

*This English translation is made for reference purposes only, and in the event of any discrepancies between the English version and the Japanese version, the Japanese version prevails.*

Securities Code: 1720

June 8, 2017

To Our Shareholders:

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

**Tokyu Construction Co., Ltd.**

Tsuneo Iizuka, Representative Director,  
President

## **Notice of the 14th Annual General Meeting of Shareholders**

The Company would hereby like to request shareholders to attend the Company's 14th 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 26, 2017 (Monday).**

Sincerely yours,

1. **Date:** **10:00 a.m., June 27 (Tuesday), 2017**  
(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 14th business period (April 1, 2016 to March 31, 2017)
  2. The non-consolidated financial statements for the 14th business period (April 1, 2016 to March 31, 2017)**Items to be resolved:**
  - Agenda No. 1:** Appropriation of Retained Earnings
  - Agenda No. 2:** Election of Eight (8) Directors

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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 Consolidated Financial Statements and the Non-consolidated Financial Statements, which are included in the Appendix to this Notice of Convocation of the General Meeting of Shareholders, are among the documents audited by the Accounting Auditor and the Board of Auditors. The Consolidated Statements of Changes in Net Assets and the Notes to the Consolidated Financial Statements of the Consolidated Financial Statements, and the Non-consolidated Statements of Changes in Net Assets and the Notes to the Non-consolidated Financial Statements of the Non-consolidated Financial Statements are posted on the Company's website in accordance with laws and ordinances and provisions of Article 16 of the Company's Articles of Incorporation.
  - 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  
21 yen per common share of the Company      Total amount: ¥2,240,934,171  
This will bring the annual dividend to 26 yen per share, including the interim dividend of 5 yen per share.
- (2) Effective date on which dividends are disbursed from retained earnings  
June 28, 2017

## Agenda No. 2: Election of Eight (8) Directors

The terms of office of all of the current Directors will expire at the close of this General Meeting of Shareholders. We propose the election of eight Directors with a reduction of two Directors among the total number of Directors to enhance the efficiency of management.

The candidates for Directors are 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")	69,640 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 of the Company (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	Yasuyuki Izumi (February 13, 1956) [Reappointed]	April 1979	Joined Tokyu Corporation ("Tokyu")	1,200 shares
		July 2007	Executive Officer of Tokyu	
		June 2009	Director of Tokyu	
		April 2011	Managing Director of Tokyu	
		April 2014	Representative Director, President of Tokyu Techno System Co., Ltd.	
		April 2016	Counselor of the Company	
		June 2016	Director, Senior Executive Vice President of the Company (to present)	
			In charge of overseeing the Company's overall business of the Company (to present)	
		April 2017	In charge of Safety & Environment Department 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.			

Candidate No.	Name (Date of birth)	Brief profile, position, responsibility and significant concurrent positions		Number of the Company's shares owned
3	Kazushige Asano (September 2, 1951) [Reappointed]	April 1974	Joined Tokyu Construction Co., Ltd.	20,800 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 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.				
4	Mitsuhiro Terada (March 1, 1957) [Reappointed]	April 1979	Joined Tokyu Construction Co., Ltd.	11,120 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.				
5	Motoyuki Takagi (November 25, 1955) [Reappointed]	April 1979	Joined Tokyu Construction Co., Ltd.	2,333 shares
		April 2011	Executive Officer 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)	
		June 2016	Director, Senior Executive Officer of the Company (to present)	
		April 2017	In charge of Solution Business 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.				

Candidate No.	Name (Date of birth)	Brief profile, position, responsibility and significant concurrent positions	Number of the Company's shares owned
6	<p>Hiroshi Ootsuka (February 9, 1935) [Reappointed] [Outside Director] [Independent Officer]</p>	<p>April 1958      Joined Keisei Electric Railway Co., Ltd. ("Keisei") June 1992      Managing Director of Keisei June 1995      Senior Managing Director of Keisei June 1996      Representative Director, Senior Managing Director of Keisei June 1997      Representative Director, Vice President of Keisei June 1998      Representative Director, President of Keisei June 2004      Representative Director, Chairman of Keisei June 2008      Advisor of Keisei (to present) June 2010      Director of the Company (to present) (Significant concurrent positions) Advisor of Keisei Electric Railway Co., Ltd. Corporate Auditor (External) of Oriental Land Co., Ltd. Outside Auditor of The Keiyo Bank Ltd.</p>	0 share
<p>[Reasons for the election of candidate for Outside Director] 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>			
7	<p>Yutaka Kubota (November 24, 1947) [Reappointed] [Outside Director] [Independent Officer]</p>	<p>April 1970      Joined Sagami Railway Co., Ltd. ("Sagami") June 1998      Director of Sagami May 2000      Representative Director, President of Sotetsu Real Estate Co., Ltd. November 2000      Representative Director, President of Sotetsu Home Co., Ltd. March 2001      Representative Director, President of Sotetsu Real Estate Sales Co., Ltd. June 2002      Managing Director of Sagami June 2011      Representative Director, President of Sotetsu Construction Co., Ltd. June 2015      Director of the Company (to present)</p>	0 share
<p>[Reasons for the election of candidate for Outside Director] 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
8	Masatoshi Shimizu (January 20, 1959) [Newly Appointed]	<p>April 1982      Joined Tokyu Construction Co., Ltd.</p> <p>April 2012      Executive Officer of the Company</p> <p>April 2013      General Manager, Sales Promotion Department of Sales &amp; Marketing Division of the Company</p> <p>May 2015        General Manager, Kyushu Branch</p> <p>April 2017      Senior Executive Officer of the Company (to present)</p> <p>General Manager, Business Administration Division of the Company (to present)</p>	1,605 shares
<p>[Reasons for the election of candidate for Director]</p> <p>Mr. Shimizu has been elected as candidate for Director due to his rich management experience at the Company and strong insights pertaining to overall business administration.</p>			

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 7 to 8 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 seven years at the close of this General Meeting of Shareholders.
  - (2) Yutaka Kubota  
He will have served as Outside Director for two years 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.

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

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 persons<sup>1</sup> of the Company and its subsidiaries (hereinafter, referred to as the “Group”);
  - 2) A counterparty which has transactions principally with the Group<sup>2</sup>, or its executive persons;
  - 3) Major counterparty<sup>3</sup> 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 assets<sup>4</sup> 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 amount<sup>5</sup> 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 institution<sup>6</sup> from which the Group has borrowed or executive persons of its parent company or subsidiary;
  - 8) A major shareholder<sup>7</sup> 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.<sup>9</sup> of persons who fall into the category of (1) to (11) in 1 above (limited to those who have important positions<sup>8</sup>).
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 fiscal 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.