(TRANSLATION ONLY)

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

June 5, 2020

Notice of the 81st Ordinary General Meeting of Shareholders

Dear Shareholders:

We hereby notify you of the 81st Ordinary General Meeting of Shareholders, to be held at the time and location set forth below.

Considering the recent impact of the novel coronavirus infection, you are kindly requested to refrain from attending the meeting in person this year if possible, regardless of your health condition. Please review the Reference Materials for General Meeting of Shareholders provided hereafter, and exercise your voting rights in writing (by mail) or over the Internet, etc. before 6:00 p.m. of June 25, 2020 (Thursday).

Very truly yours,

Keiichi Yoshii
Representative Director and President

1. Date and time: Friday June 26, 2020 at 10:00 a.m.

2. Location: The Grand Ballroom, THE RITZ-CARLTON, OSAKA, 2nd Fl.,
2-5-25, Umeda, Kita-ku, Osaka, Japan
* The venue may be unusable due to the impact of the novel coronavirus infection. Any changes to the venue will be posted on the Company website (https://www.daiwahouse.com/ir/soukai/). If you plan to attend the meeting, please check the Company website on the day before the meeting.

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 81st Fiscal Year (from April 1, 2019 to March 31, 2020)
2. The Financial Statements for the 81st Fiscal Year (from April 1, 2019 to March 31, 2020)

Matters to be resolved:
Proposal 1 Dividends from Surplus
Proposal 2 Election of Fourteen (14) Directors
Proposal 3 Election of One (1) Audit & Supervisory Board Member
Proposal 4 Payment of Bonuses for Directors
Proposal 5 Election of Independent Auditor

Regarding the Notice of Resolution of the General Meeting of Shareholders
Please note that, from this year, we will stop sending the notice of resolution of the general meeting of shareholders to save resources. The results of the resolutions will be posted on the Company website (https://www.daiwahouse.com/ir/soukai/). We appreciate for your kind understanding.

[Voting in writing]

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 6:00 p.m. on Thursday, June 25, 2020.

[Voting on the Internet]

Please access the voting website (https://www.web54.net) by entering the voting code and the password provided in the voting rights exercise form enclosed herein, and exercise your voting rights by entering your approval or disapproval of the proposals by 6:00 p.m. on Thursday, June 25, 2020, following the instruction on the screen.

As for exercising voting rights via the Internet, please refer to "Guidance for Exercising Voting Rights via the Internet, etc." on page 4.

If you exercise your voting rights both in writing and via the Internet, only the vote via the Internet will be handled as your valid exercise of voting rights.

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Guidance for Exercising Voting Rights via the Internet, etc.

If you exercise your voting rights via the Internet, etc., please note the following items before using it.

1. Website for exercising voting rights
   You can exercise your voting rights via the Internet, only if you use the voting website (https://www.web54.net) designated by the Company.
2. Handling of exercise of voting rights
   (1) If you exercise your voting rights via the Internet, please use the voting code and the password provided in the voting rights exercise form enclosed herein, and enter your approval or disapproval of the proposals, following the instruction on the screen.
   (2) The exercise due date via the Internet is 6:00 p.m. on Thursday, June 25, 2020, the day before the general meeting of shareholders. We appreciate if you exercise your voting rights earlier.
   (3) If you exercise your voting rights both in writing and via the Internet, etc., only the vote through the Internet, etc. will be handled as your valid exercise of voting rights.
   (4) 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.
   (5) Shareholders shall bear fees (connection fees, etc.) charged by Internet service providers and telecommunications carriers when using the voting website.
3. Handling of password
   (1) The password used for exercising voting rights at this general meeting of shareholders shall be set anew by the shareholder upon the first access. Please be sure to keep the part of the voting rights exercise form that includes the voting code, and be sure to remember the password you entered. Please note that we cannot answer any inquiries regarding your voting code and password.
   (2) If you enter the wrong password for a certain number of times, the website will be locked and you will not be able to use it. If you wish to have your password reissued, please follow the instructions on the screen.
4. Using a mobile phone
   Any of the following services is available, and the model is required to have an SSL communication function that enables encrypted communication
   (i) i-mode (ii) EZweb (iii) Yahoo! Keitai
   i-mode corresponds to NTT DOCOMO, INC., EZweb corresponds to KDDI CORPORATION, Yahoo! corresponds to U.S.-based Yahoo! Incorporated, and Yahoo! Keitai corresponds to SoftBank Mobile Corp., each of which is a trademark, registered trademark or service name.
5. Inquiries regarding operation methods of personal computers, etc.
   If you are uncertain about how to operate your personal computer, smartphone, mobile phone, etc. for exercising voting rights on this site, please contact below.
   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.

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 81st fiscal year be distributed as follows:

(1) Type of dividend assets
Cash

(2) Allotment of dividend assets and total amount
It is proposed that 60 yen be paid out per common share of the Company.
Subsequently, the total payment of year-end dividends will be 39,849,026,100 yen.
Thus, the annual dividend will be 115 yen per share (increased by 1 yen from the previous fiscal year), including the interim dividend of 55 yen paid on December 5, 2019.

(3) Effective date of payment of dividends
June 29, 2020

Proposal 2: **Election of Fourteen (14) Directors**

At the conclusion of this general meeting of shareholders, the term of office of all Directors (16) will expire. Accordingly, we propose the election of fourteen (14) Directors of which five (5) are Outside Directors, increasing the number of Outside Directors by two (2), to strengthen the supervisory function. 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 five (5) nominees for Outside Director in this proposal meet these standards.
The tables on pages 7 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	Keiichi Yoshii <To be reelected>	Representative Director and President CEO COO	17 of 17 (100%)
2	Tamio Ishibashi <To be reelected>	Representative Executive Vice President In charge of Information Systems Division In charge of Sustainability In charge of Marketing Support	17 of 17 (100%)
3	Takeshi Kosokabe <To be reelected>	Representative Executive Vice President CFO General Manager, Management Administration Headquarters	17 of 17 (100%)
4	Hirotsugu Otomo <To be reelected>	Director and Managing Executive Officer In charge of General Housing Business In charge of Livness Business	17 of 17 (100%)
5	Tatsuya Urakawa <To be reelected>	Director and Managing Executive Officer In charge of General Construction Operations	17 of 17 (100%)
6	Kazuhito Dekura <To be reelected>	Director and Managing Executive Officer In charge of Rental Apartment Headquarters	17 of 17 (100%)
7	Yoshinori Ariyoshi <To be reelected>	Director and Managing Executive Officer In charge of Compliance and Quality Assurance Promotion Division In charge of Specification Supervision	16 of 17 (94%)
8	Keisuke Shimonishi <To be reelected>	Director and Managing Executive Officer In charge of Commercial Construction Headquarters	17 of 17 (100%)
9	Nobuya Ichiki <To be newly elected>	Managing Executive Officer In charge of Overseas Strategy	—

No.	Name	Current Positions and Main Responsibilities in the Company	Attendance at meetings of the Board of Directors (Attendance rate)
10	Kazuyoshi Kimura <To be reelected>	Director <Outside> <Independent>	14 of 17 (82%)
11	Yutaka Shigemori <To be reelected>	Director <Outside> <Independent>	16 of 17 (94%)
12	Yukiko Yabu <To be reelected>	Director <Outside> <Independent>	16 of 17 (94%)
13	Yukinori Kuwano <To be newly elected>	Audit & Supervisory Board Member <Outside> <Independent>	16 of 17 (94%)
14	Miwa Seki <To be newly elected>	<Outside> <Independent>	—

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

No. of nominee 1	Keiichi Yoshii (Date of birth: May 27, 1958)	No. of the Company's shares held by nominee: 21,752 shares

<To be reelected>

Attendance at meetings of the Board of Directors
17 of 17
(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)
June 2019	CEO (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 2	Tamio Ishibashi (Date of birth: Feb. 18, 1956)	No. of the Company's shares held by nominee: 875,101 shares

<To be reelected>

Attendance at meetings of the Board of Directors
17 of 17
(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 Division (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 3	Takeshi Kosokabe (Date of birth: May 13, 1957)	No. of the Company's shares held by nominee: 26,018 shares
<To be reelected> Attendance at meetings of the Board of Directors 17 of 17 (100%)	**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 April 2019 General Manager, Management Administration Headquarters (Current) June 2019 Representative Executive Vice President (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 of 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 4	Hirotsugu Otomo (Date of birth: Aug. 31, 1959)	No. of the Company's shares held by nominee: 27,004 shares
<To be reelected> Attendance at meetings of the Board of Directors 17 of 17 (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 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 5	Tatsuya Urakawa (Date of birth: Feb. 22, 1961)	No. of the Company's shares held by nominee: 13,648 shares
<To be reelected> Attendance at meetings of the Board of Directors 17 of 17 (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 6	Kazuhito Dekura (Date of birth: Aug. 26, 1961)	No. of the Company's shares held by nominee: 13,832 shares
<To be reelected> Attendance at meetings of the Board of Directors 17 of 17 (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 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 General Manager, Tokyo Regional Business Unit 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) April 2020 General Manager, Rental Apartment Promotion Department (In charge of Hokkaido・Northeast and North Kanto 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 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 7	Yoshinori Ariyoshi (Date of birth: July 31, 1958)	No. of the Company's shares held by nominee: 9,397 shares

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
Aug. 2019	General Manager, Compliance and Quality Assurance Promotion Headquarters (Current) In charge of Compliance and Quality Assurance Promotion Division (Current) In charge of Specification Supervision (Current)

<To be reelected>

Attendance at meetings of the Board of Directors
16 of 17
(94%)

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 and the compliance system of the whole manufacturing process by utilizing his knowledge and experience in the future.

No. of nominee 8	Keisuke Shimonishi (Date of birth: Oct. 19, 1958)	No. of the Company's shares held by nominee: 9,014 shares

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)
April 2018	In charge of Commercial Construction Headquarters (Current)
June 2018	Director and Managing Executive Officer (Current)
Nov. 2019	General Manager, Commercial Construction Promotion Department (In charge of South Kanto region) (Current)

<To be reelected>

Attendance at meetings of the Board of Directors
17 of 17
(100%)

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 9	Nobuya Ichiki (Date of birth: June 23, 1956)	No. of the Company's shares held by nominee: 700 shares
<To be newly elected> Attendance at meetings of the Board of Directors —	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** April 1979 Joined Mitsubishi Corporation July 1999 General Manager, Machinery Department, Manila Branch April 2009 General Manager, Manila Branch President, The Japanese Chamber of Commerce and Industry of the Philippines, Inc. Director, Ayala Corporation April 2012 Senior Vice President, Unit Manager, Overseas Real Estate Unit, Mitsubishi Corporation April 2013 Senior Vice President, Division COO, Development and Construction Division June 2016 Retired from Mitsubishi Corporation July 2016 Joined the Company Senior Executive Officer General Manager, Fourth Department, Overseas Division Feb. 2019 In charge of Fourth Department, Overseas Division April 2019 In charge of Fifth Department, Overseas Division (Current) In charger of Overseas Strategy (Current) April 2020 Managing Executive Officer (Current)	
Reason for nomination of the person as Director He has accumulated experience from businesses overseas at globally operating companies, and after joining the Company, he has been in charge of Overseas Division. Accordingly, the Company expects that he will strive to further promote overseas businesses by utilizing his abundant knowledge and experience based on his career in the future.		

No. of nominee 10	Outside Director / Independent Officer Kazuyoshi Kimura (Date of birth: Nov. 12, 1943)	No. of the Company's shares held by nominee: 11,900 shares

<To be reelected>

Attendance at meetings of the Board of Directors
14 of 17
(82%)

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 eight (8) years at the conclusion of this general meeting of shareholders.

No. of nominee 11	Outside Director / Independent Officer Yutaka Shigemori (Date of birth: June 25, 1949)	No. of the Company's shares held by nominee: 11,400 shares
<To be reelected> Attendance at meetings of the Board of Directors 16 of 17 (94%)	**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 eight (8) years at the conclusion of this general meeting of shareholders.		

No. of nominee 12	Outside Director / Independent Officer Yukiko Yabu (Date of birth: June 23, 1958)	No. of the Company's shares held by nominee: 1,300 shares
<To be reelected> Attendance at meetings of the Board of Directors 16 of 17 (94%)	**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 from Panasonic Corporation June 2016 Director of the Company (Current) **(Significant concurrent positions)** Outside Director, Furukawa Electric Co., Ltd.	
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 four (4) years at the conclusion of this general meeting of shareholders.		

No. of nominee 13	Outside Director / Independent Officer Yukinori Kuwano (Date of birth: Feb. 14, 1941)	No. of the Company's shares held by nominee: 10,300 shares
<To be newly elected> Attendance at meetings of the Board of Directors 16 of 17 (94%)	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** April 1963 Joined SANYO Electric Co., Ltd. Feb. 1993 Member of the Board June 1996 Managing Member of the Board June 1999 Member of the Board and Senior Managing Executive Officer Nov. 2000 President and COO April 2004 President, CEO and COO June 2005 Member of the Board and Councilor Nov. 2005 Councilor June 2006 Standing Advisor June 2008 Audit & Supervisory Board Member of the Company (Current)	
Reason for nomination of the person as Outside Director Utilizing his abundant knowledge and experience as a corporate manager, he has been conducting highly effective audits as Independent Outside Audit & Supervisory Board Member of the Company for many years. The Company expects that he will supervise the Company's management from an independent standpoint through providing opinions and remarks from various perspectives to strengthen governance by utilizing his extensive knowledge in the future. Accordingly, the Company proposes his appointment as Director.		

No. of nominee 14	Outside Director / Independent Officer Miwa Seki (Date of birth: Feb. 25, 1965)	No. of the Company's shares held by nominee: − shares
<To be newly elected> Attendance at meetings of the Board of Directors —	**Brief personal history, position and responsibility in the Company, and significant concurrent positions** April 1988 Joined DENTSU INC. April 1989 Joined Smith Barney Sep. 1993 Joined Morgan Stanley June 1997 Joined Clay Finlay Limited Jan. 2003 General Manager, Tokyo Branch April 2015 Associate Professor, Faculty of Foreign Studies, Kyorin University (Current) **(Significant concurrent positions)** Outside Member of the Board (Member of Audit & Supervisory Committee), World Co., Ltd. Director, Yanai Tadashi Foundation Associate Professor, Faculty of Foreign Studies, Kyorin University	
Reason for nomination of the person as Outside Director She has entrepreneurial experience and has worked as a branch manager at a foreign financial institution. The Company expects that she will supervise the Company's management from an independent standpoint through providing opinions and remarks from not only an investor's viewpoint but also various perspectives by utilizing her extensive global knowledge cultivated through her experience as an educator and as a translator at present. Accordingly, the Company proposes her appointment as Director.		

Notes:
1. No beneficial interest exists between the Company and any nominees for the position of Director.
2. Mr. Kazuyoshi Kimura, Mr. Yutaka Shigemori, Ms. Yukiko Yabu, Mr. Yukinori Kuwano and Ms. Miwa Seki are nominees for the position of Outside Director.
3. Mr. Yukinori Kuwano, incumbent Outside Audit & Supervisory Board Member of the Company, will retire from his position as his term of office expires at the conclusion of this general meeting of shareholders. He will have served as Audit & Supervisory Board Member for twelve (12) years at the conclusion of this general meeting of shareholders.
4. The Company has entered into agreements with Mr. Kazuyoshi Kimura, Mr. Yutaka Shigemori and Ms. Yukiko Yabu to limit their liability 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. In addition, if the election of Mr. Yukinori Kuwano and Ms. Miwa Seki as Director is approved and passed, the Company will enter into the similar liability limitation agreements with them.
5. The Company has designated and reported Mr. Kazuyoshi Kimura, Mr. Yutaka Shigemori and Ms. Yukiko Yabu as independent officers 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. In addition, if the election of Mr. Yukinori Kuwano and Ms. Miwa Seki as Director is approved and passed, the Company will designate and report them as independent officers as stipulated in the regulations of Tokyo Stock Exchange, Inc.
6. A business relationship exists between the Company and World Co., Ltd. where Ms. Miwa Seki serves as Member of the Board. However, the transaction amount has been less than 0.1% of net sales of both parties in the past three (3) fiscal years. Therefore, the relationship does not affect the independence.

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

The term of office of the Audit & Supervisory Board Member, Mr. Yukinori Kuwano will expire at the conclusion of this general meeting of shareholders. Accordingly, we propose the election of one (1) new 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.

Nominee	Outside Audit & Supervisory Board Member / Independent Officer Akihisa Watanabe (Date of birth: Feb. 10, 1953)	No. of the Company's shares held by nominee: − shares
<To be newly elected>	**Brief personal history, position in the Company, and significant concurrent positions** March 1975 Joined SAKURA COLOR PRODUCTS CORPORATION Aug. 1987 Retired from SAKURA COLOR PRODUCTS CORPORATION Oct. 1991 Joined Osaka Office, Tohmatsu & Co. (current Deloitte Touche Tohmatsu LLC) April 1995 Registered as Certified Public Accountant May 2002 Partner, Tohmatsu & Co. Oct. 2013 General Manager, Osaka Office June 2015 Retired from Deloitte Touche Tohmatsu LLC Sep. 2015 Established Watanabe Certified Public Accountant Firm Chief Representative (Current) **(Significant concurrent positions)** Certified Public Accountant Chief Representative, Watanabe Certified Public Accountant Firm	
Reason for nomination of the person as Outside Audit & Supervisory Board Member He has been engaged in auditing at an audit corporation as a certified public accountant for many years, and has abundant experience as a specialist in financial accounting. The Company expects that he will conduct highly effective audits by utilizing his extensive knowledge based on his career. Accordingly, the Company proposes his appointment as Audit & Supervisory Board Member. He has never in the past been involved in the management of a company. However, the Company judges he will appropriately fulfill his duties as an Outside Audit & Supervisory Board Member in the manner that the Company expects, based on the reason described above.		

Notes: 1. No beneficial interest exists between the Company and the nominee for the position of Audit & Supervisory Board Member.
2. Mr. Akihisa Watanabe is a nominee for the position of Outside Audit & Supervisory Board Member.
3. If the election of Mr. Akihisa Watanabe is approved and passed as proposed in this proposal, the Company will enter into an agreement with him to limit his liability to compensate for damages provided for in Article 423, Paragraph 1 of the Companies Act within the limit stipulated by laws and regulations.
4. If the election of Mr. Akihisa Watanabe is approved and passed as proposed in this proposal, the Company will designate and report him as an independent officer as stipulated in the regulations of Tokyo Stock Exchange, Inc.
5. Mr. Akihisa Watanabe currently serves as a representative of Watanabe Certified Public Accountant Firm. However, there is no advisory contract and transaction between the firm and the Company. In addition, although he worked at Deloitte Touche Tohmatsu LLC in the past, he left the company in June 2015, and the transaction amount between the audit corporation and the Company has been less than 0.1% of net sales of both parties in the past three (3) fiscal years. Therefore, the relationship does not affect the independence.

<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 (excluding outside officers).
*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.

Proposal 4: Payment of Bonuses for Directors

Taking into account the amount of the previous payments and our operating performance for the current fiscal year, it is proposed that bonuses to Directors of 798 million yen in total be paid to, among sixteen (16) Directors incumbent at the end of the current fiscal year, thirteen (13) Directors (number excluding Outside Directors).

(Reference) The Executive Remuneration System

The Company's executive remuneration consists of the monetary compensation of "fixed remuneration" and "annual bonus" as well as performance-linked, share-based remuneration of the "stock delivery trust" and "restricted share-based remuneration." Our basic policy is to develop a balanced remuneration plan for the responsibilities of Directors with an eye to sustainable development of the Company.

[The executive remuneration system]

	Fixed remuneration	Performance-linked, share-based remuneration		
	Basic remuneration	Annual bonus	Share-based remuneration	
			Stock delivery trust	Restricted share-based remuneration
Directors (excluding Outside Directors)	●	●	●	●
Outside Directors	●	–	–	–
Audit & Supervisory Board Member	●	—	–	–

[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.)

Fixed remuneration	Performance-linked remuneration		
Basic remuneration Approx. 42% (no more than 70 million yen per month)	Bonus Approx. 47%	Share-based remuneration Approx. 10%	
		Stock delivery trust	Performance-linked and restricted share-based remuneration
	Short term (KPI: consolidated ordinary income for a single fiscal year)	Medium to long term (KPI: ROE)	Medium to long term (KPI: consolidated operating income)

* The percentages are rounded to the nearest whole number, so the total is not 100%.

Proposal 5: Election of Independent Auditor

Deloitte Touche Tohmatsu LLC, the Company's Independent Auditor, will retire at the conclusion of this general meeting of shareholders due to the expiration of its term of office.
Accordingly, we would like to request the approval of the new election of Ernst & Young ShinNihon LLC as Independent Auditor based on the decision of the Audit & Supervisory Board.
The Audit & Supervisory Board nominated Ernst & Young ShinNihon LLC as a candidate for Independent Auditor, considering that Ernst & Young ShinNihon LLC has conducted audits of many companies engaged in the construction and real estate businesses, the main businesses of the Company Group, and their peripheral businesses. The Company can expect Ernst & Young ShinNihon LLC to conduct audits that respond to the expansion of the Company Group's business in Japan and overseas and changes in the operating environment of the Company Group. As a result of comprehensively reviewing the independence and expertise of the Independent Auditor, implementation status of audits, quality control system, audit remuneration and other factors, we have determined that Ernst & Young ShinNihon LLC is qualified for the position.
The following is the nominee for the position of Independent Auditor.

(As of March 31, 2020)

Name	Ernst & Young ShinNihon LLC		
Location of the principal office	1-1-2 Yuraku-cho, Chiyoda-ku, Tokyo		
History	April 2000	Showa Ota & Co. and Century Audit Corporation were merged to form Century Ota Showa & Co.	
	July 2001	The corporate name was changed to Shin Nihon & Co.	
	July 2008	The corporate name was changed to Ernst & Young ShinNihon LLC	
	July 2018	The corporate name was changed (Japanese name only)	
Overview	Capital		1,040 million yen
	Composition of personnel	CPAs	3,037
		Those who passed CPA exams, etc.	1,037
		Other staff	1,386
		Total	5,460
	Number of audit clients		3,774 companies
	Offices, etc.	Domestic: Tokyo and other areas	Total 17 locations
		Overseas: New York and other areas	Total 46 locations