

[**Translation:** Please note that the following purports to be a translation from the Japanese original Notice of Convocation of the 68th Annual General Meeting of Shareholders of Onward Holdings Co., Ltd. prepared for the convenience of shareholders with voting rights. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail. Please also be advised that certain expressions regarding voting procedures for shareholders that are not applicable to the shareholders outside Japan are intentionally omitted or modified to avoid confusion.]

May 1, 2015

TSE# 8016  
SEDOL#6483821JP  
ISIN#JP3203500008

To Our Shareholders:

Onward Holdings Co., Ltd.  
10-5, Nihonbashi 3-chome, Chuo-ku, Tokyo  
Representative Director and President  
Michinobu Yasumoto

**NOTICE OF CONVOCATION OF  
THE 68<sup>TH</sup> ANNUAL GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 68th Annual General Meeting of Shareholders of Onward Holdings Co., Ltd. (the “Company”) for the Fiscal Year ended February 28, 2015. The meeting will be held as described below.

If you are unable to attend the aforesaid meeting, your voting rights can be exercised either in writing or via the Internet. We would appreciate your exercise of voting rights by reviewing the “Reference Document Concerning the General Meeting of Shareholders” attached below, indicating whether you approve or disapprove each item on agenda on the enclosed Voting Rights Exercise Form and returning to the Company before 5:40 PM (JST) of May 27, 2015 (Wednesday), or alternatively accessing to the designated website for exercising voting rights.

*In an effort to enhance the convenience of institutional investors, the Company participates in the electronic voting platform operated by ICJ via ProxyEdge® system of Broadridge. For further details, please consult with your custodians, nominees and/or brokers. Voting via Internet other than ICJ platform is only available for registered shareholders in Japan with Japanese language only.*

\* \* \*

## NOTICE OF MEETING

1. **Date and Time:** 10:00 A.M. on May 28, 2015 (Thursday)  
2. **Place:** Bellesalle Shiodome, 2nd Floor  
Sumitomo Fudosan Shiodome Hamarikyu Building  
21-1, Ginza 8-chome, Chuo-ku, Tokyo  
※Please note that the place of the Meeting has been changed from that of the previous meeting.

3. **Purposes:  
Items to Be Reported:**

- (1) Report on Matters of the Business Report and the Consolidated Financial Statements for the 68th Fiscal Year (March 1, 2014 to February 28, 2015) and Results of Audit of the Consolidated Financial Statements by Accounting Auditor and the Audit & Supervisory Board; and
- (2) Report on the Non-Consolidated Financial Statements for the 68th Fiscal Year (March 1, 2014 to February 28, 2015).

**Items to Be Resolved:**

- Agenda Item No. 1:** Appropriation of Retained Earnings  
**Agenda Item No. 2:** Election of Seven (7) Directors

4. **Items for Exercising Voting Rights:**

1. **Treatment of duplicated exercises of voting rights in writing and via Internet**

In case that a voting right is exercised by both mail and the Internet, the vote registered via Internet will be recognized as valid.

2. **Treatment of duplicated exercises of voting rights via Internet**

In case that a voting right is exercised more than once via the Internet, only the last vote will be recognized as valid. Similarly, in case that a voting right is exercised via Internet, smartphone or mobile phone, only the last vote will be recognized as valid.

*In an effort to enhance the convenience of institutional investors, the Company participates in the electronic voting platform operated by ICJ via ProxyEdge® system of Broadridge. For further details, please consult with your custodians, nominees and/or brokers. Voting via Internet other than ICJ platform is only available for registered shareholders in Japan with Japanese language only.*

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- \* If you attend the meeting in person, please submit the Voting Rights Exercise Form enclosed herewith to the receptionist of the Hall. For saving natural resources, please take this notice of convocation with you to the Meeting.
  
  - \* If any amendment is needed to statements of the business report, consolidated financial statements, non-consolidated financial statements and the reference document concerning the general meeting of shareholders, please be advised that such amendment when applicable shall be publicly announced in the Company's website (<http://www.onward-hd.co.jp/>).

**REFERENCE DOCUMENT CONCERNING  
THE GENERAL MEETING OF SHAREHOLDERS**

**Proposals and reference matters:**

**Agenda Item No. 1:                   Appropriation of Retained Earnings**

The Company proposes to appropriate retained earnings as follows.

Matters concerning the year-end dividend:

The Company considers the return of profits to shareholders to be one of the most important management issues, and targets at 35% or more payout ratio. The basic policy is to appropriately distribute profits, which is stable and linked with business performance of the Company.

Under this policy, it is proposed that a year-end dividend for the fiscal year under review be as stated below.

- (1) Type of dividend property:  
Cash.
- (2) Allocation of dividends and total amount:  
Twenty-four (24) yen per share of common stock of the Company.  
3,769,813,992 yen total.
- (3) Effective date for dividend distribution from retained earnings:  
May 29, 2015.

**Agenda Item No. 2:                   Election of Seven (7) Directors**

The term of office of seven Directors will expire at the closing of this Annual General Meeting of Shareholders. Therefore, it is proposed that seven Directors be elected.

The candidates are as follows:

Candi- date No.	Name (Date of Birth)	Summary of Career and Important position(s) of other organizations concurrently assumed	Number of Shares of the Company Owned
1	Takeshi Hirouchi (Nov. 5, 1942)	Apr. 1965   Joined the Company May 1985   Director of the Company Apr. 1991   Managing Director of the Company Apr. 1994   Senior Managing Director of the Company Mar. 1997   Representative Director and President of the Company Mar. 2005   Representative Director and Chairman, and Executive Officer of the Company Sept. 2007   Representative Director, Chairman and CEO of the Company Representative Director and Chairman, and Executive Officer of Onward Kashiyama Co., Ltd. Mar. 2009   Representative Director and Chairman of the Company Sept. 2011   Representative Director, Chairman and President of the Company	110,383

Candi- date No.	Name (Date of Birth)	Summary of Career and Important position(s) of other organizations concurrently assumed	Number of Shares of the Company Owned
		May 2014 Representative Director and Chairman of Onward Kashiyama Co., Ltd. (current position) Mar. 2015 Representative Director and Chairman of the Company (current position)  [Important position of other organizations concurrently assumed] Representative Director and Chairman of Onward Kashiyama Co., Ltd.	
2	Michinobu Yasumoto (Sept. 13, 1965)	May 2006 Joined the Company Mar. 2007 Executive Officer of the Company Sept. 2007 Executive Officer of Onward Kashiyama Co., Ltd. Mar. 2009 Executive Officer of the Company Mar. 2011 Managing Executive Officer of the Company Managing Executive Officer of Onward Kashiyama Co., Ltd. May 2014 Director of the Company Director and Managing Executive Officer of Onward Kashiyama Co., Ltd. Sept. 2014 Director and Senior Managing Executive Officer of Onward Kashiyama Co., Ltd. Mar. 2015 Representative Director and President of the Company General Manager in charge of North American Operations, New Business Development, Omni-Channel Retailing and Corporate Planning (current position) Director of Onward Kashiyama Co., Ltd. (current position)  [Important position of other organizations concurrently assumed] Director of Onward Kashiyama Co., Ltd.	10,000

Candi- date No.	Name (Date of Birth)	Summary of Career and Important position(s) of other organizations concurrently assumed	Number of Shares of the Company Owned
3	Masaaki Yoshizawa (Feb. 19, 1946)	<p>Apr. 1968    Joined the Company</p> <p>May 2003    Managing Director of the Company</p> <p>Mar. 2005    Director and Managing Executive Officer of the Company</p> <p>Sept. 2007    Managing Director of the Company Director and Managing Executive Officer of Onward Kashiyama Co., Ltd.</p> <p>Mar. 2009    Representative Director and President of Onward Resort and Golf Inc. (current position)</p> <p>Mar. 2011    Senior Managing Director of the Company Director and Senior Managing Executive Officer of Onward Kashiyama Co., Ltd. (current position)</p> <p>Mar. 2014    Senior Managing Director and General Manager in charge of Administrative Division and Resort Management of the Company (current position)</p> <p>[Important positions of other organizations concurrently assumed] Director and Senior Managing Executive Officer of Onward Kashiyama Co., Ltd. Representative Director and President of Onward Resort and Golf Inc.</p>	15,000
4	Akinori Baba (Jan. 23, 1968)	<p>Apr. 1990    Joined the Company</p> <p>Mar. 2004    Executive Officer of the Company</p> <p>Mar. 2005    Managing Executive Officer of the Company</p> <p>Sept. 2007    Managing Executive Officer of Onward Kashiyama Co., Ltd.</p> <p>Mar. 2010    Director and Managing Executive Officer of Onward Kashiyama Co., Ltd.</p> <p>Sept. 2011    Representative Director and President, and Executive Officer of Onward Kashiyama Co., Ltd. (current position)</p> <p>May 2012    Director of the Company (current position)</p> <p>[Important positions of other organizations concurrently assumed] Representative Director and President, and Executive Officer of Onward Kashiyama Co., Ltd.</p>	10,000

Candidate No.	Name (Date of Birth)	Summary of Career and Important position(s) of other organizations concurrently assumed	Number of Shares of the Company Owned
5	*Hisayuki Ichinose (Sept. 24, 1955)	Apr. 1979 Joined the Company Mar. 2006 Executive Officer of the Company Sept. 2007 Executive Officer of Onward Kashiyama Co., Ltd. Mar. 2013 Managing Executive Officer of the Company Managing Executive Officer of Onward Kashiyama Co., Ltd. Mar. 2015 Managing Executive Officer of the Company in charge of Secretary Office, Corporate Communications, and Human Resources (current position) Director and Managing Executive Officer of Onward Kashiyama Co., Ltd. (current position)  [Important positions of other organizations concurrently assumed] Director and Managing Executive Officer of Onward Kashiyama Co., Ltd.	2,000
6	Hachiro Honjo (Aug. 31, 1940)	Apr. 1987 Representative Director and Executive Vice President of ITO EN, Ltd. May 1988 Representative Director and President of ITO EN, Ltd. May 2005 Director of the Company (current position) May 2009 Representative Director and Chairman of ITO EN, Ltd. (current position)  [Important position of other organizations concurrently assumed] Representative Director and Chairman of ITO EN, Ltd.	20,000
7	Yoshihide Nakamura (Oct. 22, 1942)	June 1998 Corporate Managing Executive Officer of Sony Corporation June 2000 Representative Director and President of Sony Chemical Corporation June 2004 Corporate Managing Executive Officer of Sony Corporation July 2006 Representative Director and President of ULDAGE Inc. (current position) May 2007 Director of the Company (current position)  [Important positions of other organizations concurrently assumed] Representative Director and President of ULDAGE Inc.	1,000

## (Notes)

- Each candidate stated above has no special interests in the Company
- Messrs. Hachiro Honjo and Yoshihide Nakamura are candidates for External Directors. The Company submitted Notifications of Independent Directors/Audit & Supervisory Board Members to the Tokyo Stock Exchange, Inc., and Nagoya Stock Exchange, Inc.

that the Company designated both Messrs. Hachiro Honjo and Yoshihide Nakamura as Independent Directors.

3. The reason for appointment of External Directors, the independence of External Directors and the agreement to limit Directors' liability:
  - (1) The reasons for appointment of External Directors and the independence of External Directors:
    - (i) The Company requests shareholders to appoint Mr. Hachiro Honjo to the post of External Director, expecting him to use his business experience and management experience as a corporate officer for the Company's management, based on broad perspective free from the industry to which the Company belongs. The duration of his assumption of the office as External Director of the Company will have been ten years upon the closing of this General Meeting of Shareholders.
    - (ii) The Company requests shareholders to appoint Mr. Yoshihide Nakamura to the post of External Director, expecting him to use his abundant experience and knowledge as a member of the management of other companies for the Company's management. The duration of his assumption of the office as External Director of the Company will have been eight years upon the closing of this General Meeting of Shareholders.
    - (iii) Both of the candidates for External Directors have not been the business executors of the Company or the Company's specifically related business operators in the last five years.
    - (iv) Both of the candidates for External Directors are not scheduled to receive a large amount of money and other properties from the Company or the Company's specifically related business operators and have not received them in the last two years.
    - (v) Both of the candidates for External Directors are not relatives within the third degree of kinship with any business executors of the Company or the Company's specifically related business operators.
  - (2) Agreement with External Director to limit liabilities:

The current Articles of Incorporation of the Company provide that the Company may conclude an agreement with an External Director to limit his or her obligation to indemnify the Company to a certain specified extent, enabling the Company to appoint talented persons as External Directors. Accordingly, Messrs. Hachiro Honjo and Yoshihide Nakamura, candidates for External Directors, have concluded such an agreement with the Company.

The brief summary of the agreement to limit External Directors' liabilities are as follows:

    - (i) When the External Director is liable to the Company for damages caused by negligence of his or her duty, the maximum amount of indemnity shall be the minimum amount stipulated by Article 427, paragraph 1 of the Companies Act.
    - (ii) The limited liability stated above is only accepted when such External Director performs his or her duty in good faith and without gross negligence.
4. \*denotes newly appointed candidate for the position of Director.

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