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Securities code: 9075

May 27, 2019

To our shareholders:

Shigehiro Komaru
Director and President
FUKUYAMA TRANSPORTING CO., LTD.
20-1, 4-chome, Higashi Fukatsu-cho, Fukuyama City,
Hiroshima Prefecture

NOTICE OF THE 71ST ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 71st Ordinary General Meeting of Shareholders of FUKUYAMA TRANSPORTING CO., LTD. (the “Company”), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by postal mail or via 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. Otherwise, review “Procedures for Exercising Voting Rights via the Internet” (Japanese only) and indicate your approval or disapproval of the proposals on the Company’s voting rights exercise website (<https://evote.tr.mufg.jp/>). In either case, please exercise your voting rights by no later than 5:00 p.m., Tuesday, June 18, 2019 (Japan Standard Time).

- 1. Date and Time:** Wednesday, June 19, 2019 at 10:00 a.m. (Japan Standard Time)
- 2. Venue:** 5F Conference Room, Head Office of the Company
20-1, 4-chome, Higashi Fukatsu-cho, Fukuyama City, Hiroshima Prefecture

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 71st Term (from April 1, 2018 to March 31, 2019), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-Consolidated Financial Statements for the 71st Term (from April 1, 2018 to March 31, 2019)

Items to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Nine (9) Directors
- Proposal 4:** Election of One (1) Audit & Supervisory Board Member
- Proposal 5:** Payment of Solatium for the Late Representative Director and Chairman Noriyuki Komaru

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

It is the basic policy of the Company to maintain the stable dividends while giving overall considerations to the business performance and necessary internal reserves to prepare for changes in the surrounding business environments and further business development.

Regarding the year-end dividends for the fiscal year under review, the Company, after considering the achievement of higher profit compared with the initial forecasts, and its wish to take the opportunity of 2018 marking 70 years since foundation to express gratitude to the support of its shareholders over many years, has decided to pay ¥30 per share, comprising an ordinary dividend of ¥25 and a special dividend of ¥5. The details are set forth below.

Accordingly, including the interim dividend of ¥25 per share, the annual dividend per share for the fiscal year will total ¥55 per share.

Matters related to the year-end dividends

- (1) Type of dividend property
To be paid in cash.
- (2) Allocation of dividend property and total amount thereof
¥30 per common share of the Company (ordinary dividends of ¥25 and special dividends of ¥5)
Total amount of dividends: ¥1,509,174,810
- (3) Effective date of distribution of dividends of surplus
Thursday, June 20, 2019

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

In order to establish flexible capital policy and dividend policy, the Company proposes to add Article 50 (Organizational Body to Determine Dividends of Surplus, Etc.) and Article 51 (Record Date for Dividends of Surplus) to the Articles of Incorporation to enable the Board of Directors to determine dividends of surplus, etc., in accordance with the Article 459, Paragraph 1 of the Companies Act. Also, the Company proposes to make the necessary changes to the current Article 52 (Prescription for Payment of Year-end Dividends, Etc.) of the Articles of Incorporation, as well as to remove the current Article 50 (Year-end Dividends) and Article 51 (Interim Dividends) due to duplicate contents.

2. Details of amendments

The following amendments are proposed.

(Underlines indicate the amendments.)

Current articles	Proposed amendments
(Newly established)	<u>(Organizational Body to Determine Dividends of Surplus, Etc.)</u> <u>Article 50</u>
(Newly established)	<u>Unless otherwise provided for by laws and regulations, the Company shall, by resolution of the Board of Directors, determine dividends of surplus and other matters set forth in the items of Article 459, Paragraph 1 of the Companies Act.</u> <u>(Record Date for Dividends of Surplus)</u> <u>Article 51</u>
<u>(Year-end Dividends)</u> <u>Article 50</u> <u>The Company shall pay cash dividends of surplus (hereinafter “year-end dividends”) to shareholders or registered pledgees of shares who are recorded in the shareholder register as of March 31 of each year by resolution of the General Meeting of Shareholders.</u>	1. <u>The record date for year-end dividends of the Company shall be March 31 of each year.</u> 2. <u>The record date for interim dividends of the Company shall be September 30 of each year.</u> 3. <u>In addition to the provisions of the preceding two paragraphs, the Company may pay dividends of surplus by setting a record date.</u>
<u>(Interim Dividends)</u> <u>Article 51</u> <u>The Company can pay dividends of surplus (hereinafter “interim dividends”) set forth in Article 454, Paragraph 5 of the Companies Act to shareholders or registered pledgees of shares who are recorded in the shareholder register as of September 30 of each year by resolution of the Board of Directors.</u>	(Deleted)
<u>(Prescription for Payment of Year-end Dividends, Etc.)</u> <u>Article 52</u> 1. In cases where the <u>year-end dividends or interim</u> dividends have not been received after the lapse of three full years from the date of commencement of payment thereof, the Company shall be exempt from the obligation to pay such dividends. 2. Interest is not paid for unpaid <u>year-end dividends and interim</u> dividends.	(Deleted)
	<u>(Prescription for Payment of Dividends)</u> <u>Article 52</u> 1. In cases where <u>the dividend property is monetary and</u> the dividends have not been received after the lapse of three full years from the date of commencement of payment thereof, the Company shall be exempt from the obligation to pay such dividends. 2. Interest is not paid for unpaid dividends.

Proposal 3: Election of Nine (9) Directors

The terms of all seven (7) Directors will expire at the conclusion of this General Meeting of Shareholders.

Also, Representative Director and Chairman Noriyuki Komaru passed away on February 7, 2019, and he ceased to be Director on this date.

In that regard, the Company proposes the election of nine (9) Directors, including two (2) new candidates for Director (one (1) of these positions is for Outside Director), to enhance the management system and corporate governance.

Candidates for Director have been determined in the Board of Directors in which Outside Directors with wealth of experience and extensive knowledge are in the majority.

The candidates for Director are as follows:

No.	Name	Current position and responsibilities in the Company	
1	Shigehiro Komaru	Representative Director, President and Executive Officer	[Reelection]
2	Hiroyuki Kumano	Representative Director, Executive Vice President, and Executive Officer General Manager of Sales Section	[Reelection]
3	Eiju Nagahara	Director and Senior Executive Officer Responsible for Transport Operations and General Manager of Safety Division	[Reelection]
4	Shuya Mukai	Senior Executive Officer Deputy General Manager of Sales Section and Responsible for Freight Rate and Price Management	[New election]
5	Michiyoshi Wadabayashi	Director	[Reelection] [Outside]
6	Shingo Kusaka	Director	[Reelection] [Outside] [Independent]
7	Tomoyoshi Arita	Director	[Reelection] [Outside] [Independent]
8	Miho Maeda	Director	[Reelection] [Outside] [Independent]
9	Tomoko Nonaka	—	[New election] [Outside] [Independent]

[Reelection] Candidate for reelection as Director

[New election] New candidate for Director

[Outside] Candidate for Outside Director

[Independent] Candidate for Independent Officer pursuant to the rules of the Tokyo Stock Exchange, Inc.

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Shigehiro Komaru (April 16, 1950) [Reelection] Attendance of Board of Directors Meetings 8/8	Oct. 1974 Joined the Company June 1991 Managing Director of the Company June 1993 Senior Managing Director of the Company June 1995 Representative Director of the Company (present position) June 1997 Director and President of the Company (present position) Apr. 2011 President and Executive Officer of the Company (present position) [Significant concurrent positions outside the Company] President, Shibuya Scholarship Foundation	314,583
		[Reasons for nomination as candidate for Director] In his role as Representative Director and President, the candidate has led the management of the Company and furthered the enhancement of corporate value and the strengthening of the business base. Having determined that through his leadership, which is based on his extensive knowledge and wealth of experience, he can establish an even stronger management structure for the Group and enhance and strengthen corporate governance, the Company requests his reelection.	
2	Hiroyuki Kumano (April 23, 1970) [Reelection] Attendance of Board of Directors Meetings 8/8	Mar. 2005 Joined the Company June 2007 Director and Manager of Sales Division of the Company June 2009 Managing Director of the Company Responsible for Sales and Information Systems Mar. 2010 Representative Director and Executive Vice President of the Company (present position) General Manager of Sales Section (present position) Apr. 2011 Executive Vice President and Executive Officer of the Company (present position)	31,601
		[Reasons for nomination as candidate for Director] The candidate has a wealth of experience and expertise in the field of company management, and having determined that his work as Director in charge of the Sales Section contributes to sustained growth and a further enhancement of corporate value in the Group, the Company requests his reelection.	

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned	
3	Eiju Nagahara (October 22, 1948) [Reelection] Attendance of Board of Directors Meetings 8/8	Apr. 1971 Dec. 2004 June 2007 June 2009 June 2010 Apr. 2011 Oct. 2014	Joined the Company Manager of Operations Management Division of the Company Director of the Company General Manager of Safety Division (present position) Managing Director of the Company Responsible for Operations Management Senior Managing Director of the Company Director and Senior Executive Officer of the Company (present position) Responsible for Transport Operations of the Company (present position)	27,934
		[Reasons for nomination as candidate for Director] The candidate has a wealth of experience and expertise in main line transport, and having determined that his work as Director in charge of the sections for transport and safety contributes to sustained growth and a further enhancement of corporate value in the Group, the Company requests his reelection.		
4	Shuya Mukai (September 3, 1953) [New election]	Apr. 1977 June 2005 June 2007 June 2009 Apr. 2011 June 2011 July 2015 Apr. 2018	Joined the Company Director of the Company Managing Director of the Company Responsible for Sales and Information Systems and Chief Manager of Kanto Region Senior Managing Director of the Company General Manager of Sales Section and Chief Manager of Kanto Region Director and Senior Executive Officer of the Company Chief Manager of Kinki Region Senior Executive Officer of the Company (present position) Chief Manager of Kinki Region Chief Manager of Chubu Region of the Company Deputy General Manager of Sales Section and Responsible for Freight Rate and Price Management of the Company (present position)	27,247
		[Reasons for nomination as candidate for Director] The candidate has a wealth of experience and extensive knowledge in sales and corporate planning. The Company requests his election because it believes he will promote business strategies as Director and contribute to sustained growth and further enhancement of corporate value in the Group.		

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
5	<p>Michiyoshi Wadabayashi (November 21, 1951)</p> <p>[Reelection] Candidate for Outside Director</p> <p>Attendance of Board of Directors Meetings 7/8</p>	<p>Apr. 1976 Joined Kintetsu Corporation (presently Kintetsu Group Holdings Co., Ltd.)</p> <p>June 2005 Executive Officer of Kintetsu Corporation Chief Manager of Nagoya Transport Department of Railway Business Division</p> <p>Mar. 2009 Executive Officer of Kintetsu Corporation Chief Manager of Planning Department of Railway Business Division</p> <p>June 2009 Managing Director of Kintetsu Corporation Chief Manager of Planning Department of Railway Business Division</p> <p>June 2011 Senior Executive Director of Kintetsu Corporation Deputy General Manager of Railway Business Division</p> <p>June 2012 Representative Director and Executive Vice President of Kintetsu Corporation General Manager of Railway Business Division</p> <p>Jan. 2015 President of Kintetsu Division Preparation Company (presently Kintetsu Corporation) (present position)</p> <p>Apr. 2015 Director of Kintetsu Group Holdings Co., Ltd. (present position)</p> <p>June 2017 Chairman of Kyoto Cultural Tourist Resources Protection Foundation (present position)</p> <p>June 2017 Director of the Company (present position)</p> <p>July 2017 Chairman of Ancient Capital Asuka Preservation Foundation (present position)</p> <p>[Significant concurrent positions outside the Company] Director, Kintetsu Group Holdings Co., Ltd. President, Kintetsu Corporation Chairman of Kyoto Cultural Tourist Resources Protection Foundation Chairman of Ancient Capital Asuka Preservation Foundation</p>	472
<p>[Reasons for nomination as candidate for Outside Director] The candidate is Representative Director and President of Kintetsu Corporation. Having determined that he can continue to provide pertinent supervision and advice related to areas such as the Company's management and compliance applying his business experience and extensive knowledge, the Company requests his reelection as Outside Director. Further, the term of office as an Outside Director will reach two (2) years at the conclusion of this General Meeting of Shareholders.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
6	<p>Shingo Kusaka (April 5, 1970)</p> <p>[Reelection] Candidate for Outside Director</p> <p>[Independent Officer]</p> <p>Attendance of Board of Directors Meetings 8/8</p>	<p>Oct. 1996 Joined Tohmatsu LLC (presently Deloitte Touche Tohmatsu LLC)</p> <p>Jan. 2001 Founded Kusaka Shingo CPA Office</p> <p>Jan. 2001 Director of Seiyukaikeshi K.K.</p> <p>June 2004 Audit & Supervisory Board Member of the Company</p> <p>Jan. 2005 Representative Director of Seiyukaikeshi K.K. (present position)</p> <p>June 2012 Retired as Audit & Supervisory Board Member of the Company</p> <p>June 2013 Director of the Company (present position)</p> <p>[Significant concurrent positions outside the Company] Representative Director of Seiyukaikeshi K.K.</p>	4,615
<p>[Reasons for nomination as candidate for Outside Director]</p> <p>As a certified public accountant, the candidate has a wealth of experience and expertise related to finance and accounting which he applies to give opinions from an independent standpoint, mostly from the viewpoint of compliance. Having determined that he can continue to give such valuable advice, the Company requests his reelection as Outside Director. The term of office as an Outside Director will reach six (6) year at the conclusion of this General Meeting of Shareholders. Please note that the candidate previously served the Company as an Audit & Supervisory Board Member. Further, the Company has registered the candidate as an Independent Officer pursuant to the rules of the Tokyo Stock Exchange, Inc., and if his reappointment is approved, the Company plans to renew his appointment as Independent Officer.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
7	<p>Tomoyoshi Arita (February 1, 1948)</p> <p>[Reelection] Candidate for Outside Director</p> <p>[Independent Officer]</p> <p>Attendance of Board of Directors Meetings 5/8</p>	<p>Apr. 1974 Public Prosecutor, Kobe District Public Prosecutors Office</p> <p>Sept. 2005 Head of Public Safety Division, Supreme Public Prosecutors Office</p> <p>July 2007 Superintending Prosecutor, Takamatsu High Public Prosecutors Office</p> <p>July 2008 Superintending Prosecutor, Sendai High Public Prosecutors Office</p> <p>Jan. 2009 Superintending Prosecutor, Fukuoka High Public Prosecutors Office</p> <p>Jan. 2010 Retired as Superintending Prosecutor, Fukuoka High Public Prosecutors Office</p> <p>Apr. 2010 Registered as attorney-at-law</p> <p>Apr. 2010 Attorney-at-law, City-Yuwa Partners</p> <p>July 2010 Outside Director of Japan Post Bank Co., Ltd. (present position)</p> <p>June 2011 Outside Audit & Supervisory Board Member of WDB Holdings Co., Ltd.</p> <p>June 2015 Outside Audit & Supervisory Board Member of BROTHER INDUSTRIES, LTD. (present position)</p> <p>Apr. 2016 Attorney-at-law, Ginza Central Law Office (present position)</p> <p>June 2016 Director of the Company (present position)</p> <p>June 2018 Outside Director (Audit & Supervisory Committee Member) of WDB Holdings Co., Ltd. (present position)</p> <p>[Significant concurrent positions outside the Company] Attorney-at-law, Ginza Central Law Office Outside Director of Japan Post Bank Co., Ltd. Outside Director (Audit & Supervisory Committee Member) of WDB Holdings Co., Ltd. Outside Audit & Supervisory Board Member of BROTHER INDUSTRIES, LTD.</p>	168
<p>[Reasons for nomination as candidate for Outside Director]</p> <p>Apart from his appointment as Outside Officer, the candidate has no experience participating in company management. However, as an attorney, he has a wealth of experience and extensive knowledge as well as expertise in corporate legal affairs, since he has held successive positions as Superintending Prosecutor at High Public Prosecutors Offices over his long years of experience in Public Prosecutor Offices. Thus, the Company requests his reelection as Outside Director so that he can continue to provide guidance on the implementation of the law and compliance management. The term of office as an Outside Director will reach three (3) years at the conclusion of this General Meeting of Shareholders. Further, the Company has registered the candidate as an Independent Officer pursuant to the rules of the Tokyo Stock Exchange, Inc., and if his reappointment is approved, the Company plans to renew his appointment as Independent Officer.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
8	<p>Miho Maeda (September 17, 1948)</p> <p>[Reelection] Candidate for Outside Director</p> <p>[Independent Officer]</p> <p>Attendance of Board of Directors Meetings 7/7 (Since assuming the office on June 21, 2018)</p>	<p>Apr. 1990 Deputy Director of Women's Policy Division, Women's Bureau of the Ministry of Labor (presently Ministry of Health, Labour and Welfare)</p> <p>Apr. 1992 Deputy Director of Overseas Cooperation Division, Human Resource Development Bureau of the Ministry of Labor</p> <p>Apr. 1995 Central Labor Standards Inspector Supervisor, Inspection Division, Labor Standards Bureau of the Ministry of Labor</p> <p>Apr. 1998 Director, Inspection Division of Hokkaido Labor Standards Bureau (presently Hokkaido Labour Bureau)</p> <p>Apr. 2000 General Manager, Labour Standard Department of Hyogo Labour Bureau</p> <p>June 2002 Director-General of Shiga Labour Bureau</p> <p>July 2004 Retired as Director-General of Shiga Labour Bureau</p> <p>Aug. 2004 General Manager, Small to Medium Enterprise Division of Japan Industrial Safety and Health Association</p> <p>Apr. 2007 Assistant General Manager, Human Resources Development Dept. of Japan International Training Cooperation Organization</p> <p>May 2012 Executive Director of International Human Resource Incorporated (present position)</p> <p>June 2018 Director of the Company (present position)</p> <p>[Significant concurrent positions outside the Company] Executive Director of International Human Resource Incorporated</p>	38
<p>[Reasons for nomination as candidate for Outside Director] Apart from her appointment as Outside Officer, the candidate has no experience participating in company management; however, the candidate has a wealth of experience and expertise related to the fields of working conditions and occupational health and safety. Having determined that she can continue to give valuable advice mostly from the viewpoint of compliance, the Company requests her reelection as Outside Director. Further, the term of office as an Outside Director will reach one (1) year at the conclusion of this General Meeting of Shareholders. Further, the Company has registered the candidate as an Independent Officer pursuant to the rules of the Tokyo Stock Exchange, Inc., and if her reappointment is approved, the Company plans to renew her appointment as Independent Officer.</p>			
9	<p>Tomoko Nonaka (June 3, 1956)</p> <p>[New election] Candidate for Outside Director</p> <p>[Independent Officer]</p>	<p>Apr. 1993 Legal Training and Research Institute, Supreme Court of Japan</p> <p>Apr. 1995 Attorney-at-law of Kawabata Law Office</p> <p>Apr. 1999 Attorney-at-law of Tokyo Ginza Law Office</p> <p>Feb. 2018 Attorney-at-law of Nonaka & Kawarabayashi Law Office (present position)</p> <p>[Significant concurrent positions outside the Company] Attorney-at-law of Nonaka & Kawarabayashi Law Office</p>	-
<p>[Reasons for nomination as candidate for Outside Director] Apart from her appointment as Outside Officer, the candidate has no experience participating in company management; however, the Company believes that because she has a wealth of experience as an attorney-at-law and a high-level of knowledge, having served in the public sector as practicing-attorney-professor for civil advocacy at the Legal Training and Research Institute, Supreme Court of Japan, she is capable of providing valuable advice on strengthening the corporate governance of the Company. Accordingly, the Company requests her new election for Outside Director. Further, since the candidate meets the requirements for Independent Officer pursuant to the rules of the Tokyo Stock Exchange, Inc., if her election is approved, the Company plans to appoint her as Independent Officer.</p>			

- Notes:
1. Shuya Mukai and Tomoko Nonaka are new candidates for Director.
 2. Candidate for Director Shigehiro Komaru serves concurrently as President of the Shibuya Scholarship Foundation. This corporation holds 5,510,000 shares of the Company's stock.
There is no special interest between the Company and any other candidates for Director.
 3. The five (5) candidates Michiyoshi Wadabayashi, Shingo Kusaka, Tomoyoshi Arita, Miho Maeda, and Tomoko Nonaka are candidates for Outside Director.
 4. The Company's Articles of Incorporation stipulate that, pursuant to the stipulations of Article 427, Paragraph 1 of the Companies Act, the Company can conclude contracts with its Directors (excluding Executive Directors, etc.) to limit their liability stated in Article 423, Paragraph 1 of the same Act. In accordance with this provision, the Company has concluded limited liability agreements with Michiyoshi Wadabayashi, Shingo Kusaka, Tomoyoshi Arita, and Miho Maeda, and the limit on the amount of liability coverage under these contracts is the minimum amount stipulated by laws and regulations. Moreover, if Michiyoshi Wadabayashi, Shingo Kusaka, Tomoyoshi Arita, and Miho Maeda are reappointed, the Company plans on retaining this contract with each of them. Further, if Tomoko Nonaka is elected, the Company plans to conclude the same limited liability agreement with her.

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

The term of office of Audit & Supervisory Board Member Nobuhiko Sasaki will expire at the conclusion of this General Meeting of Shareholders.

The Company therefore proposes that one (1) Audit & Supervisory Board Member be elected.

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

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

Name (Date of birth)	Career summary and position (Significant concurrent positions outside the Company)	Number of the Company's shares owned
<p>Nobuhiko Sasaki (June 19, 1945)</p> <p>[Reelection] Candidate for Outside Audit & Supervisory Board Member</p> <p>Attendance of Board of Directors Meetings 8/8</p> <p>Attendance of Audit & Supervisory Board Meetings 9/9</p>	<p>Aug. 1994 Manager of National Diet Government Delegate Office, General Affairs Division, Commissioner General's Secretariat of National Police Agency</p> <p>Aug. 1996 General Manager of Police Affairs Department, Miyagi Prefectural Police Headquarters; and General Manager of Sendai City Police Division</p> <p>Aug. 1998 General Manager of Security Division of Kyoto Prefectural Police Headquarters</p> <p>Aug. 1999 Security Control Officer of Security Bureau of National Police Agency</p> <p>Sept. 2002 Head Master of Chugoku Regional Police School</p> <p>Aug. 2004 Retired as Senior Commissioner of Commissioner General's Secretariat, National Police Agency</p> <p>Sept. 2004 Advisor in charge of Safety of Japan Oil, Gas and Metals National Corporation</p> <p>Sept. 2006 Representative Director and President of Japan Secret Service Co., Ltd. (present position)</p> <p>June 2007 Audit & Supervisory Board Member of the Company (present position)</p> <p>June 2016 Outside Audit & Supervisory Board Member of NAKAJIMASUISAN Co., Ltd. (present position)</p> <p>[Significant concurrent positions outside the Company] Representative Director and President of Japan Secret Service Co., Ltd.</p>	<p>4,882</p>

[Reasons for nomination as candidate for Outside Audit & Supervisory Board Member]

The Company requests the reelection of the candidate as Outside Audit & Supervisory Board Member so that his wealth of experience and extensive knowledge in the security business can continue to be applied to the enhancement of the Company's management oversight functions. The term of office as an Outside Audit & Supervisory Board Member will reach twelve (12) years at the conclusion of this General Meeting of Shareholders. The Company has determined that he is a suitable candidate because he has a wealth of experience related to areas such as risk management and he has appropriately conducted audits over compliance system and business operations of the Company and the Group.

- Notes:
1. Candidate for Audit & Supervisory Board Member Nobuhiko Sasaki, serves concurrently as the Representative Director and President of Japan Secret Service Co., Ltd. The Company pays security fees to Japan Secret Service Co., Ltd., but the amount of such payment is less than 1% of consolidated net sales of the Company.
 2. Candidate for Audit & Supervisory Board Member Nobuhiko Sasaki, is candidate for Outside Audit & Supervisory Board Member.
 3. The Company's Articles of Incorporation stipulate that, pursuant to the stipulations of Article 427, Paragraph 1 of the Companies Act, the Company can conclude contracts with its Audit & Supervisory Board Members to limit their liability stated in Article 423, Paragraph 1 of the same Act. In accordance with this provision, the Company has concluded a limited liability agreement with Nobuhiko Sasaki, and the limit on the amount of liability coverage under this contract is the minimum amount stipulated by laws and regulations. If Nobuhiko Sasaki is reappointed, the Company plans on retaining this contract with him.

Proposal 5: Payment of Solatium for the Late Representative Director and Chairman Noriyuki Komaru

The Late Representative Director and Chairman Noriyuki Komaru passed away on February 7, 2019. He served as the Representative Director of the Company for many years, building the level of trust the Company enjoys from its customers, and contributing greatly to the development of the Group, particularly with respect to his work enhancing the transportation data systems and leading the establishment of a nationwide transportation network.

The Company wishes to pay a solatium to honor his esteemed service in the Company. The solatium will be treated separately from the annual remuneration limits and it will be set within the range of a suitable amount in accordance with the prescribed standards in the Company.

The Company requests that the Board of Directors be given the discretion to decide the amount, timing, and method of the payment.

The following is the career summary of late Representative Director and Chairman Noriyuki Komaru.

Name	Career summary	
Noriyuki Komaru	Jan. 1951	Joined the Company
	Dec. 1964	Director of the Company
	Feb. 1984	Representative Director and President of the Company
	June 1989	Director and Corporate Advisor of the Company
	Dec. 1990	Director and Chairman of the Company
	Mar. 1991	Representative Director and Chairman of the Company
	Feb. 2019	Passed away