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Securities identification code: 1835  
June 4, 2018

To our shareholders:

Naomichi Yagishita  
President, Representative Director  
**TOTETSU KOGYO CO., LTD.**  
4th Floor, JR Shinanomachi Building,  
34 Shinanomachi, Shinjuku-ku, Tokyo

## **NOTICE OF CONVOCATION OF THE 75th ORDINARY GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 75th Ordinary General Meeting of Shareholders of Totetsu Kogyo Co., Ltd. (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 exercise your voting rights after reviewing the attached Reference Documents for the General Meeting of Shareholders.

### **[Exercise of Voting Rights in Writing]**

Please indicate your votes for or against the proposals on the enclosed Voting Rights Exercise Form and return it to the Company, ensuring that the form reaches us no later than 5:30 p.m., Monday, June 25, 2018 (Japan Standard Time).

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

Enter your vote for or against the proposals on the website for exercise of voting rights designated by the Company (<https://soukai.mizuho-tb.co.jp/>), and exercise your voting rights by 5:30 p.m., Monday, June 25, 2018 (Japan Standard Time).

### **Meeting Details**

- 1. Date and Time:** 10:00 a.m., Tuesday, June 26, 2018 (Japan Standard Time)
- 2. Venue:** Meeting Room, Head Office of the Company  
4th Floor, JR Shinanomachi Building, 34 Shinanomachi, Shinjuku-ku, Tokyo
- 3. Purposes:**

#### **Items to be reported:**

1. Business Report and Consolidated Financial Statements for the 75th Term (from April 1, 2017 to March 31, 2018), as well as the results of the audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-Consolidated Financial Statements for the 75th Term (from April 1, 2017 to March 31, 2018)

#### **Items to be resolved:**

- Proposal 1:** Appropriation of surplus
- Proposal 2:** Election of nine (9) Directors
- Proposal 3:** Election of one (1) Audit & Supervisory Board Member
- Proposal 4:** Election of one (1) Substitute Audit & Supervisory Board Member

#### **4. Exercise of Voting Rights, etc.:**

Please refer to “Exercise of Voting Rights, etc.” (Japanese only).

- For those attending the meeting, please present the enclosed Voting Rights Exercise Form at the reception desk on arrival.
- Of the documents that should be submitted along with this Notice of Convocation, as the Notes to the Consolidated Financial Statements and Notes to the Non-Consolidated Financial Statements have been published on the website of the Company (<http://www.totetsu.co.jp/ir/meeting.html>), pursuant to the law and the provisions of Article 15 of the Company’s Articles of Incorporation, these have not been included in the documents attached to this Notice of Convocation. Therefore, the Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Accounting Auditor and the Audit & Supervisory Board, in addition to the documents attached to this Notice of Convocation, include the Notes to the Consolidated Financial Statements and Notes to the Non-Consolidated Financial Statements published on the Company’s website. (prepared in Japanese only)
- Any revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-Consolidated Financial Statements and the Consolidated Financial Statements will be posted on the website of the Company (<http://www.totetsu.co.jp/ir/meeting.html>).

## Reference Documents for the General Meeting of Shareholders

### Proposal 1: Appropriation of surplus

With regard to distribution of profits, the Company's basic policy is to continue to offer stable dividends, to maintain internal reserves for enhancing shareholders' equity and investment, and to grant dividends proportional to revenue.

Based on this policy and in consideration of the Group's results for the fiscal year, as well as future business development, the Company proposes the year-end dividends for this term and other appropriation of surplus as follows:

#### 1. Matters related to year-end dividends

##### (1) Type of dividend property

Cash

##### (2) Allocation of dividend property and total amount thereof

33 yen per common share of the Company

Total amount of dividends: 1,146,309,252 yen

Accordingly, including the interim dividend of 25 yen per share, the annual dividend for the fiscal year is 58 yen per share, which is 10 yen increase from the previous fiscal year.

##### (3) Effective date of distribution of dividends of surplus

June 27, 2018

#### 2. Matters related to other appropriation of surplus

##### (1) Item of surplus to be increased and amount of increase thereof

General reserve: 6,500,000,000 yen

##### (2) Item of surplus to be decreased and amount of decrease thereof

Retained earnings brought forward: 6,500,000,000 yen

**Proposal 2:** Election of nine (9) Directors

The terms of office of ten (10) Directors, Masahiko Ogura, Naomichi Yagishita, Junji Miyamoto, Choichi Ito, Hitoshi Koike, Katsumi Suga, Hideo Ogashiwa, Osamu Sekine, Takashi Suetsuna, and Katsumi Ise, will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company requests that nine (9) Directors be elected.

Our policy for nominating candidates for Director is that candidates must be able to fulfill all duties as Director having received a mandate from shareholders, and possess extensive experience and specialist knowledge in their respective fields, while also possessing exceptional character and discernment, as well as good judgment. Based on this policy, final selection is made after deliberation and approval of the Board of Directors having heard the opinion of the Management Advisory Committee (half of which comprises Independent Outside Directors), which is a non-binding advisory body to the Board of Directors for particularly important matters relating to corporate governance.

The candidates for Directors are as follows:

No.	Name	Current position and responsibilities, etc.	Attribute
1	Naomichi Yagishita	President, Representative Director	[Reelection]
2	Junji Miyamoto	Senior Managing Director & Executive Officer, Head, Finance & Corporate Planning Group	[Reelection]
3	Choichi Ito	Senior Managing Director & Executive Officer, Head, Railway Track Maintenance Business Group In charge of Safety & Technology Development Group	[Reelection]
4	Hitoshi Koike	Managing Director & Executive Officer, Head, Business Administration Group In charge of Business Supporting Group	[Reelection]
5	Katsumi Suga	Managing Director & Executive Officer, Head, Civil Engineering Business Group In charge of Shinkansen Large-Scale Renovation Group	[Reelection]
6	Hideo Ogashiwa	Director & Executive Officer, Head, Architectural Business Group In charge of Environmental Business Group	[Reelection]
7	Osamu Sekine	Outside Director	[Reelection] [Outside Director] [Independent Officer]
8	Takashi Suetsuna	Outside Director	[Reelection] [Outside Director] [Independent Officer]
9	Masaaki Nakanishi	–	[New election] [Outside Director]

Reelection: Candidate for reelection as Director

New election: New candidate for election as Director

Outside Director: Candidate for Outside Director

Independent Officer: Independent officer as provided for by a stock exchange, etc.

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
1	<p>Naomichi Yagishita (December 6, 1955)</p> <p>[Reelection]</p>	<p>Apr. 1979    Joined Japanese National Railways</p> <p>Apr. 1987    Joined East Japan Railway Company</p> <p>Apr. 1991    Chief of Ofuna Track Section, Tokyo Transport Headquarters, East Japan Railway Company</p> <p>Apr. 1991    Manager of Personnel Section, General Affairs Division, Morioka Branch Office, East Japan Railway Company</p> <p>Dec. 1993    Senior Manager of Management Administration Department, Corporate Planning Headquarters, East Japan Railway Company</p> <p>Feb. 1996    Deputy General Manager of Engineering Division, Niigata Branch Office, East Japan Railway Company</p> <p>Jan. 2003    Manager of Planning &amp; Environment Preservation Division, Facilities Department, Railway Operations Headquarters, East Japan Railway Company</p> <p>Apr. 2003    Deputy General Manager of Facilities Department (Planning &amp; Environment Preservation), Railway Operations Headquarters, East Japan Railway Company</p> <p>June 2007    General Manager of Transport Safety Department, Railway Operations Headquarters, East Japan Railway Company</p> <p>June 2008    Director and General Manager of Facilities Department, Railway Operations Headquarters, East Japan Railway Company</p> <p>June 2010    Outside Director of the Company (until June 2010)</p> <p>June 2010    Executive Director, Deputy Director General of Railway Operations Headquarters, East Japan Railway Company</p> <p>June 2014    Executive Vice President and Representative Director, East Japan Railway Company</p> <p>June 2016    Joined the Company. President, Representative Director (present position)</p>	3,000
<p><b>Reasons for nomination as candidate for Director</b></p> <p>Naomichi Yagishita has extensive experience and insight in the railway construction business in general, and as a company manager, due to his tenure as Executive Director and Deputy Director General of Railway Operations Headquarters, East Japan Railway Company, and as Executive Vice President and Representative Director of said company. He has been President, Representative Director of the Company since June 2016, and as he is an indispensable human resource for the further improvement of the corporate value of the Company, he has been nominated as a candidate to continue serving as a Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
2	<p style="text-align: center;">Junji Miyamoto (June 27, 1951)</p> <p style="text-align: center;">[Reelection]</p>	<p>Apr. 1974    Joined The Fuji Bank, Limited</p> <p>May 1989    Deputy General Manager, Treasury &amp; Securities Planning Division, The Fuji Bank, Limited</p> <p>Apr. 1992    Seconded to Fuji International Investment Management Co., Ltd., Senior Vice President, Planning Division</p> <p>Nov. 1994    Joint General Manager, London Branch, The Fuji Bank, Limited</p> <p>May 1998    Seconded to Fuji International Finance PLC (London), Managing Director &amp; Chief Executive</p> <p>May 2001    General Manager, Corporate Banking Division II, The Fuji Bank, Limited</p> <p>Apr. 2002    General Manager, Otemachi Corporate Banking Division No.4, Mizuho Corporate Bank, Ltd.</p> <p>Apr. 2003    Deputy Director General, Mizuho Bank, Ltd. Seconded to the Company, Project General Manager, Planning Department of the Company</p> <p>June 2003    General Manager, Corporate Planning Department of the Company</p> <p>July 2004    Joined the Company. Executive Officer, General Manager, Corporate Planning Department</p> <p>Jan. 2006    Executive Officer, General Manager, Corporate Planning Department, Finance &amp; Corporate Planning Group</p> <p>June 2006    Managing Director &amp; Executive Officer, Head, Finance &amp; Corporate Planning Group</p> <p>June 2013    Senior Managing Director &amp; Executive Officer, Head, Finance &amp; Corporate Planning Group (present position)</p>	23,300
<p><b>Reasons for nomination as candidate for Director</b></p> <p>Junji Miyamoto has extensive experience and insight in the global international finance industry, and in the construction business in general, due to his tenure as Managing Director &amp; Chief Executive, Fuji International Finance PLC (London), General Manager, Corporate Banking Division II, The Fuji Bank, Limited, and General Manager, Otemachi Corporate Banking Division No.4, Mizuho Corporate Bank, Ltd. He is currently serving in the position of Chief Financial Officer (CFO) as Senior Managing Director &amp; Executive Officer, Head, Finance &amp; Corporate Planning Group, and as he is an indispensable human resource for the further improvement of the corporate value of the Company, he has been nominated as a candidate to continue serving as a Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
3	Choichi Ito (March 14, 1950)  [Reelection]	<p>Apr. 1972    Joined Japanese National Railways</p> <p>Apr. 1987    Joined East Japan Railway Company</p> <p>June 2003    Deputy General Manager of Facilities Division, Omiya Branch Office, East Japan Railway Company</p> <p>June 2006    Omiya Branch Office, East Japan Railway Company Seconded to the Company, Deputy General Manager, Hachioji Branch of the Company</p> <p>June 2006    Executive Officer, General Manager, Hachioji Branch</p> <p>Apr. 2007    Joined the Company. Executive Officer, General Manager, Hachioji Branch</p> <p>Oct. 2008    Executive Officer, Head, Railway Safety Development Group</p> <p>Apr. 2009    Executive Officer, Head, Railway Safety Development Group, and Head, Safety &amp; Technology Development Group</p> <p>June 2011    Managing Director &amp; Executive Officer, Head, Railway Track Maintenance Business Group</p> <p>June 2017    Senior Managing Director &amp; Executive Officer, Head, Railway Track Maintenance Business Group, in charge of Safety &amp; Technology Development Group (present position)</p>	19,500
<p><b>Reasons for nomination as candidate for Director</b></p> <p>Choichi Ito has extensive experience and insight in the railway construction business in general, due to his tenure as Deputy General Manager of Facilities Division, Omiya Branch Office, East Japan Railway Company and Executive Officer, Head, Railway Safety Development Group of the Company. He is currently serving in the position of Senior Managing Director &amp; Executive Officer, Head, Railway Track Maintenance Business Group and in charge of Safety &amp; Technology Development Group, and as he is an indispensable human resource for the further improvement of the corporate value of the Company, he has been nominated as a candidate to continue serving as a Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
4	<p style="text-align: center;">Hitoshi Koike (March 3, 1953)</p> <p style="text-align: center;">[Reelection]</p>	<p>Apr. 1977    Joined the Company.</p> <p>Apr. 2000    Project General Manager, Railway Track Maintenance Business Department, and Project General Manager, Safety Development Department, Railway Track Maintenance Business Group</p> <p>Apr. 2001    General Manager, Railway Track Maintenance Business Department, Saitama Branch</p> <p>June 2003    General Manager, Saitama Branch</p> <p>July 2004    Executive Officer, General Manager, Tokyo Branch (Railway Track Maintenance Business)</p> <p>June 2006    Executive Officer, General Manager, Takasaki Branch</p> <p>Dec. 2007    Executive Officer, Deputy Head, Business Administration Group, General Manager, General Affairs Department</p> <p>Oct. 2008    Executive Officer, Deputy Head, Railway Track Maintenance Business Group</p> <p>Nov. 2013    Executive Officer, Deputy Head, Railway Track Maintenance Business Group, General Manager, Technology Development Department</p> <p>June 2015    Director &amp; Executive Officer, Head, Business Administration Group</p> <p>June 2017    Managing Director &amp; Executive Officer, Head, Business Administration Group, in charge of Business Supporting Group (present position)</p>	18,000
<p><b>Reasons for nomination as candidate for Director</b></p> <p>Hitoshi Koike has extensive experience and insight in the construction business in general, due to his tenure as Executive Officer, General Manager, Tokyo Branch (Railway Track Maintenance Business), Executive Officer, Deputy Head, Business Administration Group, and Executive Officer, Deputy Head, Railway Track Maintenance Business Group. He is currently serving in the position of Managing Director &amp; Executive Officer, Head, Business Administration Group and in charge of Business Supporting Group, and as he is an indispensable human resource for the further improvement of the corporate value of the Company, he has been nominated as a candidate to continue serving as a Director.</p>			



No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
5	Katsumi Suga (August 28, 1953)  [Reelection]	<p>Apr. 1977    Joined the Company.</p> <p>June 2003    General Manager, Civil Engineering Business Department, Tokyo Branch and General Manager, Civil Estimation Department</p> <p>Nov. 2003    General Manager, Civil Engineering Business Department, Civil Engineering Business Group</p> <p>May 2005    President, Representative Director of Toko Yamanote Co., Ltd. (currently Totetsu Maintenance Koji Co., Ltd.)</p> <p>June 2006    Executive Officer, General Manager, Chiba Branch</p> <p>Dec. 2007    Executive Officer, General Manager, Takasaki Branch</p> <p>Mar. 2013    Managing Executive Officer, Presidential Project Manager, Ochanomizu Disaster Prevention JV Construction Site, Tokyo Branch (Civil Engineering Business)</p> <p>June 2016    Managing Executive Officer, Deputy Head, Civil Engineering Business Group and General Manager, Civil Engineering &amp; Design Department</p> <p>June 2017    Managing Director &amp; Executive Officer, Head, Civil Engineering Business Group, in charge of Shinkansen Large-Scale Renovation Group (present position)</p>	8,500
<p><b>Reasons for nomination as candidate for Director</b></p> <p>Katsumi Suga has extensive experience and insight in the construction business in general, due to his tenure as Executive Officer, General Manager, Takasaki Branch, Managing Executive Officer, Presidential Project Manager, Ochanomizu Disaster Prevention JV Construction Site, Tokyo Branch (Civil Engineering Business), and Managing Executive Officer, Deputy Head, Civil Engineering Business Group. He is currently serving in the position of Managing Director &amp; Executive Officer, Head, Civil Engineering Business Group and in charge of Shinkansen Large-Scale Renovation Group, and as he is an indispensable human resource for the further improvement of the corporate value of the Company, he has been nominated as a candidate to continue serving as a Director.</p>			
6	Hideo Ogashiwa (January 30, 1954)  [Reelection]	<p>Apr. 1972    Joined the Company.</p> <p>July 2003    Project General Manager, Architecture Department, Takasaki Branch</p> <p>Jan. 2005    Project General Manager, Construction Department, Tokyo Branch (Architectural Business)</p> <p>Apr. 2006    Project General Manager, Architecture Department, Tokyo Branch (Architectural Business)</p> <p>July 2007    General Manager, Architecture Department, Saitama Branch</p> <p>June 2011    General Manager, Architectural Planning Department, Architectural Business Group</p> <p>June 2013    Executive Officer, Deputy Head, Architectural Business Group and General Manager, Architectural Planning Department</p> <p>June 2017    Director &amp; Executive Officer, Head, Architectural Business Group, in charge of Environmental Business Group (present position)</p>	7,600
<p><b>Reasons for nomination as candidate for Director</b></p> <p>Hideo Ogashiwa has extensive experience and insight in the construction business in general, due to his tenure as General Manager, Architecture Department, Saitama Branch, General Manager, Architectural Planning Department, Architectural Business Group, and Executive Officer, Deputy Head, Architectural Business Group. He is currently serving in the position of Director &amp; Executive Officer, Head, Architectural Business Group and in charge of Environmental Business Group, and as he is an indispensable human resource for the further improvement of the corporate value of the Company, he has been nominated as a candidate to continue serving as a Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
7	Osamu Sekine (June 14, 1942)  [Reelection]  [Outside Director]  [Independent Officer]	Apr. 1969 Registered as attorney-at-law May 1974 Completed Harvard Law School LL.M. June 1974 Lovejoy, Wasson, Lundgren & Ashton (New York) Jan. 1987 Established Tsunematsu Yanase & Sekine Jan. 2000 Partner at Nagashima Ohno & Tsunematsu due to merger with Nagashima & Ohno Jan. 2008 Adviser, Nagashima Ohno & Tsunematsu (until December 2012) June 2008 Outside Director of the Company (present position) Apr. 2013 Of Counsel of Aoyama Law Offices (present position)  [Significant concurrent positions outside the Company] Attorney at law (Of Counsel of Aoyama Law Offices) Outside Corporate Auditor, The Tokyo Tanshi Co., Ltd.	—
<p><b>Reasons for nomination as candidate for Outside Director</b></p> <p>Osamu Sekine has extensive experience and insight as an attorney and professor at a graduate law school. As the Board of Directors is currently receiving beneficial and active advice from him with the aim of the sustainable growth of the Company and the improvement of corporate value in the medium to long term, he has been nominated as a candidate to continue serving as an Outside Director.</p>			
8	Takashi Suetsuna (March 8, 1949)  [Reelection]  [Outside Director]  [Independent Officer]	Apr. 1974 Joined National Police Agency Feb. 1994 Chief of the Kochi Prefectural Police Headquarters Sept. 1997 Director, Finance Division of Commissioner General's Secretariat, National Police Agency Sept. 2001 Chief Inspector General of Commissioner General's Secretariat, National Police Agency Aug. 2002 Chief of the Kanagawa Prefectural Police Headquarters Aug. 2004 Deputy Superintendent General, Tokyo Metropolitan Police Department Sept. 2005 Chief Chamberlain of the Board of the Crown Prince's Household, Imperial Household Agency Apr. 2009 Ambassador Extraordinary and Plenipotentiary of Japan to Grand Duchy of Luxembourg June 2012 Resigned from above ambassadorial position June 2015 Outside Director of the Company (present position)  [Significant concurrent positions outside the Company] Outside Director, JCR Pharmaceuticals Co., Ltd. Outside Audit & Supervisory Board Member, Kandenko Co., Ltd. Outside Statutory Auditor, Keikyu Corporation	—
<p><b>Reasons for nomination as candidate for Outside Director</b></p> <p>Takashi Suetsuna has extensive experience and insight in the government sector. As the Board of Directors is currently receiving beneficial and active advice from him with the aim of the sustainable growth of the Company and the improvement of corporate value in the medium to long term, he has been nominated as a candidate to continue serving as an Outside Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
9	Masaaki Nakanishi (March 19, 1964)  [New election]  [Outside Director]	<p>Apr. 1989      Joined East Japan Railway Company</p> <p>Feb. 2003      Manager of Track Maintenance Division, Facilities Department, Hachioji Branch Office, East Japan Railway Company</p> <p>Mar. 2004      Manager of Planning Division, Facilities Department, Takasaki Branch Office, East Japan Railway Company</p> <p>June 2006      Manager of Track Maintenance Division, Facilities Department, Tokyo Branch Office, East Japan Railway Company</p> <p>June 2008      Manager of Facilities Department (Planning, Shinkansen, and Environment &amp; Preservation), Railway Operations Headquarters, East Japan Railway Company</p> <p>June 2010      Deputy General Manager of Finance Department (Material), East Japan Railway Company</p> <p>Jan. 2012      General Manager of Facilities Department, Yokohama Branch Office, East Japan Railway Company</p> <p>June 2012      General Manager of Facilities Department, Tokyo Branch Office, East Japan Railway Company</p> <p>June 2016      General Manager of Facilities Department, Railway Operations Headquarters, East Japan Railway Company (present position)</p> <p>[Significant concurrent positions outside the Company] Executive Officer and General Manager of Facilities Department, Railway Operations Headquarters, East Japan Railway Company (scheduled to assume the position on June 22, 2018)</p>	—
<p><b>Reasons for nomination as candidate for Outside Director</b></p> <p>Masaaki Nakanishi has extensive experience and insight at East Japan Railway Company. As the Board of Directors is expecting beneficial and active advice from him with the aim of the sustainable growth of the Company and the improvement of corporate value in the medium to long term, he has been nominated as a candidate to serve as an Outside Director.</p>			

- Notes:
1. Candidates for Director Osamu Sekine, Takashi Suetsuna, and Masaaki Nakanishi are candidates for Outside Director.
  2. Candidates for Director Osamu Sekine and Takashi Suetsuna are currently Outside Directors of the Company, and their respective tenures as Outside Directors will have been ten (10) years for Osamu Sekine and three (3) years for Takashi Suetsuna upon the conclusion of this Ordinary General Meeting of Shareholders.
  3. Based on the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered liability limitation agreements with candidates for Director Osamu Sekine and Takashi Suetsuna that limit the maximum amount of liability provided in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability in accordance with the agreements shall be the minimum liability amount stipulated by laws and regulations. If the reelection of Osamu Sekine and Takashi Suetsuna is approved, the Company plans to continue such agreements with them. Also, if the election of Masaaki Nakanishi is approved, the Company plans to enter into the same agreement with him.
  4. The Company has provided notice that candidates for Director Osamu Sekine and Takashi Suetsuna are Independent Officers according to the stipulations of the Tokyo Stock Exchange.
  5. Candidate for Director Masaaki Nakanishi is scheduled to assume the position of Executive Officer and General Manager of Facilities Department, Railway Operations Headquarters of East Japan Railway Company on June 22, 2018. East Japan Railway Company is a major shareholder and specified related business operator of the Company. (There is no special interest between any of the other candidates for Directors and the Company.)
  6. Candidate for Director Masaaki Nakanishi received salary and other compensation for the last two years and is expected to continue to receive salary and other compensation from East Japan Railway Company, which is specified related business operator of the Company.

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

Takao Igarashi will resign as Audit & Supervisory Board Member at the conclusion of this General Meeting of Shareholders. Accordingly, the Company requests that one (1) Audit & Supervisory Board Member be elected.

The Audit & Supervisory Board has given its consent to this proposal.

The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary and position in the Company	Number of the Company's shares owned
Gan Matsui (December 13, 1953)  [New election]  [Outside Audit & Supervisory Board Member]  [Independent Officer]	Apr. 1980 Public Prosecutor, Tokyo District Public Prosecutors Office Apr. 1990 Public Prosecutor, Tokyo District Public Prosecutors Office (Special Investigation Department) Jan. 2005 Director-General, Special Trial, Tokyo District Public Prosecutors Office Oct. 2010 Deputy Chief Prosecutor, Osaka High District Public Prosecutors Office June 2012 Director, Criminal Affairs Department, Supreme Public Prosecutors Office Jan. 2014 Chief Prosecutor, Yokohama District Public Prosecutors Office Jan. 2015 Superintending Prosecutor, Fukuoka High District Public Prosecutors Office Nov. 2016 Registered as an attorney at law of Japan Federation of Bar Associations (a member of Tokyo Bar Association) Yaesu Sogo Law Office (present position) [Significant concurrent positions outside the Company] Attorney at law, Yaesu Sogo Law Office Outside Audit & Supervisory Board Member, Orient Corporation External Audit & Supervisory Board Member, NAGASE & CO., LTD. (scheduled to assume the position in late June 2018)	-
<b>Reasons for nomination as candidate for Outside Audit &amp; Supervisory Board Member</b> Gan Matsui has extensive experience and insight as Superintending Prosecutor of Fukuoka High District Public Prosecutors Office and as an attorney at law, and it has been determined that he is able to perform the duties of Audit & Supervisory Board Member, and has therefore been nominated to serve as an Outside Audit & Supervisory Board Member.		

- Notes:
1. There is no special interest between candidate for Audit & Supervisory Board Member Gan Matsui and the Company.
  2. Candidate for Audit & Supervisory Board Member Gan Matsui is a candidate for Outside Audit & Supervisory Board Member.
  3. If the election of candidate for Audit & Supervisory Board Member Gan Matsui is approved, the Company plans to enter liability limitation agreements with him that limit the maximum amount of liability provided in Article 423, Paragraph 1 of the Companies Act, based on the provisions of Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability in accordance with the agreements shall be the minimum liability amount stipulated by laws and regulations.
  4. Candidate for Audit & Supervisory Board Member Gan Matsui satisfies the requirements for an Independent Officer as provided for by the Tokyo Stock Exchange, and the Company plans to provide notice to the aforementioned exchange concerning his appointment as an Independent Officer.

**Proposal 4:** Election of one (1) Substitute Audit & Supervisory Board Member

The Company requests approval for one (1) substitute Audit & Supervisory Board Member to be ready to fill a vacant position should the number of Audit & Supervisory Board Members fall below the number required by laws and regulations.

The Audit & Supervisory Board has given its consent to this proposal.

The candidate for substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary and position	Number of the Company's shares owned
<p>Takao Igarashi (January 2, 1946)</p> <p>[New election]</p> <p>[Outside Audit &amp; Supervisory Board Member]</p> <p>[Independent Officer]</p>	<p>Oct. 2000      Joined Kotsu Transport Construction &amp; Engineering Corporation General Manager of Accounting Department</p> <p>June 2001      Director and General Manager of Accounting Department, Kotsu Transport Construction &amp; Engineering Corporation</p> <p>June 2011      Full-Time Audit &amp; Supervisory Board Member, Kotsu Transport Construction &amp; Engineering Corporation</p> <p>Mar. 2018      Outside Audit &amp; Supervisory Board Member of the Company (present position) (Scheduled to resign on June 26, 2018)</p> <p>[Significant concurrent positions outside the Company] Full-Time Audit &amp; Supervisory Board Member, Kotsu Transport Construction &amp; Engineering Corporation</p>	<p>–</p>
<p><b>Reasons for nomination as candidate for substitute Outside Audit &amp; Supervisory Board Member</b></p> <p>Takao Igarashi has extensive experience and insight in the construction business in general, due to his tenure as Director and General Manager of Accounting Department, Kotsu Transport Construction &amp; Engineering Corporation, and as he also has knowledge in finance and accounting, it has been determined that he is able to perform the duties of Audit &amp; Supervisory Board Member, and has therefore been nominated to serve as a substitute Outside Audit &amp; Supervisory Board Member.</p>		

- Notes:
1. There is no special interest between the candidate for substitute Audit & Supervisory Board Member Takao Igarashi and the Company.
  2. Candidate for substitute Audit & Supervisory Board Member Takao Igarashi is a candidate for substitute Outside Audit & Supervisory Board Member.
  3. Candidate for substitute Audit & Supervisory Board Member Takao Igarashi is currently an Outside Audit & Supervisory Board Member of the Company, and his tenure as an Audit & Supervisory board Member will have been four (4) months upon the conclusion of this Ordinary General Meeting of Shareholders.
  4. Based on the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered liability limitation agreements with candidate for substitute Audit & Supervisory Board Member Takao Igarashi that limit the maximum amount of liability provided in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability in accordance with the agreements shall be the minimum liability amount stipulated by laws and regulations. If Takao Igarashi assumes the office of Audit & Supervisory Board Member again, the Company plans to enter into the same agreement with him.