

[Translation for reference only]

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT

This is an English translation of the original Japanese-language document and is provided for convenience only. In all cases, the Japanese-language original shall prevail.

Securities Code: 3289

June 7, 2018

Dear Shareholders:

Yuji Ohkuma  
President and Representative Director  
**Tokyu Fudosan Holdings Corporation**  
Head office:  
Dogenzaka 1-21-2, Shibuya-ku, Tokyo, Japan  
Headquarters:  
Minami Aoyama 2-6-21, Minato-ku, Tokyo, Japan

## **Notice of Convocation of the 5th Ordinary General Meeting of Shareholders**

You are cordially invited to attend the 5th Ordinary General Meeting of Shareholders of Tokyu Fudosan Holdings Corporation (the “Company”), which will be held as described below.

**If you are unable to attend the meeting in person on the day of the meeting, you may exercise your voting rights by either of the methods below. Please review the Reference Documents for the General Meeting of Shareholders attached hereto, and exercise your voting rights by 6:00 p.m., Japan Standard Time, on Tuesday, June 26, 2018.**

### **Exercise of voting rights by mail:**

Please indicate your approval or disapproval of each proposal on the enclosed Voting Rights Exercise Form and send it to the Company to arrive no later than the deadline indicated above.

### **Exercise of voting rights via the Internet:**

Please access the dedicated voting website (<https://www.web54.net>) designated by the Company (Japanese only), follow the directions on the screen, and input approval or disapproval of each proposal no later than the deadline indicated above.

- 1. Date and Time:** Wednesday, June 27, 2018, at 10:00 a.m.  
(The reception desk will open at 9:00 a.m. [scheduled])
- 2. Venue:** Ballroom, B2F, Cerulean Tower Tokyu Hotel  
26-1 Sakura-gaoka-cho, Shibuya-ku, Tokyo, Japan

### **3. Purpose of the Meeting**

#### **Matters to be reported:**

1. The Business Report, Consolidated Financial Statements, and Audit Reports for the Consolidated Financial Statements by the Accounting Auditors and the Audit & Supervisory Board for the 5th fiscal year (from April 1, 2017 to March 31, 2018)
2. Non-consolidated Financial Statements for the 5th fiscal year (from April 1, 2017 to March 31, 2018)

**Matters to be resolved:**

**Proposal No. 1: Appropriation of surplus**

**Proposal No. 2: Election of thirteen (13) Directors**

**Proposal No. 3: Election of one (1) substitute Audit & Supervisory Board Member**

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When you attend the meeting in person on the day of the meeting, please submit the enclosed Voting Rights Exercise Form at the reception counter.

# Reference Documents for the General Meeting of Shareholders

## Proposals and references

### Proposal No. 1: Appropriation of surplus

#### Year-end dividends

The Company regards the return of profits to shareholders to be one of its most important policies. Our basic policy is to determine the distribution of profits targeting a payout ratio of 25% or more, comprehensively taking into consideration our business results and the future business environment as well as the capital requirements for medium- and long-term business development, etc., while maintaining a stable dividend policy.

Under this policy, the Company proposes the year-end dividends as follows:

(1) Type of dividend property

Cash

(2) Allotment of dividend property to shareholders and its total amount

7.50 yen per common share of the Company

Total amount of dividends: 4,571,711,145 yen

(3) Effective date of dividends from surplus

June 28, 2018

## Proposal No. 2: Election of thirteen (13) Directors

Upon the conclusion of this Ordinary General Meeting of Shareholders, the terms of office of all Directors will expire.

Accordingly, the Company proposes to elect thirteen (13) Directors, including four (4) Outside Directors, as part of the restructuring of the Board of Directors, with the aim of strengthening governance.

The candidates for Directors are as follows:

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities at the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	 <p>Kiyoshi Kanazashi (August 2, 1945; 72 years old)</p> <p>Reappointment</p> <p>Attendance to the meetings of the Board of Directors 11/12 (92%)</p> <p>Number of years in office: 4 years and 9 months (at the conclusion of this General Meeting of Shareholders)</p>	<p>Apr. 1968 Joined Tokyu Land Corporation</p> <p>Jun. 1998 Director, Tokyu Land Corporation</p> <p>Jun. 2000 Managing Director, Tokyu Land Corporation</p> <p>Apr. 2002 Senior Managing Director and Managing Officer, Tokyu Land Corporation</p> <p>Apr. 2004 Director and Senior Executive Managing Officer, Tokyu Land Corporation</p> <p>Apr. 2006 Director and Executive Vice President, Tokyu Land Corporation</p> <p>Apr. 2008 President &amp; CEO, Tokyu Land Corporation</p> <p>Oct. 2013 President and Representative Director, the Company</p> <p>Apr. 2014 President and Representative Director, and Executive Officer, the Company</p> <p>Apr. 2014 Chairman of the Board and Chief Executive Officer, Tokyu Land Corporation</p> <p>Apr. 2015 Chairman of the Board and Chief Executive Officer, the Company (current)</p> <p>Apr. 2015 Chairman, Tokyu Hands, Inc. (current)</p> <p>Jun. 2015 Chairman, Tokyu Land Corporation (current)</p> <p>(Significant concurrent positions outside the Company) Chairman, Tokyu Land Corporation Outside Director, Tokyu Corporation Chairman, Tokyu Hands, Inc. Director, TOKYU RECREATION CO., LTD.</p> <p>(Reasons for nomination) Joined Tokyu Land Corporation in 1968, and has been involved in housing development operations and so forth since then. Involved with corporate management as a Director of Tokyu Land Corporation since 1998, and a Representative Director of the Company since 2013. Has extensive operational experience with the Group and insight relating to corporate management in general.</p>	74,146

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities at the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	 Yuji Ohkuma (August 3, 1958; 59 years old)  Reappointment  Attendance to the meetings of the Board of Directors 12/12 (100%)  Number of years in office: 4 years and 9 months (at the conclusion of this General Meeting of Shareholders)	Apr. 1982 Joined Tokyu Land Corporation Apr. 2008 Managing Officer, Tokyu Land Corporation Jun. 2011 Director and Managing Officer, Tokyu Land Corporation Oct. 2013 Director, the Company Apr. 2014 Director and Senior Executive Managing Officer, the Company Apr. 2015 President and Representative Director, and Executive Officer, the Company (current) Apr. 2017 President & CEO, Tokyu Land Corporation (current)  (Significant concurrent positions outside the Company) President & CEO, Tokyu Land Corporation  (Reasons for nomination) Joined Tokyu Land Corporation in 1982, and has been involved in building development operations and so forth since then. Involved with corporate management as a Director of Tokyu Land Corporation since 2011, a Director of the Company since 2013, and a Representative Director of the Company since 2015. Has extensive operational experience with the Group and insight relating to corporate management in general.	32,825
3	 Shinji Sakaki (January 23, 1957; 61 years old)  Reappointment  Attendance to the meetings of the Board of Directors 11/12 (92%)  Number of years in office: 4 years (at the conclusion of this General Meeting of Shareholders)	Apr. 1980 Joined Tokyu Land Corporation Apr. 2006 Managing Officer, Tokyu Land Corporation Feb. 2007 Executive Managing Officer, Tokyu Hands, Inc. Jun. 2007 Director and Executive Managing Officer, Tokyu Hands, Inc. Jul. 2008 Director and Senior Executive Managing Officer, Tokyu Hands, Inc. Jun. 2010 Representative Director and Senior Executive Managing Officer, Tokyu Hands, Inc. Apr. 2011 President & CEO, Tokyu Hands, Inc. Apr. 2014 Senior Executive Managing Officer, the Company Jun. 2014 Director and Senior Executive Managing Officer, the Company Apr. 2015 Director and Executive Vice President, the Company Apr. 2015 President & CEO, Tokyu Livable, Inc. (current) Apr. 2017 Director and Managing Officer, the Company (current)  (Significant concurrent positions outside the Company) President & CEO, Tokyu Livable, Inc.  (Reasons for nomination) Joined Tokyu Land Corporation in 1980, and has been involved in housing development operations and so forth since then. Involved with corporate management as a Director of the Company since 2014. Has extensive operational experience with the Group and insight relating to corporate management in general.	20,875

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities at the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
4	 Hitoshi Uemura (November 10, 1959; 58 years old)  Reappointment  Attendance to the meetings of the Board of Directors 12/12 (100%)  Number of years in office: 3 years (at the conclusion of this General Meeting of Shareholders)	Apr. 1982 Joined Tokyu Land Corporation Apr. 2008 Managing Officer, Tokyu Land Corporation Apr. 2011 Executive Managing Officer, Tokyu Land Corporation Jun. 2011 Director and Executive Managing Officer, Tokyu Land Corporation Oct. 2013 Director, the Company Apr. 2014 Representative Director and Executive Vice President, Tokyu Land Corporation Apr. 2015 Managing Officer, the Company Apr. 2015 President & CEO, Tokyu Land Corporation May 2015 Executive Vice President, the Company Jun. 2015 Director and Executive Vice President, the Company Apr. 2017 Director and Managing Officer, the Company (current) Apr. 2017 Vice Chairman & Senior Executive Officer, Tokyu Land Corporation (current)  (Significant concurrent positions outside the Company) Vice Chairman, Tokyu Land Corporation  (Reasons for nomination) Joined Tokyu Land Corporation in 1982, and has been involved in real estate securitization operations and so forth since then. Involved with corporate management as a Director of Tokyu Land Corporation since 2011 and a Director of the Company since 2013. Has extensive operational experience with the Group and insight relating to corporate management in general.	19,875
5	 Katsuhide Saiga (October 14, 1957; 60 years old)  Reappointment  Attendance to the meetings of the Board of Directors 12/12 (100%)  Number of years in office: 2 years (at the conclusion of this General Meeting of Shareholders)	Apr. 1980 Joined Tokyu Land Corporation Apr. 2006 Managing Officer, Tokyu Land Corporation Apr. 2011 Managing Officer, Tokyu Community Corporation Apr. 2012 Executive Managing Officer, Tokyu Community Corporation Jun. 2013 Director and Executive Managing Officer, Tokyu Community Corporation Oct. 2013 Managing Officer, the Company Apr. 2014 Director and Senior Executive Managing Officer, Tokyu Community Corporation Apr. 2016 President & CEO, Tokyu Community Corporation (current) Apr. 2016 Executive Vice President, the Company Jun. 2016 Director and Executive Vice President, the Company Apr. 2017 Director and Managing Officer, the Company (current)  (Significant concurrent positions outside the Company) President & CEO, Tokyu Community Corporation  (Reasons for nomination) Joined Tokyu Land Corporation in 1980, and has been involved in senior related operations and so forth since then. Involved with corporate management as a Director of Tokyu Community Corporation since 2013 and a Director of the Company since 2016. Has extensive operational experience with the Group and insight relating to corporate management in general.	19,452

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities at the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
6	 <p>Toshihiko Kitagawa (May 21, 1957; 61 years old)</p> <p>Reappointment</p> <p>Attendance to the meetings of the Board of Directors 12/12 (100%)</p> <p>Number of years in office: 3 years (at the conclusion of this General Meeting of Shareholders)</p>	<p>Dec. 1982 Joined Tokyu Livable, Inc.</p> <p>Jun. 2003 Director, Tokyu Livable, Inc.</p> <p>Jun. 2005 Director and Managing Officer, Tokyu Livable, Inc.</p> <p>Jun. 2007 Director and Executive Managing Officer, Tokyu Livable, Inc.</p> <p>Apr. 2011 Director and Senior Executive Managing Officer, Tokyu Livable, Inc.</p> <p>Oct. 2013 Director, the Company</p> <p>Apr. 2014 Director, Executive Vice President, Tokyu Livable, Inc.</p> <p>Oct. 2014 Director, Tokyu Livable, Inc.</p> <p>Oct. 2014 Senior Executive Managing Officer, the Company</p> <p>Oct. 2014 President and Representative Director, Tokyu Housing Lease Corporation</p> <p>Apr. 2015 President &amp; CEO, Tokyu Housing Lease Corporation (current)</p> <p>Jun. 2015 Director and Senior Executive Managing Officer, the Company</p> <p>Nov. 2016 President and Representative Director, and Managing Officer, NATIONAL STUDENTS INFORMATION CENTER</p> <p>Apr. 2017 Director and Managing Officer, the Company (current)</p> <p>Apr. 2017 Chairman and Representative Director, NATIONAL STUDENTS INFORMATION CENTER</p> <p>(Significant concurrent positions outside the Company) President and Representative Director, Tokyu Housing Lease Corporation</p> <p>(Reasons for nomination) Joined Tokyu Livable, Inc. in 1982, and has been involved in real estate brokerage operations and so forth since then. Involved with corporate management as a Director of Tokyu Livable, Inc. since 2003 and a Director of the Company since 2013. Has extensive operational experience with the Group and insight relating to corporate management in general.</p>	63,199
7	 <p>Hironori Nishikawa (November 12, 1958; 59 years old)</p> <p>Reappointment</p> <p>Attendance to the meetings of the Board of Directors 12/12 (100%)</p> <p>Number of years in office: 2 years (at the conclusion of this General Meeting of Shareholders)</p>	<p>Apr. 1982 Joined Tokyu Land Corporation</p> <p>Apr. 2010 Managing Officer, Tokyu Land Corporation</p> <p>Oct. 2013 Managing Officer, the Company</p> <p>Apr. 2014 Director and Senior Executive Managing Officer, Tokyu Land Corporation</p> <p>Apr. 2015 Managing Officer, the Company</p> <p>Apr. 2016 Senior Executive Managing Officer, the Company</p> <p>Jun. 2016 Director and Senior Executive Managing Officer, the Company</p> <p>Apr. 2017 Director and Managing Officer, the Company (current)</p> <p>Apr. 2017 Representative Director and Executive Vice President, Tokyu Land Corporation (current)</p> <p>(Significant concurrent positions outside the Company) Representative Director, Tokyu Land Corporation</p> <p>(Reasons for nomination) Joined Tokyu Land Corporation in 1982, and has been involved in resort related operations and so forth since then. Involved with corporate management as a Director of Tokyu Land Corporation since 2014 and a Director of the Company since 2016. Has extensive operational experience with the Group and insight relating to corporate management in general.</p>	14,575

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities at the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
8	 Masashi Okada (August 6, 1958; 59 years old)  New candidate	Apr. 1982 Joined Tokyu Land Corporation Apr. 2010 Managing Officer, Tokyu Land Corporation Apr. 2014 Director and Executive Managing Officer, Tokyu Land Corporation Jun. 2015 Managing Officer, the Company (current) Apr. 2017 Director and Senior Executive Managing Officer, Tokyu Land Corporation (current)  (Reasons for nomination) Joined Tokyu Land Corporation in 1982, and has been involved in the buildings business and so forth since then. Involved with corporate management as a Director of Tokyu Land Corporation from 2014. Has extensive operational experience with the Group and insight relating to corporate management in general.	21,700
9	 Hirofumi Nomoto (September 27, 1947; 70 years old)  Reappointment  Attendance to the meetings of the Board of Directors 11/12 (92%)  Number of years in office: 4 years and 9 months (at the conclusion of this General Meeting of Shareholders)	Apr. 1971 Joined Tokyu Corporation Jun. 2007 Director, Tokyu Corporation Jan. 2008 Managing Director, Tokyu Corporation Jun. 2008 Senior Managing Director, Tokyu Corporation Jun. 2010 Senior Managing Director and Representative Director, Tokyu Corporation Apr. 2011 President and Representative Director, Tokyu Corporation Jun. 2011 Director, Tokyu Land Corporation Oct. 2013 Director, the Company (current) Apr. 2018 Chairman of the Board and Representative Director, Tokyu Corporation (current)  (Significant concurrent positions outside the Company) Chairman of the Board and Representative Director, Tokyu Corporation Director, TOKYU RECREATION CO., LTD. Outside Director, TOEI COMPANY, LTD. Outside Director, TOBU RAILWAY CO., LTD. Outside Director, JAPAN POST BANK Co., Ltd.  (Reasons for nomination) Chairman of the Board and Representative Director of the Company's major shareholder, Tokyu Corporation. Has extensive experience and broad discernment of corporate management in general.  (Agreement to limit liability) In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Hirofumi Nomoto to the effect that the extent of liability provided for in Article 423, Paragraph 1 of the Companies Act shall be limited to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act. If his reappointment is approved, the Company plans to continue the aforementioned agreement to limit liability with him.	32,724

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities at the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
10	 <p>Koichi Iki (September 6, 1947; 70 years old)</p> <p>Reappointment Outside Director Independent Officer</p> <p>Attendance to the meetings of the Board of Directors 12/12 (100%)</p> <p>Number of years in office: 4 years (at the conclusion of this General Meeting of Shareholders)</p>	<p>Apr. 1970 Joined the Dai-ichi Mutual Life Insurance Company</p> <p>Jul. 1996 Director, the Dai-ichi Mutual Life Insurance Company</p> <p>Apr. 1999 Managing Director, the Dai-ichi Mutual Life Insurance Company</p> <p>Jun. 2001 Audit &amp; Supervisory Board Member, Tokyu Land Corporation</p> <p>Apr. 2004 Senior Managing Director, the Dai-ichi Mutual Life Insurance Company</p> <p>Jul. 2004 Director and Senior Managing Executive Officer, the Dai-ichi Mutual Life Insurance Company</p> <p>Apr. 2006 Representative Director and Senior Managing Executive Officer, the Dai-ichi Mutual Life Insurance Company</p> <p>Apr. 2007 Representative Director and Vice President, the Dai-ichi Mutual Life Insurance Company (Retired in March 2008)</p> <p>Jun. 2008 President and Representative Director, THE DAI-ICHI BUILDING CO., LTD.</p> <p>Jun. 2009 Chairman, DIAM Co., Ltd.</p> <p>Jun. 2014 Director, the Company (current)</p> <p>Jul. 2014 Representative Director, TOHO KINZOKU CO., LTD.</p> <p>(Reasons for nomination) The Company proposes that Mr. Koichi Iki be elected as an Outside Director in the hope that he will continue to utilize his extensive operational experience as the former executive officer at The Dai-ichi Life Group and broad discernment of corporate management in general for the management of the Company.</p> <p>(Agreement to limit liability) In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Koichi Iki to the effect that the extent of liability provided for in Article 423, Paragraph 1 of the Companies Act shall be limited to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act. If his reappointment is approved, the Company plans to continue the aforementioned agreement to limit liability with him.</p>	0

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities at the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
11	 <p data-bbox="304 763 512 846">Makoto Kaiami (October 5, 1951; 66 years old)</p> <p data-bbox="304 875 512 958">New candidate Outside Director Independent Officer</p>	<p data-bbox="528 286 1254 618">Apr. 1978 Appointed as a judge Apr. 2000 Division-head Judge, Tokyo District Court Jul. 2007 Associate Vice-Minister of Justice in charge of Litigation Affairs, Minister's Secretariat, the Ministry of Justice Nov. 2012 Division-head Judge, Tokyo High Court Jul. 2014 Chief Judge, the Tokyo Family Court Jun. 2015 Chief Judge, Tokyo District Court Feb. 2017 Registered as attorney at law Feb. 2017 Special Advisor, SophiaCity Law Office (current) Jun. 2017 Substitute Audit &amp; Supervisory Board Member, the Company (current) Jun. 2017 Outside Director, FUJIFILM Holdings Corporation (current)</p> <p data-bbox="528 645 1166 752">(Significant concurrent positions outside the Company) Outside Director, FUJIFILM Holdings Corporation Outside Audit &amp; Supervisory Board Member, SEIREN CO., LTD. (Scheduled to assume the position on June 20, 2018)</p> <p data-bbox="528 779 1246 1025">(Reasons for nomination) The Company proposes Mr. Makoto Kaiami be elected as an Outside Director so that his expert insight as a judge and attorney at law and his extensive experience in corporate legal affairs may be reflected in the management of the Company. There is no legal advisory contract between the Company and him. As mentioned above, he possesses expert insight and many years of experience as a lawyer. Thus the Company judges that he is able to appropriately perform duties as an Outside Director of the Company.</p> <p data-bbox="528 1052 1254 1211">(Agreement to limit liability) If his election is approved, in accordance with Article 427, Paragraph 1 of the Companies Act, the Company intends to enter into an agreement with him to the effect that the extent of liability provided for in Article 423, Paragraph 1 of the Companies Act shall be limited to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act.</p>	0

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities at the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
12	 <p data-bbox="304 786 517 871">Shun Sakurai (December 14, 1953, 64 years old)</p> <p data-bbox="304 898 517 983">New candidate Outside Director Independent Officer</p>	<p data-bbox="531 288 1257 725"> Apr. 1977 Joined the Ministry of Posts and Telecommunications (currently the Ministry of Internal Affairs and Communications)  Aug. 2005 Director-General, Radio Department, Telecommunications Bureau, the Ministry of Internal Affairs and Communications  Jul. 2008 Director-General, Telecommunications Bureau, the Ministry of Internal Affairs and Communications  Sep. 2012 Director-General, Global Strategy Bureau, the Ministry of Internal Affairs and Communications  Jun. 2013 Vice-Minister for Policy Coordination, the Ministry of Internal Affairs and Communications  Jul. 2015 Vice-Minister, the Ministry of Internal Affairs and Communications  Sep. 2016 Advisor, Sumitomo Mitsui Trust Bank, Limited (Retired in December 2017)  Jan. 2018 Executive Officer, DENTSU INC. (current) </p> <p data-bbox="531 752 1066 808">(Significant concurrent positions outside the Company) Executive Officer, DENTSU INC.</p> <p data-bbox="531 835 1251 1084">(Reasons for nomination) The Company proposes that Mr. Shun Sakurai be elected as an Outside Director in the hope that he will utilize his extensive experience and broad knowledge in administration for the management of the Company. From September 2016 to December 2017, Mr. Shun Sakurai served as Advisor at Sumitomo Mitsui Trust Bank, Limited, a major lender to the Company. However, his responsibilities stayed within the scope of providing advice from an outside perspective when necessary, and therefore did not involve the execution of internal operations.</p> <p data-bbox="531 1111 1259 1274">(Agreement to limit liability) If his election is approved, in accordance with Article 427, Paragraph 1 of the Companies Act, the Company intends to enter into an agreement with him to the effect that the extent of liability provided for in Article 423, Paragraph 1 of the Companies Act shall be limited to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act.</p>	0

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities at the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
13	 <p>Saeko Arai (February 6, 1964, 54 years old)</p> <p>New candidate Outside Director Independent Officer</p>	<p>Oct. 1987 Joined Eiwa Audit Corporation (currently KPMG AZSA LLC)</p> <p>Oct. 1993 Joined Sasaki Certified Public Accountants Office</p> <p>Apr. 1997 Joined Internet Research Institute, Inc.</p> <p>Sep. 1998 Director, Managing Director &amp; CFO, Internet Research Institute, Inc.</p> <p>Nov. 2002 Established Gratia, Inc. (currently Acuray, Inc.), assumed position as Representative (current)</p> <p>Apr. 2016 Specially-Appointed Professor, Hakuoh University</p> <p>Jun. 2017 Outside Audit &amp; Supervisory Board Member, AEON CREDIT SERVICE CO., LTD. (current)</p> <p>Apr. 2018 Professor, Showa Women's University (current)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Representative, Acuray, Inc.</p> <p>Outside Member, Board of Directors, Sumitomo Dainippon Pharma Co., Ltd. (Scheduled to assume the position on June 19, 2018)</p> <p>(Reasons for nomination)</p> <p>The Company proposes that Ms. Saeko Arai be elected as an Outside Director in the hope that she will utilize her broad knowledge in accounting as a certified public accountant, as well as her extensive experience in corporate management as a CFO, for the management of the Company.</p> <p>(Agreement to limit liability)</p> <p>If her election is approved, in accordance with Article 427, Paragraph 1 of the Companies Act, the Company intends to enter into an agreement with her to the effect that the extent of liability provided for in Article 423, Paragraph 1 of the Companies Act shall be limited to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act.</p>	0

Notes: 1. No special interests exist between the Company and each candidate for Directors.

2. The Company intends to register Mr. Makoto Kaiami, Mr. Shun Sakurai, and Ms. Saeko Arai with Tokyo Stock Exchange as independent officers.

#### (Reference) Policies for nominating candidates for Directors

In nominating candidates for Directors, at the meeting of the Board of Directors, the Company nominates personnel who are considered to have the appropriate character and knowledge, as well as no health issues that would impede them from executing their duties. The nominated candidates are also deemed to have insight and appropriate judgment capabilities with a view to achieving the management indicators and other objectives set out in the medium- and long-term management plan. Furthermore, the Company has set up the Nomination and Compensation Committee in fiscal 2016. In selecting management team members and nominating candidates for Directors, decisions are made by the Board of Directors after deliberation at the Committee.

#### (Reference) Independence Standards for Independent Outside Directors

The Company deems Outside Directors to be independent when, in addition to meeting the independence standards for independent officers stipulated by the Tokyo Stock Exchange, none of the following have applied for any of the previous three fiscal years.

- 1) An executive of a business partner to which the Company's net sales account for 2% or more of the Company's consolidated net sales
- 2) An executive of a business partner whose net sales to the Company account for 2% or more of the business partner's net sales
- 3) An executive of a lender from which the Company borrows funds that account for 2% or more of the Company's consolidated total assets
- 4) An executive of a major shareholder or investor of the Company with an investment ratio of 10% or more
- 5) A consultant, accounting professional, or legal professional who receives remuneration of more than ¥10 million a year from the Company besides officer remuneration
- 6) A spouse or relative within two degrees of kinship of the Director, etc. of the Company or a consolidated subsidiary

**Proposal No. 3: Election of one (1) substitute Audit & Supervisory Board Member**

To provide for a case in which the number of Audit & Supervisory Board Members falls short of the number stipulated by laws and regulations, the Company proposes to elect one (1) substitute Audit & Supervisory Board Member.

The Company has obtained the consent of the Audit & Supervisory Board with respect to the submission of this proposal.

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

Name (Date of birth)	Career summary, position at the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
 <p>Ryo Nagao (May 4, 1957; 61 years old)</p> <p>Outside Audit &amp; Supervisory Board Member Independent Officer</p>	<p>Dec. 1986 Registered as attorney at law Dec. 1986 Joined Naritomi &amp; Partners Jul. 2004 Established Marunouchi Minami Law Office, assumed position as Partner (current) Apr. 2005 Vice-president, Dai-Ichi Tokyo Bar Association Apr. 2011 Auditor, Japan Federation of Bar Associations Apr. 2012 Auditor, Japan Intellectual Property Arbitration Center</p> <p>(Reasons for nomination) The Company proposes Mr. Ryo Nagao as a candidate for substitute Outside Audit &amp; Supervisory Board Member so that his expert insight and his extensive experience in laws and ordinances, such as company law, and the legislative system as a whole, may be reflected in the surveillance system of the Company. There is no legal advisory contract between the Company and him. As mentioned above, he has assumed key positions in associations such as the Japan Federation of Bar Associations. Thus the Company judges that he is able to appropriately perform duties as an Outside Audit &amp; Supervisory Board Member of the Company.</p> <p>(Agreement to limit liability) If he assumes the office of Outside Audit &amp; Supervisory Board Member, in accordance with Article 427, Paragraph 1 of the Companies Act, the Company intends to enter into an agreement with him to the effect that the extent of liability provided for in Article 423, Paragraph 1 of the Companies Act shall be limited to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act.</p>	<p>0</p>

- Notes:
1. No special interests exist between the Company and the candidate for substitute Audit & Supervisory Board Member.
  2. If Mr. Ryo Nagao assumes the office of Outside Audit & Supervisory Board Member, the Company intends to register him with Tokyo Stock Exchange as an independent officer.