

[Translation for reference only]

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT

This is an English translation of the original Japanese-language document and is provided for convenience only. In all cases, the Japanese-language original shall prevail.

Securities Code: 3289

June 8, 2017

Dear Shareholders:

Yuji Ohkuma  
President and Representative Director  
**Tokyu Fudosan Holdings Corporation**  
Head office:  
Dogenzaka 1-21-2, Shibuya-ku, Tokyo, Japan  
Headquarters:  
Minami Aoyama 2-6-21, Minato-ku, Tokyo, Japan

## **Notice of Convocation of the 4th Ordinary General Meeting of Shareholders**

You are cordially invited to attend the 4th Ordinary General Meeting of Shareholders of Tokyu Fudosan Holdings Corporation (the “Company”), which will be held as described below.

**If you are unable to attend the meeting in person on the day of the meeting, you may exercise your voting rights by either of the methods below. Please review the Reference Documents for the General Meeting of Shareholders attached hereto, and exercise your voting rights by 6:00 p.m., Japan Standard Time, on Tuesday, June 27, 2017.**

### **Exercise of voting rights by mail:**

Please indicate your approval or disapproval of each proposal on the enclosed Voting Rights Exercise Form and send it to the Company to arrive no later than the deadline indicated above.

### **Exercise of voting rights via the Internet:**

Please access the dedicated voting website (<http://www.web54.net>) designated by the Company (Japanese only), follow the directions on the screen, and input approval or disapproval of each proposal no later than the deadline indicated above.

**1. Date and Time:** Wednesday, June 28, 2017, at 10:00 a.m.  
(The reception desk will open at 9:00 a.m. [scheduled])

**2. Venue:** Ballroom, B2F, Cerulean Tower Tokyu Hotel  
26-1 Sakura-gaoka-cho, Shibuya-ku, Tokyo, Japan

### **3. Purpose of the Meeting**

#### **Matters to be reported:**

1. The Business Report, Consolidated Financial Statements, and Audit Reports for the Consolidated Financial Statements by the Accounting Auditors and the Audit & Supervisory Board for the 4th fiscal year (from April 1, 2016 to March 31, 2017)
2. Non-consolidated Financial Statements for the 4th fiscal year (from April 1, 2016 to March 31, 2017)

**Matters to be resolved:**

**Proposal No. 1: Appropriation of surplus**

**Proposal No. 2: Election of thirteen (13) Directors**

**Proposal No. 3: Election of four (4) Audit & Supervisory Board Members**

**Proposal No. 4: Election of one (1) substitute Audit & Supervisory Board Member**

**Proposal No. 5 Decision of amount and detail of stock-based compensation, etc. for Directors and Managing Officers**

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When you attend the meeting in person on the day of the meeting, please submit the enclosed Voting Rights Exercise Form at the reception counter.

# Reference Documents for the General Meeting of Shareholders

## Proposals and references

### Proposal No. 1: Appropriation of surplus

#### Year-end dividends

The Company regards the return of profits to shareholders to be one of its most important policies. Our basic policy is to determine the distribution of profits targeting a payout ratio of 25% or more, comprehensively taking into consideration our business results and the future business environment as well as the capital requirements for medium- and long-term business development, etc., while maintaining a stable dividend policy.

Under this policy, the Company proposes the year-end dividends as follows:

(1) Type of dividend property

Cash

(2) Allotment of dividend property to shareholders and its total amount

6.50 yen per common share of the Company

Total amount of dividends: 3,956,971,298 yen

(3) Effective date of dividends from surplus

June 29, 2017

## Proposal No. 2: Election of thirteen (13) Directors

Upon the conclusion of this Ordinary General Meeting of Shareholders, the terms of office of all Directors will expire.

Accordingly, the Company proposes to elect thirteen (13) Directors.

The candidates for Directors are as follows:

| Candidate No. | Name<br>(Date of birth)                                                                                                                                                                                                                                                 | Career summary, position and responsibilities at the Company, and significant concurrent positions outside the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Number of the Company's shares owned |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 1             | Kiyoshi Kanazashi<br>(August 2, 1945; 71 years old)<br><br>Reappointment<br><br>Attendance to the meetings of the Board of Directors 12/12 (100%)<br><br>Number of years in office: 3 years and 9 months<br>(at the conclusion of this General Meeting of Shareholders) | <p>Apr. 1968 Joined Tokyu Land Corporation</p> <p>Jun. 1998 Director, Tokyu Land Corporation</p> <p>Jun. 2000 Managing Director, Tokyu Land Corporation</p> <p>Apr. 2002 Senior Managing Director and Managing Officer, Tokyu Land Corporation</p> <p>Apr. 2004 Director and Senior Executive Managing Officer, Tokyu Land Corporation</p> <p>Apr. 2006 Director and Executive Vice President, Tokyu Land Corporation</p> <p>Apr. 2008 President &amp; CEO, Tokyu Land Corporation</p> <p>Oct. 2013 President and Representative Director, the Company</p> <p>Apr. 2014 President and Representative Director, and Executive Officer, the Company</p> <p>Apr. 2014 Chairman of the Board and Chief Executive Officer, Tokyu Land Corporation</p> <p>Apr. 2015 Chairman of the Board and Chief Executive Officer, the Company (current)</p> <p>Apr. 2015 Chairman, Tokyu Hands, Inc. (current)</p> <p>Jun. 2015 Chairman, Tokyu Land Corporation (current)</p> <p>(Significant concurrent positions outside the Company)<br/>Chairman, Tokyu Land Corporation<br/>Outside Director, Tokyu Corporation<br/>Chairman, TOKYU HANDS, INC.<br/>Director, TOKYU RECREATION CO., LTD.</p> <p>(Reasons for nomination)<br/>Joined Tokyu Land Corporation in 1968, and has been involved in housing development operations and so forth since then. Involved with corporate management as a Director of Tokyu Land Corporation since 1998, and a Representative Director of the Company since 2013. Has extensive operational experience with the Group and insight relating to corporate management in general.</p> | 64,021                               |
| 2             | Yuji Ohkuma<br>(August 3, 1958; 58 years old)<br><br>Reappointment<br><br>Attendance to the meetings of the Board of Directors 12/12 (100%)<br><br>Number of years in office: 3 years and 9 months<br>(at the conclusion of this General Meeting of Shareholders)       | <p>Apr. 1982 Joined Tokyu Land Corporation</p> <p>Apr. 2008 Managing Officer, Tokyu Land Corporation</p> <p>Jun. 2011 Director and Managing Officer, Tokyu Land Corporation</p> <p>Oct. 2013 Director, the Company</p> <p>Apr. 2014 Director and Senior Executive Managing Officer, the Company</p> <p>Apr. 2015 President and Representative Director, and Executive Officer, the Company (current)</p> <p>Apr. 2017 President &amp; CEO, Tokyu Land Corporation (current)</p> <p>(Significant concurrent positions outside the Company)<br/>President &amp; CEO, Tokyu Land Corporation</p> <p>(Reasons for nomination)<br/>Joined Tokyu Land Corporation in 1982, and has been involved in building development operations and so forth since then. Involved with corporate management as a Director of Tokyu Land Corporation since 2011, a Director of the Company since 2013, and a Representative Director of the Company since 2015. Has extensive operational experience with the Group and insight relating to corporate management in general.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 19,400                               |

| Candidate No. | Name (Date of birth)                                                                                                                                                                                                                                            | Career summary, position and responsibilities at the Company, and significant concurrent positions outside the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Number of the Company's shares owned |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 3             | <p>Shinji Sakaki<br/>(January 23, 1957; 60 years old)</p> <p>Reappointment</p> <p>Attendance to the meetings of the Board of Directors 12/12 (100%)</p> <p>Number of years in office: 3 years (at the conclusion of this General Meeting of Shareholders)</p>   | <p>Apr. 1980 Joined Tokyu Land Corporation</p> <p>Apr. 2006 Managing Officer, Tokyu Land Corporation</p> <p>Feb. 2007 Executive Managing Officer, Tokyu Hands, Inc.</p> <p>Jun. 2007 Director and Executive Managing Officer, Tokyu Hands, Inc.</p> <p>Jul. 2008 Director and Senior Executive Managing Officer, Tokyu Hands, Inc.</p> <p>Jun. 2010 Representative Director and Senior Executive Managing Officer, Tokyu Hands, Inc.</p> <p>Apr. 2011 President &amp; CEO, Tokyu Hands, Inc.</p> <p>Apr. 2014 Senior Executive Managing Officer, the Company</p> <p>Jun. 2014 Director and Senior Executive Managing Officer, the Company</p> <p>Apr. 2015 Director and Executive Vice President, the Company</p> <p>Apr. 2015 President &amp; CEO, Tokyu Livable, Inc. (current)</p> <p>Apr. 2017 Director and Managing Officer, the Company (current)</p> <p>(Significant concurrent positions outside the Company)<br/>President &amp; CEO, Tokyu Livable, Inc.</p> <p>(Reasons for nomination)<br/>Joined Tokyu Land Corporation in 1980, and has been involved in housing development operations and so forth since then. Involved with corporate management as a Director of the Company since 2014. Has extensive operational experience with the Group and insight relating to corporate management in general.</p>            | 10,000                               |
| 4             | <p>Hitoshi Uemura<br/>(November 10, 1959; 57 years old)</p> <p>Reappointment</p> <p>Attendance to the meetings of the Board of Directors 12/12 (100%)</p> <p>Number of years in office: 2 years (at the conclusion of this General Meeting of Shareholders)</p> | <p>Apr. 1982 Joined Tokyu Land Corporation</p> <p>Apr. 2008 Managing Officer, Tokyu Land Corporation</p> <p>Apr. 2011 Executive Managing Officer, Tokyu Land Corporation</p> <p>Jun. 2011 Director and Executive Managing Officer, Tokyu Land Corporation</p> <p>Oct. 2013 Director, the Company</p> <p>Apr. 2014 Representative Director and Executive Vice President, Tokyu Land Corporation</p> <p>Apr. 2015 Managing Officer, the Company</p> <p>Apr. 2015 President &amp; CEO, Tokyu Land Corporation</p> <p>May 2015 Executive Vice President, the Company</p> <p>Jun. 2015 Director and Executive Vice President, the Company</p> <p>Apr. 2017 Director and Managing Officer, the Company (current)</p> <p>Apr. 2017 Vice Chairman &amp; Senior Executive Officer, Tokyu Land Corporation (current)</p> <p>(Significant concurrent positions outside the Company)<br/>Vice Chairman, Tokyu Land Corporation</p> <p>(Reasons for nomination)<br/>Joined Tokyu Land Corporation in 1982, and has been involved in real estate securitization operations and so forth since then. Involved with corporate management as a Director of Tokyu Land Corporation since 2011 and a Director of the Company since 2013. Has extensive operational experience with the Group and insight relating to corporate management in general.</p> | 11,500                               |

| Candidate No. | Name (Date of birth)                                                                                                                                                                                                                                               | Career summary, position and responsibilities at the Company, and significant concurrent positions outside the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Number of the Company's shares owned |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 5             | <p>Katsuhide Saiga<br/>(October 14, 1957;<br/>59 years old)</p> <p>Reappointment</p> <p>Attendance to the meetings of the Board of Directors 10/10 (100%)</p> <p>Number of years in office: 1 year (at the conclusion of this General Meeting of Shareholders)</p> | <p>Apr. 1980 Joined Tokyu Land Corporation</p> <p>Apr. 2006 Managing Officer, Tokyu Land Corporation</p> <p>Apr. 2011 Managing Officer, Tokyu Community Corporation</p> <p>Apr. 2012 Executive Managing Officer, Tokyu Community Corporation</p> <p>Jun. 2013 Director and Executive Managing Officer, Tokyu Community Corporation</p> <p>Oct. 2013 Managing Officer, the Company</p> <p>Apr. 2014 Director and Senior Executive Managing Officer, Tokyu Community Corporation</p> <p>Apr. 2016 President &amp; CEO, Tokyu Community Corporation (current)</p> <p>Apr. 2016 Executive Vice President, the Company</p> <p>Jun. 2016 Director and Executive Vice President, the Company</p> <p>Apr. 2017 Director and Managing Officer, the Company (current)</p> <p>(Significant concurrent positions outside the Company)<br/>President &amp; CEO, Tokyu Community Corporation</p> <p>(Reasons for nomination)<br/>Joined Tokyu Land Corporation in 1980, and has been involved in senior related operations and so forth since then. Involved with corporate management as a Director of Tokyu Community Corporation since 2013 and a Director of the Company since 2016. Has extensive operational experience with the Group and insight relating to corporate management in general.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 11,177                               |
| 6             | <p>Toshihiko Kitagawa<br/>(May 21, 1957; 60 years old)</p> <p>Reappointment</p> <p>Attendance to the meetings of the Board of Directors 12/12 (100%)</p> <p>Number of years in office: 2 years (at the conclusion of this General Meeting of Shareholders)</p>     | <p>Dec. 1982 Joined Tokyu Livable, Inc.</p> <p>Jun. 2003 Director, Tokyu Livable, Inc.</p> <p>Jun. 2005 Director and Managing Officer, Tokyu Livable, Inc.</p> <p>Jun. 2007 Director and Executive Managing Officer, Tokyu Livable, Inc.</p> <p>Apr. 2011 Director and Senior Executive Managing Officer, Tokyu Livable, Inc.</p> <p>Oct. 2013 Director, the Company</p> <p>Apr. 2014 Director, Executive Vice President, Tokyu Livable, Inc.</p> <p>Oct. 2014 Director, Tokyu Livable, Inc.</p> <p>Oct. 2014 Senior Executive Managing Officer, the Company</p> <p>Oct. 2014 President and Representative Director, Tokyu Housing Lease Corporation</p> <p>Apr. 2015 President &amp; CEO, Tokyu Housing Lease Corporation (current)</p> <p>Jun. 2015 Director and Senior Executive Managing Officer, the Company</p> <p>Nov. 2016 President and Representative Director, and Managing Officer, NATIONAL STUDENTS INFORMATION CENTER</p> <p>Apr. 2017 Director and Managing Officer, the Company (current)</p> <p>Apr. 2017 Chairman and Representative Director, NATIONAL STUDENTS INFORMATION CENTER (current)</p> <p>(Significant concurrent positions outside the Company)<br/>President and Representative Director, Tokyu Housing Lease Corporation<br/>Chairman and Representative Director, NATIONAL STUDENTS INFORMATION CENTER</p> <p>(Reasons for nomination)<br/>Joined Tokyu Livable, Inc. in 1982, and has been involved in real estate brokerage operations and so forth since then. Involved with corporate management as a Director of Tokyu Livable, Inc. since 2003 and a Director of the Company since 2013. Has extensive operational experience with the Group and insight relating to corporate management in general.</p> | 57,724                               |

| Candidate No. | Name (Date of birth)                                                                                                                                                                                                                                                    | Career summary, position and responsibilities at the Company, and significant concurrent positions outside the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Number of the Company's shares owned |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 7             | <p>Hironori Nishikawa (November 12, 1958; 58 years old)</p> <p>Reappointment</p> <p>Attendance to the meetings of the Board of Directors 10/10 (100%)</p> <p>Number of years in office: 1 year (at the conclusion of this General Meeting of Shareholders)</p>          | <p>Apr. 1982 Joined Tokyu Land Corporation</p> <p>Apr. 2010 Managing Officer, Tokyu Land Corporation</p> <p>Oct. 2013 Managing Officer, the Company</p> <p>Apr. 2014 Director and Senior Executive Managing Officer, Tokyu Land Corporation</p> <p>Apr. 2015 Managing Officer, the Company</p> <p>Apr. 2016 Senior Executive Managing Officer, the Company</p> <p>Jun. 2016 Director and Senior Executive Managing Officer, the Company</p> <p>Apr. 2017 Director and Managing Officer, the Company (current)</p> <p>Apr. 2017 Representative Director and Executive Vice President, Tokyu Land Corporation (current)</p> <p>(Significant concurrent positions outside the Company)<br/>Representative Director, Tokyu Land Corporation</p> <p>(Reasons for nomination)<br/>Joined Tokyu Land Corporation in 1982, and has been involved in resort related operations and so forth since then. Involved with corporate management as a Director of Tokyu Land Corporation since 2014 and a Director of the Company since 2016. Has extensive operational experience with the Group and insight relating to corporate management in general.</p>                                                                                                                                                                                                                                                                           | 4,900                                |
| 8             | <p>Masatake Ueki (February 17, 1942; 75 years old)</p> <p>Reappointment</p> <p>Attendance to the meetings of the Board of Directors 12/12 (100%)</p> <p>Number of years in office: 3 years and 9 months (at the conclusion of this General Meeting of Shareholders)</p> | <p>Apr. 1965 Joined Tokyu Land Corporation</p> <p>Jun. 1992 Director, Tokyu Land Corporation</p> <p>Jun. 1996 Managing Director, Tokyu Land Corporation</p> <p>Jun. 1999 Senior Managing Director, Tokyu Land Corporation</p> <p>Jun. 2000 President &amp; CEO, Tokyu Land Corporation</p> <p>Apr. 2002 President &amp; CEO, and Managing Officer, Tokyu Land Corporation</p> <p>Apr. 2004 President and Representative Director, and Executive Officer, Tokyu Land Corporation</p> <p>Apr. 2008 Chairman of the Board &amp; CEO, Tokyu Land Corporation</p> <p>Oct. 2013 Chairman of the Board and Chief Executive Officer, the Company</p> <p>Apr. 2014 Director and Corporate Advisor, Tokyu Land Corporation (current)</p> <p>Apr. 2015 Director and Executive Advisor, the Company (current)</p> <p>(Significant concurrent positions outside the Company)<br/>Director and Corporate Advisor, Tokyu Land Corporation<br/>Honorary Chairman, Real Estate Fair Trade Council</p> <p>(Reasons for nomination)<br/>Joined Tokyu Land Corporation in 1965, and has been involved in housing development operations and so forth since then. Involved with corporate management as a Director of Tokyu Land Corporation from 1992, and a Representative Director of the Company from 2013 to March 2015. Has extensive operational experience with the Group and insight relating to corporate management in general.</p> | 135,601                              |

| Candidate No. | Name (Date of birth)                                                                                                                                                                                                                                                       | Career summary, position and responsibilities at the Company, and significant concurrent positions outside the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Number of the Company's shares owned |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 9             | <p>Hirofumi Nomoto (September 27, 1947; 69 years old)</p> <p>Reappointment</p> <p>Attendance to the meetings of the Board of Directors 12/12 (100%)</p> <p>Number of years in office: 3 years and 9 months (at the conclusion of this General Meeting of Shareholders)</p> | <p>Apr. 1971 Joined Tokyu Corporation</p> <p>Jun. 2007 Director, Tokyu Corporation</p> <p>Jan. 2008 Managing Director, Tokyu Corporation</p> <p>Jun. 2008 Senior Managing Director, Tokyu Corporation</p> <p>Jun. 2010 Senior Managing Director and Representative Director, Tokyu Corporation</p> <p>Apr. 2011 President and Representative Director, Tokyu Corporation (current)</p> <p>Jun. 2011 Director, Tokyu Land Corporation</p> <p>Oct. 2013 Director, the Company (current)</p> <p>(Significant concurrent positions outside the Company)</p> <p>President and Representative Director, Tokyu Corporation</p> <p>Director, TOKYU RECREATION CO., LTD.</p> <p>Outside Director, TOEI COMPANY, LTD.</p> <p>Outside Director, TOBU RAILWAY CO., LTD.</p> <p>Outside Director, JAPAN POST BANK Co., Ltd. (Scheduled to assume the position on June 20, 2017)</p> <p>(Reasons for nomination)</p> <p>President and Representative Director of the Company's major shareholder, Tokyu Corporation. Has extensive experience and broad discernment of corporate management in general.</p> <p>(Agreement to limit liability)</p> <p>In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Hirofumi Nomoto to the effect that the extent of liability provided for in Article 423, Paragraph 1 of the Companies Act shall be limited to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act. If his reappointment is approved, the Company plans to continue the aforementioned agreement to limit liability with him.</p> | 32,524                               |
| 10            | <p>Yoshihiro Nakajima (July 3, 1948; 68 years old)</p> <p>Reappointment</p> <p>Attendance to the meetings of the Board of Directors 12/12 (100%)</p> <p>Number of years in office: 3 years and 9 months (at the conclusion of this General Meeting of Shareholders)</p>    | <p>Apr. 1971 Joined Tokyu Land Corporation</p> <p>Jun. 1998 Director, Tokyu Land Corporation</p> <p>Apr. 2002 Managing Director and Managing Officer, Tokyu Land Corporation</p> <p>Apr. 2004 Director and Executive Managing Officer, Tokyu Land Corporation</p> <p>Apr. 2006 Director and Senior Executive Managing Officer, Tokyu Land Corporation</p> <p>Apr. 2008 Director and Executive Vice President, Tokyu Land Corporation</p> <p>Jun. 2011 President &amp; CEO, Tokyu Livable, Inc.</p> <p>Oct. 2013 Director, the Company</p> <p>Apr. 2014 Director and Executive Vice President, the Company</p> <p>Apr. 2014 President and Representative Director, Tokyu Housing Lease Corporation</p> <p>Oct. 2014 Chairman, Tokyu Housing Lease Corporation (current)</p> <p>Apr. 2015 Director, the Company (current)</p> <p>Apr. 2015 Chairman, Tokyu Livable, Inc. (current)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Chairman, Tokyu Livable, Inc.</p> <p>Chairman, Tokyu Housing Lease Corporation</p> <p>(Reasons for nomination)</p> <p>Joined Tokyu Land Corporation in 1971, and has been involved in housing development operations and so forth since then. Involved with corporate management as a Director of Tokyu Land Corporation since 1998, and a Director of the Company since 2013. Has extensive operational experience with the Group and insight relating to corporate management in general.</p>                                                                                                                                                                  | 67,954                               |



| Candidate No. | Name<br>(Date of birth)                                                                                                                                                                                                                                                                                                                                                                                                                                   | Career summary, position and responsibilities at the Company, and significant concurrent positions outside the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Number of the Company's shares owned |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 11            | <p data-bbox="309 517 507 600">Koichi Iki<br/>(September 6, 1947;<br/>69 years old)</p> <p data-bbox="309 629 507 712">Reappointment<br/>Outside Director<br/>Independent Officer</p> <p data-bbox="309 741 507 846">Attendance to the<br/>meetings of the<br/>Board of Directors<br/>12/12 (100%)</p> <p data-bbox="309 875 507 1010">Number of years<br/>in office: 3 years<br/>(at the conclusion of<br/>this General Meeting<br/>of Shareholders)</p> | <p data-bbox="531 286 1257 808"> Apr. 1970 Joined the Dai-ichi Mutual Life Insurance Company<br/> Jul. 1996 Director, the Dai-ichi Mutual Life Insurance Company<br/> Apr. 1999 Managing Director, the Dai-ichi Mutual Life Insurance Company<br/> Jun. 2001 Audit &amp; Supervisory Board Member, Tokyu Land Corporation<br/> Apr. 2004 Senior Managing Director, the Dai-ichi Mutual Life Insurance Company<br/> Jul. 2004 Director and Senior Managing Executive Officer, the Dai-ichi Mutual Life Insurance Company<br/> Apr. 2006 Representative Director and Senior Managing Executive Officer, the Dai-ichi Mutual Life Insurance Company<br/> Apr. 2007 Representative Director and Vice President, the Dai-ichi Mutual Life Insurance Company (Retired in March 2008)<br/> Jun. 2008 President and Representative Director, THE DAI-ICHI BUILDING CO., LTD.<br/> Jun. 2009 Chairman, DIAM Co., Ltd.<br/> Jun. 2014 Director, the Company (current)<br/> Jul. 2014 Representative Director, TOHO KINZOKU CO., LTD. </p> <p data-bbox="531 837 1257 1003"> (Reasons for nomination)<br/> The Company proposes that Mr. Koichi Iki be elected as an Outside Director in the hope that he will continue to utilize his extensive operational experience as the former executive officer at The Dai-ichi Life Group and broad discernment of corporate management in general for the management of the Company. </p> <p data-bbox="531 1032 1257 1238"> (Agreement to limit liability)<br/> In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Koichi Iki to the effect that the extent of liability provided for in Article 423, Paragraph 1 of the Companies Act shall be limited to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act. If his reappointment is approved, the Company plans to continue the aforementioned agreement to limit liability with him. </p> | 0                                    |

| Candidate No. | Name<br>(Date of birth)                                                                                                                                                                                                                                                                                                                                                                                                                                    | Career summary, position and responsibilities at the Company, and significant concurrent positions outside the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Number of the Company's shares owned |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 12            | <p data-bbox="308 548 510 638">Noboru Tsuda<br/>November 25, 1949;<br/>(67 years old)</p> <p data-bbox="308 660 510 750">Reappointment<br/>Outside Director<br/>Independent Officer</p> <p data-bbox="308 772 510 884">Attendance to the<br/>meetings of the<br/>Board of Directors<br/>10/10 (100%)</p> <p data-bbox="308 907 510 1041">Number of years<br/>in office: 1 year<br/>(at the conclusion of<br/>this General Meeting<br/>of Shareholders)</p> | <p data-bbox="531 286 1257 342">Apr. 1973    Joined Mitsubishi Kasei Industries Corporation (currently Mitsubishi Chemical Corporation)</p> <p data-bbox="531 342 1169 371">Jun. 2005    Executive Officer, Mitsubishi Chemical Corporation</p> <p data-bbox="531 371 1141 427">Oct. 2005    Executive Officer, Mitsubishi Chemical Holdings Corporation</p> <p data-bbox="531 427 1244 483">Apr. 2009    Managing Executive Officer, Mitsubishi Chemical Holdings Corporation</p> <p data-bbox="531 483 1220 539">Apr. 2013    Senior Managing Executive Officer, Mitsubishi Chemical Holdings Corporation</p> <p data-bbox="531 539 1189 595">Jun. 2013    Member of the Board and Senior Managing Executive Officer, Mitsubishi Chemical Holdings Corporation</p> <p data-bbox="531 595 1228 674">Apr. 2014    Representative Director, Member of the Board and Deputy Chief Executive Officer, Mitsubishi Chemical Holdings Corporation</p> <p data-bbox="531 674 1177 730">Apr. 2015    Member of the Board, Mitsubishi Chemical Holdings Corporation</p> <p data-bbox="531 730 1169 759">Jun. 2015    Advisor, Mitsubishi Chemical Holdings Corporation</p> <p data-bbox="531 759 970 788">Jun. 2016    Director, the Company (current)</p> <p data-bbox="531 810 1066 866">(Significant concurrent positions outside the Company)<br/>Outside Director, NTN Corporation</p> <p data-bbox="531 889 778 918">(Reasons for nomination)<br/>The Company proposes that Mr. Noboru Tsuda be elected as an Outside Director in the hope that he will utilize his extensive business experience as a former executive officer at Mitsubishi Chemical Holdings Corporation and broad knowledge of holding company management for the management of the Company.</p> <p data-bbox="531 1086 1257 1303">(Agreement to limit liability)<br/>In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Noboru Tsuda to the effect that the extent of liability provided for in Article 423, Paragraph 1 of the Companies Act shall be limited to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act. If his reappointment is approved, the Company plans to continue the aforementioned agreement to limit liability with him.</p> | 1,000                                |

| Candidate No. | Name (Date of birth)                                                                                                                                                                                                                                                                              | Career summary, position and responsibilities at the Company, and significant concurrent positions outside the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Number of the Company's shares owned |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 13            | Takashi Enomoto<br>(January 18, 1953, 64 years old)<br><br>Reappointment<br>Outside Director<br>Independent Officer<br><br>Attendance to the meetings of the Board of Directors 10/10 (100%)<br><br>Number of years in office: 1 year (at the conclusion of this General Meeting of Shareholders) | Apr. 1975 Joined Nippon Telegraph and Telephone Public Corporation (currently NIPPON TELEGRAPH AND TELEPHONE CORPORATION)<br>Jun. 2003 Director, NTT DATA Corporation<br>Jun. 2005 Director & Senior Vice President, NTT DATA Corporation<br>Jun. 2007 Representative Director & Executive Vice President, NTT DATA Corporation<br>Jun. 2008 Representative Director & Senior Executive Vice President, NTT DATA Corporation<br>Jun. 2012 Advisor, NTT DATA Corporation<br>Jun. 2016 Director, the Company (current)<br><br>(Significant concurrent positions outside the Company)<br>Outside Director, Konica Minolta, Inc.<br><br>(Reasons for nomination)<br>The Company proposes that Mr. Takashi Enomoto be elected as an Outside Director in the hope that he will utilize his extensive business experience as a former executive officer at NTT DATA Corporation and broad knowledge of overseas business and IT utilization for the management of the Company.<br><br>(Agreement to limit liability)<br>In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Takashi Enomoto to the effect that the extent of liability provided for in Article 423, Paragraph 1 of the Companies Act shall be limited to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act. If his reappointment is approved, the Company plans to continue the aforementioned agreement to limit liability with him. | 300                                  |

Note: No special interests exist between the Company and each candidate for Directors.

#### (Reference) Policies for nominating candidates for Directors

In nominating candidates for Directors, at the meeting of the Board of Directors, the Company nominates personnel who are considered to have the appropriate character and knowledge, as well as no health issues that would impede them from executing their duties. The nominated candidates are also deemed to have insight and appropriate judgment capabilities with a view to achieving the management indicators and other objectives set out in the medium- and long-term management plan. Furthermore, the Company has set up the Nomination and Compensation Committee in fiscal 2016. In selecting management team members and nominating candidates for Directors, decisions are made by the Board of Directors after deliberation at the Committee.

#### (Reference) Independence Standards for Independent Outside Directors

The Company deems Outside Directors to be independent when, in addition to meeting the independence standards for independent officers stipulated by the Tokyo Stock Exchange, none of the following have applied for any of the previous three fiscal years.

- 1) An executive of a business partner to which the Company's net sales account for 2% or more of the Company's consolidated net sales
- 2) An executive of a business partner whose net sales to the Company account for 2% or more of the business partner's net sales
- 3) An executive of a lender from which the Company borrows funds that account for 2% or more of the Company's consolidated total assets
- 4) An executive of a major shareholder or investor of the Company with an investment ratio of 10% or more
- 5) A consultant, accounting professional, or legal professional who receives remuneration of more than ¥10 million a year from the Company besides officer remuneration
- 6) A spouse or relative within two degrees of kinship of the Director, etc. of the Company or a consolidated subsidiary

### Proposal No. 3: Election of four (4) Audit & Supervisory Board Members

Upon the conclusion of this Ordinary General Meeting of Shareholders, the terms of office of all Audit & Supervisory Board Members will expire.

Accordingly, the Company proposes to elect four (4) Audit & Supervisory Board Members.

The Company has obtained the consent of the Audit & Supervisory Board with respect to the submission of this proposal.

The candidates for Audit & Supervisory Board Members are as follows:

| Candidate No. | Name<br>(Date of birth)                                                                                                                                                                                                                                                                                                                | Career summary, position at the Company, and significant concurrent positions outside the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Number of the Company's shares owned |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 1             | Ken Sumida<br>(December 28, 1950;<br>66 years old)<br><br>Reappointment<br><br>Attendance to the meetings of the Board of Directors 12/12 (100%)<br><br>Attendance to the meetings of the Audit & Supervisory Board 12/12 (100%)<br><br>Number of years in office: 2 years (at the conclusion of this General Meeting of Shareholders) | Apr. 1973 Joined Mitsui Trust and Banking Company, Limited<br>Jun. 1999 Director, Mitsui Trust and Banking Company, Limited<br>Jun. 2006 Senior Managing Director, Mitsui Trust Holdings, Inc.<br>Oct. 2007 Senior Managing Director, Chuo Mitsui Trust Holdings, Inc.<br>Jun. 2010 President, Chuo Mitsui Asset Trust and Banking Company, Limited<br>Jun. 2013 Audit & Supervisory Board Member, Mitsui Direct General Insurance Company, Limited<br>Jul. 2014 Advisor, Sansen Trust Insurance Service Co., Ltd.<br>Jun. 2015 Audit & Supervisory Board Member, Tokyu Land Corporation (current)<br>Jun. 2015 Audit & Supervisory Board Member, the Company (current)<br><br>(Reasons for nomination)<br>The Company proposes Mr. Ken Sumida as a candidate for Audit & Supervisory Board Member so that his many years of operational experience at financial institutions, such as Chuo Mitsui Trust and Banking Company Limited where he served as an executive officer, and broad discernment of corporate management in general may be reflected in the surveillance system of the Company. Furthermore, Mr. Sumida possesses appropriate knowledge of finance, etc. based on his financing experience at financial institutions. | 8,300                                |
| 2             | Masahiko Hashizume<br>(March 15, 1960; 57 years old)<br><br>New candidate                                                                                                                                                                                                                                                              | Apr. 1983 Joined Tokyu Land Corporation<br>Apr. 2010 General Manager, Tokyu Land Corporation<br>Apr. 2014 Managing Officer, Tokyu Land Corporation<br>Apr. 2017 Audit & Supervisory Board Member, Tokyu Land Corporation (current)<br>Apr. 2017 Statutory Auditor, Tokyu Community Corporation (current)<br>Apr. 2017 Statutory Auditor, Tokyu Livable, Inc. (current)<br>Apr. 2017 Statutory Auditor, Tokyu Hands, Inc. (current)<br>Apr. 2017 Statutory Auditor, Tokyu Housing Lease Corporation (current)<br><br>(Reasons for nomination)<br>Joined Tokyu Land Corporation in 1983, and has been involved in resort related operations and so forth since then. The Company proposes Mr. Masahiko Hashizume as a candidate for Audit & Supervisory Board Member so that his many years of operational experience at the Group and broad discernment of corporate management in general may be reflected in the surveillance system of the Company.                                                                                                                                                                                                                                                                                    | 7,000                                |

| Candidate No. | Name (Date of birth)                                                                                                                                                                                                                                                                                                                                                                                                       | Career summary, position at the Company, and significant concurrent positions outside the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Number of the Company's shares owned |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 3             | <p>Tomoyasu Asano<br/>(April 27, 1953; 64 years old)</p> <p>Reappointment Outside Audit &amp; Supervisory Board Member Independent Officer</p> <p>Attendance to the meetings of the Board of Directors 12/12 (100%)</p> <p>Attendance to the meetings of Audit &amp; Supervisory Board 12/12 (100%)</p> <p>Number of years in office: 3 years and 9 months (at the conclusion of this General Meeting of Shareholders)</p> | <p>Apr. 1978 Joined the Dai-ichi Mutual Life Insurance Company</p> <p>Jun. 2009 Managing Director, the Dai-ichi Mutual Life Insurance Company</p> <p>Apr. 2010 Managing Director, the Dai-ichi Life Insurance Company, Limited</p> <p>Jun. 2011 Audit &amp; Supervisory Board Member, Tokyu Land Corporation</p> <p>Oct. 2013 Audit &amp; Supervisory Board Member, the Company (current)</p> <p>Apr. 2014 Senior Managing Director, The Dai-ichi Life Insurance Company, Limited</p> <p>Oct. 2016 Director, Senior Managing Executive Officer, Dai-ichi Life Holdings, Inc. (Retired in March 2017)</p> <p>Apr. 2017 Advisor, The Cardiovascular Institute (current)</p> <p>(Significant concurrent positions outside the Company)<br/>Outside Corporate Auditor, Seiko Holdings Corporation</p> <p>(Reasons for nomination)<br/>The Company proposes Mr. Tomoyasu Asano as a candidate for Audit &amp; Supervisory Board Member so that his extensive operational experience as a former executive officer at The Dai-ichi Life Group and broad discernment of corporate management in general may be reflected in the surveillance system of the Company.</p> <p>(Agreement to limit liability)<br/>In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Tomoyasu Asano to the effect that the extent of liability provided for in Article 423, Paragraph 1 of the Companies Act shall be limited to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act. If his reappointment is approved, the Company plans to continue the aforementioned agreement to limit liability with him.</p>                                                                                                              | 0                                    |
| 4             | <p>Katsunori Takechi<br/>(January 11, 1971; 46 years old)</p> <p>New candidate Outside Audit &amp; Supervisory Board Member Independent Officer</p>                                                                                                                                                                                                                                                                        | <p>Apr. 2000 Public prosecutor, Civil Affairs Bureau, the Ministry of Justice</p> <p>Aug. 2003 Assistant judge, Tokyo District Court</p> <p>Oct. 2003 Registered as attorney at law</p> <p>Oct. 2003 Joined Anderson Mori &amp; Tomotsune</p> <p>Jan. 2006 Partner, Anderson Mori &amp; Tomotsune</p> <p>Nov. 2006 Partner, Kataoka &amp; Kobayashi</p> <p>Jul. 2011 Established Takechi &amp; Partners (current)</p> <p>(Significant concurrent positions outside the Company)<br/>Corporate Auditor, DIC Corporation</p> <p>(Reasons for nomination)<br/>The Company proposes Mr. Katsunori Takechi as a candidate for Outside Audit &amp; Supervisory Board Member so that his expert insight as an attorney at law and his extensive experience in corporate legal affairs may be reflected in the surveillance system of the Company. There is no legal advisory contract between the Company and him. In addition to his aforementioned expert insight and experience as an attorney at law, he engages in tax accountancy services as a taxation-bureau-notified certified tax accountant pursuant to Article 51 of the Certified Tax Accountant Act, and he possesses considerable insight related to finance and accounting. Thus the Company judges that he is able to appropriately perform duties as an Outside Audit &amp; Supervisory Board Member of the Company.</p> <p>(Agreement to limit liability)<br/>If his election is approved, in accordance with Article 427, Paragraph 1 of the Companies Act, the Company intends to enter into an agreement with him to the effect that the extent of liability provided for in Article 423, Paragraph 1 of the Companies Act shall be limited to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act.</p> | 0                                    |

- Notes:
1. No special interests exist between the Company and each candidate for Audit & Supervisory Board Members.
  2. During the tenure of Mr. Tomoyasu Asano as Outside Audit & Supervisory Board Member of the Company, a former Director of the Company conducted an action as a private individual, which was in conflict with the compliance regulations. Regarding that action, Mr. Asano worked to promote awareness of compliance of officers and employees to prevent recurrence, and expressed his opinions on the restructuring of the governance system.
  3. The Company intends to register Mr. Katsunori Takechi with Tokyo Stock Exchange as an independent officer.

(Reference) Policies for nominating candidates for Audit & Supervisory Board Members

In nominating candidates for Audit & Supervisory Board Members, the Company proposes to the Audit & Supervisory Board personnel who are considered to have the appropriate character and no health issues, as well as insight required for auditing. The personnel are selected as candidates by the Board of Directors after obtaining consent of the Audit & Supervisory Board.

**Proposal No. 4: Election of one (1) substitute Audit & Supervisory Board Member**

To provide for a case in which the number of Audit & Supervisory Board Members falls short of the number stipulated by laws and regulations, the Company proposes to elect one (1) substitute Audit & Supervisory Board Member.

The Company has obtained the consent of the Audit & Supervisory Board with respect to the submission of this proposal.

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

| Name<br>(Date of birth)                                                                                                                                                                      | Career summary, position at the Company, and significant concurrent positions outside the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Number of the Company's shares owned |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| <p style="text-align: center;">Makoto Kaiami<br/>(October 5, 1951; 65 years old)</p> <p style="text-align: center;">Outside Audit &amp; Supervisory Board Member<br/>Independent Officer</p> | <p>Apr. 1978 Appointed as a judge<br/>Apr. 2000 Division-head Judge, Tokyo District Court<br/>Jul. 2007 Associate Vice-Minister of Justice in charge of Litigation Affairs, Minister's Secretariat, the Ministry of Justice<br/>Nov. 2012 Division-head Judge, Tokyo High Court<br/>Jul. 2014 Chief Judge, the Tokyo Family Court<br/>Jun. 2015 Chief Judge, Tokyo District Court<br/>Feb. 2017 Registered as attorney at law<br/>Feb. 2017 Special Advisor, SophiaCity Law Office (current)</p> <p>(Reasons for nomination)<br/>The Company proposes Mr. Makoto Kaiami as a candidate for substitute Outside Audit &amp; Supervisory Board Member so that his expert insight as a judge and attorney at law and his extensive experience in corporate legal affairs may be reflected in the surveillance system of the Company. There is no legal advisory contract between the Company and him.<br/>As mentioned above, he possesses expert insight and many years of experience as a lawyer. Thus the Company judges that he is able to appropriately perform duties as an Outside Audit &amp; Supervisory Board Member of the Company.</p> <p>(Agreement to limit liability)<br/>If he assumes the office of Outside Audit &amp; Supervisory Board Member, in accordance with Article 427, Paragraph 1 of the Companies Act, the Company intends to enter into an agreement with him to the effect that the extent of liability provided for in Article 423, Paragraph 1 of the Companies Act shall be limited to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act.</p> | 0                                    |

- Notes:
1. No special interests exist between the Company and the candidate for substitute Audit & Supervisory Board Member.
  2. If Mr. Makoto Kaiami assumes the office of Outside Audit & Supervisory Board Member, the Company intends to register him with Tokyo Stock Exchange as an independent officer.

## **Proposal No. 5: Decision of amount and detail of stock-based compensation, etc. for Directors and Managing Officers**

### **1. Reasons for the proposal and why the compensation is appropriate**

This proposal requests for approval to newly introduce a stock-based compensation system (hereinafter the “System”) for the Company’s Directors (excluding Outside Directors; the same applies hereinafter) and Managing Officers with whom the Company has concluded mandate contracts (hereinafter “Directors, etc.”). Decisions on the details shall be entrusted to the Board of Directors, provided they fall within the framework specified in 2. below.

In the System, the compensation of Directors, etc. is more closely linked to the share value, so Directors, etc. not only enjoy benefits when the share price rises, but also bear the risk of the share price falling. By sharing the same profits and risks from share price fluctuations as shareholders, the System aims to heighten the awareness of Directors, etc. in contributing to raising corporate value by improving business performance in the medium to long term.

Specifically, approval is requested for a new form of stock-based compensation payable to Directors, etc. in a separate category from the maximum amount of compensation for Directors (within 600 million yen a year) approved in the 1st Ordinary General Meeting of Shareholders. The initial eligible recipients under the System are: Directors whose terms end at the Company’s Ordinary General Meeting of Shareholders scheduled for June 2018, and are in office for four years until their terms end at the Company’s Ordinary General Meeting of Shareholders scheduled for June 2022; and Managing Officers in office for the four fiscal years from the fiscal year ending March 31, 2018 to the fiscal year ending March 31, 2022 (each of the above periods is hereinafter the “Initial Target Period”).

If Proposal No. 2 “Election of thirteen (13) Directors” is approved as originally proposed, at the conclusion of this Ordinary General Meeting of Shareholders, excluding Outside Directors, seven (7) out of ten (10) Directors will be eligible under the System. Also, among the Managing Officers who are eligible under the System, two (2) are not concurrently serving as the Company’s Directors.

### **2. Amount, details, etc. of compensation, etc. under the System**

#### **(1) Overview of the System**

The System is a stock-based compensation system, where a trust established with cash contributed by the Company (hereinafter the “Trust”) will acquire the Company’s shares. Subsequently, every year, a certain number of the Company’s shares will be granted to Directors, etc. who are in office during the Target Period through the Trust, based on the points allocated to each Director, etc. according to their positions, etc. (Details are as follows.)

|                                                                                                    |                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) Targets of this proposal and recipients of the Company’s shares to be granted                  | ● Directors, etc. (the Company’s Directors [excluding Outside Directors] and Managing Officers with whom the Company has concluded mandate contracts)                                                                                                                                      |
| (ii) Maximum amount of the Company’s contribution to the Trust as compensation for Directors, etc. | ● 480 million yen in cash for the four-year Initial Target Period; if the period of the Trust is extended, 190 million yen in cash multiplied by the number of years extended, which corresponds to the length of the medium-term management plan the Company is implementing at that time |



|                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (iii) Maximum total number of the Company's shares to be granted to Directors, etc. through the Trust, and the Trust's methods of acquiring the Company's shares | <ul style="list-style-type: none"> <li>● 170,000 shares per year (490,000 shares in the four years of the Initial Target Period)</li> <li>● Maximum number of shares per year above is about 0.03% of the total number of outstanding shares of the Company (after deducting treasury shares as of March 31, 2017)</li> <li>● The Trust will acquire the Company's shares either through the stock market or via accepting the disposal of treasury shares by the Company</li> </ul> |
| (iv) Timing of grant of the Company's shares to Directors, etc.                                                                                                  | <ul style="list-style-type: none"> <li>● The Company's shares will be granted every year; the Company's shares will be subject to a restriction period (period where transfers, pledge agreements and other means of disposal are not allowed) of three years from the date of granting</li> </ul>                                                                                                                                                                                   |

## **(2) Upper limit of the Company's monetary contribution**

The period that the System applies to shall correspond to the period of the medium-term management plan that the Company is implementing (hereinafter the "Target Period"). The initial Target Period of the System shall be four years. Accordingly, the Company shall contribute a maximum of 480 million yen in cash (capital required for acquisition of the Company's shares to be granted to Directors, etc., trust charges and fees; the same applies hereinafter) as funds for the compensation to be paid to Directors, etc. through the System, and establish the Trust with a trust period of four years with Directors, etc. as the beneficiaries if they fulfill certain criteria. Using cash entrusted by the Company as funds, the Trust will acquire a number of the Company's shares based on an estimate of the number to be granted to Directors, etc. in the future, either through the stock market or via accepting the disposal of treasury shares by the Company.

When the trust period ends, through a decision by the Company's Board of Directors, the trust contract may be amended or additional amounts may be added, or trust assets in the Trust may be transferred to another trust with the same purpose to extend and continue the System by three years (if, however, the period of the medium-term management plan implemented by the Company at that time is not three years, the System shall be extended by the period of the said medium-term management plan). In such a case, the Company shall additionally contribute an amount, with a maximum of 190 million yen in cash multiplied by the number of years extended, to the Trust as funds for compensation to be paid to Directors, etc. Also, in such a case, in line with the System's extension, the Target Period shall be extended, and the point allocation stated in (3)(i) below as well as the granting of the Company's shares stated in (4) below shall be continued in the extended trust period. However, in the case where additional contributions are made, if any of the Company's shares or cash (hereinafter "remaining shares, etc.") remains in the trust assets on the final day of the trust period before the extension, the sum of the remaining shares, etc. amount and additional monetary contributions made by the Company shall fall within 190 million yen multiplied by the number of years extended.

## **(3) Calculation method and maximum number of the Company's shares to be granted to Directors, etc.**

### **(i) Calculation method and maximum number of points to be allocated to Directors, etc.**

Based on the regulations for the granting of shares formulated by the Board of Directors, the Company will allocate points to each Director, etc. during the trust period on the point allocation date specified in the regulations for the granting of shares. The number of points allocated will depend on the positions of the Directors, etc. The maximum number of points that the Company can allocate to Directors, etc. shall be 170,000 points per year in total.

### **(ii) Granting of the Company's shares to Directors, etc. and maximum number of the Company's shares to be granted**

Depending on the number of points allocated as described in (i) above, Directors, etc. shall follow

the procedures stated in (4) below and accept the granting of the Company's shares. The number of the Company's shares to be granted to each Director, etc. is the number of points allocated to the said Director, etc. multiplied by 1.0 (in the case where the number of shares to be granted should reasonably be adjusted, such as if the Company's shares undergo stock splits or stock mergers, reasonable adjustments will be made according to the ratio of the stock splits, stock mergers, etc.).

The maximum number of shares that the Company can allocate to Directors, etc. shall be 170,000 shares per year in total.

**(4) Timing and method of granting of the Company's shares to Directors, etc.**

The Trust will grant the Company's shares to each Director, etc. as stated in (3) above at a certain time of each year during the trust period, after the said Directors, etc. have completed the designated beneficiary confirmation procedures. However, in certain cases such as when Directors, etc. are not classified as domestic residents as they have been dispatched overseas, the Trust will sell and convert all the Company's shares calculated based on (3) above to cash, and pay cash in place of the Company's shares to the said Directors, etc.

**(5) Restriction period**

From the perspective of having Directors, etc. share the same profits and risks from share price fluctuations as shareholders in the medium to long term, in accordance with the shareholding guidelines formulated by the Company's Board of Directors, shares granted through the System shall be subject to a restriction period (period where transfers, pledge agreements or other means of disposal are not allowed) of three years from the date of granting.

**(6) Exercising of voting rights regarding the Company's shares in the Trust**

Based on instructions of the trust administrator, who is independent from the Company and the Directors, etc., all voting rights of the Company's shares in the Trust shall not be exercised. This method is intended to ensure the neutrality of the Company's shares in the Trust from the Company's management.

**(7) Treatment of dividends of surplus concerning the Company's shares in the Trust**

Dividends of surplus concerning the Company's shares in the Trust will be received by the Trust, and used in the payments of trust charges and fees to the trustee of the Trust.

**(8) Treatment at the end of the trust contract**

If there will be remaining shares in the Trust when the trust period ends, and it is decided that the Target Period will be extended, the trust contract may be amended or additional amounts may be added, or trust assets in the Trust may be transferred to another trust with the same purpose to continue the System.

In the case where the System will not be continued, the Trust will be closed at the end of the trust period, and any remaining shares will be acquired without compensation by the Company, and canceled via a Board of Directors resolution. When the Trust is closed, any remaining assets in the Trust will be attributed to the Company, provided they fall within the amount obtained after deducting the share acquisition capital from the trust funds. If the above amount is exceeded, based on the regulations for the granting of shares and trust contract formulated beforehand, the surplus will be donated to specified public service promotion corporations, etc. that do not have any special interests with Directors and Managing Officers of the Company and of the Company's subsidiaries that have adopted a similar stock-based compensation system.

## **(9) Other details of the System**

Other details concerning the System will be decided by the Board of Directors when the Trust is established, when changes are made to the trust contract, or when an additional contribution is made to the Trust.

### **(Reference) “Notice Regarding Introduction of Stock-Based Compensation System for the Company’s Directors and Managing Officers” dated May 11, 2017 (excerpt)**

#### **1. Purpose of introducing the System**

In the System, the compensation of Directors, etc. is more closely linked to the share value, so Directors, etc. not only enjoy benefits when the share price rises, but also bear the risk of the share price falling. By sharing the same profits and risks from share price fluctuations as shareholders, the System aims to heighten the awareness of Directors, etc. in contributing to raising corporate value by improving business performance in the medium to long term.

The introduction of the System is contingent upon the approval of its proposal at this General Meeting of Shareholders of the Company and each of its operating companies. Additions or changes may be made by the Board of Directors to the companies that the System applies to, based on considerations of the strategic importance of each company in the Group and the necessity of incentive payments to Directors, etc.

#### **2. Overview of the System**

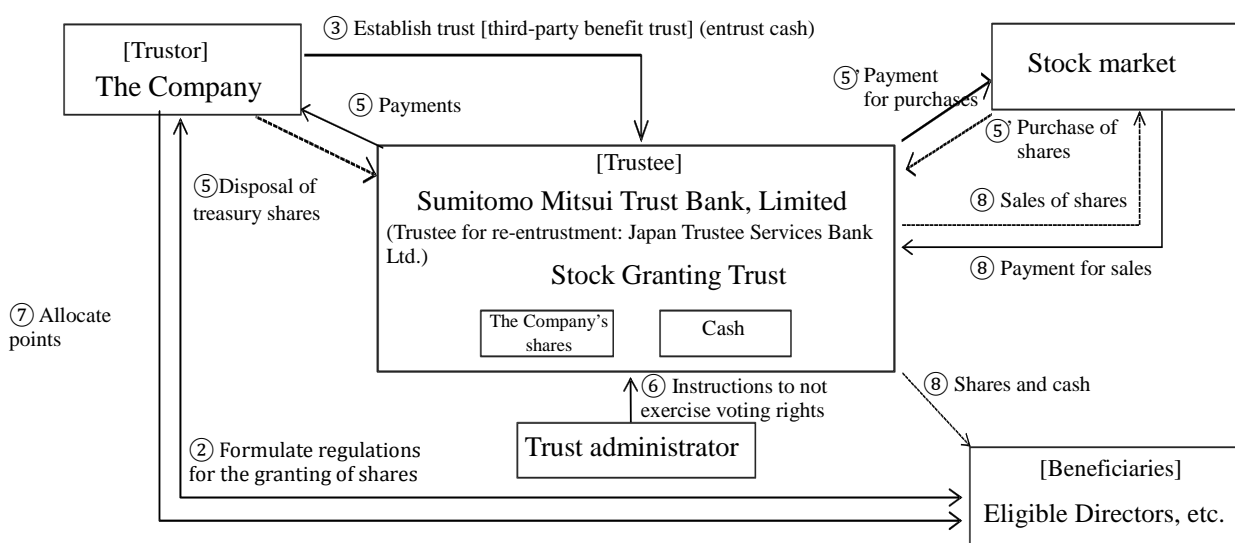
##### **(1) Overview of the System**

The System is a stock-compensation based system, where a trust established with cash contributed by the Company (hereinafter the “Trust”) will acquire the Company’s shares, and grant a number of the Company’s shares to eligible Directors, etc. every year based on the points allocated to each Director, etc. according to their positions, etc., in line with the period of the new medium-term management plan. The eligible recipients under the System are: Directors of the Company and its operating companies (hereinafter the “Target Companies”) whose terms end at the Ordinary General Meeting of Shareholders in June 2018, and are in office for four years until their terms end at the Ordinary General Meeting of Shareholders in June 2022; and Managing Officers in office for the four fiscal years from the fiscal year ending March 31, 2018 to the fiscal year ending March 31, 2022 who have concluded mandate contracts with the Target Companies (each of the above periods is hereinafter the “Target Period”).

(Note 1) When the trust period ends, and the trust period is extended such as by amending the trust contract or adding additional amounts (specified in (6) below), each Target Period will be extended by three years (if, however, the period of the medium-term management plan implemented by the Company then is not three years, they shall be extended by the period of the said medium-term management plan).

(Note 2) The System does not apply to Managing Officers who are bound to the Target Companies by employment contracts.

## Overview of framework of the System



1. Regarding the introduction of the System, each Target Company shall obtain the approval at each of their respective General Meetings of Shareholders held this year.
2. Each Target Company shall formulate regulations for the granting of shares targeting their respective eligible Directors, etc.
3. The Company shall establish a stock granting trust (third-party benefit trust) (hereinafter the “Trust”) with eligible Directors, etc. that fulfill the beneficiary criteria as the beneficiaries. Accordingly, the Company shall entrust cash as funds for the compensation to eligible Directors, etc. (capital required for acquisition of the Company’s shares to be granted to eligible Directors, etc., trust charges and fees; the same applies hereinafter) to the trustee. Regarding the cash used as funds for the compensation to eligible Directors, etc. of each operating company, necessary adjustments of expenses will be made between each operating company and the Company (however, the amount of the cash burden of each Target Company shall fall within the limits approved at their respective General Meetings of Shareholders as stated in 1. above).
4. A trust administrator (a party who is independent from all Target Companies and all eligible Directors, etc.), who will protect the interests of beneficiaries stated in the regulations for the granting of shares throughout the trust period and supervise the trustor, will be designated.
5. Using cash entrusted in 3. as funds, the Trust will acquire a number of the Company’s shares based on an estimate of the number to be granted in the future (either through the stock market or via accepting the disposal of treasury shares by the Company; if acquiring through the stock market, the acquisition will be carried out according to the instructions of the trust administrator).
6. Throughout the trust period, all voting rights of the Company’s shares in the Trust shall not be exercised.
7. Based on the regulations for the granting of shares, each Target Company shall allocate points to their respective eligible Directors, etc.
8. Eligible Directors, etc. who fulfill certain beneficiary criteria will, as beneficiaries of the Trust, receive a number of the Company’s shares granted by the Trust at a certain time each year during the trust period, according to the number of points they have been allocated. The number of shares to be granted to eligible Directors, etc. shall be within the limits approved at the respective General Meeting of Shareholders of each Target Company as stated in 1. However, in certain cases such as when eligible Directors, etc. are not classified as domestic residents as they have been dispatched overseas, the Trust will sell and convert all the Company’s shares that should be granted, and pay cash in place of the Company’s shares to the said Directors, etc., provided that this falls under a case that has been stipulated in the regulations for the granting of shares or trust contract beforehand.
9. If there are remaining shares in the Trust when the trust period ends, the trust contract may be amended or additional amounts may be added, or trust assets in the Trust may be transferred to

another trust with the same purpose to continue the System. Alternatively, the remaining shares will be transferred without compensation from the Trust to the Company, and canceled through a resolution of the Board of Directors.

10. If the System will not be continued, when the Trust is closed, any remaining assets after the distribution to beneficiaries has been carried out will be attributed to the Company, provided they fall within the amount obtained after deducting the share acquisition capital from the trust funds. If the above amount is exceeded, the surplus will be donated to specified public service promotion corporations, etc. that do not have any special interests with the Target Companies and the eligible Directors, etc.

The trustee of the System, Sumitomo Mitsui Trust Bank, Limited, will entrust the management of trust assets (re-entrustment) to Japan Trustee Services Bank Ltd.

## **(2) Procedures for introducing the System**

Each Target Company will implement the System within the limits approved in their respective General Meetings of Shareholders, through resolutions regarding the maximum amount of monetary contribution to the Trust, maximum number of shares to be granted, and other necessary matters. When considering whether to extend the trust period (specified in (6) below), each Target Company will make a decision via a resolution of the Board of Directors, within the limits approved at their respective General Meetings of Shareholders.

## **(3) Establishment of the Trust**

The Company will contribute cash as funds for the compensation of eligible Directors, etc. and establish the Trust in accordance with (9) below. The Trust will, as specified in (7) below, acquire the Company's shares using capital that the Company contributes as funds. Regarding the cash used as funds for the compensation to Directors, etc. of each operating company, necessary adjustments of expenses will be made between each operating company and the Company (however, the amount of the cash burden of each Target Company shall fall within the limits approved at their respective General Meetings of Shareholders as stated in (2) above).

## **(4) Trust period**

The trust period shall be approximately four years from August 2017 (planned) to August 2021 (planned). However, as specified in (6) below, the trust period may be extended.

## **(5) Recipients under the System**

Eligible Directors, etc. who fulfill the beneficiary criteria below will receive the Company's shares granted by the Trust according to the number of points (specified in (8) below) they have been allocated.

- (i) Be an eligible Director, etc. during the Target Period (including Directors, etc. who newly become eligible during the Target Period)
- (ii) Points allocation for recipient has been finalized
- (iii) Recipient did not conduct any certain illegal activities during his or her term in office
- (iv) Recipient fulfills any other criteria deemed necessary to achieve the purpose of the stock-based compensation

## **(6) Maximum amount of trust funds that can be contributed to the Trust**

The maximum amount of monetary contribution that the Company can make to the Trust as funds for the compensation to eligible Directors, etc. under the System shall be 1,260 million yen (including 480 million yen for Directors, etc. of the Company). When the trust period expires, through a decision by each Target Company's Board of Directors, the trust contract may be amended or additional amounts may be added, or trust assets in the Trust may be transferred to another trust with the same purpose to extend and continue the System by three years (if, however, the period of the medium-term management plan implemented by the Company then is not three years, the System shall be extended by the period of the said medium-term management plan). In such a case, the Target Company shall additionally contribute a maximum of 540 million yen in cash (including 190 million yen in cash for Directors, etc. of the Company) per year of the extended period to the Trust as funds for compensation to be paid to Directors, etc. Also, in such a case, in line with the System's extension, the Target Period shall be extended, and the point allocation stated in (8) below as well as the granting of the Company's shares stated in (9) below shall be continued in the extended trust period. However, in the case where additional contributions are made, if any of the Company's shares or cash (hereinafter "remaining shares, etc.") remains in the trust assets on the final day of the trust period before the extension, the sum of the remaining shares, etc. amount and additional monetary contributions made by each Target Company shall fall within the maximum amount approved at each of their respective General Meetings of Shareholders.

**(7) Acquisition methods of the Company's shares by the Trust**

The Trust will acquire the Company's shares either through the stock market or via accepting the disposal of treasury shares by the Company, within the limits of the maximum amount of trust funds stated in (6) above and the maximum number of shares to be granted stated in (9) below. However, details regarding the acquisition methods will be decided and disclosed after this General Meeting of Shareholders. During the trust period, if, due to factors such as an increase in the number of eligible Directors, etc., the number of the Company's shares in the Trust may not be sufficient in relation to the points allocated to eligible Directors, etc., within the limits of the maximum amount of trust funds stated in (6) above and the maximum number of shares to be granted stated in (9) below, additional monetary contributions may be made to the Trust to conduct additional acquisitions of the Company's shares.

**(8) Calculation method of points to be allocated to each eligible Director, etc.**

Based on the regulations for the granting of shares formulated by the Board of Directors of each Target Company, each Target Company will allocate points to each eligible Director, etc. during the trust period on the point allocation date specified in the regulations for the granting of shares. The number of points allocated will depend on the positions of the Directors, etc. Also, if the eligible Directors, etc. hold concurrent positions in the Company and an operating company (including concurrent positions between operating companies), necessary adjustments will be made in the point allocation according to the details of the positions. The maximum number of points that the Target Company can allocate to eligible Directors, etc. shall be 490,000 (including a total of 170,000 points per year to be allocated to Directors, etc. of the Company) per year in total.

**(9) Granting of the Company's shares to each eligible Director, etc. and maximum number of the Company's shares to be granted**

- (i) Depending on the number of points allocated as described in (8) above, eligible Directors, etc. shall follow the procedures stated in (ii) below and accept the granting of the Company's shares. The number of the Company's shares to be granted to each eligible Director, etc. shall be the number of points allocated to the said Director, etc. multiplied by 1.0.  
(Note 3) In the case where the number of shares to be granted should reasonably be adjusted, such as if the Company's shares undergo stock splits or stock mergers, reasonable adjustments will be made according to the ratio of the stock splits, stock mergers, etc.
- (ii) The maximum number of the Company's shares that can be granted to eligible Directors, etc. shall be 490,000 shares per year (including a total of 170,000 of the Company's shares to be granted to Directors, etc. of the Company per year) in total.
- (iii) The Trust will grant the Company's shares to each eligible Director, etc. as stated in (i) above at a certain time of each year during the trust period, after the said Directors, etc. have completed the designated beneficiary confirmation procedures. However, in certain cases such as when eligible Directors, etc. are not classified as domestic residents as they have been dispatched overseas, the Trust will sell and convert all the Company's shares calculated based on (i) above to cash, and pay cash in place of the Company's shares to the said Directors, etc.

**(10) Restriction period**

From the perspective of having eligible Directors, etc. share the same profits and risks from share price fluctuations as shareholders in the medium to long term, in accordance with the shareholding guidelines formulated by the Company's Board of Directors, shares granted through the System shall be subject to a restriction period (period where transfers, pledge agreements and other means of disposal are not allowed) of three years from the date of granting.

### **(11) Exercising of voting rights regarding the Company's shares in the Trust**

Based on instructions of the trust administrator, who is independent from the Target Companies and the eligible Directors, etc., all voting rights of the Company's shares in the Trust shall not be exercised. The above method is intended to ensure the neutrality of the exercising of voting rights of the Company's shares in the Trust from the Company's management.

### **(12) Treatment of dividends of surplus concerning the Company's shares in the Trust**

Dividends of surplus concerning the Company's shares in the Trust will be received by the Trust, and used in additional acquisitions of the Company's shares as well as in the payments of trust charges and fees to the trustee of the Trust.

### **(13) Treatment at the end of the trust contract**

If there will be remaining shares in the Trust when the trust period ends, and it is decided that the Target Period will be extended, the trust contract may be amended or additional amounts may be added, or trust assets in the Trust may be transferred to another trust with the same purpose to continue the System.

In the case where the System will not be continued, the Trust will be closed at the end of the trust period, and any remaining shares will be acquired without compensation by the Company, and canceled via a Board of Directors resolution. When the Trust is closed, any remaining assets in the Trust will be attributed to the Company, provided they fall within the amount obtained after deducting the share acquisition capital from the trust funds. If the above amount is exceeded, based on the regulations for the granting of shares and trust contract formulated beforehand, the surplus will be donated to specified public service promotion corporations, etc. that do not have any special interests with the Target Companies and the eligible Directors, etc.

### **(Reference: Overview of the Trust)**

- (1) Name: Stock Granting Trust for Officers
- (2) Trustor: The Company
- (3) Trustee: Sumitomo Mitsui Trust Bank, Limited  
(Trustee for re-entrustment: Japan Trustee Services Bank Ltd.)
- (4) Beneficiaries: Directors, etc. who are eligible under the System and fulfill the beneficiary criteria
- (5) Trust administrator: A third party with no special interests with the Target Companies or eligible Directors, etc. will be designated
- (6) Type of trust: Trust involving money other than money trust (third-party benefit trust)
- (7) Date of conclusion of trust contract: August 2017 (planned)
- (8) Date of entrusting cash: August 2017 (planned)
- (9) Trust period: August 2017 (planned) to August 2021 (planned)