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ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT  
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(Securities code: 9006)

June 4, 2020

To our shareholders

Kazuyuki Harada  
President  
**Keikyu Corporation**  
1-2-8, Takashima, Nishi-ku, Yokohama-shi,  
Kanagawa, JAPAN

## Notice of the 99th Annual General Meeting of Shareholders

We are pleased to announce the 99th Annual General Meeting of Shareholders of Keikyu Corporation (hereinafter “the Company”), which will be held as described below.

Moreover, to prevent the spread of the novel coronavirus disease (COVID-19), we ask that you exercise your voting rights in advance by mail or via the Internet, etc., no later than 5.45 p.m. on Thursday, June 25, 2020 (Japan Standard Time), and refrain from attending the meeting in person.

1. Date and Time: Friday, June 26, 2020, at 10:00 a.m. (Japan Standard Time)
2. Venue: Shintosh Hall, 9th floor, Yokohama Shintosh BLDG (SOGO YOKOHAMA)  
2-18-1, Takashima, Nishi-ku, Yokohama-shi, Kanagawa, JAPAN  
(As the head office has been relocated, the venue is changed starting from this General Meeting of Shareholders.)

### 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 Audit & Supervisory Board, for the 99th Fiscal Year (from April 1, 2019 to March 31, 2020)
2. Non-consolidated Financial Statements for the 99th Fiscal Year (from April 1, 2019 to March 31, 2020)

Matters to be resolved:

- Proposal No. 1: Appropriation of surplus
- Proposal No. 2: Election of twelve (12) Directors
- Proposal No. 3: Election of two (2) Audit & Supervisory Board Members
- Proposal No. 4: Introduction of stock remuneration plan for Directors

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- 1) The Business Report audited by the Audit & Supervisory Board Members and the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Accounting Auditor and the Audit & Supervisory Board Members include, in addition to each statement attached to this notice, major business activities in the Business Report, major business locations, etc., the status of employees, the status of the Accounting Auditor, the frameworks and policies of the Company, the Consolidated Statement of Changes in Equity, the Notes to the Consolidated Financial Statements, the Non-consolidated Statement of Changes in Equity and the Notes to the Non-consolidated Financial Statements that have been posted on the Company’s website (<https://www.keikyu.co.jp>). Pursuant to the relevant laws and regulations and Article 15 of the Company’s Articles of Incorporation, major business activities in the Business Report, major business

locations, etc., the status of employees, the status of the Accounting Auditor, the frameworks and policies of the Company, the Consolidated Statement of Changes in Equity, the Notes to the Consolidated Financial Statements, the Non-consolidated Statement of Changes in Equity and the Notes to the Non-consolidated Financial Statements are not attached to this notice.

- 2) 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. (<https://www.keikyu.co.jp>)

#### Exercising Voting Rights

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.

# 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

¥8 per the Company's common share

Total: ¥2,203,263,648

As we paid ¥8 per share as the interim dividend, the total annual dividend for the term will be ¥16 per share.

2. Effective date of dividends from surplus

June 29, 2020

## Proposal No. 2: Election of twelve (12) Directors

The terms of office of all thirteen (13) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, we propose that twelve (12) Directors be elected.

The candidates for Directors are as follows:

These candidates have been approved by the Board of Directors upon consultation with the Nomination and Remuneration Advisory Committees whose majority is comprised of Independent Outside Directors.

No.	Name of Directors	Current Position in the Company	Number of Board of Directors Meetings Attended
1	<u>Reappointment</u> Tsuneo Ishiwata <u>Male</u>	Chairman of the Board, Representative Director	13/13
2	<u>Reappointment</u> Kazuyuki Harada <u>Male</u>	President, Representative Director President and Executive Officer	13/13
3	<u>Reappointment</u> Toshiyuki Ogura <u>Male</u>	Director, Vice President and Executive Officer	13/13
4	<u>Reappointment</u> Takashi Michihira <u>Male</u>	Director, Senior Managing Executive Officer	13/13
5	<u>Reappointment</u> Toshiaki Honda <u>Male</u>	Director, Senior Managing Executive Officer	13/13
6	<u>Reappointment</u> Kazuo Urabe <u>Male</u>	Director, Managing Executive Officer	13/13
7	<u>Reappointment</u> Shizuyoshi Watanabe <u>Male</u>	Director, Managing Executive Officer	13/13
8	<u>Reappointment</u> Yukihiro Kawamata <u>Male</u>	Director, Managing Executive Officer	13/13
9	<u>Reappointment</u> Kenji Sato <u>Male</u>	Director, Executive Officer	13/13
10	<u>Reappointment</u> <u>Outside</u> <u>Independent</u> Michiko Tomonaga <u>Female</u>	Director	13/13
11	<u>Reappointment</u> <u>Outside</u> <u>Independent</u> Yoshinori Terajima <u>Male</u>	Director	13/13
12	<u>New</u> <u>Outside</u> <u>Independent</u> Tamaki Kakizaki <u>Female</u>	–	– / –

No.	Name, etc. of Director	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions
1 Reappointment Male	<p><b>Tsuneo Ishiwata</b></p> <p><b>Date of birth</b> April 5, 1941 (79 years old)</p> <p><b>Tenure as Director</b> 25 years (At the conclusion of this General Meeting of Shareholders)</p> <p><b>Number of Board of Directors Meetings Attended</b> 13/13</p> <p><b>Number of the Company's shares owned</b> 93,900 Shares</p>	<p>Apr. 1964 Joined the Company</p> <p>Jun. 1995 Director, the Company</p> <p>Jun. 1999 Executive Director, the Company</p> <p>Jun. 2003 Senior Executive Director, the Company</p> <p>Jun. 2003 Representative Director, the Company (present)</p> <p>Jun. 2005 President, the Company</p> <p>Jun. 2013 Chairman of the Board, the Company (present)</p> <p>(Significant concurrent positions)</p> <p>Chairman, Kanagawa-ken Employer's Association</p> <p>Chairman, Kanagawa Association of Corporate Executives</p> <p>Outside Audit &amp; Supervisory Board Member, Gurunavi, Inc. (scheduled to resign in June, 2020)</p> <p>Outside Director, Tokai Kisen Co., Ltd.</p> <p>[Reasons for nominating the candidate for Director]</p> <p>Mr. Tsuneo Ishiwata has been engaged primarily in accounting and business management etc. and obtained abundant experiences and deep insights in these areas. He assumed the position of President of the Company in June 2005, and has served as Chairman of the Board responsible for the business management of the Group since June 2013. The Company considers that he has properly performed his duties in decision-making on important business matters, supervising business execution, etc. and hence, appointed him as a candidate for Director.</p>

Note: Mr. Tsuneo Ishiwata is Chairman of the Kanagawa-ken Employer's Association, and the Company pays membership fees, etc. to said association. He is also Chairman of the Kanagawa Association of Corporate Executives. Although the Company pays membership fees, etc. to said association, the amounts are small.

No.	Name, etc. of Director	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions
2 Reappointment Male	<p><b>Kazuyuki Harada</b></p> <p><b>Date of birth</b> January 22, 1954 (66 years old)</p> <p><b>Tenure as Director</b> 13 years (At the conclusion of this General Meeting of Shareholders)</p> <p><b>Number of Board of Directors Meetings Attended</b> 13/13</p> <p><b>Number of the Company's shares owned</b> 49,800 Shares</p>	<p>Apr. 1976 Joined the Company</p> <p>Jun. 2007 Director, the Company</p> <p>Jun. 2010 Executive Director, the Company</p> <p>Jun. 2011 Senior Executive Director, the Company</p> <p>Jun. 2013 President, the Company (present)</p> <p>Jun. 2013 Representative Director, the Company (present)</p> <p>Jun. 2013 In charge of Inquiry and Auditing Group Operating Department, the Company (present)</p> <p>Jun. 2019 President and Executive Officer, the Company (present)</p> <p>(Significant concurrent positions)</p> <p>Outside Director, Japan Post Insurance Co., Ltd.</p> <p>Outside Director, Japan Airport Terminal Co., Ltd.</p> <p>Outside Director, NKB Inc.</p> <p>Outside Director, Yokohama Shintoshin Center Corporation</p> <p>[Reasons for nominating the candidate for Director]</p> <p>Mr. Kazuyuki Harada has been engaged primarily in railway business and human resources and obtained abundant experiences and deep insights in these areas. He has served as President of the Company responsible for the business management of the Group since June 2013. The Company considers that he has properly performed his duties in decision-making on important business matters, supervising business execution, etc. and hence, appointed him as a candidate for Director.</p>

No.	Name, etc. of Director	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions
3 Reappointment Male	<p><b>Toshiyuki Ogura</b></p> <p><b>Date of birth</b> October 12, 1954 (65 years old)</p> <p><b>Tenure as Director</b> 13 years (At the conclusion of this General Meeting of Shareholders)</p> <p><b>Number of Board of Directors Meetings Attended</b> 13/13</p> <p><b>Number of the Company's shares owned</b> 32,700 Shares</p>	<p>Apr. 1978 Joined the Company</p> <p>Jun. 2007 Director, the Company</p> <p>Jun. 2011 Executive Director, the Company</p> <p>Jun. 2014 Senior Executive Director, the Company</p> <p>Jun. 2015 Senior General Manager, Development and Administration of Facilities Headquarters and Office Manager, Shinagawa Development Department, the Company (present)</p> <p>Jun. 2016 Executive Vice President, the Company</p> <p>Jun. 2016 Executive Manager, the Company (present)</p> <p>Jun. 2019 Director, Vice President and Executive Officer, the Company (present)</p> <p>(Significant concurrent positions) Outside Director, KAGETSUEN KANKO Co., Ltd. (scheduled to resign in June, 2020)</p> <p>[Reasons for nominating the candidate for Director] Mr. Toshiyuki Ogura has been engaged primarily in railway business and development projects, and obtained abundant experiences and deep insights in these areas. He has served as Director of the Company since June 2007. The Company considers that he has properly performed his duties in decision-making on important business matters, supervising business execution, etc. and hence, appointed him as a candidate for Director.</p>

No.	Name, etc. of Director	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions
4 Reappointment Male	<p><b>Takashi Michihira</b></p> <p><b>Date of birth</b> April 10, 1958 (62 years old)</p> <p><b>Tenure as Director</b> 9 years (At the conclusion of this General Meeting of Shareholders)</p> <p><b>Number of Board of Directors Meetings Attended</b> 13/13</p> <p><b>Number of the Company's shares owned</b> 18,400 Shares</p>	<p>Apr. 1982 Joined the Company</p> <p>Jun. 2011 Director, the Company</p> <p>Jun. 2015 Executive Director, the Company</p> <p>Jun. 2015 Senior General Manager, Railway Headquarters, the Company (present)</p> <p>Jun. 2018 Senior Executive Director, the Company</p> <p>Jun. 2018 In charge of Public Relations and Press Department, the Company (present)</p> <p>Jun. 2019 Director, Senior Managing Executive Officer, the Company (present)</p> <p>(Significant concurrent positions) Outside Director, Yokohama Minatomirai Railway Company</p> <p>[Reasons for nominating the candidate for Director] Mr. Takashi Michihira has been engaged primarily in railway business and obtained abundant experiences and deep insights in this area. He has served as Director of the Company since June 2011. The Company considers that he has properly performed his duties in decision-making on important business matters, supervising business execution, etc. and hence, appointed him as a candidate for Director.</p>

No.	Name, etc. of Director	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions
5 Reappointment Male	<p><b>Toshiaki Honda</b></p> <p><b>Date of birth</b> July 12, 1958 (61 years old)</p> <p><b>Tenure as Director</b> 9 years (At the conclusion of this General Meeting of Shareholders)</p> <p><b>Number of Board of Directors Meetings Attended</b> 13/13</p> <p><b>Number of the Company's shares owned</b> 20,100 Shares</p>	<p>Apr. 1982 Joined the Company</p> <p>Jun. 2011 Director, the Company</p> <p>Jun. 2016 Executive Director, the Company</p> <p>Sep. 2016 General Manager, Machi Creation Department, Development and Administration of Facilities Headquarters, the Company (present)</p> <p>Jun. 2017 Office Manager, Business Creation Department, the Company (present)</p> <p>Apr. 2018 President, R-Bank Co., Ltd. (present)</p> <p>Jun. 2019 Director, Senior Managing Executive Officer, the Company (present)</p> <p>Jun. 2019 Vice Senior General Manager, Development and Administration of Facilities Headquarters, the Company (present)</p> <p>(Significant concurrent positions) President, R-Bank Co., Ltd.</p> <p>[Reasons for nominating the candidate for Director] Mr. Toshiaki Honda has been engaged primarily in leisure services business and development projects, and obtained abundant experiences and deep insights in these areas. He has served as Director of the Company since June 2011. The Company considers that he has properly performed his duties in decision-making on important business matters, supervising business execution, etc. and hence, appointed him as a candidate for Director.</p>

Note: Mr. Toshiaki Honda is President of R-Bank Co., Ltd., a subsidiary which operates renovation business, etc. Transactions for contracted operations of hostel business, among others, are conducted between the Company and R-Bank Co., Ltd., and the amount paid by the Company to R-Bank Co., Ltd. was ¥125 million.

No.	Name, etc. of Director	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions
6 Reappointment Male	<p><b>Kazuo Urabe</b></p> <p><b>Date of birth</b> November 3, 1961 (58 years old)</p> <p><b>Tenure as Director</b> 5 years (At the conclusion of this General Meeting of Shareholders)</p> <p><b>Number of Board of Directors Meetings Attended</b> 13/13</p> <p><b>Number of the Company's shares owned</b> 8,900 Shares</p>	<p>Apr. 1984 Joined the Company</p> <p>Jun. 2015 Director, the Company</p> <p>Jun. 2015 In charge of Personnel Department, the Company (present)</p> <p>Jun. 2019 Director, Managing Executive Officer, the Company (present)</p> <p>Jun. 2019 In charge of Accounts and Finance Department, the Company (present)</p> <p>[Reasons for nominating the candidate for Director] Mr. Kazuo Urabe has been engaged primarily in railway business, accounting, human resources and general affairs and obtained abundant experiences and deep insights in these areas. He has served as Director of the Company since June 2015. The Company considers that he has properly performed his duties in decision-making on important business matters, supervising business execution, etc. and hence, appointed him as a candidate for Director.</p>

No.	Name, etc. of Director	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions
7 Reappointment Male	<p><b>Shizuyoshi Watanabe</b></p> <p><b>Date of birth</b> December 6, 1961 (58 years old)</p> <p><b>Tenure as Director</b> 5 years (At the conclusion of this General Meeting of Shareholders)</p> <p><b>Number of Board of Directors Meetings Attended</b> 13/13</p> <p><b>Number of the Company's shares owned</b> 6,900 Shares</p>	<p>Apr. 1986    Joined the Company</p> <p>Jun. 2010    General Manager, General Affairs Department, the Company (present)</p> <p>Jun. 2015    Director, the Company</p> <p>Jun. 2019    Director, Managing Executive Officer (present)</p> <p>Jun. 2019    General Manager, Business Creation Department, the Company (present)</p> <p>[Reasons for nominating the candidate for Director] Mr. Shizuyoshi Watanabe has been engaged primarily in general affairs and business management and obtained abundant experiences and deep insights in these areas. He has served as Director of the Company since June 2015. The Company considers that he has properly performed his duties in decision-making on important business matters, supervising business execution, etc. and hence, appointed him as a candidate for Director.</p>

No.	Name, etc. of Director	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions
8 Reappointment Male	<p><b>Yukihiro Kawamata</b></p> <p><b>Date of birth</b> February 10, 1964 (56 years old)</p> <p><b>Tenure as Director</b> 4 years (At the conclusion of this General Meeting of Shareholders)</p> <p><b>Number of Board of Directors Meetings Attended</b> 13/13</p> <p><b>Number of the Company's shares owned</b> 14,100 Shares</p>	<p>Apr. 1986    Joined the Company</p> <p>Jun. 2016    Director, the Company</p> <p>Jun. 2019    Director, Managing Executive Officer, the Company (present)</p> <p>Jun. 2019    Office Manager, Corporate Strategy Department, the Company (present)</p> <p>[Reasons for nominating the candidate for Director] Mr. Yukihiro Kawamata has been engaged primarily in hotel business and business management and obtained abundant experiences and deep insights in these areas. He has served as Director of the Company since June 2016. The Company considers that he has properly performed his duties in decision-making on important business matters, supervising business execution, etc. and hence, appointed him as a candidate for Director.</p>

No.	Name, etc. of Director	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions
9 Reappointment Male	<p><b>Kenji Sato</b></p> <p><b>Date of birth</b> January 24, 1962 (58 years old)</p> <p><b>Tenure as Director</b> 3 years (At the conclusion of this General Meeting of Shareholders)</p> <p><b>Number of Board of Directors Meetings Attended</b> 13/13</p> <p><b>Number of the Company's shares owned</b> 4,910 Shares</p>	<p>Apr. 1984    Joined the Company</p> <p>Jun. 2017    Director, the Company</p> <p>Jun. 2017    President, Keikyu Store Co., Ltd. (present)</p> <p>Jun. 2019    Director, Executive Officer, the Company (present)</p> <p>(Significant concurrent positions) President, Keikyu Store Co., Ltd.</p> <p>[Reasons for nominating the candidate for Director] Mr. Kenji Sato has been engaged primarily in retailing business and obtained abundant experiences and deep insights in this area. He has served as Director of the Company since June 2017. The Company considers that he has properly performed his duties in decision-making on important business matters, supervising business execution, etc. and hence, appointed him as a candidate for Director.</p>



No.	Name, etc. of Director	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions
<p style="text-align: center;">10</p> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 2px;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 2px;">Outside</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 2px;">Independent</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 2px;">Female</div>	<p style="text-align: center;"><b>Michiko Tomonaga</b></p> <p><b>Date of birth</b> July 26, 1947 (72 years old)</p> <p><b>Tenure as Outside Director</b> 4 years (At the conclusion of this General Meeting of Shareholders)</p> <p><b>Number of Board of Directors</b> 10</p> <p><b>Meetings Attended</b> 13/13</p> <p><b>Number of the Company's shares owned</b> 0 Shares</p>	<p>Mar. 1975 Registered as Certified Public Accountant</p> <p>Jul. 2007 Vice President, the Japanese Institute of Certified Public Accountants (resigned in July 2010)</p> <p>Jul. 2008 Senior Partner, Ernst &amp; Young ShinNihon LLC (resigned in June 2010)</p> <p>Jun. 2010 Audit &amp; Supervisory Board Member, the Company (resigned in June 2016)</p> <p>Jun. 2011 Outside Audit &amp; Supervisory Board Member, NIPPON TELEGRAPH AND TELEPHONE CORPORATION (resigned in June 2019)</p> <p>Jun. 2016 Director, the Company (present) (Significant concurrent positions) Certified Public Accountant</p> <p>[Reasons for nominating the candidate for Outside Director] Ms. Michiko Tomonaga has once served as Vice President of the Japanese Institute of Certified Public Accountants as well as the former outside officer of major telecommunications company, and obtained abundant experiences and broad insights. After properly performing her duties as Outside Audit &amp; Supervisory Board Member of the Company during June 2010 through June 2016, she has served as Outside Director of the Company since June 2016. The Company considers that she has properly performed her duties in supervising business execution, etc. of the Company and hence, appointed her as a candidate for Outside Director.</p>

- Notes:
1. Ms. Michiko Tomonaga satisfies the "Independence Criteria for Outside Officers" established by the Company (Please see pages 19 and 20). While she is a former Senior Partner of Ernst & Young ShinNihon LLC (resigned in June 2010), with which the Company has transactions including auditing of the Company by the audit corporation, the total amount of remuneration paid by the Company to Ernst & Young ShinNihon LLC pertaining to the fiscal year under review is ¥210 million (0.2% of the total net sales of the audit corporation in the latest business year), which is below the criterion of "audit corporation that receives money or other property benefits in an amount exceeding a certain threshold from the Company" (2% of the total net sales of the audit corporation in the latest business year) in the "Independence Criteria for Outside Officers."
  2. The Company has designated her as an independent officer pursuant to the requirements of the Tokyo Stock Exchange and has given notification thereof to the exchange.
  3. The Company has entered into an agreement with her to limit liability for damages pursuant to Article 423, paragraph 1 of the Companies Act, and the limit amount for liability for damages pursuant to the agreement is the minimum liability amount prescribed by laws and regulations. If she is elected as proposed, the Company plans to conclude a limited liability agreement of the same content with her.

No.	Name, etc. of Director	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions
11 Reappointment Outside Independent Male	<p><b>Yoshinori Terajima</b></p> <p><b>Date of birth</b> January 2, 1959 (61 years old)</p> <p><b>Tenure as Outside Director</b> 2 years (At the conclusion of this General Meeting of Shareholders)</p> <p><b>Number of Board of Directors</b> 13/13</p> <p><b>Meetings Attended</b> 13/13</p> <p><b>Number of the Company's shares owned</b> 0 Shares</p>	<p>Mar. 2017 Representative Director, Executive Vice President, Nippon Life Insurance Company</p> <p>Mar. 2018 Director, Nippon Life Insurance Company (resigned in July 2018)</p> <p>Apr. 2018 President, Representative Director, Taisay Building Management Co., Ltd. (present)</p> <p>Jun. 2018 Director, the Company (present)</p> <p>(Significant concurrent positions) President, Representative Director, Taisay Building Management Co., Ltd.</p> <p>[Reasons for nominating the candidate for Outside Director] Mr. Yoshinori Terajima has once served as an executive of a major life insurance company, and obtained abundant experiences and broad insights. He has served as Outside Director of the Company since June 2018. The Company considers that he has properly performed his duties in supervising business execution, etc. of the Company and hence, appointed him as a candidate for Outside Director.</p>

- Notes:
1. Mr. Yoshinori Terajima satisfies the "Independence Criteria for Outside Officers" established by the Company (Please see pages 19 and 20). He was formerly serving as Director of Nippon Life Insurance Company, with which the Company has transactions such as borrowing of funds. However, because the amount of borrowing accounts for less than 10% of the total amount of borrowing of the Company, the company does not fall under the criteria, "a major lender of the Company" (a financial institution with which the Company was relying on, with no substitute, for its funds procurement at the end of the most recent business year) as stipulated in the "Independence Criteria for Outside Officers."
  2. He is the President and Representative Director of Taisay Building Management Co., Ltd., which conducts transactions (real estate leasing) that pertain to the category of the Company's business.
  3. The Company has designated him as an independent officer pursuant to the requirements of the Tokyo Stock Exchange and has given notification thereof to the exchange.
  4. The Company has entered into an agreement with him to limit liability for damages pursuant to Article 423, paragraph 1 of the Companies Act, and the limit amount for liability for damages pursuant to the agreement is the minimum liability amount prescribed by laws and regulations. If he is elected as proposed, the Company plans to conclude a limited liability agreement of the same content with him.

No.	Name, etc. of Director	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions
<p style="text-align: center;">12</p> <div style="text-align: center;"> <div style="border: 1px solid black; padding: 2px; display: inline-block;">New</div>  <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside</div>  <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div>  <div style="border: 1px solid black; padding: 2px; display: inline-block;">Female</div> </div>	<p style="text-align: center;"><b>Tamaki Kakizaki</b></p> <p><b>Date of birth</b> January 16, 1961 (59 years old)</p> <p><b>Tenure as Outside Director</b> —</p> <p><b>Number of Board of Directors Meetings Attended</b> —/—</p> <p><b>Number of the Company's shares owned</b> 0 Shares</p>	<p>Apr. 2008 Professor, Graduate School of Law, Toyo University (resigned in March, 2012)</p> <p>Apr. 2012 Professor, Graduate School of International Social Sciences, YOKOHAMA National University (resigned in March, 2014)</p> <p>Apr. 2014 Professor, School of Law, Meiji University (present)</p> <p>Jun. 2016 Outside Director, Eisai Co., Ltd. (present) (scheduled to resign in June, 2020)</p> <p>Jun. 2016 Outside Director, Mitsubishi Shokuhin Co., Ltd. (present)</p> <p>Jun. 2017 Outside Auditor, Japan Airport Terminal Co., Ltd. (present)</p> <p>Jun. 2019 Member of the Corporate Value Analysis Committee, the Company (present)</p> <p>(Significant concurrent positions) Professor, School of Law, Meiji University Outside Director, Eisai Co., Ltd. (scheduled to resign in June, 2020) Outside Auditor, Japan Airport Terminal Co., Ltd. Outside Director, Mitsubishi Shokuhin Co., Ltd.</p> <p>[Reasons for nominating the candidate for Outside Director] Ms. Tamaki Kakizaki is a university professor in the field of internal controls and internal audit, as well as the outside officer of major pharmaceuticals and other companies, and obtained abundant experiences and broad insights in these areas and hence, the Company judges her to be qualified to serve as a Director of the Company and appointed her as a candidate for Outside Director.</p>

- Notes:
1. Ms. Tamaki Kakizaki satisfies the “Independence Criteria for Outside Officers” established by the Company (Please see pages 19 and 20).
  2. If the election of Ms. Tamaki Kakizaki is approved, the Company plans to designate her as an independent officer pursuant to the requirements of the Tokyo Stock Exchange and has given notification thereof to the exchange.
  3. The Company plans to enter into an agreement with her to limit liability for damages pursuant to Article 423, paragraph 1 of the Companies Act, and the limit amount for liability for damages pursuant to this agreement is the minimum liability amount prescribed by laws and regulations.

### Proposal No. 3: Election of two (2) Audit & Supervisory Board Members

Among the four (4) Audit & Supervisory Board Members currently in office, the term of office of Mr. Takashi Suetsuna and Mr. Osamu Sudoh will expire at the conclusion of this General Meeting of Shareholders. Accordingly, we propose that two (2) Audit & Supervisory Board Members be elected. The candidates for Audit & Supervisory Board Member are as follows.

The Company has already received the approval for this proposal from the Audit & Supervisory Board.

No.	Name, etc. of Audit & Supervisory Board Member	Brief Personal Profile, Position in the Company, and Significant Concurrent Positions
<p style="text-align: center;">1</p> <p style="text-align: center;">Reappointment Outside Independent Male</p>	<p style="text-align: center;"><b>Takashi Suetsuna</b></p> <p><b>Date of birth</b> March 8, 1949 (71 years old)</p> <p><b>Tenure as Outside Audit &amp; Supervisory Board Member</b> 4 years (At the conclusion of this General Meeting of Shareholders)</p> <p><b>Number of Board of Directors Meetings Attended</b> 11/13</p> <p><b>Number of Audit &amp; Supervisory Board Meetings Attended</b> 7/8</p> <p><b>Number of the Company's shares owned</b> 0 Shares</p>	<p>Apr. 1974 Joined National Police Agency Feb. 1994 Chief, Kochi Prefectural Police Headquarters Sep. 1997 Director, Finance Division, Commissioner General's Secretariat, National Police Agency Sep. 2001 Chief Inspector General, Commissioner General's Secretariat, National Police Agency Aug. 2002 Chief, Kanagawa Prefectural Police Headquarters Aug. 2004 Deputy Superintendent General, Tokyo Metropolitan Police Department Sep. 2005 Chief Chamberlain, the Board of the Crown Prince's Household, Imperial Household Agency Apr. 2009 Ambassador Extraordinary and Plenipotentiary of Japan to Grand Duchy of Luxembourg Jun. 2013 Outside Audit &amp; Supervisory Board Member, Marubeni Corporation (resigned in June 2017) Jun. 2015 Outside Director, Totetsu Kogyo Co., Ltd. (present) Jun. 2016 Outside Auditor, Kandenko Co., Ltd. (present) Jun. 2016 Outside Audit &amp; Supervisory Board Member, the Company (present) Jun. 2017 Outside Director, JCR Pharmaceuticals Co., Ltd. (present) Jun. 2018 Outside Audit &amp; Supervisory Member of the Board, Aioi Nissay Dowa Insurance Co., Ltd. (present)</p> <p>(Significant concurrent positions) Outside Audit &amp; Supervisory Member of the Board, Aioi Nissay Dowa Insurance Co., Ltd. Outside Auditor, Kandenko Co., Ltd. Outside Director, Totetsu Kogyo Co., Ltd. Outside Director, JCR Pharmaceuticals Co., Ltd.</p> <p>[Reasons for nominating the candidate for Outside Audit &amp; Supervisory Board Member] Mr. Takashi Suetsuna has once served as Chief of Kanagawa Prefectural Police Headquarters and Deputy Superintendent General of the Tokyo Metropolitan Police Department, and as a former outside officer of a major general trading company, etc. has abundant experience and broad insights. He has served as Outside Audit &amp; Supervisory Board Member of the Company since June 2016. The Company considers that he has properly performed his duties in auditing business management of the Company and hence, reappointed him as an Outside Audit &amp; Supervisory Board Member.</p>

- Notes:
1. Mr. Takashi Suetsuna satisfies the "Independence Criteria for Outside Officers" established by the Company (Please see pages 19 and 20).
  2. The Company has designated him as an independent officer pursuant to the requirements of the Tokyo Stock Exchange and has given notification thereof to the exchange.
  3. The Company has entered into an agreement with him to limit liability for damages pursuant to Article 423, paragraph 1 of the Companies Act, and the limit amount for liability for damages pursuant to the agreement is the minimum liability amount prescribed by laws and regulations. If he is elected as proposed, the Company plans to conclude a limited liability agreement of the same content with him.

No.	Name, etc. of Audit & Supervisory Board Member	Brief Personal Profile, Position in the Company, and Significant Concurrent Positions
<p style="text-align: center;">2</p> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 2px auto;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 2px auto;">Outside</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 2px auto;">Independent</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 2px auto;">Male</div>	<p style="text-align: center;"><b>Osamu Sudoh</b></p> <p><b>Date of birth</b> January 24, 1952 (68 years old)</p> <p><b>Tenure as Outside Audit &amp; Supervisory Board Member</b> 4 years (At the conclusion of this General Meeting of Shareholders)</p> <p><b>Number of Board of Directors Meetings Attended</b> 13/13</p> <p><b>Number of Audit &amp; Supervisory Board Meetings Attended</b> 8/8</p> <p><b>Number of the Company's shares owned</b> 0 Shares</p>	<p>Apr. 1980 Registered as attorney at law</p> <p>Apr. 1983 Partner, Tokyo Yaesu Law Office</p> <p>Apr. 1993 Established and Partner, Asahi Law Offices</p> <p>Jun. 1999 Established and Partner, SUDOH &amp; TAKAI LAW OFFICES (current SUDOH &amp; PARTNERS) (present)</p> <p>Sep. 2005 Outside Audit &amp; Supervisory Board Member, BANDAI NAMCO Holdings Inc. (present)</p> <p>Jun. 2011 Outside Audit &amp; Supervisory Board Member, MITSUI-SOKO Co., Ltd. (current MITSUI-SOKO HOLDINGS Co., Ltd.) (present)</p> <p>Jun. 2016 Outside Audit &amp; Supervisory Board Member, Pronexus Inc. (present)</p> <p>Jun. 2016 Outside Audit &amp; Supervisory Board Member, the Company (present)</p> <p>Jun. 2018 Member of the Corporate Value Analysis Committee, the Company (present)</p> <p>(Significant concurrent positions)</p> <p>Attorney at law</p> <p>Outside Audit &amp; Supervisory Board Member, BANDAI NAMCO Holdings Inc.</p> <p>Outside Audit &amp; Supervisory Board Member, Pronexus Inc.</p> <p>Outside Audit &amp; Supervisory Board Member, MITSUI-SOKO HOLDINGS Co., Ltd.</p> <p>[Reasons for nominating the candidate for Outside Audit &amp; Supervisory Board Member]</p> <p>Mr. Osamu Sudoh has high expertise in corporate legal affairs as an attorney at law and serves as an outside officer of total entertainment company, etc., and obtained abundant experiences and broad insight into these areas. He has served as Outside Audit &amp; Supervisory Board Member of the Company since June 2016. The Company considers that he has properly performed his duties in auditing business management of the Company and hence, reappointed him as an Outside Audit &amp; Supervisory Board Member.</p>

- Notes:
1. Mr. Osamu Sudoh satisfies the "Independence Criteria for Outside Officers" established by the Company (Please see pages 19 and 20).
  2. The Company has designated him as an independent officer pursuant to the requirements of the Tokyo Stock Exchange and has given notification thereof to the exchange.
  3. The Company has entered into an agreement with him to limit liability for damages pursuant to Article 423, paragraph 1 of the Companies Act, and the limit amount for liability for damages pursuant to the agreement is the minimum liability amount prescribed by laws and regulations. If he is elected as proposed, the Company plans to conclude a limited liability agreement of the same content with him.

## **Proposal No. 4: Introduction of stock remuneration plan for Directors**

### **1. Reasons for the proposal**

The Company proposes that the introduction of a new stock remuneration plan “Board Benefit Trust (BBT)” (hereinafter the “Plan”) for Directors (excluding Outside Directors; hereinafter the same shall apply in this proposal unless otherwise stated) and executive officers (hereinafter “Directors, Etc.”) of the Company be approved.

This proposal introduces the Plan in place of the conventional remuneration for Directors, Etc., namely remuneration deferred to retirement and the stock purchase funds included in fixed remuneration. The aim of this proposal is to heighten the awareness of contribution to an increase in corporate value among Directors, Etc. by making the linkage between their remuneration and stock value clearer and having Directors, Etc. share not only benefits of an increase but also risks of a decline in stock prices with shareholders. The Company believes that the contents of this proposal are appropriate in light of said purpose.

In this proposal, we propose the amount of remuneration, etc. be approved in order to pay the new stock remuneration to Directors of the Company separately from the amount of remuneration for Directors approved by the shareholders in the 93rd Annual General Meeting of Shareholders held on June 27, 2014 and the 97th Annual General Meeting of Shareholders held on June 28, 2018 (¥550 million or less per year (¥75 million or less of which to be paid to Outside Directors), excluding salaries as employee). We also propose that the details of the Plan be left entirely to the discretion of the Board of Directors within the framework specified in 2. below.

While the number of Directors currently covered by the Plan is ten (10), if Proposal No. 2 is approved and adopted as originally proposed, the number will be nine (9).

The introduction of the Plan has already been consulted with the Nomination and Remuneration Advisory Committees whose majority is comprised of Independent Outside Directors.

### **2. Amount of remuneration, etc. pertaining to the Plan and reference information**

#### **(1) Overview of the Plan**

The Plan is a stock remuneration plan in which stock of the Company is to be acquired through a trust (the trust established under the Plan is hereinafter referred to as the “Trust”) using money contributed by the Company as the source of funds and stock of the Company and money in the amount of monetary equivalence of stock of the Company measured at fair value (hereinafter “Stock, Etc. of the Company”) are to be provided to Directors, Etc. through the Trust in accordance with the Officer Stock Benefit Regulations stipulated by the Company. The time when a Director, Etc. receives Stock, Etc. of the Company is, as a general rule, when the Director, Etc. retires.

#### **(2) Individuals covered by the Plan**

Directors and executive officers (Outside Directors and Audit & Supervisory Board Members are not covered by the Plan)

#### **(3) Trust period**

From August 2020 (scheduled) to the termination of the Trust (There is no specific end date of the Trust period and the Trust will continue as long as the Plan continues. The Plan will end for reasons such as delisting of stock of the Company and abolishment of the Officer Stock Benefit Regulations.)

#### **(4) Amount of trust money (amount of remuneration, etc.)**

Subject to the approval of this proposal, the Company will introduce the Plan for three business years from the business year ending March 31, 2021 to the business year ending March 31, 2023 (the period of the three business years is hereinafter referred to as the “Initial Covered Period”; and the Initial Covered Period and each period of every three business years commencing after the end of the Initial Covered Period are individually referred to as the “Covered Period”) and for each subsequent Covered Period, and contribute the following money to the Trust as the source of funds for the Trust to acquire stock of the Company which is to be used to provide Stock, Etc. of

the Company to Directors, Etc.

First, at the time of the establishment of the Trust (August 2020 (scheduled)), the Company will contribute funds in the maximum amount of ¥360 million (of which, ¥250 million is for Directors) to the Trust as the funds necessary to provide for the Initial Covered Period.

Subsequently, after the end of the Initial Covered Period and until the Plan is terminated, as a general rule for each Covered Period, the Company will make additional contribution in the maximum amount of ¥360 million (of which, ¥250 million is for Directors) to the Trust. However, when making such additional contribution, if there is any stock of the Company (excluding stock of the Company which is equivalent to the number of points awarded to Directors, Etc. in relation to each immediately preceding Covered Period and the provision of which to Directors, Etc. is not yet complete) and/or any money remaining in the trust asset (hereinafter the “Remaining Stock, Etc.”), the total of the amount of the Remaining Stock, Etc. (the amount of stock of the Company will be measured at fair value as of the last day of the immediately preceding Covered Period) and the amount of money additionally contributed is ¥360 million (of which, ¥250 million is for Directors) at the maximum.

The Company shall be entitled to make contribution of funds to the Trust in a multiple number of times during the Covered Periods including the Initial Covered Period until the cumulative amount of the contribution reaches the maximum amount set for the relevant Covered Period. When the Company decides to make additional contribution, we shall disclose the fact in a timely and appropriate manner.

(5) Method of acquiring stock of the Company and the number of such stock to be acquired

The Trust acquires stock of the Company through the exchange market or by way of undertaking the disposition of treasury stock of the Company using the funds contributed as per (4) above as the source. For the Initial Covered Period, up to 113,100 shares shall be acquired without delay after the establishment of the trust. The details of the acquisition of stock of the Company by the Trust shall be disclosed in a timely and appropriate manner.

(6) Method of calculating the number of Stock, Etc. of the Company provided to Directors, Etc.

Points will be awarded to Directors, Etc. for each business year in the number established pursuant to the Officer Stock Benefit Regulations and in consideration of the position. The total maximum number of points per business year to be awarded to Directors, Etc. is 37,700 points (of which, 26,200 points are for Directors). This has been determined by comprehensively taking into consideration the current level of officer remuneration and the trend of the number of Directors, Etc. as well as the expected number thereof in the future, among other things, and the Company believes it to be appropriate.

The points awarded to Directors, Etc. will be converted into common stock of the Company at the ratio of one point being equivalent to one share when Stock, Etc. of the Company is to be provided as per (7) below. (However, if split, gratis allotment, consolidation, etc. concerning stock of the Company has been implemented after the approval of this proposal, reasonable adjustments will be made to the maximum number of the points, the number of the points which have already been awarded or the conversion ratio, in proportion to the ratio of such change.)

The number of points for Directors, Etc. which serves as the basis for providing Stock, Etc. of the Company as per (7) below shall be, as a general rule, the number of points which has been awarded to the Directors, Etc. up to the time of their retirement (the number of points calculated in this manner is hereinafter referred to as the “Finalized Number of Points”).

(7) Provision of Stock, Etc. of the Company

When a Director, Etc. retires, if he/she satisfies the requirements for a beneficiary set forth in the Officer Stock Benefit Regulations, stock of the Company will be provided to the Director, Etc., as a general rule, in the number according to the “Finalized Number of Points” calculated in accordance with the stipulations in (6) above from the Trust after the retirement by following the predetermined procedures to determine the beneficiary. However, if the Director, Etc. satisfies the relevant requirements set forth in the Officer Stock Benefit Regulations, money in the amount equivalent to the fair value of stock of the Company will be provided to the Director, Etc. for a certain portion of stock of the Company in lieu of the provision of such stock. The Trust may

sometimes sell stock of the Company to provide such monetary benefit.

(8) Exercise of voting rights

Voting rights represented by stock of the Company held in the Trust's account shall not be exercised under any circumstances, without exception, in accordance with the instruction from the trust administrator. Such approach is intended to ensure the neutrality for the management of the Company with respect to the exercise of the voting rights represented by stock of the Company held in the Trust's account.

(9) Treatment of dividends

The Trust will receive dividends from stock of the Company in the Trust's account and use them for payments to acquire stock of the Company and trust fees, etc. for the trustee of the Trust. If the Trust is terminated, dividends, etc. remaining in the Trust will be distributed to incumbent Directors, Etc. as of that time in proportion to the number of points held by each of them in accordance with the provisions of the Officer Stock Benefit Regulations.

(10) Treatment upon termination of the Trust

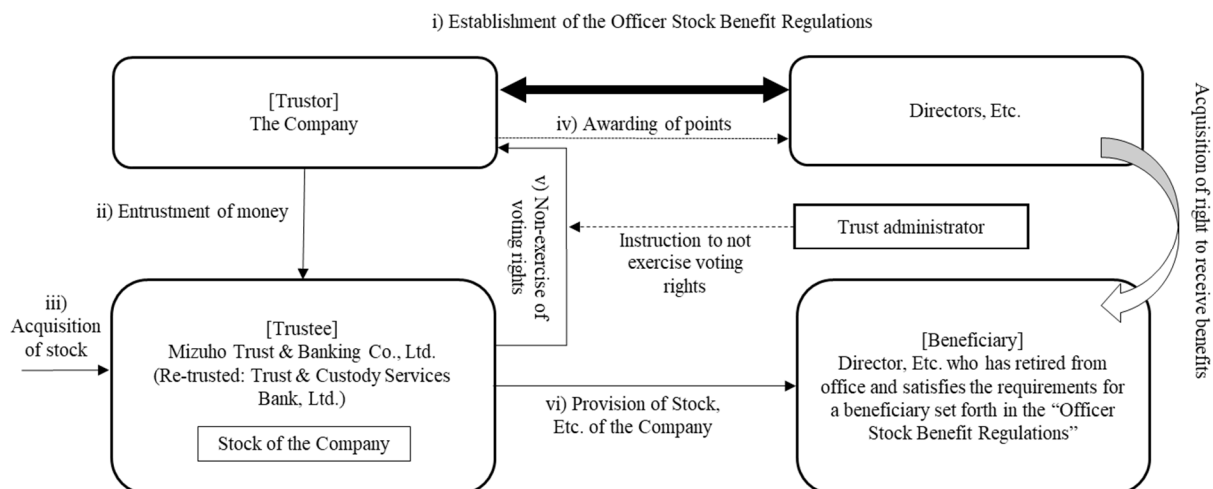
The Trust will be terminated in the case of any event such as delisting of stock of the Company and abolishment of the Officer Stock Benefit Regulations.

Among the residual asset in the Trust as of the termination thereof, the Company plans to acquire all of the stock of the Company without charge and cancel them upon resolution by the Board of Directors. Among the residual asset in the Trust as of the termination thereof, money will be provided to the Company in the amount remaining after excluding the money to be provided to Directors, Etc. as per (9) above.



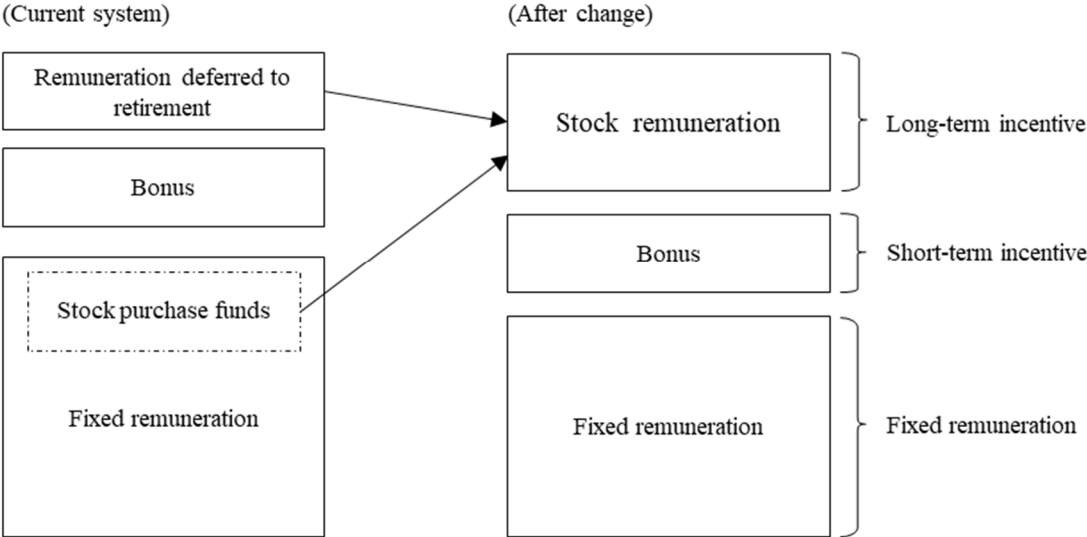
<Reference>

1. Framework of the Plan



- (i) The Company shall establish the “Officer Stock Benefit Regulations” within the framework approved for this proposal.
- (ii) The Company entrusts money within the limit approved for this proposal.
- (iii) The Trust will acquire stock of the Company through the exchange market or by way of undertaking the disposition of treasury stock of the Company using the money entrusted as per (ii) as the source of funds.
- (iv) The Company awards points to Directors, Etc. in accordance with the “Officer Stock Benefit Regulations.”
- (v) The Trust will not exercise voting rights represented by stock of the Company held in the Trust’s account in accordance with the instruction from the trust administrator independent of the Company.
- (vi) The Trust will provide Stock, Etc. of the Company to a Director, Etc. who has retired from office and satisfies the requirements for a beneficiary set forth in the “Officer Stock Benefit Regulations” (hereinafter the “Beneficiary”) according to the number of points awarded to that Beneficiary. However, if the Director, Etc. satisfies the relevant requirements set forth in the Officer Stock Benefit Regulations, money in the amount equivalent to the fair value of stock of the Company will be provided to the Director, Etc. for a certain portion of the points.

**2. Changes from the current remuneration system (internal Directors and executive officers)**



[Reference]

### **Independence Criteria for Outside Officers**

Outside Directors or Outside Audit & Supervisory Board Members 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 executing person of another company with which the Company holds an Outside Director or an Outside Audit & Supervisory Board Member 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% or more 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% of the total net sales of the corporation, or group such as a union in the latest business year.”
8. The term “mutual appointment relationship” in Item 9 means “a relationship where the executing person of the Company in the latest business year is an outside director or an outside Audit & Supervisory Board Member of another company and an executing person of that other company is an Outside Director or an Outside Audit & Supervisory Board Member 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 in appropriate manner.

## Consolidated Balance Sheet

(As of March 31, 2020)

(Millions of yen)

Item	Amount	Item	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>Current assets</b>	<b>101,179</b>	<b>Current liabilities</b>	<b>209,646</b>
Cash and deposits	35,555	Notes and accounts payable - trade	33,126
Notes and accounts receivable - trade	12,591	Short-term borrowings	121,224
Merchandise and finished goods	2,532	Current portion of bonds payable	10,000
Land and buildings for sale in lots	41,016	Income taxes payable	3,602
Work in process	799	Advances received	7,996
Raw materials and supplies	331	Provision for bonuses	1,615
Other	8,475	Provision for bonuses for directors (and other officers)	104
Allowance for doubtful accounts	(123)	Provision for loss on disaster	290
		Other provisions	63
		Other	31,622
<b>Non-current assets</b>	<b>787,232</b>	<b>Non-current liabilities</b>	<b>411,109</b>
Property, plant and equipment	662,085	Bonds payable	110,000
Buildings and structures	336,260	Long-term borrowings	203,511
Machinery, equipment and vehicles	45,667	Deferred tax liabilities	6,622
Land	186,411	Provision for retirement benefits for directors (and other officers)	437
Construction in progress	84,915	Retirement benefit liability	10,895
Other	8,829	Long-term deferred contribution for construction	62,075
Intangible assets	7,390	Other	17,566
Investments and other assets	117,756		
Investment securities	68,051	<b>Total liabilities</b>	<b>620,756</b>
Long-term loans receivable	689	<b>Net assets</b>	
Deferred tax assets	6,506	<b>Shareholders' equity</b>	<b>259,381</b>
Retirement benefit asset	19,192	Share capital	43,738
Other	23,469	Capital surplus	44,158
Allowance for doubtful accounts	(153)	Retained earnings	172,144
		Treasury shares	(660)
		<b>Accumulated other comprehensive income</b>	<b>7,261</b>
		Valuation difference on available-for- sale securities	8,906
		Foreign currency translation adjustment	135
		Remeasurements of defined benefit plans	(1,779)
		<b>Non-controlling interests</b>	<b>1,012</b>
		<b>Total net assets</b>	<b>267,655</b>
<b>Total assets</b>	<b>888,412</b>	<b>Total liabilities and net assets</b>	<b>888,412</b>

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

## Consolidated Statement of Income

(From April 1, 2019 to March 31, 2020)

(Millions of yen)

Item	Amount	
<b>Operating revenue</b>		<b>312,751</b>
<b>Operating expenses</b>		
Operating expenses and cost of sales of transportation	244,326	
Selling, general and administrative expenses	38,935	283,262
<b>Operating profit</b>		<b>29,489</b>
<b>Non-operating income</b>		
Interest and dividend income	897	
Share of profit of entities accounted for using equity method	653	
Other	799	2,349
<b>Non-operating expenses</b>		
Interest expenses	4,111	
Other	893	5,004
<b>Ordinary profit</b>		<b>26,834</b>
<b>Extraordinary income</b>		
Contribution for construction	1,126	
Gain on sales of non-current assets	277	
Other	34	1,438
<b>Extraordinary losses</b>		
Impairment loss	1,714	
Loss on tax purpose reduction entry of non-current assets	1,126	
Compensation expenses	796	
Loss on retirement of non-current assets	736	
Other	50	4,423
<b>Profit before income taxes</b>		<b>23,850</b>
Income taxes - current	7,970	
Income taxes - deferred	295	8,266
Profit		15,584
Profit attributable to non-controlling interests		(66)
<b>Profit attributable to owners of parent</b>		<b>15,650</b>

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

## Non-consolidated Balance Sheet

(As of March 31, 2020)

(Millions of yen)

Item	Amount	Item	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>Current assets</b>	<b>61,285</b>	<b>Current liabilities</b>	<b>239,885</b>
Cash and deposits	17,023	Short-term borrowings	121,224
Railway fares receivables	802	Current portion of bonds payable	10,000
Accounts receivable	2,231	Accounts payable - other	31,441
Short-term loans receivable	9,124	Accrued expenses	3,572
Land and buildings for sale in lots	27,870	Income taxes payable	656
Prepaid expenses	2,751	Inter-line fares received	842
Other current assets	1,481	Deposits received	1,391
		Prepaid fares received	3,895
		Advances received	4,724
		Unearned revenue	1,217
		Other provisions	63
		Other current liabilities	60,855
<b>Non-current assets</b>	<b>726,486</b>	<b>Non-current liabilities</b>	<b>392,627</b>
Non-current assets - railway	315,644	Bonds payable	110,000
Non-current assets - incidental	148,536	Long-term borrowings	202,642
Non-current assets - affiliated	22,379	Deferred tax liabilities	6,599
Construction in progress	87,775	Provision for loss on business of subsidiaries and associates	750
Investments and other assets	152,150	Long-term deferred contribution for construction	62,075
Shares of subsidiaries and associates	41,188	Asset retirement obligations	782
Investment securities	51,999	Other non-current liabilities	9,777
Long-term loans receivable	20,146		
Prepaid pension cost	19,603	<b>Total liabilities</b>	<b>632,512</b>
Other	20,291	<b>Net assets</b>	
Allowance for doubtful accounts	(1,079)	<b>Shareholders' equity</b>	<b>146,406</b>
		Share capital	43,738
		Capital surplus	40,363
		Legal capital surplus	17,861
		Other capital surplus	22,502
		Retained earnings	62,936
		Legal retained earnings	6,665
		Other retained earnings	56,271
		Reserve for tax purpose reduction entry of non-current assets	14,668
		Reserve for special depreciation	166
		General reserve	2,050
		Retained earnings brought forward	39,385
		Treasury shares	(632)
		<b>Valuation and translation adjustments</b>	<b>8,853</b>
		Valuation difference on available-for-sale securities	8,853
		<b>Total net assets</b>	<b>155,259</b>
<b>Total assets</b>	<b>787,772</b>	<b>Total liabilities and net assets</b>	<b>787,772</b>

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

## Non-consolidated Statement of Income

(From April 1, 2019 to March 31, 2020)

(Millions of yen)

Item	Amount	
<b>Railway:</b>		
Operating revenue	83,539	
Operating expenses	71,169	
Operating profit		12,369
<b>Incidental:</b>		
Operating revenue	50,458	
Operating expenses	43,349	
Operating profit		7,109
<b>Operating profit - all businesses</b>		<b>19,479</b>
<b>Non-operating income</b>		
Interest and dividend income	2,456	
Other revenue	451	2,907
<b>Non-operating expenses</b>		
Interest expenses	4,103	
Other expenses	783	4,887
<b>Ordinary profit</b>		<b>17,499</b>
<b>Extraordinary income</b>		
Contribution for construction	1,006	
Gain on extinguishment of tie-in shares	54	1,061
<b>Extraordinary losses</b>		
Loss on tax purpose reduction entry of non-current assets	1,006	
Compensation expenses	796	
Impairment loss	768	
Loss on retirement of non-current assets	426	2,997
<b>Profit before income taxes</b>		<b>15,562</b>
Income taxes - current		3,637
Income taxes - deferred		636
<b>Profit</b>		<b>11,288</b>

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