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Securities Code: 1720

June 6, 2016

To Our Shareholders:

1-16-14 Shibuya, Shibuya-ku, Tokyo

Tokyu Construction Co., Ltd.

Tsuneo Iizuka, Representative Director,
President

Notice of the 13th Annual General Meeting of Shareholders

The Company would hereby like to request shareholders to attend the Company's 13th Annual Meeting of Shareholders as described below.

If you are unable to attend the meeting on the date, you may also exercise your voting rights in writing. We kindly request you to read the following Reference Document for the Annual Meeting of Shareholders, indicate "for" or "against" on each agenda item on the voting form enclosed herewith, and return it no later than 6:00 p.m., June 23, 2016 (Thursday).

Sincerely yours,

1. **Date:** **10:00 a.m., June 24 (Friday), 2016**
(Reception will begin at 9:00 a.m.)
2. **Venue:** **Meeting room of Head Office of the Company, 8F,
Shibuya Subway Building**
1-16-14 Shibuya, Shibuya-ku, Tokyo
3. **Purposes:**
Items to be reported:
 1. The business report, the consolidated financial statements and the results of consolidated financial statement audits by the Accounting Auditor and the Board of Auditors for the 13th business period (April 1, 2015 to March 31, 2016)
 2. The non-consolidated financial statements for the 13th business period (April 1, 2015 to March 31, 2016)**Items to be resolved:**
 - Agenda No. 1:** Appropriation of Retained Earnings
 - Agenda No. 2:** Partial Amendment to the Articles of Incorporation
 - Agenda No. 3:** Election of Ten (10) Directors
 - Agenda No. 4:** Election of Five (5) Auditors

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- When you attend the meeting, we kindly request that you submit the enclosed voting form to the receptionist at the venue. For conservation of resources, please bring this Notice of Convocation of the General Meeting of Shareholders.
 - The Notes to the Consolidated Financial Statements and the Notes to the Non-consolidated Financial Statements consist of the documents to be included in the Appendix to this Notice of Convocation of the General Meeting of Shareholders posted on the Company's website pursuant to the provisions of laws, regulations and Article 16 of the Company's Articles of Incorporation, and are accordingly not included in this Notice of Convocation.
 - If there are any revisions to the Reference Document for the Annual Meeting of Shareholders, and/or the business report, the consolidated and the non-consolidated financial statements, such revisions will be listed on the Company's website.

Company's website <http://www.tokyu-cnst.co.jp/>

Meeting Agenda and Referential Matters

Agenda No. 1: Appropriation of Retained Earnings

The Company regards returning profits to shareholders as one of its most important tasks, while recognizing the importance of building a sound financial base enabling it to cope with changes in the business environment. Given its business performance in each year and outlooks, its basic policy is to pay dividends with the aim of a consolidated dividend payout ratio of 20% or higher.

Under this policy, the Company will request appropriation of retained earnings as follows:

Year-end Dividend

- (1) Matters concerning allocation of dividend property to shareholders and total amount thereof

20 yen per common share of the Company Total amount: ¥2,134,345,760

This will bring the annual dividend to 25 yen per share, including the interim dividend of 5 yen per share.

- (2) Effective date on which dividends are disbursed from retained earnings

June 27, 2016

Agenda No. 2: Partial Amendment to the Articles of Incorporation

1. Reasons for proposal

Pursuant to the Act for Partial Revision of the Companies Act (Act No.90 of 2014), which came into effect on May 1, 2015, the scope of company officers who can enter into a limited liability agreement has been changed. The Company thus proposes that the provisions of Articles 28(2) and 36(2) of the Articles of Incorporation be amended in order to enable Directors who are not engaged in the execution of operations and Auditors who are not Outside Auditors, who can newly enter into a limited liability agreement, in order to facilitate to appoint adequate persons and appropriately fulfil the roles they are expected to play.

Consent has been obtained from each of the Auditors for the amendment to Article 28(2) of the Articles of Incorporation.

2. The details of revision

The details of revision of the Articles of Incorporation are as follows.

(Those to be amended are underlined.)

Current Articles of Incorporation	Proposed amendments
<p>Chapter 4 Directors and Board of Directors (Exemption from Liabilities of Directors)</p> <p>Article 28 Pursuant to the provision of Article 426(1) of the Companies Act, the Company may exempt Directors (including persons who were previously Directors) from their liability for damages resulting from neglect of duty, to the extent stipulated by laws and regulations, under a resolution of the Board of Directors.</p> <p>2. Pursuant to the provision of Article 427(1) of the Companies Act, the Company may enter into an agreement with <u>Outside Directors</u> which set forth the limited liability for damages resulting from neglect of duty, however, that the maximum amount of liability for damages prescribed in such agreement shall be the amounts stipulated by laws and regulations.</p>	<p>Chapter 4 Directors and Board of Directors (Exemption from Liabilities of Directors)</p> <p>Article 28 Pursuant to the provision of Article 426(1) of the Companies Act, the Company may exempt Directors (including persons who were previously Directors) from their liability for damages resulting from neglect of duty, to the extent stipulated by laws and regulations, under a resolution of the Board of Directors.</p> <p>2. Pursuant to the provision of Article 427(1) of the Companies Act, the Company may enter into an agreement with <u>Directors (excluding persons who are executive Directors, etc.)</u> which set forth the limited liability for damages resulting from neglect of duty; provided, however, that the maximum amount of liability for damages prescribed in such agreement shall be the amounts stipulated by laws and regulations.</p>
<p>Chapter 5 Auditors and Board of Auditors (Exemption from Liabilities of Auditors)</p> <p>Article 36 Pursuant to the provision of Article 426(1) of the Companies Act, the Company may exempt Auditors (including persons who were previously Auditors) from their liability for damages resulting from neglect of duty, to the extent stipulated by laws and regulations under a resolution of the Board of Directors.</p> <p>2. Pursuant to the provision of Article 427(1) of the Companies Act, the Company may enter into an agreement with <u>Outside Auditors</u> which set forth the limited liability for damages resulting from neglect of duty; provided, however, that the maximum amount of liability for damages prescribed in such agreement shall be the amounts stipulated by laws and regulations.</p>	<p>Chapter 5 Auditors and Board of Auditors (Exemption from Liabilities of Auditors)</p> <p>Article 36 Pursuant to the provision of Article 426(1) of the Companies Act, the Company may exempt Auditors (including persons who were previously Auditors) from their liability for damages resulting from neglect of duty, to the extent stipulated by laws and regulations under a resolution of the Board of Directors.</p> <p>2. Pursuant to the provision of Article 427(1) of the Companies Act, the Company may enter into an agreement with <u>Auditors</u> which set forth the limited liability for damages resulting from neglect of duty; provided, however, that the maximum amount of liability for damages prescribed in such agreement shall be the amounts stipulated by laws and regulations.</p>

Agenda No. 3: Election of Ten (10) Directors

The term of office of all of the current Directors will expire at the close of this General Meeting of Shareholders. Accordingly, we propose the election of ten Directors.

The candidate for Director is as follows.

Candidate No.	Name (Date of birth)	Brief profile, position, responsibility and significant concurrent positions	Number of the Company's shares owned	
1	Tsuneo Iizuka (August 5, 1948) [Reappointed]	April 1971	Joined Tokyu Construction Co., Ltd. ("the Company")	66,540 shares
		October 2003	Executive Officer of the Company	
		June 2004	Senior Executive Officer of the Company	
		June 2006	Director and Senior Executive Officer of the Company	
		April 2008	General Manager, Civil Engineering Division of the Company	
		June 2009	Representative Director, Senior Managing Executive Officer of the Company	
		April 2010	Representative Director, President (to present)	
		(significant concurrent positions)		
		Outside Director of Seikitokyu Kogyo Co., Ltd.		
		Chairman of The Associated General Contractors of Tokyo		
[Reasons for the election of candidate for Director]				
Mr. Iizuka has been elected as candidate for Director due to his abundant management experience at the Company and strong leadership as the Representative Director and President in the Group.				
2	Kazushige Asano (September 2, 1951) [Reappointed]	April 1974	Joined Tokyu Construction Co., Ltd.	18,900 shares
		June 2005	Director, Executive Officer of the Company	
		June 2008	Executive Officer of the Company	
		April 2011	Senior Executive Officer of the Company	
		June 2012	Representative Director, Senior Executive Officer of the Company	
		April 2013	General Manager, Sales & Marketing Division, in charge of Safety & Environment Department of the Company (to present)	
		April 2014	Representative Director, Senior Managing Executive Officer of the Company (to present)	
[Reasons for the election of candidate for Director]				
Mr. Asano has been elected as candidate for Director due to his rich management experience at the Company and strong insights on overall sales.				
3	Mitsuhiro Terada (March 1, 1957) [Reappointed]	April 1979	Joined Tokyu Construction Co., Ltd.	9,920 shares
		June 2010	Executive Officer of the Company	
		April 2012	Senior Executive Officer of the Company	
		June 2012	Director, Senior Executive Officer of the Company	
		April 2013	General Manager, Civil Engineering Division of the Company (to present)	
		April 2016	Director, Senior Managing Executive Officer of the Company (to present)	
[Reasons for the election of candidate for Director]				
Mr. Terada has been elected as candidate for Director for his rich management experience at the Company and strong insights pertaining to civil engineering.				

Candidate No.	Name (Date of birth)	Brief profile, position, responsibility and significant concurrent positions		Number of the Company's shares owned
4	Jirou Usui (December 26 1952) [Reappointed]	April 1975	Joined Tokyu Corporation ("Tokyu")	2,790 shares
		July 2007	Executive Officer of Tokyu	
		April 2013	Senior Executive Officer of the Company Deputy General Manager, Sales & Marketing Division of the Company (to present)	
		June 2013	Director, Senior Executive Officer of the Company (to present)	
		July 2015	In charge of Solution Business Department of the Company (to present)	
[Reasons for the election of candidate for Director] Mr. Usui has been elected as candidate for Director due to his abundant management experience at Tokyu Corporation, a core company of the Tokyu Group, and strong insights pertaining to the real estate business.				
5	Hideo Nitta (October 1 1956) [Reappointed]	April 1980	Joined Tokyu Construction Co., Ltd.	12,699 shares
		June 2009	Executive Officer of the Company	
		April 2011	Senior Executive Officer of the Company	
		June 2011	Director, Senior Executive Officer of the Company	
		June 2014	Senior Executive Officer of the Company	
		May 2015	General Manager, Business Administration Division of the Company (to present)	
		June 2015	Director, Senior Executive Officer of the Company (to present)	
[Reasons for the election of candidate for Director] Mr. Nitta has been elected as candidate for Director due to his rich management experience at the Company and strong insights pertaining to business administration.				
6	Hideki Utsumi (February 5 1954) [Reappointed]	April 1980	Joined Tokyu Construction Co., Ltd.	883 shares
		June 2008	Executive Officer of the Company	
		April 2015	Senior Executive Officer of the Company General Manager of Building Construction Division of the Company	
		June 2015	Director, Senior Executive Officer of the Company (to present)	
		April 2016	General Manager, Shibuya Development Project Branch (to present)	
[Reasons for the election of candidate for Director] Mr. Utsumi has been elected as candidate for Director due to his rich and wide experience at the Company and strong insights pertaining to the construction business.				

Candidate No.	Name (Date of birth)	Brief profile, position, responsibility and significant concurrent positions	Number of the Company's shares owned
7	Hiroshi Ootsuka (February 9, 1935) [Reappointed] [Outside Director] [Independent Officer]	<p>April 1958 Joined Keisei Electric Railway Co., Ltd. ("Keisei")</p> <p>June 1992 Managing Director of Keisei</p> <p>June 1995 Senior Managing Director of Keisei</p> <p>June 1996 Representative Director, Senior Managing Director of Keisei</p> <p>June 1997 Representative Director, Vice President of Keisei</p> <p>June 1998 Representative Director, President of Keisei</p> <p>June 2004 Representative Director, Chairman of Keisei</p> <p>June 2008 Advisor of Keisei (to present)</p> <p>June 2010 Director of the Company (to present)</p> <p>(significant concurrent positions)</p> <p>Advisor of Keisei Electric Railway Co., Ltd.</p> <p>Corporate Auditor (External) of Oriental Land Co., Ltd.</p> <p>Outside Auditor of The Keiyo Bank Ltd.</p>	0 share
<p>[Reasons for the election of candidate for Outside Director]</p> <p>Mr. Ootsuka has been elected as candidate for Outside Director due to his rich management experience and broad insights as corporate manager as well as the Company's expectations that he will contribute to the Company's management using his opinions from the viewpoint of one familiar with the railway business.</p>			
8	Yutaka Kubota (November 24, 1947) [Reappointed] [Outside Director] [Independent Officer]	<p>April 1970 Joined Sagami Railway Co., Ltd. ("Sagami")</p> <p>June 1998 Director of Sagami</p> <p>May 2000 Representative Director, President of Sotetsu Real Estate Co., Ltd.</p> <p>November 2000 Representative Director, President of Sotetsu Home Co., Ltd.</p> <p>March 2001 Representative Director, President of Sotetsu Real Estate Sales Co., Ltd.</p> <p>June 2002 Managing Director of Sagami</p> <p>June 2011 Representative Director, President of Sotetsu Construction Co., Ltd.</p> <p>June 2015 Director of the Company (to present)</p>	0 share
<p>[Reasons for the election of candidate for Outside Director]</p> <p>Mr. Kubota has been elected as candidate for Outside Director due to his rich management experience and broad insights as corporate manager as well as the Company's expectations that he will contribute to the Company's management using his opinions from the viewpoint of one familiar with the railway and construction businesses.</p>			

Candidate No.	Name (Date of birth)	Brief profile, position, responsibility and significant concurrent positions	Number of the Company's shares owned	
9	Yasuyuki Izumi (February 13, 1956) [Newly Appointed]	April 1979	Joined Tokyu Corporation ("Tokyu")	0 share
		July 2007	Executive Officer of Tokyu Deputy General Manager, Railway Business Division of Tokyu	
June 2009	Director of Tokyu			
June 2010	General Manager, Railway Business Division			
April 2011	Managing Director of Tokyu			
April 2013	General Manager, Business Division of Tokyu Group			
April 2014	Representative Director, President of Tokyu Techno System Co., Ltd. (to present)			
April 2016	Counselor of the Company (to present)			
[Reasons for the election of candidate for Director] Mr. Izumi has been elected as candidate for Director for his abundant management experience at Tokyu Corporation, a core company of the Tokyu Group, and strong insights pertaining to the railway business.				
10	Motoyuki Takagi (November 25, 1955) [Newly Appointed]	April 1979	Joined Tokyu Construction Co., Ltd.	11,700 shares
		April 2011	Executive Officer of the Company	
April 2013	General Manager, Building Project Metropolitan Branch of the Company			
April 2015	Deputy General Manager, Business Administration Division and General Manager, Corporate Planning Department of the Company			
April 2016	Senior Executive Officer of the Company (to present)			
	General Manager, Building Construction Division, in charge of Institute of Technology and International Department of the Company (to present)			
[Reasons for the election of candidate for Director] Mr. Takagi has been elected as candidate for Director due to his rich management experience at the Company and strong insights pertaining to the construction business.				

Notes:

1. There are no special conflict of interests between the candidate and the Company.
2. Hiroshi Ootsuka and Yutaka Kubota are candidates for Outside Directors. They satisfy the Company's criteria for the independence of Outside Directors set forth in pages 11 to 12 and are candidates for independent officers pursuant to the regulations of the Tokyo Stock Exchange, Inc.
3. Matters concerning candidates for Outside Directors are as follows:
 - (1) Hiroshi Ootsuka
He will have served as Outside Director for six years at the close of this General Meeting of Shareholders.
 - (2) Yutaka Kubota
He will have served as Outside Director for one year at the close of this General Meeting of Shareholders.
4. Limited liability agreement
The Company has concluded agreements with Hiroshi Ootsuka and Yutaka Kubota to limit their respective liabilities for damages referred to in Article 423 (1) of the Companies Act pursuant to the provision of Article 427 (1) of said Act. The maximum amount of liability for damages prescribed in such agreement is the minimum liability amount stipulated in the items of Article 425 (1) of said Act. The Company plans to extend the aforementioned limited liability agreements if their election is approved.

Agenda No. 4: Election of Five (5) Auditors

The term of office of all current Auditors will expire at the close of this General Meeting of Shareholders. Accordingly, we propose the election of five Auditors.

The Board of Auditors' consent has been obtained for this Proposal.

The candidate for Auditor is as follows.

Candidate No.	Name (Date of birth)	Brief profile, position, responsibility and significant concurrent positions	Number of the Company's shares owned
1	Atsuyoshi Maeno (July 9, 1956) [Reappointed]	<p>April 1980 Joined Tokyu Construction Co., Ltd.</p> <p>October 2003 General Manager, General Affairs Department of Nagoya Branch, Wide Area Division and Manager, Safety, Environment & Quality Department of the Company</p> <p>January 2009 Auditor and Head of Secretariat of the Company</p> <p>June 2012 Full-time auditor of the Company (to present)</p> <p>(significant concurrent positions) Outside Auditor of Seikitokyu Kogyo Co., Ltd.</p>	7,095 shares
<p>[Reasons for election as a candidate for Auditor] Mr. Maeno has been elected as candidate for Auditor due to his abundant management experience at the Company and strong insights pertaining to audit.</p>			
2	Isao Onda (April 4, 1949) [Reappointed] [Outside Auditor] [Independent Officer]	<p>October 1973 Passed second stage examination of CPA examination Joined EIKO Accounting Corporation</p> <p>September 1977 Registered as Certified Public Accountant</p> <p>December 1977 Registered as Certified Tax Accountant</p> <p>July 1990 Partner of Century Audit Corporation ("Century")</p> <p>June 1993 Director of Century</p> <p>June 2002 Executive Director of Ernst & Young ShinNihon Audit Corporation</p> <p>September 2008 Executive Director of Ernst & Young ShinNihon LLC ("EY ShinNihon")</p> <p>September 2010 Advisor of EY ShinNihon</p> <p>April 2011 Representative Director, President & CEO of GTM Research Institute Inc.</p> <p>June 2012 Auditor of the Company (to present)</p> <p>December 2015 Representative Director, President of GTM Research Institute Inc. (to present)</p> <p>(significant concurrent positions) Representative Director, President of GTM Research Institute Inc.</p>	0 share
<p>[Reasons for election as a candidate for Outside Auditor] Mr. Onda has been elected as candidate for Outside Auditor as the Company expects him to reflect his professional insights as certified public accountant and certified tax accountant in the Company's audit.</p>			

Candidate No.	Name (Date of birth)	Brief profile, position, responsibility and significant concurrent positions	Number of the Company's shares owned
3	Tadachiyo Osada (October 26, 1956) [Newly Appointed] [Outside Auditor] [Independent Officer]	<p>April 1980 Joined The Mitsubishi Bank, Ltd.</p> <p>June 2006 Executive Officer of The Bank of Tokyo-Mitsubishi UFJ, Ltd. ("Tokyo-Mitsubishi UFJ") Executive Officer of Mitsubishi UFJ Financial Group ("MUFG")</p> <p>May 2010 Executive Officer of Tokyo-Mitsubishi UFJ</p> <p>June 2012 Representative Director, Managing Director of Tokyo-Mitsubishi UFJ Managing Executive Officer of MUFG Financial Group</p> <p>May 2014 Representative Director, Senior Managing Director of Tokyo-Mitsubishi UFJ</p> <p>June 2015 Full-time auditor of Tokyu Corporation (to present)</p> <p>(significant concurrent positions) Full-time auditor of Tokyu Corporation</p>	0 share
<p>[Reasons for election as a candidate for Outside Auditor] Mr. Osada has been elected as candidate for Outside Auditor as the Company expects him to reflect in the Company's audit his rich experience in financial institutions and broad insights accumulated through his long career.</p>			
4	Youichi Saitou (December 12, 1973) [Newly Appointed] [Outside Auditor] [Independent Officer]	<p>October 2005 Passed National Bar Examination</p> <p>September 2007 Completed training of legal apprenticeship and registered as attorney Member of Crime Victim Support Center of Daini Tokyo Bar Association</p> <p>September 2015 Member of Discipline Committee of Daini Tokyo Bar Association (to present)</p> <p>April 2016 Member of Legal Apprenticeship Committee of Daini Tokyo Bar Association (to present)</p> <p>(significant concurrent positions) Attorney</p>	0 share
<p>[Reasons for election as a candidate for Outside Auditor] Mr. Saitou has been elected as candidate for Outside Auditor as the Company expects him to reflect in the Company's audit his professional knowledge as attorney. According to the above-mentioned reasons, we have decided that he can adequately carry out his assignment as one of the Company's Outside Auditors, even though he has never been involved in corporate management.</p>			
5	Satoshi Hashimoto (February 17, 1958) [Newly Appointed]	<p>April 1981 Joined Tokyu Construction Co., Ltd.</p> <p>April 2010 General Manager, Internal Control Office of the Company (to present)</p> <p>April 2012 Executive Officer (to present)</p>	120 shares
<p>[Reasons for election as a candidate for Auditor] Mr. Hashimoto has been elected as candidate for Auditor due to his rich management experience at the Company and strong insights pertaining to internal control.</p>			

Notes:

1. Relationship of special interests between candidates for Auditor and the Company
 - (1) Isao Onda is Representative Director, President of GTM Research Institute Inc. with which the Company entered into an advisory agreement on accounting matters.
 - (2) There are no special interests between the Company and either of the other candidates for Auditor.
2. Isao Onda, Tadachiyo Osada and Youichi Saitou are candidates for Outside Auditors. They satisfy the Company's criteria for the independence of Outside Auditors set forth in pages 11 to 12 and are candidates for independent officers pursuant to the regulations of Tokyo Stock Exchange, Inc.
3. Matters concerning candidates for Outside Auditors are as follows:
 - (1) Isao Onda
He will have served as Outside Auditor for four years at the close of this General Meeting of Shareholders.
 - (2) Tadachiyo Osada
 - 1) He is a full-time auditor of Tokyu Corporation, one of the Company's major business partners.
 - 2) He was a Director of The Bank of Tokyo-Mitsubishi UFJ, Ltd, the Company's major creditor, and in the past two years, he received Director's remuneration from Tokyo-Mitsubishi UFJ.
 - (3) Youichi Saitou
He is a relative within the third degree of Seitarou Saitou, Outside Auditor, who will resign due to the expiration of his term of office at the close of this General Meeting of Shareholders.
4. Limited liability agreement
 - (1) The Company has concluded an agreement with Isao Onda to limit his liabilities for damages referred to in Article 423 (1) of the Companies Act pursuant to the provision of Article 427 (1) of said Act. The maximum amount of liability for damages prescribed in such agreement is the sum of the amounts stipulated in the items of Article 425 (1) of said Act. The Company plans to extend the aforementioned limited liability agreement if his election is approved. The Company also plans to conclude an agreement with the same terms and conditions with Tadachiyo Osada and Youichi Saitou if their election is approved.
 - (2) Assuming that Proposal No.2: Partial Amendment to the Articles of Incorporation is approved, and if the election of Atsuyoshi Maeno and Satoshi Hashimoto under this Proposal is approved, the Company plans to conclude an agreement to limit his liabilities for damages referred to in Article 423 (1) of the Companies Act pursuant to the provision of Article 427 (1) of said Act. The maximum amount of liability for damages prescribed in such agreement is the minimum liability amount stipulated in the items of Article 425 (1) of said Act.

[Reference: Standard for Independence of Outside Directors and Outside Auditor]

The Company determines Outside Officers (Outside Directors and Outside Auditors) who satisfy with the following requirements as independent officers (Independent Outside Directors and Independent Outside Auditors) without any risk of conflict of interest with general shareholders.

1. Outside Officers do not fall into the following category:
 - 1) Executive persons¹ of the Company and its subsidiaries (hereinafter, referred to as the “Group”);
 - 2) A counterparty which has transactions principally with the Group², or its executive persons;
 - 3) Major counterparty³ of the Group or its executives;
 - 4) A consultant, accounting professional or legal professional who has been paid a large amount of money or other assets⁴ in addition to the Outside Director’s remunerations (in the event that such person is a corporation or other association such as union, a person who belongs to such association);
 - 5) An accounting auditor of the Group or a certified public accountant who belongs to an audit corporation that is an accounting auditor of the Group;
 - 6) A person who receives donations or subsidies exceeding certain amount⁵ from the Group (in the event that a person who receives such donation or subsidy is a corporation or other association such as union, executive persons of such association);
 - 7) A major financial institution⁶ from which the Group has borrowed or executive persons of its parent company or subsidiary;
 - 8) A major shareholder⁷ of the Group or in the event that such shareholder is a corporation, executive persons of such corporation;
 - 9) Executive persons in a company which the Group is a major shareholder;
 - 10) A company which Director (regardless of full-time or part-time) is sent from the Group or executive persons of its parent company or subsidiary; or
 - 11) Persons who have recently fallen into the category of either (1) to (10) above.
2. Outside officers are not close relative, etc.⁹ of persons who fall into the category of (1) to (11) in 1 above (limited to those who have important positions⁸).
3. Even though an Outside Officer is satisfied with the requirements of 1 and 2 above, if he/she is not considered to be independent due to other reasons, the Company shall not deem him/her as an independent officer.

Notes:

1. Executive persons mean executives stipulated by Item 6 in Paragraph 3 of Article 2 of the Ordinance for Enforcement of the Companies Act and include executive Directors and employees, but not Auditors.
2. A counterparty which has transactions principally with the Group means a counterparty which received payments from the Company, which accounted for more than 2% of its annual consolidated sales in any year of the most recent three years.
3. A major counterparty of the Group is a counterparty whose payments to the Company accounted for more than 2% of the Company’s annual consolidated sales in any year of the most recent three fiscal years.
4. A large amount of money or other assets means money or other assets other than Director’s remuneration exceeding ¥10 million per year in either year in the most recent three fiscal years.
5. Donation or subsidy exceeding certain amount means donation or subsidy exceeding ¥10 million per year in any year of the most recent three fiscal years.

6. A major financial institution is a financial institution in which the Company has year-end loan balance of more than 2% of its consolidated total assets in any year of the most recent three fiscal years.
7. A major shareholder means a shareholder who has 10% or more of total voting rights (including both direct and indirect holding).
8. Those who have important positions include Directors (excluding Outside Directors), executive officers, corporate officers and employees who are at the senior management level of manager or higher, certified public accountants who belong to an audit corporation or accounting office, attorneys who belong to a law office, councilors who belong to an incorporated foundation, incorporated association, educational corporation, or other corporation, administrators such as Directors, or other persons who are objectively and reasonably deemed to have similar importance.
9. Close relative, etc. means spouse or relative within the second degree.