

Position	Name	Concurrent positions
Outside Director	Makoto Funahashi	Chief Executive Officer of The Institute of Security Technology Director of Japan Image Analysis Association Director of Medical IT Security Forum
Outside Director	Hirooki Kirisawa	Chairman of HIBIKI Tax Accountants Corporation Chief Executive Officer of Management Farm KK
Outside Audit and Supervisory Board Member	Takaharu Yasumoto	President of Yasumoto CPA Office Audit and Supervisory Board Member of FAST RETAILING CO., LTD. Audit and Supervisory Board Member of ASKUL Corporation Audit and Supervisory Board Member of, LINK THEORY JAPAN CO., LTD. Audit and Supervisory Board Member of GROOVE X, Inc.
Outside Audit and Supervisory Board Member	Kei Okubo	Partner of Nagashima Ohno & Tsunematsu Law Offices

(Note) The Company does not have significant transactions with the organizations where the outside directors have concurrent positions.

## TRANSLATION

### II. Activities during the fiscal year ended March 31, 2018

#### • Meeting attendance

	Board of Directors' meeting (held 18 times)		Audit and Supervisory Board Members' meeting (held 16 times)	
	Number of meetings attended	Attendance rate	Total number of meetings attended	Attendance rates
Makoto Funahashi (Director)	18	100%	—	—
Hirooki Kirisawa (Director)	18	100%	—	—
Kunihiro Sudo (Audit and Supervisory Board Member)	18	100%	16	100%
Takaharu Yasumoto (Audit and Supervisory Board Member)	18	100%	16	100%
Kei Okubo (Audit and Supervisory Board Member)	18	100%	16	100%

(Note) 1. The following are registered with the Tokyo Stock Exchange as independent executives:

Mr. Makoto Funahashi; Mr. Hirooki Kirisawa; Mr. Kunihiro Sudo, and Mr. Takaharu Yasumoto.

2. In addition to the Board of Directors' meetings above, three written resolutions, which are deemed equivalent to those of the Board of Directors' meetings, were adopted in accordance with the provision of Article 370 of the Companies Act and Article 27 of the Incorporation.

- Mr. Makoto Funahashi (Director) offers advice and recommendations based on his executive experience and knowledge as an ex-Deputy Director General of National Police Agency.
- Mr. Hirooki Kirisawa (Director) is a certified public tax accountant and provides advice based on technical expertise and experience.
- Mr. Kunihiro Sudo (Audit and Supervisory Board Member) has extensive knowledge in accounting and corporate management and provides advice based on his years of experience and wide knowledge.
- Mr. Takaharu Yasumoto (Audit and Supervisory Board Member) is a certified public accountant and provides advice based on technical expertise and experience.
- Mr. Kei Okubo (Audit and Supervisory Board Member) is a registered attorney and provides advice based on technical expertise and experience.