

Securities identification code: 6454

June 8, 2020

To our shareholders:

Mitsuteru Kurosawa

President

MAX Co., Ltd.

6-6 Nihonbashi Hakozaki-cho, Chuo-ku, Tokyo, JAPAN

Notice of the 89th Ordinary General Meeting of Shareholders

We are pleased to announce the 89th Ordinary General Meeting of Shareholders of MAX Co., Ltd. (the “Company”), which will be held as described below.

Recently, the Government of Japan, etc. have been strongly requesting that people voluntarily stay at home to prevent the spread of the novel coronavirus disease (COVID-19) under the state of emergency or other announcement by the Government. Based on such requests, the Company will hold this Ordinary General Meeting of Shareholders upon implementing appropriate measures to prevent the spread of COVID-19. The Company strongly requests that shareholders exercise their voting rights prior to this meeting in writing or via the internet to the best of their ability and refrain from attending on the day of the General Meeting of Shareholders regardless of physical condition from the perspective of preventing the spread of COVID-19.

We kindly ask you to exercise your voting rights according to any of the following methods. We ask that you please exercise your voting rights after reviewing the attached Reference Documents for the General Meeting of Shareholders.

Guide to Voting

For those not attending the General Meeting of Shareholders

Please indicate your approval or disapproval of the proposals on the enclosed voting form and return it by postal mail to reach us no later than Thursday, June 25, 2020 at 5:30 p.m. (Japan Standard Time).

For those attending the General Meeting of Shareholders

Please submit the enclosed voting form at the venue reception on the day of the General Meeting of Shareholders.

(Your seal/signature is not required.)

Date and Time: Friday, June 26, 2020 at 10:00 a.m. (Japan Standard Time)

Meeting Details

Date and time: Friday, June 26, 2020 at 10:00 a.m. (Japan Standard Time)
(Registration begins at 9:00 a.m.)

Venue: 8th Floor Conference Room, MAX Co., Ltd. Head office
6-6 Nihonbashi Hakozaki-cho, Chuo-ku, Tokyo

Note that shareholders will be seated at a distance from each other at the venue to prevent the spread of COVID-19, and we will have significantly fewer chairs than normal at this year's meeting. As a result, it is possible that not everyone who comes to the meeting will be able to enter the venue. We appreciate your understanding.

Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 89th Term (from April 1, 2019 to March 31, 2020), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
2. Non-Consolidated Financial Statements for the 89th Term (from April 1, 2019 to March 31, 2020)

Items to be resolved:

- Proposal No. 1:** Appropriation of surplus
- Proposal No. 2:** Election of Four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members)
- Proposal No. 3:** Election of Four (4) Directors who are Audit and Supervisory Committee Members
- Proposal No. 4:** Election of One (1) Director who is a substitute Audit and Supervisory Committee Member
- Proposal No. 5:** Payment of bonuses to Directors (excluding Directors who are Audit and Supervisory Committee Members)

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of surplus

The Company proposes the appropriation of surplus as follows:

Matters related to year-end dividends

Recognizing that returning profits to our shareholders is one of our most important management policies, the Company has established a basic policy to attempt business growth and distribute achievements underpinned by business results achieved through our pursuit of profits in a stable manner.

Based on this, the Company has established a consolidated dividend policy of “Aim to achieve a dividend on equity (DOE) ratio of 3.0% with a payout ratio of at least 40%.”

For the fiscal year under review, the Group’s net sales decreased 0.6% year on year, operating income increased 6.1% year on year, ordinary income increased 2.1% year on year, and net income attributable to owners of the parent increased 8.8% year on year.

The Company would like to set the year-end dividend for the fiscal year under review at ¥46 per share, given the dividend policy, the Company’s financial conditions and other factors.

(1) Type of dividend property

Cash

(2) Allocation of dividend property and total amount thereof

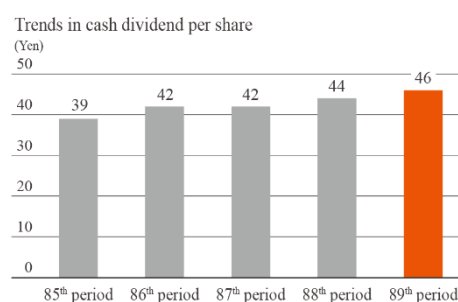
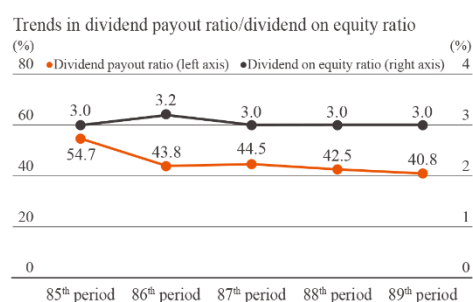
¥46 per common share of the Company

Total amount of dividends: ¥2,249,729,498

(3) Effective date of distribution of dividends of surplus

June 29, 2020

Reference



Proposal No. 2: Election of Four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The term of three (3) Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same shall apply in this proposal) expires at the close of this General Meeting of Shareholders. The Company therefore proposes that four (4) Directors be elected, increasing the number by one to enhance its management system.

This proposal was examined in advance by the Audit and Supervisory Committee and no particular issues were found that should be raised.

No.	Name	Current position and responsibilities at the Company	Attendance at meetings of the Board of Directors
1	Mitsuteru Kurosawa [Reelection]	President	18/18
2	Koichi Higuchi [Reelection]	Senior Managing Director Senior Executive Officer and General Manager of Manufacturing Division and in charge of IT Systems	18/18
3	Masahito Yamamoto [New Candidate]	Senior Executive Officer In charge of the Industrial Products Segment, Sales Division and General Manager of International Sales Department and General Manager of IP Division and in charge of RB Business Planning Department	—
4	Tatsushi Ogawa [New Candidate]	Senior Executive Officer General Manager of Research and Development Division and General Manager of Design Development Department and General Manager of Design Quality Evaluation Group	—

Note: There is no special interest between the candidates and the Company.

About the Company's corporate governance structure

The Company has adopted an Audit and Supervisory Committee as its institutional design. By having Audit and Supervisory Committee Member(s), who audit the execution of duties of Directors, serve on the Board of Directors, the Company's system enables the strengthening of audit functions of the Board of Directors and further enhances corporate governance.

No.	Name (Date of birth)	Career summary, position and responsibilities, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	<p>Mitsuteru Kurosawa (February 1, 1955) 65 years old [Reelection]</p> <p>Tenure as Director Eight (8) years</p>	<p>April 1979 Joined the Company</p> <p>July 2005 General Manager of N Pro Department, Manufacturing Division of the Company</p> <p>September 2005 President of MAX (THAILAND) CO., LTD. (attached to the Manufacturing Division)</p> <p>April 2008 General Manager of Production Technology Department, Manufacturing Division of the Company</p> <p>October 2009 General Manager of Tamamura Factory, Manufacturing Division of the Company</p> <p>April 2010 Executive Officer and General Manager of Tamamura Factory, Manufacturing Division and in charge of Fujioka Factory</p> <p>November 2010 Executive Officer and General Manager of Quality Assurance Department</p> <p>January 2011 Executive Officer and General Manager of Environment and Quality Assurance Department</p> <p>June 2012 Director, Executive Officer and General Manager of Environment and Quality Assurance Department</p> <p>April 2014 Director, Senior Executive Officer and General Manager of Research and Development Division</p> <p>April 2015 Managing Director, Senior Executive Officer and General Manager of Research and Development Division</p> <p>April 2017 President (present position)</p> <p>Reasons for nomination as candidate for Director Mitsuteru Kurosawa was selected as candidate for Director because the Company determined he will be able to fulfill a satisfactory role in executing and supervising the Group's management in his ongoing position as Director by utilizing his professional experience. This includes serving as President since 2017, after working for various departments including as President of the Company's manufacturing company in Thailand, General Manager of the Environment and Quality Assurance Department, and General Manager of the Research and Development Division, allowing him to establish a wealth of experience in the Group's businesses and the Company's management.</p>	23,000

No.	Name (Date of birth)	Career summary, position and responsibilities, and significant concurrent positions outside the Company		Number of the Company's shares owned
2	Koichi Higuchi (March 1, 1957) 63 years old [Reelection] Tenure as Director Nine (9) years	April 1980 Joined the Company April 2001 General Manager of IT Systems Department of the Company April 2008 General Manager of Manufacturing Department, Manufacturing Division and in charge of IT Systems April 2009 Executive Officer and General Manager of Manufacturing Department, Manufacturing Division and in charge of IT Systems April 2011 Executive Officer and Deputy General Manager of Manufacturing Division and in charge of IT Systems June 2011 Director, Executive Officer and Deputy General Manager of Manufacturing Division and in charge of IT Systems April 2012 Managing Director, Senior Executive Officer and Deputy General Manager of Manufacturing Division and in charge of IT Systems June 2013 Managing Director, Senior Executive Officer and General Manager of Manufacturing Division and in charge of IT Systems April 2017 Senior Managing Director, Senior Executive Officer and General Manager of Manufacturing Division and in charge of IT Systems (present position)		17,300
		Reasons for nomination as candidate for Director Koichi Higuchi was selected as candidate for Director because the Company determined he will be able to fulfill a satisfactory role in executing and supervising the Group's management in his ongoing position as Director by utilizing his professional experience. This includes his current role since 2013 of General Manager of the Manufacturing Division along with many years working in production and information systems departments and serving as General Manager of the IT Systems Department and General Manager of the Manufacturing Department, allowing him to establish a wealth of experience in the Group's businesses and the Company's management.		

No.	Name (Date of birth)	Career summary, position and responsibilities, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Masahito Yamamoto (March 19, 1964) 56 years old [New Candidate]	<p>April 1987 Joined the Company</p> <p>April 2007 Representative Director and President of MAX USA CORP., subsidiary of MAX Co., LTD</p> <p>May 2014 Deputy General Manager of RB Business Planning Department of the Company</p> <p>October 2015 General Manager of IP Division, International Sales Department and General Manager of RB Business Planning Department</p> <p>April 2017 Executive Officer and General Manager of International Sales Department, Sales Division and General Manager of IP Division and in charge of RB Business Planning Department</p> <p>April 2018 Executive Officer and General Manager of International Sales Department, Sales Division and General Manager of IP Division and in charge of RB Business Planning Department and in charge of Industrial Products Segment</p> <p>October 2018 Senior Executive Officer and in charge of Industrial Products Segment, Sales Division and General Manager of International Sales Department and General Manager of IP Division and in charge of RB Business Planning Department (present position)</p> <p>Reasons for nomination as candidate for Director Masahito Yamamoto was selected as candidate for Director because the Company determined he will be able to fulfill a satisfactory role in executing and supervising the Group's management in his position as Director by utilizing his professional experience. This includes him serving as General Manager of International Sales Department since 2017, after cultivating deep understanding in technology and overseas markets through his involvement in production technology and his role as President of the Company's sales subsidiary in the U.S., allowing him to establish a wealth of experience in the Group's businesses and the Company's management.</p>	7,300

No.	Name (Date of birth)	Career summary, position and responsibilities, and significant concurrent positions outside the Company	Number of the Company's shares owned
4	<p>Tatsushi Ogawa (September 9, 1964) 55 years old</p> <p>[New Candidate]</p>	<p>April 1988 Joined the Company</p> <p>October 2010 Deputy Manager of No. 1 Design Group, Research and Development Division of the Company</p> <p>October 2012 General Manager of No. 1 Design Group, Design Development Department, Research and Development Division</p> <p>October 2013 General Manager of Research and Development Department</p> <p>April 2015 Executive Officer and General Manager of Design Development Department, Research and Development Division and General Manager of Design Quality Evaluation Group</p> <p>April 2017 Executive Officer and General Manager of Research and Development Division, General Manager of Design Development Department and General Manager of Design Quality Evaluation Group</p> <p>October 2019 Senior Executive Officer and General Manager of Research and Development Division and General Manager of Design Development Department and General Manager of Design Quality Evaluation Group (present position)</p> <p>Reasons for nomination as candidate for Director Tatsushi Ogawa was selected as candidate for Director because the Company determined he will be able to fulfill a satisfactory role in executing and supervising the Group's management in his position as Director by utilizing his professional experience. This includes him serving as General Manager of Research and Development Division since 2017, after deeply pursuing technical understanding through his involvement in development and design work in the industrial equipment department and serving as General Manager of Research and Development Department and General Manager of Design Development Department, Research and Development Division, allowing him to establish a wealth of experience in the Group's businesses and the Company's management.</p>	6,600

Proposal No. 3: Election of Four (4) Directors who are Audit and Supervisory Committee Members

The term of three (3) Directors who are Audit & Supervisory Committee Members expires at the close of this General Meeting of Shareholders. The Company therefore proposes that four (4) Directors who are Audit and Supervisory Committee Members be elected, increasing the number by one to enhance its corporate governance.

The Audit and Supervisory Committee has given its consent to this proposal.

No.	Name	Current position and responsibilities at the Company	Attendance at meetings of the Board of Directors
1	Naoto Ebi [Reelection]	Director (Audit and Supervisory Committee Member)	18/18
2	Minoru Hirata [Reelection] [Outside Director]	Outside Director (Audit and Supervisory Committee Member)	18/18
3	Asaka Kanda [Reelection] [Outside Director]	Outside Director (Audit and Supervisory Committee Member)	17/18
4	Shoji Kiuchi [New Candidate] [Outside Director]	Substitute Outside Director (Audit and Supervisory Committee Member)	—

- Notes:
- There is no special interest between the candidates and the Company.
 - Minoru Hirata, Asaka Kanda and Shoji Kiuchi are candidates for Outside Director.
 - Limited liability agreement with candidates for Director who are Audit and Supervisory Committee Members
The Company's Articles of Incorporation state that it can enter into an agreement with Directors (excluding Directors who are Executive Directors) that limits their liability toward the Company and establish the minimum liability amount stipulated by laws and regulations in case the Directors fulfill the requirements stipulated by laws and regulations, pursuant to the provisions of Article 427, paragraph 1 of the Companies Act. As a result, the Company has entered into an agreement that limits the liability of candidates for Director who are Audit and Supervisory Committee Members Minoru Hirata and Asaka Kanda. If the reelection of Minoru Hirata and Asaka Kanda is approved, the Company plans to continue the limited liability agreement as stated above with them pursuant to the provisions of the Articles of Incorporation. In addition, if the election of Shoji Kiuchi is approved, the Company plans to enter into the same limited liability agreement with him.
 - The tenure of Minoru Hirata and Asaka Kanda as Outside Director as of the close of this General Meeting of Shareholders will be as follows:
Minoru Hirata: 5 years
Asaka Kanda: 2 years
 - The Company submitted notification to Tokyo Stock Exchange that Minoru Hirata and Asaka Kanda have been designated as independent officers as provided for by the aforementioned exchange. If their reelection is approved, the Company plans to continue to designate them as independent officers. In addition, if the election of Shoji Kiuchi is approved, the Company plans to designate him as Independent Officer pursuant to the provisions of the Tokyo Stock Exchange. Minoru Hirata, Asaka Kanda and Shoji Kiuchi satisfy the Company's standards concerning the independence of Outside Directors. For details of the standards, please refer to "Standards for Determining the Independence of Outside Directors" on page 17-18.
 - Minoru Hirata has in the past served as Outside Corporate Auditor of KAWAMURA CYCLE Co., Ltd. a subsidiary of the Company.

No.	Name (Date of birth)	Career summary, position and responsibilities, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Naoto Ebi (July 21, 1957) 62 years old [Reelection] Tenure as Director Two (2) years	<p>April 1981 Joined the Company</p> <p>July 2006 Deputy Manager of No. 1 OP Sales Group, Office Products Sales Department, Sales Division of the Company</p> <p>April 2009 Deputy Manager of Osaka Branch, Sales Division</p> <p>October 2010 Deputy Manager of Sales Management, Sales Division</p> <p>April 2011 Deputy Manager of No. 2 OP Sales Group and No. 3 OP Sales Group, Office Products Sales Department, Sales Division</p> <p>December 2011 General Manager of No. 1 OP Sales Group, Office Products Sales Department, Sales Division</p> <p>April 2012 Executive Officer and General Manager of No. 1 Office Products Sales Department, Sales Division</p> <p>October 2012 Executive Officer and General Manager of Office Products Sales Department, Sales Division</p> <p>April 2013 Deputy General Manager of Sales Management, Sales Division</p> <p>October 2013 General Manager of Personnel Department</p> <p>June 2018 Director (Audit and Supervisory Committee Member) (present position)</p> <p>Reasons for nomination as candidate for Director who is an Audit and Supervisory Committee Member Naoto Ebi has served as Director (Audit and Supervisory Committee Member) since 2018, after joining the Company and working for office products sales departments, and subsequently serving as branch manager, Executive Officer, and General Manager of Office Products Sales Department. The Company has determined that he is qualified to continue serving as Director who is an Audit and Supervisory Committee Member of the Company based on his wealth of knowledge and experience regarding the Group's business lines and various systems.</p>	3,700

No.	Name (Date of birth)	Career summary, position and responsibilities, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	<p>Minoru Hirata (September 26, 1953) 66 years old</p> <p>[Reelection] [Outside Director]</p> <p>Tenure as Director Five (5) years</p>	<p>September 1977 Joined Motoshima CPA Joint Auditing Office</p> <p>March 1982 Registered as certified public accountant</p> <p>July 1991 Employee of Asahi Shinwa Accounting Company (currently, KPMG AZSA LLC)</p> <p>June 2002 Senior Partner of Asahi Accounting Company (currently, KPMG AZSA LLC)</p> <p>August 2011 Established CPA Hirata Minoru Accounting Office (present position)</p> <p>June 2012 Outside Corporate Auditor of KAWAMURA CYCLE Co., Ltd.</p> <p>June 2012 Outside Corporate Auditor of KANTO ISUZU MOTOR Co., Ltd. (present position)</p> <p>April 2015 Retired as Outside Corporate Auditor of KAWAMURA CYCLE Co., Ltd.</p> <p>June 2015 Outside Director of the Company Member of Special Committee (present position)</p> <p>June 2016 Outside Director (Audit and Supervisory Committee Member) of the Company (present position)</p> <p>June 2017 Outside Auditor of Saitama Prefectural Credit Federation of Agricultural Cooperatives (present position)</p> <p>[Significant concurrent positions outside the Company] Certified public accountant of CPA Hirata Minoru Accounting Office Outside Corporate Auditor of KANTO ISUZU MOTOR Co., Ltd. Outside Auditor of Saitama Prefectural Credit Federation of Agricultural Cooperatives</p> <p>Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member The Company has determined that Minoru Hirata is qualified to continue serving as Outside Director who is an Audit and Supervisory Committee Member of the Company because it believes he will be able to utilize his knowledge and abundant experience developed as a certified public accountant for the Company's management. Although he does not have direct experience involved in corporate management outside of his experience as Outside Officer, due to the above reasons, the Company has determined that he will be able to carry out duties as Outside Director who is Audit and Supervisory Committee Member in an appropriate manner.</p>	0

No.	Name (Date of birth)	Career summary, position and responsibilities, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	<p>Asaka Kanda (December 25, 1963) 56 years old</p> <p>[Reelection] [Outside Director] Tenure as Director Two (2) years</p>	<p>April 1993 Registered as attorney-at-law (Daini Tokyo Bar Association) Attorney-at-law of Ginza Higashi Law Office</p> <p>April 1999 Partner of Lexwell Partners</p> <p>May 2002 Partner of Nishi Shimbashi General Law Office</p> <p>June 2008 Outside Corporate Auditor of WIN INTERNATIONAL CO.,LTD.</p> <p>December 2009 Partner of Waseda University Legal Clinic (present position)</p> <p>April 2010 Deputy Chairman of Daini Tokyo Bar Association</p> <p>June 2011 Substitute Outside Corporate Auditor of the Company</p> <p>April 2014 Outside Corporate Auditor of WIN-Partners Co., Ltd.</p> <p>March 2015 Vice President of Japan Federation of Bar Associations</p> <p>June 2015 Outside Director (Audit and Supervisory Committee Member) of WIN-Partners Co., Ltd. (present position)</p> <p>June 2016 Substitute Outside Director (Audit and Supervisory Committee Member) of the Company Member of Special Committee (present position)</p> <p>June 2018 Outside Director (Audit and Supervisory Committee Member) of the Company (present position)</p> <p>April 2019 Executive Governor of Japan Federation of Bar Associations</p>	0

		<p>[Significant concurrent positions outside the Company] Partner of Waseda University Legal Clinic Outside Director (Audit and Supervisory Committee Member) of WIN-Partners Co., Ltd.</p> <p>Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member The Company has determined that Asaka Kanda is qualified to continue serving as Outside Director who is Audit and Supervisory Committee Member of the Company based on his experience involved in corporate management as Outside Corporate Auditor and Outside Director (Audit and Supervisory Committee Member), and because he possesses specialist knowledge as an attorney-at-law. Although he does not have direct experience involved in corporate management outside of his experience as Outside Officer, due to the above reasons, the Company has determined that he will be able to carry out duties as Outside Director who is Audit and Supervisory Committee Member in an appropriate manner.</p>	
--	--	--	--

No.	Name (Date of birth)	Career summary, position and responsibilities, and significant concurrent positions outside the Company	Number of the Company's shares owned
4	Shoji Kiuchi (September 8, 1959) 60 years old [New Candidate] [Outside Director]	<p>April 1983 Joined Kodaira City Hall</p> <p>June 1985 Left Kodaira City Hall</p> <p>April 1995 Registered as attorney-at-law (Daini Tokyo Bar Association) Partner of Murayama Law Office</p> <p>April 2001 Member of the Fixed Asset Evaluation Council, Kodaira City</p> <p>July 2004 Established Tsunokamizaka Law Office (present position)</p> <p>April 2006 Domestic Affairs Conciliation Commissioner, Tokyo Family Court (present position)</p> <p>April 2012 Member of Information Disclosure Review Committee, Kodaira City (present position)</p> <p>April 2013 Deputy Chairman of Daini Tokyo Bar Association</p> <p>May 2013 Legal Advisor, Kodaira City (present position)</p> <p>April 2016 Member of the Administrative Complaint Review Committee, Kodaira City (present position)</p> <p>June 2018 Substitute Outside Director (Audit and Supervisory Committee Member) of the Company (present position) Member of Special Committee (present position)</p> <p>April 2019 Executive Governor of Japan Federation of Bar Associations</p> <p>[Significant concurrent positions outside the Company] Attorney-at-law, Tsunokamizaka Law Office</p> <p>Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member The Company has determined that Shoji Kiuchi is qualified as Outside Director who is an Audit and Supervisory Committee Member of the Company based on his specialist knowledge as an attorney-at-law as well as his wealth of experience and broad knowledge from his time as a domestic affairs conciliation commissioner and member of a committee on administrative complaints Although he does not have direct experience involved in corporate management, due to the above reasons, the Company has determined that he will be able to carry out duties as Outside Director who is Audit and Supervisory Committee Member in an appropriate manner.</p>	0

Proposal No. 4: Election of One (1) Director who is a substitute Audit and Supervisory Committee Member

The Company intends to elect Shoji Kiuchi, currently Director who is a substitute Audit and Supervisory Committee Member, as Director who is an Audit and Supervisory Committee Member at this General Meeting of Shareholders. The Company therefore proposes that one (1) Director who is a substitute Audit and Supervisory Committee Member be elected to prepare for a case where the number of Directors who are Audit and Supervisory Committee Members falls below the number stipulated by laws and regulations.

The enforcement of the election under this proposal can be cancelled by resolution of the Board of Directors after obtaining consent of the Audit and Supervisory Committee as long as it is prior to appointment. The Audit and Supervisory Committee has given its consent to this proposal.

Name (Date of birth)	Career summary, position and responsibilities, and significant concurrent positions outside the Company	Number of the Company's shares owned
Shuichi Katsuragawa (February 25, 1958) 62 years old [New Candidate] [Outside Director]	<p>October 1991 Joined Showa Ota & Co. (currently, Ernst & Young ShinNihon LLC)</p> <p>August 1995 Registered as certified public accountant</p> <p>July 2006 Partner of Shin Nihon & Co. (currently, Ernst & Young ShinNihon LLC)</p> <p>July 2012 Senior Partner of Shin Nihon & Co. (currently, Ernst & Young ShinNihon LLC) (present position)</p> <p>[Significant concurrent positions outside the Company] Senior Partner of Ernst & Young ShinNihon LLC</p> <p>Reasons for nomination as candidate for Outside Director who is a substitute Audit and Supervisory Committee Member The Company has determined that Shuichi Katsuragawa will be able to utilize his specialist knowledge as a certified public accountant as well as his deep insight into corporate governance, gained through his experience of auditing a number of listed companies, in audits of the Company, etc. Although he does not have direct experience involved in corporate management, due to the above reasons, the Company has determined that he will be able to carry out duties as Outside Director who is Audit and Supervisory Committee Member in an appropriate manner.</p>	0

- Notes: 1. There is no special interest between the candidate and the Company.
2. Shuichi Katsuragawa is a candidate for Outside Director who is a substitute Audit and Supervisory Committee Member.
3. Limited liability agreement with a candidate for Director who is a substitute Audit and Supervisory Committee Member
The Company's Articles of Incorporation state that it can enter into an agreement with Directors (excluding Directors who are Executive Directors) that limits their liability toward the Company and establish the minimum liability amount stipulated by laws and regulations in case the Directors fulfill the requirements stipulated by laws and regulations, pursuant to the provisions of Article 427, paragraph 1 of the Companies Act. If the election of Shuichi Katsuragawa in this proposal is approved and he is later appointed Outside Director who is an Audit and Supervisory Committee Member, the Company plans to

enter into a limited liability agreement as stated above with Shuichi Katsuragawa pursuant to the provisions of the Articles of Incorporation.

4. If candidate for Outside Director who is a substitute Audit and Supervisory Committee Member Shuichi Katsuragawa is appointed as Outside Director who is an Audit and Supervisory Committee Member, the Company plans to designate him as an independent officer as provided for by the Tokyo Stock Exchange. Shuichi Katsuragawa satisfies the Company's standards concerning the independence of Outside Directors. For details of the standards, please refer to "Standards for Determining the Independence of Outside Directors" on page 17-18.

Proposal No. 5: Payment of bonuses to Directors (excluding Directors who are Audit and Supervisory Committee Members)

The Company would like to pay as executive bonuses a total amount of ¥44,459,850 to three (3) Directors (excluding Directors who are Audit and Supervisory Committee Members) for the fiscal year under review, considering the Company's business performance and other factors.

The Company would like to leave detailed amounts and the timing of payment, etc., for each Director (excluding Directors who are Audit and Supervisory Committee Members) to the resolution of the Board of Directors.

This proposal was examined in advance by the Audit and Supervisory Committee and no particular issues were found that should be raised.

Standards for Determining the Independence of Outside Directors

The Company deems that any Outside Directors and candidates for Outside Directors have maintained independence from the Company if it is determined that they satisfy all of the requirements outlined below.

1. A person who is not or has not been Executive Director (Note 1) or employee of the Company or its subsidiaries (collectively, the "MAX Group") currently or during ten (10) years prior to appointment. Or a person who has served as non-Executive Director, Audit and Supervisory Committee Member or Accounting Advisor of the MAX Group at any time during ten (10) years prior to appointment but had never been an Executive Director or employee of the MAX Group during any of the ten (10) years prior to assuming that position
2. A person who is not or has not been Director, Executive Officer, Audit and Supervisory Committee Member, Accounting Advisor or employee of the Company's Major Shareholder (Note 2) or its parent or subsidiaries, if such party is a company, currently or during any of the ten (10) years prior to appointment
3. A person who has not served as Director, Executive Officer, Audit and Supervisory Committee Member, Accounting Advisor or employee of an entity for which the MAX Group is a Major Shareholder during any of the 10 years prior to appointment
4. A person who has not served as Director, Executive Officer, Audit and Supervisory Committee Member, Accounting Advisor or employee of a major client or supplier (Note 3) of the MAX Group, or its parent or significant subsidiaries (Note 4), if such party is a company, within three (3) fiscal years prior to appointment
5. A person who does not belong to an organization (corporation, union, etc.) that has received a donation or grant from the MAX Group exceeding ¥10 million per year on average over the three (3) fiscal years prior to appointment
6. A person who is not Director, Executive Officer, Audit and Supervisory Committee Member, Accounting Advisor, or Significant Employee (Note 5) of a company, or its parent company or subsidiary, if such party is a company, that has received Director, Executive Officer, Audit and Supervisory Committee Member, or Accounting Advisor from the MAX Group
7. A person who is not or has not been Director, Executive Officer, Audit and Supervisory Committee Member, Accounting Advisor, or employee of a financial institution, a major creditor or its parent company or significant subsidiary, if such party is a company, that is essential for or relied on in financing of the MAX Group to an extent that there is no substitute for the entity, currently or during any of the three (3) years prior to appointment
8. A person who is not or has not been a certified public accountant of an accounting auditor for the MAX Group, currently or during any of the three (3) years prior to appointment. In addition, a person who is an attorney-at-law, a certified public accountant, a tax accountant, or other consultant, and who, apart from director remuneration, has not received from the MAX Group money consideration, etc. of ¥10 million or more annually on average over the three (3) years prior to appointment

9. A person who currently does not belong or has not belonged to an organization (corporation, union, etc.), including a law office, an audit corporation, a tax accounting corporation, and a consulting firm, for which the MAX Group is a major client, currently or any of the three (3) years prior to appointment
10. A person who does not belong or has not belonged to an audit corporation that is an accounting auditor for the MAX Group, currently or during any of the three (3) years prior to appointment
11. A person who is not a close relative (Note 6) of the person who falls under 1 through 10 above. With respect to persons falling under 10 above, however, only the persons who are members or partners of the audit corporation that is an accounting auditor for the MAX Group, or employees of the audit corporation that is an accounting auditor for the MAX Group, and who actually have been involved in auditing (excluding involvement as an assistant) of the MAX Group

Note 1: "Executive Directors" refer to Directors prescribed in the items of Article 363, paragraph 1 of the Companies Act and other Directors that execute the business of the Company.

Note 2: A "Major Shareholder" refers to a shareholder who holds 10% or more voting rights.

Note 3: "Major Client or Supplier" is a company for which payments and receipts to and from the MAX Group accounts for a considerable portion of the consolidated net sales, etc., of the MAX Group or the client or supplier.

Note 4: A "Significant Subsidiary" refers to a subsidiary indicated as an important subsidiary in the business report or other publicly disclosed documents for the most recent business year of the Company.

Note 5: A "Significant Employee" refers to a person in a position of General Manager or higher.

Note 6: "Close relative" refers to a spouse, a family member within second degree, or a family member living together.

END