(TRANSLATION ONLY)

DAIWA HOUSE INDUSTRY CO., LTD.
3-3-5, Umeda, Kita-ku,
Osaka, Japan

June 7, 2019

Notice of the 80th Ordinary General Meeting of Shareholders

Dear Shareholders:

We hereby notify you of the 80th Ordinary General Meeting of Shareholders, to be held at the time and location set forth below.

If you are unable to attend the meeting, please review the Reference Materials for General Meeting of Shareholders provided hereafter, and exercise your voting rights in writing or over the Internet, etc. before 6:00 p.m. of June 24, 2019 (Monday).

Very truly yours,

Keiichi Yoshii
Representative Director and President

1. Date and time: Tuesday June 25, 2019 at 10:00 a.m.

2. Location: The Grand Ballroom, THE RITZ-CARLTON, OSAKA, 2nd Fl.,
2-5-25, Umeda, Kita-ku, Osaka, Japan
(Please note that if all seats are taken in The Grand Ballroom, we will lead you to a second room or other place.)

3. Purpose of the meeting
Matters to be reported:
1. The Business Report, the Consolidated Financial Statements, and the Independent Auditors' Report and the Audit & Supervisory Board's Report Concerning the Consolidated Financial Statements for the 80th Fiscal Year (from April 1, 2018 to March 31, 2019)
2. The Financial Statements for the 80th Fiscal Year (from April 1, 2018 to March 31, 2019)

Matters to be resolved:
Proposal 1 Dividends from Surplus
Proposal 2 Election of Sixteen (16) Directors
Proposal 3 Election of One (1) Audit & Supervisory Board Member
Proposal 4 Revision of Remuneration Amount for Audit & Supervisory Board Members
Proposal 5 Payment of Bonuses for Directors
Proposal 6 Partial Amendment to Terms and Conditions of Performance-linked and Share-based Remuneration Plan for Directors Utilizing a Trust
Proposal 7 Setting of Remuneration Amount for Granting Performance-linked and Restricted Shares to Directors

Guidance for Exercising Voting Rights, etc.

<If you will attend the meeting>

Please present the voting rights exercise form enclosed herein to the reception.

<If you are unable to attend the meeting>

[Voting in writing (by mail)]

[Exercise due date: Received by 6:00 p.m. on Monday, June 24, 2019]

Please indicate your approval or disapproval of the proposals in the voting rights exercise form enclosed herein, and return the form to the Company by the exercise due date.

[Voting on the Internet, etc. (personal computer/smartphone, etc.)]

[Exercise due date: Received by 6:00 p.m. on Monday, June 24, 2019]

Please access the website (https://www.web54.net) designated by the Company for the purpose of exercising voting rights, enter your approval or disapproval of the proposals, and exercise your voting rights by the exercise due date.

<Contact for inquiries on voting on the Internet>

In case you need instructions for how to operate your personal computer, smartphone, etc. in order to exercise your voting rights via this Internet Site, please contact the following support desk:

Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Web Support Hotline
0120-652-031 (*Toll Free)
(Business hours: from 9:00 to 21:00)

* The service is available in Japanese only.

Electronic Voting Platform

Institutional investors, only if they apply in advance to use it, may use "Electronic Voting Platform" operated by ICJ, Inc., a joint venture established by TSE and others, as a method for exercising their voting rights electronically, in addition to the aforementioned exercise of their voting rights via the Internet.

Notes:

1. If you exercise your voting rights both in writing (by mail) and via the Internet, etc., only the vote through the Internet, etc. will be handled as your valid exercise of voting rights.
2. If you exercise your voting rights multiple times via the Internet, etc., then the last vote you submit will be handled as your valid exercise of voting rights.
3. In the event of situations requiring amendments to the Business Report, the Consolidated Financial Statements, the Financial Statements, and the Reference Materials for General Meeting of Shareholders, amended items will be posted over the Internet on the Company website (https://www.daiwahouse.com/).

Reference Materials for General Meeting of Shareholders

Proposals and Reference Information

Proposal 1: Dividends from Surplus

Taking into account our operating performance for the current fiscal year and future business development, it is proposed that year-end dividends for the 80th fiscal year be distributed as follows:

(1) Type of dividend assets
Cash

(2) Allotment of dividend assets and total amount
It is proposed that 64 yen be paid out per common share of the Company.
Subsequently, the total payment of year-end dividends will be 42,490,509,568 yen.
Thus, the annual dividend will be 114 yen per share (increased by 7 yen from the previous fiscal year), including the interim dividend of 50 yen paid on December 5, 2018.

(3) Effective date of payment of dividends
June 26, 2019

Proposal 2: **Election of Sixteen (16) Directors**

At the conclusion of this general meeting of shareholders, the term of office of all Directors (19) will expire. Accordingly, we propose the election of sixteen (16) Directors of which three (3) are Outside Directors, lowering the number of Directors by three (3), to facilitate flexible decision making taking into consideration the continuously changing business environment and social climate.
The Company upholds a policy of having a Board of Directors that comprises diverse directors with differing backgrounds in terms of expertise and experience, etc. in order to ensure the effectiveness of the Board of Directors as a whole. In accordance with this policy, we decide nominees for Director following a process of deliberation by the Nomination Advisory Committee, of which Outside Directors form a majority. Also, we have established Independence Standards for Outside Officers as described on page 17; all three (3) nominees for Outside Director in this proposal meet these standards.
The tables on pages 6 through 15 list the nominees for the position of Director.

No.	Name	Current Positions and Main Responsibilities in the Company	Attendance at meetings of the Board of Directors (Attendance rate)
1	Takeo Higuchi <To be reelected>	Representative Director and Chairman CEO	14 of 14 (100%)
2	Keiichi Yoshii <To be reelected>	Representative Director and President COO	14 of 14 (100%)
3	Tamio Ishibashi <To be reelected>	Representative Executive Vice President In charge of Information Systems In charge of Sustainability In charge of Marketing Support	14 of 14 (100%)
4	Takeshi Kosokabe <To be reelected>	Representative Director and Senior Managing Executive Officer CFO General Manager, Management Administration Headquarters	12 of 14 (86%)
5	Kazuto Tsuchida <To be reelected>	Representative Director and Senior Managing Executive Officer General Manager, Technology Headquarters In charge of Production and Procurement Division of the Technology Headquarters In charge of the Environment	14 of 14 (100%)
6	Osamu Fujitani <To be reelected>	Representative Director and Senior Managing Executive Officer General Manager, Marketing Headquarters	9 of 14 (64%)
7	Makoto Yamamoto <To be reelected>	Director and Managing Executive Officer Jointly in charge of Marketing Support In charge of External Relations	13 of 14 (93%)
8	Yoshiaki Tanabe <To be reelected>	Director and Managing Executive Officer In charge of Technology Division of the Technology Headquarters General Manager, Central Research Laboratory In charge of Product Development In charge of Safety	14 of 14 (100%)

No.	Name	Current Positions and Main Responsibilities in the Company	Attendance at meetings of the Board of Directors (Attendance rate)
9	Hirotsugu Otomo <To be reelected>	Director and Managing Executive Officer In charge of General Housing Business In charge of Livness Business	14 of 14 (100%)
10	Tatsuya Urakawa <To be reelected>	Director and Managing Executive Officer In charge of General Construction Operations	14 of 14 (100%)
11	Kazuhito Dekura <To be reelected>	Director and Managing Executive Officer Tokyo Head Branch Manager In charge of Rental Apartment Headquarters	14 of 14 (100%)
12	Yoshinori Ariyoshi <To be reelected>	Director and Managing Executive Officer In charge of Quality Assurance Division of the Technology headquarters	13 of 14 (93%)
13	Keisuke Shimonishi <To be reelected>	Director and Managing Executive Officer In charge of Commercial Construction Headquarters	11 of 11 (100%)
14	Kazuyoshi Kimura <To be reelected>	Director <Outside> <Independent>	14 of 14 (100%)
15	Yutaka Shigemori <To be reelected>	Director <Outside> <Independent>	13 of 14 (93%)
16	Yukiko Yabu <To be reelected>	Director <Outside> <Independent>	14 of 14 (100%)

<To be reelected> Candidate to be reelected as Director
<Outside> Candidate for Outside Director
<Independent> Independent officer (to be) reported to the Tokyo Stock Exchange

Note: The number of Board of Directors meetings attended by Mr. Keisuke Shimonishi refers to Board of Directors meetings held on and after he assumed office as Directors on June 28, 2018.

No. of nominee 1	Takeo Higuchi (Date of birth: April 29, 1938)	No. of the Company's shares held by nominee: 205,858 shares
<To be reelected> Attendance at meetings of the Board of Directors 14 of 14 (100%)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** Aug. 1963 Joined the Company April 1984 Tokyo Branch, General Manager, Special Construction Business Division June 1984 Director June 1989 Managing Director June 1991 Executive Managing Director June 1993 Retired from the Company Representative Director and President, Daiwa Danchi Co., Ltd. June 2000 Director of the Company April 2001 Representative Director and President April 2004 Representative Director and Chairman (Current) CEO (Current)	
Reason for nomination of the person as Director Since assuming the position of Representative Director, he has shown excellent leadership in leading the improvement of the corporate value of the Company Group over a long period of time. Accordingly, the Company expects that he will provide appropriate advice to the management team and develop management executives utilizing his extensive experience in the future, while furthermore striving to achieve sustainable growth by cultivating the spirit embodied by our founder.		

No. of nominee 2	Keiichi Yoshii (Date of birth: May 27, 1958)	No. of the Company's shares held by nominee: 18,823 shares
<To be reelected> Attendance at meetings of the Board of Directors 14 of 14 (100%)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** June 1990 Joined the Company April 2010 Executive Officer June 2011 Director and Senior Executive Officer General Manager, Overseas Division In charge of Overseas Business April 2013 Director and Managing Executive Officer Tokyo Head Branch Manager May 2013 Head of Overseas Business April 2014 Deputy General Manager, Marketing Headquarters General Manager, Kanto Regional Business Unit April 2016 Director and Senior Managing Executive Officer General Manager, Marketing Headquarters Supervising Overseas Business General Manager, Tokyo Regional Business Unit General Manager, Kitakanto Regional Business Unit Nov. 2017 Representative Director and President (Current) COO (Current)	
Reason for nomination of the person as Director After assuming the position of Representative Director and President, he has promoted the policies of "Strategy for No. 1 share in each business," "Further promotion of overseas businesses," and "human resource development" and worked tirelessly to build a foundation for growth. Accordingly, the Company expects that he will continue demonstrating managerial skills and excellent leadership for the continuous growth and improvement of the corporate value of the Group in the future.		

No. of nominee 3	Tamio Ishibashi (Date of birth: Feb. 18, 1956)	No. of the Company's shares held by nominee: 884,355 shares
<To be reelected> Attendance at meetings of the Board of Directors 14 of 14 (100%)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** June 1979 Joined the Company June 1988 General Manager, Purchasing Department June 1989 Director June 1993 Managing Director June 1996 Executive Managing Director June 1999 Managing Director March 2000 Executive Managing Director June 2000 Representative Executive Managing Director June 2001 Representative Executive Vice President (Current) April 2007 In charge of Information Systems (Current) In charge of CSR April 2008 In charge of Marketing Support (Current) In charge of TKC Promotion (Current) July 2014 Representative Director and Chairman, Daiwa Logistics CO., LTD. May 2019 In charge of Sustainability of the Company (Current)	
Reason for nomination of the person as Director He has accumulated experience from working in the purchasing department, been involved in management as Director of the Company and Company Group for a long time, and endeavored to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.		

No. of nominee 4	Takeshi Kosokabe (Date of birth: May 13, 1957)	No. of the Company's shares held by nominee: 23,702 shares
<To be reelected> Attendance at meetings of the Board of Directors 12 of 14 (86%)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** April 1980 Joined the Company April 2004 Executive Officer April 2006 Senior Executive Officer June 2006 Retired as Senior Executive Officer Representative Director and President, Daiwa House REIT Management Co., Ltd. June 2009 Senior Executive Officer of the Company General Manager, Accounting Department, Management Administration Headquarters June 2010 Director and Senior Executive Officer April 2012 Director and Managing Executive Officer April 2015 Director and Senior Managing Executive Officer CFO (Current) June 2015 Representative Director and Senior Managing Executive Officer (Current) April 2019 General Manager, Management Administration Headquarters (Current)	
Reason for nomination of the person as Director He has accumulated experience from working in the accounting department and as Representative Director of a group company, and after assuming the position of Representative Director of the Company, he has been mainly serving as CFO and General Manager, Management Administration Headquarters, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.		

No. of nominee 5	Kazuto Tsuchida (Date of birth: July 27, 1952)	No. of the Company's shares held by nominee: 35,660 shares
<To be reelected> Attendance at meetings of the Board of Directors 14 of 14 (100%)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** April 1976 Joined the Company April 2004 Executive Officer General Manager, Construction Department, Technology Headquarters (Buildings) April 2007 Senior Executive Officer June 2009 Director and Senior Executive Officer April 2010 Director and Managing Executive Officer April 2016 Director and Senior Managing Executive Officer April 2017 General Manager, Production and Procurement Headquarters Supervising Technology Management in Overseas Business (Current) June 2017 Representative Director and Senior Managing Executive Officer (Current) General Manager, Technology Headquarters (Current) In charge of the Environment (Current) April 2019 In charge of Production and Procurement Division of the Technology Headquarters (Current) Head of Future Co-creation Center (Current)	
Reason for nomination of the person as Director He has accumulated experience from working in the technology department, and after assuming the position of Representative Director of the Company, he has been mainly serving as General Manager of Technology Headquarters and General Manager of Production and Procurement Headquarters. Accordingly, the Company expects that he will take steps to reorganize its technology foundations in the future acting as General Manager of Technology Headquarters, while, from the perspective of improving corporate value over the medium to long term, promoting the long-term environmental vision, working style reforms in the workplace and other such initiatives.		

No. of nominee 6	Osamu Fujitani (Date of birth: Feb. 4, 1951)	No. of the Company's shares held by nominee: 15,041 shares
<To be reelected> Attendance at meetings of the Board of Directors 9 of 14 (64%)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** April 1974 Joined the Company April 2007 Executive Officer April 2010 Senior Executive Officer April 2012 In charge of Commercial Construction Headquarters June 2012 Director and Senior Executive Officer April 2013 Director and Managing Executive Officer April 2014 Director and Senior Managing Executive Officer General Manager, Commercial Construction Promotion Department (In charge of East Japan, Chubu and Hokuriku, Chugoku and Shikoku regions) Oct. 2014 General Manager, Commercial Construction Promotion Department (In charge of East Japan, Chugoku and Shikoku regions) April 2015 General Manager, Commercial Construction Promotion Department (In charge of East Japan) Nov. 2017 Representative Director and Senior Managing Executive Officer (Current) General Manager, Marketing Headquarters (Current)	
Reason for nomination of the person as Director He has accumulated experience from working in the marketing department, and after assuming the position of Representative Director of the Company, he has been in charge of General Manager of Marketing Headquarters, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.		

No. of nominee 7	Makoto Yamamoto (Date of birth: March 23, 1954)	No. of the Company's shares held by nominee: 18,215 shares
<To be reelected> Attendance at meetings of the Board of Directors 13 of 14 (93%)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** April 1976 Joined the Company Oct. 2006 Executive Officer April 2007 General Manager, Advertising Department, Management Administration Headquarters April 2008 Senior Executive Officer June 2010 Director and Senior Executive Officer April 2011 Director and Managing Executive Officer (Current) April 2013 In charge of Corporate Communications Division, Management Administration Headquarters (In charge of Advertising, External Relations, Corporate Communications) April 2017 Jointly in charge of Marketing Support (Current) April 2019 In charge of External Relations (Current)	
Reason for nomination of the person as Director He has accumulated experience from working in the marketing department and as General Manager of Advertising Department, and after assuming the position of Director of the Company, he has been mainly in charge of Advertising, External Relations, and Corporate Communications, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.		

No. of nominee 8	Yoshiaki Tanabe (Date of birth: Oct. 29, 1953)	No. of the Company's shares held by nominee: 9,994 shares
<To be reelected> Attendance at meetings of the Board of Directors 14 of 14 (100%)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** April 1976 Joined the Company April 2010 Executive Officer April 2012 Senior Executive Officer April 2013 Managing Executive Officer Oct. 2014 Senior Department Manager, Housing Construction April 2015 Deputy General Manager, Technology Headquarters Jointly in charge of Safety Senior Department Manager, Housing Technology June 2015 Director and Senior Executive Officer April 2016 Director and Managing Executive Officer (Current) April 2017 Deputy General Manager, Production and Procurement Headquarters In charge of Safety (Current) Senior Department Manager, Technology Department April 2019 In charge of Technology Division, Technology Headquarters (Current) General Manager, Central Research Laboratory, Technology Headquarters (Current) In charge of Product Development (Current)	
Reason for nomination of the person as Director He has accumulated experience from working in the technology department, and after assuming the position of Director of the Company, he has been mainly serving as Deputy General Manager of Technology Headquarters and Deputy General Manager of Production and Procurement Headquarters. Accordingly, the Company expects that he will strive to reorganize its technology foundations by identifying challenges in the whole manufacturing process and reviewing and promoting improvement measures in the future.		

No. of nominee 9	Hirotsugu Otomo (Date of birth: Aug. 31, 1959)	No. of the Company's shares held by nominee: 25,535 shares
<To be reelected> Attendance at meetings of the Board of Directors 14 of 14 (100%)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** Dec. 1984 Joined the Company April 2011 Executive Officer April 2014 Senior Executive Officer April 2015 Managing Executive Officer April 2016 General Manager, Chubu and Shinetsu Regional Business Unit (Current) June 2016 Director and Managing Executive Officer (Current) In charge of General Housing Business (Current) April 2019 In charge of Livness Business (Current)	
Reason for nomination of the person as Director He has accumulated experience from working in the marketing department, and after assuming the position of Director of the Company, he has been mainly in charge of general housing business and livness business, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.		

No. of nominee 10	Tatsuya Urakawa (Date of birth: Feb. 22, 1961)	No. of the Company's shares held by nominee: 12,079 shares
<To be reelected> Attendance at meetings of the Board of Directors 14 of 14 (100%)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** Jan. 1985 Joined the Company April 2009 Executive Officer April 2011 Senior Executive Officer April 2013 Managing Executive Officer Tokyo Head Branch, General Manager, Construction Business Division General Manager, General Construction Promotion Division (Current) In charge of General Construction Operations (Current) June 2017 Director and Managing Executive Officer (Current)	
Reason for nomination of the person as Director He has accumulated experience from working in the marketing department, and after assuming the position of Director of the Company, he has been in charge of General Construction Operations, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.		

No. of nominee 11	Kazuhito Dekura (Date of birth: Aug. 26, 1961)	No. of the Company's shares held by nominee: 12,363 shares

<To be reelected>

Attendance at meetings of the Board of Directors
14 of 14
(100%)

Brief personal history, position and responsibility in the Company, and significant concurrent positions

April 1988	Joined the Company
April 2012	Executive Officer
April 2014	Senior Executive Officer
April 2015	Managing Executive Officer General Manager, Commercial Construction Promotion Department (In charge of Kinki, Chugoku and Shikoku regions)
April 2017	General Manager, Commercial Construction Promotion Department (In charge of West Japan region)
June 2017	Director and Managing Executive Officer (Current)
Nov. 2017	Tokyo Head Branch Manager (Current) General Manager, Tokyo Regional Business Unit (Current)
April 2018	Jointly in charge of Rental Apartment Headquarters General Manager, Rental Apartment Promotion Department (In charge of Hokkaido, Tohoku, Saitama, Gunma and Tochigi regions)
Oct. 2018	In charge of Rental Apartment Headquarters (Current) General Manager, Rental Apartment Promotion Department (In charge of East Japan region)
Feb. 2019	General Manager, Rental Apartment Promotion Department (In charge of North Kanto, Saitama, and Chiba regions)
March 2019	General Manager, Rental Apartment Promotion Department (In charge of Hokkaido・Northeast, North Kanto, Saitama, and Chiba regions) (Current)

Reason for nomination of the person as Director

He has accumulated experience from working in the marketing department, and after assuming the position of Director of the Company, he has been mainly in charge of Tokyo Head Branch Manager and Rental Apartment Headquarters, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will continue exercising managerial skills by utilizing his broad knowledge and experience in the future.

No. of nominee 12	Yoshinori Ariyoshi (Date of birth: July 31, 1958)	No. of the Company's shares held by nominee: 7,228 shares

<To be reelected>

Attendance at meetings of the Board of Directors
13 of 14
(93%)

Brief personal history, position and responsibility in the Company, and significant concurrent positions

April 1982	Joined the Company
April 2014	Executive Officer
April 2015	General Manager, Central Research Laboratory, Technology Headquarters
April 2017	Senior Executive Officer In charge of Housing Product Development
June 2017	Director and Managing Executive Officer (Current) Jointly in charge of the Environment
Oct. 2018	Head of Future Co-creation Center
April 2019	In charge of Quality Assurance Division, Technology Headquarters (Current)

Reason for nomination of the person as Director

He has accumulated experience from working in the technology department, and after assuming the position of Director of the Company, he has been mainly served as General Manager of Central Research Laboratory and been in charge of Housing Product Development, striving to develop new products and improve quality. The Company expects that he will work to strengthen the quality assurance function of the whole manufacturing process by utilizing his knowledge and experience in the future.

No. of nominee 13	Keisuke Shimonishi (Date of birth: Oct. 19, 1958)	No. of the Company's shares held by nominee: 6,845 shares
<To be reelected> Attendance at meetings of the Board of Directors 11 of 11 (100%)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** April 1981 Joined the Company April 2013 Executive Officer General Manager, Commercial Construction Promotion Department (In charge of Chubu and Hokuriku regions) March 2014 Fukuoka Branch Manager General Manager, Kyushu Regional Business Unit April 2014 General Manager, Housing Promotion Department (In charge of Kyushu region) General Manager, Commercial Construction Promotion Department (In charge of Kyushu region) April 2016 Senior Executive Officer March 2017 General Manager, Commercial Construction Promotion Department April 2017 Managing Executive Officer General Manager, Commercial Construction Promotion Department (In charge of East Japan region) (Current) April 2018 In charge of Commercial Construction Headquarters (Current) June 2018 Director and Managing Executive Officer (Current)	
Reason for nomination of the person as Director He has accumulated experience from working in the marketing department, and after assuming the position of Director of the Company, he has been in charge of Commercial Construction Headquarters, striving to improve the corporate value of the Company Group. Accordingly, the Company expects that he will exercise managerial skills by utilizing his broad knowledge and experience in the future.		

No. of nominee 14	Outside Director Kazuyoshi Kimura (Date of birth: Nov. 12, 1943)	No. of the Company's shares held by nominee: 10,000 shares

<To be reelected>

Attendance at meetings of the Board of Directors
14 of 14
(100%)

Brief personal history, position and responsibility in the Company, and significant concurrent positions

April 1967 Joined The Nikko Securities Inc.
March 2000 Director and Vice President
Jan. 2002 Director and Chairman, Nikko Asset Management Co., Ltd.
June 2003 Director and Chairman, Nikko antfactory K.K.
March 2004 Director and Chairman, Simplex Investment Advisors Inc.
June 2005 Chairman, (Former) Nikko Cordial Securities, Inc.
Feb. 2007 Chairman, Nikko Cordial Corporation
April 2008 Director and Chairman, Nikko Citigroup Limited
May 2008 Director and Co-chairman, Nikko Citi Holdings Inc.
Oct. 2009 Director and Chairman, (New) Nikko Cordial Securities, Inc.
April 2010 Adviser, Nikko Cordial Securities, Inc. (current SMBC Nikko Securities Inc.)
April 2012 Director and Chairman, Ra Holdings K.K.
June 2012 Director of the Company (Current)
Nov. 2012 Director, BIC CAMERA INC. (Current)
Director, Kojima Co., Ltd.
Feb. 2013 Representative Director and Chairman
Sep. 2013 Representative Director and Chairman, President and Representative Executive Officer (Current)

(Significant concurrent positions)

Representative Director and Chairman, President and Representative Executive Officer, Kojima Co., Ltd.
Director, BIC CAMERA INC.
Outside Audit & Supervisory Board Member, SPARX Group Co., Ltd.

Reason for nomination of the person as Outside Director

Utilizing his extensive knowledge of corporate management cultivated over many years through his abundant experience as a business manager, he has played an important role in strengthening governance by providing opinions and remarks from various perspectives. Accordingly, the Company expects that he will continue supervising the Company's management from an independent standpoint.

Term of office

He will have served the position for seven (7) years at the conclusion of this general meeting of shareholders.

No. of nominee 15	Outside Director Yutaka Shigemori (Date of birth: June 25, 1949)	No. of the Company's shares held by nominee: 9,700 shares
<To be reelected> Attendance at meetings of the Board of Directors 13 of 14 (93%)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** April 1974 Joined Yasuda Life Insurance Company July 2002 Director and Ginza Branch Manager Jan. 2004 Executive Officer, Meiji Yasuda Life Insurance Company April 2006 Managing Executive Officer *(Shikko-yakuin)* July 2006 Managing Executive Officer *(Shikko-yaku)* April 2009 Representative Director and President, Meiji Yasuda General Insurance Co., Ltd. June 2012 Director Director of the Company (Current) Sep. 2012 Retired as Director, Meiji Yasuda General Insurance Co., Ltd. April 2013 Representative Director and President, Wise Total Support, Co., Ltd. April 2015 Representative Director and President, Wise Networking Co., Ltd. (Current) April 2018 Representative Director and Chairman, Wise Total Support, Co., Ltd. (Current) **(Significant concurrent positions)** Outside Director, Audit and Supervisory Committee Member, SINANEN HOLDINGS CO., LTD.	
Reason for nomination of the person as Outside Director Utilizing his extensive knowledge of corporate management cultivated over many years through his abundant experience as a business manager, he has played an important role in strengthening governance by providing opinions and remarks from various perspectives. Accordingly, the Company expects that he will continue supervising the Company's management from an independent standpoint. **Term of office** He will have served the position for seven (7) years at the conclusion of this general meeting of shareholders.		

No. of nominee 16	Outside Director Yukiko Yabu (Date of birth: June 23, 1958)	No. of the Company's shares held by nominee: 900 shares
<To be reelected> Attendance at meetings of the Board of Directors 14 of 14 (100%)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** April 1981 Joined Matsushita Electric Industrial Co., Ltd. (current Panasonic Corporation) April 2006 Manager, Lifestyle Research Center, Technological Headquarters, Home Appliance Company Jan. 2011 Manager and Trustee, Global Consumer Research Center, Corporate Brand Strategy Headquarters April 2013 Trustee in charge of Consumer Research and Group Manager, Global Marketing Planning Center, Appliances Company March 2014 Retired Panasonic Corporation June 2016 Director of the Company (Current)	
Reason for nomination of the person as Outside Director Utilizing her abundant experience in planning, development, market research, etc., of general consumer merchandise over many years, she has played an important role in strengthening governance by providing useful advice from the perspective of consumers. Accordingly, the Company expects that she will continue supervising the Company's management from an independent standpoint. She has never in the past been involved in the management of a company except as an outside officer. However, the Company judges she will appropriately fulfill her duties as an Outside Director in the manner that the Company expects, based on the reason described above. **Term of office** She will have served the position for three (3) years at the conclusion of this general meeting of shareholders.		

Notes:
1. No beneficial interest exists between the Company and any nominees for the position of Director.
2. Mr. Kazuyoshi Kimura, Mr. Yutaka Shigemori and Ms. Yukiko Yabu are nominees for the position of Outside Director.
3. The Company has entered into an agreement with Mr. Kazuyoshi Kimura, Mr. Yutaka Shigemori and Ms. Yukiko Yabu to limit the liabilities to compensate for damages provided for in Article 423, Paragraph 1 of the Companies Act within the limit stipulated by laws and regulations.
   If the election of the said nominees is approved and passed as proposed in this proposal, the Company will continue the aforementioned agreement with each of them.
4. The Company has designated and reported Mr. Kazuyoshi Kimura, Mr. Yutaka Shigemori and Ms. Yukiko Yabu as independent officer as stipulated in the regulations of Tokyo Stock Exchange, Inc.
   If the election of the said nominees is approved and passed as proposed in this proposal, they will continue to serve as independent officers.
5. Ms. Yukiko Yabu is a candidate for outside director in the Annual Meeting of Shareholders of Furukawa Electric Co., Ltd. scheduled to be held on June 27, 2019.

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

The term of office of the Audit & Supervisory Board Member, Mr. Shonosuke Oda will expire at the conclusion of this general meeting of shareholders. Accordingly, we propose the election of one (1) Audit & Supervisory Board Member.
We have established Independence Standards for Outside Officers as described on the next page, and the nominee for Audit & Supervisory Board Member meets these standards.
The Audit & Supervisory Board has given prior approval to this proposal.
The table below lists the nominee for the position of Audit & Supervisory Board Member.

<table>
<tr><td>Nominee</td><td>Outside Audit & Supervisory Board Member / Independent Officer
Shonosuke Oda
(Date of birth: Nov. 13, 1946)</td><td>No. of the Company's shares held by nominee: 1,300 shares</td></tr>
<tr><td>(To be reelected)

Attendance at meetings of the Board of Directors
13 of 14
(93%)

Attendance at meetings of the Audit & Supervisory Board
13 of 14
(93%)</td><td colspan="2">Brief personal history, position in the Company, and significant concurrent positions
April 1970 Joined SUN WAVE CORPORATION
June 1999 Director
June 2002 Managing Director
June 2003 Executive Officer and Senior Managing Director
Jan. 2004 Senior Managing Director
April 2005 Representative Director and President
April 2011 Vice President and Executive Officer, LIXIL Corporation
June 2011 Director, Vice President and Executive Officer
April 2013 Director
June 2013 Retired as Representative Director and President, SUN WAVE CORPORATION
Retired as Director, LIXIL Corporation
June 2015 Audit & Supervisory Board Member of the Company (Current)</td></tr>
<tr><td colspan="3">Reason for nomination of the person as Audit & Supervisory Board Member
Shonosuke Oda has provided accurate auditing using his familiarity of overall management and this industry, and has not only given proposals and recommendations, but also his opinion in order to solve problems using his deep understanding of the state of the industry due to his many years of experience as a corporate manager, extensive knowledge related to overall management, in addition to his experience in the housing and construction industries. Accordingly, the Company judges he will appropriately fulfill his duties and proposes his election as Audit & Supervisory Board Member.</td></tr>
</table>

Notes: 1. No beneficial interest exists between the Company and the nominee for the position of Outside Audit & Supervisory Board Member.
2. Mr. Shonosuke Oda is nominee for the position of Outside Audit & Supervisory Board Member.
3. At the conclusion of this general meeting of shareholders, Mr. Shonosuke Oda will have served the position for four (4) years. He is presently Outside Audit & Supervisory Board Member.
4. The Company has entered into an agreement with Mr. Shonosuke Oda to limit the liabilities to compensate for damages provided for in Article 423, Paragraph 1 of the Companies Act within the limit stipulated by laws and regulations.
   If the election of the said nominee is approved and passed as proposed in this proposal, the Company will continue the aforementioned agreement with him.
5. The Company has designated and reported Mr. Shonosuke Oda as independent officer as stipulated in the regulations of Tokyo Stock Exchange, Inc.
   If the election of the said nominee is approved and passed as proposed in this proposal, he will continue to serve as independent officers.

<Independence Standards for Outside Officers>

The Company judges outside Directors, outside Audit & Supervisory Board Members (hereinafter collectively referred to as "outside Officers"), or candidates for outside Officers as independent if they do not fall under any of the following items as a result of the investigation conducted by the Company as far as reasonably possible:

i. Executors of operations [Note 1] of the Company and its affiliates (hereinafter collectively referred to as the "Company Group");
ii. Those for whom the Company Group is a major business partner [Note 2] or their executors of operations;
iii. Major business partners of the Company Group [Note 3] or their executors of operations;
iv. Major shareholders of the Company (Those who own directly or indirectly 10% or more of the total voting rights) or their executors of operations;
v. Those 10% or more of whose total voting rights are owned directly or indirectly by the Company Group or their executors of operations;
vi. Those who belong to the auditing firm that is the financial auditor of the Company Group;
vii. Attorneys, certified public accountants, licensed tax accountants, consultants and the like who receive a large amount [Note 4] of monetary or other property benefits other than officers remuneration from the Company Group;
viii. Those who belong to corporations, cooperatives, and the like including law firms, auditing firms, tax accountant corporations, and consulting firms, which receive a large amount [Note 4] of monetary or other property benefits from the Company Group;
ix. Council members or other executors of operations of bodies including corporations and cooperatives which, or persons who receive a large amount [Note 4] of donations or assistance from the Company Group;
x. In cases where Directors for operational execution, or full-time Audit & Supervisory Board Members concurrently serve as outside Directors or outside Audit & Supervisory Board Members of other companies, Directors for operational execution, Executive Officers *(shikko-yaku)*, Executive Officers *(shikko-yakuin)*, or managers and other employees of said companies;
xi. Those who have fallen under the definition of the above ii to x in the last three years
xii. In cases where those who fall under the definition of the above i to x are important persons [Note 5], their spouses or relatives within the second degree of kinship.

*1. "Executors of operations" refer to Directors, Executive Officers *(shikko-yaku)*, Executive Officers *(shikko-yakuin)*, employees who execute operations, council members, or those equivalent thereto and employees of corporations and other bodies, as well as those who have belonged to the Company Group in the past even once.
*2. "Those for whom the Company Group is a major business partner" refer to persons who have received from the Company the payment of 2% or more of their consolidated annual sales in the most recent fiscal year.
*3. "Major business partners of the Company Group" refer to persons who pay the Company 2% or more of its consolidated annual sales in the most recent fiscal year, or who loaned the Company 2% or more of its consolidated total assets at the end of the most recent fiscal year.
*4. "A large amount" refers to, in terms of the average for the past three fiscal years, ¥10 million or more for individuals, more than 2% of the consolidated sales or total revenues of said bodies for bodies including corporations and cooperatives.
*5. "Important persons" refer to Directors (excluding outside Directors), Audit & Supervisory Board Members (excluding outside Audit & Supervisory Board Members), Executive Officers *(shikko-yakuin)* and employees who are senior managers in the position of general managers or higher.

(Reference) The New Executive Remuneration System

From the 81st fiscal year, the first year of the 6th Medium-Term Management Plan, the Company proposes to reform the executive remuneration system in the following manner, and submits proposals concerning executive remuneration, as described on pages 20 to 26. The details concerning the remuneration of Directors set forth in Proposals 5, 6, and 7 have been decided by the Board of Directors after consultation at the Remuneration Advisory Committee, whose majority is comprised of Outside Directors.

[The new executive remuneration system in the case the Proposals 4, 5, 6, and 7 are approved]

	Fixed remuneration	Performance-linked remuneration		
			Share-based remuneration	
	Basic remuneration	Bonus	Stock delivery trust	Performance-linked and restricted share-based remuneration
Directors (excluding Outside Directors)	●	●	● (Amendment to terms and conditions)	New introduction
Outside Directors	●	–	*Proposal 6 –	*Proposal 7 –
Audit & Supervisory Board Member	● (Revision of fixed remuneration)	Abolition	–	–

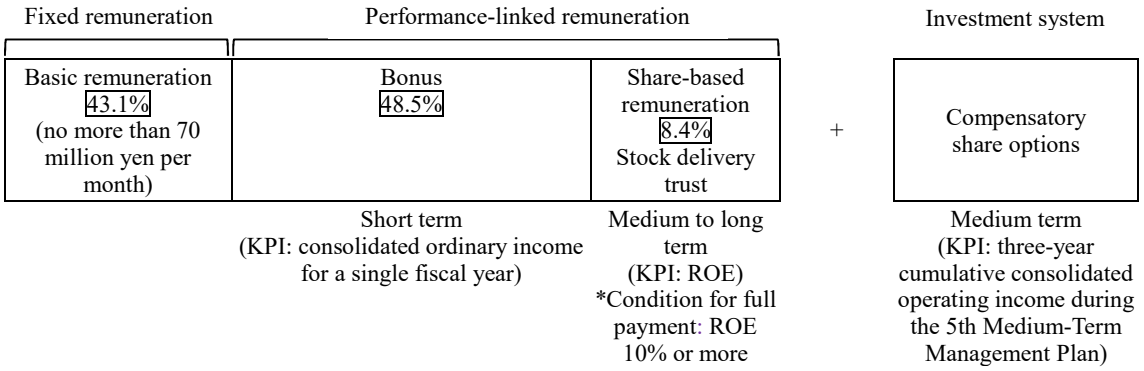
*Proposal 4, Proposal 5

●: The plan already introduced

[Composition of remuneration for Directors (excluding Outside Directors)]

(Note) The % represents the percentage of each remuneration section against the total remuneration amount for Directors. (Changes may be made in the future due to calculations being based on past business results.)

<Current System>



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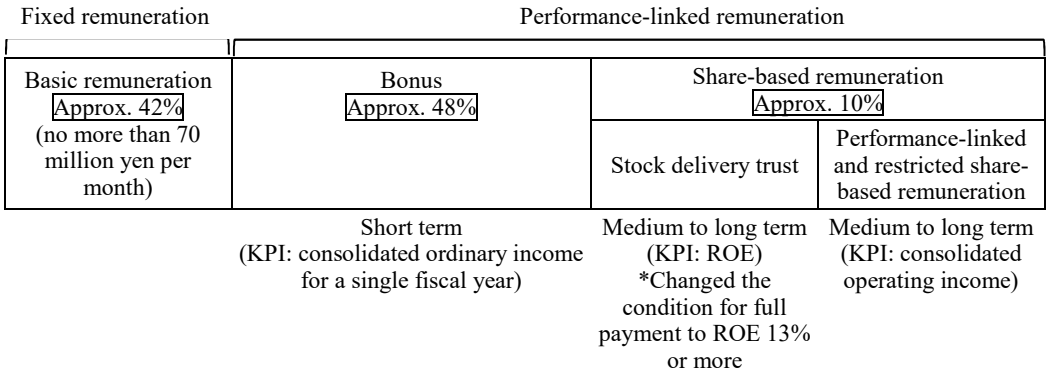

※If Proposals 5, 6, and 7 are approved.

Proposal 4: Revision of Remuneration Amount for Audit & Supervisory Board Members

It was approved at the 66th Ordinary General Meeting of Shareholders held on June 29, 2005, that the remuneration amount for Audit & Supervisory Board Members of the Company would be 12 million yen or less per month, with the same continuing up to the present.

We propose to revise the remuneration amount for Audit & Supervisory Board Members to 18 million yen or less per month, taking into consideration aspects such as significant changes in the economic situation and increasing responsibilities of Audit & Supervisory Board Members due to changes in the business environment, as well as the change of the payment method of bonuses for Directors and Audit & Supervisory Board Members.

Going forward, Audit & Supervisory Board Members will only receive fixed remuneration and will not receive performance-based remuneration.

The number of current Audit & Supervisory Board Members is six (6), and even if Proposal 3 "Election of One (1) Audit & Supervisory Board Member" is approved in its original form, the number of Audit & Supervisory Board Members is unchanged.

Proposal 5: Payment of Bonuses for Directors

Taking into account the amount of the previous payments and our operating performance for the current fiscal year, it was planned to propose that bonuses to directors of 1,045 million yen in total be paid to, among nineteen (19) Directors incumbent at the end of the current fiscal year, sixteen (16) Directors (number excluding outside Directors).

However, the Company's customers, shareholders and other stakeholders have been subject to substantial inconvenience and concern, in part due to an incident involving irregularities in the accounts of an affiliate, as detailed in the news release, "Notice Concerning Irregularities in the Accounts of a Daiwa House Affiliate in the People's Republic of China" dated March 13, 2019, and due to revelations that certain of the Company's single-family and rental housing components have not conformed to construction specifications, as detailed in the news release, "Off-Specification Components in and Remedial Work on Daiwa House Single-Family Houses and Rental Housing" dated April 12, 2019.

Therefore, in order to clarify their responsibilities as the Board of Directors, there will be a 20% decrease in the expected bonus for Directors, which will total 836 million yen to be paid to, among nineteen (19) Directors incumbent at the end of the current fiscal year, sixteen (16) Directors (number excluding outside Directors).

As stated in the Proposal 4 "Revision of Remuneration Amount for Audit & Supervisory Board Members," the payment of performance-linked bonuses to Audit & Supervisory Board Members shall be abolished from the current fiscal year.

Proposal 6: Partial Amendment to Terms and Conditions of Performance-linked and Share-based Remuneration Plan for Directors Utilizing a Trust

Performance-linked and share-based remuneration plan for Directors of the Company (excluding Outside Directors) utilizing a trust (hereinafter, the "Plan") was approved at the 77th Ordinary General Meeting of Shareholders held on June 28, 2016, and has been implemented thereafter. The Company proposes to make partial amendment to the Plan.

The Plan consists of non-performance-linked and performance-linked portions. For the performance-linked portion, the Company determined performance-linked coefficients based on the target value of return on equity (ROE) given in its 5th Medium-Term Management Plan.

Following the formulation of the 6th Medium-Term Management Plan, the Company proposes to amend the target value of ROE and make the performance-linked coefficients based on the ROE for each fiscal year to be as follows. The terms and conditions other than the target value of ROE remain unchanged as approved at the 77th Ordinary General Meeting of Shareholders held on June 28, 2016.

ROE for each fiscal year		Performance-linked coefficient
Before amendment	After amendment	
ROE 10% [Note 1] or more	ROE 13% [Note 2] or more	1.0
ROE 8% [Note 3] or more, less than 10%	ROE 8% or more, less than 13% [Note 2]	0.5
ROE less than 8%	(No change)	0.0

Notes:
1. The target value given in the 5th Medium-Term Management Plan
2. The target value of ROE as set forth in a Medium-Term Management Plan which covers the fiscal year in question (the target value of ROE is 13% under the 6th Medium-Term Management Plan)
3. The minimum target value as a listed company as recommended in the Ito Review report (Final report for the "Competitiveness and Incentives for Sustainable Growth －Building Favorable Relationships between Companies and Investors－" project whose secretariat was the Ministry of Economy, Trade and Industry, released in August 2014)

(Reference) Overview of the Plan

The Plan is a share-based remuneration plan under which the Company contributes money to establish a trust and the trust acquires the Company's shares. The Company's shares corresponding to the number of points granted to individual Directors according to their ranks and ROE would then be delivered via a trust to them.

The number of shares to be delivered to each Director shall be determined by a calculation separately conducted for non-performance-linked and performance-linked portions using the base amount of share-based remuneration which is computed based on the fixed compensation amount.

A certain portion of the shares shall be delivered in lieu in money after realization through sale within a trust.

The shares to be delivered are subject to transfer restrictions until the time of retirement from office as Director; and the transfer restrictions shall be lifted at the time of retirement.

<Calculation method>

i. Non-performance-linked portion

Standard amount according to rank / Closing price of the Company's shares on the last day of each

fiscal year

ii. Performance-linked portion

Basic points (Note) × Performance-linked coefficient

(Note) The number of basic points for each Director shall be calculated by dividing the standard amount according to rank, by the book value per share of the Company held by the trust.

Proposal 7: Setting of Remuneration Amount for Granting Performance-linked and Restricted Shares to Directors

1. Details of the proposal and aim for introducing the proposed remuneration plan
The current remuneration for Directors of the Company (excluding Outside Directors; hereinafter, "Eligible Directors") consists of fixed compensation, annual bonus and the Stock Delivery Trust.

With the aim of, as part of revisions of executive remuneration system, providing an incentive for Eligible Directors to sustainably increase the Company's corporate value and further promoting shared value with shareholders, the Company proposes to introduce a performance-linked and restricted share-based remuneration plan (hereinafter, the "Plan").

Specifically, the Company delivers performance-linked, share-based remuneration to Eligible Directors in office during the three-year period from the 81st to 83rd fiscal years (from the fiscal year ending March 31, 2020 to the fiscal year ending March 31, 2022, the period of under the 6th Medium-Term Management Plan) (hereinafter, the "Performance Evaluation Period") after the day of the first ordinary general meeting of shareholders held after the end of the final fiscal year in the Performance Evaluation Period (hereinafter, the "Date of Right Allotment"), in addition to the amount of remuneration for Directors (no more than 70 million yen per month) resolved at the 57th Ordinary General Meeting of Shareholders held on June 27, 1996, and the amount of remuneration from the Stock Delivery Trust (no more than 600 million yen for a period of three years) resolved at the 77th Ordinary General Meeting of Shareholders held on June 28, 2016. Provided, however, that if before the Date of Right Allotment a Director, Executive Officer (*shikko-yaku*), Executive Officer (*shikko-yakuin*) not concurrently serving as a Director, Audit & Supervisory Board Member, Employee, Counselor (*komon*) or Counselor (*sodanyaku*) or person with an equivalent position as the aforementioned of the Company or one of its subsidiaries (hereinafter "Position of Executive or Employee, etc.") retires or resigns (excluding the case of death), the individual shall be paid money within a prescribed period after resignation or retirement in accordance with 2 (2) ii. Under the Plan, the maximum amount of share-based remuneration to be paid by the Company shall be no more than 180 million yen, and the maximum number of common shares of the Company to be delivered (hereinafter, "Shares of the Company") shall be no more than 40,000 shares (Equivalent to less than 0.01% of the total number of shares of the Company issued of 666,238,205 shares (as of March 31, 2019).) for the Performance Evaluation Period.

After the end of the Performance Evaluation Period, continuation of the plan may be approved by the Board of Directors, within the scope approved by this Ordinary General Meeting of Shareholders.

The number of Directors subject to the Plan will be thirteen (13), excluding Outside Directors, if Proposal 2 "Election of Sixteen (16) Directors" is approved in its original form.

2. Amount and other details of remuneration, etc. under the Plan
(1) Overview of the Plan
The Plan is a share-based remuneration plan under which the Company grants monetary claims (hereinafter, "Monetary Remuneration Claims") to Eligible Directors, according to the level of target performance achievement during the Performance Evaluation Period, and Eligible Directors pay all of the aforementioned Monetary Remuneration Claims in the form of property contributed in kind, and have the Shares of the Company be issued or disposed of.

For the issuance or disposal, an agreement on allotment of the restricted shares described in 2. (3) shall be entered into between the Company and each Eligible Director.

This proposal seeks approval for the payment of Monetary Remuneration Claims as share-based remuneration as described in 2 (2) within the maximum limit described in 1. The specific amount of payment of Monetary Remuneration Claims to Eligible Directors based on the Plan shall be left to the decision of the Company's Board of Directors.

(2) Calculation method for the amount of Monetary Remuneration Claims and for the final number of shares to be delivered under the Plan, etc.

i. Calculation method for the amount of Monetary Remuneration Claims
Under the Plan, the amount of Monetary Remuneration Claims to be granted to each Eligible Director shall be the amount obtained by multiplying the final number of shares to be delivered (hereinafter, the "Final Number of Shares to Be Delivered") to the Eligible Director by the amount to be paid per share.
Note that the amount to be paid per share shall be decided at a meeting of the Board of Directors of the Company within a range that shall not be particularly advantageous to Eligible Directors based on the closing price of the ordinary trading of the Company's shares in the Tokyo Stock Exchange on the trading day prior to the meeting of the resolution of the Board of Directors relating to the allocation of the shares.

ii. Calculation method for the Final Number of Shares to Be Delivered and for the final monetary amount to be paid
The Final Number of Shares to Be Delivered shall be the number of shares obtained by multiplying the base number of shares (hereinafter, the "Base Number of Shares to Be Delivered") by a coefficient determined according to the level of achievement relative to the performance target (hereinafter, the "Coefficient of Target Performance Achievement").

However, in cases where an Eligible Director retires from the Position of Executive or Employee, etc. or resigns due to the expiry of term or other justifiable reasons (except in case of death) before the Date of Right Allotment, the Company shall pay the monetary amount (hereinafter, the "Final Monetary Amount to Be Paid") obtained by multiplying the number of shares, which is obtained by multiplying the Base Number of Shares to Be Delivered by a coefficient determined according to length of period in office during the Performance Evaluation Period (hereinafter, the "Coefficient of in-office Period" (any fraction less than one share shall be rounded down), by the regular-trading closing price of the Shares of the Company at the Tokyo Stock Exchange on the date of retirement or resignation (if any transaction is not made on the date, the closing price of the immediately preceding day).

(Calculation formula for the Final Number of Shares to Be Delivered and for the Final Monetary Amount to Be Paid)

Final Number of Shares to Be Delivered = A) Base Number of Shares to Be Delivered x B) Coefficient of Target Performance Achievement
Final Monetary Amount to Be Paid = A) Base Number of Shares to Be Delivered x C) Coefficient of in-office Period x Closing price of Shares of the company as of the date of retirement or resignation from the Position of Executive or Employee, etc. (if no trading is made on the date, the closing price of the immediately preceding trading day)

A) Base Number of Shares to Be Delivered
The Base Number of Shares to Be Delivered to each Eligible Director shall be uniformly 3,000 shares. However, when the Base Number of Shares to Be Delivered to Eligible

Directors must be reduced to comply with the maximum amount of share-based remuneration, or when an event arises including a share split of Shares of the Company on or after the date on which this Proposal is approved and resolved where adjustments are required to the total number of Shares of the Company to be issued or disposed of under the Plan, the required adjustments shall be made to a reasonable extent.

B) Coefficient of Target Performance Achievement

The Coefficient of Target Performance Achievement shall be the total of the Coefficients shown in column (i) of the table below, which are determined for each fiscal year during the Performance Evaluation Period. However, respective Coefficient may be included in the total only when the target consolidated operating income shown in column (ii) is achieved in the corresponding fiscal year.

	(i) Coefficient for each fiscal year	(ii) Target consolidated operating income
81st fiscal year	0.3	378.0 billion yen
82nd fiscal year	0.3	390.0 billion yen
83rd fiscal year	0.4	405.0 billion yen

C) Coefficient of in-office Period

The Coefficient shall be determined according to the period of time until an Eligible Director retires from the Position of Executive or Employee, etc. or resigns, as shown below. If his/her retirement from the Position of Executive or Employee, etc. or resignation takes place in the middle of the month, it is deemed that he/she remained in office for a whole month.

	Coefficient for each period
Remain in office until the last day of the 81st fiscal year:	0
Remain in office until the last day of the 82nd fiscal year:	0.3
Remain in office until the last day of the 83rd fiscal year:	0.6
Retire or resign after the end of the 83rd fiscal year and before the Date of Right Allotment:	0.6

iii. Terms and conditions for payment to Eligible Directors

If an Eligible Director dies prior to the Date of Right Allotment, payment of shares or money under the Plan shall not be made. In addition, Directors who assumed office after the conclusion of the Ordinary General Meeting of Shareholders for the 80th fiscal year are not eligible for the Plan.

Likewise, if an Eligible Director, prior to the Date of Right Allotment, falls under the grounds for losing eligibility as stipulated in the Company regulations, including a case where he/she has retired from the Position of Executive or Employee, etc. or resigned without justifiable reasons, or conducts certain illegal activities, payment of the shares or money shall not be made.

(3) Overview of the agreement on allotment of the restricted shares

i. Details and period of transfer restrictions

Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of Shares of the Company during the period from the payment date of for Share of the

Company until the time immediately after the retirement from the Position of Executive or Employee, etc. or resignation (hereinafter, the "Transfer Restrictions").

ii. Lifting of Transfer Restrictions at the time of retirement or resignation
When an Eligible Director retires from the Position of Executive or Employee, etc. or resigns for justifiable reasons, the Company shall, in principle, lift the Transfer Restrictions on all of his/her Shares of the Company at the expiry of the Transfer Restriction period.

iii. Other
Other matters regarding the agreement on allotment of the restricted shares shall be determined by the Board of Directors of the Company.

(Reference)

If this proposal is approved, the Company plans to introduce a plan with the same system as the Plan for the Company's executive-class employees, including Executive Officers (*shikko-yakuin*) who are not concurrently Directors and Branch General Managers, etc., and Directors of the Company's wholly owned subsidiaries.