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(Securities Code 9722)

March 5, 2019

To Those Shareholders with Voting Rights

Akira Segawa
President and Chief Executive Officer
FUJITA KANKO INC.
10-8, Sekiguchi 2-chome, Bunkyo-ku
Tokyo, Japan

NOTICE OF THE 86th ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 86th Ordinary General Meeting of Shareholders of the Company. The meeting will be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or through electromagnetic devices (Internet, etc.). Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:00 p.m. on March 26, 2019 (Tuesday).

- 1. Date and Time:** Wednesday, March 27, 2019 at 10:00 a.m. (Door opens at 9:00 a.m.)
2. Place: Grand Hall TSUBAKI*, Hotel Chinzanso Tokyo (5th floor of Banquet Bldg.)
10-8, Sekiguchi 2-chome, Bunkyo-ku, Tokyo, Japan
* formerly Orion (5th floor of Plaza Bldg.)

3. Agenda of the Meeting:

- Matters to be reported:**
1. The Business Report, the Consolidated Financial Statements and the audit results of the Consolidated Financial Statements by the Accounting Auditor and Board of Corporate Auditors for the 86th fiscal term (from January 1, 2018 to December 31, 2018)
 2. The Non-Consolidated Financial Statements for the 86th fiscal term (from January 1, 2018 to December 31, 2018)

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
Proposal No. 2: Partial Amendments to the Articles of Incorporation
Proposal No. 3: Election of Nine Directors
Proposal No. 4: Election of One Corporate Auditor
Proposal No. 5: Election of One Substitute Corporate Auditor
Proposal No. 6: Revision to Remuneration for Outside Directors

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

The Company proposes the following appropriation of surplus.

The Company has a basic policy to fully consider passing its profits on to shareholders, and pay dividends in proportion to the results of its business in consideration of further reinforcement of corporate structure and accumulation of internal reserves to be utilized to promote businesses. Taking into comprehensive consideration of business performance during the term, future business environment, financial conditions, payout ratio, etc., the Company proposes the year-end dividend for this fiscal term as follows.

1. Year-End Dividends

(1) Type of dividend property

Money

(2) Matters related to allocation of dividend property and total amount thereof

40 yen per share of the Company's common stock and dividends total 479,487,160 yen

(3) Effective date of dividends from surplus

March 28, 2019

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reason for proposal

The Company adopted an executive officer system in 2001 and has been striving to improve transparency and efficiency of management by allowing the board of directors to decide on important management matters and supervise business execution.

Aiming to further enhance the supervisory function of the board of directors, the Company intends to make it clear in the Articles of Incorporation that the position of the president, who is the chief executive of business execution, and that of other positions is an executive officer, and to delete a provision stipulating the positions of directors and establish a new provision stipulating that the president shall be elected from among executive officers. This proposal thereby intends to amend and delete the wording of provisions relevant to the above, and move down existing articles accordingly.

2. Details of amendments

The details of the proposed amendments are as follows:

(Underline indicates portions amended.)

Current Articles of Incorporation	Proposed Amendments
(Convener and chairperson) Article 16 Excluding when otherwise set forth in the provision of relevant law, the shareholders' meeting shall be convened by the <u>president</u> , who is appointed chairperson of the meeting, according to the resolution of the board of directors. If the <u>president</u> has an accident, another director shall, <u>based on</u> a predetermined order, convene the meeting.	(Convener and chairperson) Article 16 Excluding when otherwise set forth in the provision of relevant law, the shareholders' meeting shall be convened by the <u>president and chief executive officer</u> , who is appointed chairperson of the meeting, according to the resolution of the board of directors. If the <u>said</u> director has an accident, another director shall, based on a predetermined order, convene the meeting.
(Representative director <u>and directors with executive power</u>) Article 23 The representative director of the Company shall be elected according to the resolution of the board of directors. <u>2. A president as well as a board chairman and a certain number of vice-presidents, executive directors, and managing directors, if necessary, may be elected according to the resolution of the board of directors.</u>	(Representative director) Article 23 The representative director of the Company shall be elected according to the resolution of the board of directors. (2. Deleted)

Current Articles of Incorporation	Proposed Amendments
<Newly established>	<u>(Executive officers)</u> <u>Article 24</u> <u>Executive officers shall be elected according to the resolution of the board of directors.</u> <u>2. The board of directors may elect by resolution the president and chief executive officer from among executive officers and elect other officers with executive power.</u>
Article 24 - Article 45 <Provision omitted>	Article 25 - Article 46 <Unchanged>

Proposal No. 3: Election of Nine Directors

The terms of office of all nine Directors will expire at the conclusion of the meeting. We therefore propose that nine Directors be newly elected.

The candidates for Directors are as follows:

Candidate No.	Name	Current position and assignment in the Company
1	<u>Reappointment</u> Yoshihiro Ise	Representative Director and Senior Managing Executive Officer, and Chief of Planning Group
2	<u>Reappointment</u> Takeaki Yamada	Director and Senior Managing Executive Officer, and Chief of Human Resources Group
3	<u>Reappointment</u> Akira Kitahara	Director and Managing Executive Officer, and Chief Operating Officer (COO) of WHG Business Group
4	<u>Reappointment</u> Takashi Wakuri	Director and Executive Officer, and Chief of Administrative Group
5	<u>New Candidate</u> Kazuo Nakasone	Full-Time Auditor
6	<u>Reappointment</u> Rieko Zanma <u>Outside Director</u> <u>Independent Director</u>	Director
7	<u>New Candidate</u> Kazunori Takami <u>Outside Director</u> <u>Independent Director</u>	
8	<u>New Candidate</u> Shiho Takano <u>Outside Director</u> <u>Independent Director</u>	
9	<u>New Candidate</u> Masao Yamada <u>Outside Director</u>	

Candidate No.	Name	Career summary, position, assignment and important concurrent positions	
1	<p><u>Reappointment</u></p> <p>Yoshihiro Ise</p> <ul style="list-style-type: none"> • Date of birth: May 29, 1960 • Number of shares of the Company held: 3,100 shares 	<p>April 1983 Joined FUJITA KANKO INC.</p> <p>May 2002 Leader of Development and Construction Group of Corporate Center of FUJITA KANKO INC.</p> <p>November 2003 Chief of Corporate Planning Office of Leisure Business Department of FUJITA KANKO INC.</p> <p>March 2005 Leader of Related Companies Group of Corporate Center of FUJITA KANKO INC.</p> <p>October 2006 Leader of Development Group of Washington Hotel Company Planning Office of FUJITA KANKO INC.</p> <p>March 2008 President and Representative Director of CANAL CITY・FUKUOKA WASHINGTON HOTEL K.K. and General Manager of Canal City・Fukuoka Washington Hotel</p> <p>March 2010 President and Representative Director of URAWA WASHINGTON HOTEL INC. and General Manager of Urawa Washington Hotel</p> <p>March 2012 General Manager of Chiba Washington Hotel</p> <p>March 2014 Executive Officer, and Management Planning and Business Promotion Officer of Planning Group of FUJITA KANKO INC.</p> <p>March 2015 Director and Executive Officer, and Chief of Planning Group of FUJITA KANKO INC.</p> <p>March 2017 Representative Director and Managing Executive Officer, and Chief of Planning Group of FUJITA KANKO INC.</p> <p>March 2018 Representative Director and Senior Managing Executive Officer, and Chief of Planning Group of FUJITA KANKO INC. (to the present)</p> <p>(Important Concurrent Positions) N.A.</p>	
<p><u>Reasons for nomination as a candidate for Director</u></p> <p>Yoshihiro Ise has successively served in managerial positions at business offices, business groups and divisions of headquarters of the Group, and has served as Representative Director of the Company since 2017. Therefore, he possesses abundant experience and knowledge in both sales and administration operations. Accordingly, we nominated him as a candidate for Director as we judged that his experience and knowledge can continue to be effectively utilized in the management of the Company.</p>			

Candidate No.	Name	Career summary, position, assignment and important concurrent positions	
2	<div>Reappointment</div> <p>Takeaki Yamada</p> <ul style="list-style-type: none"> • Date of birth: July 27, 1958 • Number of shares of the Company held: 3,000 shares 	<p>April 1982</p> <p>April 2003</p> <p>April 2006</p> <p>June 2007</p> <p>April 2008</p> <p>June 2008</p> <p>March 2012</p> <p>July 2012</p> <p>March 2018</p> <p>(Important Concurrent Positions)</p> <p>N.A.</p>	<p>Joined Dowa Mining Co., Ltd. (currently DOWA HOLDINGS CO., LTD.)</p> <p>General Manager, Electronics & Metal Processing Company, Electric Materials Division of the above company</p> <p>General Manager, Corporate Staff Personnel and Labor Department of the above company</p> <p>Executive Officer, Personnel of DOWA HOLDINGS CO., LTD.</p> <p>Executive Officer, Personnel and Human Resources Development of the above company</p> <p>Director of the above company</p> <p>Managing Director and Managing Executive Officer, and in charge of Human Resources of FUJITA KANKO INC.</p> <p>Managing Director and Managing Executive Officer, and Chief of Human Resources Group of FUJITA KANKO INC.</p> <p>Director and Senior Managing Executive Officer, and Chief of Human Resources Group of FUJITA KANKO INC. (to the present)</p>
<p><u>Reasons for nomination as a candidate for Director</u></p> <p>Takeaki Yamada has successively served in managerial positions in the human resources and labor divisions of DOWA HOLDINGS CO., LTD., and has served in a managerial position in the human resources division as a Director of the Company since 2012. Therefore, he possesses abundant knowledge regarding human resources and labor. Accordingly, we nominated him as a candidate for Director as we judged that his experience and knowledge can continue to be effectively utilized in the management of the Company.</p>			

Candidate No.	Name	Career summary, position, assignment and important concurrent positions
3	<p><u>Reappointment</u></p> <p>Akira Kitahara</p> <ul style="list-style-type: none"> • Date of birth: August 25, 1956 • Number of shares of the Company held: 3,400 shares 	<p>April 1982 Joined FUJITA KANKO INC.</p> <p>September 2001 General Manager of Fujita Kanko Washington Hotel Asahikawa</p> <p>July 2003 President and Representative Director of FUJITA KANKO WASHINGTON HOTEL ASAHIKAWA K.K. and General Manager of Fujita Kanko Washington Hotel Asahikawa</p> <p>January 2004 President and Representative Director of NARITA WASHINGTON HOTEL SERVICE INC. and General Manager of Narita Airport Washington Hotel</p> <p>March 2005 President and Representative Director of KANSAI AIRPORT WASHINGTON HOTEL INC. and General Manager of Kansai Airport Washington Hotel</p> <p>October 2007 General Manager of Shinjuku Washington Hotel</p> <p>March 2011 Executive Officer, and General Manager of Shinjuku Washington Hotel of FUJITA KANKO INC.</p> <p>March 2013 Director and Executive Officer, and General Manager of Shinjuku Washington Hotel of FUJITA KANKO INC.</p> <p>March 2014 Director and Executive Officer, General Manager of Shinjuku Washington Hotel, and Co-Chief Operating Officer (Co-COO) of International Business Group of FUJITA KANKO INC.</p> <p>January 2015 Director and Executive Officer, Chief Operating Officer (COO) of WHG Business Group, and Co-Chief of International Group of FUJITA KANKO INC.</p> <p>March 2016 Director and Managing Executive Officer, Chief Operating Officer (COO) of WHG Business Group, and in charge of International Group of FUJITA KANKO INC.</p> <p>March 2017 Director and Managing Executive Officer, and Chief Operating Officer (COO) of WHG Business Group of FUJITA KANKO INC. (to the present)</p> <p>(Important Concurrent Positions) N.A.</p>
<p><u>Reasons for nomination as a candidate for Director</u></p> <p>Akira Kitahara has successively served in managerial positions at business offices and business groups of the Group. Therefore, he possesses abundant experience and knowledge regarding all aspects of sales. Accordingly, we nominated him as a candidate for Director as we judged that his experience and knowledge can continue to be effectively utilized in the management of the Company.</p>		

Candidate No.	Name	Career summary, position, assignment and important concurrent positions	
4	<div> <div>Reappointment</div> <div>Takashi Wakuri</div> <ul style="list-style-type: none"> • Date of birth: May 27, 1960 • Number of shares of the Company held: 1,300 shares </div>	<div> <div>April 1983</div> <div>July 2002</div> <div>January 2004</div> <div>October 2005</div> <div>July 2006</div> <div>October 2007</div> <div>March 2012</div> <div>February 2015</div> <div>October 2015</div> <div>March 2016</div> </div>	<div> <div>Joined FUJITA KANKO INC.</div> <div>General Affairs Manager of Chinzanso (currently Hotel Chinzanso Tokyo)</div> <div>Marketing Manager of Chinzanso (currently Hotel Chinzanso Tokyo)</div> <div>Chief of Business Center of Bridal & Luxury Hotel Company Planning Office of FUJITA KANKO INC.</div> <div>Marketing Manager of Taiko-En</div> <div>General Manager of Wedding Marketing Division, Mejiro Marketing Headquarters of FUJITA KANKO INC.</div> <div>President and Representative Director of URAWA WASHINGTON HOTEL INC. and General Manager of Urawa Washington Hotel</div> <div>Deputy Chief of Administrative Group of FUJITA KANKO INC.</div> <div>Executive Officer, and Deputy Chief of Administrative Group of FUJITA KANKO INC.</div> <div>Director and Executive Officer, and Chief of Administrative Group of FUJITA KANKO INC. (to the present)</div> <div>(Important Concurrent Positions)</div> <div>N.A.</div> </div>
<p><u>Reasons for nomination as a candidate for Director</u></p> <p>Takashi Wakuri has successively served in managerial positions at business offices and divisions of headquarters of the Group. Therefore, he possesses abundant experience and knowledge regarding both sales and administration operations. Accordingly, we nominated him as a candidate for Director as we judged that his experience and knowledge can continue to be effectively utilized in the management of the Company.</p>			

Candidate No.	Name	Career summary, position, assignment and important concurrent positions	
5	<div><div>New Candidate</div><div>Kazuo Nakasone</div><div><ul style="list-style-type: none">● Date of birth: December 12, 1954● Number of shares of the Company held: 1,900 shares</div></div>	April 1979	Joined FUJITA KANKO INC.
		March 2001	Leader of Total Planning Group of Corporate Center of FUJITA KANKO INC.
		March 2003	Executive Officer, and General Manager of Shinjuku Washington Hotel of FUJITA KANKO INC.
		January 2005	Executive Officer, and Chief of Corporate Planning Office of Washington Hotel Company of FUJITA KANKO INC.
		March 2007	Director and Executive Officer in charge of Corporate Center
		January 2009	Director and Executive Officer, Chief of Planning Group of FUJITA KANKO INC., and Representative Director and President of FUJITA KANKO KOUEI INC.
		March 2010	Executive Officer, Chief of Washington Hotel Business Promotion Group of Business Operations Division of FUJITA KANKO INC., and Representative Director and President of FUJITA KANKO KOUEI INC.
		March 2012	Representative Director and President of FUJITA KANKO KOUEI INC.
		March 2015	Full-time Auditor of FUJITA KANKO INC. (to the present)
			(Important Concurrent Positions)
		Outside Auditor of DOWA HOLDINGS CO., LTD.	
<div><div>Reasons for nomination as a candidate for Director</div><div>Kazuo Nakasone has successively served in managerial positions at business offices and divisions of headquarters of the Group, and has served as Corporate Auditor of the Company since 2015 in addition to experience in business management as Director. Therefore, he possesses abundant experience and knowledge regarding business management. Accordingly, we nominated him as a new candidate for Director as we judged that his experience and knowledge can be effectively utilized in the management of the Company.</div></div>			

Candidate No.	Name	Career summary, position, assignment and important concurrent positions
6	<div>Reappointment</div> <div>Rieko Zanma</div> <div>Outside Director</div> <div>Independent Director</div> <ul style="list-style-type: none"> • Date of birth: March 21, 1950 • Number of shares of the Company held: 1,100 shares 	<p>April 1970 Joined Shizuoka Broadcasting System as an announcer</p> <p>June 1973 Joined Kobunsha Publishing Co., Ltd. as a journalist of editorial department of “Josei Jishin”</p> <p>January 2001 Member of “Fiscal System Council” of the Ministry of Finance</p> <p>February 2001 Member of “Council for Social Infrastructure” of the Ministry of Land, Infrastructure, Transport and Tourism</p> <p>March 2004 Overall producer, “International Skills Festival for All Japan 2007” of the Ministry of Health, Labour and Welfare</p> <p>November 2008 Member of “Informal Discussion on the Settlement and Independence Area Plan” of the Ministry of Internal Affairs and Communications (to the present)</p> <p>January 2009 Founded “club willbe” as a network for adults, Representative (to the present)</p> <p>August 2009 Member of the “study group on citizen judge system” of the Ministry of Justice</p> <p>March 2010 Outside Director of FUJITA KANKO INC. (to the present)</p> <p>(Important Concurrent Positions)</p> <p>President and Representative Director of Candid Produce</p> <p>Outside Director of IBJ, Inc.</p> <p>Outside Director of SHIMA SEIKI MFG., LTD.</p> <p>Outside Director of Trust Tech Inc.</p>
<p><u>Reasons for nomination as a candidate for Outside Director</u></p> <p>Rieko Zanma has been engaged in business management for many years, and successively served as members of public committees such as government councils. Moreover, she has handled many large events as an overall producer. Therefore, she possesses abundant experience and knowledge in a wide range of fields. Furthermore, as we judged that she can contribute to the Company’s initiatives for diversity and inclusion, including the promotion of active involvement of female employees, we again nominated her as a candidate for Outside Director.</p>		

Candidate No.	Name	Career summary, position, assignment and important concurrent positions	
7	<div>New Candidate</div> <div>Kazunori Takami</div> <div>Outside Director</div> <div>Independent Director</div> <div><ul style="list-style-type: none">● Date of birth: June 12, 1954● Number of shares of the Company held: 0 shares</div>	April 1978	Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)
		December 1998	Chief of Management Planning Office of Home Appliance & Housing Electronics Company
		January 2002	Director and General Manager of Refrigerator Business Division of Matsushita Refrigeration Company
		June 2004	Managing Executive Officer and General Manager of National Marketing Division of Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)
		October 2008	Managing Director of Panasonic Corporation, and President of Home Appliances Company
		April 2012	Senior Managing Director of Panasonic Corporation, and President of Appliances Company
		April 2015	Executive Vice President of Panasonic Corporation in charge of Japan Region, Customer Satisfaction, and Design
		June 2015	Outside Director of TOKYO FM Broadcasting Co., Ltd. (to the present)
		July 2017	Corporate Advisor of Panasonic Corporation
		June 2018	Outside Director of Nojima Corporation (to the present)
		(Important Concurrent Positions)	
		Outside Director of TOKYO FM Broadcasting Co., Ltd.	
		Outside Director of Nojima Corporation	
<u>Reasons for nomination as a candidate for Outside Director</u> Kazunori Takami has successively served in managerial positions in the sales and other various business divisions of Panasonic Corporation and has been engaged in corporate management for many years. Therefore, he possesses abundant experience and knowledge regarding all aspects of business management and marketing. Accordingly, we nominated him as a new candidate for Outside Director as we judged that his experience and knowledge can be effectively utilized in the management of the Company.			

Candidate No.	Name	Career summary, position, assignment and important concurrent positions
8	<div>New Candidate</div> <div>Shiho Takano</div> <div>Outside Director</div> <div>Independent Director</div> <ul style="list-style-type: none"> • Date of birth: June 20, 1964 • Number of shares of the Company held: 0 shares 	<p>April 1987 Joined Meiji Dairies Corporation (currently Meiji Co., Ltd.)</p> <p>September 1990 Joined Parfums Yves Saint Laurent Japan Ltd.</p> <p>September 1996 Joined Coca-Cola (Japan) Company, Limited, Activation Manager</p> <p>April 1998 Joined Boots MC Company Limited, Buying and Marketing Manager</p> <p>February 2001 General Manager and Head of Japan operations of L'OCCITANE JAPON K.K</p> <p>January 2004 Representative Director and President of L'OCCITANE JAPON K.K</p> <p>April 2015 Representative Director and Chairman of L'OCCITANE JAPON K.K</p> <p>April 2016 Senior Adviser of L'OCCITANE JAPON K.K</p> <p>March 2017 Representative Director and President of Etowa Co., Ltd. (to the present)</p> <p>June 2018 Outside Director of MORINAGA & CO., LTD. (to the present)</p> <p>(Important Concurrent Positions)</p> <p>Representative Director and President of Etowa Co., Ltd.</p> <p>Outside Director of MORINAGA & CO., LTD.</p>
<p><u>Reasons for nomination as a candidate for Outside Director</u></p> <p>Shiho Takano has been engaged in corporate management for many years in the cosmetics industry, etc. and possesses abundant experience and knowledge regarding all aspects of business management and marketing. Furthermore, as we judged that she can contribute to the Company's initiatives for diversity and inclusion, including the promotion of active involvement of female employees, we nominated her as a new candidate for Outside Director.</p>		

Candidate No.	Name	Career summary, position, assignment and important concurrent positions
9	<div>New Candidate</div> <div>Masao Yamada</div> <div>Outside Director</div> <ul style="list-style-type: none"> • Date of birth: November 15, 1953 • Number of shares of the Company held: 0 shares 	<p>April 1978 Joined Dowa Mining Co., Ltd. (currently DOWA HOLDINGS CO., LTD.)</p> <p>April 2003 Vice President of Environmental Management & Recycling Company</p> <p>June 2003 Officer, Vice President of Environmental Management & Recycling Company</p> <p>April 2005 Officer, President of Environmental Management & Recycling Company</p> <p>October 2006 Officer, President and Representative Director of Dowa Eco-system Co., Ltd.</p> <p>April 2008 President and Representative Director of Kosaka Smelting & Refining Co., Ltd., Director of Dowa Metals & Mining Co., Ltd.</p> <p>February 2009 Senior Officer of DOWA HOLDINGS CO., LTD.</p> <p>April 2009 Executive Vice President and Senior Officer</p> <p>June 2009 President and Representative Director</p> <p>April 2012 Chairman of Japan Mining Industry Association</p> <p>June 2018 Chairman and Representative Director of DOWA HOLDINGS CO., LTD. (to the present)</p> <p>(Important Concurrent Positions) Chairman and Representative Director of DOWA HOLDINGS CO., LTD.</p>
<p><u>Reasons for nomination as a candidate for Outside Director</u> Masao Yamada has successively served in managerial positions in overall business management at DOWA HOLDINGS CO., LTD. and has been engaged in corporate management for many years. Therefore, he possesses abundant experience and knowledge in business management. Accordingly, we nominated him as a new candidate for Outside Director as we judged that his experience and knowledge can be effectively utilized in the management of the Company.</p>		

Notes: 1. No conflict of interest exists between the Company and any of the above candidates for Directors.

2. Kazuo Nakasone currently serves as a Corporate Auditor of the Company, and his term will expire at the conclusion of the meeting.
3. Rieko Zanma, Kazunori Takami, Shiho Takano and Masao Yamada are candidates for Outside Directors.
4. Rieko Zanma satisfies the requirements for independent directors pursuant to the rules of Tokyo Stock Exchange, Inc. The Company registered her as an independent director with the said exchange and plans to maintain such registration after the approval of her reappointment. In addition, Kazunori Takami and Shiho Takano also satisfy the requirements for independent directors pursuant to the rules of the said exchange. If the election of Kazunori Takami and Shiho Takano is approved, the Company will also register them as independent directors with the said exchange.
5. The term of office of Rieko Zanma as an Outside Director will be nine years at the conclusion of the meeting.
6. The Company has concluded an agreement with Rieko Zanma, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and Article 29 of the Articles of Incorporation of the Company, which provides for that “as for the liability for damage provided for in Article 423, Paragraph 1 of the Companies Act, the liability for damage is limited to the minimum amount set by law as far as she

performs her duties as an Outside Director of the Company in good faith and without gross negligence.” If her reelection is approved, the Company plans to continue this agreement. If the election of Kazunori Takami, Shiho Takano and Masao Yamada is approved, the Company will conclude the same agreement with them.

Proposal No. 4: Election of One Corporate Auditor

The term of office of Corporate Auditor Kazuo Nakasone will expire at the conclusion of the meeting. We therefore propose that one Corporate Auditor be newly elected.

The Board of Corporate Auditors has given its approval to this proposal.

The candidate for Corporate Auditor is as follows:

Name	Career summary, position and important concurrent positions	
<u>New Candidate</u>	April 1981	Joined FUJITA KANKO INC.
	August 2001	General Affairs Manager of Tokyo Bay Ariake Washington Hotel
Shigeru Egawa	April 2004	Leader of Finance Group of Tokyo BPS
	January 2009	General Manager of Legal and General Affairs Department, Management Division of FUJITA KANKO INC.
● Date of birth: June 20, 1958	March 2015	Representative Director and President of Fairton Corporation (to the present)
● Number of shares of the Company held: 100 shares	(Important Concurrent Positions)	N.A.
<u>Reasons for nomination as a candidate for Corporate Auditor</u> Shigeru Egawa has successively served in managerial positions at business officers and divisions of headquarters of the Group, and possesses abundant experience and knowledge regarding all aspects of finance and administration. Accordingly, we nominated him as a new candidate for Corporate Auditor as we judged that his experience and knowledge can be effectively utilized in the auditing operations of the Company.		

Notes: 1. No conflict of interest exists between the Company and the above candidate for Corporate Auditor.

2. On March 26, 2019 when the 28th Ordinary General Meeting of Shareholders of Fairton Corporation, a subsidiary of the Company, will be held, Shigeru Egawa plans to retire as Representative Director and President of Fairton Corporation.

Proposal No. 5: Election of One Substitute Corporate Auditor

Election of one Substitute Corporate Auditor is proposed, in case the number of Corporate Auditors falls short of the fixed number stipulated in laws and regulations.

The Board of Corporate Auditors has given its approval to this proposal.

The candidate for Substitute Corporate Auditor is as follows:

Name	Career summary, position and important concurrent positions	
<div>New Candidate</div> <div>Gotaro Ichiki</div> <div>Outside Corporate Auditor</div> <div>Independent Auditor</div> <div>● Date of birth: December 4, 1949</div> <div>● Number of shares of the Company held: 0 shares</div>	April 1975	Registered as an attorney-at-law/Joined Sagami Godo Law Office
	June 1983	Joined Hamada & Matsumoto Law Firm (currently Mori Hamada & Matsumoto)
	April 2000	Deputy Secretary General, Japan Federation of Bar Associations
	April 2006	Secretary General, Japan Legal Support Center
	April 2014	Head of Tokyo district office, Japan Legal Support Center
	January 2015	Joined Kowa Law Office (to the present)
	March 2015	Outside Director of Nippon Denko Co., Ltd. (to the present)
	March 2016	Outside Director of Coca-Cola West Co., Ltd.
	April 2016	Supervisory Officer of DBJ Private REIT Inc. (to the present)
	April 2017	Outside Auditor of Coca-Cola West Co., Ltd.
	June 2018	Outside Director of Lotte Holdings Co., Ltd. (to the present)
	(Important Concurrent Positions)	
Kowa Law Office		
Outside Director of Nippon Denko Co., Ltd.		
Supervisory Officer of DBJ Private REIT Inc.		
Outside Director of Lotte Holdings Co., Ltd.		
<u>Reasons for nomination as a candidate for Substitute Outside Corporate Auditor</u>		
Gotaro Ichiki has abundant legal knowledge and experience in the legal circles. At present, he concurrently serves as an Outside Director of Nippon Denko Co., Ltd. and an Outside Director of Lotte Holdings Co., Ltd., etc. Therefore, he possesses abundant experience and knowledge in those areas. Accordingly, we nominated him as a candidate for Substitute Outside Corporate Auditor as we judged that his experience and knowledge can be effectively utilized, although he has not been involved in corporate management except through serving as an Outside Director.		

Notes: 1. No conflict of interest exists between the Company and the above candidate for Substitute Corporate Auditor.

2. Gotaro Ichiki is a candidate for Substitute Outside Corporate Auditor.

3. Gotaro Ichiki satisfies the requirements for independent auditors pursuant to the rules of Tokyo Stock Exchange, Inc. If Gotaro Ichiki assumes the office of Outside Corporate Auditor, the Company will register Gotaro Ichiki as an independent auditor with the said exchange.

4. If Gotaro Ichiki assumes the office of Outside Corporate Auditor, the Company will conclude an agreement with him pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and Article 39 of the Articles of Incorporation of the Company, which provides for that “as for the liability for damage provided for in Article 423, Paragraph 1 of the Companies Act, the liability for damage is limited to the minimum amount set by law as far as he performs his duties as an Outside Corporate Auditor of the Company in good faith and without gross negligence.”

Proposal No. 6: Revision to Remuneration for Outside Directors

As approved at the 74th Ordinary General Meeting of Shareholders held on March 13, 2007, the amount of remuneration for Directors of the Company (excluding Outside Directors) at present is 300 million yen or less per year, and the amount of remuneration for Outside Directors at present is 30 million yen or less per year. In addition to increasing the number of Outside Directors by two for the purpose of further enhancing the supervisory function of the Board of Directors, considering the various circumstances including more significant responsibilities of Outside Directors and increased roles expected of them, the Company requests your approval to change the remuneration limit of Outside Directors to 50 million yen per year.

As before, the amount of remuneration for Directors excluding Outside Directors shall remain at 300 million yen or less per year and shall not include any employee compensation payable to Directors who serve concurrently as employees of the Company.

Currently, the number of Directors is nine (including two Outside Directors) and will remain to be nine (including four Outside Directors), if Proposal No. 3 is approved and passed as proposed.