

[Translation for reference only]

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT

This is an English translation of the original Japanese-language document and is provided for convenience only. In all cases, the Japanese-language original shall prevail.

(Securities code: 9006)

June 4, 2015

To our shareholders

Kazuyuki Harada

President

Keikyu Corporation

2-20-20, Takanawa, Minato-ku, Tokyo

Notice of the 94th Annual General Meeting of Shareholders

You are cordially invited to attend the 94th Annual General Meeting of Shareholders of Keikyu Corporation (hereinafter “the Company”), which will be held as described below.

If you are unable to attend the meeting, you may exercise your voting rights in writing or via the internet. Please review the Reference Documents for the General Meeting of Shareholders provided at the back of this document, and make sure that your votes are submitted no later than 5:45 p.m. on Thursday, June 25, 2015 (Japan Standard time).

1. Date and Time: Friday, June 26, 2015, at 10:00 a.m. (Japan Standard Time)

2. Venue: Ballroom, TKP GardenCity Shinagawa
SHINAGAWA GOOS (1st floor)
3-13-3, Takanawa, Minato-ku, Tokyo

3. Purpose of the Meeting

Matters to be reported:

1. Business Report, Consolidated Financial Statements and Audit Reports for the Consolidated Financial Statements by the Accounting Auditor and the Board of Statutory Auditors, for the 94th Fiscal Year (from April 1, 2014 to March 31, 2015)
2. Non-consolidated Financial Statements for the 94th Fiscal Year (from April 1, 2014 to March 31, 2015)

Matters to be resolved:

- Proposal No. 1: Appropriation of surplus
- Proposal No. 2: Partial amendment to the Articles of Incorporation
- Proposal No. 3: Election of fifteen (15) Directors
- Proposal No. 4: Election of one (1) Statutory Auditor
- Proposal No. 5: Renewal of the Policy toward a Large-scale Purchase (Anti-takeover Defenses) of Shares, etc. of the Company

4. Other Matters Concerning the Meeting

Please be noted that the following conditions will apply to the cases of exercising voting rights using a voting form or via the Internet.

- (1) If you have exercised your voting rights more than once via the Internet, the last exercise will be deemed valid.
- (2) If you have exercised your voting rights both by voting form and via the Internet, the one arriving latest will be deemed valid.
- (3) If the results of exercise both by voting form and via the Internet happen to arrive on the same day, the one exercised via the Internet will be deemed valid.

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- 1) When attending the Meeting, you are kindly requested to present the enclosed voting form to the receptionist.
 - 2) The Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Accounting Auditor and the Board of Statutory Auditors include, in addition to each statement attached to this notice, the Notes to the Consolidated Financial Statements and the Notes to the Non-consolidated Financial Statements that have been posted on the Company's website (<http://www.keikyu.co.jp/>). Pursuant to the relevant laws and regulations and Article 15 of the Company's Articles of Incorporation, the Notes to the Consolidated Financial Statements and the Notes to the Non-consolidated Financial Statements are not attached to this notice.
 - 3) Please note that any modifications to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements shall be posted on the Company's website. (<http://www.keikyu.co.jp/>)

Consolidated Balance Sheet

(As of March 31, 2015)

(Millions of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	151,546	Current liabilities	240,523
Cash and deposits	45,088	Notes and accounts payable - trade	36,268
Notes and accounts receivable - trade	14,266	Short-term loans payable	131,711
Merchandise and finished goods	2,519	Current portion of bonds	30,006
Land and buildings for sale in lots	80,849	Income taxes payable	5,147
Work in process	1,155	Advances received	4,968
Raw materials and supplies	566	Provision for bonuses	1,435
Deferred tax assets	2,744	Provision for directors' bonuses	80
Other	4,380	Other	30,904
Allowance for doubtful accounts	(26)		
Non-current assets	918,376	Non-current liabilities	577,055
Property, plant and equipment	763,171	Bonds payable	100,000
Buildings and structures	302,698	Long-term loans payable	227,124
Machinery, equipment and vehicles	37,350	Deferred tax liabilities	19,615
Land	154,732	Provision for directors' retirement benefits	350
Construction in progress	262,706	Net defined benefit liability	9,401
Other	5,682	Long-term deferred contribution for construction	193,085
Intangible assets	9,312	Other	27,477
Goodwill	3,192		
Other	6,120	Total liabilities	817,578
Investments and other assets	145,892	Net assets	
Investment securities	71,656	Shareholders' equity	206,442
Long-term loans receivable	1,802	Capital stock	43,738
Deferred tax assets	2,574	Capital surplus	44,158
Net defined benefit asset	47,130	Retained earnings	118,832
Other	22,936	Treasury shares	(286)
Allowance for doubtful accounts	(208)	Accumulated other comprehensive income	45,430
		Valuation difference on available-for-sale securities	21,063
		Remeasurements of defined benefit plans	24,366
		Minority interests	471
		Total net assets	252,344
Total assets	1,069,923	Total liabilities and net assets	1,069,923

Note: The figures presented are rounded down to the nearest million yen.

Consolidated Statement of Income

(From April 1, 2014 to March 31, 2015)

(Millions of yen)

Item	Amount	
Operating revenue		317,710
Operating expenses		
Operating expenses and cost of sales of transportation	257,618	
Selling, general and administrative expenses	33,308	290,926
Operating income		26,783
Non-operating income		
Interest and dividend income	534	
Share of profit of entities accounted for using equity method	696	
Other	1,231	2,462
Non-operating expenses		
Interest expenses	6,584	
Other	656	7,240
Ordinary income		22,005
Extraordinary income		
Gain on sales of investment securities	1,037	
Gain on sales of shares of subsidiaries and associates	376	
Contribution for construction	258	1,672
Extraordinary losses		
Impairment loss	4,224	
Loss on retirement of non-current assets	858	
Loss on reduction of non-current assets	258	5,342
Income before income taxes and minority interests		18,335
Income taxes - current	7,052	
Income taxes - deferred	461	7,514
Income before minority interests		10,821
Minority interests in income		45
Net income		10,775

Note: The figures presented are rounded down to the nearest million yen.

Consolidated Statement of Changes in Equity

(From April 1, 2014 to March 31, 2015)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	43,738	44,158	109,778	(265)	197,410
Cumulative effects of changes in accounting policies			1,585		1,585
Restated balance	43,738	44,158	111,364	(265)	198,995
Changes of items during period					
Dividends of surplus			(3,307)		(3,307)
Net income			10,775		10,775
Purchase of treasury shares				(21)	(21)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	-	0	7,468	(21)	7,447
Balance at end of current period	43,738	44,158	118,832	(286)	206,442

	Accumulated other comprehensive income			Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	4,378	5,218	9,597	447	207,454
Cumulative effects of changes in accounting policies					1,585
Restated balance	4,378	5,218	9,597	447	209,039
Changes of items during period					
Dividends of surplus					(3,307)
Net income					10,775
Purchase of treasury shares					(21)
Disposal of treasury shares					0
Net changes of items other than shareholders' equity	16,685	19,147	35,833	24	35,857
Total changes of items during period	16,685	19,147	35,833	24	43,305
Balance at end of current period	21,063	24,366	45,430	471	252,344

Note: The figures presented are rounded down to the nearest million yen.

Non-consolidated Balance Sheet

(As of March 31, 2015)

(Millions of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	113,755	Current liabilities	243,354
Cash and deposits	29,212	Short-term loans payable	131,627
Railway fares receivables	576	Current portion of bonds	30,000
Accounts receivable	2,802	Accounts payable - other	29,685
Short-term loans receivable	6,918	Accrued expenses	3,381
Land and buildings for sale in lots	70,712	Accrued consumption taxes	1,330
Prepaid expenses	963	Income taxes payable	2,024
Deferred tax assets	1,720	Inter-line fares received	833
Other current assets	849	Deposits received	1,186
Allowance for doubtful accounts	(0)	Prepaid fares received	3,673
		Advances received	1,292
		Unearned revenue	1,156
		Other current liabilities	37,161
Non-current assets	820,438	Non-current liabilities	549,878
Non-current assets - railway	266,996	Bonds payable	100,000
Non-current assets - incidental	145,976	Long-term loans payable	226,529
Non-current assets - affiliated	5,606	Deferred tax liabilities	7,497
Construction in progress	264,589	Provision for loss on business of subsidiaries and associates	2,373
Investments and other assets	137,268	Long-term deferred contribution for construction	193,085
Shares of subsidiaries and associates	45,358	Other non-current liabilities	20,392
Investment securities	59,324		
Long-term loans receivable	9,563	Total liabilities	793,233
Prepaid pension cost	9,219	Net assets	
Other	20,091	Shareholders' equity	120,058
Allowance for valuation of investments	(3,950)	Capital stock	43,738
Allowance for doubtful accounts	(2,338)	Capital surplus	40,362
		Legal capital surplus	17,861
		Other capital surplus	22,501
		Retained earnings	36,221
		Legal retained earnings	6,665
		Other retained earnings	29,556
		Reserve for advanced depreciation of non-current assets	728
		General reserve	2,050
		Retained earnings brought forward	26,777
		Treasury shares	(264)
		Valuation and translation adjustments	20,902
		Valuation difference on available-for-sale securities	20,902
		Total net assets	140,961
Total assets	934,194	Total liabilities and net assets	934,194

Note: The figures presented are rounded down to the nearest million yen.

Non-consolidated Statement of Income

(From April 1, 2014 to March 31, 2015)

(Millions of yen)

Item	Amount	
Railway:		
Operating revenue	80,532	
Operating expenses	66,199	
Operating income		14,333
Incidental:		
Operating revenue	52,269	
Operating expenses	52,253	
Operating income		16
Operating income - total business		14,349
Non-operating income		
Interest and dividend income	1,750	
Reversal of provision for loss on business of subsidiaries and associates	395	
Reversal of allowance for loan losses	340	
Other revenue	645	3,131
Non-operating expenses		
Interest expenses	6,645	
Provision of allowance for doubtful accounts	827	
Other expenses	609	8,081
Ordinary income		9,399
Extraordinary income		
Gain on sales of investment securities	979	
Contribution for construction	94	1,074
Extraordinary losses		
Impairment loss	1,919	
Provision for loss on business of subsidiaries and associates	1,169	
Loss on retirement of non-current assets	648	
Loss on reduction of non-current assets	94	3,831
Income before income taxes		6,642
Income taxes - current		2,228
Income taxes - deferred		170
Net income		4,243

Note: The figures presented are rounded down to the nearest million yen.

Non-consolidated Statement of Changes in Equity

(From April 1, 2014 to March 31, 2015)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surpluses	Legal retained earnings	Other retained earnings			Total retained earnings
					Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward		
Balance at beginning of current period	43,738	17,861	22,501	40,362	6,665	693	2,050	24,648	34,057
Cumulative effects of changes in accounting policies								1,228	1,228
Restated balance	43,738	17,861	22,501	40,362	6,665	693	2,050	25,877	35,286
Changes of items during period									
Dividends of surplus								(3,307)	(3,307)
Net income								4,243	4,243
Purchase of treasury shares									
Disposal of treasury shares			0	0					
Provision of reserve for advanced depreciation of non-current assets						35		(35)	-
Net changes of items other than shareholders' equity									
Total changes of items during the period	-	-	0	0	-	35	-	900	935
Balance at end of current period	43,738	17,861	22,501	40,362	6,665	728	2,050	26,777	36,221

	Shareholders' equity		Valuation and translation adjustments	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	
Balance at beginning of current period	(245)	117,913	4,367	122,281
Cumulative effects of changes in accounting policies		1,228		1,228
Restated balance	(245)	119,142	4,367	123,509
Changes of items during period				
Dividends of surplus		(3,307)		(3,307)
Net income		4,243		4,243
Purchase of treasury shares	(20)	(20)		(20)
Disposal of treasury shares	0	0		0
Provision of reserve for advanced depreciation of non-current assets		-		-
Net changes of items other than shareholders' equity			16,534	16,534
Total changes of items during period	(19)	916	16,534	17,451
Balance at end of current period	(264)	120,058	20,902	140,961

Note: The figures presented are rounded down to the nearest million yen.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Documents

Proposal No. 1: Appropriation of surplus

The Company regards the appropriate return of profits to shareholders as one of the most important management priorities. The Company's policy on distribution of profits is to maintain stable dividend payments, taking operating performance and financial position into consideration.

To reward shareholders' ongoing support and to meet shareholders' expectations, the Company plans to pay a year-end dividend for the current fiscal year as follows.

Items on year-end dividend

1. Items on allocation of dividend property to shareholders and its total amount

¥3 per Company's common share

Total: ¥1,653,540,903

As we paid ¥3 per share as the interim dividend, the total annual dividend for the term will be ¥6 per share

2. Effective date of dividends from surplus

June 29, 2015

Proposal No. 2: Partial amendment to the Articles of Incorporation

1. Reason for Proposal

- (1) The Company wishes to amend the provisions of Article 1 of the Articles of Incorporation to indicate the English trade name of the Company in the Articles of Incorporation for the purpose of boosting awareness of the Company group in Japan and overseas.
- (2) To facilitate smooth response concerning operation of the General Meetings of Shareholders, the Company wishes to amend the provisions of Article 18 of the Articles of Incorporation.
- (3) In accordance with the coming into force of the Act for Partial Revision of the Companies Act (Act No. 90 of 2014) on May 1, 2015, the scope of company Directors and Statutory Auditors with whom it is permitted to conclude limited liability agreements has been changed. Therefore, the Company wishes to amend the provisions of Articles 25 and 34 of the Articles of Incorporation.

As for the amendment of the provisions of Articles 25 of the Articles of Incorporation, the consent of the Statutory Auditors has been obtained.

2. Contents of Amendments:

The contents of the amendments are as follows:

(Underlined portions show amended parts.)

Present Articles of Incorporation	Proposed Amendments
<p>(Trade Name) Article 1. The name of the Company shall be “Keihin Kyuko Dentetsu Kabushiki Kaisha.”</p> <p>(Chairperson) Article 18. The President shall serve as the chairperson of a general meeting of shareholders. <u>In case the President and Director is unable to do so, the Executive Vice President shall act in his or her place, and in case the Executive Vice President is unable to do so, one of other Directors shall act in his or her place.</u></p> <p><Newly Established></p> <p>(Limitation of Liability Agreement with <u>Outside Directors</u>) Article 25. The Company may enter into agreements with <u>Outside Directors</u> to limit the liability for damages for negligence of their duties pursuant to the provisions of Paragraph 1 of Article 427 of the Companies Act. However, the maximum amount of liability under such agreement shall be the amount fixed by laws and regulations.</p> <p>(Limitation of Liability Agreement with <u>Outside Statutory Auditors</u>) Article 34. The Company may enter into agreements with <u>Outside Statutory Auditors</u> to limit the liability for damages for negligence of their duties pursuant to the provisions of Paragraph 1 of Article 427 of the Companies Act. However, the maximum amount of liability under such agreement shall be the amount fixed by laws and regulations.</p>	<p>(Trade Name) Article 1. The name of the Company shall be “Keihin Kyuko Dentetsu Kabushiki Kaisha.” <u>expressed as “Keikyu Corporation” in English.</u></p> <p>(<u>Person Authorized to Convene and</u> Chairperson) Article 18. The President shall <u>convene and</u> serve as the chairperson of a general meeting of shareholders.</p> <p><u>2. In case the President is unable to do so, another Director, in accordance with the order determined in advance by a meeting of the Board of Directors, shall convene and serve as the chairperson of the meeting.</u></p> <p>(Limitation of Liability Agreement with <u>Directors</u>) Article 25. The Company may enter into agreements with <u>Directors (excluding Directors with executive authority over operations, etc.)</u> to limit the liability for damages for negligence of their duties pursuant to the provisions of Paragraph 1 of Article 427 of the Companies Act. However, the maximum amount of liability under such agreement shall be the amount fixed by laws and regulations.</p> <p>(Limitation of Liability Agreement with <u>Statutory Auditors</u>) Article 34. The Company may enter into agreements with <u>Statutory Auditors</u> to limit the liability for damages for negligence of their duties pursuant to the provisions of Paragraph 1 of Article 427 of the Companies Act. However, the maximum amount of liability under such agreement shall be the amount fixed by laws and regulations.</p>

Proposal No. 3: Election of fifteen (15) Directors

The terms of office of all sixteen (16) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, we propose that fifteen (15) Directors be elected.

The candidates for Directors are as follows:

No.	Name, etc. of Directors	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions	
1	<p>Tsuneo Ishiwata (April 5, 1941) Number of the Company's shares owned: 167,000</p> <p>Reappointment</p>	<p>Apr. 1964 Joined the Company Jun. 1995 Director, the Company Jun. 1999 Executive Director, the Company Jun. 2003 Senior Executive Director, the Company Jun. 2003 Representative Director, the Company (present) Jun. 2005 President, the Company Jun. 2013 Chairman of the Board, the Company (present)</p> <p>(Significant concurrent positions) Chairman, Kanagawa Association of Corporate Executives Outside Statutory Auditor, Gurunavi, Inc. Outside Director, Tokai Kisen Co., Ltd. Outside Director, TOKYU RECREATION CO., LTD. Outside Director, Yokohama Shintosh Center Corporation</p>	
2	<p>Kazuyuki Harada (January 22, 1954) Number of the Company's shares owned: 56,000</p> <p>Reappointment</p>	<p>Apr. 1976 Joined the Company Jun. 2007 Director, the Company Jun. 2010 Executive Director, the Company Jun. 2011 Senior Executive Director, the Company Jun. 2013 President, the Company (present) Jun. 2013 Representative Director, the Company (present)</p> <p>(Significant concurrent positions) Outside Director, KAGETSUEN KANKO Co., Ltd. Outside Director, NKB Inc.</p>	
3	<p>Shinsuke Tanaka (February 16, 1956) Number of the Company's shares owned: 43,000</p> <p>Reappointment</p>	<p>Apr. 1978 Joined the Company Jun. 2007 Director, the Company Jun. 2011 Executive Director, the Company Jun. 2013 Senior General Manager, Corporate Strategy Department, the Company (present) Jun. 2014 Senior Executive Director, the Company (present)</p>	
4	<p>Toshiyuki Ogura (October 12, 1954) Number of the Company's shares owned: 43,000</p> <p>Reappointment</p>	<p>Apr. 1978 Joined the Company Jun. 2007 Director, the Company Jun. 2011 Executive Director, the Company Jun. 2011 Senior General Manager, Railway Headquarters, the Company (present) Jun. 2014 Senior Executive Director, the Company (present)</p>	
5	<p>Yoshikazu Takeda (January 25, 1953) Number of the Company's shares owned: 0</p> <p>Reappointment Outside Independent Director</p>	<p>Mar. 2009 Director and Senior Managing Executive Officer, Nippon Life Insurance Company Mar. 2010 Director, Nippon Life Insurance Company Jun. 2010 President, Nissay Leasing Company, Limited Jun. 2011 Outside Statutory Auditor, Nihon Parkerizing Co., Ltd. (present) Jun. 2013 Director, Keikyu Corporation (present) Apr. 2015 Chairman, Nissay Leasing Company, Limited (present)</p> <p>(Significant concurrent positions) Chairman, Nissay Leasing Company, Limited Outside Statutory Auditor, NIHON PARKERIZING CO., LTD.</p>	
6	<p>Yuichiro Hirokawa (July 26, 1958) Number of the Company's shares owned: 29,000</p> <p>Reappointment</p>	<p>Apr. 1982 Joined the Company Jun. 2007 General Manager, Accounts and Finance Department, the Company (present) Jun. 2011 Director, the Company (present)</p>	

No.	Name, etc. of Directors	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions	
7	Takashi Michihira (April 10, 1958) Number of the Company's shares owned: 23,000 <input type="button" value="Reappointment"/>	Apr. 1982 Jun. 2011 Jun. 2014	Joined the Company Director, the Company (present) General Manager, Railway Operations and Rolling Stock Department, Railway Headquarters General Manager, General Control Center, Railway Headquarters (present)
8	Akiyoshi Shibasaki (November 24, 1958) Number of the Company's shares owned: 17,000 <input type="button" value="Reappointment"/>	Apr. 1982 Jun. 2011 Sep. 2013	Joined the Company Director, the Company (present) General Manager, Business Administration Department, Development and Administration of Facilities Headquarters, the Company (present)
9	Toshiaki Honda (July 12, 1958) Number of the Company's shares owned: 18,000 <input type="button" value="Reappointment"/>	Apr. 1982 Jun. 2011 Sep. 2013	Joined the Company Director, the Company (present) General Manager, Housing Department, Development and Administration of Facilities Headquarters, the Company (present)
10	Takeshi Hirai (August 29, 1958) Number of the Company's shares owned: 13,000 <input type="button" value="Reappointment"/>	Apr. 1982 Jun. 2006 Jun. 2012 Jun. 2013	Joined the Company Transferred to Keihin Kyuko Bus Co., Ltd. Director, the Company (present) President, Keihin Kyuko Bus Co., Ltd. (present) (Significant concurrent positions) President, Keihin Kyuko Bus Co., Ltd.
11	Kenryo Ueno (May 1, 1960) Number of the Company's shares owned: 9,000 <input type="button" value="Reappointment"/>	Apr. 1984 Jun. 2013 Jun. 2013	Joined the Company Director, the Company (present) President, Keikyū Department Store Co., Ltd. (present) (Significant concurrent positions) President, Keikyū Department Store Co., Ltd. Outside Director, SAIKAYA Co., Ltd.
12	Shosuke Ohga (September 23, 1961) Number of the Company's shares owned: 17,000 <input type="button" value="Reappointment"/>	Apr. 1984 Jun. 2013 Jun. 2013	Joined the Company Director, the Company (present) President, GRAND PACIFIC LE DAIBA (present) (Significant concurrent positions) President, GRAND PACIFIC LE DAIBA
13	Kenji Sasaki (September 1, 1938) Number of the Company's shares owned: 0 <input type="button" value="New"/> <input type="button" value="Outside"/> <input type="button" value="Independent Director"/>	Jun. 1987 Jun. 1991 Jun. 1995 Jun. 1998 Jun. 2000 Jun. 2006 Dec. 2007 Jun. 2008	Director, NHK SPRING CO., LTD. Executive Director, NHK SPRING CO., LTD. Senior Executive Director, NHK SPRING CO., LTD. Executive Vice President, NHK SPRING CO., LTD. President, NHK SPRING CO., LTD. Chairman of the Board, NHK SPRING CO., LTD. President, Yokohama Chamber of Commerce and Industry (present) Outside Statutory Auditor, Yokohama Shintoshī Center Corporation (present) (Significant concurrent positions) President, Yokohama Chamber of Commerce and Industry Outside Statutory Auditor, Yokohama Shintoshī Center Corporation
14	Kazuo Urabe (November 3, 1961) Number of the Company's shares owned: 9,000 <input type="button" value="New"/>	Apr. 1984 Jun. 2007 Jun. 2009	Joined the Company General Manager, Property Management Department, the Company General Manager, Railway Planning and Business Department, Railway Headquarters, the Company (present)

No.	Name, etc. of Directors	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions	
15	Shizuyoshi Watanabe (December 6, 1961) Number of the Company's shares owned: 0 <input type="checkbox"/> New	Apr. 1986	Joined the Company
		Sep. 2009	General Manager, Group Corporate and Management Project Department, the Company
		Jun. 2010	General Manager, General Affairs Department, the Company (present)

- Notes:
1. Special Conflicts of Interest between Candidates and the Company
Mr. Yoshikazu Takeda is Chairman & Representative Director of Nissay Leasing Company, Limited and the aforesaid company conducts transactions relating to lines of business that the Company belongs to (lease of buildings).
There are no special conflicts of interest between the Company and any of the other candidates.
 2. Messrs. Yoshikazu Takeda and Kenji Sasaki are both candidates for Outside Director.
 3. Special matters regarding the candidates for Outside Director are as follows:
 - (1) Reasons for election of the candidates for Outside Director
The Company proposes the election of Mr. Yoshikazu Takeda so that his abundant experience and wide-ranging knowledge, both as a former senior executive responsible for the international and fund management operations of a life insurance company and as a senior executive of a leasing company, may be reflected in the management of the Company.
The Company also proposes the election of Mr. Kenji Sasaki so that his abundant experience and wide-ranging knowledge, both as the former manager of a leading automobile parts manufacturer and as a representative of a local economy and a regional community, may be reflected in the management of the Company.
 - (2) The relationship between the candidates for Outside Director and a specified related business operator of the Company
Mr. Kenji Sasaki is the Outside Statutory Auditor of Yokohama Shintosh Center Corporation, the affiliated company of the Company, and also was the Outside Statutory Auditor of the said company in the last five years.
 - (3) Number of years since the candidates assumed the office of Outside Director:
Mr. Yoshikazu Takeda will have served two years as Outside Director as of the closing of this Ordinary General Meeting of Shareholders
 - (4) Limitation of Liability Agreement with the candidates of Outside Directors
The Company has entered into an agreement with Mr. Yoshikazu Takeda to limit liability for damages pursuant to Paragraph 1 of Article 423 of the Companies Act, and the limit amount for liability for damages pursuant to this agreement is the minimum limit amount prescribed by laws and regulations.
If Messrs. Yoshikazu Takeda and Kenji Sasaki are elected as proposed, the Company plans to conclude limited liability agreements of the same content with both of them.
 4. Mr. Kazuyuki Harada is expected to be elected as Director of Japan Airport Terminal Co., Ltd. at its Annual General Meeting of Shareholders scheduled to be held on June 26, 2015.
 5. The Company has designated Mr. Yoshikazu Takeda as an independent director pursuant to the requirements of the Tokyo Stock Exchange and has given notification thereof to the exchange. The Company plans to designate Mr. Kenji Sasaki as an independent director pursuant to the requirements of the Tokyo Stock Exchange and give notification thereof to the exchange. In order to ensure the independence of Outside Officers at the Company in substantial terms, the Company stipulates "Independence Criteria for Outside Officers" (as stated on pages 33 and 34), and evaluates the independence of Outside Officers in accordance with these standards.

Proposal No. 4: Election of one (1) Statutory Auditor

Among the four (4) Statutory Auditors currently in office, Mr. Katsuo Koyama will retire at the closing of this Ordinary General Meeting of Shareholders. Accordingly, we propose that one (1) Statutory Auditor be elected.

The Company has already received the approval for this proposal from the Board of Statutory Auditors Meeting.

The candidate for Statutory Auditor is as follows:

Name, etc. of Statutory Auditor	Brief Personal Profile, Position in the Company, and Significant Concurrent Positions
<p>Shin Kokushoh (May 24, 1955) Number of the Company's shares owned: 49,000</p> <div data-bbox="336 678 437 730" style="border: 1px solid black; width: 50px; height: 20px; margin: 0 auto; text-align: center;">New</div>	Apr. 1978 Joined the Company
	Jul. 2003 General Manager, Business Development and Administration Department, Development and Administration of Facilities Headquarters, the Company
	Dec. 2003 General Manager, Accounts and Finance Department, the Company
	Jun. 2007 Director, the Company
	Jun. 2007 General Manager, Corporate Strategy Department, the Company
	Jun. 2009 General Manager, Group Corporate and Management Project Department, the Company
	Jun. 2011 President, GRAND PACIFIC LE DAIBA
	Jun. 2013 Executive Director, the Company (present)
	Jun. 2013 Senior General Manager, Development and Administration of Facilities Headquarters, the Company (present)
	Sep. 2013 General Manager, Business Strategy Department, Development and Administration of Facilities Headquarters, the Company (present)

Note: Special Conflicts of Interest between Candidates and the Company
There are no special conflicts of interest between the Company and the candidate.

Proposal No. 5: Renewal of the Policy toward a Large-scale Purchase (Anti-takeover Defenses) of Shares, etc. of the Company

The Company requests that shareholders approve the renewal of a countermeasure for large-scale acquisitions of the Company's shares (hereinafter the "Plan") for the purpose of improving or protecting the Company's corporate value and the common interest of shareholders.

In order to continue to achieve the above objectives, upon renewal of the policy toward large-scale purchases, the Company made the following amendments to the Plan: (i) limiting the defense measures to allotments of stock acquisition rights without contribution*, (ii) clarifying the maximum period for the examination period of the independent committee, and (iii) changing one of the independent committee members.

1. Basic Policy Regarding Persons Who Control Decisions regarding the Company's Financial and Business Policies

As an entity whose shares are listed on a financial instruments exchange, the Company respects free trading of its shares on the market. Therefore, even if such a large-scale acquisition of shares were conducted by a specific entity, if it were something that would contribute to the improvement or protection of the corporate value and the common interest of shareholders, based on an adequate understanding of the Company's business management, on a Group basis, that aims to do business operations in cooperation with the other Group companies and create synergies to develop the areas along the Keikyu Railway lines while giving priority to safety, then the Company will not in principle reject it. Moreover, the company considers the assessment of a purchase proposal involving the transfer of ownership of a stock company must be ultimately carried out based on the shareholders' decision.

Nonetheless, among large-scale acquisitions of shares, there are more than a few acquisitions that benefitted neither the corporate value of the target company nor the common interests of its shareholders including cases (i) where the purpose would obviously harm the corporate value of the target company and the common interests of its shareholders, (ii) with the potential to substantially coerce shareholders into selling their shares, (iii) that do not provide sufficient time or information for the target company's board of directors and shareholders to consider the details of the purchase, (iv) that do not provide sufficient time or information for the target company's board of directors to propose alternatives, and (v) that require the target company to negotiate with the acquirer in order to procure more favorable terms for the shareholders than those presented by the acquirer.

Therefore, the Company believes that, in order for the shareholders to decide, a large-scale purchaser of the Company's shares must provide necessary and sufficient information to the Company's Board of Directors beforehand and not begin any large-scale purchase until after the fixed examination period has elapsed.

2. Efforts to maintain and improve the Company's corporate value and the common interest of its shareholders

(1) Basic management policies

Under the Group philosophy "To contribute to the development of society by creating a new value through businesses that support urban lifestyles," the Group operates a transportation business such as railway and bus services as well as businesses related to real estate, hotel, leisure and retailing services, offering safe and reliable services and products. The Group aims to develop and enhance its businesses along the Keikyu Railway lines as a group closely linked to regional communities and lifestyles, thereby maximizing the Group's overall corporate value.

* Translation note: The phrase "allotment ... without contributions" may also be translated as "allotment ... without consideration".

The business environment surrounding the Group is expected to become increasingly demanding due to factors such as a decreasing population along the Keikyu Railway lines and intensifying competition in all business sectors. In this business environment, the Group is following a policy of selection and streamlining in its allocation of resources, and is working to maximize profits while strengthening its financial base, as it aims for sustainable business development and growth.

To achieve this, the Group will forge ahead to rally the total capability of the Group, while envisioning the future image of the Group as “With Shinagawa and Haneda as gateways, we aim to make the areas along the Keikyu Railway lines into rich and varied areas where many people from Japan and overseas gather,” and by focusing on five key initiatives to achieve this long-term vision. At the same time, the Group strives to further strengthen its corporate governance system and actively addresses social issues such as seriousness about compliance, contribution to local communities, and environmental measures.

(2) Specific initiatives

A. Five key initiatives to realize the Group’s long-term vision

(a) Promoting urban development projects in the vicinity of Shinagawa Station

The Shinagawa district, where new urban development projects are taking place, is expected to become an important hub for public transportation as well as international exchanges that will drive Japan’s growth. The metropolitan government released the “2014 Urban Development Guidelines for the Shinagawa/Tamachi Station District” last year. The guidelines indicate several measures including the enhancement of transportation capabilities by developing the Keikyu Shinagawa Station as a ground level station with two platforms and four lines, the improvement of safety by removing three railway crossings including the Shinagawa-Daiichi Crossing, and urban development by creating various urban functions such as industrial and commercial businesses and residential facilities and making use of the station’s convenience as a transportation hub. In line with the guidelines, the Group is now actively working on discussions with related authorities and institutions in order to realize the projects at the earliest possible time. The Group will also examine any temporary impact to our business by the reconstruction of existing facilities of the Group around Shinagawa Station along with urban development projects, and will appropriately take responsive measures to address such impact.

(b) Making use of the high potential of Shinagawa and Haneda Airport

Haneda Airport has expanded the number of flight slots, which will increase business opportunities and plans to open new access routes in the near future. The Group considers Haneda Airport as a most important strategic location, and strives to improve access to the airport by reviewing its train and bus schedules according to the trend of passenger traffic. Furthermore, the Group plans to gain international recognition for its business by, for example, enhancing collaboration with railway operators in Taiwan, and to capture foreign tourists and increase passenger traffic by opening new business hotels along the Keikyu Railway lines, enhancing collaborations with local governments, and other measures. Furthermore, looking ahead to the 2020 Olympic and Paralympic Games in Tokyo, the Group will continue working to improve the quality of services in group-wide efforts to have people say that “Keikyu is the best way to Haneda Airport.”

The Group strives to increase the value of all areas along the Keikyu Railway lines through business developments by making use of the high potential of Shinagawa and Haneda Airport and enhancing synergy in all services closely linked to the Keikyu Railway lines.

(c) Offering safe and reliable services and products

The Group will continue its utmost effort to offer safe and reliable services and products in all its business sectors.

The Group also conducts research on accidents and disasters at its workplaces as well as at other companies in order to understand possible risks and take appropriate measures.

In the railway business, the Group will further enhance the safety awareness of employees and promote safety features such as earthquake countermeasures and slope protections, thereby ensuring safe and stable transportation services.

In other businesses closely linked to customers' lifestyles such as buses, taxis, real estate, leisure, and retailing services, the Group places a primary focus on the provision of safe and reliable services and products in the same manner as the railway business, by thoroughly implementing inspection and maintenance of facilities and devices as well as management of food products.

(d) Creating affluent and comfortable environments along the Keikyu Railway lines

The Group will continue taking measures to enhance the value of the areas along the Keikyu Railway lines and increase the number of residential population and visitors in these areas.

In the railway business, the Group will strive to improve the convenience of transportation services and contribute to the revitalization of the areas along the Keikyu Railway lines through collaborations with local governments for strategic initiatives to bring in domestic and foreign visitors.

In the bus business, the Group will examine measures to improve schedules and routes according to passengers' needs and ensure stable bus services through collaborations with local governments.

In the real estate sales business, the Group will continue working on the revitalization of the areas along the Keikyu Railway lines, by promoting urban developments while making use of its advantages as a railway company and establishing a comprehensive system to develop, sell, and manage real estate.

In the real estate leasing business, the Group plans to make effective use of sites under the elevated railway tracks near Keikyu Kamata Station and promote urban development in the vicinity of railway stations in the Kawasaki district and other areas along the Keikyu Railway lines.

In the leisure services business, the Group plans to make effective use of valuable sightseeing resources in the areas along the Keikyu Railway lines such as the Miura Peninsula, and promote tourism initiatives through collaborations with national and local governments and other organizations in order to gain domestic and international recognition for its business excellence.

In the retailing business, the Group strives to improve convenience in the areas along the Keikyu Railway lines by enhancing its comprehensive strength through collaborations with department stores, supermarkets, shopping centers, and in-station stores while making use of their specific features.

In other businesses, the Group will strive to enhance services that support the lifestyles of residents.

(e) Exploring new businesses

In response to changing times, the Group strives to explore new businesses while selecting and streamlining its existing businesses. The Group is also actively seeking opportunities including working to capture new business with an integrated resort project planned in its business territory, in order to revitalize the areas along the Keikyu Railway lines and attract domestic and international visitors, using Shinagawa and Haneda Airport as gateways.

B. CSR Initiatives

The Group will continue addressing the issues of compliance, contribution to local communities, and environmental measures.

Through such initiatives, the Group makes it its top priority to offer safe and reliable services and products as a group of enterprises that supports the lifestyles of residents in the areas along the Keikyu Railway lines, and will continue its efforts to enhance the value of these areas and maximize its corporate value not only in the short-term but also in the medium- and long-term.

3. Basic concept of the Plan

In order to maintain or improve the corporate value of the Company and the common interest of shareholders, the Company will continue its anti-takeover defense measures based on the contents of the Plan specified in Item 4. Under the Plan, the Company will give advance warnings to any person who plans to conduct a large-scale purchase of the Company's shares, that the Company has established specific rules to be observed by such a person and that the Company may take a countermeasure against such a large-scale purchase in the form of allotment of share options without contributions to existing shareholders under the following exercise conditions and acquisition rules. Such warnings will be made through public announcements of the Plan, including, but not limited to, timely disclosure at the Tokyo Stock Exchange and disclosure in its statutory documents such as business report, and publication on the Company's website.

- (i) Exercise conditions that do not allow a Large-scale Purchaser (as defined in Item 4(1)A; the same applies hereinafter) to exercise the share options
- (ii) Acquisition provisions that allow the Company to acquire share options in exchange for shares in the Company from persons other than the Large-scale Purchaser

Under the Plan, the Independent Committee consisting of individuals selected from (1) the Company's Outside Directors, (2) the Company's Outside Statutory Auditors, or (3) outside experts (such as company owners, lawyers, certified accountants, and academics with significant experiences) who are independent from the management team of the Company will make decisions in order to eliminate arbitrary decisions by the Board of Directors, and disclose information to the shareholders in a timely manner in order to ensure the transparency of the Company's business in accordance with the Independent Committee Regulations (see Appendix 1). The three persons listed in Appendix 2 are to be appointed as members of the committee.

4. The contents of the Plan (i.e., measures to prevent a person deemed "inappropriate" as specified in the basic policy of the Plan from controlling decisions on the Company's financial and business policies)

(1) Large-scale Purchase Rules specified in the Plan

A. Large-scale Purchase subject to the Plan

The Plan applies to any purchase of the Company's shares, etc. as defined in the following items (i) and (ii) as well as other activities similar to such purchases (hereinafter, a "Large-scale Purchase"). Any person who intends to conduct a Large-scale Purchase (hereinafter, a "Large-scale Purchaser") is subject to the rules on Large-scale Purchase specified in the Plan.

- (i) A purchase of shares, etc.¹ issued by the Company which would result in the holder²'s shareholding ratio³ being 20% or higher
- (ii) A purchase of shares, etc.⁴ issued by the Company through a takeover bid⁵ which would result in the sum of the purchaser's shareholding ratio⁶ and its special interested party's⁷ shareholding ratio being 20% or higher

B. Submission of a Letter of Intent to the Company

Prior to commencing a Large-scale Purchase, a Large-scale Purchaser is required to submit to the Board of Directors of the Company a document indicating a declaration that, in conducting the Large-scale Purchase, the Large-scale Purchaser will adhere to the rules on Large-scale Purchases specified in the Plan (hereinafter, the "Letter of Intent"), and that declaration must be written in Japanese in the form specified by the Company, unless otherwise specified by the Board. The Letter of Intent should indicate the following matters.

- (a) Description of the Large-scale Purchaser
 - a. Name/company name and home/office address
 - b. Title and name of its representative
 - c. Business and purpose of the Large-scale Purchaser as a company
 - d. Descriptions of major shareholders and investors (top 10 largest shareholders/investors)
 - e. Contact information in Japan
 - f. Jurisdiction
- (b) The number of shares of the Company currently owned by the Large-scale Purchaser, and the trading status of the Large-scale Purchaser regarding the shares of the Company during the period of 60 days prior to the submission of the Letter of Intent
- (c) Description of the Large-scale Purchase proposed by the Large-scale Purchaser (class and number of shares of the Company to be acquired by the Large-scale Purchaser through the Large-scale Purchase and the purpose of the Large-scale Purchase (such as, to control or participate in the management of the Company; to make a portfolio investment or relationship investment; to transfer the Company's shares to a third party after the Large-scale Purchase; to conduct important proposal activities⁸ and other purposes; if there are multiple purposes, the descriptions of all of these purposes should be specified))

C. Request for provision of information by the Large-scale Purchaser

Prior to commencing the Large-scale Purchase, the Large-scale Purchaser is required to provide the Board of Directors of the Company with necessary and sufficient information, written in Japanese, which will help the shareholders and investors make a decision on the Large-scale Purchase as well as for assessments and examinations by the Board of the Large-scale Purchase (hereinafter, the "Necessary Information"), unless otherwise specified by the Board.

The Company will send, within 10 business days⁹ after the Company's receipt of the Letter of Intent (excluding the day of the receipt), to the Large-scale Purchaser, to the address in Japan specified in the above Item B(a)e, an information list containing information items that must be submitted initially (hereinafter, the "Initial Information List"), and the Large-scale Purchaser must submit sufficient information based on the Initial Information List to the Board.

The Board may request the Large-scale Purchaser to submit additional information by a deadline predetermined as necessary, if the Board determines that the information submitted by the Large-scale Purchaser based on the Initial Information List does not qualify as Necessary Information. In this case, the Large-scale Purchaser is required to submit such additional information by the deadline.

The following information items should be included in the Initial Information List in principle regardless of the scope and mode of the Large-scale Purchase.

- (a) Descriptions (e.g., names, capital structures, business lines, financial positions) of the Large-scale Purchaser and its group (including joint holders,¹⁰ special interested parties, partners (in the case of funds) and other members)
- (b) Purpose, method and other information regarding the Large-scale Purchase (including the amount and type of consideration, timing, and structure of related transactions of the Large-scale Purchase, legitimacy of the method and viability of the Large-scale Purchase)
- (c) Basis of the calculation of the Large-scale Purchase price (including calculation prerequisites and method, numerical information used for calculation, synergy effects expected to be generated as a result of transactions relating to the Large-scale Purchase, and allocations to minority shareholders)
- (d) Descriptions of fund providers for the Large-scale Purchase (including the names of providers (including substantive providers), fund-raising methods and other related transactions)

- (e) Contents of any communications with the Independent Committee regarding the Large-scale Purchase
- (f) Management policies, business plans, capital and dividend policies of the Company and the Group after the completion of the Large-scale Purchase
- (g) Policies on the treatment of the employees, labor unions, business partners, customers, local communities and other stakeholders of the Company after the completion of the Large-scale Purchase
- (h) Specific measures to avoid conflict-of-interest transactions with other shareholders of the Company
- (i) Other information reasonably required by the Independent Committee

In addition, the Independent Committee will advise the Board of Directors of the Company to implement the allotment of share options (as described in Item (3) below; hereinafter, the “Share Options”) without contributions as described in Item E(a), when the committee determines that the Large-scale Purchaser commenced the Large-scale Purchase without adhering to the rules specified in the Plan, except in cases where there is a special reason to conduct discussions and negotiations with the Large-scale Purchaser in pursuit of the submission of the Letter of Intent and the Necessary Information by the Large-scale Purchaser.

D. Examination on the scope of the Large-scale Purchase, and negotiations with and alternative proposals from the Large-scale Purchaser

(a) Request for the provision of information to the Board of Directors

After the receipt of the Letter of Intent and the Necessary Information from the Large-scale Purchaser, the Independent Committee may request the Board of Directors of the Company to submit the directors’ opinions on the Large-scale Purchase by the Large-scale Purchaser (including a reserved answer; the same applies hereinafter), supporting documents for such opinions, alternative proposals (if any), and other information and materials deemed necessary by the committee within a period reasonably determined by the committee (up to 30 days in principle).

(b) Examination by the Independent Committee

When the Independent Committee determines that it has received sufficient information and materials (including those additionally requested) from the Large-scale Purchaser and the Board of Directors of the Company (if requested to do so as described above), the committee will set an examination period up to 60 days in the case of a purchase of all of the Company’s shares by a takeover bid that limits the purchase consideration to be paid in cash (Japanese Yen), or up to 90 days in the case of a purchase of the Company’s shares by other means (hereinafter, the “Independent Committee Examination Period”).

The committee will examine the proposed Large-scale Purchase by the Large-scale Purchaser and the alternative proposals of the Board, collect information and make a comparative review of the respective business plans of the Large-scale Purchaser and the Board during the Independent Committee Examination Period based on the information and materials submitted by the Large-scale Purchaser and the Board, from the standpoint of maintaining or improving the corporate value of the Company and the common interest of shareholders.

When the committee requests the Large-scale Purchaser through the Board to submit additional materials and other information, or to discuss and negotiate during the Independent Committee Examination Period, the Large-scale Purchaser will promptly respond to such a request. The Large-scale Purchaser may not commence the Large-scale Purchase until the Independent Committee Examination Period ends.

The committee may ask for advice from an independent third party (such as financial advisors, certified accountants, lawyers, consultants, and other professionals) at the Company’s expense, in order

to ensure that the committee will make a decision that contributes to the corporate value of the Company and the common interest of shareholders.

(c) Information disclosure to shareholders and stakeholders

The Independent Committee will promptly disclose information by itself or through the Board of Directors of the Company the fact of the Large-scale Purchase proposed by the Large-scale Purchaser. In addition, it will disclose a summary of the proposal and the Necessary Information; the commencement, extension and expiry of the Independent Committee Examination Period; and other matters deemed necessary by the committee.

E. Judgment method by the Independent Committee

The Independent Committee will advise the Board of Directors of the Company through the following procedures when a Large-scale Purchaser proposes a Large-scale Purchase. If the committee provides advice or makes a resolution for the Board as described in Items (a) through (c) below, or if the committee otherwise deems it necessary, the committee will promptly disclose by itself or through the Board the fact and summary of such an advice or resolution and other matters deemed necessary by the committee (including the extended Independent Committee Examination Period and its concrete reasons if the committee extends the Independent Committee Examination Period as described in Item (c) below).

(a) When may the Independent Committee advise the implementation of anti-takeover defense measures

The Independent Committee will advise the Board of Directors of the Company to conduct the allotment of Share Options without contributions regardless of the commencement or expiry of the Independent Committee Examination Period, if the Large-scale Purchaser fails to take procedures as specified in Items B through D above, or if the committee deems it appropriate to conduct the allotment of Share Options without contributions because the Large-scale Purchase by the Large-scale Purchaser falls under any of the categories specified in Item (2) “Requirements for the allotment of Share Options without contributions” below after examining the proposed Large-scale Purchase or after discussions or negotiations with the Large-scale Purchaser.

After providing the above advice, the committee is still entitled to advise the board if it decides on the suspension of the allotment of Share Options without contributions prior to the effective date of the allotment, or the acquisition of the allotted Share Options without contributions or makes other decisions between the effective date of the allotment and the day before the first day of the exercise period for the Share Options (both days inclusive), if any of the following events occurs:

- a. The Large-scale Purchaser cancels the Large-scale Purchase after the Independent Committee provided its advice, or in any other cases where the Large-scale Purchase is canceled
- b. Due to a change in the facts which were the bases of the above advice, the Large-scale Purchase by the Large-scale Purchaser becomes outside the categories specified in Item (2) “Requirements for the allotment of Share Options without contributions” below, or even if the Large-scale Purchase falls under any of the said categories but the allotment of Share Options without contributions becomes inappropriate

(b) When will the Independent Committee advise not to implement anti-takeover defense measures

The Independent Committee will advise the Board of Directors of the Company not to conduct the allotment of Share Options without contributions regardless of the commencement or expiry of the

Independent Committee Examination Period, if the Large-scale Purchase by the Large-scale Purchaser becomes outside the categories specified in Item (2) “Requirements for the allotment of Share Options without contributions” below, or even if the Large-scale Purchase falls under any of the said categories but the allotment of Share Options without contributions is deemed inappropriate after examining the Large-scale Purchase or after discussions or negotiations with the Large-scale Purchaser, or if the Board fails to submit opinions as specified in Item D above or information or materials requested by the committee within the predetermined period.

After providing the above advice, the committee is still entitled to advise the board if it determines that it is appropriate to implement the allotment of Share Options without contributions and makes other decisions, in the case where the Large-scale Purchase by the Large-scale Purchaser falls under any of the categories specified in Item (2) “Requirements for the allotment of Share Options without contributions” below, and the implementation of the allotment of Share Options without contributions becomes appropriate due to a change in the facts which were the bases of the above advice.

(c) When may the Independent Committee extend the Independent Committee Examination Period

If the Independent Committee has any reasonable ground not to provide advice regarding the implementation or non-implementation of the allotment of Share Options without contributions prior to the expiry of the Independent Committee Examination Period, the committee may resolve the extension of the said period to the extent deemed reasonably necessary (but up to 30 days) to examine the Large-scale Purchase by the Large-scale Purchaser as well as to hold discussions, negotiations, or alternative proposal examinations with the Large-scale Purchaser.

After the Independent Committee Examination Period is extended based on the above resolution, the committee, within the extended Independent Committee Examination Period, will continue its information collection and examinations and make its utmost effort to provide advice or alternative proposals regarding the implementation or non-implementation of the allotment of Share Options without contributions.

F. Resolution of the Board of Directors

After receiving the above advice from the Independent Committee, the Board of Directors of the Company, as an entity under the Companies Act, will promptly pass a final resolution but taking into account the above advice to the extent possible regarding the implementation or non-implementation of the allotment of Share Options without contributions.

After passing the above resolution, the Board will promptly and publicly disclose a summary of the resolution and other matters it may deem necessary.

G. Cancellation of the allotment of Share Options without contributions and acquisition of the allotted Share Options without contributions

After resolving the implementation of the allotment of Share Options without contributions by taking the procedures specified in Item F above, the Board of Directors of the Company is still entitled to resolve the cancellation of the allotment of Share Options without contributions (prior to the effective date of the allotment) or the acquisition of Share Options without contributions (after the effective date of the allotment) based on the advice of the Independent Committee, or regardless of the advice or its contents, if any of the following cases occurs by the day preceding the first day of the exercise period for the Share Options: (a) the Large-scale Purchaser cancels the Large-scale Purchase; or (b) there is any change in the facts which were the bases in deciding in favor of the allotment of Share Options without contributions, and if it becomes inappropriate to maintain the allotment of Share Options without contributions, which was implemented from the standpoint of maintaining or improving the corporate value of the Company and the common interest of shareholders.

After the above resolution, the Board will promptly and publicly disclose a summary of the resolution and other matters it may deem necessary.

(2) Requirements for the allotment of Share Options without contributions

If the Large-scale Purchaser fails to take the procedures specified in Items B through D of (1) “Large-scale Purchase Rules specified in the Plan” above, or when the Large-scale Purchase by the Large-scale Purchaser falls under any of the following categories and it is deemed appropriate to implement the allotment of Share Options without contributions, the Company will implement the allotment of Share Options without contributions upon the resolution of the Board of Directors of the Company as specified in Item F of (1) “Large-scale Purchase Rules specified in the Plan” above. In this case, it is necessary to obtain the approval of the Independent Committee regarding the appropriateness of implementing the allotment of Share Options without contributions as specified in Item E of (1) “Large-scale Purchase Rules specified in the Plan” above.

- A. If the Large-scale Purchase may cause obvious damage to the corporate value of the Company and the common interest of shareholders due to the following acts or other similar acts
 - (a) The act of purchasing all the shares, etc. and requesting the Company to purchase the shares at a higher price
 - (b) The act of temporarily controlling the management of the Company in order for the Large-scale Purchaser to gain profits to the detriment of the Company such as purchasing the Company’s important assets at a low price
 - (c) The act of using the assets of the Company as collateral for debts of the Large-scale Purchaser or its group companies, or as sources of funds to repay such debts
 - (d) The act of temporarily controlling the management of the Company in order to sell the high value assets of the Company which are not involved in the business of the Company, and to distribute high interim dividends by using the sales proceeds of the said assets, or to sell the shares of the Company when the share price rises sharply due to such temporary high dividends
- B. If the Large-scale Purchase virtually forces the shareholders to sell their shares, etc. by means of a coercive two-tier takeover bid (meaning a takeover bid that does not seek to acquire all shares in the initial acquisition, and sets unfavorable or unclear acquisition conditions for the shareholders in the second stage)
- C. If the acquisition conditions (including the amount and type of consideration, timing, legitimacy of the method and viability of the Large-scale Purchase, and policies on the treatment of the employees, labor unions, business partners, customers, local communities and other stakeholders of the Company after the completion of the Large-scale Purchase) of the Large-scale Purchase are clearly insufficient or inappropriate in light of the Company’s primary value
- D. If the Large-scale Purchase may cause a serious hindrance to the safety and public aspect of the railway business of the Company or the interest of its customers due to insufficient or inappropriate management policies or business plans after the Large-scale Purchase by the Large-scale Purchaser
- E. If the Large-scale Purchase may cause serious damage to the corporate value of the Company and the common interest of shareholders by destroying the relationship with the employees, business partners, and other counterparties of the Group or its corporate culture, which are necessary to generate the corporate value of the Company

(3) Outline of the allotment of Share Options without contributions

The outline of the allotment of Share Options without contributions to be implemented under the Plan is specified in Appendix 3 “Outline of the allotment of Share Options without contributions”.

(4) Effective term, abolishment and amendment of the Plan

The effective term of the Plan will be extended until the end of the Annual General Meeting of Shareholders to be held in June 2018 on the condition that this extension is approved by the shareholders at this meeting.

If a resolution on the amendment or abolishment of the Plan is made at any general meeting of shareholders of the Company prior to the expiry of the effective term, the Plan should be amended or abolished at that time based on the resolution. If a resolution on the abolishment of the Plan is made at any Board of Directors meeting consisting of directors selected at a general meeting of shareholders of the Company, the Plan should be abolished at that time.

The Board of Directors of the Company may amend or change the Plan upon the approval of the Independent Committee to the extent permitted by the basic policy of the Plan, or to the extent reasonably deemed necessary due to amendments to the Companies Act, the Financial Instruments and Exchange Act, the rules of Financial Instruments Exchanges, and other applicable laws and regulations; changes to interpretation and implementation of these laws and regulations; or changes to tax systems or judicial precedents.

If the Plan is abolished or amended, the Company will promptly disclose the abolishment or amendment (the contents of the amendment as well) and other matters deemed necessary by the Board or the Independent Committee.

5. Rationality of the Plan

(1) Satisfying all requirements specified in the Anti-takeover Defense Policy

The Plan satisfies all of the three basic principles set out in the “Policy Concerning Anti-takeover Defenses for Maintaining and Improving Corporate Value and Shareholders’ Common Interests” jointly issued by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. These principles consist of “maintenance and improvement of the corporate value and shareholders’ common interests,” “prior disclosure and respect for shareholder intent,” and “ensuring necessity and reasonableness.” The Plan also reflects the “Takeover Defense Measures in Light of Recent Environment Changes” released by the Corporate Value Study Group on June 30, 2008.

(2) Aiming to maintain or improve the common interest of shareholders

The Plan aims to maintain or improve the corporate value of the Company and the common interest of shareholders when the Large-scale Purchase of the shares, etc. of the Company is proposed, by securing necessary information and periods for shareholders to determine the acceptance of the Large-scale Purchase or for the Board of Directors of the Company to offer alternative proposals, thus enabling negotiations with the Large-scale Purchaser on behalf of shareholders.

(3) Respecting the intent of shareholders

As explained in Item 4 (4) “Effective term, abolishment and amendment of the Plan” above, the effective term of the Plan will be extended upon approval of shareholders at this Annual General Meeting of Shareholders. Thereafter, the Plan may be changed or abolished if a resolution on the amendment or abolishment is made at any general meeting of shareholders of the Company. In other

words, the existence of the Plan and its content are determined by the intent of shareholders at a general meeting of shareholders of the Company.

(4) Respecting the advice of highly independent third-party experts and information disclosure

When introducing the Plan, the Company established the Independent Committee as a consultative body capable of making objective and substantive decisions regarding the implementation of the anti-takeover defense measures, in order to eliminate arbitrary decisions by the Board of Directors of the Company. The committee will remain along with the extension of the Plan.

The committee consists of at least three members selected from the Company's Outside Directors, Outside Statutory Auditors, or outside experts (experienced corporate managers, lawyers, certified public accountants, academics or other similar professionals), who are independent from the management team executing the business of the Company.

The Company discloses a summary of the decisions made by the committee to its shareholders as necessary, thereby ensuring a system for the transparent management of the Plan to the extent necessary to contribute to the corporate value of the Company and the common interest of shareholders.

(5) Establishing reasonable and objective requirements for implementing the Plan

As explained in Item E of 4 (1) "Large-scale Purchase Rules specified in the Plan" and Item 4 (2) "Requirements for the allotment of Share Options without contributions" above, the Plan is implemented only when all predetermined, reasonable and objective requirements for implementation are satisfied, thus ensuring a system to prevent the Board of Directors of the Company from arbitrarily implementing the Plan.

(6) Obtaining opinions from third-party experts

As explained in Item D of 4 (1) "Large-scale Purchase Rules specified in the Plan" above, the Independent Committee may obtain advice from independent third parties (such as financial advisors, certified accountants, lawyers, consultants and other professionals) at the expense of the Company when a Large-scale Purchase is proposed. In this way, the fairness and objectivity of decisions by the committee are strictly secured.

(7) No dead-hand or slow-hand poison pill

As explained in Item 4 (4) "Effective term, abolishment and amendment of the Plan" above, the Plan may be abolished by a resolution of the Board of Directors of the Company, which consists of Directors selected at a general meeting of shareholders of the Company. Therefore, a person who purchased a large number of shares, etc. of the Company can appoint Directors at a general meeting of shareholders and cause the board so selected to abolish the Plan. In this regard, the Plan is not a dead-hand poison pill (an anti-takeover defense that cannot be blocked even if the majority of members of the board are replaced).

In addition, the Company sets the term of office of its Directors as one year; therefore, the Plan is not a slow-hand poison pill (an anti-takeover defense that takes a considerable amount of time to block because all board's members cannot be replaced at the same time).

6. Impact on our shareholders and investors

(1) Impact of the continuation of the Plan on our shareholders and investors

In case the Plan is continued, the allotment of Share Options without contributions will not be implemented; therefore, the Plan will have no direct impact on the rights and interests of the shareholders and investors of the Company.

As explained in Item 4 above, the Company's response policy towards the Large-scale Purchase differs depending on whether the Large-scale Purchaser complies with the Plan. Therefore, the shareholders and investors are requested to monitor the movements of the Large-scale Purchaser.

(2) Impact on our shareholders and investors at the time when the allotment of Share Options without contributions is implemented

If the Board of Directors of the Company determines to implement the allotment of Share Options without contributions, Share Options will be granted free of charge to the shareholders in the form of up to one option per share held as of the allotment date with the allotment rate, both separately determined by Board's resolution of the allotment of Share Options without contributions. If a shareholder fails to follow the procedures for exercising its Share Options including the payment of the exercise price and other procedures as specified in Item A of (3) "Procedures for shareholders upon the allotment of Share Options without contributions" below during the exercise period, the value of the shares held by the shareholder will be diluted due to the exercise of Share Options by other shareholders. However, the Company may acquire Share Options from the shareholders other than the Large-scale Purchaser in exchange for the Company's shares by taking the procedures specified in Item B of (3) "Procedures for shareholders upon the allotment of Share Options without contributions" below. In this case, the shareholders other than the Large-scale Purchaser will receive shares without exercising their Share Options or paying for the exercise price, and the value of the shares held will not be diluted.

If the board resolves to implement the allotment of Share Options without contributions, and later determines the cancellation of the allotment of Share Options without contributions or the acquisition of the allotted Share Options without contributions by taking the procedures specified in Item G of 4 (1) "Large-scale Purchase Rules specified in the Plan," the value of the Company's shares may fluctuate in response to such decisions. For example, when the shareholders entitled to receive the allotment of Share Options without contributions are confirmed, and then the Company decides to cancel the allotment or the acquisition of Share Options without contributions (i.e., new shares are not granted), the economic value per share of the Company's shares held by the shareholders will not be diluted. Please understand that, in this case, the shareholders and investors who have traded the Company's shares under the assumption of such a dilution of per-share economic value may suffer unexpected losses due to fluctuations in the share price.

(3) Procedures for shareholders upon the allotment of Share Options without contributions

A. Procedures for exercising the Share Options

The Company will send a written Share Options exercise request (in the form specified by the Company, stating the necessary matters for exercising Share Options including the contents and number of the Share Options to be exercised and the exercise date as well as a representation and warranty clause regarding the shareholder's satisfying the exercise conditions of Share Options, an indemnity clause, and other covenants) and other documents necessary for exercising Share Options to the shareholders registered in the latest shareholder registry of the Company as of the allotment date, in principle. After the allotment of Share Options without contributions is implemented, the shareholders will be required to submit the necessary documents within the exercise period for the Share Options, and pay the exercise price determined by the Board of Directors of the Company at the time of resolution on the allotment of Share Options without contributions to the designated place for payment. The exercise price will be determined within a range from one yen per option up to the amount equivalent to 50% of

the market price per share of the Company's shares. Accordingly, the shareholders will receive the Company's shares in the form of one share per option, in principle.

B. Procedures for the acquisition of Share Options

If the Board of Directors of the Company resolves to implement the allotment of Share Options without contributions, the Company may acquire the Share Options in exchange for granting the Company's shares to the shareholders by taking statutory procedures on the date separately determined by the Board. In this case, the shareholders may be required to separately submit a document in the form specified by the Company, containing a representation and warranty clause confirming that the shareholders are not the Large-scale Purchaser, as well as an indemnity clause and other covenants.

In addition to the above, the Company will publicly announce or notify the description of methods of allotment and exercise of Share Options, or the acquisition of Share Options by the Company, to the shareholders after the Board resolves to implement the allotment of Share Options without contributions. Please confirm the disclosure information and the substance of the notices.

¹ The term "shares, etc." means "Share Certificates, etc." as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act (the "FIEA"); the same applies hereinafter unless otherwise provided hereunder. In case of any revisions to any laws and regulations that are referenced in the Plan (including the change to the relevant law/regulation name and the establishment of a new law/regulation to replace the former law/regulation), the corresponding articles or paragraphs shall be read as those in the corresponding laws/regulations that have substantively replaced the former ones after said revisions, unless otherwise specified by the Board of Directors of the Company.

² The term "holder" means those included in "Holders" defined in Article 27-23, Paragraph 3 of the FIEA (including those deemed applicable by the Board of Directors of the Company); the same applies hereinafter.

³ The term "shareholding ratio" means "Holding Ratio of Share Certificates, etc." defined in Article 27-23, Paragraph 4 of the FIEA; the same applies hereinafter.

⁴ The term "shares, etc." means "Share Certificates, etc." as defined in Article 27-2, Paragraph 1 of the FIEA.

⁵ The term "takeover bid" means "Tender Offer" defined in Article 27-2, Paragraph 6 of the FIEA; the same applies hereinafter.

⁶ The term "shareholding ratio" means "Share Certificates, etc. Holding Rate" defined in Article 27-2, Paragraph 8 of the FIEA; the same applies hereinafter.

⁷ The term "special interested party" means "Persons in Special Relationship" defined in Article 27-2, Paragraph 7 of the FIEA including those deemed applicable by the Board of Directors of the Company; provided, however, that persons defined in Article 3, Paragraph 2 of the "Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other than Issuer" are excluded from those described in Item 1 of Article 27-2, Paragraph 7 of the FIEA. The same applies hereinafter.

⁸ The term "important proposal activities" means "Act of Making Important Suggestion, etc." defined in Article 27-26, Paragraph 1 of the FIEA.

⁹ The term "business day" refers to days other than those listed in Article 1, Paragraph 1 of the Act on Holidays of Administrative Organs; the same applies hereinafter.

¹⁰ The term "joint holder" means "Joint Holder" defined in Article 27-23, Paragraph 5 of the FIEA, including those deemed applicable by the Board of Directors of the Company in accordance with Paragraph 6 of the same article; the same applies hereinafter.

Summary of the Independent Committee Regulations

1. The Independent Committee shall be established by a resolution of the Board of Directors of the Company.
2. The number of the members of the Independent Committee shall be at least three. The Board of Directors of the Company shall appoint them from (1) Outside Directors of the Company, (2) Outside Statutory Auditors of the Company, or (3) outside experts who are independent from the management team of the Company. Outside experts must be experienced corporate managers, government officials, lawyers, certified public accountants, academics or other similar professionals. Outside experts must conclude with the Company an agreement including a duty of care of a good manager provision specified by the Company.
3. The term of office of the members of the Independent Committee shall expire at the end of an annual general meeting of shareholders in the last fiscal year that will end within three years since the appointment, unless otherwise specified by a resolution of the Board of Directors of the Company. If an Outside Director or an Outside Statutory Auditor who is a committee member ceases to be a Director or a Statutory Auditor, his or her term of office as a committee member shall terminate at the same time.
4. The Independent Committee may ask the Company's Directors, Statutory Auditors, employees and other persons deemed necessary to attend its meeting and provide opinions and explanations as necessary.
5. The Independent Committee may host a meeting as necessary and shall adopt resolutions with a majority vote with all members of the committee attending the meeting. If any member is unable to attend the meeting due to an accident or other unavoidable circumstances, the committee shall adopt resolutions with a majority vote with majority of members attending the meeting.
6. The Independent Committee shall make decisions on the items below and provide the reasons for those decisions to the Board of Directors of the Company. The committee shall promptly and publicly disclose, by itself or through the Board, the fact of the advice, its content, and other matters deemed necessary by the committee.

Each member of the committee shall make decisions from the perspective of whether the decisions will contribute to the corporate value of the Company and the common interest of shareholders and shall not pursue their personal benefits or the benefits of the management of the Company.

- (1) Whether to implement the allotment of Share Options without contributions under the Plan
 - (2) Cancellation of the allotment of Share Options without contributions; acquisition of Share Options without contributions under the Plan
 - (3) Other matters that require a decision by the Board of Directors of the Company, for which the Board has consulted the Independent Committee
7. In addition to those listed in Paragraph 6 above, the Independent Committee may conduct the following activities:
 - (1) Deciding on the applicability of the Plan to the Large-scale Purchase
 - (2) Deciding on information, opinions, alternative proposals and materials to be submitted to the Independent Committee by the Large-scale Purchaser and the Board of Directors of the Company, as well as the deadline date of such submission
 - (3) Setting an examination period for the Independent Committee (up to 60 days in the case of a purchase of all of the Company's shares by a takeover bid that limits the purchase consideration to be paid in cash (Japanese Yen), or up to 90 days in the case of a purchase of the Company's shares by other means, and extending such period
 - (4) Inspecting and examining the contents of the Large-scale Purchase by the Large-scale Purchaser
 - (5) Conducting negotiations and discussions with the Large-scale Purchaser
 - (6) Examining alternative proposals

- (7) Indicating alternative proposals to shareholders
 - (8) Approving the abolishment or amendment of the Plan (in the case of amendments, to the extent permitted by the basic policy of the Plan, or to the extent deemed reasonably necessary due to amendments to the Companies Act, the Financial Instruments and Exchange Act, the rules of Financial Instruments Exchanges, and other applicable laws and regulations; changes to interpretation and implementation of these laws and regulations; or changes to tax systems or judicial precedents)
 - (9) Other activities which the Independent Committee may conduct under the Plan
 - (10) Other activities which the Board of Directors of the Company has determined that the Independent Committee may conduct
8. The Independent Committee may obtain advice from independent third parties (such as financial advisors, certified accountants, lawyers, and consultants) at the expense of the Company.

Brief Personal Histories of Independent Committee Members

Masao Sakai

Born January 1940

Apr. 1964	Joined Fuji Television Network, Inc.
Jun. 1997	Director, Fuji Television Network, Inc.
Jun. 2001	Senior Executive Managing Director, Fuji Television Network, Inc.
Jun. 2002	Executive Managing Director, Toyama Television Broadcasting Co., Ltd. (present)
Jun. 2005	President, FCG Research Institute, Inc.
Jun. 2012	Chairman, FCG Research Institute, Inc. (present)

Note: Mr. Masao Sakai has no specific interest in the Company

Osamu Sudoh

Born January 1954

Apr. 1980	Registered as an attorney-at-law (member of Daini Tokyo Bar Association)
Apr. 1983	Partner at Tokyo Yaesu Law Offices
Apr. 1993	Partner at Asahi Law Offices
Jun. 1999	Partner at Sudoh & Takai Law Offices (present)

Note: Mr. Osamu Sudoh has no specific interest in the Company

Rieko Sato

Born November 1956

Apr. 1984	Registered as an attorney-at-law (member of Daini Tokyo Bar Association)
Jul. 1998	Partner at Ishii Law Office (present)

Note: Ms. Rieko Sato has no specific interest in the Company

Outline of the Allotment of Share Options Without Contributions

1. The number of Share Options

The number of Share Options shall be determined by a resolution of the Board of Directors of the Company at its meeting on the allotment of Share Options without contributions (hereinafter, the “resolution of the allotment of Share Options without contributions”) up to the number equivalent to the total number of shares issued by the Company as of the end of the allotment date separately determined by the board’s resolution of the allotment of Share Options without contributions (hereinafter, the “allotment date”) less the number of shares of the Company held by the Company as of that day.

2. Eligible shareholders

The Company shall grant Share Options free of charge to the shareholders other than the Company registered in the latest shareholder registry of the Company as of the allotment date in the form of up to one option per share held by such shareholders with the allotment rate separately determined by the Board of Directors of the Company’s resolution of the allotment of Share Options without contributions.

3. Effective date of the allotment of Share Options without contributions

The Board of Directors of the Company shall determine the effective date by the resolution of the allotment of Share Options without contributions.

4. Class and number of shares subject to Share Options

The class of shares subject to Share Options shall be the Company’s common shares. The number of shares subject to one option shall be one share (hereinafter, the “number of target shares”) unless any adjustment is made.

5. Amount of assets to be paid upon the exercise of Share Options

Assets to be paid upon the exercise of Share Options shall be money, and the amount of assets to be paid upon the exercise of Share Options shall be separately determined by the Board of Directors of the Company’s resolution of the allotment of Share Options without contributions, within a range from one yen per share up to the amount equivalent to 50% of the market price per share of the Company’s shares.

6. Exercise period of Share Options

The exercise period of Share Options shall be a period of one to two months separately determined by the Board of Directors of the Company’s resolution of the allotment of Share Options without contributions, starting from the effective date of the allotment of Share Options without contributions, or the date separately determined by the board’s resolution of the allotment of Share Options without contributions. If the Company acquires Share Options as specified in Item 9 (2) below, the exercise period of such Share Options pertaining to the acquisition shall be up to the business day immediately prior to the acquisition date. If the final day of the exercise period falls on a holiday at the place handling the payment for the exercise of Share Options, the final day of the exercise period shall be the business day immediately after that day.

7. Conditions for the exercise of Share Options

- (1) Specified large-scale shareholders¹¹
- (2) Joint holders of specified large-scale shareholders

- (3) Specified large-scale purchasers¹²
- (4) Special interested party of specified large-scale purchasers
- (5) Persons who acquired Share Options by way of transfer or succeed to Share Options from persons who fall under any of Items (1) through (4) above without obtaining approval from the Board of Directors of the Company
- (6) Persons related¹³ to those listed in Items (1) through (5) above (hereinafter, persons who fall under any of Items (1) through (6) shall be collectively referred to as the “Specified Large-scale Purchaser”)

Any persons listed above may not exercise Share Options, in principle.

8. Transfer of Share Options

The acquisition of Share Options by way of transfer shall require the approval of the Board of Directors of the Company.

9. Acquisition of Share Options by the Company

- (1) The Company may acquire all Share Options without contributions on a day separately determined by the Board of Directors of the Company up to the day preceding the first day of the exercise period for the Share Options if the acquisition of Share Options by the Company is deemed appropriate by the Board.
- (2) On a day separately determined by the Board of Directors of the Company, the Company may acquire all Share Options, held by persons other than the Specified Large-scale Purchaser, that have not been exercised by the business day immediately preceding the day specified by the board, and deliver the shares in the number of target shares per option in exchange for Share Options. If a third party other than the Specified Large-scale Purchaser acquires by way of transfer the Share Options owned by the Specified Large-scale Purchaser after the acquisition of Share Options by the Company, the Company may acquire those Share Options under this provision more than once.

¹¹ The term “specified large-scale shareholders” means a holder of shares, etc. issued by the Company and whose holding ratio of the shares is at least 20% confirmed by the Board of Directors of the Company; the same applies hereinafter.

¹² The term “specified large-scale purchaser” means a person who makes a public announcement of purchase, etc. (as defined in Article 27-2, Paragraph 1 of the FIEA; the same applies throughout this footnote) of shares, etc. (share certificates, etc. as defined in Article 27-2, Paragraph 1 of the FIEA; the same applies throughout this footnote) issued by the Company through a tender offer and whose holding ratio of shares, etc., in respect of such shares, etc., owned by the person after such purchase, etc. (including similar ownership as specified in Article 7, Paragraph 1 of the Order for Enforcement of the FIEA), is at least 20% when combined with the holding ratio of shares, etc., of the special interested party of the person, which is confirmed by the Board of Directors of the Company; the same applies hereinafter.

¹³ The term “persons related” means a person who substantively controls, is controlled by or is under common control with those listed the above. The term “control” means to “control the determination of the financial and business policies” (as defined in Article 3, Paragraph 3 of the Order for Enforcement of the Companies Act) of other corporations or entities.

[Reference]

Independence Criteria for Outside Officers

Outside Directors or Outside Statutory Auditors of the Company must not fall under any of the following categories if they are to be considered independent.

1. An executing person of the Company and its group companies (hereinafter, collectively the “Company”)
2. A major shareholder of the Company, or an executing person of a company that is a major shareholder of the Company
3. A person who is a major lender of the Company, or an executing person of a company that is a major lender partner
4. A person for whom the Company is a major trading partner or an executive officer of a company for which the Company is a major trading partner
5. A person who is a major trading partner of the Company or an executing person of a company which is a major trading partner of the Company
6. A person receiving donations or financial assistance in an amount exceeding a certain threshold from the Company, or a director or other executing person of a corporation, or group such as a union, etc. receiving donations or financial assistance in an amount exceeding a certain threshold from the Company
7. An attorney-at-law, certified accountant, tax accountant or consultant who receives money or other property benefits in an amount exceeding a certain threshold from the Company other than director remunerations
8. A person who belongs to a corporation, such as a law firm, audit corporation, tax accountant corporation, or consulting firm; or a group, such as a union that receives money or other property benefits in an amount exceeding a certain threshold from the Company
9. An outside director or an outside statutory auditor of another company with which the Company holds an outside director mutual appointment relationship
10. A person who falls under the category described in Item 1 above for the past 10 years, or a person who falls under the category described in any of the Items 2 to 9 above for the past 5 years
11. If a person with an important position falls under the category described in any of the items 1 to 9 above, then the spouse or relative within the second degree of kinship of such person

Notes:

1. The term “executing person” refers to an “executive director, executive officer, manager, or person or employee equivalent to this.”
2. The term “major shareholder” in Item 2 means “a person (or a company) who holds 10% of the total voting rights of the Company directly or indirectly at the end of the most recent business year.”
3. The term “a person (or a company) who is a major lender of the Company” in Item 3 means “a financial institution or other large creditor with which/whom the Company was relying on, with no substitute, for its funds procurement at the end of the most recent business year.”
4. The term “a person (or a company) for whom/which the Company is a major trading partner” in Item 4 means a “person (or a company) who has received payments from the Company in an amount equivalent to 2% or more of the consolidated annual net sales of that person (or company) in the latest business year.”

5. The term “a person (or a company) who is a major trading partner of the Company” in Item 5 means a “person (or a company) who has made payments to the Company in an amount equivalent to 2% or more of the consolidated annual net sales of the Company in the latest business year.”
6. The term “a certain threshold” in Items 6 and 7 means “10 million yen per year.”
7. The term “a certain threshold” in Item 8 means “2% or more of the total net sales of the corporation, or group such as a union in the latest business year.”
8. The term “outside director mutual appointment relationship” Item 9 means “a relationship where the executing person of the Company in the latest business year is an outside director or an outside statutory auditor of another company and an executing person of that other company is an outside director or an outside statutory auditor of the Company.”
9. The term a “person with an important position” in Item 11 means “a person holding a position of general manager or higher with authority equivalent to that of an executing person.”
10. Any matters not stated herein that may significantly affect the judgment of independence shall be managed flexibly.