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Securities Code: 9045

May 31, 2022

To Our Shareholders:

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

Notice of the 100th Ordinary General Meeting of Shareholders

This is to inform you that the 100th Ordinary General Meeting of Shareholders of Keihan Holdings Co., Ltd. (the “Company”), which will be held as indicated below.

In order to prevent the spread of the novel coronavirus disease (COVID-19), we recommend that shareholders carefully consider whether to attend the Meeting in person and exercise their voting rights in writing or via the Internet, etc.

If you 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 2 and page 3 so that your vote is received by 6:00 p.m. on Monday, June 20, 2022 (JST).

- 1. Date and Time:** Tuesday, June 21, 2022, 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 100th fiscal year (from April 1, 2021 to March 31, 2022), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit and Supervisory Committee

Matters to be resolved

- Proposal No. 1: Dividends of Surplus**
- Proposal No. 2: Partial Amendment of Articles of Incorporation**
- Proposal No. 3: Election of Nine (9) Directors Who Are Not Audit and Supervisory Committee Members**
- Proposal No. 4: Determination of Remuneration, etc. to Grant Restricted Shares to Directors Who Are Not Audit and Supervisory Committee Members (Excluding Outside Directors)**

◎ 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 20, 2022 (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 20, 2022 (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: <https://www.web54.net>

2. Handling of votes

- (1) When exercising your voting rights via a PC, 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) When exercising your voting rights via a smartphone etc., scan the “Voting Rights Exercise Website Login QR Code for Smartphones” stated on the enclosed voting exercise form, and indicate your approval or disapproval of each proposal by following the on-screen instructions. If you wish to change your vote after exercising your voting rights, you will need to scan the QR code again and input the “voting right exercise code” and “password” written in the voting exercise form.

(Note) 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. About the voting right exercise code and password

We will provide a new “voting right exercise code” and “password” each time a General Meeting of Shareholders is convened.

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

If you have any questions regarding the operation of a PC, a smartphone 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)

For other inquiries, please contact:

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

Tel: 0120-782-031 (toll free and available from 9:00 a.m. to 5:00 p.m. on weekdays, only in Japan)

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

For institutional investors who have applied for the use of the platform in advance, 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, considering the impact of the novel coronavirus disease (COVID-19) on the business activities of the Group, and the financial condition, etc., 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:
¥25 per share of common shares of the Company
Total cash dividends of ¥2,679,639,975
- (3) Date on which the dividend of surplus will become effective:
June 22, 2022

Proposal No. 2: Partial Amendment to the Articles of Incorporation

(1) Reasons for the Amendment

1. To ensure that the General Meeting of Shareholders can be held smoothly even in the event of an outbreak of infectious disease or a natural disaster, also, to keep pace with the advance of digitalization in society overall, and enable further activation of the General Meeting of Shareholders and increased efficiency of its administrative operations, the Company proposes to make the following changes in order to widen the options for venue and method of holding the General Meeting of Shareholders.
 - (i) To enable flexible selection of the venue for the General Meeting of Shareholders, the provision in Article 13, paragraph 2 of the current Articles of Incorporation restricting the site of convocation of the General Meeting of Shareholders to Osaka city will be deleted.
 - (ii) Following the enforcement of the Act for Partially Amending the Act Industrial Competitiveness Enhancement Act and Other Related Acts (Act No. 70 of 2021), it has become possible to hold general meetings of shareholders without a designated location (so-called “virtual-only General Meetings of Shareholders” which enable all shareholders to attend via the internet, etc. without designating a physical venue) by meeting certain requirements. In light of this, to enable the Company to hold virtual-only General Meetings of Shareholders as one option for the method of holding the General Meeting of Shareholders, Article 13, paragraph 2 will be newly established. Moreover, in newly establishing this provision, the Company obtained confirmation of the Minister of Economy, Trade and Industry and the Minister of Justice that it meets the requirements stipulated by the Ordinances of the Ministry of Economy, Trade and Industry and the Ministry of Justice on February 24, 2022.
2. Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes in preparation for the introduction of the system for providing informational materials for the General Meeting of Shareholders in electronic format.
 - (i) As the Company is obligated to stipulate in its Articles of Incorporation that it will take measures for providing information that constitutes the content of the Reference Documents for General Meeting of Shareholders, etc. in electronic format, Article 16, paragraph 1 will be newly established.
 - (ii) Among items for which the measures for providing information that constitutes the content of the Reference Documents for General Meeting of Shareholders, etc. in electronic format will be taken, to enable the Company to limit the scope of the items designated by the Ordinance of the Ministry of Justice to be stated in the paper-based documents to be delivered to shareholders who request the delivery of paper-based documents, Article 16, paragraph 2 will be newly established.
 - (iii) With the introduction of the system for providing informational materials for the General Meeting of Shareholders in electronic format, Article 16 of the current Articles of Incorporation (Internet disclosure and deemed provision of the Reference Documents for General Meeting of Shareholders, etc.) will no longer be required and will therefore be removed.
 - (iv) Accompanying the aforementioned changes, supplementary provisions regarding the effective date, etc. will be established.

(2) Details of the Amendment

The current Articles of Incorporation will be partially amended as follows.

(Amended parts are underlined)

Current Articles of Incorporation	Proposed Amendments
<p>Chapter 3 General Meeting of Shareholders</p> <p>Article 13 Convocation</p> <p>1. The Company's General Meeting of Shareholders shall be convened in June of each year, and an Extraordinary General Meeting of Shareholders shall be convened from time to time whenever necessary.</p> <p>2. <u>The site of convocation of the General Meeting of Shareholders shall be Osaka city.</u></p>	<p>Chapter 3 General Meeting of Shareholders</p> <p>Article 13 Convocation</p> <p>1. (Same as current)</p> <p>2. <u>The Company may hold a General Meeting of Shareholders without a designated location for the meeting.</u></p>
<p><u>Article 16 Internet disclosure and deemed provision of the Reference Documents for General Meeting of Shareholders, etc.</u></p> <p><u>In convening the General Meeting of Shareholders, the Company may deem to have provided to its shareholders information pertaining to matters to be stated or otherwise disclosed in the Reference Documents for General Meeting of Shareholders, the Business Report, the Financial Statements and the Consolidated Financial Statements, upon disclosure of such information through a method using the Internet as provided for in the ordinances of the Ministry of Justice.</u></p>	<p>(Removed)</p>
<p>(New)</p>	<p><u>Article 16 Measures, etc. for providing information in electronic format</u></p> <p>1. <u>When the Company convenes a General Meeting of Shareholders, it shall take measures for providing information that constitutes the content of the Reference Documents for General Meeting of Shareholders, etc. in electronic format.</u></p> <p>2. <u>Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the ordinances of the Ministry of Justice from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p>

Current Articles of Incorporation	Proposed Amendments
(New)	<p data-bbox="810 250 1126 282"><u>(Supplementary Provisions)</u></p> <p data-bbox="810 291 1366 353"><u>Article 1 The amendment to Article 16 shall be effective from September 1, 2022.</u></p> <p data-bbox="810 362 1390 551"><u>Article 2 Notwithstanding the provision of the preceding Article, Article 16 of the pre-amended Articles of Incorporation shall remain effective regarding any General Meeting of Shareholders held on a date within six months from September 1, 2022.</u></p> <p data-bbox="810 560 1390 748"><u>Article 3 These Supplementary Provisions shall be removed after the date when six months have elapsed from September 1, 2022 or three months have elapsed from the date of the General Meeting of Shareholders in the preceding Article, whichever is later.</u></p>

Proposal No. 3: Election of Nine (9) Directors Who Are Not Audit and Supervisory Committee Members

The term of office of all the nine (9) Directors who are not Audit and Supervisory Committee Members will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes to elect nine (9) Directors who are not Audit and Supervisory Committee Members.

The candidates for Directors who are not Audit and Supervisory Committee Members are discussed and reported to the Board by the Nomination & Remuneration Advisory Committee, in which Outside Directors constitute a majority, and are then discussed and decided by the Board.

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

Candidate No.	Name		Current position in the Company
1	Yoshifumi Kato	Re-election	Representative Director & Chairman, CEO, Chairman of the Board
2	Masahiro Ishimaru	Re-election	Representative Director & President, COO
3	Tatsuya Miura	Re-election	Director (Executive Vice President)
4	Toshihiko Inachi	Re-election	Director (Senior Executive Officer)
5	Masaya Ueno	Re-election	Director (Senior Executive Officer)
6	Yoshihiro Hirakawa	Re-election	Director (Managing Executive Officer)
7	Yoshihisa Domoto	Re-election	Director (Managing Executive Officer)
8	Kazutoshi Muraio	Re-election Outside Independent	Director
9	Shinya Hashizume	Re-election Outside Independent	Director

Candidate No.	Name (Date of birth)		Number of the Company's shares held	The Number of Attendance at the Board of Directors Meetings
1	Yoshifumi Kato (Nov. 25, 1951) Re-election	<ul style="list-style-type: none"> ● Brief career summary and positions Apr. 1975 Joined the Company Jun. 2005 Director, the Company Jun. 2007 Director & Managing Executive Officer, the Company Jun. 2011 Representative Director & President, CEO & COO, the Company Jun. 2019 Representative Director & Chairman, CEO, Chairman of the Board, the Company (current position) ● Responsibilities — ● Important concurrent positions Representative Director & Chairman, Keihan Electric Railway Co., Ltd. Representative Director & Chairman, Keihan Tatemono Co., Ltd. ● Reason for nomination as a candidate for Director who is not an Audit and Supervisory Committee Member <p>Elected as Representative Director & President, CEO & COO, in June 2011, Mr. Yoshifumi Kato currently serves as Representative Director & Chairman, CEO, Chairman of the Board, as well as leading the entire Group. 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.</p>	31,200 shares	12 out of 12 times
2	Masahiro Ishimaru (Feb. 28, 1962) Re-election	<ul style="list-style-type: none"> ● Brief career summary and positions Apr. 1985 Joined the Company Jun. 2013 Executive Officer, the Company Jun. 2017 Director & Managing Executive Officer, the Company Jun. 2019 Representative Director & President, COO, the Company (current position) ● Responsibilities General Manager, Corporate Planning Office; General Manager, Development Office around Hirakatashi Sta.; General Manager, Auditing and Internal Control Office; In charge of Business Promotion Group [Railway Line Area Redevelopment], Corporate Planning Office ● Important concurrent positions Director, Keihan Electric Railway Co., Ltd. ● Reason for nomination as a candidate for Director who is not an Audit and Supervisory Committee Member <p>Elected as an Executive Officer in June 2013, Mr. Masahiro Ishimaru currently serves as Representative Director & President, COO, as well as working as General Manager of the Corporate Planning 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.</p>	11,410 shares	12 out of 12 times

Candidate No.	Name (Date of birth)		Number of the Company's shares held	The Number of Attendance at the Board of Directors Meetings
3	Tatsuya Miura (Mar. 11, 1957) Re-election	<ul style="list-style-type: none"> ● Brief career summary and positions Apr. 1980 Joined the Company Jun. 2009 Executive Officer, the Company Jun. 2013 Director & Managing Executive Officer, the Company Jun. 2017 Director & Senior Executive Officer, the Company Jun. 2021 Director & Executive Vice President, the Company (current position) ● Responsibilities General Manager, Group Management Office; Assistant General Manager (In charge of Management Strategy Group [Corporate Social Responsibility and BIOSTYLE]), Corporate Planning Office; In charge of Accounting and Finance Division, Group Management Office ● Important concurrent positions Director, Keihan Electric Railway Co., Ltd. Representative Director & President, BIOSTYLE Co., Ltd. ● Reason for nomination as a candidate for Director who is not an Audit and Supervisory Committee Member Elected as an Executive Officer in June 2009, Mr. Tatsuya Miura currently serves as Director & Executive Vice President, and being responsible for the operations related to BIOSTYLE, which the Group has set as one of our priority measures. 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. 	13,800 shares	12 out of 12 times
4	Toshihiko Inachi (Dec. 17, 1958) Re-election	<ul style="list-style-type: none"> ● Brief career summary and positions Apr. 1982 Joined the Company Jun. 2013 Executive Officer, the Company Jun. 2017 Director & Managing Executive Officer, the Company Jun. 2019 Director & Senior Executive Officer, the Company (current position) ● Responsibilities Assistant General Manager (Business Promotion Group [Co-creation of Sightseeing Opportunities]), Corporate Planning Office; In charge of Kyoto Area [General Manager of Leisure and Service Business] ● Important concurrent positions Representative Director & President, Keihan Hotels & Resorts Co., Ltd. Representative Director & Chairman, Biwako Kisen Steamship Co., Ltd. Representative Director & Chairman, Osaka Aqua Bus Co., Ltd. ● Reason for nomination as a candidate for Director who is not an Audit and Supervisory Committee Member Elected as an Executive Officer in June 2013, Mr. Toshihiko Inachi currently serves as Director & Senior Executive Officer (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 reelected. 	7,231 shares	12 out of 12 times

Candidate No.	Name (Date of birth)		Number of the Company's shares held	The Number of Attendance at the Board of Directors Meetings
5	Masaya Ueno (Jan. 13, 1960) Re-election	<ul style="list-style-type: none"> ● Brief career summary and positions Apr. 1982 Joined the Company Jun. 2013 Executive Officer, the Company Jun. 2017 Director & Managing Executive Officer, the Company Jun. 2021 Director & Senior Executive Officer, the Company (current position) ● Responsibilities General Manager, Promotion Office of Development Project along Railway Line Area; Assistant General Manager, Corporate Planning Office; Assistant General Manager (In charge of Personnel Division), Group Management Office; Assistant General Manager, Development Office around Hirakataishi Sta. [General Manager of Retail Distribution Business] ● Important concurrent positions Director, Keihan Electric Railway Co., Ltd. Representative Director & Chairman, KEHAN DEPARTMENT STORES LTD. Representative Director & President, Bio Market Co., Ltd. ● Reason for nomination as a candidate for Director who is not an Audit and Supervisory Committee Member Elected as an Executive Officer in June 2013, Mr. Masaya Ueno currently serves as Director & Senior Executive Officer (General Manager of Retail Distribution Business), as well as being 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 reelected. 	8,600 shares	12 out of 12 times
6	Yoshihiro Hirakawa (Dec. 16, 1961) Re-election	<ul style="list-style-type: none"> ● Brief career summary and positions Apr. 1986 Joined the Company Jun. 2015 Executive Officer, the Company Jun. 2019 Senior Managing Director, Keihan Electric Railway Co., Ltd. Jun. 2021 Director & Managing Executive Officer, the Company (current position) ● Responsibilities Assistant General Manager, Corporate Planning Office [General Manager of Transportation Business] ● Important concurrent positions Representative Director & President, Keihan Electric Railway Co., Ltd. ● Reason for nomination as a candidate for Director who is not an Audit and Supervisory Committee Member Elected as an Executive Officer in June 2015, Mr. Yoshihiro Hirakawa currently serves as Director & Managing Executive Officer (General Manager of Transportation Business), as well as being responsible for the Group's overall 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 reelected. 	4,200 shares	10 out of 10 times (After election of June, 2021)

Candi-date No.	Name (Date of birth)		Number of the Company's shares held	The Number of Attendance at the Board of Directors Meetings
7	Yoshihisa Domoto (Jun. 1, 1965) Re-election	<ul style="list-style-type: none"> ● Brief career summary and positions Apr. 1988 Joined the Company Jun. 2017 Executive Officer, the Company Jun. 2021 Director & Managing Executive Officer, the Company (current position) ● Responsibilities Assistant General Manager, Corporate Planning Office; Assistant General Manager, Promotion Office of Development Project along Railway Line Area [Kyobashi Project] [General Manager of Real Estate Business] ● Important concurrent positions Representative Director & President, KEIHAN DENTETSU REALESTATE Co., Ltd. Representative Director & President, Keihan Tatemono Co., Ltd. Director & Chairman, ZERO CORPORATION Co., Ltd. ● Reason for nomination as a candidate for Director who is not an Audit and Supervisory Committee Member Elected as an Executive Officer in June 2017, Mr. Yoshihisa Domoto currently serves as an 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. 	3,893 shares	10 out of 10 times (After election of June, 2021)
8	Kazutoshi Murao (Oct. 21, 1952) Re-election Outside Independent	<ul style="list-style-type: none"> ● Brief career summary and positions Apr. 1976 Joined the Nippon Telegraph and Telephone Public Corporation Jun. 2009 Senior Executive Vice President, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION Jun. 2012 President, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION Jun. 2018 Senior Executive Adviser, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION (current position) Jun. 2019 Director, the Company (current position) ● Responsibilities — ● Important concurrent positions Senior Executive Adviser, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION Outside Director, OSAKA GAS CO., LTD. ● Reason for nomination as a candidate for Outside Director who is not an Audit and Supervisory Committee Member and outline of expected roles The Company requests the shareholders to reelect Mr. Kazutoshi Murao 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 supervision of the management and the performance of duties of the Company, and making statements actively at the Board and the Nomination & Remuneration Advisory Committee, from an independent position as Outside Director. After election, he is expected to continue fulfilling abovementioned roles. 	0	11 out of 12 times

Candidate No.	Name (Date of birth)		Number of the Company's shares held	The Number of Attendance at the Board of Directors Meetings
9	Shinya Hashizume (Dec. 6, 1960) Re-election Outside Independent	<p>● Brief career summary and positions</p> <p>Apr. 2006 Professor, Graduate School of Literature and Human Sciences, Osaka City University and Osaka City University Urban Research Plaza</p> <p>Apr. 2008 Distinguished Professor, The Industry – Academia – Government Collaboration Organization, Osaka Prefecture University; Director, Research Institute for Tourism Industry</p> <p>Apr. 2017 Distinguished Professor, Organization for Research Promotion, Osaka Prefecture University; Director, Research Institute for Tourism Industry of Research Center for the 21st Century; Professor, Graduate School of Economics, Osaka Prefecture University</p> <p>Jun. 2019 Director, the Company (current position)</p> <p>Apr. 2021 Distinguished Professor, Organization for Research Promotion, Osaka Metropolitan University; Director, Research Institute for Tourism Industry; Professor, Faculty of Sustainable System Sciences, Osaka Metropolitan University (current position)</p> <p>● Responsibilities —</p> <p>● Important concurrent positions Distinguished Professor, Organization for Research Promotion, Osaka Metropolitan University; Director, Research Institute for Tourism Industry; Professor, Faculty of Sustainable System Sciences, Osaka Metropolitan University</p> <p>● Reason for nomination as a candidate for Outside Director who is not an Audit and Supervisory Committee Member, reasons for judging Mr. Shinya Hashizume capable of appropriately fulfilling duties as Outside Director who is not an Audit and Supervisory Committee Member and outline of expected roles Based on his abundant experience as an expert in urban planning and urban cultural studies 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 supervision of the management and the performance of duties of the Company, and making statements actively at the Board and the Nomination & Remuneration Advisory Committee, from an independent position as Outside Director, we request that he be reelected as an outside director who is not an Audit and Supervisory Committee Member. After election, he is expected to continue fulfilling abovementioned roles.</p>	0	12 out of 12 times

- (Notes) 1. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, paragraph 1 of the Companies Act with an insurance company. In the event of a claim for damages due to the actions taken in their business, the said insurance agreement shall compensate for damages the insureds incur. If the election of directors who are not Audit and Supervisory Committee Member is approved and resolved, they will be included in the insured of the insurance contract. The insurance contract is scheduled to be renewed.
2. Special interests between the Company and the candidates for Directors who are not Audit and Supervisory Committee Members
Mr. Toshihiko Inachi is the Representative Director of Biwako Kisen Steamship Co., Ltd with which the Company engages in transactions such as land and building lease arrangements and monetary loans and so on.
3. Messrs. Kazutoshi Murao and Shinya Hashizume are candidates for Outside Directors.
4. In accordance with the rules of the Tokyo Stock Exchange, the Company has registered the names of Directors Kazutoshi Murao and Shinya Hashizume as Independent Board Members.
5. Matters concerning candidates for Outside Directors
(1) Number of years in office since first appointment as Outside Director of the Company

At the conclusion of this General Meeting of Shareholders, Mr. Kazutoshi Murao and Mr. Shinya Hashizume will have held the post of Outside Director for three (3) year each.

(2) Liability limitation agreement with the candidate for Outside Director

The Company has concluded an agreement with Mr. Kazutoshi Murao and Mr. Shinya Hashizume to the effect that the liability of them 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 they act in good faith without gross negligence. If the election of each person is approved and resolved, the Company is expected to renew the liability limitation agreement with them upon their appointment at this General Meeting of Shareholders.

6. Mr. Shinya Hashizume is expected to take a position as Outside Director who is not an Audit and Supervisory Committee Member with approval from Osaka Metropolitan University under the provisions of its rules by the date of this General Meeting of Shareholders.

(Reference)

If this proposal is approved as proposed, the composition of the Board of Directors and the Skills matrix of each Director will be follows.

Name		Corporate management	Transportation	Real estate / Urban development	Retail distribution	Leisure and Service / Tourism	BIOSTYLE	Finance and Accounting	Personnel and Labor relations	Legal affairs and Risk management
Director										
Yoshifumi Kato		●	●		●			●	●	●
Masahiro Ishimaru		●							●	●
Tatsuya Miura		●		●			●	●		
Toshihiko Inachi		●				●				
Masaya Ueno		●			●		●		●	
Yoshihiro Hirakawa		●	●							
Yoshihisa Domoto		●		●						
Kazutoshi Murao	Outside Independent	●								
Shinya Hashizume	Outside Independent			●						
Director who is an Audit and Supervisory Committee Member										
Tetsuo Nagahama								●		
Hisashi Umezaki	Outside Independent	●	●							
Nobuyuki Tahara	Outside Independent							●		
Koichi Kusao	Outside Independent									●
Kanako Hamasaki	Outside Independent					●	●			

Proposal No. 4: Determination of Remuneration, etc. to Grant Restricted Shares to Directors Who Are Not Audit and Supervisory Committee Members (Excluding Outside Directors)

At the 95th Ordinary General Meeting of Shareholders held on June 20, 2017, it was approved, respectively, that the amount of remuneration, etc. for Directors who are not Audit and Supervisory Committee Members of the Company is to be limited to 400 million yen per annum (of which, the amount for Outside Directors is to be limited to 40 million yen per annum) and that within the annual limit, share options (*shinkabu yoyakuken*) are to be allotted as share-based-remuneration-type stock options to Directors who are not Audit and Supervisory Committee Members (excluding Outside Directors).

Now, the Company seeks to revise the executive remuneration system and replace the current share-based-remuneration-type stock options with a new payment to Directors who are not Audit and Supervisory Committee Members of the Company (excluding Outside Directors; hereinafter referred to as the “Eligible Directors”) of remuneration for granting restricted shares, separate from the amount of remuneration, etc. approved at the General Meeting of Shareholders mentioned above. The purpose of this is to provide an incentive for the Eligible Directors to sustainably improve the Company’s corporate value even further and to promote their shared value with shareholders.

Furthermore, provided that this proposal is approved, the outstanding share-based-remuneration-type stock options, excluding those that have already been allotted, are to be abolished, and no new share options are to be issued as share-based-remuneration-type stock options.

In accordance with this proposal, remuneration to be paid to Eligible Directors to grant restricted shares is to be in the form of monetary claims, the total amount of which shall be limited to 100 million yen per annum. Furthermore, the specific timing and allocation of payment to the Eligible Directors are to be decided by the Board of Directors, having received a report from the Nomination & Remuneration Advisory Committee. However, for Outside Directors, remuneration for granting restricted shares is not to be paid.

In addition, the number of Directors who are not Audit and Supervisory Committee Members is currently nine (9) (of which two (2) are Outside Directors), and if Proposal No. 3 “Election of Nine (9) Directors Who Are Not Audit and Supervisory Committee Members” is approved as proposed, the number of Directors who are not Audit and Supervisory Committee Members will be nine (9) (of which two (2) will be Outside Directors).

Furthermore, the Eligible Directors are to pay in all of the monetary claims to be provided under this proposal as property contributed in kind, in accordance with the Board of Directors’ resolution and receive common shares of the Company that shall be issued or disposed of by the Company. The total number of common shares of the Company to be issued or disposed of in this way is to be limited to 20,000 shares per annum (however, on or after the day on which this proposal is approved, if the common shares of the Company are subject to a stock split (including allotment of shares without contribution) or a reverse stock split, or some other case makes it necessary to adjust the total number of the Company’s common shares to be issued or disposed of as restricted shares, then the total number of shares is to be adjusted within reason).

The amount to be paid in per share is to be decided by the Board of Directors based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day immediately preceding the day of each Board of Directors’ resolution (if there is no closing price on such date, the closing price of the closest preceding trading day) within the extent that the amount will not be particularly advantageous to Eligible Directors who subscribe the Company’s common shares. Furthermore, the issuance or disposal of the Company’s common shares and the paying in of the monetary claims as property contributed in kind are to be conditional upon the conclusion of a restricted share allotment agreement between the Company and the Eligible Directors that includes the following content (hereinafter referred to as the “Allotment Agreement”).

[Overview of the Content of the Allotment Agreement]

(1) Restriction Period

The Eligible Directors may not transfer nor pledge as collateral, nor dispose of in any other way (hereinafter referred to as the “Transfer Restriction”) the Company’s common shares that are allotted to them under the Allotment Agreement (hereinafter the “Allotted Shares”) during the period from the day on which shares are

allotted under the Allotment Agreement until the time immediately after their retirement from the position of either Director or Executive Officer of the Company (hereinafter referred to as the “Restriction Period”).

(2) Lifting of the Transfer Restriction

Provided that an Eligible Director remains in the position of either Director or Executive Officer of the Company continuously throughout the period predetermined by the Company’s Board of Directors (hereinafter referred to as the “Service Provision Period”), the Company will lift the Transfer Restriction for all of the Allotted Shares at the end of the Restriction Period. However, if the Eligible Director retires from the position of either Director or Executive Officer of the Company before the end of the Service Provision Period due to death or other reasons deemed justifiable by the Board of Directors, the number of Allotted Shares for which the Transfer Restriction will be lifted and the timing of such lifting are to be adjusted reasonably as necessary. In addition, at the time immediately after the lifting of the Transfer Restriction in accordance with the above provision, the Company shall acquire the Allotted Shares whose Transfer Restriction was not lifted, by rights, without contribution.

(3) Treatment of retirement for reasons other than justifiable reasons

If an Eligible Director retires from the position of either Director or Executive Officer of the Company before the end of the Restriction Period for a reason other than death or other reasons deemed justifiable by the Board of Directors, the Company shall acquire all of the Allotted Shares, by rights, without contribution.

(4) Treatment in the case of reorganization, etc.

Notwithstanding the provision of (1) above, during the Restriction Period, if a matter relating to reorganization, etc., such as a merger agreement in which the Company is the disappearing company, or a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary is approved by the Company’s General Meeting of Shareholders (or, in cases where the reorganization, etc. does not require the approval of the Company’s General Meeting of Shareholders, the Company’s Board of Directors), the Transfer Restriction is to be lifted by a resolution of the Board of Directors ahead of the effective date of the reorganization, etc., for a number of the Allotted Shares to be reasonably determined based on the period from the first date of the Restriction Period to the day when the reorganization, etc. is approved. In addition, in the case set forth above, at the time immediately after the lifting of the Transfer Restriction, the Company shall acquire the Allotted Shares whose Transfer Restriction was not lifted, by rights, without contribution.

(5) Other matters

Other matters related to the Allotment Agreement are to be stipulated by the Company’s Board of Directors.

The purpose of this proposal is to provide an incentive for the Eligible Directors to sustainably improve the Company’s corporate value even further and to promote their shared value with shareholders. Moreover, based on the report of the Nomination & Remuneration Committee, the Company’s Board of Directors has established a policy for determining the remuneration, etc. of Directors who are not Audit and Supervisory Committee Members (excluding Outside Directors), which is presented on pages 34-36 of the Business Report. Provided that this proposal is approved as proposed, the Company plans to change the content of the policy for determining remuneration in the section regarding share-based-remuneration-type stock options to the content predicated on payment of the above restricted share remuneration. This proposal has been decided on by considering the status of the policy for determining remuneration after the change and other general matters, and the Company considers the content of the proposal to be appropriate.

(Reference)

If this proposal is approved as proposed, the Company plans to grant the same restricted share remuneration to Executive Officers who do not serve concurrently as Directors who are not Audit and Supervisory Committee Members of the Company by resolution of the Board of Directors.

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