

(Translation)

Securities Code: 5262

June 8, 2018

To Our Shareholders with Voting Rights:

Minoru Okawauchi
President and Director
NIPPON HUME CORPORATION
5-33-11 Shimbashi, Minato-ku, Tokyo

**NOTICE OF CONVOCATION OF
THE 135TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

You are cordially invited to attend the 135th Annual General Meeting of Shareholders of NIPPON HUME CORPORATION (the “Company”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you may exercise your voting rights in writing. Please review the attached Reference Documents for the General Meeting of Shareholders, indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it to us by no later than 5:20 p.m. Japan time on Wednesday, June 27, 2018.

- 1. Date and Time:** Thursday, June 28, 2018 at 10:00 a.m. Japan time
- 2. Place:** Conference room on the 8th floor of the Company (Shimbashi NH Building)
5-33-11 Shimbashi, Minato-ku, Tokyo, Japan
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report and Consolidated Financial Statements for the 135th Fiscal Year (April 1, 2017 to March 31, 2018), and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
 2. Non-consolidated Financial Statements for the 135th Fiscal Year (April 1, 2017 to March 31, 2018)
 - Proposals to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Election of One (1) Director

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- Please note that the following items are not presented in the attached document of this notice of convocation, as they are posted on the Company's website, in accordance with laws and regulations and the provisions under Article 14 of the Company's Articles of Incorporation.
 1. Notes to the Consolidated Financial Statements
 2. Notes to the Non-Consolidated Financial Statements

The Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Audit & Supervisory Board and Accounting Auditor in preparing the Audit Report and Accounting Auditor's Audit Report, respectively, include the information in the attached document, as well as other information required to be disclosed in the "Notes to the Consolidated Financial Statements" and "Notes to the Non-Consolidated Financial Statements."

- If the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements or Non-Consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website.

The Company's website (<http://www.nipponhume.co.jp/>)

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

The Company proposes to distribute the surplus as described below.

The Company considers distribution of profits to shareholders as an important management task. Our basic policy is to maintain a stable dividend level. In the meantime, we strive to enhance overall return to shareholders by implementing purchases of treasury shares and other measures, taking into account factors such as maintaining a sound financial structure, enhancing internal reserves to prepare for business development, as well as performance.

Funds retained as internal reserves will be used as a portion of the funds invested in development of new products and new technologies and for capital investment in efficiency enhancement and reduction of power consumption. The efficiency of the investments is considered from a long-term perspective.

The Company is scheduled to pay the year-end dividend for the fiscal year under review as described below, taking into account factors such as non-consolidated financial results, consolidated financial results, financial condition and future management environment.

1. Details of the year-end dividend

1) Type of dividend property	Cash
2) Appropriation of dividend property to shareholders and its total amount	¥17 per share for the Company's common stock Total dividends: ¥436,522,889
3) Effective date for dividends from surplus	June 29, 2018

2. Other matters concerning the appropriation of surplus

1) Accounting item of surplus to increase and the amount of increase	General reserve: ¥500,000,000
2) Accounting item of surplus to decrease and the amount of decrease	Retained earnings brought forward: ¥500,000,000

Proposal 2: Election of One (1) Director

In order to further reinforce our corporate governance system, the Company will add one (1) Outside Director and proposes the election thereof.

The term of office of the newly elected Director shall be, in accordance with the provisions of the Company's Articles of Incorporation, until the expiration of the terms of office of other incumbent Directors.

The candidate for Director is as follows:

Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions
<p>Masahiro Maeda (October 30, 1948)</p> <p>New candidate Candidate for Outside Director</p> <p>Number of the Company's shares held 0</p>	<p>July 1971 Joined Tokyo Metropolitan Government</p> <p>July 2005 Director General of the Bureau of Sewerage of Tokyo Metropolitan Government</p> <p>August 2008 President of Tokyo Metropolitan Sewerage Service Corporation</p> <p>April 2013 Professor of University Research Center of Nihon University (to present)</p> <p>September 2013 President of Sewage-Maintenance Co-operation</p> <p>1. There are no special interests between the candidate and the Company.</p> <p>2. Mr. Masahiro Maeda is a candidate for Outside Director.</p> <p>3. Reasons for the election of Mr. Masahiro Maeda as a candidate for Outside Director are as follows: Mr. Masahiro Maeda has many years of experience in government administration. In addition, Mr. Maeda is familiar with overall sewage lines, the business area of the Company. Therefore, the Company believes that Mr. Maeda is appropriate as an Outside Director of the Company.</p> <p>4. An outline of a limited liability agreement with Outside Directors is as follows: If the election of Mr. Masahiro Maeda is approved, the Company, pursuant to Article 427, Paragraph 1 of the Companies Act, intends to enter into an agreement with him to limit his liability for damages pursuant to Article 423, Paragraph 1 of said Act to the extent of the minimum liability amount prescribed in Article 425, Paragraph 1 of said Act.</p> <p>5. Mr. Masahiro Maeda satisfies the requirements for an Independent Director defined by the Tokyo Stock Exchange, and the Company intends to register him as Independent Director.</p>