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Securities Code: 9045

May 30, 2017

To Our Shareholders:

Yoshifumi Kato
Representative Director & President
Keihan Holdings Co., Ltd.
1-7-31 Otemae, Chuo-ku, Osaka

Notice of the 95th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 95th Ordinary General Meeting of Shareholders of Keihan Holdings Co., Ltd. (the “Company”), which will be held as indicated below.

If you are unable to attend the Meeting in person, you may exercise your voting rights in writing or via the Internet, etc. Please review the attached Reference Documents for General Meeting of Shareholders, and exercise your voting rights following “Exercising Voting Rights” on page 3 so that your vote is received by 6:00 p.m. on Monday, June 19, 2017 (JST).

- 1. Date and Time:** Tuesday, June 20, 2017, at 10:00 a.m.
- 2. Venue:** Main Hall, 5th floor,
Osaka International Convention Center (Grand Cube Osaka)
5-3-51 Nakanoshima, Kita-ku, Osaka

3. Purpose of the Meeting

Matters to be reported

The Business Report, the Consolidated Financial Statements and the Financial Statements for the 95th fiscal year (from April 1, 2016 to March 31, 2017), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board

Matters to be resolved

- Proposal No. 1: Dividends of Surplus**
- Proposal No. 2: Partial Amendment of Articles of Incorporation**
- Proposal No. 3: Election of Eight (8) Directors Who Are Not Audit and Supervisory Committee Members**
- Proposal No. 4: Election of Five (5) Directors Who Are Audit and Supervisory Committee Members**
- Proposal No. 5: Election of One (1) Substitute Director Who Is an Audit and Supervisory Committee Member**
- Proposal No. 6: Determination of Remuneration, etc. of Directors Who Are Not Audit and Supervisory Committee Members**
- Proposal No. 7: Determination of Remuneration, etc. of Directors Who Are Audit and Supervisory Committee Members**
- Proposal No. 8: Determination of Remuneration, etc. concerning Share-Based-Remuneration-Type Stock Options for Directors Who Are Not Audit and Supervisory Committee Members**
- Proposal No. 9: Share Consolidation**

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- © When you attend the Meeting, you are kindly requested to present the enclosed voting exercise form at the reception. For the purpose of saving resources, please be sure to bring this notice with you.
 - © If you exercise your voting rights by proxy, another shareholder with voting rights in the Company may attend as your proxy.

Exercising Voting Rights

Exercising voting rights in writing

Please return the enclosed Voting Exercise Form indicating your vote for or against each proposal so that your vote is received by 6:00 p.m. on Monday, June 19, 2017 (JST).

Exercising voting rights via the Internet, etc.

[Instructions for exercising voting rights via the Internet]

Please follow the instructions below and exercise your voting rights by 6:00 p.m. on Monday, June 19, 2017 (JST).

1. Voting website

You can only exercise your voting rights via the Internet by accessing the following dedicated voting website designated by the Company.

Dedicated voting website address: <http://www.web54.net>

2. Handling of votes

(1) When exercising your voting rights via the Internet, input the “voting right exercise code” and “password” written in the enclosed voting exercise form, and indicate your approval or disapproval of each proposal by following the on-screen instructions.

(2) Any fees for Internet providers and telecommunication companies (connection fees etc.) incurred by shareholders in using the dedicated voting website are to be borne by the shareholder.

3. Safekeeping of the voting right exercise code and password

(1) The password is important for authenticating the identity of shareholders. Please handle it with care in the same way as you would your seals or PIN number.

(2) If you enter your password incorrectly more than a certain number of times, the password will be locked. If you wish to have your password reissued, please complete the procedures by following the on-screen instructions.

(3) The voting right exercise code provided on the voting exercise form will only be valid for this Meeting.

4. Inquiries regarding the operation of a PC etc. for exercising voting rights

If you have any questions regarding the operation of a PC etc. for exercising voting rights on the website, please contact:

Stock Transfer Agency Web Support, Sumitomo Mitsui Trust Bank, Limited

Tel: 0120-652-031 (toll free and available from 9:00 a.m. to 9:00 p.m., only in Japan)

[Utilizing the electronic voting platform (intended for institutional investors)]

For institutional investors, the electronic voting platform operated by ICJ, Inc., is available for exercising your voting rights for this Meeting.

Treatment of multiple exercises of voting rights

If you exercise your voting rights in duplicate, both in writing and via the Internet, etc., only your vote exercised via the Internet, etc. will be treated as valid. In addition, if you exercise your voting rights via the Internet, etc. multiple times, only the last vote exercised will be treated as valid.

Reference Documents for General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1: Dividends of Surplus

The Company's basic policy regarding profit-sharing is to continue a stable distribution of profit while considering equity levels and performance to sustainably realize results-based shareholder returns, even amidst drastically changing economic environments. The policy also includes ensuring a stable management foundation of the Group centering on the highly public railway business by working to improve value along our rail lines, as well as striving for active investment and to strengthen financial structure so that the Group is able to grow.

Based on the policy above, we would like to propose to pay a year-end dividend for the current business term as follows.

- (1) Type of dividend property:

Cash

- (2) Matters concerning the allotment of dividend property to shareholders and the total amount of the allotment:

¥3 per share of common shares of the Company

Total cash dividends of ¥1,608,002,940

Including the midterm dividend of ¥3 per share, the total dividend to be paid during the year is ¥6 per share.

- (3) Date on which the dividend of surplus will become effective:

June 21, 2017

Common reference information for Proposal No. 2 through Proposal No. 8

The Company wishes to transition to a corporate structure of “company with an audit and supervisory committee” in order to further strengthen its corporate governance. Proposal No. 2 through Proposal No. 8 are all related to this transition; accordingly, as the Company puts forth these proposals, it provides the following explanations regarding the characteristics of companies with audit and supervisory committees, the reasons for the Company’s decision to transition to a company with an audit and supervisory committee, and other such matters.

Characteristics of companies with audit and supervisory committees

- A company with an audit and supervisory committee does not have the traditional audit and supervisory board or board members; instead, it has an audit and supervisory committee composed of three or more directors who serve as committee members, a majority of whom are outside directors.
- Directors who are audit and supervisory committee members are elected at general meetings of shareholders separately from directors who are not audit and supervisory committee members; as directors with voting rights at board of directors meetings, they are involved in overall decision-making relating to the execution of operations (excluding matters delegated to individual directors), such as deciding on proposals for the election or dismissal of directors who are not audit and supervisory committee members and selecting and dismissing representative directors. The audit and supervisory committee audits the directors’ performance of their duties, in addition to which it has the authority to express its opinions regarding the election, dismissal, and remuneration of directors who are not audit and supervisory committee members at general meetings of shareholders.
- In companies with audit and supervisory committees, if a majority of the directors are outside directors, or if the articles of incorporation so provide, the board of directors may resolve to delegate all or part of the decisions on the execution of important operations to the individual directors. This enables prompt managerial decision-making while also allowing the board of directors to operate with a focus on supervising the execution of operations.

Reasons for transition to a company with audit and supervisory committee

The Company transitioned to a holding company structure on April 1, 2016, in order to promote sustainable growth and the increase of corporate value through measures to address tasks such as further strengthening each Company business, expanding the Company Group’s businesses, creating new businesses through collaboration with other industries and M&A, and improving the value of areas along train lines with a mid- to long-term perspective.

The Company has decided to transition to a company with an audit and supervisory committee due to its determination that doing so will help achieve prompt managerial decision-making through the delegation of decisions on an appropriate portion of the execution of important operations to the Directors in order to further accelerate the measures to address the tasks set out above and will also contribute to further strengthening corporate governance systems in such ways as increasing the effectiveness of auditing and supervision by giving voting rights in the Board of Directors to directors/auditors responsible for those functions.

Regarding Proposal No. 2 through Proposal No. 8

In order to transition to a company with an audit and supervisory committee, it is necessary to provide in the Articles of Incorporation that the Company will have an Audit and Supervisory Committee and to make other required amendments. Proposal No. 2 proposes amendments for that purpose together with other amendments.

Following that, because companies with audit and supervisory committees elect directors who are not audit and supervisory committee members separately from those who are, Proposal No. 3 proposes the election of eight Directors who are not Audit and Supervisory Committee Members, while Proposal No. 4

proposes the election of five Directors who are Audit and Supervisory Committee Members. Additionally, as a precaution against situations in which the number of Directors who are Audit and Supervisory Committee Members falls short of the number provided for in laws and regulations, Proposal No. 5 proposes the election of one substitute Director who is an Audit and Supervisory Committee Member.

Furthermore, because companies with audit and supervisory committees determine director remuneration, etc. separately for directors who are not audit and supervisory committee members and those who are, Proposal No. 6 proposes the amount of remuneration, etc. of Directors who are not Audit and Supervisory Committee Members, while Proposal No. 7 proposes the amount of remuneration, etc. of Directors who are Audit and Supervisory Committee Members. The Company has been allotting share-based-remuneration-type stock options in the form of share options (*shinkabu yoyakuken*) to Directors; Proposal No. 8 is put forth so that share options may be allotted to Directors who are not Audit and Supervisory Committee Members after abolishing the previous share-based-remuneration-system described above in connection with the transition to a company with an audit and supervisory committee.

End

Proposal No. 2: Partial Amendment of Articles of Incorporation

(1) Reasons for amendment

1. The Company wishes to transition to a company with an audit and supervisory committee in order to further strengthen its corporate governance. Accordingly, the provisions on the Audit and Supervisory Board and its Members will be removed, new provisions on the Audit and Supervisory Committee and its Members will be established, and other necessary amendments to related provisions will be made.
2. In order to achieve greater flexibility in the operation of the Board of Directors, the day on which convocation notices for Board of Directors meetings are sent as set out in Article 23 will be amended from at least seven (7) days before the day of the Board of Directors meeting to at least three (3) days before. Likewise, in order to achieve flexible operation of the Audit and Supervisory Committee, the amended Article 30 provides that convocation notices for Audit and Supervisory Committee meetings shall be sent at least three (3) days before the day of the Audit and Supervisory Committee meeting.
3. In addition to the above, other necessary amendments, such as changes to article numbers, will be made.

(2) Details of amendment

The current Articles of Incorporation will be partially amended as follows.
 The amendment of the Articles of Incorporation under this proposal will take effect upon the conclusion of this General Meeting of Shareholders.

(Amended parts are underlined)

Current Articles of Incorporation	Proposed Amendments
<p>Chapter 1 General Provisions</p> <p>Article 4 Organs In addition to the General Meeting of Shareholders and the Directors, the Company shall have the following organs:</p> <ol style="list-style-type: none"> 1. Board of Directors 2. <u>Audit and Supervisory Board Members</u> 3. <u>Audit and Supervisory Board</u> 4. Accounting Auditor 	<p>Chapter 1 General Provisions</p> <p>Article 4 Organs (Same as current)</p> <ol style="list-style-type: none"> 1. (Same as current) 2. <u>Audit and Supervisory Committee</u> (Removed) 3. (Same as 4 in current version)
<p>Chapter 4 Directors and Board of Directors</p> <p>Article 19 Number The number of Directors of the Company shall be no more than <u>10</u>. (New)</p>	<p>Chapter 4 Directors and Board of Directors</p> <p>Article 19 Number <u>1. The number of Directors of the Company shall be no more than 15.</u> <u>2. Of the Directors set out in the preceding paragraph, no more than five shall be Directors who are Audit and Supervisory Committee Members.</u></p>
<p>Article 20 Election Method</p> <ol style="list-style-type: none"> 1. Directors shall be elected at a General Meeting of Shareholders. 2. Resolutions to elect Directors shall require the majority of the voting rights of attending shareholders at a General Meeting of Shareholders at which those attending shareholders hold at least one-third of the total 	<p>Article 20 Election Method</p> <ol style="list-style-type: none"> 1. Directors shall be elected at a General Meeting of Shareholders <u>with Directors who are Audit and Supervisory Committee Members elected separately from Directors who are not Audit and Supervisory Committee Members.</u> 2. (Same as current)

<p>voting rights of all shareholders entitled to exercise their voting rights.</p> <p>3. Resolutions to elect Directors shall not use cumulative voting.</p>	<p>3. (Same as current)</p>
<p>Article 21 Term of Office</p> <p>1. The term of office of a Director shall be until the conclusion of the Ordinary General Meeting of Shareholders relating to the last business year to end within one year after the Director's election.</p> <p>(New)</p> <p>(New)</p> <p>(New)</p>	<p>Article 21 Term of Office</p> <p>1. The term of office of a Director <u>who is not an Audit and Supervisory Committee Member</u> shall be until the conclusion of the Ordinary General Meeting of Shareholders relating to the last business year to end within one year after the Director's election.</p> <p>2. <u>The term of office of a Director who is an Audit and Supervisory Committee Member shall be until the conclusion of the Ordinary General Meeting of Shareholders relating to the last business year to end within two years after the Director's election.</u></p> <p>3. <u>The term of office of a Director who is an Audit and Supervisory Committee Member elected as substitute for a Director who is an Audit and Supervisory Committee Member leaving his/her position before the completion of his/her term of office shall be until the completion of the term of office of that leaving Director who is an Audit and Supervisory Committee Member.</u></p> <p>4. <u>A resolution to elect a substitute Director who is an Audit and Supervisory Committee Member shall be effective until the commencement of the Ordinary General Meeting of Shareholders relating to the last business year to end within two years after the election resolution.</u></p>
<p>Article 22 Representative Directors and Directors with Titles</p> <p>1. The Board of Directors shall, by its resolution, select a Representative Director.</p> <p>2. The Board of Directors may, by its resolution, select one Chairperson, one Vice Chairperson, one President, several Vice Presidents, several Senior Managing Directors, and several Managing Directors.</p>	<p>Article 22 Representative Directors and Directors with Titles</p> <p>1. The Board of Directors shall, by its resolution, select a Representative Director <u>from among the Directors who are not Audit and Supervisory Committee Members.</u></p> <p>2. The Board of Directors may, by its resolution, select one Chairperson, one Vice Chairperson, one President, several Vice Presidents, several Senior Managing Directors, and several Managing Directors <u>from among the Directors who are not Audit and Supervisory Committee Members.</u></p>
<p>Article 23 Convocation Notices for Board of Directors Meetings</p> <p>1. Convocation notices for Board of Directors meetings shall be sent to each Director <u>and each Audit and Supervisory Board Member</u> at least <u>seven days</u> before the day of the meeting; however, this period may be shortened in cases of urgent necessity.</p> <p>2. If all of the Directors <u>and Audit and Supervisory Board Members</u> so consent, a Board of Directors meeting may be held without following the</p>	<p>Article 23 Convocation Notices for Board of Directors Meetings</p> <p>1. Convocation notices for Board of Directors meetings shall be sent to each Director at least <u>three days</u> before the day of the meeting; however, this period may be shortened in cases of urgent necessity.</p> <p>2. If all of the Directors so consent, a Board of Directors meeting may be held without following the convocation procedures.</p>

convocation procedures.	
(New)	<p><u>Article 25 Delegation of Decisions on Execution of Important Operations</u> <u>The Company may, under the provisions of Article 399-13, paragraph 6 of the Companies Act, delegate all or part of the decisions on the execution of important operations (excluding the matters set out in each item of paragraph 5 of the same article) to the Director(s) by a resolution of the Board of Directors.</u></p>
<p><u>Article 25 Remuneration, etc.</u> Directors' remuneration, bonuses, and other economic benefits received from the Company as consideration for the performance of duties ("<u>Remuneration, Etc.</u>") shall be determined by a resolution of the General Meeting of Shareholders.</p>	<p><u>Article 26 Remuneration, etc.</u> Directors' remuneration, bonuses, and other economic benefits received from the Company as consideration for the performance of duties shall be determined by a resolution of the General Meeting of Shareholders, <u>with such remuneration, etc. for Directors who are Audit and Supervisory Committee Members determined separately from such remuneration, etc. for Directors who are not Audit and Supervisory Committee Members.</u></p>
<p><u>Article 26 and Article 27</u> (Omitted)</p>	<p><u>Article 27 and Article 28</u> (Same as current)</p>
<p>Chapter 5 <u>Audit and Supervisory Board Members and Audit and Supervisory Board</u></p> <p><u>Article 28 Number</u> <u>The number of Audit and Supervisory Board Members of the Company shall be no more than five.</u></p>	<p>Chapter 5 <u>Audit and Supervisory Committee</u> (Removed)</p>
<p><u>Article 29 Election Method</u> 1. <u>Audit and Supervisory Board Members shall be elected at a General Meeting of Shareholders.</u> 2. <u>Resolutions to elect Audit and Supervisory Board Members shall require the majority of the voting rights of attending shareholders at a General Meeting of Shareholders at which those attending shareholders hold at least one-third of the total voting rights of all shareholders entitled to exercise their voting rights.</u></p>	(Removed)
<p><u>Article 30 Term of Office</u> 1. <u>The term of office of an Audit and Supervisory Board Member shall be until the conclusion of the Ordinary General Meeting of Shareholders relating to the last business year to end within four years after the Audit and Supervisory Board Member's election.</u> 2. <u>The term of office of an Audit and Supervisory Board Member elected as substitute for an Audit and Supervisory Board Member leaving his/her position before the completion of his/her term of office shall be until the completion of the term of office of that leaving Audit and Supervisory Board Member.</u></p>	(Removed)

<p><u>Article 31 Full-Time Audit and Supervisory Board Members and Senior Audit and Supervisory Board Members</u></p> <ol style="list-style-type: none"> 1. <u>The Audit and Supervisory Board shall, by its resolution, select full-time Audit and Supervisory Board Member(s).</u> 2. <u>The Audit and Supervisory Board may, by its resolution, select Senior Audit and Supervisory Board Member(s).</u> 	<p><u>Article 29 Full-Time Audit and Supervisory Committee Members</u></p> <p><u>The Audit and Supervisory Committee may, by its resolution, select full-time Audit and Supervisory Committee Member(s).</u> (Removed)</p>
<p><u>Article 32 Convocation Notices for Audit and Supervisory Board Meetings</u></p> <ol style="list-style-type: none"> 1. <u>Convocation notices for Audit and Supervisory Board meetings shall be sent to each Audit and Supervisory Board Member at least seven days before the day of the meeting; however, this period may be shortened in cases of urgent necessity.</u> 2. <u>If all of Audit and Supervisory Board Members so consent, an Audit and Supervisory Board meeting may be held without following the convocation procedures.</u> 	<p><u>Article 30 Convocation Notices for Audit and Supervisory Committee Meetings</u></p> <ol style="list-style-type: none"> 1. <u>Convocation notices for Audit and Supervisory Committee meetings shall be sent to each Audit and Supervisory Committee Member at least three days before the day of the meeting; however, this period may be shortened in cases of urgent necessity.</u> 2. <u>If all of Audit and Supervisory Committee Members so consent, an Audit and Supervisory Committee meeting may be held without following the convocation procedures.</u>
<p><u>Article 33 Remuneration, Etc. Audit and Supervisory Board Members' Remuneration, Etc. shall be determined by a resolution of the General Meeting of Shareholders.</u></p>	<p>(Removed)</p>
<p><u>Article 34 Liability Limitation Agreements with Outside Audit and Supervisory Board Members</u></p> <p><u>The Company may, under the provisions of Article 427, paragraph 1 of the Companies Act, execute agreements with Outside Audit and Supervisory Board Members limiting their liability to compensate for damage due to negligence in their duties; however, the maximum amount of liability under such agreements shall be the higher of (i) an amount equal to or greater than 10 million yen determined in advance or (ii) the amount provided for by laws and regulations.</u></p>	<p>(Removed)</p>
<p>Chapter 6 Accounting</p> <p><u>Article 35 to Article 38</u></p> <p>(Omitted)</p>	<p>Chapter 6 Accounting</p> <p><u>Article 31 to Article 34</u></p> <p>(Same as current)</p>

Proposal No. 3: Election of Eight (8) Directors Who Are Not Audit and Supervisory Committee Members

The Company will transition to a company with an audit and supervisory committee on the condition that Proposal No. 2 (Partial Amendment of Articles of Incorporation) is approved and resolved. Also, the term of office of all the seven (7) Directors will expire at the conclusion of this General Meeting of Shareholders. Therefore, the Company proposes to elect eight (8) Directors who are not Audit and Supervisory Committee Members separately from Directors who are Audit and Supervisory Committee Members, thereby increasing the number of Directors by one (1) in order to further strengthen the Company's management structure.

The resolution regarding this proposal will take effect on the condition that the amendment of the Articles of Incorporation in Proposal No. 2 (Partial Amendment of Articles of Incorporation) becomes effective.

The candidates for Directors who are not Audit and Supervisory Committee Members are as follows:

(* indicates a new candidate)

Candidate No.	Name (Date of birth)	Brief career summary, positions and responsibilities and important concurrent positions	Number of the Company's shares held
1	Yoshifumi Kato (Nov. 25, 1951)	<p>Apr. 1975 Joined the Company</p> <p>Jun. 2005 Director, the Company</p> <p>Jun. 2007 Director & Managing Executive Officer, the Company</p> <p>Jun. 2011 Representative Director & President, CEO & COO, the Company (current position)</p> <p>● Responsibilities General Manager, Corporate Management Office</p> <p>● Important concurrent positions Representative Director & President, Keihan Electric Railway Co., Ltd. Outside Audit & Supervisory Board Member, Asahi Broadcasting Corporation Chairman, Kansai Railway Association</p>	117,000 shares
2	Tatsuya Miura (Mar. 11, 1957)	<p>Apr. 1980 Joined the Company</p> <p>Jun. 2009 Executive Officer, the Company</p> <p>Jun. 2013 Director & Managing Executive Officer, the Company (current position)</p> <p>● Responsibilities General Manager, BIOSTYLE Promotion Office; Deputy General Manager (In charge of Management Strategy [New Business] and Business Promotion [Redevelopment of Areas along the Railway]), Corporate Management Office [General Manager of Real Estate Business]</p> <p>● Important concurrent positions Representative Director & President, KEIHAN DENTETSU REAL ESTATE Co., Ltd. Representative Director & President, Keihan Tatemono Co., Ltd.</p>	44,000 shares

Candidate No.	Name (Date of birth)	Brief career summary, positions and responsibilities and important concurrent positions	Number of the Company's shares held
3	*Michio Nakano (Oct. 17, 1958)	<p>Apr. 1981 Joined the Company</p> <p>Jul. 2005 General Manager, the Company (dispatched to Nakanoshima Rapid Railway Co., Ltd.)</p> <p>Jul. 2012 Representative Director & President, Keihan Engineering Service Co., Ltd. (currently Keihan Building Techno Service Co., Ltd.)</p> <p>Jun. 2013 Executive Officer, the Company (current position)</p> <p>● Responsibilities [In charge of Transportation Business]</p> <p>● Important concurrent positions Managing Director, Keihan Electric Railway Co., Ltd.</p>	28,050 shares
4	*Masaya Ueno (Jan. 13, 1960)	<p>Apr. 1982 Joined the Company</p> <p>Jul. 2006 General Manager, the Company (Director, Keihan Ryutsu Systems Co., Ltd.)</p> <p>Jun. 2013 Executive Officer, the Company (current position)</p> <p>● Responsibilities Deputy General Manager, BIOSTYLE Promotion Office [General Manager of Retail Distribution Business]</p> <p>● Important concurrent positions Representative Director & President, Keihan Ryutsu Systems Co., Ltd. Representative Director & Chairman, KEIHAN DEPARTMENT STORES LTD. Representative Director & Chairman, KEIHAN THE STORE Co., Ltd.</p>	24,000 shares
5	*Toshihiko Inachi (Dec. 17, 1958)	<p>Apr. 1982 Joined the Company</p> <p>Jul. 2006 General Manager in charge of Management Policy, Corporate Management Office, the Company</p> <p>Jul. 2011 Representative Director & President, KYOTO CENTURY HOTEL CO., LTD.</p> <p>Jun. 2013 Executive Officer, the Company (current position)</p> <p>● Responsibilities [Deputy General Manager of Leisure and Service Business]</p> <p>● Important concurrent positions Representative Director & Senior Managing Director, Keihan Hotels & Resorts Co., Ltd.</p>	16,155 shares
6	*Masahiro Ishimaru (Feb. 28, 1962)	<p>Apr. 1985 Joined the Company</p> <p>Jul. 2009 General Manager in charge of Personnel, Corporate Management Office, the Company</p> <p>Jun. 2013 Executive Officer, the Company (current position)</p> <p>● Responsibilities In charge of Management Strategy [Planning of the Group's Overall Strategy, Public Relations and Corporate Social Responsibility], Corporate Management Office; In charge of Personnel Division</p> <p>● Important concurrent positions Director, Keihan Electric Railway Co., Ltd.</p>	28,050 shares

Candidate No.	Name (Date of birth)	Brief career summary, positions and responsibilities and important concurrent positions	Number of the Company's shares held
7	Kazuo Tsukuda (Sep. 1, 1943)	<p>Apr. 1968 Joined Mitsubishi Heavy Industries, Ltd.</p> <p>Jun. 2003 Representative Director & President, Mitsubishi Heavy Industries, Ltd.</p> <p>Apr. 2008 Representative Director & Chairman, Mitsubishi Heavy Industries, Ltd.</p> <p>Jun. 2011 Director, the Company (current position)</p> <p>Apr. 2013 Senior Corporate Adviser, Mitsubishi Heavy Industries, Ltd.</p> <p>Jun. 2013 Senior Executive Adviser, Mitsubishi Heavy Industries, Ltd. (current position)</p> <p>● Important concurrent positions Senior Executive Adviser, Mitsubishi Heavy Industries, Ltd. Outside Director, Mitsubishi Research Institute, Inc. Outside Director (Audit and Supervisory Committee Member), Yamaguchi Financial Group, Inc. Outside Director, FANUC CORPORATION</p>	0
8	Shuji Kita (Jan. 28, 1943)	<p>Apr. 1966 Joined Ministry of International Trade and Industry</p> <p>Jun. 1991 Deputy Director-General, Economic Planning Agency</p> <p>Jun. 1993 Managing Director, HANWA CO., LTD.</p> <p>Feb. 1994 Representative Director & President, HANWA CO., LTD.</p> <p>Apr. 2011 Representative Director & Chairman, HANWA CO., LTD.</p> <p>Jun. 2011 Director, the Company(current position)</p> <p>Apr. 2017 Director & Chairman, HANWA CO., LTD. (current position)</p> <p>● Important concurrent positions Director & Chairman, HANWA CO., LTD.</p>	10,000 shares

(Notes) 1. Reasons for nomination as candidates for Directors who are not Audit and Supervisory Committee Members (excluding candidates for Outside Directors)

Elected as Director in June 2005, Mr. Yoshifumi Kato currently serves as Representative Director & President, CEO & COO as well as working as General Manager of the Corporate Management Office. Based on his abundant experience and track record we judge that he is an appropriate candidate for Director who is not an Audit and Supervisory Committee Member and we accordingly request that he be reelected.

Elected as an Executive Officer in June 2009, Mr. Tatsuya Miura currently serves as Director & Managing Executive Officer (General Manager of Real Estate Business), as well as being responsible for the Group's overall Real Estate Business operations. Based on his abundant experience and track record we judge that he is an appropriate candidate for Director who is not an Audit and Supervisory Committee Member and we accordingly request that he be reelected.

Elected as an Executive Officer in June 2013, Mr. Michio Nakano currently serves as an Executive Officer (In charge of Transportation Business), as well as being responsible for Transportation Business operations. Based on his abundant experience and track record we judge that he is an appropriate candidate for Director who is not an Audit and Supervisory Committee Member and we accordingly request that he be elected.

Elected as an Executive Officer in June 2013, Mr. Masaya Ueno currently serves as an Executive Officer (General Manager of Retail Distribution Business), and is also responsible for the Group's overall Retail Distribution Business operations. Based on his abundant experience and track record we judge that he is an appropriate candidate for Director who is not an Audit and Supervisory Committee Member and we accordingly request that he be elected.

Elected as an Executive Officer in June 2013, Mr. Toshihiko Inachi currently serves as an Executive Officer (Deputy General Manager of Leisure and Service Business), as well as being responsible for the Group's overall Leisure and Service Business operations. Based on his abundant experience and track record we judge that he is an appropriate candidate for Director who is not an Audit and Supervisory Committee Member and we accordingly request that he be elected.

Elected as an Executive Officer in June 2013, Mr. Masahiro Ishimaru currently serves as an Executive Officer, as well as being responsible for operations related to Management Strategy [Planning of the Group's Overall Strategy, Public Relations and Corporate Social Responsibility], Corporate Management Office, and Personnel Division. Based on his abundant experience and track record we judge that he is an appropriate candidate for Director who is not an Audit and Supervisory Committee Member and we accordingly request that he be elected.

2. There are no special interests between each of the candidates for Directors who are not Audit and Supervisory Committee Members and the Company.
3. Messrs. Kazuo Tsukuda and Shuji Kita are candidates for Outside Directors.
4. In accordance with the rules of the Tokyo Stock Exchange, the Company has registered the names of Directors Kazuo Tsukuda and Shuji Kita as Independent Board Members.
5. Matters concerning candidates for Outside Directors

(1) Mr. Kazuo Tsukuda

- 1) Reasons for nomination as a candidate for Outside Director who is not an Audit and Supervisory Committee Member:

The Company requests the shareholders to elect Mr. Kazuo Tsukuda as Outside Director who is not an Audit and Supervisory Committee Member in the judgment of the Company that he will be able to utilize his abundant experience and excellent insight as a manager in the management and the supervision of the performance of duties of the Company.

- 2) Number of years in office since first appointment as Outside Director of the Company:

At the conclusion of this General Meeting of Shareholders, Mr. Kazuo Tsukuda will have held the post of Outside Director for six (6) years.

- 3) Liability limitation agreement with the candidate for Outside Director:

The Company has concluded an agreement with Mr. Kazuo Tsukuda to the effect that the liability of him provided for in Article 423, paragraph 1 of the Companies Act shall be limited to 10 million yen or the minimum amount stipulated by laws or regulations, whichever is higher, in the event he acts in good faith without gross negligence. If the election of Mr. Kazuo Tsukuda is approved and resolved, the Company is expected to enter into a similar liability limitation agreement with him upon his appointment at this General Meeting of Shareholders.

(2) Mr. Shuji Kita

- 1) Reasons for nomination as a candidate for Outside Director who is not an Audit and Supervisory Committee Member:

The Company requests the shareholders to elect Mr. Shuji Kita as Outside Director who is not an Audit and Supervisory Committee Member in the judgment of the Company that he will be able to utilize his abundant experience and excellent insight as a manager in the management and the supervision of the performance of duties of the Company.

- 2) Number of years in office since first appointment as Outside Director of the Company:

At the conclusion of this General Meeting of Shareholders, Mr. Shuji Kita will have held the post of Outside Director for six (6) years.

3) Liability limitation agreement with the candidate for Outside Director:

The Company has concluded an agreement with Mr. Shuji Kita to the effect that the liability of him provided for in Article 423, paragraph 1 of the Companies Act shall be limited to 10 million yen or the minimum amount stipulated by laws or regulations, whichever is higher, in the event he acts in good faith without gross negligence. If the election of Mr. Shuji Kita is approved and resolved, the Company is expected to enter into a similar liability limitation agreement with him upon his appointment at this General Meeting of Shareholders.

Proposal No. 4: Election of Five (5) Directors Who Are Audit and Supervisory Committee Members

The Company will transition to a company with an audit and supervisory committee on the condition that Proposal No. 2 (Partial Amendment of Articles of Incorporation) is approved and resolved. Therefore, the Company proposes to elect five (5) Directors who are Audit and Supervisory Committee Members separately from Directors who are not Audit and Supervisory Committee Members.

The resolution regarding this proposal will take effect on the condition that the amendment of the Articles of Incorporation in Proposal No. 2 (Partial Amendment of Articles of Incorporation) becomes effective.

The Company has obtained the consent of the Audit and Supervisory Board for this proposal.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows.

(* indicates a new candidate)

Candidate No.	Name (Date of birth)	Brief career summary, positions and important concurrent positions	Number of the Company's shares held
1	*Tetsuo Nagahama (Feb. 11, 1959)	<p>Apr. 1982 Joined the Company</p> <p>Jul. 2006 General Manager, the Company (Managing Director, Keihan Taxi Co., Ltd.)</p> <p>Oct. 2010 General Manager in charge of Accounting, Corporate Management Office, the Company</p> <p>Jul. 2013 General Manager of Accounting Division, Corporate Management Office, the Company</p> <p>Jun. 2015 Audit & Supervisory Board Member (full-time), the Company (current position)</p> <p>● Important concurrent positions Audit & Supervisory Board Member, Keihan Electric Railway Co., Ltd.</p>	7,155 shares
2	*Masakazu Nakatani (Jul. 2, 1958)	<p>Apr. 1983 Joined the Company</p> <p>Jul. 2007 General Manager, Business Management Division, the Company</p> <p>Jul. 2012 Representative Director & President, Keihan Restaurant Co., Ltd.</p> <p>Jul. 2015 General Manager belonging to General Administration Division, Corporate Management Office, the Company (current position)</p> <p>Jun. 2016 Audit & Supervisory Board Member (full-time), the Company (current position)</p> <p>● Important concurrent positions Audit & Supervisory Board Member, Keihan Electric Railway Co., Ltd.</p>	3,000 shares
3	*Hisashi Umezaki (Aug. 23, 1942)	<p>Apr. 1966 Joined Ministry of Transport</p> <p>Jul. 1999 Administrative Vice-Minister of Transport</p> <p>Jan. 2001 Advisor, Ministry of Land, Infrastructure, Transport and Tourism</p> <p>Aug. 2002 Vice President, the Teito Rapid Transit Authority</p> <p>Apr. 2004 Representative Director & President, Tokyo Metro Co., Ltd.</p> <p>Jun. 2011 Senior Corporate Adviser, Tokyo Metro Co., Ltd.</p> <p>Jun. 2013 Senior Executive Adviser, Tokyo Metro Co., Ltd. (current position)</p> <p>Jun. 2014 Audit & Supervisory Board Member, the Company (current position)</p> <p>● Important concurrent positions Senior Executive Adviser, Tokyo Metro Co., Ltd.</p>	0

Candidate No.	Name (Date of birth)	Brief career summary, positions and important concurrent positions	Number of the Company's shares held
4	*Nobuyuki Tahara (Apr. 6, 1953)	Sep. 1980 Certified Public Accountant (current position) Dec. 1997 Representative Partner, Century Audit Corporation (Present: Ernst & Young ShinNihon LLC) Jun. 2014 Retired Representative Partner, Ernst & Young ShinNihon LLC Jun. 2016 Audit & Supervisory Board Member, the Company (current position)	0
5	*Koichi Kusao (Mar. 7, 1960)	Apr. 1990 Attorney at law (current position) Jun. 2016 Audit & Supervisory Board Member, the Company (current position) ● Important concurrent positions Outside Audit & Supervisory Board Member, Daito Chemix Corporation Outside Audit & Supervisory Board Member, FUJI OIL HOLDINGS INC.	0

(Notes)1. Reasons for nomination as candidates for Directors who are Audit and Supervisory Committee Members (excluding candidates for Outside Directors)

Mr. Tetsuo Nagahama has served as an Audit & Supervisory Board Member (full-time) since his election to that role in June 2015. Based on his abundant experience and track record on the audit of the Company, we judge that he is an appropriate candidate for Director who is an Audit and Supervisory Committee Member and we accordingly request that he be elected.

Mr. Masakazu Nakatani has served as an Audit & Supervisory Board Member (full-time) since his election to that role in June 2016. Based on his abundant experience and track record on the audit of the Company, we judge that he is an appropriate candidate for Director who is an Audit and Supervisory Committee Member and we accordingly request that he be elected.

2. There are no special interests between each of the candidates for Directors who are Audit and Supervisory Committee Members and the Company.
3. Messrs. Hisashi Umezaki, Nobuyuki Tahara and Koichi Kusao are candidates for Outside Directors.
4. In accordance with the rules of the Tokyo Stock Exchange, the Company has registered the names of Directors Hisashi Umezaki, Nobuyuki Tahara and Koichi Kusao as Independent Board Members.
5. Matters concerning candidates for Outside Directors

(1) Mr. Hisashi Umezaki

- 1) Reasons for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member:

The Company requests the shareholders to elect Mr. Hisashi Umezaki as Outside Director who is an Audit and Supervisory Committee Member in order for him to make use of his abundant experience and superior knowledge concerning transport administration and company management in the audit and supervisory of the Company.

- 2) Number of years in office since first appointment as Outside Audit & Supervisory Board Member of the Company:

At the conclusion of this General Meeting of Shareholders, Mr. Hisashi Umezaki will have held the post of Outside Audit & Supervisory Board Member for three (3) years.

- 3) Liability limitation agreement with the candidate for Outside Director:

The Company has concluded an agreement with Mr. Hisashi Umezaki to the effect that the liability of him provided for in Article 423, paragraph 1 of the Companies Act shall be limited to 10 million yen or the minimum amount stipulated by laws or regulations, whichever is higher, in the event he acts in good faith without gross negligence. If the election of Mr. Hisashi Umezaki is approved and resolved, the Company is expected to enter into a similar liability limitation agreement with him upon his appointment at this General Meeting of Shareholders.

(2) Mr. Nobuyuki Tahara

- 1) Reasons for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and reasons for judging Mr. Nobuyuki Tahara capable of appropriately fulfilling duties as Outside Director:

Based on his abundant experience in corporate accounting as a Certified Public Accountant and his superior knowledge, we judge that he will perform his duties as Outside Director appropriately, and in

order to make use of that experience and knowledge in the audit and supervisory of the Company, we request that he be elected as Outside Director who is an Audit and Supervisory Committee Member.

- 2) Number of years in office since first appointment as Outside Audit & Supervisory Board Member of the Company:

At the conclusion of this General Meeting of Shareholders, Mr. Nobuyuki Tahara will have held the post of Outside Audit & Supervisory Board Member for one (1) year.

- 3) Liability limitation agreement with the candidate for Outside Director:

The Company has concluded an agreement with Mr. Nobuyuki Tahara to the effect that the liability of him provided for in Article 423, paragraph 1 of the Companies Act shall be limited to 10 million yen or the minimum amount stipulated by laws or regulations, whichever is higher, in the event he acts in good faith without gross negligence. If the election of Mr. Nobuyuki Tahara is approved and resolved, the Company is expected to enter into a similar liability limitation agreement with him upon his appointment at this General Meeting of Shareholders.

(3) Mr. Koichi Kusao

- 1) Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and reasons for judging Mr. Koichi Kusao capable of appropriately fulfilling duties as Outside Director:

Based on his abundant experience in legal affairs as an attorney at law and his superior knowledge, we judge that he will perform his duties as Outside Director appropriately, and in order to make use of that experience and knowledge in the audit and supervisory of the Company, we request that he be elected as Outside Director who is an Audit and Supervisory Committee Member.

- 2) Number of years in office since first appointment as Outside Audit & Supervisory Board Member of the Company:

At the conclusion of this General Meeting of Shareholders, Mr. Koichi Kusao will have held the post of Outside Audit & Supervisory Board Member for one (1) year.

- 3) Liability limitation agreement with the candidate for Outside Director:

The Company has concluded an agreement with Mr. Koichi Kusao to the effect that the liability of him provided for in Article 423, paragraph 1 of the Companies Act shall be limited to 10 million yen or the minimum amount stipulated by laws or regulations, whichever is higher, in the event he acts in good faith without gross negligence. If the election of Mr. Koichi Kusao is approved and resolved, the Company is expected to enter into a similar liability limitation agreement with him upon his appointment at this General Meeting of Shareholders.

Proposal No. 5: Election of One (1) Substitute Director Who Is an Audit and Supervisory Committee Member

The Company will transition to a company with an audit and supervisory committee on the condition that Proposal No. 2 (Partial Amendment of Articles of Incorporation) is approved and resolved. Therefore, the Company proposes to elect one (1) substitute Director who is an Audit and Supervisory Committee Member as a precaution against situations in which the number of Directors who are Audit and Supervisory Committee Members falls short of the number provided for in laws and regulations.

The resolution regarding this proposal will take effect on the condition that the amendment of the Articles of Incorporation in Proposal No. 2 (Partial Amendment of Articles of Incorporation) becomes effective, and the resolution will be effective until the commencement of the Ordinary General Meeting of Shareholders for the last business year that ends within two (2) years after the resolution is made, in accordance with the amended Articles of Incorporation.

The Company has obtained the consent of the Audit and Supervisory Board for this proposal.

The candidate for substitute Director who is an Audit and Supervisory Committee Member is as follows:

(* indicates a new candidate)

Name (Date of birth)	Brief career summary and important concurrent positions	Number of the Company's shares held
*Tadashi Fukuda (Mar. 4, 1953)	Apr. 1986 Attorney at law (current position) ● Important concurrent positions Outside Director, SHINYEI KAISHA Outside Audit & Supervisory Board Member, EXEDY Corporation Outside Audit & Supervisory Board Member, Mitsubishi Tanabe Pharma Corporation	0

(Notes)1. There are no special interests between Mr. Tadashi Fukuda and the Company.

2. Mr. Tadashi Fukuda is a candidate for substitute Outside Director who is an Audit and Supervisory Committee Member.
3. In accordance with the rules of the Tokyo Stock Exchange, the Company will register the name of Mr. Tadashi Fukuda as Independent Board Member when Mr. Tadashi Fukuda takes a position as Outside Director who is an Audit and Supervisory Committee Member.
4. Matters concerning Mr. Tadashi Fukuda, candidate for substitute Outside Director who is an Audit and Supervisory Committee Member
 - 1) Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and reasons for judging Mr. Tadashi Fukuda capable of appropriately fulfilling duties as Outside Director:
Based on his abundant experience in legal affairs as an attorney at law and his superior knowledge, we judge that he will perform his duties as Outside Director appropriately and, in order to make use of that experience and knowledge in the audit and supervisory of the Company, we request that he be elected as Outside Director who is an Audit and Supervisory Committee Member.
 - 2) Liability limitation agreement with the candidate for Outside Director:
If Mr. Tadashi Fukuda takes a position as Outside Director who is an Audit and Supervisory Committee Member, the Company is expected to enter into an agreement with Mr. Tadashi Fukuda to the effect that the liability of him provided for in Article 423, paragraph 1 of the Companies Act shall be limited to 10 million yen or the minimum amount stipulated by laws or regulations, whichever is higher, in the event he acts in good faith without gross negligence.

Proposal No. 6: Determination of Remuneration, etc. of Directors Who Are Not Audit and Supervisory Committee Members

The Company will transition to a company with an audit and supervisory committee on the condition that Proposal No. 2 (Partial Amendment of Articles of Incorporation) is approved and resolved.

At the 85th Ordinary General Meeting of Shareholders held on June 27, 2007, a limit of 400 million yen per annum (of which, 40 million yen per annum for Outside Directors) was approved for the amount of remuneration, etc. for Directors of the Company and those limits have remained in place ever since. However, in connection with the Company's transition to a company with an audit and supervisory committee, the Company proposes to abolish those limits and reset an amount of remuneration, etc. of Directors who are not Audit and Supervisory Committee Members, which, upon taking into consideration the past amounts of remuneration, etc. of Directors, the recent economic situation and other circumstances as well as the duties and responsibilities of Directors who are not Audit and Supervisory Committee Members, is to be limited to 400 million yen per annum (of which, 40 million yen per annum for Outside Directors).

Currently, the Company has seven (7) Directors (of which, two (2) are Outside Directors), and there will be eight (8) Directors who are not Audit and Supervisory Committee Members (of which, two (2) will be Outside Directors) entitled to the remuneration, etc. of this proposal if Proposal No. 2 (Partial Amendment of Articles of Incorporation) and Proposal No. 3 (Election of Eight (8) Directors Who Are Not Audit and Supervisory Committee Members) are resolved and approved as originally proposed.

The resolution regarding this proposal will take effect on the condition that the amendment of the Articles of Incorporation in Proposal No. 2 (Partial Amendment of Articles of Incorporation) becomes effective.

Proposal No. 7: Determination of Remuneration, etc. of Directors Who Are Audit and Supervisory Committee Members

The Company will transition to a company with an audit and supervisory committee on the condition that Proposal No. 2 (Partial Amendment of Articles of Incorporation) is approved and resolved.

Therefore, in connection with the transition, the Company proposes to newly set an amount of remuneration, etc. of Directors who are Audit and Supervisory Committee Members, which, taking into consideration the recent economic situation and other circumstances as well as the duties and responsibilities of Directors who are Audit and Supervisory Committee Members, is to be limited to 84 million yen per annum.

There will be five (5) Directors who are Audit and Supervisory Committee Members entitled to the remuneration, etc. of this proposal if Proposal No. 2 (Partial Amendment of Articles of Incorporation) and Proposal No. 4 (Election of Five (5) Directors Who Are Audit and Supervisory Committee Members) are resolved and approved as originally proposed.

The resolution regarding this proposal will take effect on the condition that the amendment of the Articles of Incorporation in Proposal No. 2 (Partial Amendment of Articles of Incorporation) becomes effective.

Proposal No. 8: Determination of Remuneration, etc. concerning Share-Based-Remuneration-Type Stock Options for Directors Who Are Not Audit and Supervisory Committee Members

At the 94th Ordinary General Meeting of Shareholders held on June 17, 2016, the allotment of share-based-remuneration-type stock options in the form of share options to Directors (excluding Outside Directors; such allotment is hereinafter referred to as the “Former Remuneration”) was approved, and that allotment has been implemented thereafter; however, we request that approval be given to this proposal regarding the abolition of the Former Remuneration and the allotment of share-based-remuneration-type stock options in the form of share options to Directors (excluding Outside Directors) who are not Audit and Supervisory Committee Members (hereinafter referred to as the “New Remuneration”) in connection with the Company’s transition to a company with an audit and supervisory committee conditional on Proposal No. 2 (Partial Amendment of Articles of Incorporation) being resolved and approved; the share options which have already been issued as the Former Remuneration to Directors at the time of this General Meeting of Shareholders are not be affected by this proposal.

The aim and limit of the New Remuneration are the same as the Former Remuneration; with the aim of further raising motivation to achieve sustainable growth and to enhance corporate value by sharing the risks and benefits of fluctuations in stock prices with shareholders, the New Remuneration consists of the allotment of share-based-remuneration-type stock options in the form of share options to Directors (excluding Outside Directors) who are not Audit and Supervisory Committee Members within the remuneration limit for such Directors of 400 million yen per annum (of which, 40 million yen per annum for Outside Directors) that is proposed in Proposal No. 6 (Determination of Remuneration, etc. of Directors Who Are Not Audit and Supervisory Committee Members).

Regarding the grant of share-based-remuneration-type stock options, Directors who are not Audit and Supervisory Committee Members who receive allotment of the share options will be granted remuneration in the same amount as their paid-in amounts and entitled to acquire the share options by offsetting their remuneration claims with the amounts to be paid in for such share options. The amount of remuneration of share-based-remuneration-type stock options shall be determined by multiplying the total number of allotted share options by the fair value of each share option as of the date of its allotment.

Currently, the Company has seven (7) Directors (of which, two (2) are Outside Directors), and there will be eight (8) Directors who are not Audit and Supervisory Committee Members (of which, two (2) will be Outside Directors) if Proposal No. 2 (Partial Amendment of Articles of Incorporation) and Proposal No. 3 (Election of Eight (8) Directors Who Are Not Audit and Supervisory Committee Members) are resolved and approved as originally proposed.

The resolution regarding this proposal will take effect on the condition that the amendment of the Articles of Incorporation in Proposal No. 2 (Partial Amendment of Articles of Incorporation) and the resolution regarding Proposal No. 6 (Determination of Remuneration, etc. of Directors Who Are Not Audit and Supervisory Committee Members) become effective.

The details of share options to be allotted as share-based-remuneration-type stock options to Directors (excluding Outside Directors) who are not Audit and Supervisory Committee Members are as follows:

- (1) Class and number of shares to be delivered upon exercise of share options

The class of shares to be delivered upon the exercise of the share options shall be common shares of the Company, and the number of shares to be delivered per share option (hereinafter referred to as the “Number of Underlying Shares”) shall be 100.

However, if the Company implements a share split (including an allotment of common shares of the Company without contribution; the same shall apply to the description of the share split hereinafter) or consolidation of shares with respect to its common shares after the conclusion of this General Meeting of Shareholders, the Company shall make an adjustment to the Number of Underlying Shares by the following formula:

$$\text{Number of Underlying Shares after adjustment} = \text{Number of Underlying Shares before adjustment} \times \text{Ratio of split or consolidation}$$

In the event of unavoidable circumstances that require adjustment of the Number of Underlying Shares in addition to the aforementioned, the Company may make an adjustment to the Number of Underlying Shares that the Board of Directors of the Company deems necessary.

Any fraction less than one (1) share arising as a result of the aforementioned adjustment shall be disregarded.

(2) Aggregate number of share options

The number of the share options to be allotted within one (1) year from the date of the Ordinary General Meeting of Shareholders for each business year shall not be more than 500.

(3) Amount to be paid in for share options

The amount to be paid in for each share option shall be the amount determined by the Board of Directors of the Company on the basis of the fair value of the share option at the time of its allotment as calculated by applying a fair calculation method, such as the Black-Scholes Model.

An individual who has been allotted share options (hereinafter referred to as a “Share Options Holder”) shall offset the payment of the amount to be paid in with the remuneration claims against the Company and accordingly shall not be required to make any monetary payment.

(4) Amount of assets to be paid upon exercise of share options

The amount of the assets to be paid upon the exercise of the share options shall be calculated by multiplying the price of one (1) yen per share to be delivered through the exercise of the share options by the Number of Underlying Shares.

(5) Time period during which share options are exercisable

The time period during which the share options are exercisable shall be determined by the Board of Directors within the scope of thirty (30) years from the date immediately following the date on which the share options are allotted.

(6) Conditions for exercise of share options

A Share Options Holder may only exercise his/her share options all at one time, during a period of 10 days (if the 10th day is a holiday, the next business day) from the day immediately following the date on which he/she ceases to hold a position as either a Director or Executive Officer of the Company. Other conditions for exercising share options shall be determined at the meeting of the Board of Directors that decides terms for the offering of share options.

(7) Restrictions on acquisition of share options by transfer

Acquisition of the share options by means of transfer shall be subject to the approval of the Board of Directors.

(8) Other details of share options

Other details of the share options shall be determined at the meeting of the Board of Directors that decides terms for the offering of share options.

(For reference)

Following the conclusion of this Ordinary General Meeting of Shareholders, the Company also intends to issue the same share options in substance as those described above to Executive Officers who are not serving as Directors of the Company, based on a resolution of the Board of Directors.

Proposal No. 9: Share Consolidation

(1) Reasons for share consolidation

For the greater convenience of investors, Japanese stock exchanges are promoting to consolidate trading units for common shares of domestic companies to 100 shares per unit based on an “Action Plan for Consolidating Trading Units.” In light of the intent of this action plan, in accordance with the provisions of the Companies Act, the Company has decided to change the number of shares per share unit as a trading unit for the Company’s shares from the present 1,000 shares to 100 shares by resolution of the meeting of the Board of Directors of the Company held on April 28, 2017.

Along with the change in the share unit, the Company shall implement a share consolidation to adjust investment units of the Company’s shares to appropriate levels while taking the security exchanges’ preferred investment unit level and medium- to long-term share price trends into consideration.

Please note that the above change to the number of shares per share unit will become effective on October 1, 2017, subject to approval of this proposal.

(2) Ratio of share consolidation

The Company proposes consolidating five (5) shares into one (1) share for the common shares. If any fractional shares arise as a result of the consolidation of shares, pursuant to the provisions of the Companies Act, the Company will sell all such fractional shares and distribute the proceeds to shareholders having fractional shares in proportion to their respective fractions.

(3) Effective date of share consolidation

October 1, 2017

(4) Total number of authorized shares as of the effective date

319,177,200 shares

By carrying out share consolidation, under the provisions of the Companies Act, the Company shall be deemed to have changed the Articles of Incorporation relating to the total number of authorized shares to be issued as of the effective date of the share consolidation.

(Reference)

When this proposal is approved, a part of the Articles of Incorporation of the Company will be changed as follows as of October 1, 2017.

(Amended parts are underlined)

Current Articles of Incorporation	Proposed Amendments
Chapter 2 Shares	Chapter 2 Shares
Article 6 Total number of authorized shares to be issued The total number of authorized shares to be issued of the Company shall be <u>1,595,886,000 shares</u> .	Article 6 Total number of authorized shares to be issued The total number of authorized shares to be issued of the Company shall be <u>319,177,200 shares</u> .
Article 8 Number of shares per share unit The number of shares per share unit of the Company shall be <u>1,000 shares</u> .	Article 8 Number of shares per share unit The number of shares per share unit of the Company shall be <u>100 shares</u> .

End