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Securities Code: 1720

June 7, 2018

To Our Shareholders:

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

Tokyu Construction Co., Ltd.

Tsuneo Iizuka, Representative Director,
President

Notice of the 15th Annual General Meeting of Shareholders

The Company would hereby like to request shareholders to attend the Company's 15th 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 25, 2018 (Monday).

Sincerely yours,

1. **Date:** **10:00 a.m., June 26 (Tuesday), 2018**
(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 15th business period (April 1, 2017 to March 31, 2018)
 2. The non-consolidated financial statements for the 15th business period (April 1, 2017 to March 31, 2018)

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 One (1) Auditor
- Agenda No. 5:** Decision on the Amount and Contents of Share Remuneration, etc. for 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.
 - Of the documents included in the Appendix to this Notice of Convocation of the General Meeting of Shareholders, the Business Report is among the documents audited by the Board of Auditors, and the Consolidated Financial Statements and Non-consolidated Financial Statements are among the documents audited by the Accounting Auditor and the Board of Auditors. The circumstances of the accounting auditor and the system to secure the appropriateness of business operations and the outline of the operating circumstances of the said system of the Business Report, 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: ¥ 2,240,857,542

This will bring the annual dividend to 31 yen per share, including the interim dividend of 10 yen per share.

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

June 27, 2018

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

1. Reasons for proposal

- (1) The Company proposes that the business purposes stated in the current provision of Article 2 of the Articles of Incorporation be partially eliminated in order to be consistent with the current Company’s business profile.
- (2) The Company proposes that the number described in the current provision of Article 20 of the Articles of Incorporation be changed from twenty (20) or less to twelve (12) or less, to set an appropriate upper limit of the number of directors to reflect reality.

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
Article 1 (Article omitted) (Purpose)	Article 1 (Same as the current article) (Purpose)
Article 2 The purpose of the Company shall be to perform the following businesses. 1 to 9 (Articles omitted) <u>10 Worker dispatch business</u> <u>11 to 18</u> (Articles omitted)	Article 2 The purpose of the Company shall be to perform the following businesses. 1 to 9 (Same as the current articles) (To be eliminated) <u>10 to 17</u> (Same as the current articles)
Articles 3 to 19 (Articles omitted) (Number)	Articles 3 to 19 (Same as the current articles) (Number)
Article 20 The number of directors of the Company shall be <u>twenty (20)</u> or less.	Article 20 The number of directors of the Company shall be <u>twelve (12)</u> or less.
Articles 21 to 43 (Articles omitted)	Articles 21 to 43 (Same as the current articles)

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

The terms 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 (10) Directors with an increase of two (2) Directors (including one (1) Outside Director) to strengthen the Company's management structure.

The candidate for Director is as follows.

[Reference: List of Candidates]

Candidate No.		Name	Current positions	Attendance at Board of Directors meetings
1	[Reappointed]	Tsuneo Iizuka	Representative Director, President	15/15 meetings (100%)
2	[Reappointed]	Mitsuhiro Terada	Representative Director, Senior Executive Vice President	15/15 meetings (100%)
3	[Reappointed]	Kazushige Asano	Representative Director, Senior Managing Executive Officer	14/15 meetings (93.3%)
4	[Reappointed]	Motoyuki Takagi	Director, Senior Executive Officer	15/15 meetings (100%)
5	[Reappointed]	Masatoshi Shimizu	Director, Senior Executive Officer	12/12 meetings (100%)
6	[Reappointed] [Outside Director] [Independent Officer]	Hiroshi Otsuka	Director	14/15 meetings (93.3%)
7	[Reappointed] [Outside Director] [Independent Officer]	Yutaka Kubota	Director	15/15 meetings (100%)
8	[Newly Appointed] [Outside Director]	Masao Tomoe	*	*
9	[Newly Appointed]	Toshio Imamura	*	*
10	[Newly Appointed]	Yushi Tsukui	*	*

Note: No description marked with * means not being applicable due to a newly appointed candidate.

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] Attendance at Board of Directors meetings: 15/15 meetings (100%)	<p>April 1971 Joined Tokyu Construction Co., Ltd. ("the Company")</p> <p>October 2003 Executive Officer of the Company</p> <p>June 2004 Senior Executive Officer of the Company</p> <p>June 2006 Director, Senior Executive Officer of the Company</p> <p>April 2008 General Manager, Civil Engineering Division of the Company</p> <p>June 2009 Representative Director, Senior Managing Executive Officer of the Company</p> <p>April 2010 Representative Director, President of the Company (to present)</p> <p>(significant concurrent positions)</p> <p>Outside Director of Seikitokyu Kogyo Co., Ltd.</p> <p>Chairman of The Associated General Contractors of Tokyo</p>	72,640 shares
<p>[Reasons for the election of candidate for Director]</p> <p>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.</p>			
2	Mitsuhiro Terada (March 1, 1957) [Reappointed] Attendance at Board of Directors meetings: 15/15 meetings (100%)	<p>April 1979 Joined Tokyu Construction Co., Ltd.</p> <p>June 2010 Executive Officer of the Company</p> <p>April 2012 Senior Executive Officer of the Company</p> <p>June 2012 Director, Senior Executive Officer of the Company</p> <p>April 2013 General Manager, Civil Engineering Division of the Company</p> <p>April 2016 Director, Senior Managing Executive Officer of the Company</p> <p>April 2018 Representative Director, Senior Executive Vice President of the Company (to present)</p> <p>In charge of overseeing the Company's overall business, Safety & Environment Department, and International Department of the Company (to present)</p>	12,320 shares
<p>[Reasons for the election of candidate for Director]</p> <p>Mr. Terada has been elected as candidate for Director for his rich management experience at the Company and strong insights pertaining to civil engineering.</p>			

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] Attendance at Board of Directors meetings: 14/15 meetings (93.3%)	April 1974	Joined Tokyu Construction Co., Ltd.	22,600 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	
		April 2014	Representative Director, Senior Managing Executive Officer of the Company (to present)	
		April 2018	In charge of Sales & Real Estate Division 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	Motoyuki Takagi (November 25, 1955) [Reappointed] Attendance at Board of Directors meetings: 15/15 meetings (100%)	April 1979	Joined Tokyu Construction Co., Ltd.	2,933 shares
		April 2011	Executive Officer of the Company	
		April 2016	Senior Executive Officer of the Company General Manager, Building Construction Division of the Company	
		June 2016	Director, Senior Executive Officer of the Company (to present)	
		April 2018	General Manager, Building Construction Division, in charge of Institute of Technology and Wooden Building Construction Division 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.				
5	Masatoshi Shimizu (January 20, 1959) [Reappointed] Attendance at Board of Directors meetings: 12/12 meetings (100%)	April 1982	Joined Tokyu Construction Co., Ltd.	2,001 shares
		April 2012	Executive Officer of the Company	
		April 2017	Senior Executive Officer of the Company General Manager, Business Administration Division of the Company (to present)	
		June 2017	Director, Senior Executive Officer of the Company (to present)	
[Reasons for the election of candidate for Director] 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.				

Candidate No.	Name (Date of birth)	Brief profile, position, responsibility and significant concurrent positions		Number of the Company's shares owned
6	Hiroshi Otsuka (February 9, 1935) [Reappointed] [Outside Director] [Independent Officer] Attendance at Board of Directors meetings: 14 /15 meetings (93.3%)	April 1958	Joined Keisei Electric Railway Co., Ltd. ("Keisei")	0 shares
		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.	
[Reasons for the election of candidate for Outside Director] Mr. Otsuka 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.				
7	Yutaka Kubota (November 24, 1947) [Reappointed] [Outside Director] [Independent Officer] Attendance at Board of Directors meetings: 15 /15 meetings (100%)	April 1970	Joined Sagami Railway Co., Ltd. ("Sagami")	0 shares
		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)	
[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.				

Candidate No.	Name (Date of birth)	Brief profile, position, responsibility and significant concurrent positions	Number of the Company's shares owned	
8	Masao Tomoe (November 23, 1953) [Newly Appointed] [Outside Director]	April 1976	Joined Tokyu Corporation ("Tokyu")	0 shares
		June 2007	Director of Tokyu	
		April 2011	Managing Executive Director of Tokyu	
		April 2014	Senior Managing Executive Director of Tokyu	
		July 2014	Executive General Manager of Human Resources Headquarters of Tokyu	
		June 2015	Director & Senior Managing Executive Officer of Tokyu	
		April 2017	Representative Director & Vice President of Tokyu (to present)	
		(significant concurrent positions) Representative Director & Vice President of Tokyu Corporation		
[Reasons for the election of candidate for Outside Director] Mr. Tomoe is the Representative Director of Tokyu Corporation, a core company of the Tokyu Group. He 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 overall knowledge of business administration.				
9	Toshio Imamura (April 14, 1951) [Newly Appointed]	April 1974	Joined Tokyu Corporation ("Tokyu")	0 shares
		June 2007	Director of Tokyu	
		June 2008	Managing Executive Director of Tokyu	
		April 2011	Senior Managing Executive Director of Tokyu	
		April 2014	Representative Director & Vice President of Tokyu	
		June 2015	Representative Director & Vice President of Tokyu (to present)	
		April 2018	Counselor of the Company (to present)	
[Reasons for the election of candidate for Director] Mr. Imamura has been elected as candidate for Director for his abundant management experience gained through his work in various key positions including his role as Representative Director of Tokyu Corporation, a core company of the Tokyu Group, and his strong insights pertaining to the railway business.				
10	Yushi Tsukui (November 20, 1957) [Newly Appointed]	April 1981	Joined Tokyu Construction Co., Ltd.	1,300 shares
		April 2013	General Manager, Project Engineering Department, Civil Engineering Division of the Company	
		April 2015	Executive Officer of the Company General Manager, Osaka Branch of the Company	
		April 2018	Senior Executive Officer of the Company (to present) General Manager, Civil Engineering Division of the Company (to present)	
[Reasons for the election of candidate for Director] Mr. Tsukui has been elected as candidate for Director for his rich management experience at the Company and strong insights pertaining to civil engineering.				

Notes:

1. Special conflict of interests between the candidate and the Company
 - (1) Mr. Masao Tomoe is Representative Director of Tokyu Corporation and the company holds 15,362 thousand shares of the Company (holding ratio of 14.40%). The company and the Company perform businesses under the same category and the Company has transactions such as orders for construction projects with the company.
 - (2) There are no special conflict of interests between other candidates and the Company.
2. Hiroshi Otsuka, Yutaka Kubota and Masao Tomoe are candidates for Outside Directors. Hiroshi Otsuka and Yutaka Kubota satisfy the Company's criteria for the independence of Outside Directors set forth in pages 12 to 13 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 Otsuka
He will have served as Outside Director for eight years at the close of this General Meeting of Shareholders.
 - (2) Yutaka Kubota
He will have served as Outside Director for three years at the close of this General Meeting of Shareholders.
4. Limited liability agreement
The Company has concluded agreements with Hiroshi Otsuka 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. The Company also plans to conclude an agreement with the same terms and conditions with Masao Tomoe if his election is approved.

Agenda No. 4: Election of One (1) Auditor

Auditor Tadachiyo Osada has resigned from the Company as of March 31, 2018. Accordingly, we propose the election of one (1) Auditor.

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	Yoshikazu Kato (September 9, 1956) [Newly Appointed] [Outside Director] [Independent Officer]	<p>April 1982 Joined the Science and Technology Agency, Cabinet Office</p> <p>July 2001 Director of Research Environment and Industrial Cooperation Division, Research Promotion Bureau, Ministry of Education, Culture, Sports, Science and Technology</p> <p>July 2008 Counselor to Director General for Science, Technology and Innovation Policy, Cabinet Office</p> <p>July 2010 Deputy Director-General, Research and Development Bureau, Ministry of Education, Culture, Sports, Science and Technology</p> <p>April 2012 Vice President of Japan Aerospace Exploration Agency</p> <p>April 2015 Director of Technology Division, Cabinet Satellite Intelligence Center, Cabinet Intelligence and Research Office, Cabinet Secretariat</p> <p>November 2017 Specially Appointed Counselor, Remote Sensing Technology Center of Japan (to present)</p> <p>(significant concurrent positions) Specially Appointed Counselor, Remote Sensing Technology Center of Japan</p>	0 shares
<p>[Reasons for election as a candidate for Outside Auditor] Mr. Kato has been elected as candidate for Outside Auditor as the Company expects him to reflect in the Company's audit his rich experience in administrative agencies, etc. and broad insights accumulated throughout his career. 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>			

Notes:

1. There are no special conflict of interests between candidate for Auditor and the Company.
2. Yoshikazu Kato is a candidate for Outside Auditor. He satisfies the Company's criteria for the independence of Outside Auditors set forth in pages 12 to 13 and is a candidate for independent officer pursuant to the regulations of Tokyo Stock Exchange, Inc.
3. Limited liability agreement
If the election of Yoshikazu Kato 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 satisfies 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.

Agenda No. 5: Decision on the Amount and Contents of Share Remuneration, etc. for Directors

1. Reasons for the proposal and reasons for justifying such remuneration

The Company requests approval for the adoption of a share remuneration system (hereinafter the “Plan”) which would provide the Company’s directors (excluding outside directors and domestic non-residents; hereinafter the same shall apply to this Agenda) with shares of the Company, in addition to the existing remuneration with the annual amount of ¥360 million or less (including the amount of ¥30 million or less annually for outside directors and excluding salaries for those who are company employees), which was approved at the 5th Annual General Meeting Shareholders held on June 25, 2008.

The Plan is aimed at further raising directors’ motivation to contribute to improvements in the medium- and long-term operating performance as well as maximizing shareholder value, and the adoption of the Plan is deemed reasonable.

The number of directors who will be eligible for the Plan will be seven (7) directors if the Agenda No. 3 “Election of Ten (10) Directors” is approved as proposed.

2. Amount and contents, etc. of the remuneration of the Plan

(1) Overview of the Plan

The Plan is a share remuneration system, in which the Company will contribute the amount of remuneration for directors as funds to a trust, the Company’s shares will be purchased through the trust, and the remuneration (hereinafter the “Grants, etc.”) will be provided to directors in the form of Company shares and cash, the equivalent to the converted value of the Company’s shares (hereinafter the “Company’s shares, etc.”). Details are provided in the description (2) below.

Persons eligible for the Grants, etc. of the Company’s shares, etc. of this Agenda	Directors of the Company (excluding outside directors and domestic non-residents)
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Impacts of the Company’s shares subject to this Agenda, on the aggregate number of shares issued	
The maximum amount of cash to be contributed by the Company * As stated in the description (2) below	The total amount of ¥138 million for the three planned fiscal years
The maximum number of the Company’s shares, etc. of the Grants, etc. which directors will receive, and the method of receiving the Company’s shares * As stated in the descriptions (2) and (3) below	<ul style="list-style-type: none"> • The upper limit of the aggregate number of the Company’s shares, etc. which will be granted to directors for the three planned fiscal years will be 90,000 shares. • The upper limit of the total number of points awarded to directors in each fiscal year will be 30,000 points. This accounts for roughly 0.02% of the total number of the Company’s shares issued (as of March 31, 2018, after excluding treasury shares) at the conversion of one point into one share of the Company’s common stock. • The Company’s shares will be purchased from the stock market or the Company through the disposal of treasury shares. However, the Trust, which will be established in 2018 as defined in the description (2) below, will be funded through the purchase of the Company’s shares from the stock market, and therefore, the Plan will not result in the dilution of shares.
Timing for directors to receive the Grants, etc. of the Company’s shares, etc. * As stated in the description (4) below	At the time that directors retire from the director’s position

(2) Maximum amount of cash to be contributed by the Company

The Plan will be applied to the three consecutive fiscal years, which will initially be the three fiscal years from the fiscal year ending March 31, 2019 to the fiscal year ending March 31, 2021, and be further applied to a set of the three fiscal years from the following fiscal year onward in the event of the extension of the trust period (hereinafter, calling the period subject to the Plan as the “Applicable Period”).

The Company will establish a trust (hereinafter, the “Trust”), in which the Company will contribute a total amount of ¥138 million or less in cash as funds for the remuneration for directors in each Applicable Period and directors who meet beneficiary requirements will be beneficiaries, with the trust period set as three years.

With the cash contributed to the Trust, the Trust will purchase the Company’s shares from the stock market or the Company through the disposal of treasury shares according to the instructions of the trust administrator. The Trust, which will be established in 2018, will be funded from the stock market. Directors will be awarded predetermined points every year during the trust period, and upon their retirement, receive from the Trust the Grants, etc. of the Company’s shares which will be equivalent to the points accumulated.

At the end of the trust period of the Trust, the Trust may be continued through the amendment of the existing trust agreement and the additional trust funds, instead of newly setting up the Trust. In such case, the trust period of the Trust will be extended for the period equal to the initial trust period, and the three fiscal years to follow as the extension of the trust period will be a new Applicable Period. The Company will make an additional contribution for the total amount of ¥138 million or less in every trust period extended and continue to provide directors with points and the Grants, etc. of the Company’s shares, etc.

However, in the event of an additional contribution, if there are any remaining shares of the Company (excluding the Company’s shares equivalent to points awarded but not yet granted to directors) and cash (hereinafter the “Remaining shares, etc.”) within the trust before the extension, the amount totaling the amount of the Remaining shares, etc. and the additional contribution money will be ¥138 million or less.

In addition, even in the event of a termination of the Trust, if there is a director in service, at the end of the trust period, who may satisfy the beneficiary requirements, the Company may not terminate the Trust immediately and may extend the trust period of the Trust only for a certain period until the said director retires and receives the Grants, etc. of Company’s shares, etc. In such a case, however, new points will no longer be provided to directors.

(3) Calculation method of the number of the Company’s shares, etc. which directors will receive and the maximum amount

The number of the Company’s shares, etc. to be granted to directors will be determined based on the accumulated number of points which will be awarded in accordance with titles, etc. every year.

One (1) point will be equal to one (1) common share of the Company. In the case that the Company’s shares held by the Trust increase or decrease due to a split or consolidation of shares, etc., the Company will adjust the number of the Company’s shares subject to the Grants, etc.

The upper limit of the aggregate number of points to be awarded to directors will be 30,000 points in each fiscal year.

(4) The method to deliver the Grants, etc. of the Company’s shares, etc. to directors and the timing of the delivery

Directors satisfying beneficiary requirements will go through a predetermined beneficiary-finalization procedure and receive from the Trust the Company's shares, etc. which will be equivalent to the points accumulated at the time of their retirement.

Upon such delivery, said directors will receive the Company's shares (rounding up for shares less than one unit) equivalent to a certain portion of the accumulated points, and cash as the equivalent resulting from the conversion, within the Trust, of the Company's shares for the remaining portion of the accumulated points.

In the event that a director satisfying beneficiary requirements is no longer a domestic resident due to an overseas assignment, the number of the Company's shares being equivalent to the number of points accumulated at that point will be converted to cash within the Trust and the said director will receive the cash amount equal to the value converted.

In the event that a director dies during the trust period, the number of the Company's shares being equivalent to the number of points accumulated at that point will be converted to cash within the Trust and an heir of the said director will receive the cash amount equal to the value converted.

(5) Voting rights of the Company's shares held by the Trust

Voting rights of the Company's shares held by the Trust will not be exercised during the trust period to ensure a neutral position to the management.

(6) Treatment at the expiration of the trust period

In the case that there are remaining shares at the end of the expiration of the trust period due to the reduced number of directors during the Applicable Period, etc., the Company may continue to use the Trust for the same type of incentive plan as the Plan by amending and extending the trust agreement and making an additional contribution. In the case that the Trust is terminated upon the expiration of the trust period, said remaining shares will be transferred from the Trust to the Company without compensation in accordance with the trust agreement. In such case, the Company plans cancellation as a measure to return profits to shareholders, through a resolution by the Board of Directors.

(7) Contents of other parts of the Plan

Contents of other parts of the Plan will be determined at the Board of Directors at each time for the set-up of the Trust, the amendment of the trust agreement, and an additional contribution to the Trust.

[Reference]

For details of the Plan, please refer to "The Implementation of the Share Remuneration System for Directors of the Company" released on May 24, 2018.