

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

Securities Code: 9008  
June 5, 2019

To our shareholders:

Yasushi Komura  
President and Representative Director  
**Keio Corporation**  
Location of principal office: 1-9-1 Sekido, Tama-shi,  
Tokyo  
Registered primary office: 3-1-24 Shinjuku,  
Shinjuku-ku, Tokyo

## **NOTICE OF THE 98TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 98th Ordinary General Meeting of Shareholders of Keio Corporation (the “Company”), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by either one of the following two methods. Please indicate your approval or disapproval of the proposals after reviewing the attached Reference Documents for the General Meeting of Shareholders, and exercise voting rights no later than 6:00 p.m., Wednesday, June 26, 2019 (Japan Standard Time).

### **Exercise of Voting Rights via written form (by mail)**

Please indicate your approval or disapproval of the proposals in the enclosed Voting Rights Exercise Form and then return the form to the Company by the above deadline.

### **Exercise of Voting Rights via the Internet**

Please vote via the Company-designated website (<http://www.web54.net>) by the above deadline. For institutional investors, the electronic voting platform operated by ICJ, Inc., is available.

**1. Date and Time:** Thursday, June 27, 2019 at 10:00 a.m. (Japan Standard Time)  
(Reception starts at 9:00 a.m.)

**2. Venue:** Keio Plaza Hotel Hachioji 5F “Sho-oh”  
14-1, Asahi-cho, Hachioji-shi, Tokyo

**3. Purposes:**

**Items to be reported:**

1. Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements for the 98th Term (from April 1, 2018 to March 31, 2019)
2. Results of audit of the Consolidated Financial Statements by the Accounting Auditors and the Audit & Supervisory Board for the 98th Term (from April 1, 2018 to March 31, 2019)

**Items to be resolved:**

- Proposal 1:** Appropriation of surplus
- Proposal 2:** Election of eighteen (18) Directors
- Proposal 3:** Election of one (1) Audit & Supervisory Board Members
- Proposal 4:** Determination Regarding Adoption of the Basic Policy Regarding Countermeasures to Large-Scale Acquisitions of the Company’s Shares (Takeover Defense Measures)

**4. Matters to be Decided Before Meeting:**

- (1) When voting rights are exercised both in writing and via the Internet, the vote received via the Internet shall be deemed effective. However, when voting rights are exercised via the Internet more than once, the last vote shall be deemed effective.
- (2) If you are exercising your voting right by proxy, another shareholder with voting rights to serve as proxy can attend the meeting on your behalf. However, the proxy must submit your Voting Rights Exercise Form and a form stating that you give power of attorney to your proxy.

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1. When attending the meeting, please submit the enclosed Voting Rights Exercise Form. In addition, to conserve resources, please bring this “Notice” with you.
  2. Persons other than shareholders with voting rights, such as proxies who are not also shareholders and accompanying persons, may not enter the hall.
  3. The Company’s officers and staff will be wearing casual attire (“cool biz”), and we ask your understanding. Shareholders are also welcome to dress casually.
  4. When the first hall reaches its capacity, shareholders will be directed to the second hall.
  5. The Company has posted the Notes to Consolidated Financial Statements and Notes to Non-Consolidated Financial Statements on its website as part of its requirement to provide documents in accordance with laws and regulations and with Article 15 of the Articles of Incorporation. Accordingly, these documents are not included in the notice of convocation of this general meeting of shareholders.
  6. In the event of any revisions to the Reference Documents for the General Meeting of Shareholders, Business Reports, Consolidated Financial Statements, and Non-Consolidated Financial Statements by the day prior to the meeting, the revised documents will be posted on the Company website.
  7. A Notice of Resolutions for this general meeting of shareholders will be included in the “KEIO INVESTORS’ GUIDE” to be sent out following the General Meeting of Shareholders.

Company website ▶<https://www.keio.co.jp/>

The Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Accounting Auditors and the Audit & Supervisory Board Members include, in addition to the documents appended to this Notice, the items posted on the Company website, as stated in 5. above.

## Reference Documents for the General Meeting of Shareholders

### Proposals and References

#### **Proposal 1:** Appropriation of surplus

The Company's basic policy is to return profits to our shareholders, taking the Company's performance, etc. into consideration, while enhancing internal reserves necessary to reinforce the management foundation in preparation for future business expansion and changes in the business environment.

Based on this policy, targeting a consolidated dividend payout ratio of 30%, the year-end dividend for the 97th Term shall be as follows:

1. Type and allocation of dividend property, and total amount

¥25 per common share of the Company

Total amount of dividends: ¥3,052,572,900

2. Effective date of distribution of dividends of surplus

June 28, 2019

As the Company has already paid an interim dividend of ¥25 per share, the annual dividend for the fiscal year will be ¥50 per share.

With an effective date of October 1, 2017, the Company conducted a share consolidation at a ratio of one (1) share for five (5) shares of the Company's common stock. If the annual dividend per share for the previous term is calculated from after the share consolidation, the annual dividend for the current term will be ¥47.5 per share (an increase of ¥2.5 over the previous year).

**Proposal 2:** Election of eighteen (18) Directors

The terms of office of all Directors will expire at the conclusion of this meeting. Accordingly, the Company proposes that eighteen (18) Directors be elected. The candidates for Directors are as follows.

Nominee No.	Name		Position and responsibilities in the Company
1	Tadashi Nagata	Reelection	Chairman and Representative Director
2	Yasushi Komura	Reelection	President and Representative Director
3	Kazunori Nakaoka	Reelection	Managing Director, Senior General Manager, Railway Operations Headquarters Special Officer in Charge of Shinjuku Area Development
4	Shunji Ito	Reelection	Managing Director, Senior General Manager, Corporate Management Headquarters, and in Charge of Finance and Information Disclosure
5	Yoshitaka Minami	Reelection	Managing Director, Senior General Manager, Real Estate and Commercial Business Headquarters
6	Kazunari Nakajima	Reelection	Director, General Manager, Real Estate and Commercial Business Headquarters, Hotel Business Strategies Department
7	Toshiki Sakurai	Reelection	Director, Senior General Manager, Strategic Planning Headquarters
8	Yuichiro Terada	Reelection	Director, Deputy Senior General Manager, Railway Operations Headquarters
9	Masaya Yamagishi	Reelection	Director, General Manager, Personnel Department
10	Satoshi Tsumura	Reelection	Director, General Manager, Corporate Management Headquarters, Group Business Management Department
11	Atsushi Takahashi	Reelection Outside Director Independent Officer	Director
12	Takeshi Furuichi	Reelection Outside Director Independent Officer	Director
13	Mamoru Yamamoto	Reelection	Director
14	Ichiro Komada	Reelection	Director
15	So Maruyama	Reelection	Director
16	Akinobu Kawase	Reelection	Director
17	Yotaro Koshimizu	Reelection	Director
18	Katsuyoshi Wakabayashi	New election	

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Tadashi Nagata (January 23, 1952)  [Reelection]	<p>Apr. 1974    Joined the Company</p> <p>June 2000    General Manager, Group Business Management Department</p> <p>June 2002    General Manager, Corporate Planning Headquarters, Group Business Management Department</p> <p>June 2003    General Manager, Personnel Department</p> <p>June 2004    Director, General Manager, Personnel Department</p> <p>June 2005    Director, General Manager, Corporate Planning Headquarters, Management Planning Department</p> <p>June 2007    Managing Director, Senior General Manager, Corporate Planning Headquarters</p> <p>June 2009    President and Representative Director</p> <p>June 2015    Chairman, President and Representative Director</p> <p>June 2016    Chairman and Representative Director (to present)</p>	30,000
<p><b>Reasons for nomination as candidate</b> Tadashi Nagata has extensive business experience in the Group and has the qualifications and knowledge needed for corporate management overall. We expect him to continue contributing to the establishment and implementation of the Group's medium- and long-term strategies, and thus have reelected him for this position.</p> <p><b>Attendance at meetings of the Board of Directors</b> 11/11</p> <p>(Note) There is no special interest between the candidate and the Company.</p>			
2	Yasushi Komura (March 21, 1958)  [Reelection]	<p>Apr. 1980    Joined the Company</p> <p>June 2004    General Manager, Corporate Planning Headquarters, Finance and Accounting Department</p> <p>June 2007    General Manager, Corporate Planning Headquarters, Management Planning Department</p> <p>June 2010    Director, Deputy Senior General Manager, Corporate Planning Headquarters</p> <p>June 2011    Director, Senior General Manager, Corporate Planning Headquarters</p> <p>June 2012    Managing Director, Senior General Manager, Corporate Planning Headquarters</p> <p>June 2013    President and Representative Director of Keio Travel Agency Co., Ltd.</p> <p>June 2013    Director</p> <p>June 2015    Executive Vice President and Representative Director</p> <p>June 2016    President and Representative Director (to present)</p>	18,400
<p><b>Reasons for nomination as candidate</b> Yasushi Komura has extensive business experience in the Group and has the qualifications and knowledge needed for corporate management overall. We expect him to continue contributing to the establishment and implementation of the Group's medium- and long-term strategies, and thus have reelected him for this position.</p> <p><b>Attendance at meetings of the Board of Directors</b> 11/11</p> <p>(Note) There is no special interest between the candidate and the Company.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	<p>Kazunori Nakaoka (February 5, 1960)</p> <p>[Reelection]</p>	<p>Apr. 1983    Joined the Company</p> <p>June 2006    General Manager, SC Business Department</p> <p>June 2009    General Manager, Personnel Department</p> <p>June 2011    General Manager, Corporate Planning Headquarters, Group Business Management Department</p> <p>June 2013    Director, General Manager, Corporate Planning Headquarters, Management Planning Department</p> <p>June 2015    Managing Director Responsible for the Development</p> <p>June 2016    Managing Director, Senior General Manager, Strategic Planning Headquarters and Senior General Manager, Real Estate and Commercial Business Headquarters</p> <p>June 2017    Managing Director, Senior General Manager, Real Estate and Commercial Business Headquarters</p> <p>June 2018    Managing Director, Senior General Manager, Railway Operations Headquarters, and Special Officer in Charge of Shinjuku Area Development (to present)</p>	7,400
<p><b>Reasons for nomination as candidate</b>  Kazunori Nakaoka has primarily worked in the development business and strategic planning operations, and has extensive business experience in the Group, as well as the qualifications and knowledge needed for corporate management overall and for the railway business. We expect him to continue contributing to the establishment and implementation of the Group's medium- and long-term strategies, and thus have reelected him for this position.</p> <p><b>Attendance at meetings of the Board of Directors</b>  11/11</p> <p>(Note) There is no special interest between the candidate and the Company.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
4	<p style="text-align: center;">Shunji Ito (February 14, 1961)</p> <p style="text-align: center;">[Reelection]</p>	<p>Apr. 1983    Joined the Company</p> <p>June 2005    Director of Keio Store Co., Ltd</p> <p>June 2008    Managing Director of Keio Store Co., Ltd.</p> <p>June 2010    General Manager, Corporate Planning Headquarters, Management Planning Department</p> <p>June 2013    Managing Director of Keio Department Store Co., Ltd.</p> <p>June 2015    Director, General Manager, Corporate Planning Headquarters, International Strategies Department</p> <p>June 2016    Director, Deputy Senior General Manager, Corporate Management Headquarters, General Manager, Management Planning Department</p> <p>June 2017    Managing Director, Responsible for the General Affairs and Legal, Public Relations and Personnel Departments, and in Charge of Compliance</p> <p>June 2018    Managing Director, Senior General Manager, Corporate Management Headquarters, and in Charge of Finance and Information Disclosure (to present)</p>	4,500
<p><b>Reasons for nomination as candidate</b>  Shunji Ito has primarily worked in management integration operations and the merchandise sales business, and has extensive business experience in the Group, as well as the qualifications and knowledge needed for corporate management overall and for management integration operations. We expect him to continue contributing to the establishment and implementation of the Group's medium- and long-term strategies, and thus have reelected him for this position.</p> <p><b>Attendance at meetings of the Board of Directors</b>  10/11</p> <p>(Note) There is no special interest between the candidate and the Company.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
5	<p>Yoshitaka Minami (March 5, 1963)</p> <p>[Reelection]</p>	<p>Apr. 1986    Joined the Company</p> <p>June 2009    President and Representative Director of Keio Shokuhin Co., Ltd.</p> <p>June 2011    General Manager, Business Promotion and Development Department</p> <p>Dec. 2011    President and Representative Director of ReBITA Inc.</p> <p>June 2015    General Manager, Corporate Planning Headquarters, Management Planning Department</p> <p>June 2016    Director, General Manager, Strategic Planning Headquarters, Business Innovation Department</p> <p>June 2017    Director, Senior General Manager, Strategic Planning Headquarters</p> <p>June 2018    Managing Director, Senior General Manager, Real Estate and Commercial Business Headquarters (to present)</p>	4,400
<p><b>Reasons for nomination as candidate</b>  Yoshitaka Minami has primarily worked in the development business and strategic planning operations, and has extensive business experience in the Group, as well as the qualifications and knowledge needed for corporate management overall and for personnel and general affairs operations. We expect him to continue contributing to the establishment and implementation of the Group's medium- and long-term strategies, and thus have reelected him for this position.</p> <p><b>Attendance at meetings of the Board of Directors</b>  11/11</p> <p>(Note) There is no special interest between the candidate and the Company.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
6	<p>Kazunari Nakajima (November 3, 1960)</p> <p>[Reelection]</p>	<p>Apr. 1983    Joined the Company</p> <p>June 2008    General Manager, Marketing Strategy Office of Keio Plaza Hotel Co., Ltd.</p> <p>June 2010    General Manager, Hachioji and Tama Business Department of Keio Plaza Hotel Co., Ltd.</p> <p>June 2011    Director of Keio Plaza Hotel Co., Ltd.</p> <p>June 2013    President and Representative Director of Keio Plaza Hotel Sapporo Co., Ltd.</p> <p>June 2016    Director, General Manager, Strategic Planning Headquarters, Hotel Business Strategies Department</p> <p>June 2017    President and Representative Director of KEIO PRELIA HOTEL KYOTO INC. (to present)</p> <p>June 2017    Director, General Manager, Real Estate and Commercial Business Headquarters, Hotel Business Strategies Department (to present)</p> <p>(Significant concurrent positions outside the Company) President and Representative Director of KEIO PRELIA HOTEL KYOTO INC.</p>	2,400
<p><b>Reasons for nomination as candidate</b> Kazunari Nakajima has primarily worked in the hotel business and strategic planning operations, and has extensive business experience in the Group, as well as the qualifications and knowledge needed for corporate management overall and for the hotel business. We expect him to continue contributing to the establishment and implementation of the Group's medium- and long-term strategies, and thus have reelected him for this position.</p> <p><b>Attendance at meetings of the Board of Directors</b> 11/11</p> <p>(Note) There is no special interest between the candidate and the Company.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
7	Toshiki Sakurai (June 23, 1958)  [Reelection]	<p>Apr. 1982     Joined the Ministry of Transport (currently Ministry of Land, Infrastructure, Transport and Tourism)</p> <p>July 2009     Director, General Affairs Division, Railway Bureau, Ministry of Land, Infrastructure, Transport and Tourism</p> <p>Jan. 2013     Deputy General Manager, Corporate Planning &amp; Administration Division, Management Planning of Japan Marine United Corporation</p> <p>July 2013     Senior Deputy Director-General, Maritime Bureau, Ministry of Land, Infrastructure, Transport and Tourism</p> <p>Oct. 2015     Joined the Company</p> <p>June 2016     Deputy Senior General Manager, Strategic Planning Headquarters</p> <p>June 2017     Director, Deputy Senior General Manager, Strategic Planning Headquarters, General Manager, Transit Adjacent Development Department</p> <p>June 2018     Director, Senior General Manager, Strategic Planning Headquarters (to present)</p>	600
<p><b>Reasons for nomination as candidate</b> Toshiki Sakurai has primarily worked in transportation and tourism policies, and has extensive business experience as well as the qualifications and knowledge needed for corporate management overall and for strategic planning operations. We expect him to continue contributing to the establishment and implementation of the Group's medium- and long-term strategies, and thus have reelected him for this position.</p> <p><b>Attendance at meetings of the Board of Directors</b> 11/11</p> <p>(Note) There is no special interest between the candidate and the Company.</p>			
8	Yuichiro Terada (July 28, 1962)  [Reelection]	<p>Apr. 1986     Joined the Company</p> <p>June 2009     General Manager, Railway Operations Headquarters, Structural Engineering Department</p> <p>June 2014     Managing Director of Keio Setsubi Service Co., Ltd.</p> <p>June 2015     President and Representative Director of Keio Setsubi Service Co., Ltd.</p> <p>June 2017     Director, Deputy Senior General Manager, Railway Operations Headquarters (to present)</p>	1,500
<p><b>Reasons for nomination as candidate</b> Yuichiro Terada has primarily worked in the railway business and the facilities management business, and has extensive business experience in the Group as well as the qualifications and knowledge needed for corporate management overall and for the railway business. We expect him to continue contributing to the establishment and implementation of the Group's medium- and long-term strategies, and thus have reelected him for this position.</p> <p><b>Attendance at meetings of the Board of Directors</b> 11/11</p> <p>(Note) There is no special interest between the candidate and the Company.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
9	Masaya Yamagishi (August 10, 1963)  [Reelection]	Apr. 1987      Joined the Company	2,400
		June 2011      Managing Director of Keio Store Co., Ltd. June 2013      President and Representative Director of Restaurant Keio Co., Ltd. June 2016      General Manager, Personnel Department June 2018      Director, General Manager, Personnel Department (to present)	
<p><b>Reasons for nomination as candidate</b> Masaya Yamagishi has primarily worked in personnel operations and the leisure-services business, and has extensive business experience in the Group, as well as the qualifications and knowledge needed for corporate management overall and for merchandise sales operations. We expect him to continue contributing to the establishment and implementation of the Group's medium- and long-term strategies, and thus have reelected him for this position.</p> <p><b>Attendance at meetings of the Board of Directors</b> 9/9</p> <p>(Note) There is no special interest between the candidate and the Company.</p>			
10	Satoshi Tsumura (June 15, 1964)  [Reelection]	Apr. 1988      Joined the Company	1,200
		June 2012      General Manager, Corporate Planning Headquarters, Transit Adjacent Development Department June 2015      President and Representative Director of ReBITA Inc. June 2018      Director, General Manager, Corporate Management Headquarters, Group Business Management Department (to present)	
<p><b>Reasons for nomination as candidate</b> Satoshi Tsumura has primarily worked in strategic planning operations and the real estate business, and has extensive business experience in the Group, as well as the qualifications and knowledge needed for corporate management overall and for Group business management. We expect him to continue contributing to the establishment and implementation of the Group's medium- and long-term strategies, and thus have reelected him for this position.</p> <p><b>Attendance at meetings of the Board of Directors</b> 9/9</p> <p>(Note) There is no special interest between the candidate and the Company.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
11	Atsushi Takahashi (July 23, 1941)  [Reelection] [Outside] [Independent Officer]	<p>Apr. 1965      Joined Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited)</p> <p>June 1991      Director of Sumitomo Trust and Banking Co., Ltd.</p> <p>June 1993      Managing Director of Sumitomo Trust and Banking Co., Ltd.</p> <p>June 1997      Senior Managing Director of Sumitomo Trust and Banking Co., Ltd.</p> <p>Mar. 1998      President and Representative Director of Sumitomo Trust and Banking Co., Ltd.</p> <p>June 2005      Chairman and Representative Director of Sumitomo Trust and Banking Co., Ltd.</p> <p>Apr. 2011      Senior Adviser of Sumitomo Trust and Banking Co., Ltd.</p> <p>June 2011      Outside Director of The Bank of Iwate, Ltd. (to present)</p> <p>June 2011      Outside Director of the Company (to present)</p> <p>Apr. 2012      Senior Adviser of Sumitomo Mitsui Trust Bank, Limited</p> <p>July 2016      Senior Corporate Advisor of Sumitomo Mitsui Trust Bank, Limited</p> <p>July 2018      Honorary Advisor of Sumitomo Mitsui Trust Bank, Limited (to present)</p> <p>(Significant concurrent positions outside the Company) Honorary Advisor of Sumitomo Mitsui Trust Bank, Limited Outside Director of The Bank of Iwate, Ltd.</p>	600
<p><b>Reasons for nomination as candidate for Outside Director</b> Atsushi Takahashi has abundant experience and knowledge as a management executive, and plays an appropriate role in enhancing corporate governance of the Company by providing useful opinion from the external point of view. The Company has nominated him as candidate for Outside Director in order to continue utilizing his experience in providing oversight of management.</p> <p><b>Attendance at meetings of the Board of Directors</b> 11/11</p>			

- Notes:
1. There is no special interest between Atsushi Takahashi and the Company. He served as Director of Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited) until March 2011. That company is in a business relationship with the Company involving borrowing funds, etc., but all of which are based on the same terms and conditions as those for ordinary transactions.
  2. Atsushi Takahashi will have served as an Outside Director of the Company for eight (8) years as of the conclusion of this meeting.
  3. Atsushi Takahashi has executed a limited liability agreement with the Company as stipulated in Article 423, paragraph 1 of the Companies Act. The limited liabilities for damages under the agreement shall be the minimum liability amount stipulated in Article 425, paragraph 1 of the Companies Act. If his election is approved, the Company will extend the limited liability agreement with him.
  4. The Company has designated Atsushi Takahashi as Independent Officer as stipulated in the regulations of the Tokyo Stock Exchange, and registered him as such at the exchange. If he is elected, he will remain Independent Officer.

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
12	Takeshi Furuichi (August 21, 1954)  [Reelection] [Outside] [Independent Officer]	<p>Apr. 1977      Joined Nippon Life Insurance Company</p> <p>July 2004      Director of Nippon Life Insurance Company</p> <p>Jan. 2007      Director and Executive Officer of Nippon Life Insurance Company</p> <p>Mar. 2007      Managing Director of Nippon Life Insurance Company</p> <p>Mar. 2009      Senior Managing Director of Nippon Life Insurance Company</p> <p>Mar. 2010      Representative Director and Senior Managing Director of Nippon Life Insurance Company</p> <p>Mar. 2012      Representative Director and Executive Vice President of Nippon Life Insurance Company</p> <p>June 2016      Outside Director of Aioi Nissay Dowa Insurance Co., Ltd. (to present)</p> <p>June 2016      Outside Director of the Company (to present)</p> <p>July 2016      Representative Director and Vice Chairman of Nippon Life Insurance Company (to present)</p> <p>(Significant concurrent positions outside the Company) Representative Director and Vice Chairman of Nippon Life Insurance Company Outside Director of Aioi Nissay Dowa Insurance Co., Ltd.</p>	600
<p><b>Reasons for nomination as candidate for Outside Director</b> Takeshi Furuichi has abundant experience and knowledge as a management executive, and plays an appropriate role in enhancing corporate governance of the Company by providing useful opinion from the external point of view. The Company has nominated him as candidate for Outside Director in order to continue utilizing his experience in providing oversight of management.</p> <p><b>Attendance at meetings of the Board of Directors</b> 11/11</p>			

- Notes:
1. Takeshi Furuichi serves as Representative Director and Vice Chairman of Nippon Life Insurance Company. That company is in a business relationship with the Company involving borrowing funds, etc., but all of which are based on the same terms and conditions as those for ordinary transactions. In addition, that company conducts a real estate business which is in the line of business of the Company.
  2. Takeshi Furuichi will have served as an Outside Director of the Company for three (3) years as of the conclusion of this meeting.
  3. Takeshi Furuichi has executed a limited liability agreement with the Company as stipulated in Article 423, paragraph 1 of the Companies Act. The limited liabilities for damages under the agreement shall be the minimum liability amount stipulated in Article 425, paragraph 1 of the Companies Act. If his election is approved, the Company will extend the limited liability agreement with him.
  4. The Company has designated Takeshi Furuichi as Independent Officer as stipulated in the regulations of the Tokyo Stock Exchange, and registered him as such at the exchange. If he is elected, he will remain Independent Officer.

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
13	Mamoru Yamamoto (February 7, 1957)  [Reelection]	Apr. 1979    Joined the Company June 2005    General Manager, Public Relations Department June 2007    Director of Keio Department Store Co., Ltd. June 2010    Director, General Manager, Planning and Management Department June 2011    Director, General Manager, Personnel Department June 2013    Managing Director, Senior General Manager, Corporate Planning Headquarters June 2015    Executive Vice President and Representative Director of Keio Plaza Hotel Co., Ltd. June 2015    Director (to present) June 2016    President and Representative Director of Keio Plaza Hotel Co., Ltd. (to present) (Significant concurrent positions outside the Company) President and Representative Director of Keio Plaza Hotel Co., Ltd.	12,100
<p><b>Reasons for nomination as candidate</b>  Mamoru Yamamoto has primarily worked in personnel operations and the merchandise sales business, and has extensive business experience in the Group, as well as the qualifications and knowledge needed for corporate management overall and for the hotel business. We expect him to continue contributing to the establishment and implementation of the Group's medium- and long-term strategies, and thus have reelected him for this position.</p> <p><b>Attendance at meetings of the Board of Directors</b>  11/11</p> <p>(Note) There is no special interest between the candidate and the Company.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
14	<p style="text-align: center;">Ichiro Komada (December 3, 1956)</p> <p style="text-align: center;">[Reelection]</p>	<p>Apr. 1980      Joined the Company</p> <p>June 2004     Director of Keio Travel Agency Co., Ltd.</p> <p>Apr. 2005     Managing Director of Keio Retail Service Co., Ltd.</p> <p>June 2006     President and Representative Director of Keio Retail Service Co., Ltd.</p> <p>June 2008     General Manager, Corporate Planning Headquarters, Group Business Management Department</p> <p>June 2010     Director, General Manager, Corporate Planning Headquarters, Group Business Management Department</p> <p>June 2011     Director, General Manager, Planning and Management Department</p> <p>June 2013     Managing Director Responsible for the Development</p> <p>June 2015     Executive Vice President and Representative Director of Keio Department Store Co., Ltd.</p> <p>June 2015     Director (to present)</p> <p>June 2016     President and Representative Director of Keio Department Store Co., Ltd. (to present)</p> <p>(Significant concurrent positions outside the Company) President and Representative Director of Keio Department Store Co., Ltd.</p>	8,100
<p><b>Reasons for nomination as candidate</b> Ichiro Komada has primarily worked in Group business management and the development business, and has extensive business experience in the Group, as well as the qualifications and knowledge needed for corporate management overall and for the merchandise sales business. We expect him to continue contributing to the establishment and implementation of the Group's medium- and long-term strategies, and thus have reelected him for this position.</p> <p><b>Attendance at meetings of the Board of Directors</b> 11/11</p> <p>(Note) There is no special interest between the candidate and the Company.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
15	So Maruyama (October 5, 1956)  [Reelection]	Apr. 1980    Joined the Company June 2004    Managing Director of Keio Juuki Seibi Co., Ltd. June 2006    Managing Director of Keio Construction Co., Ltd. June 2007    Managing Director of Nishi Tokyo Bus Co., Ltd. June 2008    Senior Managing Director of Nishi Tokyo Bus Co., Ltd. June 2009    President and Representative Director of Nishi Tokyo Bus Co., Ltd. June 2011    Director June 2012    Director, General Manager, General Affairs and Legal Department June 2013    Managing Director, Responsible for the General Affairs and Legal, Public Relations and Personnel Departments June 2016    Managing Director, Senior General Manager, Corporate Management Headquarters, Responsible for the General Affairs and Legal, Public Relations and Personnel Departments June 2017    Managing Director, Senior General Manager, Corporate Management Headquarters June 2018    President and Representative Director of Keio Dentetsu Bus Co., Ltd. (to present) June 2018    Director (to present) (Significant concurrent positions outside the Company) President and Representative Director of Keio Dentetsu Bus Co., Ltd.	11,500
<p><b>Reasons for nomination as candidate</b>            So Maruyama has primarily worked in management integration operations and the bus business, and has extensive business experience in the Group, as well as the qualifications and knowledge needed for corporate management overall and for the bus business. We expect him to continue contributing to the establishment and implementation of the Group's medium- and long-term strategies, and thus have reelected him for this position.</p> <p><b>Attendance at meetings of the Board of Directors</b>            11/11</p> <p>(Note) There is no special interest between the candidate and the Company.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
16	Akinobu Kawase (October 20, 1957)  [Reelection]	Apr. 1980    Joined the Company June 2004    Managing Director of Keio ATMAN Co., Ltd. June 2005    President and Representative Director of Keio ATMAN Co., Ltd. June 2010    General Manager, Business Promotion and Development Department June 2011    Senior Managing Director of Keio Store Co., Ltd. June 2012    President and Representative Director of Keio Store Co., Ltd. (to present) June 2012    Director (to present)  (Significant concurrent positions outside the Company) President and Representative Director of Keio Store Co., Ltd.	4,000
<p><b>Reasons for nomination as candidate</b> Akinobu Kawase has primarily worked in development business and merchandise sales business, and has extensive business experience in the Group, as well as the qualifications and knowledge needed for corporate management overall and the development business. We expect him to continue contributing to the establishment and implementation of the Group's medium- and long-term strategies, and thus have reelected him for this position.</p> <p><b>Attendance at meetings of the Board of Directors</b> 11/11</p> <p>(Note) There is no special interest between the candidate and the Company.</p>			
17	Yotaro Koshimizu (November 21, 1959)  [Reelection]	Apr. 1983    Joined the Company June 2005    Senior Managing Director and Representative Director of Keio Bus Higashi Co., Ltd. June 2009    Director of Keio Dentetsu Bus Co., Ltd. June 2010    Managing Director of Keio Dentetsu Bus Co., Ltd. June 2011    Senior Managing Director of Nishi Tokyo Bus Co., Ltd. June 2012    President and Representative Director of Nishi Tokyo Bus Co., Ltd. June 2016    Director, General Manager, Corporate Management Headquarters, Group Business Management Department June 2018    President and Representative Director of Keio Travel Agency Co., Ltd. (to present) June 2018    Director (to present)  (Significant concurrent positions outside the Company) President and Representative Director of Keio Travel Agency Co., Ltd.	4,900
<p><b>Reasons for nomination as candidate</b> Yotaro Koshimizu has primarily worked in the Group business management and travel business, and has extensive business experience in the Group, as well as the qualifications and knowledge needed for corporate management overall. We expect him to continue contributing to the establishment and implementation of the Group's medium- and long-term strategies, and thus have reelected him for this position.</p> <p><b>Attendance at meetings of the Board of Directors</b> 11/11</p> <p>(Note) There is no special interest between the candidate and the Company.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
18	<p>Katsuyoshi Wakabayashi (July 20, 1963)</p> <p>[New election]</p>	<p>Apr. 1987    Joined the Company</p> <p>June 2011    General Manager, Marketing Strategy Office of Keio Plaza Hotel Co., Ltd.</p> <p>June 2012    General Manager, Management Planning Department of Keio Plaza Hotel Co., Ltd.</p> <p>June 2013    Director of Keio Plaza Hotel Co., Ltd.</p> <p>June 2017    President and Representative Director of Keio Jidosha Co., Ltd. (to present)</p> <p>(Significant concurrent positions outside the Company) President and Representative Director of Keio Jidosha Co., Ltd.</p>	200
<p><b>Reasons for nomination as candidate</b></p> <p>Katsuyoshi Wakabayashi has primarily worked in the bus business and the hotel business, and has extensive business experience in the Group, as well as the qualifications and knowledge needed for corporate management overall and for transportation business. We expect him to contribute to the establishment and implementation of the Group's medium- and long-term strategies, and thus have nominated him as a new candidate for this position.</p> <p>(Note) There is no special interest between the candidate and the Company.</p>			

(Reference)

### **Criteria for Determining the Independence of Outside Officers**

Keio Corporation (hereafter, the “Company”) deems Outside Directors and Outside Audit & Supervisory Board Members (hereafter, “Outside Officers”) to whom none of the following criteria apply to be independent.

1. A business executor (Note 1) at the Company or an affiliated company (hereafter, the “Group”) at present or in the past ten (10) years;
2. An entity for whom the Group is an important business partner (Note 2) or its business executor;
3. An important business partner of the Group (Note 3), or its business executor;
4. A major shareholder (Note 4) of the Group, or its business executor;
5. A major lender (Note 5) for the Group, or its business executor;
6. A person who is employed with the audit firm serving as the Group’s Accounting Auditor;
7. A consultant, lawyer, certified public accountant, tax specialist, or other (a person affiliated with the particular group in the event that the entity receiving the assets is a group) who receives or has received a large amount of money or other assets (Note 6) from the Group excluding a director’s remuneration;
8. An organization that has received a large contribution exceeding a certain amount (Note 7) from the Group, or its business executor;
9. In the event that the Group’s full-time Director or full-time Audit & Supervisory Board Member also serves as an Outside Officer of another company, the officer in question serves as a business executor at that company, that company’s parent company, or a subsidiary;
10. A person to whom (2) through (9) above have applied in the past three (3) years; or
11. The spouse of a person to whom (1) through (10) above apply who has an important position (Note 8) or a relative within two degrees of that person.

- Notes:
1. A business executor refers to a director, executive officer, corporate officer, staff executing business, a manager, or other equivalent person and employee of a corporation or other group.
  2. An entity or its business executor for whom the Group is an important business partner refers to a person or company that received payments from the Group equivalent to 2% or more of the consolidated sales of that party in the most recent business year.
  3. An important business partner of the Group refers to a person or company who pays to the Company an amount equivalent to 2% or more of the Company’s consolidated sales in the most recent business year.
  4. A major shareholder refers to someone who holds 10% or more of the voting rights in the Company directly or indirectly.
  5. A major lender refers to a counterparty that is essential for the Group’s financing and on whom the Group depends to the extent that it has no alternatives.
  6. A large amount of money or other assets refers to an amount of money or assets exceeding ¥10 million per year, other than compensation for directors, on average over the past three (3) business years (in the event that the person receiving the assets is a corporation, association, or other group, an amount of money or assets exceeding 2% of that group’s consolidated sales on average over the past three (3) business years).
  7. A large contribution exceeding a certain amount refers to contributions equivalent to ¥10 million per year on average over the past three (3) years or 30% of the average annual total costs of that organization, whichever is higher.
  8. An important position refers to Director (excluding Outside Director), Audit & Supervisory Board Member (excluding Outside Audit & Supervisory Board Member), and a manager at the rank of General Manager and higher.

**Proposal 3:** Election of one (1) Audit & Supervisory Board Members

The term of office of Audit & Supervisory Board Member Satoshi Mizuno will expire at the conclusion of this meeting. Accordingly, the Company proposes that one (1) Audit & Supervisory Board Member be elected. The candidate for Audit & Supervisory Board Member is as follows.

In addition, the consent of the Audit & Supervisory Board has been obtained for the submission of this proposal.

Name (Date of birth)	Career summary and position in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
Satoshi Mizuno (January 27, 1956)  Reelection	Apr. 1978    Joined the Company June 2003    General Manager, Administration Department of Keio Dentetsu Bus Co., Ltd. June 2004    President and Representative Director of Keio Accounting Co., Ltd. June 2005    General Manager of Internal Audit Department June 2011    Full-time Audit & Supervisory Board Member (to present)	5,200
<b>Reasons for nominating as candidate for Audit &amp; Supervisory Board Member</b> Satoshi Mizuno has business experience in the Finance and Accounting, and possesses considerable knowledge in finance and accounting as well as an abundant experience and wide range of knowledge in the business of the Group, having served as President of a Group company, General Manager of Internal Audit Department, and now serving as a full-time Audit & Supervisory Board Member of the Company. The Company has nominated him for another term with the expectation that he will continue to play an appropriate role in enhancing corporate governance of the Company.  <b>Attendance at meetings of the Board of Directors</b> 11/11 <b>Attendance at meetings of the Audit &amp; Supervisory Board</b> 15/15  There is no special interest between Satoshi Mizuno and the Company.		

**Proposal 4:** Determination Regarding Adoption of the Basic Policy Regarding Countermeasures to Large-Scale Acquisitions of the Company’s Shares (Takeover Defense Measures)

The “Basic Policy regarding Countermeasures to Large-Scale Acquisitions of Company Shares (Takeover Defense Measures)” approved by the 95th Ordinary General Meeting of Shareholders held on June 29, 2016 (the “Former Basic Policy”) and the “Plan for Countermeasures to Large-Scale Acquisitions of Company Shares (Takeover Defense Measures)” (the “Former Plan”) adopted by resolution of the Board of Directors on the same day will expire at the conclusion of this Ordinary General Meeting of Shareholders.

Accordingly, taking into account social and economic developments since the adoption of the Former Plan, the Company proposes to seek, as provided for in Section III below, the shareholders’ approval to reconfirm and approve the content of the Company’s basic policy regarding countermeasures to large-scale acquisitions of company shares (Takeover Defense Measures) under Article 17 of the Company’s Articles of Incorporation (the “Basic Policy”) as “measures to prevent decisions on the Company’s financial and business policies from being controlled by persons deemed inappropriate” (Article 118, Item 3(ii)(2) of the Enforcement Regulations of the Companies Act) in light of the “Basic Policy on Persons Who Control Decisions on the Company’s Financial and Business Policies” (as provided for in the main text of Item 3 of Article 118 of the Enforcement Regulations of the Companies Act) as provided for in Section I below.

In determining the content of the Basic Policy, no substantial changes were made from the former Basic Policy.

(Reference) Outline of this Proposal

This outline is included as a reference to aid in understanding the outline of the takeover defense measures to be introduced by the Company under the Basic Policy. For the details, please refer to the body of the proposal on pages 24 to 37

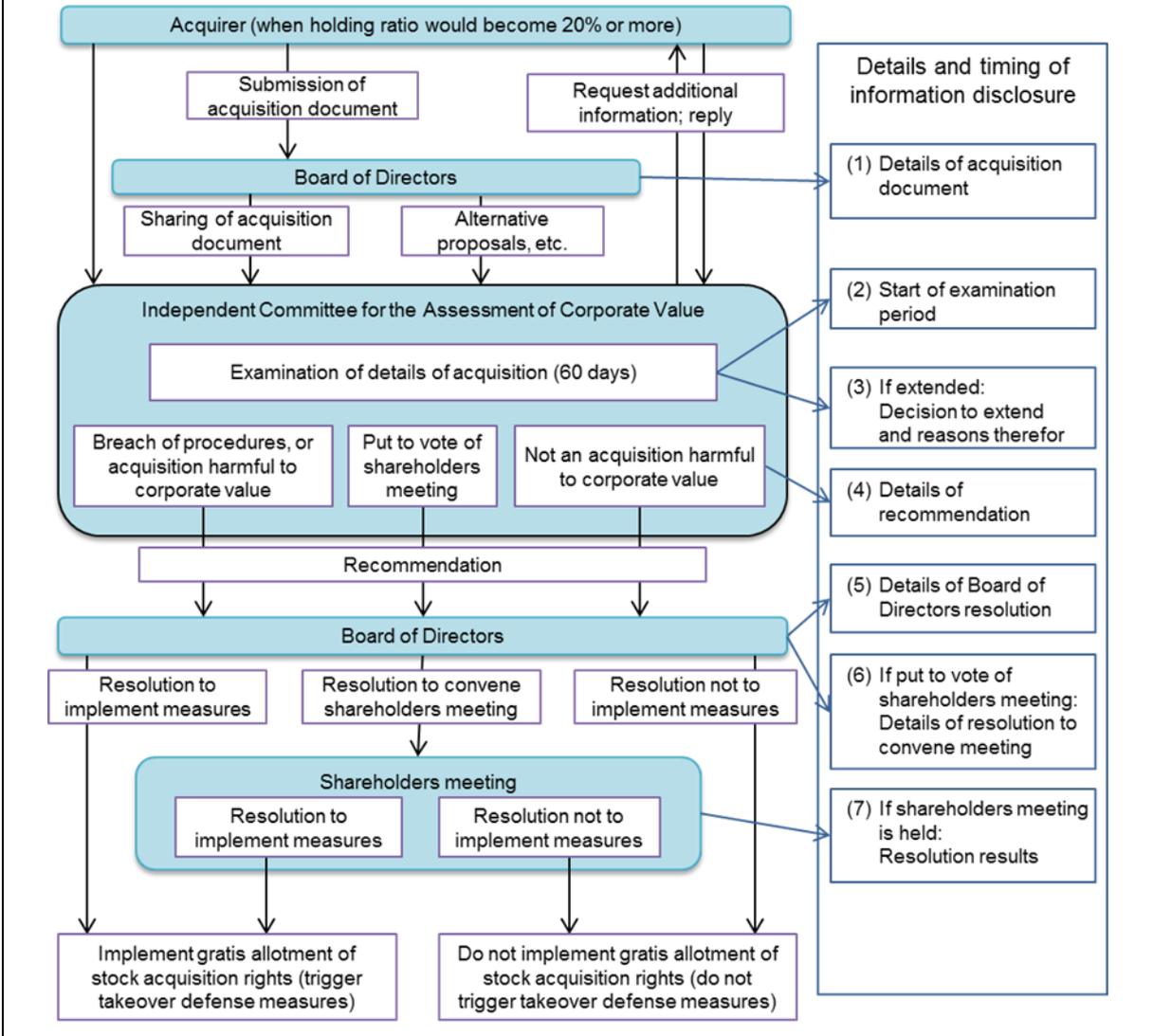
1. Main idea underlying the Company’s Takeover Defense Measures

The Company considers it extremely important to achieve the following matters for the mid- to long-term in order for the Company group to enhance its corporate value and the common interests of its shareholders.

<p><u>Matters to be achieved for the mid- to long-term in order for the Company group to enhance its corporate value and the common interests of its shareholders</u></p> <p>Establish the Company group as the “Top Brand in Trust” by ensuring “safe transportation,” “stable management,” and “sustainable business.”</p> <p>Achieve integrated business management that will bring out our collective strength through organic measures in each business field by the multi-faceted expansion of businesses that are highly related to those established along and around our rail lines.</p>
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The Company will not necessarily reject a large-scale acquisition of Company shares if the acquisition would contribute to the Company group’s corporate value and the common interests of its shareholders. However, there are some forms of acquisition that do not benefit corporate value and the shareholders’ common interests. Therefore, the Company believes it is necessary to develop a framework (Takeover Defense Measures) for deterring acquisitions that are detrimental to the Company’s corporate value and the shareholders’ common interests by securing the necessary time and information for shareholders to decide whether or not to accept the proposed acquisition and by enabling the Board of Directors to negotiate with the large-scale acquirer for the benefit of the shareholders when such acquisitions arise.

2. Diagram of the Company's Takeover Defense Measures (Flow of Main Procedures)



### 3. Features of the Company's Takeover Defense Measures

As set out below, the takeover defense measures to be introduced by the Company ensure the corporate value of the Company and the common interests of its shareholders and is not intended to entrench the Company's executives.

(i) Satisfying the Three Principles Set Out in the "Guidelines Regarding Takeover Defense"

The Basic Policy satisfies the three principles (the principle of protecting and enhancing corporate value and shareholders' common interests, the principle of prior disclosure and shareholders' intent, and the principle of ensuring the necessity and reasonableness) set out in the "Guidelines Regarding Takeover Defense for the Purposes of Ensuring and Enhancing Corporate Value and Shareholders' Common Interests" released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005.

(ii) Structure for Reflecting the Intent of Shareholders

The Basic Policy is approved by a resolution of the shareholders meeting, and the effective period is approximately three years. Even during the effective period, the Basic Policy can be abolished by a resolution of the shareholders meeting or the Board of Directors. Additionally, as the term of office of the Company's directors is one year, the intent of the shareholders can be reflected through annual director elections. Furthermore, the Company will ask the shareholders meeting to resolve on whether to trigger countermeasures if the Company finds it necessary to have the shareholders decide.

(iii) Structure to Emphasize the Decisions of Highly Independent Outside Directors and Audit & Supervisory Board Members

As decisions with respect to the operation of the Basic Policy are substantially made by the Independent Committee for the Assessment of Corporate Value, which is composed only of members who are independent from the management involved in the execution of businesses of the Company, the Company's Board of Directors cannot arbitrarily operate the Basic Policy. Additionally, the Independent Committee for the Assessment of Corporate Value discloses an outline of its decisions to the shareholders, and this ensures that the Basic Policy will be operated according to the corporate value of the Company and the common interests of its shareholders.

(iv) Objective Requirements Must Be Satisfied to Trigger Countermeasures against Large-Scale Acquirers

Countermeasures against a large-scale acquirer cannot be triggered unless the prescribed objective requirements have been satisfied.

(v) No Dead-Hand or Slow-Hand Takeover Defense Measures

The takeover defense measures to be introduced by the Company under the Basic Policy are not dead-hand takeover defense measures (in which even if a majority of the members of the Board of Directors are replaced, the triggering of the measures cannot be stopped) or slow-hand takeover defense measures (in which it takes time to stop the triggering of the measures due to not being able to replace all members of the Board of Directors at once).

End

## **I. Overall Policy on Persons Who Control Decisions on the Company's Financial and Business Policies**

In order to enhance the Company group's corporate value and the common interests of its shareholders, the Company group believes it is essential to ensure "safe transportation," "stable management," and "sustainable business" and, at the same time, to establish the Company group as the "Top Brand in Trust" with the support of our customers, business partners, and other stakeholders. For our group, it is extremely important to have an integrated business management that will bring out our collective strength through an organic combination of each business field by the multi-faceted expansion of businesses that are highly related to those established along and around our rail lines, thereby enhancing value there and endeavoring to establish the Keio brand while acquiring the trust of local communities. We believe that if these elements are not ensured and enhanced over the mid to long term by persons who intend to acquire the Company's shares, the Company's corporate value and the common interests of its shareholders will be harmed. The Company therefore believes that the persons who control decisions on the Company's financial and business policies need to be persons who understand the importance of ensuring and enhancing the Company's corporate value and the common interests of its shareholders over the mid to long term.

The Company will not reject a large-scale acquisition of Company shares out of hand if the acquisition would contribute to the Company group's corporate value and the common interests of its shareholders. Nonetheless, there are some forms of share acquisition that do not benefit corporate value and the shareholders' common interests, such as those with a purpose that would cause clear harm thereto. The Company also believes that it is not always easy for our shareholders to fully understand the elements that comprise the corporate value of the Company, to consider the acquisition from a mid- to long-term perspective, and to appropriately determine the effects of the acquisition on the Company's corporate value and the shareholders' common interests in a short period of time.

Taking into account the matters described above, the Company believes it necessary to develop a framework for deterring acquisitions that are detrimental to the Company's corporate value and the shareholders' common interests by securing the necessary time and information for shareholders to decide whether or not to accept the proposed acquisition and enable the Board of Directors to present an alternative proposal or to negotiate for the benefit of the shareholders in order to respond to acquisitions of the Company's shares when such acquisitions arise.

## **II. Special Measures to Make Effective Use of the Company's Assets, Form an Appropriate Corporate Group, and Otherwise Realize the Overall Policy**

### **1. Measures to Contribute to the Company's Corporate Value**

The Company group strives to establish itself as the "Top Brand in Trust," as set forth in the Keio Group Philosophy, and endeavors to conduct its management in such a way that it contributes to the improvement of its corporate value and the common interests of its shareholders through such means as strengthening the competitiveness of the Company group, ensuring financial soundness, complying with laws, ordinances, and ethical standards, and engaging in activities to contribute to local communities. In order to achieve sustainable growth for the entire group, the Company group will continue the following policies by maintaining and utilizing the management resources, both tangible and intangible, that it has cultivated over many years.

First, as a public transportation company that provides an element of infrastructure that is indispensable to society, the Company group will make ensuring safety its most important task and will fulfill its social responsibilities from a mid- to long-term perspective.

Second, the Company group will engage in multi-faceted efforts to promote the development of its operation sites and to vitalize local communities so that the areas along the Company's rail lines can maintain their energy and vitality into the future.

Third, the Company group will strive to expand and grow into the future by continually implementing policies that fully respond to the diversifying needs and changing lifestyles of our customers.

Fourth, the Company group as a whole will continue measures to fulfill its corporate social responsibilities, including compliance with laws and ordinances and consideration towards the global environment.

Fifth, the Company group will develop its employees, who are the actual bearers of responsibility for “transportation safety,” the source of the group’s corporate value, from a mid- to long-term perspective and will firmly maintain a corporate culture that places the greatest importance on “ensuring safety.”

Sixth, the Company group will strive to implement and complete various measures, such as investment for growth and the selection and concentration of Company businesses based on capital policy that takes the business sustainability into consideration.

## 2. Measures to Strengthen Corporate Governance

Pursuant to the “Basic Policy on Corporate Governance” established by the Company’s Board of Directors, the Company has been promoting the enhancement and strengthening of its corporate governance through prompt and decisive decision-making that ensures transparency and fairness based on the Keio Group Philosophy, thereby securing the trust from its shareholders and all other people with whom it is connected and to achieve sustainable growth and increased mid- to long-term corporate value for the Company group.

The Board of Directors makes decisions on any material matters regarding management as well as matters prescribed in laws and ordinances, and oversees the execution of business. In order to strengthen the management oversight function of the Board, outside directors have been elected, and presidents and other such executives of major group companies have been included as Board members, as well. Additionally, the Board of Directors has appointed special directors and thereby conducts prompt decision-making able to seize each opportunity, and established the Governance Committee and the Nomination and Compensation Committee as advisory bodies to the Board of Directors and endeavors to enhance the group’s governance and ensure managerial transparency.

In order to increase the effectiveness of audits by the Audit & Supervisory Board, highly independent Outside Audit & Supervisory Board Members as well as Audit & Supervisory Board Members with significant expertise in finance, accounting and law have been elected, and the Company has established systems for cooperation between the Audit & Supervisory Board and the accounting auditor, internal audit department, and sections in charge of internal control. Each Audit & Supervisory Board Member conducts audits based on the basic policies prescribed by the Audit & Supervisory Board pursuant to laws, ordinances and other standards, and each Member attends and expresses his or her views as necessary at Board of Directors meetings and other important meetings.

Furthermore, the Company endeavors to enhance group governance systems through regular meetings of the Group Management Council, Keio Group Presidents Council, Group Audit & Supervisory Board, and other such bodies.

### **III. A Measure to Prevent Decisions on the Company’s Financial and Business Policies from being Controlled by Persons Viewed as Inappropriate according to the Overall Policy (i.e., the Basic Policy Regarding Countermeasures to Large-Scale Acquisitions of the Company’s Shares (Takeover Defense Measures) , the “Basic Policy”)**

#### 1. Outline of the Basic Policy

For the purpose of ensuring and enhancing its corporate value and the common interests of its shareholders, the Basic Policy of the Company is to adopt countermeasures to large-scale acquisitions of its shares (takeover defense measures under ordinary times) by (i) separately resolving at a meeting of its Board of Directors specific measures (the “Plan”) in accordance with the details set out in 2 “Framework of the Plan” below, and (ii) widely announcing the details of the Plan such as by including them in timely disclosure to the financial instruments exchanges on which the Company is listed, in disclosure of statutory disclosure documents such as the Company’s business report, or on its website, in order to warn in advance any person who intends to acquire or otherwise obtain the Company’s shares that there are procedures to be followed by such persons and that the Company may implement a gratis allotment of stock acquisition rights (shinkabu yoyakuken musho wariate) with discriminatory exercise conditions and a call provision.

## 2. Framework of the Plan

### (1) Plan Outline

The Company will require any person effecting or proposing to effect an acquisition as set out in (2) below (the “Acquirer”) to effect the acquisition in accordance with the procedures set out in (3) below, and will secure provision of information relating to, and time for examination of, the acquisition. In addition, the Company may, if the situation falls under any of the items set out in (5)(i) below, implement a gratis allotment, to all shareholders at the time excluding the Company, of stock acquisition rights (shinkabu yoyakuken mushou wariate) with terms and conditions set out in (5)(iv) below (the “Stock Acquisition Rights”), including (a) an exercise condition that does not allow the Acquirer to exercise the rights (i.e., a discriminatory exercise condition) and (b) a call provision to the effect that the Company may acquire the stock acquisition rights in exchange for the Company’s shares from persons other than the Acquirer. The Company has also established an Independent Committee for the Assessment of Corporate Value (the “Independent Committee”) (as defined in (6) below) in order to eliminate arbitrary decisions by the Board of Directors of the Company with respect to matters such as the implementation or non-implementation or otherwise of a gratis allotment of Stock Acquisition Rights under the Plan.

### (2) Acquisition Subject to the Plan

The acquisition subject to the Plan is any acquisition that falls under (i) or (ii) below or any similar acts.

- (i) An acquisition that would result in the holding ratio of share certificates, etc. (kabuken tou hoyuu wariai)<sup>1</sup> of a holder (hoyuusha)<sup>2</sup> amounting to at least 20% of the share certificates, etc. (kabuken tou)<sup>3</sup> issued by the Company; or
- (ii) A tender offer (koukai kaitsuke)<sup>4</sup> that would result in the owning ratio of share certificates, etc. (kabuken tou shoyuu wariai)<sup>5</sup> of a person conducting the tender offer and the owning ratio of share certificates, etc. of persons in special relationship (tokubetsu kankei-sha)<sup>6</sup> totaling at least 20% with respect to the share certificates, etc. (kabuken tou)<sup>7</sup> issued by the Company.

### (3) Procedures to be Followed by Acquirer upon Acquisition

Unless otherwise approved by the Board of Directors, an Acquirer, before making acquisitions must submit to the Company in a form prescribed by the Company and in the Japanese language a document (the “Acquisition Document”) which includes information (the “Essential Information”) such as details of the Acquirer, purpose, method and terms of the acquisition, the basis for calculation of the purchase price of the acquisition, financial support for the acquisition, post-acquisition management policy for the Company group, or any other information that the Board of Directors prescribes when making its determination regarding adoption of the Plan, as well as an undertaking that the Acquirer will comply with the procedures set out in the Plan upon the acquisition.

If the Board of Directors receives the Acquisition Document as set out above, it will promptly provide it to the Independent Committee. If the Independent Committee determines that the Acquisition Document does not include sufficient Essential Information, it may request the Acquirer to additionally submit information by setting a reply period, and the Acquirer is required to additionally submit such information within such time period.

In order for the Independent Committee, from a perspective of ensuring and enhancing the Company’s corporate value and the common interests of its shareholders, to compare the Acquisition Document and the Essential Information with the management plan prepared by the Board of Directors and the company valuation conducted by the Board of Directors and to examine alternative proposals by the Board of Directors to the shareholders of the Company, the Independent Committee may also request that the Board of Directors submit its view on the Acquirer’s acquisition terms, materials supporting such view, alternative proposals, and any other information and materials that the Independent Committee considers necessary, by setting a reply period (not in excess of 60 days, in principle) considering the necessary period of time,

such as for the Board of Directors to collect information and examine the company valuation (including examination by third-party experts as necessary).

(4) Examination of Acquisition Terms, Negotiation with the Acquirer and Presentation of Alternative Proposals by the Independent Committee

If the Independent Committee determines that sufficient information was provided to commence its examination under (3) above, it will set an examination period of a maximum of 60 days (and if the Independent Committee does not reach a recommendation under (5)(i) or (5)(ii) below by the end of such period, the Independent Committee may extend the examination period for a maximum of 30 days as necessary; these periods collectively, "Examination Period").

The Independent Committee will evaluate or otherwise examine the terms of the acquisition by the Acquirer during the Examination Period based on the information and materials provided by the Acquirer and the Board of Directors from a perspective of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders. Further, the Independent Committee will, if necessary to enhance the proposed terms of acquisition, directly or indirectly through the Board of Directors or other organs discuss and negotiate with the Acquirer, and/or present to shareholders any alternative proposals of the Board of Directors. If, during the Examination Period, the Independent Committee directly or indirectly through the Board of Directors requests the Acquirer to provide materials for examination or any other information, or to discuss and negotiate with the Independent Committee, the Acquirer must promptly respond to such request.

The Independent Committee may at the cost of the Company obtain advice from third-party experts (including financial advisers, attorneys, certified public accountants or any other experts).

(5) Implementation of the Gratis Allotment of Stock Acquisition Rights

The Company will decide whether to implement or not a gratis allotment of Stock Acquisition Rights after receiving a recommendation by the Independent Committee as follows.

(i) Recommendation for Implementation by the Independent Committee

If the Independent Committee determines that an acquisition falls under any of the items below, it will recommend to the Board of Directors to implement a gratis allotment of Stock Acquisition Rights. However, even in such a case, if the Independent Committee believes it is reasonable to obtain a resolution at a shareholders meeting on whether to implement the gratis allotment of Stock Acquisition Rights, it will recommend the Board of Directors to convene a shareholders meeting and submit to the shareholders' vote a proposal on whether to implement a gratis allotment of Stock Acquisition Rights.

(a) If the Acquirer does not comply with the procedures for securing the provision of information and the time for examination for considerations set out in (3) above or other procedures prescribed in the Plan;

(b) If, as a result of evaluating, considering or otherwise examining the information, materials or other documents provided by the Acquirer and the Board of Directors, and discussion, negotiation or other communication with the Acquirer, the Independent Committee determines that the acquisition by the Acquirer falls under any of the items (A) through (G) below and that it is reasonable to implement a gratis allotment of Stock Acquisition Rights.

(A) An acquisition that threatens to cause clear harm to the corporate value of the Company and the common interests of its shareholders through the following or similar acts thereto:

a. Buyout of share certificates, etc. to require the Company to buy back such share certificates, etc. at a high price.

- b. Conduct of management that exploits the Company group for the Acquirer, such as temporary control of the Company's management for the low-cost acquisition by the Acquirer of the material assets of the Company group.
  - c. Exploitation of the Company group's assets to secure or repay debts of the Acquirer or its group company.
  - d. Temporary control of the Company's management to dispose of high-value assets that have no current relevance to the Company group's business and paying temporarily high dividends from the profits of such disposal, or selling the shares at a high price taking advantage of the opportunity from the sudden rise in share price created by such temporary high dividends.
- (B) An acquisition that threatens to have the effect of coercing shareholders into selling share certificates, etc., such as coercive two-tiered tender offers (meaning acquisitions of shares including tender offers that do not offer to acquire all shares in the first step acquisition, and set acquisition terms in the second step that are unfavorable to shareholders or do not set clear terms for the second step).
  - (C) An acquisition that does not provide reasonable time necessary for the Company to present alternative proposals against the acquisition.
  - (D) An acquisition that does not sufficiently provide the Essential Information or any other information reasonably necessary for the shareholders to make a judgment on the details of acquisition terms.
  - (E) An acquisition whose terms (including amount and type of consideration to be offered, the timing of acquisition, the legality of the acquisition method, the probability of the acquisition being effected, post-acquisition management policies dealing with the Company group's customers, business partners, employees or other stakeholders in the Company group) are inadequate or inappropriate in light of the Company's intrinsic value.
  - (F) An acquisition that provides inadequate and inappropriate details of post-acquisition management policies and business plans proposed by the Acquirer, and thus threatens to cause significant impediments to securing the safety or public accessibility of the railway business or to securing customers' interests.
  - (G) An acquisition that materially threatens to be contrary to the corporate value of the Company and the common interests of shareholders, by among others destroying relationships with the Company group's employees, business partners and the like or the Company group's corporate culture, which are indispensable to generate the Company's corporate value.

Notwithstanding the foregoing, even after the Independent Committee has already made a recommendation for the implementation of a gratis allotment of Stock Acquisition Rights, if the Acquirer withdraws the acquisition or the acquisition otherwise ceases to exist after the recommendation or if the Independent Committee determines that the acquisition by the Acquirer no longer falls under (a) or (b) above due to change in the facts or circumstances upon which the recommendation above was made, it may make a different decision including to cancel the gratis allotment of Stock Acquisition Rights or to acquire all Stock Acquisition Rights for no consideration and make a new recommendation to the Board of Directors.

(ii) Recommendation for Non-Implementation by the Independent Committee

If the Independent Committee determines that an acquisition by the Acquirer falls under neither (i)(a) or (i)(b) above, it will recommend to the Board of Directors for non-implementation of a gratis allotment of Stock Acquisition Rights.

However, even after the Independent Committee has already made a recommendation for the non-implementation of a gratis allotment of Stock Acquisition Rights, if the Independent Committee determines that the acquisition by the Acquirer falls under (i)(a)

or (i)(b) above due to change in the facts or circumstances upon which the recommendation above was made, it may make a different decision including to implement the gratis allotment of Stock Acquisition Rights and make a new recommendation to the Board of Directors.

(iii) Board of Directors Respecting the Recommendation by the Independent Committee

The Board of Directors will respect to the maximum extent any recommendation by the Independent Committee made in accordance with (i) and (ii) above, and, will promptly pass a resolution with respect to the implementation or non-implementation of a gratis allotment of Stock Acquisition Rights as the corporate body to make such decision under the Companies Act of Japan.

If the Board of Directors receives a recommendation from the Independent Committee to convene a shareholders meeting and submit to a vote a proposal on whether to implement a gratis allotment of Stock Acquisition Rights, it must, unless it is practically and significantly difficult to hold a shareholders meeting, promptly convene a shareholders meeting so that the meeting can be held as soon as practicably possible and submit to a vote a proposal on whether to implement a gratis allotment of Stock Acquisition Rights.

(iv) Action to be Taken by the Board of Directors after the Resolution at the Shareholders Meeting

If a shareholders meeting is convened following a recommendation by the Independent Committee and a proposal on whether to implement a gratis allotment of Stock Acquisition Rights is approved at the shareholders meeting, the Board of Directors will execute procedures necessary for the implementation of the gratis allotment of Stock Acquisition Rights in accordance with the resolution at the shareholders meeting. (If the shareholders meeting resolves to delegate the Board of Directors to make decisions on matters with respect to the gratis allotment of Stock Acquisition Rights, then the Board of Directors will resolve on the implementation of a gratis allotment of Stock Acquisition Rights.) If the proposal on a gratis allotment of stock Acquisition Rights is rejected at the shareholders meeting, then the Board of Directors will pass a resolution for the non-implementation of the gratis allotment of Stock Acquisition Rights.

(v) Prohibited Period of Acquisition by the Acquirer

The Acquirer must not effect the acquisition until after the Board of Directors resolves to implement or not to implement the gratis allotment of Stock Acquisition Rights or, if a shareholders meeting set out above is to be held, until after the shareholders meeting passes a resolution in favor of or rejecting the proposal for a gratis allotment of Stock Acquisition Rights.

(vi) Major Terms of a Gratis Allotment of Stock Acquisition Rights

The major terms of a gratis allotment of Stock Acquisition Rights will be as described below.

(a) Number of Stock Acquisition Rights

The Company will implement a gratis allotment of Stock Acquisition Rights in a number equivalent to the final and total number of issued shares in the Company (excluding the number of shares in the Company held by the Company at that time) on the date of allotment (the "Allotment Date") that is separately determined by the Board of Directors or the shareholders meeting in the resolutions for the implementation of the gratis allotment of Stock Acquisition Rights (the "Gratis Allotment Resolution").

(b) Shareholders Eligible for Allotment

The Company will make a gratis allotment of the Stock Acquisition Rights to those shareholders of the Company, other than the Company, who are recorded in the Company's final register of shareholders on the Allotment Date, at a ratio of one Stock Acquisition Right for each share in the Company held by each such shareholder.

(c) Effective Date of Gratis Allotment of Stock Acquisition Rights

The date of the gratis allotment of Stock Acquisition Rights will be such date as separately determined in the Gratis Allotment Resolution.

(d) Number of Shares to be Issued upon Exercise of the Stock Acquisition Rights

The number of shares<sup>8</sup> in the Company to be issued upon exercise of each Stock Acquisition Right (which are book-entry transfer shares as provided for in Article 128, Paragraph 1 of the Act on Book-Entry of Company Bonds, Shares, Etc. and to which the provisions of such Act apply) will, unless adjusted otherwise, be one share per Stock Acquisition Right.

(e) Amount of Contribution upon Exercise of the Stock Acquisition Rights

Contribution upon exercise of the Stock Acquisition Rights is cash, and the amount per share in the Company to be contributed upon exercise of the Stock Acquisition Rights will be such amount as separately determined in the Gratis Allotment Resolution within the range of a minimum of one yen and a maximum of any amount equivalent to one-half of the fair market value of one share in the Company.

(f) Exercise Period of the Stock Acquisition Rights

The commencement date will be the effective date of the gratis allotment of Stock Acquisition Rights or such date as separately determined in the Gratis Allotment Resolution, and the period will be such period from one month to two months as separately determined in the Gratis Allotment Resolution.

(g) Conditions for the Exercise of the Stock Acquisition Rights

A person falling under (A) through (F) below (collectively, "Non-Qualified Parties") may not exercise the Stock Acquisition Rights in principle.

(A) Specified Large Holders<sup>9</sup>

(B) Joint Holders<sup>10</sup> of (A) above

(C) Specified Large Purchasers<sup>11</sup>

(D) Persons in special relationship with (C) above

(E) Any assignee of or successor to the Stock Acquisition Rights of any person falling under (A) through (D) without the approval of the Board of Directors

(F) Any affiliated party<sup>12</sup> of any person falling under (A) through (E)

(h) Restrictions on Assignment of the Stock Acquisition Rights

Any acquisition of the Stock Acquisition Rights by assignment requires the approval of the Board of Directors.

(i) Events of Acquisition of the Stock Acquisition Rights by the Company

(A) At any time on or before the day immediately prior to the commencement date of the Exercise Period of the Stock Acquisition Rights, the Company may acquire all of the Stock Acquisition Rights for no consideration.

(B) On such date as separately determined by the Board of Directors, the Company may acquire all of the Stock Acquisition Rights that have not been exercised and are held by a person other than Non-Qualified Parties and, in exchange, deliver one share of common stock in the Company for each Stock Acquisition Right (unless adjusted otherwise). If, on or after the date upon which such acquisition has taken place, the Board of Directors recognizes the existence of any person other than Non-Qualified Parties that holds Stock Acquisition Rights, the Company may separately acquire all of the Stock Acquisition Rights held by those persons. The Company will carry out the same procedures thereafter.

(C) Events and conditions for acquisition of the Stock Acquisition Rights by the Company other than the above will be separately determined in the Gratis Allotment Resolution.

(j) Other Terms

Other terms of the Stock Acquisition Rights will be separately determined in the Gratis Allotment Resolution.

(6) Independent Committee

The Independent Committee is composed of at least three members who are independent from the management involved in the execution of the businesses of the Company. The members will be selected, and publicly announced, by the Board of Directors from among the Outside Directors of the Company, Outside Audit & Supervisory Board Members of the Company, or third-party experts (who must be experienced corporate managers, former public officials, persons with knowledge of the investment banking industry, attorneys, certified public accountants, researchers or scholars, or persons of similar qualifications).

For resolutions of the Independent Committee to pass will require, as a general rule, a majority vote when all members of the Independent Committee are in attendance. However, in unavoidable circumstances such that a member is unable to attend due to an incident, a resolution may be passed with a majority vote when a majority of the members of the Independent Committee is in attendance.

Any other matters with respect to the Independent Committee will be separately determined by the Board of Directors.

(7) Information Disclosure

(a) Progress of Procedure Set Out in the Plan

The Board of Directors or the Independent Committee will disclose information on matters that the Independent Committee considers appropriate including the matters set out below promptly upon such matters occurring.

- (A) The fact that an Acquirer has emerged
- (B) The fact that the Acquisition Document has been submitted by the Acquirer and an outline of the content thereof
- (C) The fact that the Essential Information has been submitted by the Acquirer and an outline of the content thereof
- (D) The fact that the Examination Period has commenced
- (E) The fact that a resolution to extend the Examination Period has passed, as well as an outline of the reason for the extension
- (F) The fact that the Independent Committee made a recommendation, as well as an outline of the reason for the recommendation and an outline of the content of the recommendation (or, if the Independent Committee made a new recommendation due to change in the facts or circumstances upon which the recommendation was made, the fact that the Independent Committee made a new recommendation, an outline of the reason for the new recommendation and an outline of the content of the new recommendation)

(b) Implementation or Non-Implementation of a Gratis Allotment of Stock Acquisition Rights

The Board of Directors will disclose information on the matters set out below promptly upon such matters occurring.

- (A) If the Board of Directors passes a resolution for the implementation or non-implementation of a gratis allotment of Stock Acquisition Rights, an outline of the resolution and other matters that the Board of Directors considers appropriate

(B) If the Board of Directors passes a resolution to convene a shareholders meeting to which a proposal on whether to implement a gratis allotment of Stock Acquisition Rights is submitted to a vote, an outline of the resolution and other matters that the Board of Directors considers appropriate

(C) If the shareholders meeting passes a resolution for the implementation or non-implementation of a gratis allotment of Stock Acquisition Rights, an outline of the resolution and other matters that the Board of Directors considers appropriate

(8) Abolishment of the Plan

If the Board of Directors passes a resolution to abolish the Plan, the Plan will be abolished at the time of that resolution.

(9) Miscellaneous

The details of the Plan other than these set out in (1) through (8) above will be as separately determined by the resolution in which the Board of Directors adopts the Plan.

3. Effective Period of the Basic Policy

The Effective Period of the Basic Policy will be the period until the conclusion of the Ordinary General Meeting of Shareholders relating to the last fiscal year ending within three years of the conclusion of this Ordinary General Meeting of Shareholders.

However, if, even before the expiration of the Effective Period, a shareholders meeting of the Company passes a resolution to revise or abolish the Basic Policy, the Basic Policy will be revised or abolished at the time of that resolution in accordance therewith, in which case, the Plan will promptly be revised in line with the revised Basic Policy or abolished.

**IV. Impact on Shareholders and Investors; the Board of Directors' Decision Regarding Above Measures and Reason therefor**

The details of the Basic Policy are as described in Section III above. The impact on shareholders and investors and the Board of Directors' decision and the reason therefor regarding the abovementioned measure are as follows. The Company asks the shareholders to vote in favor of this Proposal by taking into account the following factors as well.

1. Impact on Shareholders and Investors

(1) Impact on Shareholders and Investors at the Time when the Basic Policy and the Plan are adopted

As gratis allotment of Stock Acquisition Rights will not be implemented at the time when the determinations are made with respect to the adoption of the Basic Policy and the Plan, they will have no direct and specific impact on the rights or interests of shareholders and investors.

(2) Impact on Shareholders and Investors at the Time of the Gratis Allotment of Stock Acquisition Rights

If the determination with respect to the adoption of the Plan is made and a gratis allotment of Stock Acquisition Rights in accordance with the procedures set out in the Plan is implemented, the Company will make a gratis allotment of Stock Acquisition Rights to those shareholders of the Company (other than the Company) as of the Allotment Date that is separately determined in the Gratis Allotment Resolution for one Stock Acquisition Right per share in the Company held by those shareholders. If the Company's shareholders do not pay the amount equivalent to the prescribed exercise price or otherwise do not carry out procedures in relation to the exercise of the Stock Acquisition Rights within the Exercise Period thereof, the shares they hold in the Company may be diluted by the exercise of Stock Acquisition Rights by other shareholders. However, there may be a case where the Company acquires the Stock Acquisition Rights of all shareholders other than Non-Qualified Parties and, in exchange, deliver shares in the Company if so determined by the Board of Directors. If the Company carries out such acquisition procedures, all shareholders other than Non-Qualified Parties will come to receive shares in the Company as a consideration for the acquisition by the Company of the stock Acquisition Rights without exercising their Stock Acquisition Rights and paying an amount equivalent to the

exercise price, and therefore no dilution of the value of the shares in the Company they hold will occur.

In addition, if, even after the Company's Board of Directors passes a Gratis Allotment Resolution, the Company cancels the gratis allotment of Stock Acquisition Rights or acquires all the Stock Acquisition Rights for no consideration, no dilution of the value per share in the Company held by the shareholders will occur, and it would be likely that some shareholders or investors who have sold or bought or otherwise disposed of the shares in the Company based on the premises that such dilution would occur may suffer an unforeseen damages as a result of a fluctuation in the share price.

## 2. The Board of Directors' Decision and Reasons therefor with respect to the Above Measures

### (1) Special Measures to Realize the Overall Policy in Section I above (i.e., Measures set out in Section II above)

The measures set out in section II above that are to enhance its corporate value and strengthen its corporate governance have been established as specific measures to continuously and sustainably enhance the Company's corporate value and the common interests of its shareholders, and would contribute to realize the overall policy set out in Section I above.

Therefore, these measures are in line with the overall policy set out in Section I and the common interests of the Company's shareholders, and are not for the purpose of entrenching the status of the Company's executives.

### (2) A Measure to Prevent Decisions on the Company's Financial and Business Policies from being Controlled by Persons Viewed as Inappropriate according to the overall policy in Section I above (i.e., Measures set out in Section III above, the Basic Policy)

#### (i) The Basic Policy is in line with the overall policy set out in Section I

The Basic Policy sets a framework for maintaining the corporate value of the Company and the common interests of its shareholders in case of the acquisition of shares of the Company by ensuring that necessary time and information is made available for the shareholders to decide whether or not to accept such acquisition and for the Board of Directors to present an alternative proposal to the shareholders, and by enabling the Board of Directors to discuss or negotiate with the Acquirer for the benefit of the shareholders, and therefore it is in line with the overall policy set out in Section I.

#### (ii) Such a Measure is not Detrimental to the Common Interests of the Company's Shareholders and is not Intended to Entrench the Company's Executives

The Company believes that, when viewed in light of the overall policy set out in Section I above, the Basic Policy is not detrimental to the common interests of the Company's shareholders and is not intended to entrench the Company's executives

#### (a) Satisfying the Requirements of the Guidelines for Takeover Defense Measures

The Basic Policy satisfies the three principles set out in the Guidelines Regarding Takeover Defense for the Purposes of Ensuring and Enhancing Corporate Value and Shareholders' Common Interests released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005.

#### (b) Placing High Value on the Intent of Shareholders

The Basic Policy will be determined when approved at this Ordinary General Meeting of Shareholders as described above. Further, as set out above in III.3. "Effective Period of the Basic Policy," the Basic Policy is subject to a so-called sunset clause setting the Effective Period as approximately three years and the shareholders meeting may, even before the expiration of the Effective Period of the Basic Policy, resolve to revise or abolish the Basic Policy. The Board of Directors, the members of which are composed of those Directors who are elected by the Company's shareholders meeting, may also abolish the Plan before the expiration of the Effective Period by passing a resolution to that effect. Accordingly, the intent of the Company's

shareholders is duly reflected in the Basic Policy as well as in the Plan as determined in accordance therewith.

(c) Emphasis on the Decisions of Outside and Independent Persons and on Information Disclosure

As set out in III.2.(5) “Implementation of the Gratis Allotment of Stock Acquisition Rights” and III.2.(6) “Independent Committee” above, the Basic Policy states that decisions with respect to matters such as the implementation of the gratis allotment of Stock Acquisition Rights must substantially be made by the Independent Committee that is composed only of members who are independent from the management involved in the execution of businesses of the Company. As such, the Independent Committee will maintain strict oversight of the Company’s Board of Directors so that the Board of Directors does not arbitrarily implement a gratis allotment of Stock Acquisition Rights. In addition, an outline of its decisions will be disclosed to the shareholders as set out in III.2.(7) “Information Disclosure.” Accordingly, it is ensured that the Plan will be operated according to the corporate value of the Company and the common interests of its shareholders.

Please note that if this Ordinary General Meeting of Shareholders votes in favor of the Basic Policy and the Board of Directors makes a determination to adopt the Plan, the following four members, namely, Outside Director Atsushi Takahashi and Outside Audit & Supervisory Board Members Keiko Kitamura, Masashi Kaneko and Hiroshi Takekawa, will assume positions as members of the Independent Committee. Please see their profiles in 3. “Profiles of the Candidates for the Members of the Independent Committee for the Assessment of Corporate Value” below. All four candidates are registered with Tokyo Stock Exchange, Inc. as independent officers.

(d) Establishment of Reasonable and Objective Requirements

As set out above in Section III.2.(5)(i) “Recommendation for Implementation by the Independent Committee,” the Basic Policy provides that the gratis allotment of Stock Acquisition Rights will not be implemented unless prescribed reasonable and objective detailed requirements have been satisfied, and it can be said that this ensures a structure to eliminate arbitrary implementation by the Company’s Board of Directors.

(e) Obtaining Opinions of Third-Party Experts

As set out above in III.2.(4) “Examination of Acquisition Terms, Negotiation with the Acquirer and Presentation of Alternative Proposals by the Independent Committee,” if an Acquirer emerges, the Independent Committee may obtain advice from independent third-party experts (including financial advisers, attorneys, certified public accountants or any other experts) at the Company’s expense. This mechanism even further ensures the fairness and objectivity of the determinations made by the Independent Committee.

(f) Term of Office of the Directors is One Year

The Company has set the term of office of the Directors to be one year. Therefore, even during the Effective Period of the Basic Policy, the shareholders may reflect their intentions regarding the Basic Policy and the Plan when they elect the Directors of the Company each year.

(g) No Dead-Hand or Slow-Hand Takeover Defense Measures

As set out in III.2.(8) “Abolishment of the Plan,” the Plan is designed so that the Plan may be abolished by a resolution by the Board of Directors composed of Directors who are elected at the Company’s shareholders meeting. Therefore, the Plan is not a dead-hand takeover defense measure (a takeover defense measure in which even if a majority of the members of the Board of Directors are replaced, the triggering of the measure cannot be stopped). Also, as the Company has not adopted a system of staggered terms of office for the Board of Directors, the Plan is not a slow-hand

takeover defense measure either (a takeover defense measure in which triggering takes time to stop due to the system in which all members of the Board of Directors cannot be replaced at once).

### 3. Profiles of the Candidates for the Members of the Independent Committee for the Assessment of Corporate Value

Atsushi Takahashi            Outside Director

Brief Profile:

Born in 1941

Apr. 1965    Joined The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited)

Mar. 1998    President of The Sumitomo Trust and Banking Co., Ltd.

June 2005    Chairman of the Board of The Sumitomo Trust and Banking Co., Ltd.

Apr. 2011    Senior Adviser of The Sumitomo Trust and Banking Co., Ltd.

June 2011    Outside Director of the Company (to present)

June 2011    Independent Committee for the Assessment of Corporate Value of the Company (to present)

Apr. 2012    Senior Adviser of Sumitomo Mitsui Trust Bank, Limited

July 2016    Senior Corporate Adviser of Sumitomo Mitsui Trust Bank, Limited

July 2018    Honorary Adviser of Sumitomo Mitsui Trust Bank, Limited (to present)

Note:    Mr. Atsushi Takahashi is an Outside Director of the Company under Article 2, Item (xv) of the Companies Act of Japan.

There is no special interest between Mr. Atsushi Takahashi and the Company.

The Company has designated Mr. Atsushi Takahashi as an Independent Director as defined in the rules of the Tokyo Stock Exchange and registered him with Tokyo Stock Exchange, Inc.

Keiko Kitamura            Outside Audit & Supervisory Board Member

Brief Profile:

Born in 1945

Apr. 1974    Assistant Professor, Faculty of Commerce, Chuo University

Apr. 1981    Professor, Faculty of Commerce, Chuo University

Nov. 1997    Dean, Faculty of Commerce, Chuo University

July 1999    Member of the Justice System Reform Council

July 2001    Director of Financial Accounting Standards Foundation

Apr. 2002    Member of the Legislative Council of the Ministry of Justice

Aug. 2003    Member of the Tokyo District Court Committee

Apr. 2004    Vice President of Chuo University

Jan. 2006    Experts Committee Member of the Graduate School Committee of the Universities Subcommittee of the Central Council for Education

Nov. 2006    Member of the Government Tax Commission

June 2007    Independent Committee for the Assessment of Corporate Value of the Company (to present)

June 2011    Director of Financial Accounting Standards Foundation

June 2014    Outside Audit & Supervisory Board Member of the Company (to present)

Apr. 2016    Honorary Professor, Chuo University (to present)

Note:    Ms. Keiko Kitamura is an Outside Audit & Supervisory Board Member of the Company under Article 2, Item (xvi) of the Companies Act of Japan.

There is no special interest between Ms. Kitamura and the Company.

The Company has designated Ms. Kitamura as an Independent Audit & Supervisory Board Member as defined in the rules of the Tokyo Stock Exchange and registered her with Tokyo Stock Exchange, Inc.

Masashi Kaneko                      Outside Audit & Supervisory Board Member

Brief Profile:

Born in 1954

- Apr. 1986    Admitted to practice law in Japan (registered with Tokyo Bar Association) (to present)
- June 2006    Committee Chair of the Special Committee on Measures against Racketeering through Intercession in Civil Disputes of the Japan Federation of Bar Associations
- Apr. 2008    Vice-President of the Tokyo Bar Association
- June 2014    Outside Audit & Supervisory Board Member of the Company (to present)
- June 2014    Independent Committee for the Assessment of Corporate Value of the Company (to present)

Note:    Mr. Masashi Kaneko is an Outside Audit & Supervisory Board Member of the Company under Article 2, Item (xvi) of the Companies Act of Japan.

There is no special interest between Mr. Kaneko and the Company.

The Company has designated Mr. Kaneko as an Independent Audit & Supervisory Board Member as defined in the rules of the Tokyo Stock Exchange and registered him with Tokyo Stock Exchange, Inc.

Hiroshi Takekawa                      Outside Audit & Supervisory Board Member

Brief Profile:

Born in 1964

- Apr. 1988    Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)
- June 2015    Executive Officer of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.)
- July 2015    Executive Officer of Mitsubishi UFJ Financial Group, Inc.
- June 2018    Outside Audit & Supervisory Board Member of the Company (full-time) (to present)
- June 2018    Independent Committee for the Assessment of Corporate Value of the Company (to present)

Note:    Mr. Hiroshi Takekawa is an Outside Audit & Supervisory Board Member of the Company under Article 2, Item (xvi) of the Companies Act of Japan.

There is no special interest between Mr. Takekawa and the Company.

As a result of his appointment as Outside Audit & Supervisory Board Member of the Company (full-time), Mr. Takekawa resigned from his position as Executive Officer of Mitsubishi UFJ Financial Group, Inc. and of MUFG Bank, Ltd.

The Company has designated Mr. Takekawa as an Independent Audit & Supervisory Board Member as defined in the rules of the Tokyo Stock Exchange and registered him with Tokyo Stock Exchange, Inc.

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<sup>1</sup> “Holding ratio of share certificates, etc.” means as defined in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act of Japan. The same applies throughout this Proposal.

<sup>2</sup> Including persons described as a holder under Article 27-23, Paragraph 3 of the Financial Instruments and Exchange Act of Japan (including persons who are deemed to fall under the applicable person above by the Board of Directors). The same applies throughout this Proposal.

<sup>3</sup> “Share certificates, etc.” means as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act of Japan. The same applies throughout this Proposal, unless otherwise provided for in this Proposal.

<sup>4</sup> “Tender offer” means as defined in Article 27-2, Paragraph 6 of the Financial Instruments and Exchange Act of Japan. The same applies throughout this Proposal.

<sup>5</sup> “Owning ratio of share certificates, etc.” means as defined in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act of Japan. The same applies throughout this Proposal.

<sup>6</sup> “Person in special relationship” means as defined in Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act of Japan (including persons who are deemed to fall under the applicable person by the Board of Directors), provided, however, that persons provided for in Article 3, Paragraph 2 of the Cabinet Office Regulations concerning Disclosure of a

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Tender Offer by an Acquirer other than the Issuing Company are excluded from the persons described in Article 27-2, Paragraph 7(i) of the Financial Instruments and Exchange Act of Japan. The same applies throughout this Proposal.

<sup>7</sup> “Share certificates, etc.” means as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan.

<sup>8</sup> Even if in the future the Company becomes a company with class shares (as defined in Article 2, Item (xiii) of the Companies Act of Japan), both (i) the shares in the Company to be issued upon exercise of Stock Acquisition Rights and (ii) the shares to be delivered in exchange for acquisition of the Stock Acquisition Rights by the Company are the same class of stock as the stock that has been issued by the Company at the time of the commencement of this Ordinary General Meeting of Shareholders, which is common stock.

<sup>9</sup> “Specified large holder” means a party who is a holder of share certificates, etc. issued by the Company and whose holding ratio of share certificates, etc. in respect of such share certificates, etc. is recognized by the Board of Directors to be at least 20%.

<sup>10</sup> “Joint holders” are as defined in Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act of Japan, including persons recognized by the Board of Directors to be a joint holder under Article 27-23, Paragraph 6 of the Financial Instruments and Exchange Act of Japan.

<sup>11</sup> “Specified large purchaser” means a person who makes a public announcement of purchase, etc. (as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan; the same applies in this footnote) of share certificates, etc. (as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan; the same applies in this footnote) issued by the Company through a tender offer and whose ratio of owning of share certificates, etc. in respect of such share certificates, etc. owned by such person after such purchase, etc. (including similar ownership as prescribed in Article 7, Paragraph 1 of the Order of Enforcement of Financial Instrument and Exchange Act of Japan) is recognized by the Board of Directors to be at least 20% when combined with the ratio of owning of share certificates, etc., of persons in special relationship.

<sup>12</sup> An “affiliated party” of a given party means a person recognized by the Board of Directors to be a person who substantially controls, is controlled by, or is under common control with such given party, or a party deemed by the Board of Directors to act in concert with such given party. “Control” means to “control decision on the financial and business policies” (as defined in Article 3, Paragraph 3 of the Enforcement Regulations of the Companies Act) of other corporations or entities.