

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Stock Exchange Code 9003)  
June 7, 2022

**To Shareholders with Voting Rights:**

Hideyuki Takizawa  
Representative Director, President  
Sotetsu Holdings, Inc.  
3-23, Kitasaiwai 1-chome, Nishi-ku,  
Yokohama-shi, Kanagawa

**NOTICE OF THE 154TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continuous support and patronage.

We are pleased to notify you that the 154th Annual General Meeting of Shareholders of Sotetsu Holdings, Inc. (the “Company”) will be held for the purposes as described below.

If you choose not to attend the meeting, you may exercise your voting rights via either of the methods below. Please review the Reference Documents for the General Meeting of Shareholders herein and exercise your voting rights by Tuesday, June 28, 2022 at 5:30 p.m. (Japan time).

[If exercising voting rights in writing (mail)]

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it such that it arrives by the above exercise deadline.

[If exercising voting rights via the Internet, etc.]

Please review the “Guide to exercising voting rights via the Internet, etc.” on page 3 and input your vote for or against the proposals by the above exercise deadline.

- 1. Date and Time:** Wednesday, June 29, 2022 at 10:00 a.m. Japan time  
(The venue will open at 9:00 a.m.)
- 2. Place:** NICHIRIN, 5F, Yokohama Bay Sheraton Hotel & Towers  
3-23, Kitasaiwai 1-chome, Nishi-ku, Yokohama-shi, Kanagawa
- 3. Meeting Agenda:**
  - Matters to be reported:**
    1. Business Report, Consolidated Financial Statements for the Company’s 154th Fiscal Year (April 1, 2021–March 31, 2022) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
    2. Non-consolidated Financial Statements for the Company’s 154th Fiscal Year (April 1, 2021–March 31, 2022)

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of 7 Directors
- Proposal 4:** Election of 1 Audit & Supervisory Board Member

- 
- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Additionally, to preserve resources, please bring this document with you.

- Of the documents attached to this Notice of Convocation, the following matters are posted on the Company's website pursuant to laws and regulations as well as Article 16 of the Articles of Incorporation of the Company. The matters posted on the Company's website have also been audited by the Audit & Supervisory Board and the Accounting Auditor.  
Business Report: The corporate structures and policies  
Consolidated Financial Statements: Consolidated Statements of Changes in Net Assets and Notes to the Consolidated Financial Statements  
Non-consolidated Financial Statements: Non-consolidated Statements of Changes in Net Assets and Notes to the Non-consolidated Financial Statements
- Should revisions be required to the attached documents or the Reference Documents for the General Meeting of Shareholders, revised versions will be posted on the Company's website.

The Company's website: <https://www.sotetsu.co.jp/ir/>

Guide to exercising voting rights via the Internet, etc.

If exercising voting rights from a personal computer:

1. Access the voting rights exercise website  
<https://www.web54.net>  
Click the “Next” button.
2. Enter the “voting rights exercise code”  
Enter the “voting rights exercise code” indicated on the bottom left of the enclosed Voting Rights Exercise Form and click the “Login” button.
3. Enter the “password”  
Enter the “password” indicated on the bottom left of the enclosed Voting Rights Exercise Form and click the “Next” button.  
\* Create a new password on the next screen.  
Please keep your password safe.

Input your vote for or against the proposals by following the on-screen instructions.

The “voting rights exercise code” and the “password” are indicated on the enclosed Voting Rights Exercise Form.

If exercising voting rights from a smartphone:

Use a smartphone or a tablet and read the “Voting Rights Exercise Website Login QR Code for Smartphone” indicated on the bottom right of the enclosed Voting Rights Exercise Form.  
The “voting rights exercise code” and “password” are not required.

Input your vote for or against the proposals by following the on-screen instructions.

- \* If changing your vote after exercising your voting rights once, you need to read the QR code again and enter the “voting rights exercise code” and the “password” indicated on the enclosed Voting Rights Exercise Form.
- \* QR Code is a registered trademark of DENSO WAVE CORPORATION

### **About the Electronic Voting Platform**

Institutional investors may utilize the Electronic Voting Platform operated by ICJ, Inc., if registration was made in advance.

#### **Inquiries:**

Sumitomo Mitsui Trust Bank Limited, Stock Transfer Agency Department “Web Support” (dedicated line)  
Telephone: 0120-652-031 (Hours of operation: 9:00 a.m. to 9:00 p.m.)

# Guide to Exercise of Voting Rights

If attending the General Meeting of Shareholders:

Please submit the Voting Rights Exercise Form at the reception.

Date and time: Wednesday, June 29, 2022 at 10:00 a.m. Japan Time

Place: NICHIRIN, 5F, Yokohama Bay Sheraton Hotel & Towers

\*Please bring this “Notice of Convocation” with you.

If not attending the General Meeting:

- Via mail

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return by mail.

- If there is no indication of your vote for or against the proposals, it shall be deemed as an indication of approval.

- If indicating your vote for or against some of the candidates of the Proposal 3:

- ☐ Mark a circle on the “approval” or “disapproval” field and indicate the candidate numbers.

Exercise deadline: Arrival by Tuesday, June 28, 2022 at 5:30 p.m.

- Via the Internet, etc.

Please review the “Guide to exercising voting rights via the Internet, etc.” (page 3), and input your vote for or against the proposals.

Exercise deadline: By Tuesday, June 28, 2022 at 5:30 p.m.

About handling of multiple exercise of voting rights

If voting rights are exercised multiple times, the last voting rights exercised shall be deemed the valid exercise of voting rights. If voting rights are exercised both via the Voting Rights Exercise Form and the Internet, the final voting rights to arrive shall be deemed the valid exercise of voting rights. If the Voting Rights Exercise Form and the exercise via the Internet arrive on the same date, the voting rights exercised via the Internet shall be deemed the valid exercise of voting rights.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

The Sotetsu Group is in a highly public industry with the railway business as its core business, and as healthy management over an extended period is desirable, the Company holds as a basic policy to consider the management environment and capital investment plans, etc., and work to enrich internal reserves while making distribution of profits corresponding to business results.

Regarding year-end dividends for the fiscal year under review, the Company proposes the following in view of the above policy and the current circumstances.

1. Type of dividend property

Cash

2. Matters concerning the allotment of dividend property to shareholders and the total amount

20 yen per share of common stock of the Company

Total amount: 1,959,554,100 yen

Regretfully, the Company has decided not to pay an interim dividend as the Group's businesses were seriously affected by the protracted COVID-19 pandemic.

3. Effective date of distribution of surplus

June 30, 2022

## Proposal 2: Partial Amendments to the Articles of Incorporation

### 1. Reasons for amendments

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will take effect on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.

- (1) The proposed Article 16, Paragraph 1 provides that information contained in the reference documents, etc. for the general meeting of shareholders shall be provided electronically.
- (2) The purpose of the proposed Article 16, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (3) The provisions related to the internet disclosure and deemed provision of the reference documents, etc. for the general meeting of shareholders (Article 16 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (4) In line with the above establishment and deletion of the provisions, supplementary provisions on the effective date and other relevant matters shall be established.

### 2. Details of amendments

Proposed amendments are as follows:

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed amendments
<u>(Internet Disclosure and Deemed Provision of Reference Documents, Etc. for the General Meeting of Shareholders)</u> <u>Article 16 The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the Internet in accordance with the provisions of the Ordinance of the Ministry of Justice.</u> (Newly established)	(Deleted)  (Measures for Electronic Provision, Etc.) <u>Article 16 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents, etc. for the general meeting of shareholders electronically.</u> <u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u>

Current Articles of Incorporation	Proposed amendments
(Newly established)	<p data-bbox="810 210 1125 244"><u>(Supplementary provisions)</u></p> <p data-bbox="810 264 1390 521"><u>Article 1 The amendments to Article 16 of the current Articles of Incorporation shall take effect on September 1, 2022, the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u></p> <p data-bbox="810 524 1398 808"><u>Article 2 Notwithstanding the provision of the preceding paragraph, Article 16 of the Articles of Incorporation prior to the amendments, (Internet Disclosure and Deemed Provision of Reference Documents, Etc. for the General Meeting of Shareholders), shall remain in force with respect to general meetings of shareholders to be held on a date within six months from the Effective Date.</u></p> <p data-bbox="810 810 1390 1003"><u>Article 3 These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever comes later.</u></p>

**Proposal 3:** Election of 7 Directors

The term of office of Directors Hidekazu Hayashi, Hideyuki Takizawa, Osamu Yoshida, Masayuki Hirano, Mitsuko Kagami, Yoshimitsu Onji and Yukiko Fujikawa will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of 7 Directors is proposed.

The candidates for Directors are as follows:

[Reference] List of candidates

No.	Name		Current positions and responsibilities		Attendance at Board of Directors meetings
1	Hidekazu Hayashi	Male	Representative Director, Chairman	Reelection	11 out of 11 (Attendance rate: 100%)
2	Hideyuki Takizawa	Male	Representative Director, President and Executive President	Reelection	11 out of 11 (Attendance rate: 100%)
3	Osamu Yoshida	Male	Director, Executive Officer, in charge of the General Affairs Department, and in charge of the Labor Department	Reelection	10 out of 11 (Attendance rate: 90.9%)
4	Masayuki Hirano	Male	Director, Executive Officer, Division Manager, Corporate Strategy Division	Reelection	11 out of 11 (Attendance rate: 100%)
5	Mitsuko Kagami	Female	Director	Reelection Outside Independent	11 out of 11 (Attendance rate: 100%)
6	Yoshimitsu Onji	Male	Director	Reelection Outside Independent	11 out of 11 (Attendance rate: 100%)
7	Yukiko Fujikawa (Name on family register: Yukiko Kobayashi)	Female	Director	Reelection Outside Independent	11 out of 11 (Attendance rate: 100%)



No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
1	Hidekazu Hayashi (January 15, 1949)  [Male] [Reelection]	<p>April 1972      Joined the Company</p> <p>November 1996      General Manager, Corporate Planning Division (New Business Department)</p> <p>July 1998      General Manager, Corporate Planning Division (Related Business Department)</p> <p>June 2000      Director (to the present)</p> <p>April 2005      Managing Executive Officer</p> <p>April 2005      Deputy Division Manager, Group Strategy Division</p> <p>June 2007      Senior Managing Executive Officer</p> <p>June 2007      Division Manager, Group Strategy Division</p> <p>July 2010      Division Manager, Corporate Strategy Division</p> <p>June 2011      Executive Vice President</p> <p>June 2012      Representative Director (to the present)</p> <p>June 2013      President</p> <p>June 2013      Executive President</p> <p>June 2019      Chairman (to the present)</p>	25,862
<p>Attendance at Board of Directors' meetings 11 out of 11 (attendance rate: 100%)</p> <p>Reasons for selection as a candidate for Director Mr. Hidekazu Hayashi has been involved in the management of the Company as Representative Director, Chairman while belonging to the group strategy section of the Company for many years, and has a wealth of achievements regarding management. As he has important qualities as a Director of the Company, his continuous election is requested as a candidate for Director.</p> <p>Other notes on the candidate for Director There are no special interests between Mr. Hidekazu Hayashi and the Company.</p>			
2	Hideyuki Takizawa (October 5, 1959)  [Male] [Reelection]	<p>April 1984      Joined the Company</p> <p>June 2010      Senior Managing Director, Sotetsu Building Management Co., Ltd.</p> <p>June 2011      Executive Officer, the Company</p> <p>July 2011      General Manager, Corporate Strategy Division (Department 1)</p> <p>June 2012      Director</p> <p>June 2013      Division Manager, Corporate Strategy Division and General Manager, Corporate Strategy Division (Department 2)</p> <p>June 2015      Senior Managing Director, SAGAMI RAILWAY Co., Ltd.</p> <p>June 2016      Director, President, SAGAMI RAILWAY Co., Ltd.</p> <p>June 2019      Director, the Company (to the present)</p> <p>June 2019      Representative Director (to the present)</p> <p>June 2019      President (to the present)</p> <p>June 2019      Executive President (to the present)</p>	13,529
<p>Attendance at Board of Directors' meetings 11 out of 11 (attendance rate: 100%)</p> <p>Reasons for selection as a candidate for Director Mr. Hideyuki Takizawa has been engaged in the management of the Company as Representative Director, and has been involved in the management of SAGAMI RAILWAY Co., Ltd., which is a core Group subsidiary, as Representative Director and President. As he has significant capabilities as Director of the Company, his continuous election is requested as a candidate for Director.</p> <p>Other notes on the candidate for Director There are no special interests between Mr. Hideyuki Takizawa and the Company.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
3	Osamu Yoshida (April 20, 1958)  [Male] [Reelection]	<p>April 1982    Joined the Company</p> <p>June 2010    Managing Director, Sotetsu Bus Co., Ltd.</p> <p>June 2015    Director, President, Sotetsu Inn Co., Ltd.</p> <p>June 2015    Director, President, Sotetsu Inn Development Co., Ltd. (currently Sotetsu Hotel Development Co., Ltd.)</p> <p>June 2016    Director, President, Sunroute Co., Ltd.</p> <p>July 2017    Representative Director and President, Sotetsu Hotel Management Co., Ltd.</p> <p>November 2017   Representative Director and President, Sotetsu International Korea Co., Ltd.</p> <p>June 2020    Director, the Company (to the present)</p> <p>June 2020    Executive Officer, in charge of the General Affairs Department, and in charge of the Labor Department (to the present)</p>	5,242
<p>Attendance at Board of Directors' meetings 10 out of 11 (attendance rate: 90.9%)</p> <p>Reasons for selection as a candidate for Director Mr. Osamu Yoshida has been involved in business execution as Director of the Company, and has been involved in the management of companies engaging in hotel businesses under the Group as their President. As he has significant capabilities as Director of the Company, his continuous election is requested as a candidate for Director.</p> <p>Other notes on the candidate for Director There are no special interests between Mr. Osamu Yoshida and the Company.</p>			
4	Masayuki Hirano (February 22, 1965)  [Male] [Reelection]	<p>April 1987    Joined the Company</p> <p>July 2010    General Manager, Corporate Strategy Division (Brand Strategy)</p> <p>June 2012    Managing Director, Ist Co., Ltd.</p> <p>June 2017    Managing Director, SAGAMI RAILWAY Co., Ltd.</p> <p>June 2018    Director, the Company (to the present)</p> <p>June 2018    Executive Officer (to the present)</p> <p>June 2018    General Manager, Corporate Strategy Division (Department 3)</p> <p>June 2019    Division Manager, Corporate Strategy Division (to the present)</p>	6,840
<p>Attendance at Board of Directors' meetings 11 out of 11 (attendance rate: 100%)</p> <p>Significant concurrent positions Director, President (Representative Director), Yokohama Heat Supply Co., Ltd. Director, President (Representative Director), SOTETSU Next Stage Co., Ltd.</p> <p>Reasons for selection as a candidate for Director Mr. Masayuki Hirano has been involved in business execution as Director of the Company, and has experience in business execution as Director of SAGAMI RAILWAY Co., Ltd. which is a core Group subsidiary. As he has significant capabilities as Director of the Company, his continuous election is requested as a candidate for Director.</p> <p>Other notes on the candidate for Director There are no special interests between Mr. Masayuki Hirano and the Company.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities		Number of shares of the Company held
5	Mitsuko Kagami (May 18, 1958)	April 1985	Assistant judge, Tokyo District Court	200
		January 1995	Registered as an Attorney-at-law (Dai-Ichi Tokyo Bar Association) (to the present)	
		June 2015	Director, the Company (to the present)	
	[Female]			
	[Reelection]			
	[Outside]			
	[Independent]			
Attendance at Board of Directors' meetings 11 out of 11 (attendance rate: 100%)				
Significant concurrent positions Outside Director, MEDIPAL HOLDINGS CORPORATION Outside Audit & Supervisory Board Member, Shin-Etsu Chemical Co., Ltd.				
Reasons for selection as a candidate for Outside Director and expected roles, etc. Ms. Mitsuko Kagami is nominated as a candidate for Outside Director because she expressed valuable opinions at the Board of Directors' meetings based on her specialized knowledge and extensive experience in laws and regulations, etc. as an attorney. The Company requests her continuous election as a candidate for Outside Director, expecting her to guide and supervise the Company's management in the same manner upon election. Additionally, although she has not been involved in corporate management aside from roles as Outside Director and Outside Audit & Supervisory Board Member, due to the above reasons, the Company believes that she can appropriately execute the duties of Outside Director.				
Other notes on the candidate for Outside Director 1. There are no special interests between Ms. Mitsuko Kagami and the Company. 2. Ms. Mitsuko Kagami is a candidate for Outside Director. Furthermore, the Company has designated her as Independent Director as defined by the Tokyo Stock Exchange, and submitted her to said Exchange. 3. The term of office of Ms. Mitsuko Kagami as Outside Director is seven years as of the conclusion of this General Meeting of Shareholders.				
6	Yoshimitsu Onji (November 1, 1954)	April 1994	General Manager of Corporate Planning Division, The Daiei, Inc.	0
		September 1998	Director and Vice President, R.E. PARTNERS Co., Ltd.	
		December 1999	Director of Oz-corporation (Representative) (to the present)	
	[Male]	June 2010	President & CEO and Representative Director, RECOF Office (currently RECOF Corporation)	
	[Reelection]	October 2016	Chairman and Representative Director, RECOF Office (currently RECOF Corporation)	
	[Outside]	June 2020	Director (to the present)	
	[Independent]			
Attendance at Board of Directors' meetings 11 out of 11 (attendance rate: 100%)				
Significant concurrent positions External Director, Tokyo Tatemono Co., Ltd. Outside Director, NIHON CHOUZAI Co., Ltd.				
Reasons for selection as a candidate for Outside Director and expected roles, etc. Mr. Yoshimitsu Onji is nominated as a candidate for Outside Director because he has expressed valuable opinions at the Board of Directors' meetings based on his wealth of experience and wide knowledge as a manager. The Company requests his continuous election as a candidate for Outside Director, expecting him to guide and supervise the Company's management in the same manner upon election.				
Other notes on the candidate for Outside Director 1. There are no special interests between Mr. Yoshimitsu Onji and the Company. 2. Mr. Yoshimitsu Onji is a candidate for Outside Director. Furthermore, the Company has designated him as Independent Director as defined by the Tokyo Stock Exchange, and submitted him to said Exchange. 3. The term of office of Mr. Yoshimitsu Onji as Outside Director is two years as of the conclusion of this General Meeting of Shareholders.				

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
	Yukiko Fujikawa (Name on family register: Yukiko Kobayashi)  (March 16, 1965)  [Female] [Reelection] [Outside] [Independent]	<p>March 1992 Registered as Certified Public Accountant (to the present)</p> <p>June 1998 Financial Securities Inspector, Inspection Department, Financial Supervisory Agency (currently Financial Services Agency)</p> <p>July 2000 Chief, Yukiko Fujikawa CPA Office (to the present)</p> <p>December 2004 Registered as Tax Accountant (to the present)</p> <p>January 2012 Representative Member, Kaikei Jissen Kenkyujyo (Tax Accountancy Corporation) (to the present)</p> <p>June 2020 Director, the Company (to the present)</p>	0
7	<p>Attendance at Board of Directors' meetings 11 out of 11 (attendance rate: 100%)</p> <p>Significant concurrent positions Outside Audit &amp; Supervisory Board Member, KAJIMA CORPORATION Supervisory Director, Hoshino Resorts REIT, Inc.</p> <p>Reasons for selection as a candidate for Outside Director and expected roles, etc. Ms. Yukiko Fujikawa is nominated as a candidate for Outside Director because she expressed valuable opinions at the Board of Directors' meetings based on her specialized knowledge and extensive experience in finance and accounting as a certified public accountant. The Company requests her continuous election as a candidate for Outside Director, expecting her to guide and supervise the Company's management in the same manner upon election.</p> <p>Other notes on the candidate for Outside Director</p> <ol style="list-style-type: none"> <li>There are no special interests between Ms. Yukiko Fujikawa and the Company.</li> <li>Ms. Yukiko Fujikawa is a candidate for Outside Director. Furthermore, the Company has designated her as Independent Director as defined by the Tokyo Stock Exchange, and submitted her to said Exchange.</li> <li>The term of office of Ms. Yukiko Fujikawa as Outside Director is two years as of the conclusion of this General Meeting of Shareholders.</li> <li>TOYO SECURITIES CO., LTD., for which Ms. Yukiko Fujikawa has been the Outside Director since June 2014 (scheduled to resign in June 2022), received the order for improvement of business operation from the Kanto Local Finance Bureau on December 21, 2018, for "the act of misrepresenting or misleading important matters relating to solicitation of U.S. stock transactions." She was not aware of this fact in advance. However, as the Outside Director of TOYO SECURITIES CO., LTD, she actively expressed her opinions at the Board of Directors of TOYO SECURITIES CO., LTD. on matters regarding compliance with laws and regulations and strengthening the governance structure. In addition, after TOYO SECURITIES CO., LTD. received the administrative disposition, she has requested a thorough investigation and has advised on strengthening the internal control structure to prevent recurrence and on in-depth compliance.</li> </ol>		

- (Notes)
- Liability limitation agreements with candidates for Outside Director  
The Company has concluded a liability limitation agreement with Ms. Mitsuko Kagami, Mr. Yoshimitsu Onji and Ms. Yukiko Fujikawa to limit the liability for damages of Article 423, Paragraph 1 of the Companies Act, and the limit of liability for damages under said agreement is the minimum amount of liability as stipulated by laws and regulations.
  - Outline of directors and officers liability insurance contract  
The Company has entered into a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to insure Directors and Audit & Supervisory Board Members of the Company and some of its subsidiaries. The insurance premiums including riders are fully paid by the Company and some of its subsidiaries at effectively no cost to the insured.  
The said insurance contract covers compensation for damages and litigation costs arising from claims for damages arising from their execution of duties during the insurance period.  
Provided, there are certain exclusions such as no compensation for damage arising from actions taken with the knowledge that they were in violation of laws and regulations. In addition, a deductible amount is provided in the insurance contract, and damage up to the deductible amount is not be covered.  
The candidates will be insured under the insurance contract, which is to be retained with the same terms and conditions at the time of renewal.

**Proposal 4:** Election of 1 Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Shohei Miki will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of 1 Audit & Supervisory Board Member is proposed.

The Audit & Supervisory Board has previously given its approval to this proposal.

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

Name (Date of birth)	Past experience and positions		Number of shares of the Company held
Shohei Miki (March 30, 1960)  [Male] [Reelection] [Outside] [Independent]	July 2010 March 2015  April 2016  June 2018 June 2018	Director and Executive Officer, Nippon Life Insurance Company Senior Managing Executive Officer, Nippon Life Insurance Company Vice President, Representative Director and Executive Officer, MITSUI LIFE INSURANCE COMPANY LIMITED (currently TAIJU LIFE INSURANCE COMPANY LIMITED) Chairman, Nippon Life Saiseikai Foundation (to the present) Audit & Supervisory Board Member, the Company (to the present)	0
Attendance at Board of Directors' meetings 11 out of 11 (attendance rate: 100%)  Attendance at Audit & Supervisory Board meetings 11 out of 11 (attendance rate: 100%)  Significant concurrent positions Chairman, Nippon Life Saiseikai Foundation Director, Audit & Supervisory Committee Member, Nankai Electric Railway Co., Ltd.  Reasons for selection as a candidate for Outside Audit & Supervisory Board Member Mr. Shohei Miki has experience and wide knowledge as a management. The Company requests his continuous election as Outside Audit & Supervisory Board Member, since it believes that his experience and knowledge will be valuable asset in its auditing operations.  Other notes on the candidate for Outside Audit & Supervisory Board Member 1. There are no special interests between Mr. Shohei Miki and the Company. 2. Mr. Shohei Miki is a candidate for Outside Audit & Supervisory Board Member. Furthermore, the Company has designated him as Independent Auditor as defined by the Tokyo Stock Exchange, and submitted him to said Exchange. 3. The term of office of Mr. Shohei Miki as Outside Audit & Supervisory Board Member is four years as of the conclusion of this General Meeting of Shareholders.			

- (Notes)
1. Liability limitation agreement with candidate for Outside Audit & Supervisory Board Member  
The Company has concluded a liability limitation agreement with Mr. Shohei Miki to limit the liability for damages of Article 423, Paragraph 1 of the Companies Act, and the limit of liability for damages under said agreement is the minimum amount of liability as stipulated by laws and regulations.
  2. Outline of directors and officers liability insurance contract  
The Company has entered into a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to insure Directors and Audit & Supervisory Board Members of the Company and some of its subsidiaries. The insurance premiums including riders are fully paid by the Company and some of its subsidiaries at effectively no cost to the insured.  
The said insurance contract covers compensation for damages and litigation costs arising from claims for damages arising from their execution of duties during the insurance period.  
Provided, there are certain exclusions such as no compensation for damage arising from actions taken with the knowledge that they were in violation of laws and regulations. In addition, a deductible amount is provided in the insurance contract, and damage up to the deductible amount is not be covered.  
The candidate will be insured under the insurance contract, which is to be retained with the same terms and conditions at the time of renewal.

[Reference]

Below is a skills matrix of Directors and Audit & Supervisory Board Members, subject to approval for Proposals 3 and 4.

		Corporate Management & Strategy	Finance & Accounting	HR & Labor	Legal & Risk Management	Sustainability	Transportation	Merchandising	Real Estate	Hotel	Overseas Business
Directors	Hidekazu Hayashi	●	●					●		●	
	Hideyuki Takizawa	●	●				●		●		
	Osamu Yoshida	●			●					●	●
	Masayuki Hirano	●		●		●	●				
	Mitsuko Kagami [Outside]			●	●	●					
	Yoshimitsu Onji [Outside]	●			●			●			●
	Yukiko Fujikawa [Outside]		●			●		●		●	
Audit & Supervisory Board Members	Hiroshi Kojima		●	●	●						
	Akihiko Hashimoto		●		●				●		
	Seiichi Yoneda [Outside]	●	●		●						
	Shohei Miki [Outside]	●	●		●						
	Satoru Nakanishi [Outside]	●	●								●

- (Notes)
1. In the skills matrix above, ● indicates only the key areas in which each individual is highly specialized among his or her skill set.
  2. The ratio of Outside Directors to the total number of Directors on the Board will be 42.9%, or 50% if Audit & Supervisory Board Members are included.

(Approach to the skills matrix)

In order to enhance the functions of the Board of Directors as a whole and to achieve lasting success of the Group, the Company has defined the knowledge, experience, competencies and other skills required for Directors and Audit & Supervisory Board Members of the Company, in light of its management environment, characteristics and scale of the business, medium- to long-term management direction and business strategy.

The skills the Company believes as necessary for its Directors and Audit & Supervisory Board Members are twofold: those for ensuring effectiveness and appropriateness of the Board of Directors and for promptly and properly responding to changes in the management environment, which include expertise in Corporate Management & Strategy, Finance & Accounting, HR & Labor, Legal & Risk Management, and Sustainability. The other includes specialized skills in the areas in which the Group is engaged, namely, Transportation, Merchandising, Real Estate, Hotel and Overseas Business.

The skills required for Directors and Audit & Supervisory Board Members of the Company will be reviewed from time to time and revised as necessary primarily through evaluation of effectiveness of the Board of Directors.