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Securities identification code: 9616  
June 7, 2019

To our shareholders:

TAKUMI UEDA  
President  
**KYORITSU MAINTENANCE CO., LTD.**  
2-18-8 Sotokanda, Chiyoda-ku, Tokyo

## NOTICE OF THE 40TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 40th Ordinary General Meeting of Shareholders of KYORITSU MAINTENANCE CO., LTD. (the "Company"), which will be held as described below.

If you are unable to attend on the day of the Meeting, you can exercise your voting rights in writing or via the Internet; we ask that you refer to the Reference Documents for the General Meeting of Shareholders below and exercise your voting rights by 5:30 p.m., Tuesday, June 25, 2019 (Japan Standard Time).

**1. Date and Time:** Wednesday, June 26, 2019 at 10:00 a.m. (Japan Standard Time)  
(Reception to begin at 9:00 a.m.)

**2. Venue:** Bellesalle Tokyo Nihombashi B2F Event Hall  
Tokyo Nihombashi Tower, 2-7-1 Nihombashi, Chuo-ku, Tokyo

### Meeting Details

#### 3. Purposes:

##### Items to be reported:

1. Business Report and Consolidated Financial Statements for the 40th Term (from April 1, 2018 to March 31, 2019), as well as the results of the audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
2. Non-Consolidated Financial Statements for the 40th Term (from April 1, 2018 to March 31, 2019)

##### Items to be resolved:

**Proposal 1:** Appropriation of surplus

**Proposal 2:** Election of thirteen (13) Directors (excluding Directors who are Audit and Supervisory Committee Members)

**Proposal 3:** Election of three (3) Directors who are Audit and Supervisory Committee Members

**Proposal 4:** Election of one (1) Director who is a substitute Audit and Supervisory Committee Member

**Proposal 5:** Revision of Remuneration Amount for Directors (excluding Directors who are Audit and Supervisory Committee Members)

**Proposal 6:** Payment of Retirement Benefits for a Retiring Director who is an Audit and Supervisory Committee Member

**4. Regarding the Exercise of Voting Rights:**

For details, please refer to the “Procedures for Exercise of Voting Rights via the Internet” (in Japanese only).

## Reference Documents for the General Meeting of Shareholders

### Proposals and reference information

#### Proposal 1: Appropriation of surplus

In the fiscal year under review, the Company experienced the impact of natural disasters and incurred expenses related to preparations for business commencement and costs associated with a program of renewals to improve customer satisfaction. However, in addition to stable performance of the dormitory business, the hotel business performed better than the previous fiscal year, and the securitization of real estate contributed to profit, which absorbed those one-off negative factors, resulting in higher profit for the fiscal year under review. In terms of the Company's profit distribution policy, which is to return profits to shareholders with dividends linked to earnings and business performance, for the fiscal year under review we will pay a year-end dividend of 25 yen, which combined with the interim dividend gives an annual dividend of 45 yen, a 5 yen increase (up 12.5%) from the previous fiscal year.

In addition, the Company will establish the internal reserves necessary to carry out far-sighted management policies at the appropriate times, including proactive capital investment and development of new businesses in response to changes in the business environment at the same time.

The Company proposes the appropriation of surplus as follows:

##### 1. Matters related to year-end dividends

###### (1) Type of dividend property

Cash

###### (2) Allocation of dividend property and total amount thereof

25 yen per common share of the Company

Total amount of dividend: 974,767,400 yen

As a result, the dividend for the fiscal year under review, including the interim dividend, will be 45 yen per share.

###### (3) Effective date of distribution of dividends of surplus

June 27, 2019

##### 2. Matters related to other appropriation of surplus

###### (1) Item of surplus to be decreased and amount of decrease

Retained earnings brought forward: 7,700,000,000 yen

###### (2) Item of surplus to be increased and amount of increase

General reserve: 7,700,000,000 yen

**Proposal 2:** Election of thirteen (13) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of all eleven (11) Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same for this Proposal) will expire at the end of this General Meeting of Shareholders. We therefore propose the election of thirteen (13) Directors.

This Proposal has been reviewed by the Audit and Supervisory Committee and no objections to its implementation were raised.

The candidates for Directors are as follows:

Reference: List of candidates

No.	Name	Current Position and responsibilities in the Company	
1	Haruhisa Ishizuka	Chairman	Reelection
2	Takumi Ueda	President	Reelection
3	Eisuke Inoue	Executive Director responsible for Dormitory Group	Reelection
4	Koji Nakamura	Executive Director responsible for Planning and Development Group	Reelection
5	Yukihiro Sagara	Executive Director responsible for Hotel Group	Reelection
6	Masahiro Ishii	Executive Director responsible for Management Group	Reelection
7	Satoru Ito	Director, General Manager of PKP Operations Division and Manager of Hokkaido Operations Department	Reelection
8	Masaki Suzuki	Director, General Manager of Resorts Business Department	Reelection
9	Yoshio Kimizuka	Director, General Manager of Senior Life Business Department	Reelection
10	Hiroshi Yokoyama	Director, General Manager of Development Division	Reelection
11	Rie Momose	Executive Officer, General Manager of Food Division	New election
12	Akihide Terayama	Director	Reelection
13	Shigeto Kubo	—	Independent Officer Outside Director New election

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
1	 Haruhisa Ishizuka (October 21, 1947)  Reelection  Tenure as Director: 39 years	Sept. 1979 Establishment of the Company; President June 2006 Chairman (present position) [Significant concurrent positions outside the Company] Director and Adviser, Kyoritsu Estate Co., Ltd. Chairman, Kyoritsu Foods Service Co., Ltd. Councilor, KYORITSU INTERNATIONAL FOUNDATION President, Milestone International Japan Co., Ltd. Director, Yoei Holding Co., Ltd. Director, TERA Association Inc. Director, KYORITSU FOODS CO., INC. Audit and Supervisory Board Member, SHINSEI FOODS Co., Ltd. Audit and Supervisory Board Member, OT Comnet Co., Ltd. Councillor, KYORITSU IKUEIKAI	1,052,984
[Reasons for nomination as candidate for Director] The candidate has led the Company's management and contributed to the Company's development for 39 years as a founder. The candidate's management achievements, broad business knowledge with excellent foresight, and leadership in continuously raising corporate value will be necessary for the Company's future growth, and accordingly, the Company requests that he be reelected. [Special interest between the candidate and the Company] There is a commercial building leasing relationship between the Company and Haruhisa Ishizuka, and with Milestone International Japan Co., Ltd., where Haruhisa Ishizuka is President.			
2	 Takumi Ueda (January 9, 1949)  Reelection  Tenure as Director: 19 years	Apr. 2000 Joined the Company June 2000 Director, General Manager of Group Operations Department Apr. 2002 Executive Vice President, General Manager of Administration Department May 2009 Executive Vice President responsible for Group Administration Supervisory Department Apr. 2016 Executive Vice President responsible for Group Administration and General Manager of PKP Operations Division Apr. 2017 President (present position) [Significant concurrent positions outside the Company] None	30,414
[Reasons for nomination as candidate for Director] The candidate has been involved in the management as Director of the Company for 19 years, and since April 2017, he has led management as President of the Company. In order to realize the establishment of a corporate culture that puts customer satisfaction first and the Kyoritsu Jump Up Plan, which is the new medium-term management plan centering on the advanced development for quick creation of solid business base, the candidate's business experience, knowledge, and leadership will be necessary, and accordingly, the Company requests that he be reelected. [Special interest between the candidate and the Company] None			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
3	 <p>Eisuke Inoue (May 17, 1959)</p> <p>Reelection</p> <p>Tenure as Director: 12 years</p>	<p>Mar. 1986 Joined the Company</p> <p>May 2006 Executive Officer, Manager of First Business Division at the East Japan Branch Office, Dormitory Operations Division and Manager of Domeal Business Division</p> <p>June 2007 Director responsible for Tokyo Metropolitan Area, East Japan Branch Office, Dormitory Operations Division and Manager of Second Business Division</p> <p>May 2009 Director, General Manager of Tokyo Metropolitan Area Department and Manager of Domeal Business Division, Dormitory Business Supervisory Department</p> <p>May 2010 Director, General Manager of East Japan Department and Manager of Customer Center, Dormitory Business Supervisory Department</p> <p>Apr. 2015 Executive Director responsible for Dormitory Business Tokyo Metropolitan Area Department and Dormitory Business Planning Department, Dormitory Business Supervisory Department</p> <p>Apr. 2016 Executive Director responsible for Dormitory Business</p> <p>Apr. 2017 Executive Director, General Manager of Dormitory Business</p> <p>Apr. 2019 Executive Director responsible for Dormitory Group (present position)</p> <p>[Significant concurrent positions outside the Company] Director, Kyoritsu Financial Service Co., Ltd. Director, Kyoritsu Trust Co., Ltd. Audit and Supervisory Board Member, Kyoyu Foods Co., Ltd.</p>	12,996
<p>[Reasons for nomination as candidate for Director] The candidate has been involved in execution of the Dormitory business and has been responsible for management as Director. He has extensive business experience in the Company and possesses management knowledge. In addition, the candidate has outstanding character and insight, and accordingly, the Company requests that he be reelected as Director.</p> <p>[Special interest between the candidate and the Company] None</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
4	 Koji Nakamura (June 10, 1962)  Reelection  Tenure as Director: 13 years	Apr. 1995      Joined the Company Apr. 1999      Manager of Accounting Division, Administration Department May 2004      Executive Officer, Manager of General Finance and Accounting Division, Group Administration Department June 2006      Director, Manager of General Finance and Accounting, and Manager of Management and Administration Division, Group Administration Department May 2008      Director responsible for Management Planning and Manager of General Planning Division, Manager of General Finance and Accounting Division, Group Administration Department May 2010      Director, General Manager of Management Planning Department, Group Administration Supervisory Department Apr. 2016      Director, General Manager of Management Planning Department Apr. 2018      Director, General Manager of Management Planning Department and Manager of IR Section Apr. 2019      Executive Director responsible for Planning and Development Group (present position)  [Significant concurrent positions outside the Company] Director, Kyoritsu Financial Service Co., Ltd. and Director, Kyoritsu Trust Co., Ltd.	5,500
[Reasons for nomination as candidate for Director] The candidate has been involved in management planning and financial accounting operations and has been responsible for management as Director. The candidate also has extensive business experience in the Company and possesses management knowledge. In addition, the candidate has outstanding character and insight, and accordingly, the Company requests that he be reelected as Director. [Special interest between the candidate and the Company] None			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
5	 <p> Yukihiko Sagara  (March 17, 1964)  Reelection  Tenure as Director:  13 years </p> <p> [Reasons for nomination as candidate for Director]  The candidate has been involved in execution of the Dormy Inn business and has been responsible for management as Director. He has extensive business experience in the Company and possesses management knowledge. In addition, the candidate has outstanding character and insight, and accordingly, the Company requests that he be reelected as Director.  [Special interest between the candidate and the Company]  None </p>	<p> Nov. 1991      Joined the Company  May 2001      Executive Officer, Manager of Dormy Inn Business Division  June 2006      Director, Manager of HOTEL &amp; SPA Division, and General Manager of Spa Therapy Division, Business Development Department  Oct. 2006      Director, General Manager of Hotel Business Department  May 2008      Director responsible for Dormy Inn, Hotel Business Department  May 2009      Director, General Manager of Dormy Inn Business Department, Hotel Business Supervisory Department  June 2011      Director, General Manager of Dormy Inn Business Department and Manager of West Japan Business Division, and Manager of Overseas Business Development Division, Hotel Business Supervisory Department  Apr. 2016      Director, General Manager of Dormy Inn Business Department  Apr. 2019      Executive Director responsible for Hotel Group (present position)  [Significant concurrent positions outside the Company]  President, Kyoritsu Maintenance Korea Co., Ltd.  Director, OH-SHIMA FORUM Co., Ltd. </p>	7,690

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company		Number of the Company's shares owned
6	 Masahiro Ishii (October 25, 1963)  Reelection  Tenure as Director: 4 years	Nov. 1997 Joined the Company May 2002 Manager of President's Office, Management Planning Department May 2010 Manager of President's Office and Manager of Business Development Office May 2011 Manager of General Affairs Division, Group Administration Supervisory Department and Manager of President's Office Apr. 2013 Executive Officer, General Manager of Human Resources and General Affairs Department and Manager of General Affairs Division, Group Administration Supervisory Department and Manager of President's Office Apr. 2015 Executive Officer, General Manager of Human Resources and General Affairs Department, Group Administration Supervisory Department and Manager of President's Office June 2015 Director, General Manager of Human Resources and General Affairs Department, Group Administration Supervisory Department and Manager of President's Office Apr. 2016 Director, General Manager of Human Resources and General Affairs Department and Manager of President's Office Apr. 2018 Director, General Manager of Human Resources and General Affairs Department Apr. 2019 Executive Director responsible for Management Group (present position)  [Significant concurrent positions outside the Company] Audit & Supervisory Board Member, Builnet Co., Ltd.		3,620
<p>[Reasons for nomination as candidate for Director]</p> <p>The candidate has been involved in human resource and general affairs operations and has been responsible for management as Director. The candidate also has extensive business experience in the Company and possesses management knowledge. In addition, the candidate has outstanding character and insight, and accordingly, the Company requests that he be reelected as Director.</p> <p>[Special interest between the candidate and the Company]</p> <p>Masahiro Ishii utilizes the employees' financing system of KYORITSU Group benefit program.</p>				

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company		Number of the Company's shares owned
7	 <p>Satoru Ito (June 4, 1962)</p> <p>Reelection</p> <p>Tenure as Director: 11 years</p>	<p>Mar. 1985 Joined the Company</p> <p>May 2006 Executive Officer, Manager of Human Resources and General Affairs Division, Group Administration Department</p> <p>June 2008 Director, Manager of Human Resources and General Affairs Division, Group Administration Department</p> <p>Oct. 2012 Director, General Manager of Human Resources and General Affairs Department, Manager of Public Relations Division, General Manager of PKP Operations Division, and Manager of Planning and Sales Division, Group Administration Supervisory Department</p> <p>Oct. 2013 Director, General Manager of PKP Operations Division</p> <p>Apr. 2014 Director responsible for New Business Planning, Group Administration Supervisory Department</p> <p>Apr. 2016 Director responsible for PKP Operations Division</p> <p>Dec. 2016 Director, General Manager of PKP Operations Division</p> <p>Apr. 2019 Director, General Manager of PKP Operations Division and Manager of Hokkaido Operations Department (present position)</p> <p>[Significant concurrent positions outside the Company] None</p>		8,720
	<p>[Reasons for nomination as candidate for Director] The candidate has been involved in execution of the PKP business and has been responsible for management as Director. He has extensive business experience in the Company and possesses management knowledge. In addition, the candidate has outstanding character and insight, and accordingly, the Company requests that he be reelected as Director.</p> <p>[Special interest between the candidate and the Company] None</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company		Number of the Company's shares owned
8	 Masaki Suzuki (November 14, 1968)  Reelection  Tenure as Director: 8 years	Sept. 1997 Joined the Company Oct. 1998 Joined Kyoritsu Trust Co., Ltd. Jan. 2003 Joined the Company May 2009 Executive Officer, General Manager of Resorts Business Department, Hotel Business Supervisory Department  June 2011 Director, General Manager of Resorts Business Department, and Manager of East Japan Business Division, and Manager of Hotel Sales Promotion Division, Hotel Business Supervisory Department  May 2012 Director, General Manager of Resorts Business Department, Hotel Business Supervisory Department  Apr. 2016 Director, General Manager of Resorts Business Department (present position)  [Significant concurrent positions outside the Company] None		4,460
[Reasons for nomination as candidate for Director] The candidate has been involved in execution of the Resorts Hotel business and has been responsible for management as Director. He has extensive business experience in the Company and possesses management knowledge. In addition, the candidate has outstanding character and insight, and accordingly, the Company requests that he be reelected as Director.				
[Special interest between the candidate and the Company] None				
9	 Yoshio Kimizuka (June 8, 1962)  Reelection  Tenure as Director: 4 years	May 2009 Joined the Company Executive Officer, Manager of Second Business Division, East Japan Department, Dormitory Business Supervisory Department  Apr. 2015 Executive Officer, General Manager of Dormitory Business Branch Office Supervisory Department, Dormitory Business Supervisory Department  June 2015 Director, General Manager of Dormitory Business Branch Office Supervisory Department, Dormitory Business Supervisory Department  Nov. 2016 Director, General Manager of Senior Life Operations Division (present position)  [Significant concurrent positions outside the Company] Director, Kyoritsu Financial Service Co., Ltd.		2,910
[Reasons for nomination as candidate for Director] The candidate has been involved in execution of the Senior Life business and has been responsible for management as Director. He has extensive business experience in the Company and possesses management knowledge. In addition, the candidate has outstanding character and insight, and accordingly, the Company requests that he be reelected as Director.				
[Special interest between the candidate and the Company] None				

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company		Number of the Company's shares owned
10	 <p>Hiroshi Yokoyama (February 20, 1962)</p> <p>Reelection</p> <p>Tenure as Director: 3 years</p>	<p>Nov. 1992 Joined the Company</p> <p>June 2007 Joined Builnet Co., Ltd. Executive Vice President of Builnet Co., Ltd.</p> <p>Apr. 2009 President of Builnet Co., Ltd.</p> <p>Apr. 2016 Joined the Company Executive Officer, General Manager of Business Development Department</p> <p>June 2016 Director, General Manager of Business Development Department</p> <p>Apr. 2019 Director, General Manager of Development Division (present position) [Significant concurrent positions outside the Company] Director, Kyoritsu Estate Co., Ltd.</p>		18,704
<p>[Reasons for nomination as candidate for Director] The candidate has been involved in carrying out operations in business development and has been responsible for management as Director. The candidate also has extensive business experience in the Company and possesses management knowledge. In addition, the candidate has outstanding character and insight, and accordingly, the Company requests that he be reelected as Director.</p> <p>[Special interest between the candidate and the Company] None</p>				
11	 <p>Rie Momose (March 3, 1970)</p> <p>New election</p> <p>Tenure as Director: —</p>	<p>Nov. 2005 Joined the Company</p> <p>June 2011 Manager of Food Development Department, Food Division</p> <p>Apr. 2016 Executive Officer, General Manager of Food Management Department and Manager of Food Management Division</p> <p>Apr. 2019 Executive Officer, General Manager of Food Division (present position) [Significant concurrent positions outside the Company] Director, KYORITSU FOODS CO., INC.</p>		1,780
<p>[Reasons for nomination as candidate for Director] The candidate not only has extensive experience and track record as Executive Officer of the Company, which offers food-related services, but also can provide opinions on company operations from her standpoint as the Company's first female Director. Accordingly, the Company has determined that she will properly perform her duties and requests that she be elected as Director.</p> <p>[Special interest between the candidate and the Company] None</p>				

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company		Number of the Company's shares owned
12	 <p>Akihide Terayama (November 13, 1945)</p> <p>Reelection</p> <p>Tenure as Director: 24 years</p>	<p>May 1991 Executive Director of Famil Co., Ltd.</p> <p>Jan. 1995 Joined the Company</p> <p>May 1995 General Manager of Business Development Department</p> <p>June 1995 Executive Director, General Manager of Business Development Department</p> <p>Apr. 1999 Director (present position)</p> <p>May 1999 Senior Managing Director of Kasumi Convenience Networks Co., Ltd.</p> <p>Oct. 2001 Senior Managing Director of Papasu Co., Ltd.</p> <p>Jan. 2003 President of TERA Association Inc.</p> <p>Aug. 2004 President of HotLand Co., Ltd.</p> <p>June 2015 Chairman, President of TERA Association Inc. (present position)</p> <p>May 2016 Audit and Supervisory Board Member of FRYSTAR CO., LTD. (present position)</p> <p>Mar. 2018 Director of HotLand Co., Ltd. (present position)</p> <p>[Significant concurrent positions outside the Company] Chairman, President, TERA Association Inc. Audit and Supervisory Board Member, FRYSTAR CO., LTD. Director, HotLand Co., Ltd.</p>		53,538
13	 <p>Shigeto Kubo (January 15, 1954)</p> <p>Independent Officer</p> <p>Outside Director</p> <p>New election</p> <p>Tenure as Outside Director: —</p>	<p>Apr. 1977 Joined Ministry of Land, Infrastructure, Transport and Tourism</p> <p>Aug. 2010 Director-General of Railway Bureau, Ministry of Land, Infrastructure, Transport and Tourism</p> <p>Sept. 2012 Deputy Vice-Minister, Minister's Secretariat, Ministry of Land, Infrastructure, Transport and Tourism</p> <p>Aug. 2013 Commissioner of Japan Tourism Agency, Ministry of Land, Infrastructure, Transport and Tourism</p> <p>Sept. 2015 Retired from Ministry of Land, Infrastructure, Transport and Tourism</p> <p>June 2016 Director of Japan Travel and Tourism Association (present position)</p> <p>[Significant concurrent positions outside the Company] Director, Japan Travel and Tourism Association</p>		—

Notes:

1. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company plans to enter into a limited liability agreement with Shigeto Kubo to limit the amount of his liability for damages under Article 423, paragraph 1 of the same Act to the minimum liability limit amount as provided for by Article 425, paragraph 1 of the same Act.
2. Shigeto Kubo satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc. If his election is approved, the Company plans to submit notification to Tokyo Stock Exchange, Inc. concerning his appointment as an independent officer as well.

**Proposal 3:** Election of three (3) Directors who are Audit and Supervisory Committee Members

The terms of all three (3) Directors who are Audit and Supervisory Committee Members expire at the end of this General Meeting of Shareholders. We therefore propose the election of three (3) Directors who are Audit and Supervisory Committee Members.

The Company has obtained the prior consent of the Audit and Supervisory Committee with respect to this proposal, and no objections to any Audit and Supervisory Committee Member were raised.

Candidates for the Director who is an Audit and Supervisory Committee Member are as follows:

Reference: List of candidates

No.	Name	Current position and responsibilities in the Company	
1	Junichi Ikeda	Internal Affairs Division	New election
2	Toshiaki Miyagi	Outside Director who is an Audit and Supervisory Committee Member	Independent Officer Outside Director Reelection
3	Tokio Kawashima	—	Independent Officer Outside Director New election

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company		Number of the Company's shares owned
1	 Junichi Ikeda (July 8, 1954) New election Tenure as Director: —	May 2005 Joined the Company May 2010 Joined Builnet Co., Ltd. Director, General Manager of Area Business Division Apr. 2011 Director, General Manager of Management Division of Builnet Co., Ltd. Apr. 2015 Joined the Company Manager of General Affairs Department and Manager of Internal Affairs Division Apr. 2016 Manager of Internal Affairs Division and Manager of Internal Auditing Division Apr. 2018 Manager of Internal Affairs Division Apr. 2019 Internal Affairs Division (present position) [Significant concurrent positions outside the Company] Audit & Supervisory Board Member, Kyoritsu Estate Co., Ltd. (scheduled) Audit & Supervisory Board Member, Kyoritsu Financial Service Co., Ltd. (scheduled)		2,000
[Reasons for nomination as candidate for Director] The candidate had served as Manager of the Company's Internal Affairs Division and as Director of Builnet Co., Ltd. within the Group, and the Company, accordingly, requests that he be elected as Director who is an Audit and Supervisory Committee Member.				
[Special interest between the candidate and the Company] None				
2	 Toshiaki Miyagi (December 27, 1947) Independent Officer Outside Director Reelection Tenure as Outside Director: 4 years	Aug. 1992 General Manager of Business Corporate Department, Nagoya Branch of SMBC Nikko Securities Inc. Feb. 1997 Branch Manager of Seibu Branch of SMBC Nikko Securities Inc. Feb. 1998 General Manager of Financial Institution I, Headquarters of SMBC Nikko Securities Inc. Mar. 2000 Branch Manager of Kabuto-cho Branch of SMBC Nikko Securities Inc. Sept. 2001 General Manager of Customer Consultation Salon of SMBC Nikko Securities Inc. June 2004 Full-time Statutory Auditor of Nikko Financial Intelligence, Inc. June 2008 Director of NAITO Securities Co., Ltd. June 2010 Audit & Supervisory Board Member of NAITO Securities Co., Ltd. June 2015 Outside Director (Audit and Supervisory Committee Member) of the Company (present position) [Significant concurrent positions outside the Company] Audit & Supervisory Board Member, JAPAN PLACEMENT CENTER CO., LTD.		—
[Reasons for nomination as candidate for Outside Director] The candidate had been involved in management in the securities business sector and possesses experience and knowledge in business management. Therefore, the Company has determined that he will properly perform his duties as Outside Director and requests that he be elected.				
[Special interest between the candidate and the Company] None				

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
3	 <p>Tokio Kawashima (January 22, 1959)</p> <p>Independent Officer Outside Director New election</p> <p>Tenure as Outside Director: —</p>	<p>Apr. 1982      Joined MUFG Bank, Ltd.</p> <p>Sept. 2008     Regional Head for Germany and General Manager of Dusseldorf Branch of MUFG Bank, Ltd.</p> <p>Apr. 2011      Joined OMRON Corporation</p> <p>June 2011     Audit &amp; Supervisory Board Member of OMRON Corporation (present position)</p> <p>[Significant concurrent positions outside the Company] Audit and Supervisory Board Member, Kyoritsu Trust Co., Ltd. (scheduled)</p>	—

[Reasons for nomination as candidate for Outside Director]  
The candidate has many years of working experience in a financial institution and possesses considerable knowledge regarding finance and accounting. Therefore, the Company has determined that he will properly perform his duties as Outside Director and requests that he be elected.

[Special interest between the candidate and the Company]  
None

Notes:

1. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into a limited liability agreement with Toshiaki Miyagi to limit the amount of his liability for damages under Article 423, paragraph 1 of the same Act to the minimum liability limit amount as provided for by Article 425, paragraph 1 of the same Act. If the reelection of Toshiaki Miyagi is approved, the Company plans to renew the said limited liability agreement.  
If the election of Junichi Ikeda and Tokio Kawashima is approved, the Company plans to enter into the same limited liability agreement with each of them.
2. The Company has submitted notifications to Tokyo Stock Exchange, Inc. that Toshiaki Miyagi has been appointed as an independent officer. If his reelection is approved, the Company plans to appointment him again as an independent officer.  
If the election of Tokio Kawashima is approved, the Company plans to submit notification to Tokyo Stock Exchange, Inc. concerning his appointment as an independent officer as well.

**Proposal 4:** Election of one (1) Director who is a substitute Audit and Supervisory Committee Member

We propose the election of one (1) Director to be a substitute Audit and Supervisory Committee Member to prepare for a situation in which the number of Audit and Supervisory Committee Members falls below the number specified by laws and regulations.

The validity of the election of substitute Audit and Supervisory Committee Member can be nullified by a resolution of the Board of Directors if the consent of the Audit and Supervisory Committee has been obtained; provided, however, that this applies only before the substitute Audit and Supervisory Committee Member assumes office.

The Company has obtained the prior consent of the Audit and Supervisory Committee regarding this proposal, and no objections to any Audit and Supervisory Committee Member were raised.

Candidates for the Director who is a substitute Audit and Supervisory Committee Member are as follows:

Name (Date of birth)	Career summary		Number of the Company's shares owned
Harunobu Kameyama (May 15, 1959)  Substitute Outside Director	<p>Apr. 1992      Registered as an attorney at law (Daiichi Tokyo BAR Association) Joined Okamura Law Office</p> <p>Apr. 1997      Established Kameyama Sogo Law Office, Head of Office (present position)</p> <p>June 2007      Outside Audit &amp; Supervisory Board Member of KOMORI Corporation</p> <p>Apr. 2010      Member of Civil Mediation Committee of Tokyo Summary Court (present position)</p> <p>Oct. 2012      Outside Director of TAKAOKA TOKO CO., LTD. (present position)</p> <p>June 2013      Outside Director of KOMORI Corporation (present position)</p> <p>Oct. 2013      Outside Audit &amp; Supervisory Board Member of SOMAR Corporation (present position)</p> <p>[Significant concurrent positions outside the Company] Head, Kameyama Sogo Law Office Outside Director, TAKAOKA TOKO CO., LTD. Outside Director, KOMORI Corporation Outside Audit &amp; Supervisory Board Member, SOMAR Corporation</p>		—
<p>[Reasons for nomination as candidate for Outside Director who is a substitute Audit and Supervisory Committee Member] The Company has determined that the candidate will make use of his knowledge and experience obtained as an attorney in auditing of the Company, and consequently, properly perform his duties as Director who is an Audit and Supervisory Committee Member. The Company requests that he be elected as Director who is a substitute Audit and Supervisory Committee Member.</p> <p>[Special interest between the candidate and the Company] None</p>			

Notes:

1. Harunobu Kameyama is a candidate for substitute Outside Director.
2. If the election of Harunobu Kameyama as an Outside Director who is an Audit and Supervisory Committee Member is approved, the Company plans to enter into limited liability agreements with him pursuant to the provisions of Article 427, paragraph 1 of the Companies Act. The maximum amount of liability for Directors who are Audit and Supervisory Committee Members for damages under these agreements is the minimum liability amount provided for in Article 425, paragraph 1 of the Companies Act.
3. Harunobu Kameyama satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc. If he assumes the office of Outside Director who is an Audit and Supervisory Committee Member, the Company plans to submit notification to Tokyo Stock Exchange, Inc. concerning his appointment as an independent officer as well.

**Proposal 5:** Revision of Remuneration Amount for Directors (excluding Directors who are Audit and Supervisory Committee Members)

It was determined at the 36th Ordinary General Meeting of Shareholders held on June 25, 2015 that the maximum amount of remuneration for the Company's Directors shall be 800 million yen per year and the amount has remained unchanged to the present. The Company proposes to revise the maximum amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) to 1,000 million yen per year, taking into account economic conditions, various circumstances, and measures to further expand the performance-linked remuneration system. The Company also proposes that the amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) will not include the employee's salaries portion for Directors who also serve as employees.

This proposal has been considered by the Audit and Supervisory Committee, but they have expressed no opinion in particular. If Proposal 2 is approved, there will be thirteen (13) Directors (excluding Directors who are Audit and Supervisory Committee Members, including one (1) Outside Director).

**Proposal 6:** Payment of Retirement Benefits for a Retiring Director who is an Audit and Supervisory Committee Member

Director who is an Audit and Supervisory Committee Member Sei Kakizaki will retire at the end of this General Meeting of Shareholders. The Company therefore will pay him retirement benefits.

The Company abolished the retirement benefit system for Directors in March 2001, but he held the office as Director before the abolishment of the system, so in accordance with the internal rules set by the Company and in order to compensate him for his service, the payment under this proposal shall be made based on the provision for retirement benefits recorded.

The Company requests that the determination as to the timing of payment, method of payment and others be left to the discretion of the Board of Directors.

Based on business execution and performance, etc. during his time in office, the Audit and Supervisory Committee has expressed their opinion that the payment of retirement benefits to Sei Kakizaki is appropriate.

The amount of retirement benefits and the career summary of the retiring Director is as follows:

Name	Amount	Career summary	
Sei Kakizaki	10,599 thousand yen	June 1992	Director, General Manager of Business Development Department
		Apr. 2002	Executive Director, Manager of West Japan Branch Office
		May 2007	Executive Vice President responsible for Hotel Business Department
		May 2010	Executive Vice President responsible for Wellness Life Business
		Apr. 2015	Executive Vice President responsible for Dormitory Business Branch Office Supervisory Department
		Apr. 2016	Executive Vice President responsible for Business Development
		Apr. 2017	Director
		June 2017	Director (Audit and Supervisory Committee Member) (present position)