

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.

Code No: 9792  
June 10, 2016

2-9 Kanda-Surugadai, Chiyoda-ku, Tokyo, Japan  
**Nichii Gakkan Co., Ltd.**  
Chairman, President and CEO  
Akihiko Terada

## Notice of the 44th Annual Shareholders Meeting

Dear Shareholders:

First and foremost, we at Nichii Gakkan Co., Ltd. would like to offer our deepest sympathy to all those who have suffered hardship from the 2016 Kumamoto Earthquake and hope for a speedy recovery of the affected region.

You are cordially invited to attend the 44th Annual Shareholders Meeting of Nichii Gakkan Co., Ltd. (the "Company"). The meeting will be held as described below.

**If you are unable to attend the meeting, you can exercise your voting rights through either of the following methods. Please review the Reference Documents for the Shareholders Meeting and exercise your voting rights.**

### **[Exercising Voting Rights by Mail]**

Please indicate your vote of approval or disapproval of each proposal on the enclosed voting form, and return the form to us so that it arrives before 5:15 p.m., Monday, June 27, 2016 (JST).

### **[Exercising Voting Rights via the Internet]**

Please access the website (<http://www.evotep.jp/>) designated by the Company, and enter your vote of approval or disapproval of each proposal by using the login ID and temporary password shown on the enclosed voting form and following on-screen instructions before 5:15 p.m., Monday, June 27, 2016 (JST).

### **[Handling of duplicated exercises of voting rights by the same shareholder]**

If you exercise your voting rights by two different methods, that is, via the Internet as well as by mailing your voting form, the vote via the Internet shall be deemed valid, regardless of the date and time when your voting results reach us.

If you exercise your voting rights more than once via the Internet, only the final execution shall be deemed valid.

**1. Date and Time:** Tuesday, June 28, 2016 at 10:00 a.m. (reception starts at 9:30 a.m.)

**2. Location:** Tokyo Dome Hotel, Tenku, the first basement level  
1-3-61, Koraku, Bunkyo-ku, Tokyo, Japan

### **3. Agenda of the Meeting** **Items to be reported:**

1. Business Report, Consolidated Financial Statements, and the audit reports on Consolidated Financial Statements by the Accounting Auditor and the Board of Auditors for the 44th business term (from April 1, 2015 to March 31, 2016)
2. Non-consolidated Financial Statements for the 44th business term (from April 1, 2015 to March 31, 2016)

**Items to be resolved:**

- Proposal 1.** Appropriation of Surplus
- Proposal 2.** Partial Amendments to the Articles of Incorporation
- Proposal 3.** Election of Ten (10) Directors
- Proposal 4.** Payment of Directors' Bonuses
- Proposal 5.** Election of Accounting Auditor

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For those attending on the day, please present the enclosed voting form at the reception desk upon arrival at the meeting.

Pursuant to the relevant laws and regulations and Article 16 of the Company's Articles of Incorporation, the following items are posted on the Company's website (<http://www.nichiigakkan.co.jp/ir/stock/shareholders.html>) and are not attached to this notice. Accordingly, the attached documents to this notice are part of the documents that were audited by the auditors and the accounting auditor in preparing the Audit Reports.

- (1) Notes to the Consolidated Financial Statements
- (2) Notes to the Financial Statements

If any revision is made with regard to the Reference Documents for the Shareholders Meeting, the Business Report, the Consolidated Financial Statements and/or the Non-consolidated Financial Statements, the Company will post such revision on the Company's website (<http://www.nichiigakkan.co.jp>).

## Reference Documents for the Shareholders Meeting

### Proposal 1. Appropriation of Surplus

The Company regards the return of profit to its shareholders as a key management issue, and proposes the payment of year-end dividends and other appropriation of surplus for the 44th business term in consideration of the term's operating results, future business development, and other aspects, as follows.

#### 1. Matters regarding the year-end dividend

- (1) Type of dividend property  
Cash
- (2) Matters regarding allocation of dividend property and total amount thereof  
It is proposed that ordinary dividends be 11 yen per common share of the Company.  
Accordingly, the total amount of dividends would be 706,112,374 yen.
- (3) Effective date of the dividends from surplus  
It is proposed to set the effective date to be June 29, 2016.

#### 2. Other appropriation of surplus

- (1) Item of surplus to be decreased and amount of decrease  
General reserve: 8,000,000,000 yen
- (2) Item of surplus to be increased and amount of increase  
Retained earnings brought forward: 8,000,000,000 yen

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

#### 1. Reasons for the amendments

- (1) To clarify the fact that the Company is a limited liability company in the English-language name of the Company, changes are to be made to Article 1 (Name of the Company) of the current Articles of Incorporation.
- (2) In order to prepare for the Company's future business development, business purposes are to be added in Article 2 (Purpose) of the current Articles of Incorporation.
- (3) In line with the above-mentioned amendments, the item numbers of the Article shall be appropriately adjusted.

#### 2. Contents of the amendments

Contents of the amendments are as follows:

(Underlining denotes amendment.)

Current Articles of Incorporation	Proposed Amendments
CHAPTER I. GENERAL PROVISIONS (Name of the Company) Article 1. The name of the Company shall be <i>Kabushiki Kaisha Nichii Gakkan</i> , and it will be displayed in English as <u>NICHII GAKKAN COMPANY.</u>	CHAPTER I. GENERAL PROVISIONS (Name of the Company) Article 1. The name of the Company shall be <i>Kabushiki Kaisha Nichii Gakkan</i> , and it will be displayed in English as <u>NICHII GAKKAN CO., LTD.</u>
(Purpose) Article 2. The purpose of the Company shall be to engage in the following businesses:	(Purpose) Article 2. (Unchanged)
(1) Education business for human resource development for medical treatment, care, childcare, etc.	(1) (Unchanged)
(2) Management of language schools	(2) (Unchanged)
(3) Publication, planning, production and sale of books and educational materials	(3) (Unchanged)

Current Articles of Incorporation	Proposed Amendments
(4) Planning, production, publication and sale of books, educational materials and software related to language learning	(4) (Unchanged)
(5) Marketing research and development of goods, training courses, and educational systems	(5) (Unchanged)
(6) Contract clerical services such as reception, management of medical records, and medical fee claims at medical institutions, etc.	(6) (Unchanged)
(7) Business related to information processing and provision through computer, and its operation training	(7) (Unchanged)
(8) Operation, maintenance, development and sale of computer systems and software	(8) (Unchanged)
(9) Services for preparation of reports using a voice-recognition system	(9) (Unchanged)
(10) Consulting services pertaining to management of medical institutions	(10) (Unchanged)
(11) Worker dispatch services	(11) (Unchanged)
(12) Contract services for clinical clerk and works at medical institutions, etc.	(12) (Unchanged)
(13) Contract services for inspection, maintenance, repair, and storage of specially controlled medical devices, as well as management, disinfection, and sterilization of medical equipment at medical institutions, etc.	(13) (Unchanged)
(14) Prenatal/postnatal care business	(14) (Unchanged)
(15) Consulting services related to operation and training for prenatal/postnatal care business	(15) (Unchanged)
(16) Business related to provisions and operation of public facilities, etc. based on Act on Promotion of Private Finance Initiative (PFI Act)	(16) (Unchanged)
(17) Sale and home delivery of foods, beverages, clothing, everyday sundries, drugs and medicines, quasi drugs, nursery items, childcare items, housing equipment, kitchen equipment, as well as sale, home delivery, rental and import/export of medical aids and equipment, welfare equipment, nursing care items, medical goods, sanitary goods, rehabilitation equipment, exercise equipment and goods	(17) (Unchanged)
(18) Management of pharmacies, and consulting services pertaining to such management	(18) (Unchanged)
(19) Research and development, cultivation, and sale of flowers, ornamental plants and seedlings	(19) (Unchanged)
(20) Meal providing services and catering services	(20) (Unchanged)
(21) Home-visit nursing based on the Health Insurance Act	(21) (Unchanged)
(22) (i) Designated in-home long-term care supports based on the Long-Term Care Insurance Act	(22) (i) (Unchanged)
(ii) The following in-home long-term care services based on the Long-Term Care Insurance Act	(ii) (Unchanged)
(a) Home-visit service	
(b) Home-visit bathing service	
(c) Home-visit nursing	
(d) Outpatient day long-term care	
(e) Short-term admission for daily life long-term care	
(f) Daily life long-term care admitted to specified facilities	

Current Articles of Incorporation	Proposed Amendments
(g) Rental of equipment for long-term care covered by public aid	
(h) Sale of specified equipment covered by public aid	
(i) Management and guidance of in-home medical service	
(iii) Community-based services based on the Long-Term Care Insurance Act	(ii) (Unchanged)
(a) Home-visit at night for long-term care	
(b) Outpatient long-term care for dementia patients	
(c) Multifunctional long-term care in small size group homes	
(d) Communal daily long-term care for dementia patients	
(e) Daily life long-term care for persons admitted to community-based specified facilities	
(f) Multifunctional long-term care in a small group home with nursing care service	
(g) Regular and as-needed home-visit for long-term care and nursing care	
(iv) Preventive long-term care services based on the Long-Term Care Insurance Act	(iv) (Unchanged)
(a) Home-visit service for preventive long-term care	
(b) Home-visit bathing service for preventive long-term care	
(c) Home-visit nursing service for preventive long-term care	
(d) Outpatient preventive long-term care	
(e) Short-term stay for daily preventive long-term care	
(f) Daily preventive long-term care admitted to specified facilities	
(g) Rental of equipment for preventive long-term care covered by public aid	
(h) Sale of specified equipment for preventive long-term care covered by public aid	
(i) Management and guidance of in-home medical service for preventive long-term care	
(v) Preventive long-term care supports based on the Long-Term Care Insurance Act	(v) (Unchanged)
(vi) Community-based preventive services of long-term care based on the Long-Term Care Insurance Act	(vi) (Unchanged)
(a) Preventive long-term care for dementia outpatients	
(b) Multifunctional preventive long-term care in small group homes	
(c) Preventive long-term care for dementia in communal living	
(vii) Community supports based on the Long-Term Care Insurance Act	(vii) (Unchanged)
(viii) Home modification for in-home long-term care	(viii) (Unchanged)
(ix) Operation and development/management of facilities for businesses stated above	(ix) (Unchanged)
(23) Consultation supports based on the Comprehensive Supports for Daily Lives and Social Lives of Persons with Disabilities Act	(23) (Unchanged)

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Current Articles of Incorporation	Proposed Amendments
(24) Transportation supports based on the Comprehensive Supports for Daily Lives and Social Lives of Persons with Disabilities Act	(24) (Unchanged)
(25) Other community life supports based on the Comprehensive Supports for Daily Lives and Social Lives of Persons with Disabilities Act	(25) (Unchanged)
(26) Welfare service for persons with disabilities based on the Comprehensive Supports for Daily Lives and Social Lives of Persons with Disabilities Act	(26) (Unchanged)
(27) Services and supports to prevent physical inability of the elderly	(27) (Unchanged)
(28) Assistance to persons with disabilities and the elderly	(28) (Unchanged)
(29) In-home long-term care services not covered by the Long-Term Care Insurance Act	(29) (Unchanged)
(30) Management of fee-based homes for the elderly, care houses, and houses for the elderly	(30) (Unchanged)
(31) Operation and development/management of facilities for businesses stated above	(31) (Unchanged)
(32) Consulting services related to operation and training for care business	(32) (Unchanged)
(33) Consulting services related to operation and training for health care business	(33) (Unchanged)
(34) Fee-based employment placement service	(34) (Unchanged)
(35) Goods purchasing	(35) (Unchanged)
(36) Life supporting services and private-expense care business	(36) (Unchanged)
(37) Operation of child and child-raising services based on the Child Welfare Act, the Social Welfare Act, the Child and Child Care Support Act and other relevant laws and regulations	(37) (Unchanged)
(i) Operation of authorized day-care centers	(i) (Unchanged)
(ii) Small-scale childcare business	(ii) (Unchanged)
(iii) Family day-care business	(iii) (Unchanged)
(iv) Childcare business on business facilities	(iv) (Unchanged)
(v) Operation of day-care centers on business facilities	(v) (Unchanged)
(vi) Operation of day-care centers at hospitals	(vi) (Unchanged)
(vii) In-home childcare business	(vii) (Unchanged)
(viii) Operation of children's clubs for after-school activities	(viii) (Unchanged)
(ix) Child development services	(ix) (Unchanged)
(x) Operation of child-raising support bases related to other than those stated above	(x) (Unchanged)
(38) Operation and development/management of facilities for businesses stated above	(38) (Unchanged)
(39) Baby-sitter dispatch services	(39) (Unchanged)
(40) Consulting services related to operation and training for childcare business	(40) (Unchanged)
(41) Sale of goods related to child-raising for the childcare business	(41) (Unchanged)
(42) General construction work	(42) (Unchanged)
(43) Antique trade	(43) (Unchanged)
(44) Sale, rental, and dry disinfection of bedding	(44) (Unchanged)
(45) Advertising agency	(45) (Unchanged)
(46) Office administration services including reception and information service	(46) (Unchanged)
(47) Agent and mediation of clerical work for medical checkup visit	(47) (Unchanged)

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Current Articles of Incorporation	Proposed Amendments
(48) Mail-order business	(48) (Unchanged)
(49) Research and development, and manufacturing of welfare equipment and nursing items	(49) (Unchanged)
(50) Hotel	(50) (Unchanged)
(51) Eating and drinking place	(51) (Unchanged)
(52) Travel agency	(52) (Unchanged)
(53) Consulting services for overseas study, provision/introduction of international destination and agency for procedures of overseas study	(53) (Unchanged)
(54) Operation and management of tourist facilities	(54) (Unchanged)
(55) Non-life insurance agent	(55) (Unchanged)
(56) Business and activities to promote the use of service dogs and therapy dogs	(56) (Unchanged)
(57) Operation and development/management of facilities for businesses stated above	(57) (Unchanged)
(58) Breeding and sales of pet dogs	(58) (Unchanged)
(59) Planning, production and sales of pet supplies	(59) (Unchanged)
(60) Franchise business	(60) (Unchanged)
(61) Solicitation of membership stores under franchise system and managerial instruction for membership companies	(61) (Unchanged)
(62) Production of websites	(62) (Unchanged)
(63) Various notification services	(63) (Unchanged)
(64) Call center services	(64) (Unchanged)
(65) The following service businesses using telecommunications:	(65) (Unchanged)
(i) Monitoring and supporting services for the elderly	(i) (Unchanged)
(ii) Life-supporting services for the elderly	(ii) (Unchanged)
(66) Sale of alcoholic drinks	(66) (Unchanged)
(67) Consulting services for the sale of welfare equipment, nursery-care items, and other goods	(67) (Unchanged)
(68) Export and import of therapy dogs	(68) (Unchanged)
(69) Consulting services for the housekeeping business	(69) (Unchanged)
(70) Development and operation of prenatal/postnatal care training courses and prenatal/postnatal care service business	(70) (Unchanged)
(New)	<u>(71) Service business to handle foreigners at medical institutions</u>
(New)	<u>(72) Operation of online language learning school</u>
(New)	<u>(73) Consulting services for long-term care facilities and childcare facilities design and construction</u>
<u>(71)</u> All services incidental and related to each item above	<u>(74)</u> (Unchanged)

**Proposal 3. Election of Ten (10) Directors**

The terms of office of seventeen (17) Directors will expire at the conclusion of this meeting. Accordingly, the election of ten (10) new Directors is proposed.

The candidates for Directors are as follows:

Candidate Number	Name (Date of birth)	Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)	Number of Company shares held
1	Akihiko Terada (April 23, 1936)	<p>May 1971 Japan Medical Affairs Institute Co., Ltd. was incorporated (merged by absorption-type merger with the Company in April 1976) President of the said company</p> <p>August 1973 Child Care Academy Co., Ltd. was incorporated (present Nichii Gakkan Co., Ltd.) President of the said company</p> <p>June 2005 Chairman and CEO of the Company (to present)</p> <p>October 2014 Chairman and COO (to present)</p> <p>(Significant concurrent positions outside the Company)</p> <p>President of Tokyo Marunouchi Publishing Co., Ltd.</p> <p>Chairman of NIHON CREDITLEASE Co., Ltd.</p>	9,998,100 shares
<p>[Reason for choosing as candidate for Director]</p> <p>Mr. Akihiko Terada has been President of the Company since its incorporation, and based on the Company's social mission, he has pushed forward numerous initiatives to increase corporate value in step with Japan's social security system and driven the entire industry which led to the Company becoming a leading company.</p> <p>To succeed in our bold challenge of globalization, the Company's growth strategy, speedy management execution based on Mr. Terada's front-line leadership is essential, and for these reasons, he has been chosen as a candidate for Director.</p>			
2	Daisuke Terada (August 10, 1968)	<p>September 1992 Joined the Company</p> <p>June 1998 Director</p> <p>October 2002 Managing Director</p> <p>April 2004 Division Director of Business Management Division</p> <p>April 2006 Senior Managing Director</p> <p>June 2008 Executive Vice President</p> <p>April 2009 President and COO</p> <p>April 2011 President of NICHII CARENET COMPANY</p> <p>February 2012 Chairman of Nichii Shanghai Co. Ltd.</p> <p>June 2014 Executive Vice President (to present)</p> <p>June 2014 In charge of China business</p> <p>October 2015 In charge of China business and ZhongFu Nichii Business Headquarters (to present)</p>	274,900 shares
<p>[Reason for choosing as candidate for Director]</p> <p>Mr. Daisuke Terada has been involved in the Company's corporate planning, public relations, and long-term care department, as well as concurrently serving as a Director at multiple group companies, and has extensive experience and results in both management and business promotion.</p> <p>In the development of the Company's China business, he has created strategic partnerships with the groups directly controlled by Chinese government organizations, the key to business success in China, contributing to the establishment of locally incorporated companies in China.</p> <p>At the Japan head office, Mr. Terada serves as the person in charge of ZhongFu Nichii Business Headquarters and plays a key role in management and business promotion with both an inherent passion and negotiation skills, and for these reasons, he has been chosen as a candidate for Director.</p>			

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Candidate Number	Name (Date of birth)	Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)	Number of Company shares held
3	Nobusuke Mori (March 3, 1964)	March 1998 Joined the Company April 2001 Acting General Manager of Public Relations Office October 2002 Deputy General Manager of President's Office October 2004 President's Office Executive Officer April 2005 President's Office Executive Officer of Corporate Governance Division October 2005 General Manager of Public Relations Office of Corporate Planning Division November 2005 Division Director of Corporate Planning Division and General Manager of Corporate Planning Office and Public Relations Office April 2006 Division Director of Corporate Planning Division and General Manager of Public Relations Office June 2006 Director April 2008 In charge of Public Relations Department June 2009 Managing Director June 2009 In charge of Public Relations October 2009 President's Office Executive Officer June 2010 Division Director of Compliance Division and General Manager of Customer Counseling Office October 2010 Division Director of Compliance Division April 2011 Senior Managing Director (to present) April 2011 Division Director of Corporate Planning Division August 2013 Division Director of China Business Division October 2014 President's Office Executive Officer October 2015 In charge of President's Office and Corporate Governance Department (to present)	8,758 shares
<p>[Reason for choosing as candidate for Director] Mr. Nobusuke Mori has been involved in the Company's public relations, corporate planning, and compliance promotion department, as well as concurrently serving as a Director at group companies and affiliated companies, and has given meaningful advice toward the creation of sound management for the overall Group. Furthermore, based on his sales and business promotion skills cultivated at financial institutions prior to joining the Company, he has worked to enhance the coordination of management resources throughout the Nichii Group through a range of new ideas born from broad perspective, and for these reasons the Company believes he can work to maximize our corporate value, and has chosen him as a candidate for Director.</p>			

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Candidate Number	Name (Date of birth)	Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)	Number of Company shares held
4	Takayuki Masuda (April 26, 1965)	December 1997 Joined Healthy Life Service Co., Ltd. (merged by absorption-type merger with the Company in July 1999) December 2005 Deputy General Manager of Business Department of Business Management Division April 2006 General Manager of Corporate Planning Office of Corporate Planning Division April 2008 Division Director of Corporate Planning Division and General Manager of Corporate Planning Office June 2008 Director April 2011 Managing Director and Division Director of Education Division December 2011 Executive Vice President and Representative Director of GABA Corporation March 2012 President and COO and CEO of GABA Corporation April 2015 Senior Executive Officer April 2015 Chief Operating Officer (COO) of China Business of the Company (to present) June 2015 Senior Managing Director (to present) October 2015 Executive Division Director of China Business Headquarters (to present) (Significant concurrent positions outside the Company) Chairman, President and CEO of Nichii Beijing Co., Ltd.	4,800 shares
[Reason for choosing as candidate for Director] Mr. Takayuki Masuda has served as the person in charge of the corporate planning and the education department of the Company, as well as President and COO and CEO of one of the group companies and Chief Operating Officer (COO) of the Company's China Business, and in addition to his extensive experience and broad insight, he has knowledge relating to global business management, and for these reasons, the Company believes he can drive the growth strategy of the Nichii Group, and has chosen him as a candidate for Director.			

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Candidate Number	Name (Date of birth)	Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)	Number of Company shares held
5	Tsuyoshi Terada (March 22, 1973)	<p>May 2003 Joined the Company</p> <p>November 2007 Acting General Manager of Public Relations Office of Corporate Planning Division</p> <p>April 2008 General Manager of Public Relations Department</p> <p>April 2009 General Manager of Public Relations Department of Public Relations Division</p> <p>June 2009 Director</p> <p>June 2009 Division Director of Public Relations Division and General Manager of Public Relations Department</p> <p>October 2009 Division Director of Public Relations Division</p> <p>April 2011 General Manager of International Business Department</p> <p>July 2011 In charge of International Business</p> <p>October 2011 General Manager of International Business Department</p> <p>January 2012 Managing Director (to present)</p> <p>January 2012 Division Director of Corporate Governance Division</p> <p>January 2013 Division Director of Marketing Division</p> <p>July 2013 Executive Division Director of Education Business Headquarters and Division Director of Marketing Division and General Manager of International Business Department</p> <p>April 2014 Executive Division Director of Global Business Headquarters and Division Director of Americas and Oceania Business Division and Division Director of China Business Division</p> <p>June 2014 Chairman's Office Executive Officer</p> <p>October 2014 Executive Division Director of Corporate Governance Headquarters (to present)</p> <p>October 2014 Division Director of Corporate Governance Division of Corporate Governance Headquarters and Division Director of Global Business Division of Business Headquarters</p> <p>(Significant concurrent positions outside the Company)</p> <p>President and Representative Director of YORK Global Study Center Co., Ltd.</p> <p>Chairman of Nichii Hong Kong Co., Ltd.</p> <p>Chairman of Nichii Guangzhou Co., Ltd.</p> <p>President and COO of SELC AUSTRALIA PTY. LTD.</p> <p>President and COO of SELC TOURS PTY. LTD.</p> <p>President and COO of SELC-Global Center Philippines Corporation</p>	149,700 shares
<p>[Reason for choosing as candidate for Director]</p> <p>Mr. Tsuyoshi Terada has served as the person in charge of the public relations and the corporate planning department, and has concurrently served as President and COO at multiple group companies, making contributions to the expansion of the management administration functions which form the basis of the Company's enterprise power.</p> <p>Through his strong leadership based on extensive experience and broad perspective in a range of fields throughout the Nichii Group, the Company believes he will contribute to maximizing our corporate value, and has chosen him as a candidate for Director.</p>			

(TRANSLATION FOR REFERENCE PURPOSE ONLY)

Candidate Number	Name (Date of birth)	Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)	Number of Company shares held
6	Takako Ide (March 11, 1968)	August 1997 Joined the Company March 2007 Acting General Manager of Organizational Supervision Office of Corporate Governance Division April 2008 General Manager of Organizational Supervision Office of Corporate Governance Division June 2010 Director February 2011 In charge of Childcare Business April 2012 Division Director of Childcare Business Division October 2014 Deputy Executive Division Director of Business Headquarters and Division Director of Childcare Business Division and Division Director of Childcare Business Division of China Business Headquarters April 2015 Executive Division Director of Business Headquarters (to present) October 2015 Managing Director (to present) April 2016 In charge of Education Business Improvement (to present)	2,000 shares
[Reason for choosing as candidate for Director] Ms. Takako Ide has been the person in charge of all of the Company's businesses including childcare, medical services, long-term care, healthcare and education, and in addition to her extensive operational experience, results and contributions, her popularity inside and outside of the company and excellent character make her an invaluable human resource in the Company's business growth and development, and for these reasons, she has been chosen as a candidate for Director.			

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Candidate Number	Name (Date of birth)	Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)	Number of Company shares held
7	Mitsuo Kaise (January 19, 1959)	<p>October 1981 Joined the Company</p> <p>March 1994 Senior Manager of Accounting Department</p> <p>March 1995 Senior Manager of Accounting Department and Manager of Accounting Section</p> <p>May 1997 General Manager of Information Management Department of Information System Development Division</p> <p>January 1998 General Manager of Information Management Department of Administration Division</p> <p>April 2000 Deputy Division Director of Corporate Governance Division and General Manager of Information Management Department</p> <p>June 2000 Director (to present)</p> <p>July 2000 Division Director of Information System Division and General Manger of Information System Department</p> <p>May 2003 General Manager of Audit Office</p> <p>April 2004 Division Director of General &amp; Personnel Affairs Division and General Manager of Personnel Department</p> <p>December 2006 General Manager of Customer Counseling Office</p> <p>March 2007 In charge of Customer Counseling Office</p> <p>April 2009 Division Director of Compliance Division and General Manager of Customer Counseling Office</p> <p>June 2010 Division Director of General &amp; Personnel Affairs Division</p> <p>April 2012 General Manager of Compliance Promotion Office of General &amp; Personnel Affairs Division</p> <p>January 2013 Division Director of Personnel Division</p> <p>October 2014 In charge of Personnel Department of Corporate Governance Division of Corporate Governance Headquarters (to present)</p> <p>April 2015 Division Director of Corporate Governance Division of Corporate Governance Headquarters (to present)</p>	12,400 shares
<p>[Reason for choosing as candidate for Director]</p> <p>Mr. Mitsuo Kaise has served as the person in charge of the corporate administrative department of the Company, and his extensive experience and results in overall human resources strategy has contributed to the development of the Company.</p> <p>The Company believes this makes him suitable to enhance human resources development, education, and utilization, which are important in supporting the Company's growth strategy, and for these reasons, he has been chosen as candidate for Director.</p>			

## (TRANSLATION FOR REFERENCE PURPOSE ONLY)

Candidate Number	Name (Date of birth)	Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)	Number of Company shares held
8	Etsuko Kuroki (March 8, 1966)	<p>October 1999 Joined the Company</p> <p>April 2008 Acting General Manager of Long-Term Care Business Supervision Office of Healthcare Headquarters</p> <p>October 2009 Acting Division Director of Facility Care Business Division of Healthcare Headquarters</p> <p>August 2010 Acting Division Director of Facility Care Business Division of Healthcare Headquarters and General Manager of Hohoemi Business Department</p> <p>October 2010 Acting Division Director of Facility Care Business Division of Healthcare Headquarters and General Manager of Community-based Services Department</p> <p>April 2011 Vice Executive Division Director of Healthcare Headquarters and Division Director of Facility Care Business Division and General Manager of Long-Term Care Business Supervision Office</p> <p>June 2011 Executive Division Director of Healthcare Headquarters</p> <p>June 2012 Director (to present)</p> <p>April 2013 Executive Division Director of Long-Term Care Headquarters</p> <p>July 2013 Division Director of Facility Care Business Division of Long-Term Care Headquarters and General Manager of Care Services Department</p> <p>April 2014 Division Director of Facility Care Business Division of Long-Term Care Headquarters</p> <p>October 2014 Division Director of Long-Term Care Division of Business Headquarters (to present)</p> <p>October 2014 Division Director of Long-Term Care Division of China Business Headquarters</p> <p>April 2015 Deputy Executive Division Director of Business Headquarters (to present)</p> <p>August 2015 In charge of Facility Care Business Department of Long-Term Care Division of Business Headquarters (to present)</p>	1,700 shares
	<p>[Reason for choosing as candidate for Director]</p> <p>Ms. Etsuko Kuroki has served as the person in charge of the Company's long-term care department, and her extensive experience and results as well as broad knowledge relating to overall business strategy in the long-term care business as well as inherent, strong leadership have allowed her to make large contributions to the Company.</p> <p>The Company believes she will drive the Nichii Group's growth strategy, and has chosen her as a candidate for Director.</p>		
9	Keita Moriwaki (March 19, 1973)	<p>October 2000 Joined Mitsui, Yasuda, Wani &amp; Maeda</p> <p>March 2003 Joined Sato &amp; Partners</p> <p>January 2009 Joined Oh-Ebashi LPC &amp; Partners</p> <p>January 2011 Became Partner of Oh-Ebashi LPC &amp; Partners (to present)</p> <p>June 2013 Outside Board Member (to present)</p>	-
	<p>[Reason for choosing as candidate for Outside Board Member ]</p> <p>Mr. Keita Moriwaki has not been involved in corporate management other than through serving as an Outside Board Member or Outside Corporate Auditor, however, he has abundant experience and expert knowledge as an attorney in commercial legal affairs as well as a high spirit of compliance with the law, and therefore it is judged that he would appropriately execute his duties as Outside Board Member and we would propose his election.</p>		

## (TRANSLATION FOR REFERENCE PURPOSE ONLY)

Candidate Number	Name (Date of birth)	Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)	Number of Company shares held	
10	Yuji Sugimoto (July 11, 1969)	April 1992	Joined Mitsubishi Corporation	-
		December 2000	Joined Ripplewood Holdings LLC	
		July 2005	Joined RHJ International Japan, Inc.	
		June 2006	Managing Director of Bain Capital Asia, LLC (to present)	
		December 2009	Director of BELLSYSTEM24, Inc.	
		November 2011	Outside Director of SKYLARK CO., LTD.	
		June 2012	Director of SKYLARK CO., LTD. (to present)	
		March 2014	Outside Director of MACROMILL, INC.	
		March 2014	Director of BELLSYSTEM24 Holdings, Inc. (to present)	
		July 2014	Director, Audit Committee Member of MACROMILL, INC. (to present)	
		March 2015	Director, Nominating Committee member, and Compensation Committee Member of MACROMILL, INC. (to present)	
		May 2015	Director of YUKIGUNI MAITAKE CO., LTD. (to present)	
		June 2015	Outside Board Member of the Company (to present)	
July 2015	Director of Japan Wind Development Co., Ltd. (to present)			
February 2016	Director of Ooedo-Onsen-Monogatari Co., Ltd. (to present)			
[Reason for choosing as candidate for Outside Board Member] Mr. Yuji Sugimoto possesses the experience of direct involvement in the management of companies, and up until now, he has a track record of many achievements, including investment in many Japanese companies and provision of management support. It is judged that with his extensive experience and broad knowledge relating to corporate growth gained through his participation in business at a global level, he would appropriately execute his duties as Outside Board Member to the benefit of the Company, which is forging ahead with globalization, and we propose his election.				

Notes: 1. Special interests between the Company and any of the candidates of Directors

(1) Mr. Keita Moriwaki is an attorney of Oh-Ebashi LPC & Partners, and between the Company and the firm, there is a transaction relationship such as consignment of legal affairs, but the amount of transactions is negligible.

(2) There are no special interests between the Company and any other candidates than the above.

2. Mr. Keita Moriwaki and Mr. Yuji Sugimoto are candidates for Outside Board Member.

3. The term of office of Mr. Keita Moriwaki as an Outside Board Member will have been three (3) years, and the term of office of Mr. Yuji Sugimoto as an Outside Board Member will have been one (1) year, at the conclusion of this Annual Shareholders Meeting.

4. In the case that Mr. Keita Moriwaki and Mr. Yuji Sugimoto are re-elected, in accordance with Article 427, Paragraph 1 of the Companies Act, the Company is planning to continue an agreement with them to limit their liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act, up to the minimum liability amount specified under Article 425, Paragraph 1 of the Companies Act.

5. The Company reported Mr. Keita Moriwaki and Mr. Yuji Sugimoto as Independent Directors pursuant to the regulations of the Tokyo Stock Exchange.

If their reappointments are approved, they will continue to be Independent Directors of the Company.

**Proposal 4. Payment of Directors' Bonuses**

It is proposed that bonuses of 38,000 thousand yen in total be paid to seventeen (17) Directors (including two (2) Outside Board Members) and three (3) Auditors who have been in service during the year under review (35,300 thousand yen for Directors and 2,700 thousand yen for Auditors), in view of the amounts paid in the past, the operating results of this business year, and other circumstances.

**Proposal 5. Election of Accounting Auditor**

The term of office of the Accounting Auditor of the Company, BDO Toyo & Co., will expire at the conclusion of this Annual Shareholders Meeting. Accordingly, the election of a new Accounting Auditor is proposed.

This proposal is based on the decision of the Board of Auditors.

The reason for the Board of Auditors to nominate PricewaterhouseCoopers Kyoto as the Accounting Auditor is that the Board of Auditors decides PricewaterhouseCoopers Kyoto is appropriate, comprehensively considering its independence, expertise, quality control system and other aspects.

The candidate for the Accounting Auditor is as follows:

(as of April 30, 2016)

Name	PricewaterhouseCoopers Kyoto		
Offices	World Trade Center Building 5th Floor 2-4-1 Hamamatsu-cho, Minato-ku, Tokyo  Kyoto Mitsui Building 7th Floor Shijo Karasuma, Kyoto		
History	March 19, 2007	Established PricewaterhouseCoopers Kyoto	
Outline	Capital	JPY 302 million	
	Staffing	Partners	25
		CPAs	98
		Assistant CPAs	52
		Other	100
		Total	275
	Clients	Japan SEC & Statutory	38
		Statutory	84
		Other	101
		Total	223