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# **NOTICE OF THE 4TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**ARUHI Corporation**

Securities Code: 7198

# To Our Shareholders

We would like to express our deep appreciation to all of our shareholders for your continued support. We are sending this notice of convocation as we will shortly be holding our 4th Annual General Meeting of Shareholders.

ARUHI provides services to customers, through multiple channels such as 130\* sales offices across Japan as well as online, to help enhance their quality of living at various life stages. Such services include not only mortgage loan products that meet various customer needs, but also house search services and price discounts on products and services necessary for daily life after acquiring a home.

We are also striving to provide better convenience and faster solutions to both real estate agents and individual customers by further utilization of technologies.

Going forward, we are committed to create a platform that brings together all of the housing and living-related needs of our customers, by inviting various service providers such as real estate agents, financial institutions, consumer goods manufacturers and service companies.

We look forward to your continued support.

\* As of March 31, 2018

Hiroshi Hamada,  
Chairman of the Board,  
President, Representative Director, CEO and COO

June 6, 2018

To our shareholders:

Hiroshi Hamada,  
Chairman of the Board,  
President, Representative Director,  
CEO and COO  
**ARUHI Corporation**  
6-1, Roppongi 1-chome, Minato-ku, Tokyo

## Notice of the 4th Annual General Meeting of Shareholders

You are cordially invited to attend the 4th Annual General Meeting of Shareholders of ARUHI Corporation (the “Company”), which will be held as indicated below.

If you are unable to attend the Meeting in person, you can exercise your voting rights using any of the following methods. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights before 5:45 p.m. (JST) on Tuesday, June 26, 2018.

### **[Voting by mail]**

Please indicate your approval or disapproval of the proposals on the enclosed voting form, and return it so that your vote is received by the above deadline.

### **[Voting via the Internet, etc.]**

Please refer to the “Exercise of Voting Rights via the Internet, etc.” on page 4 and indicate your approval or disapproval of the proposals by above deadline.

Regarding Internet Disclosure (in Japanese only)

The following items have been posted on the Company’s website on the Internet in accordance with laws and regulations and Article 15 of the Company’s Articles of Incorporation. The relevant documents are not included in the Attachment to the Notice of Annual General Meeting of Shareholders.

- (i) “Matters concerning Share Acquisition Rights, etc.” and “Outline of the Resolution to Establish Structures, etc. to Ensure Appropriate Operations and Outline of Operational Status” in the Business Report
  - (ii) Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements
  - (iii) Non-consolidated Statement of Changes in Equity and Notes to Non-consolidated Financial Statements
- Website of the Company <https://www.aruhi-group.co.jp/ir/stockinfo/shareholders>

These items are included in the Business Report, the Consolidated Financial Statements, and the Financial Statements, all of which are audited when the Audit and Supervisory Board Members and the Accounting Auditors prepare their respective audit reports.

<b>1. Date and Time:</b>	10:00 a.m. (JST) on Wednesday, June 27, 2018 (Reception will open at 9:00 a.m.)	
<b>2. Venue:</b>	“Orchard Room,” Annex 2F, Hotel Okura Tokyo 2-10-4 Toranomom, Minato-ku, Tokyo	
<b>3. Purpose:</b>	(1) Matters to be reported	<p>1. Report on the Business Report and Consolidated Financial Statements and the results of audits by Accounting Auditors and the Audit and Supervisory Board for Consolidated Financial Statements for the 4th Fiscal Year (from April 1, 2017 to March 31, 2018)</p> <p>2. Report on the Non-consolidated Financial Statements for the 4th Fiscal Year (from April 1, 2017 to March 31, 2018)</p>
	(2) Matters to be resolved	<p>Proposal No. 1: Dividends of Surplus</p> <p>Proposal No. 2: Election of Six (6) Directors</p> <p>Proposal No. 3: Election of One (1) Audit and Supervisory Board Member</p>

1. When you attend the meeting, you are kindly requested to present the enclosed voting form at the reception. For the purpose of saving resources, please be sure to bring this notice with you.
2. Please note that anyone other than a shareholder who is entitled to exercise voting rights (e.g., non-shareholding proxy, person accompanying the shareholder) will not be allowed inside the venue.
3. If any changes are made to items in the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements or Non-consolidated Financial Statements, please note that such changes will be posted on the Company's website (<https://www.aruhi-group.co.jp/english/ir/stockinfo/shareholders>).

### Information on Exercise of Voting Rights, etc.

The right to vote at the general meeting of shareholders is a principal right of shareholders. Please exercise your voting rights by one of the following three methods.

1. Exercise of Voting Rights by attending the general meeting of shareholders
2. Exercise of Voting Rights by mail
3. Exercise of Voting Rights via the Internet, etc.
  - (1) If you exercise your voting rights both in writing and via the internet, etc., we will consider the exercise via the internet, etc. to be valid.
  - (2) If you exercise your voting rights more than once via the internet, etc., we will consider the final vote to be effective. In addition, if you exercise your voting rights more than once by using personal computers, smartphones or mobile phones, we will consider the final vote to be effective.

### Electronic Voting Platform for Institutional Investors

If the application for the use of the electronic voting platform (ProxyEdge) operated by ICJ, Inc.\* is made in advance, nominal shareholders such as management trust banks, including standing proxies, may use such platform as their electronic or magnetic means of voting rights for the Company's general meeting of shareholders, other than by exercising voting rights via the internet.

\*A joint venture company established by Tokyo Stock Exchange, Inc. and Broadridge Financial Solutions, Inc.

## Reference Documents for the General Meeting of Shareholders

### Proposal No. 1: Dividends of Surplus

In accordance with our dividend policy, the Company proposes to pay the following amount of year-end dividends for the current fiscal year.

Type of dividend property	Cash
Allotment of dividend property and total amount to be paid	¥22.00 per common share of the Company Total dividends: ¥784,532,408
Effective date of dividends of surplus	June 28, 2018

The Company's dividend policy is as follows;

The Company recognizes that both distribution of profits to shareholders and sustained corporate growth are top management priorities. The Company has set out a basic policy to actively pay dividends of surplus after sufficiently investing in growth areas that will boost future corporate value, while placing importance on ROE and maintaining appropriate financial leverage.

Currently, the Company's target dividend payout ratio is 30 to 40%, and the Articles of Incorporation allow the Company to pay interim dividends once a year in addition to year-end dividends.

The organizational functions that approve the dividends of surplus are the General Meeting of Shareholders for year-end dividends and the Board of Directors for interim dividends.

## Proposal No. 2: Election of Six (6) Directors

At the conclusion of this Annual General Meeting of Shareholders, Messrs Hiroshi Hamada, Yasushi Hosono, Kazuhiro Yamada, Ms. Tokiko Ide, and Mr. Toshihiko Hiura will retire from their positions as Directors due to the expiry of their terms of office. Therefore, the Company requests approval for the re-election of the five (5) Directors listed below in addition to the election of one (1) new Director in order to strengthen the management team.

Candidate No.	Name	Current position and responsibility in the Company			
1	Hiroshi Hamada	[Re-election]			Chairman of the Board, President, Representative Director, CEO and COO
2	Yasushi Hosono	[Re-election]			Managing Director, CSO* and General Manager of Planning Division
3	Keiichi Yoshida	[New election]			Corporate Officer, CFO and General Manager of Finance Division
4	Kazuhiro Yamada	[Re-election]	[Outside]		Outside Director
5	Tokiko Ide	[Re-election]	[Outside]	[Independent]	Outside Director
6	Toshihiko Hiura	[Re-election]	[Outside]	[Independent]	Outside Director

[New election]	Candidate for new Director
[Re-election]	Candidate for re-election as Director
[Outside]	Candidate for outside Director
[Independent Officer]	Independent Officer under the stipulations of Tokyo Stock Exchange, Inc.

- (Notes)
- There is no special interest between any of the candidates and the Company.
  - The Company has signed contracts for Limitation of Liabilities with all of the Outside Directors under Article 425, paragraph 1 of the Companies Act when the Outside Directors perform their duties in good faith without gross negligence. Therefore, in the event that the re-election of Mr. Kazuhiro Yamada, Ms. Tokiko Ide, and Mr. Toshihiko Hiura are approved, the Company plans to continue the said contracts. Outline of the contracts is as below;
    - In any event that an Outside Director is liable for damages due to neglect of duties, he/she will be liable for the limit of the minimum liability under Article 425, paragraph 1 of the Companies Act.
    - The aforementioned limit of liability is only permitted when an Outside Director performs his/her duties in good faith and without gross negligence.
- \* CSO: Chief Strategy Officer

Candidate No.		Number of shares of the Company held: 550,000 shares
1	<b>Hiroshi Hamada</b> (Born on May 30, 1959)	The number of years in office as Director (as of the conclusion of this General Meeting): 3 years and 1 month
Re-election		
<b>Summary of career, position and responsibilities in the Company</b>  Apr. 1982    Joined Yamashita-Shinnihon Steamship Co., Ltd. (currently Mitsui O.S.K. Lines, Ltd.) Mar. 1987    Joined American Life Insurance Company, Japan Branch (currently MetLife, Inc.) Nov. 1992    Joined Clarke Consulting Group (U.S.) Jan. 1995    Joined Dell Computer Inc. (currently Dell Japan Inc.) Aug. 2000    Representative Director, President of Dell Japan Inc. and Vice President of Dell Computer Corporation May 2006    Representative Partner of Revamp Corporation Apr. 2008    Executive Officer, President and Chief Operating Officer of HOYA CORPORATION Jun. 2008    Director, Executive Officer, President and Chief Operating Officer of HOYA CORPORATION Nov. 2011    Director, Representative Executive Officer, President and Chief Operating Officer of HOYA CORPORATION  Mar. 2014    Independent Director of the Board of KOKUYO Co., Ltd. (current position) May 2015    Chairman of the board, Representative Director and CEO of former ARUHI Corporation May 2015    Chairman of the board, Representative Director and CEO of ARUHI Group Corporation (currently the Company) Sept. 2015    Chairman of the board, President, Representative Director, CEO and COO of former ARUHI Corporation Sept. 2015    Chairman of the Board, President, Representative Director, CEO and COO of ARUHI Group Corporation (currently the Company) (current position)  <b>Significant concurrent positions</b> Mr. Hiroshi Hamada serves as an Independent Director of the Board of KOKUYO Co., Ltd. since March 2014.  <b>Reasons for nomination as candidate for Director</b> Mr. Hiroshi Hamada currently leads the Company's Group management, and has played an appropriate role in enhancing corporate values, such as in determining important matters and overseeing execution of businesses. Since it is expected that he can further contribute to the Company in the future, he has been selected as a candidate for Director.		

Candidate No.		Number of shares of the Company held: 41,000 shares
2	<b>Yasushi Hosono</b> (Born on December 10, 1966)	The number of years in office as Director (as of the conclusion of this General Meeting): 2 years and 11 months
Re-election		
<b>Summary of career, position and responsibilities in the Company</b>  Apr. 1989    Joined the Mitsui Bank, Ltd. (currently Sumitomo Mitsui Banking Corporation) Sept. 1999    Joined Bain & Company Japan, Inc. Aug. 2006    Board Director, CFO of CellSeed Inc. Feb. 2015    Corporate Officer, CFO of SBI Mortgage Co., Ltd. May 2015    Director, CFO of former ARUHI Corporation Jun. 2015    Director of ARUHI Lease Corporation (currently FA Leasing Co., Ltd.) Jul. 2015    Corporate Officer, CFO of ARUHI Group Corporation (currently the Company) Jun. 2016    Managing Director, CFO of former ARUHI Corporation Mar. 2017    Director, CFO of ARUHI Group Corporation (currently the Company) Jun. 2017    Managing Director, CFO of ARUHI Group Corporation (currently the Company) Aug. 2017    Managing Director, CSO*, General Manager of Planning Division of ARUHI Corporation (current position)  <b>Significant concurrent positions</b> Not applicable.  <b>Reasons for nomination as candidate for Director</b> Mr. Yasushi Hosono currently leads the Company's Group management, and has played an appropriate role in enhancing corporate values, particularly in planning management and business strategy. Since it is expected that he can further contribute to the Company in the future, he has been selected as a candidate for Director.		

\* CSO: Chief Strategy Officer



Candidate No.		Number of shares of the Company held: 15,000 shares
<b>3</b>	<b>Keiichi Yoshida</b> (Born on August 26, 1954)	The number of years in office as Director (as of the conclusion of this General Meeting): —
New election		

**Summary of career, position and responsibilities in the Company**

Apr. 1977      Joined NEC Corporation  
Feb. 1999      Joined Kodak Japan Ltd.  
Apr. 2000      Joined Assist Japan Ltd.  
Oct. 2002      Joined NEC Electronics Corporation  
Nov. 2004      Joined BancTec Japan, Inc. (currently Primagest, Inc.)  
Mar. 2005      Director of BancTec Japan, Inc. (currently Primagest, Inc.)  
Sept. 2008      CFO, NH Techno Glass Corporation (currently AvanStrate Inc.)  
Feb. 2013      Joined ITX Corporation  
Jun. 2013      Senior Managing Director of ITX Corporation  
Jun. 2015      Joined Japan Display Inc.  
Jul. 2015      Executive Officer, CFO of Japan Display Inc.  
Aug. 2017      Corporate Officer, CFO of ARUHI Corporation (current position)

**Significant concurrent positions**

Not applicable.

**Reasons for nomination as candidate for Director**

Mr. Keiichi Yoshida has utilized his extensive knowledge of finance and accounting as Corporate Officer, CFO and has played an appropriate role in contributing to the achievement of the Company's management strategies. Since it is expected that he can provide further leadership for the Company's management in the future, he has been selected as a new candidate for Director.

Candidate No.		Number of shares of the Company held: 0 shares
4	<b>Kazuhiro Yamada</b> (Born on March 28, 1963)	The number of years in office as Outside Director (as of the conclusion of this General Meeting): 3 years and 1 month
Re-election		
Outside		
<b>Summary of career, position and responsibilities in the Company</b>		
Apr. 1985	Joined the Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)	
Apr. 1999	Seconded to Daiwa Securities SB Capital Markets Co. Ltd. (currently Daiwa Securities Co., Ltd.)	
Feb. 2001	Joined Carlyle Japan L.L.C.	
Mar. 2002	Outside Director of Asahi Security Co., Ltd.	
Nov. 2003	Outside Director of KITO CORPORATION	
Dec. 2004	Outside Director of Rhythm Corporation (currently THK RHYTHM CO., LTD.)	
Jan. 2005	Managing Director of Carlyle Japan L.L.C.	
Sept. 2005	Outside Director of Gakusei Engokai Co., Ltd. (currently Intelligence Ltd.)	
Jun. 2007	Outside Director of Covalent Materials Corporation (currently CoorsTek KK)	
Jun. 2008	Outside Director of NH Techno Glass Corporation (currently AvanStrate Inc.)	
Nov. 2009	External Director of Broadleaf Co., Ltd.	
Jun. 2010	Outside Director of Covalent Materials Corporation (currently CoorsTek KK)	
Jan. 2012	Head of Carlyle Japan L.L.C. (current position)	
Jan. 2014	Outside Director of Simplex Inc.	
May 2015	Outside Director of ARUHI Group Corporation (currently the Company) (current position)	
Mar. 2016	Outside Director of GGC Group Co., Ltd. (currently Kyushu GGC Co., Ltd.)	
Apr. 2016	Outside Director of WingArc1st Inc. (current position)	
<b>Significant concurrent positions</b>		
Mr. Kazuhiro Yamada is Managing Director and Head of Carlyle Japan L.L.C.		
<b>Reasons for nomination as candidate for outside Director</b>		
Mr. Kazuhiro Yamada has provided advice and oversight from an objective and long-term perspective based on his extensive knowledge, and has played an essential role for the Company’s growth. Therefore, the Company has selected him as a candidate for Outside Director.		

Candidate No.	<div>5</div> <div>Tokiko Ide</div> <div>(Born on April 16, 1958)</div>	Number of shares of the Company held: 0 shares
Re-election		The number of years in office as Outside Director (as of the conclusion of this General Meeting): 11 months
Outside		
Independent		
<b>Summary of career, position and responsibilities in the Company</b>		
<div>Apr. 1981      Joined Victor Company of Japan, Limited</div> <div>Apr. 1988      Joined Japan Motorola, Inc.</div> <div>Jun. 1998      Joined Dell Japan Inc.</div> <div>Sept. 2005      Finance Vice President of Baxter Limited</div> <div>Jul. 2012      CFO of Acyan Corporation</div> <div>Apr. 2014      CFO of NEW Asurion Asia PacificJapan G.K. (currently Asurion Japan Holdings G.K.)</div> <div>Aug. 2016      Representative Director and President of Asurion Japan K.K. (current position)</div> <div>Jul. 2017      Outside Director of ARUHI Corporation (current position)</div>		
<b>Significant concurrent positions</b>		
Ms. Tokiko Ide is Representative Director and President of Asurion Japan K.K.		
<b>Reasons for nomination as candidate for outside Director</b>		
Ms. Tokiko Ide has provided advice and oversight from an objective and long-term perspective based on her extensive knowledge as a management executive, and has played an essential role for the Company’s growth. Therefore, the Company has selected her as a candidate for Outside Director.		

Candidate No.		
6	<b>Toshihiko Hiura</b> (Born on October 1, 1959)	Number of shares of the Company held: 0 shares
Re-election		The number of years in office as Outside Director (as of the conclusion of this General Meeting):
Outside		11 months
Independent		
<b>Summary of career, position and responsibilities in the Company</b>  Apr. 1983    Joined the Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.) Feb. 1986    Joined Bain & Company Japan, Inc. Jan. 1997    Partner of Bain & Company Japan Inc. Jan. 2008    Representative Partner of Bain & Company Japan Inc. Apr. 2014    Chairman of Bain & Company Japan Inc. Jul. 2017    Advisory Partner of Bain & Company Japan Inc. (current position) Jul. 2017    Outside Director of ARUHI Corporation (current position)		
<b>Significant concurrent positions</b> Mr. Toshihiko Hiura is Advisory Partner of Bain & Company Japan, Inc.		
<b>Reasons for nomination as candidate for outside Director</b> Mr. Toshihiko Hiura has provided advice and oversight from an objective and long-term perspective based on his extensive knowledge as a management executive and a management consultant, and has played an essential role for the Company's growth. Therefore, the Company has selected him as a candidate for Outside Director.		

### Proposal No. 3: Election of One (1) Audit and Supervisory Board Member

At the conclusion of this Annual General Meeting of Shareholders, Mr. Yoshiki Tani will resign from the Company's Full-time Audit and Supervisory Board Member. Therefore, as his substitute, the Company requests approval for the election of one (1) new Audit and Supervisory Board Member as below, effective as of June 27, 2018.

As stated in the Company's Articles of Incorporation, the term of office for the substitute Audit and Supervisory Board Member to be elected will be until the expiration date of the term of office of the Audit and Supervisory Board Member to resign.

Consent of the Audit and Supervisory Board has been obtained for this proposal.

	<div>Yuji Harada</div> <div>(Born on September 20, 1951)</div>	<div>Number of shares of the Company held: 0 shares</div> <div>The number of years in office as Audit and Supervisory Board Member (as of the conclusion of this General Meeting): —</div>
New election		
Outside		
Independent		
<div>Summary of career</div> <div><div>Apr. 1974</div><div>Joined the Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)</div></div> <div><div>Jun. 2002</div><div>Executive Officer, General Manager of Planning Dept., International Banking Unit of the Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)</div></div> <div><div>Apr. 2004</div><div>Managing Director of the Japan Research Institute, Limited</div></div> <div><div>Jun. 2007</div><div>Director and Senior Managing Director of the Japan Research Institute, Limited</div></div> <div><div>Apr. 2008</div><div>Managing Executive Officer of Mazda Motor Corporation</div></div> <div><div>Nov. 2008</div><div>Director, Senior Managing Executive Officer of Mazda Motor Corporation</div></div> <div><div>Jun. 2017</div><div>Outside Director of Nippon Chemiphar Co., Ltd. (current position)</div></div> <div><div>Significant concurrent positions</div><div>Mr. Yuji Harada is Outside Director of Nippon Chemiphar Co., Ltd.</div></div> <div><div>Reasons for nomination as candidate for Outside Audit and Supervisory Board Member</div><div>Mr. Yuji Harada has extensive experience and knowledge related to management, finance and accounting. Since it is expected that he can provide advice from diverse perspectives about the Company’s overall management, particularly enhancing effectiveness of and strengthening auditing functions, the Company has selected him as a new candidate for Audit and Supervisory Board Member.</div></div>		

- (Notes)
1. There is no special interest between the candidate and the Company.
  2. The Company has signed contracts for Limitation of Liabilities with all of the Audit and Supervisory Board Members under Article 425, paragraph 1 of the Companies Act when the Audit and Supervisory Board Members perform their duties in good faith without gross negligence. Therefore, in the event that the election of Mr. Yuji Harada is approved, the Company plans to sign the said contract. Outline of the contract is as below.
    - In any event that an Audit and Supervisory Board Member is liable for damages due to neglect of duties, he/she will be liable for the limit of the minimum liability under Article 425, paragraph 1 of the Companies Act.
    - The aforementioned limit of liability is only permitted when an Audit and Supervisory Board Member performs his/her duties in good faith and without gross negligence.