

To our shareholders:

Shinobu Yamagishi

President and Representative Director
PRESSANCE CORPORATION Co., Ltd
1-2-27 Shiromi, Chuo-ku, Osaka City

NOTICE OF THE 22nd ORDINARY GENERAL MEETING OF SHAREHOLDERS 2019

You are cordially invited to attend the 22nd Ordinary General Meeting of Shareholders of PRESSANCE CORPORATION Co., Ltd (the “Company”), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by one of the means below. Please exercise your voting rights after reviewing the attached Reference Documents for General Meeting of Shareholders no later than 6:00 p.m., Thursday, June 20, 2019 (Japan Standard Time).

[Exercise voting rights by postal mail]

Indicate your approval or disapproval of the proposal on the enclosed voting form and return it by postal mail to reach us by the voting deadline above.

[Exercise voting rights via the Internet]

A nominee shareholder may apply in advance by using the electric voting platform (<https://evote.tr.mufg.jp/>) only in Japanese operated by Mitsubishi UFJ Trust and Banking Corporation in order to exercise your voting rights electrically via the Internet as a method, entering your approval or disapproval of the proposal by the voting deadline above.

- 1. Date and Time:** Friday, June 21, 2019 at 10:00 a.m. (Japan Standard Time)
2. Venue: Hotel Monterey La Soeur Osaka, 14F Hall Roumeikan,
2-2-22 Shiromi, Chuo-ku, Osaka City

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 22nd Term (from April 1, 2018 to March 31, 2019), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
2. Non-Consolidated Financial Statements for the 22nd Term (from April 1, 2018 to March 31, 2019)

Items to be resolved:

Proposal No. 1

Partial amendment to the Articles of Incorporation

Proposal No. 2

Election of nine (9) Directors (excluding Directors who are Audit and Supervisory Committee Members)

Proposal No. 3

Election of three (3) directors who are Audit and Supervisory Committee Members

Proposal No. 4

Payment of retirement benefits to retired director

Proposal No. 5

Final payment of retirement benefits associated with the abolition of the retirement benefits payment system for retiring directors

Proposal No. 6

Determination of remuneration, etc., of directors (excluding those who are Audit and Supervisory Committee Members) to grant shares with transfer restrictions

Proposal No. 7

Issuance of stock acquisition rights as stock options

4. Convocation Rules:

- (1) When voting rights are exercised multiple times via the Internet, the last vote shall be treated as valid.
- (2) When voting rights are exercised both by the postal mail and the Internet, the Internet vote shall be treated as valid.

We do not prepare presents for shareholders attending the meeting. We would like to sincerely ask the shareholders' understanding.

When you attend the meeting, please submit your enclosed voting form to the reception.

Should there be any amendment to the Business Report, Non-Consolidated Financial Statements, Consolidated Financial Statements, Reference Documents for General Meeting of Shareholders, such amendments will be uploaded to our website (<https://www.pressance.co.jp>).

Business Results

During the consolidated fiscal year under review, the Japanese economy remained on a gradual recovery track as consumer spending was fueled by improving income and employment opportunities.

In the real estate industry, in addition to mounting construction costs, the cost of land for development increased as publicly assessed land values continued to rise in Japan's three largest cities of Tokyo, Osaka, and Nagoya as well as in other large cities. Although this and other factors remain causes for concern, the interest rates on housing loans remain low while the Japanese government's ongoing measures to help homebuyers are still on track, contributing to a stable economy. The demand for condominiums has also remained solid as more people have been moving into cities, featuring the trend of people seeking the convenience of urban living.

Under the environment above, Pressance Corporation Co, Ltd. (the "Company") has focused on acquiring the lands in selected locations of its primary sales areas covering the Kinki and Tokai-Chukyo regions as well as regional urban centers, supplying condominiums intensively to the center of major cities.

With the result of business operation above, the Company posted the following consolidated performance for the fiscal year ended March 31, 2019, net sales amounted to 160,580 million yen (up 19.8% year on year), operating profit amounted to 27,118 million yen (up 33.2% year on year), ordinary profit amounted to 26,531 million yen (up 33.6% year on year) and profit attributable to owners of parent amounted to 18,296 million yen (up 33.0% year on year).

Real Estate Sale Business

The real estate sale business enjoyed favorable sales of condominium units such as Pressance Legend Biwako, a 486-unit condominium designed for families, and Pressance Itachibori Parkcity, a condominium featuring 148 studio units. With the result of business operation above, sales of studio condominium amounted to 43,011 million yen (2,363 rooms), sale of family-type condominium amounted to 77,375 million yen (2,078 rooms), sale of condominium building amounted 12,459 million yen (880 rooms), sale of hotel property amounted to 17,625 million yen (980 rooms), sale of other type of housing amounted to 1,509 million yen (98 rooms), sale of other real estate amounted to 1,429 million yen, business accompanying real estate sale amounted to 1,633 million yen. Total sales of real estate sale business posted 155,044 million yen (up 19.8% year on year), and segment profit amounted to 26,589 million yen (up 33.8% year on year).

Other Business

The sales of other business, such as the Rental housing business and the Real estate management fee business, amounted to 5,535 million yen (up 20.1% year on year), and segment profit amounted to 1,752 million yen (up 15.0% year on year) due to an increase in rents revenue with high occupancy rate of owned real estates for rent.

Issues that the Company to Address

Business circumstances in the real estate industry in which the Pressance group operates is expected to continue to recover moderately because there are contributing factors to stimulate peoples' motivation to buy a house such as continual supporting measures to acquire housing by the Japanese government.

In the business environment, issues that the Group addresses are as follows:

(1) Mid-term Business Plan

The Company has made "Mid-term Business Plan" for three fiscal years ending March 2021. In addition to the existing management goal of achieving 10% or greater operating profit growth year on year, the Company has set a goal of raising its dividend payout ratio gradually up to 20% until the fiscal year ending March 2023.

The Company will vigorously strive to increase its market share in Osaka, Kyoto, Kobe, Nagoya, Tokyo Metropolitan Area and Okinawa where the Company has already been recognized as a main player. The Company will also strive to strengthen market position in the new market, such as Hiroshima, Fukuoka and other local major cities.

By the enhancement of land procurement and sales activities, the Company will strive to expand the number of condominiums and hotels to be provided that are highly satisfactory to our customers in terms of prices as well as location and also will strive to increase the number of units sold and to increase the profit.

The Company aims net sales of 250.9 billion yen and operating profit of 36.4 billion yen in the fiscal year ending March 2021.

(2) Enhancement of compliance framework

In recent years, it has been revealed that companies have frequently deviated from social rules or disrespected compliance, including violation of laws and regulations, being involved in incidents or accidents and delaying disclosure.

The Group has placed the enhancement of its compliance framework as one of its top priorities of business management and established compliance regulations to cultivate employees' awareness of compliance through in-house training, etc. In addition, the Group established a whistle-blowing system and has taken initiatives for early detection and resolution of problems.

(3) Strengthening financial structure

As the Group mainly relies on borrowings from financial institutions for acquisition of commercial premises, interest-bearing liabilities are increasing associated with the expansion of our business. We will make efforts to strengthen the financial structure by using various financing methods in addition to accumulation of profits.

(4) Securing talented personnel

While the Group is expanding the business scale steadily, personnel required for the expansion of business also increases. It is an urgent priority to secure talented personnel in each operation area, not only for sales but also administrative functions.

In addition to regular recruitment of new graduates, by active mid-career recruiting, the Company strives to secure excellent human resources who can hit the ground running.

Basic Policy on Profit Distribution, Dividend

The Company has long believed that returning profits is an important management issue and has adopted a target of dividend policy. The Company will strive to provide more proactive shareholder return with a higher ratio of profit return.

As an index for the profit return, the Company will gradually increase its dividend payout ratio to 20% until the fiscal year ending March 2023. Also, the Company is aiming an increase of dividend in total by 15% or greater year on year, backed by the growth in operating profits by 10% or greater year on year.

According to the Article of Incorporation of the Company, the dividends of surplus is subject to the resolution of the Board of Directors of the Company, and the Company has set a basic policy of paying two dividends a year, including an interim dividend and a year-end dividend.

For the year ended March 31, 2019, the Company has made a decision to pay out a year-end dividend of 23 yen per share according to resolution of the Board of Directors.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

As of March 31, 2019

Assets		Liabilities	
Current assets		Current liabilities	
Cash and deposits	41,990,249	Notes and accounts payable - trade	117,986
Accounts receivable - trade	64,570	Electronically recorded obligations - operating	7,085,448
Real estate for sale	9,603,436	Short-term loans payable	9,920,000
Real estate for sale in process	225,302,024	Current portion of long-term loans payable	44,547,399
Raw materials and supplies	278,592	Income taxes payable	5,417,339
Other	3,352,807	Advances received	11,503,048
Total current assets	<u>280,591,681</u>	Provision for bonuses	218,490
Non-current assets		Other	4,106,663
Property, plant and equipment		Total current liabilities	<u>82,916,376</u>
Buildings and structures	390,058	Non-current liabilities	
Accumulated depreciation	(157,867)	Bonds with share acquisition rights	3,500,000
Buildings and structures, net	<u>232,191</u>	Long-term loans payable	120,119,750
Real estate for rent	16,220,953	Provision for directors' retirement benefits	623,483
Accumulated depreciation	(969,145)	Provision for share-based payment	146,152
Real estate for rent, net	<u>15,251,807</u>	Other	17,678
Land	271,702	Total non-current liabilities	<u>124,407,065</u>
Other	284,047	Total liabilities	<u>207,323,441</u>
Accumulated depreciation	(191,514)	Net assets	
Other, net	<u>92,532</u>	Shareholders' equity	
Total property, plant and equipment	<u>15,848,235</u>	Capital stock	2,404,047
Intangible assets	332,282	Capital surplus	3,406,237
Investments and other assets		Retained earnings	87,777,208
Investment securities	73,056	Treasury shares	(887,796)
Long-term loans receivable	35,800	Total shareholders' equity	<u>92,699,695</u>
Long-term loans receivable from subsidiaries and associates	2,460,423	Accumulated other comprehensive income	
Deferred tax assets	1,584,676	Valuation difference on available-for-sale securities	311
Other	1,016,157	Foreign currency translation adjustment	15,544
Total investments and other assets	<u>5,170,114</u>	Total accumulated other comprehensive income	15,855
Total non-current assets	<u>21,350,632</u>	Subscription rights to shares	123,803
Total assets	<u>301,942,314</u>	Non-controlling interests	1,779,517
		Total net assets	<u>94,618,872</u>
		Total liabilities and net assets	<u>301,942,314</u>

(2) Consolidated statements of income and comprehensive income
Consolidated Statements of Income

(Thousands of yen)

	Fiscal year ended March 31, 2019
Net sales	160,580,068
Cost of sales	116,378,482
Gross profit	44,201,586
Selling, general and administrative expenses	17,082,662
Operating profit	27,118,923
Non-operating income	
Interest income	3,511
Dividend income	1,440
Purchase discounts	318
Foreign exchange gains	101,293
Commission fee	57,568
Penalty income	69,991
Other	75,206
Total non-operating income	309,330
Non-operating expenses	
Interest expenses	745,526
Share of loss of entities accounted for using equity method	43,784
Commission fee	93,514
Other	13,896
Total non-operating expenses	896,722
Ordinary profit	26,531,531
Extraordinary income	
Gain on sales of non-current assets	3,440
Total extraordinary income	3,440
Extraordinary losses	
Loss on sales of non-current assets	584
Loss on retirement of non-current assets	3,546
Total extraordinary losses	4,131
Profit before income taxes	26,530,841
Income taxes - current	8,493,852
Income taxes - deferred	(255,767)
Total income taxes	8,238,084
Net income	18,292,756
Profit (Loss) attributable to non-controlling interests	(3,743)
Profit attributable to owners of parent	18,296,500

Fiscal year ended March 31, 2019

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of April 1, 2018	1,973,996	2,113,852	71,588,931	(2,471,817)	73,204,962
Changes of items during period					
Issuance of new shares	430,051	430,051			860,102
Dividends of surplus			(2,108,223)		(2,108,223)
Profit attributable to owners of parent			18,296,500		18,296,500
Disposal of treasury shares		862,334		1,584,021	2,446,355
Net changes of items other than shareholders' equity					
Total changes of items during period	430,051	1,292,385	16,188,276	1,584,021	19,494,733
Balance at end of current period	2,404,047	3,406,237	87,777,208	(887,796)	92,699,695

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance as of April 1, 2018	6,980	(2,840)	4,139	180,329	1,783,260	75,172,692
Changes of items during period						
Issuance of new shares						860,102
Dividends of surplus						(2,108,223)
Profit attributable to owners of parent						18,296,500
Disposal of treasury shares						2,446,355
Net changes of items other than shareholders' equity	(6,669)	18,385	11,716	(56,526)	(3,743)	(48,553)
Total changes of items during period	(6,669)	18,385	11,716	(56,526)	(3,743)	19,446,180
Balance at end of current period	311	15,544	15,855	123,803	1,779,517	94,618,872

Reference Documents for General Meeting of Shareholders

Proposal No. 1 Partial amendment to the Articles of Incorporation

1. Purposes and reasons for the proposal

The Company will add purposes of business for future expansion of business scope and development of new areas.

2. Details of the revision

Details of the revision are as follows:

(Items of amendments are underlined.)

Articles of Incorporation before amendment	Amendments proposed
<p>(Purposes)</p> <p>Article 2 The Purpose of the Company is to conduct the following business:</p> <ol style="list-style-type: none"> 1. Sale, exchange, lease, agency, mediation, management and valuation of real estate; 2. Building lots and buildings transaction business; 3. Developer business; <p>(Addition)</p> <ol style="list-style-type: none"> <u>4.</u> Civil engineering and construction work, landscaping work and interior finishing work; <u>5.</u> Restaurants; <u>6.</u> Non-life insurance business and insurance agency business under the Act on Securing Compensation for Automobile Accidents; <u>7.</u> Business about solicitation of life insurance; <u>8.</u> Management of registered architect's office; <u>9.</u> Tile, brick and block construction, painting work, construction assistance and civil engineering work, waterproofing work, joinery work, piping work and electric work; <u>10.</u> Building maintenance and contract work for repairs; <u>11.</u> Operation and management of parking spaces; <u>12.</u> Planning, design, contract work, construction supervision and consulting services for civil engineering and construction work, interior and exterior work of buildings and incidental facilities, and repair work of buildings; <u>13.</u> Planning, design, construction, contract work, construction supervision and consulting services for landscaping and greenery business; <u>14.</u> Cleaning services for buildings; <u>15.</u> Security services; <u>16.</u> Sales and agency of housing equipment and instruments including building materials, furniture, home appliances, interior decoration, interior accessories, heating and air conditioning equipment, kitchen equipment, plumbing, equipment for baths and toilets, etc.; <u>17.</u> Sale and rental of fresh flowers, flowers, plants and gardening products; <u>18.</u> Advertising agency; and <u>19.</u> Operations incidental to the operations listed in each of the preceding items. 	<p>(Purposes)</p> <p>Article 2 The Purpose of the Company is to conduct the following business:</p> <ol style="list-style-type: none"> 1. Sale, exchange, lease, agency, mediation, management and valuation of real estate; 2. Building lots and buildings transaction business; 3. Developer business; <u>4. Businesses under the Act on Specified Joint Real Estate Ventures;</u> <u>5.</u> Civil engineering and construction work, landscaping work and interior finishing work; <u>6.</u> Restaurants; 7. Non-life insurance business and insurance agency business under the Act on Securing Compensation for Automobile Accidents; <u>8.</u> Business about solicitation of life insurance; <u>9.</u> Management of registered architect's office; <u>10.</u> Tile, brick and block construction, painting work, construction assistance and civil engineering work, waterproofing work, joinery work, piping work and electric work; <u>11.</u> Building maintenance and contract work for repairs; <u>12.</u> Operation and management of parking spaces; <u>13.</u> Planning, design, contract work, construction supervision and consulting services for civil engineering and construction work, interior and exterior work of buildings and incidental facilities, and repair work of buildings; <u>14.</u> Planning, design, construction, contract work, construction supervision and consulting services for landscaping and greenery business; <u>15.</u> Cleaning services for buildings; <u>16.</u> Security services; <u>17.</u> Sales and agency of housing equipment and instruments including building materials, furniture, home appliances, interior decoration, interior accessories, heating and air conditioning equipment, kitchen equipment, plumbing, equipment for baths and toilets, etc.; <u>18.</u> Sale and rental of fresh flowers, flowers, plants and gardening products; <u>19.</u> Advertising agency; and <u>20.</u> Operations incidental to the operations listed in each of the preceding items.

Proposal No. 2 Election of nine (9) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of eight (8) Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire at the conclusion of this ordinary general meeting of shareholders. Accordingly, the Company seeks approval for the addition of one (1) director in order to enhance the management system and the election of nine (9) directors (excluding those who are Audit and Supervisory Committee Members).

The Audit and Supervisory Committee discussed this proposal, and there was no opposing opinion.

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows:

Candidate No.	Name (Date of birth)	Career summary, and position and areas of responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Shinobu Yamagishi (January 2, 1963)	Oct. 1997 President and Representative Director of the Company (current position) (Significant concurrent positions outside the Company) President and Representative Director of Pressance Community Co., Ltd President and Representative Director of Pressance Realta Co., Ltd President and Representative Director of Pressance Guarantee Co., Ltd	12,781,700
		Reasons for nomination as candidate for Director Shinobu Yamagishi is a founder of the Company, and has supervised its management as President and Representative Director for many years. He has contributed to the Company's development drawing on his strong leadership based on his extensive experience and the proven track record. The Company proposes the reelection of Director Yamagishi in order to boost future corporate value on a continual basis and enhance governance.	
2	Yutaka Doi (November 8, 1968)	Apr. 1999 Joined the Company May 2000 Director and General Manager of Management Department Apr. 2001 Managing Director and General Manager of Management Department Apr. 2003 Senior Managing Director and General Manager of Management Department June 2012 Senior Managing Director and General Manager of Management Division Apr. 2017 Director and Vice President, and General Manager of Management Division (current position)	273,900
		Reasons for nomination as candidate for Director Yutaka Doi has mainly supervised the Company's management department as Vice President and contributed to the Company's development drawing on his strong leadership based on his extensive experience and the proven track record. The Company proposes the reelection of Director Doi in order to boost future corporate value on a continual basis and enhance governance.	
3	Toshihide Tanaka (March 23, 1970)	Sep. 1998 Joined the Company May 2002 Director and General Manager of Sales Department Apr. 2003 Managing Director and General Manager of Sales Division July 2005 Managing Director and Manager of Nagoya Branch Apr. 2015 Senior Managing Director and Manager of Nagoya Branch Apr. 2017 Senior Managing Director, General Manager of Sales Division, and Manager of Nagoya Branch (current position)	34,200
		Reasons for nomination as candidate for Director Toshihide Tanaka has supervised the Company's sales departments as General Manager of Sales Division and, as Manager of Nagoya Branch, maintains a high level of discernment and the proven track record in the Company's business in the Tokai and Chukyo regions. The Company proposes the reelection of Director Tanaka in order to boost future corporate value on a continual basis.	

4	Katsuma Kawai (July 24, 1973)	Mar. 1998	Joined the Company	44,500
		Mar. 2004	Director and General Manager of Sales No.1 Department	
June 2009	Managing Director and General Manager of Sales No.1 Department			
Apr. 2014	Senior Managing Director, General Manager of Sales Division, and General Manager of Sales No.1 Department			
Oct. 2015	Senior Managing Director and General Manager of Sales Division			
Apr. 2017	Senior Managing Director and General Manager of Sales No.1 Department			
Apr. 2018	Senior Managing Director and General Manager of Sales Division (current position)			
Reasons for nomination as candidate for Director Katsuma Kawai has long years of experience in the sales departments and, as General Manager of Sales Division, maintains a high level of discernment and the proven track record in the Company's business. The Company proposes the reelection of Director Kawai in order to boost future corporate value on a continual basis.				
5	Kenichi Hirano (November 3, 1969)	June 2012	Joined the Company	35,600
		Apr. 2014	Acting General Manager of Development Operations Department, Nagoya Branch	
Apr. 2015	Deputy Manager of Nagoya Branch and General Manager of Development Operations Department, Nagoya Branch			
June 2015	Director, Deputy Manager of Nagoya Branch and General Manager of Development Operations Department, Nagoya Branch			
Apr. 2017	Managing Director and General Manager of Tokai/East-Japan Development Operations Division			
Apr. 2018	Managing Director and General Manager of Development Operations Division (current position)			
	(Significant concurrent positions outside the Company) President and Representative Director of Sanritsu Precon Co., Ltd.			
Reasons for nomination as candidate for Director Kenichi Hirano has long years of experience in the development departments and, as General Manager of Development Operations Division, maintains a high level of discernment and the proven track record in the Company's business. The Company proposes the reelection of Director Hirano in order to boost future corporate value on a continual basis.				
6	Junichi Tajikawa (July 10, 1969)	July 2000	Joined the Company	25,800
		Apr. 2004	Acting General Manager of Operations Department	
June 2009	Director and General Manager of Operations Department			
Feb. 2014	Director and General Manager of Development Operations Department			
Oct. 2015	Director and General Manager of Development Operations Division			
Apr. 2017	Director and General Manager of West-Japan Development Operations Division			
Apr. 2018	Director and General Manager of Construction Business Division (current position)			
Reasons for nomination as candidate for Director Junichi Tajikawa has supervised the Company's construction business as General Manager of Construction Business Division and maintains a high level of discernment and the proven track record in the business. The Company proposes the reelection of Director Tajikawa in order to boost future corporate value on a continual basis.				

7	Masanori Harada (July 5, 1983)	Nov. 2005	Joined the Company	74,800
		Oct. 2015	General Manager of Sales No.2 Department	
Oct. 2016	Executive Officer and General Manager of Sales No.1 Department			
Apr. 2017	Executive Officer and General Manager of Sales No.2 Department			
June 2017	Director and General Manager of Sales No.2 Department			
Apr. 2018	Director and General Manager of Sales No.1 Department			
Feb. 2019	Director, Manager of Osaka Branch, and General Manager of Sales Department (current position)			
Reasons for nomination as candidate for Director Masanori Harada has long years of experience in the sales departments and, as Manager of Osaka Branch, maintains a high level of discernment and the proven track record in the Company's business. The Company proposes the reelection of Director Harada in order to boost future corporate value on a continual basis.				
8	Masahide Takano (January 19, 1980)	Aug. 2008	Joined Pressance Juhan Co., Ltd.	16,900
		Mar. 2014	Joined the Company	
Oct. 2015	General Manager of Development Operations Department			
Oct. 2016	Executive Officer and General Manager of Development Operations Department			
Apr. 2017	Executive Officer and General Manager of West-Japan Development Operations Division			
June 2017	Director and General Manager of West-Japan Development Operations Division			
Apr. 2018	Director and Deputy General Manager of Development Operations Division and General Manager of Development Operations Department (current position)			
Reasons for nomination as candidate for Director Masahide Takano, as General Manager of Development Operations Department, maintains a high level of discernment and the proven track record in the Company's business. The Company proposes the reelection of Director Takano in order to boost future corporate value on a continual basis.				
9	* Kazuhiko Kaise (November 7, 1956)	Apr. 1981	Joined Daikyo Kanko Incorporated (currently DAIKYO INCORPORATED)	-
		June 2007	Director and Corporate Executive Vice President of DAIKYO INCORPORATED	
June 2010	Director and Vice President of DAIKYO ASTAGE INCORPORATED			
Jan. 2012	Director and President of DAIKYO REALDO INCORPORATED (currently DAIKYO ANABUKI REAL ESTATE INCORPORATED)			
June 2018	Special advisor, DAIKYO INCORPORATED			
Apr. 2019	Joined the Company			
Reasons for nomination as candidate for Director Kazuhiko Kaise has many years of extensive experience and broad insight as a director and a manager in the real estate industry. The Company newly proposes the election of Director Kaise in order to boost future corporate value on a continual basis.				

Notes:

1. The person marked with an asterisk (*) is a candidate for a new director.
2. The candidates for directors do not have special interest in the Company.
3. The number of the Company's shares owned by the candidates includes shares owned through the shareholding association.

Proposal No. 3 Election of three (3) directors who are Audit and Supervisory Committee Members

The terms of office of all three (3) Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this ordinary general meeting of shareholders. Therefore, the Company proposes the election of three (3) Directors who are Audit and Supervisory Committee Members.

In addition, the consent of the Audit and Supervisory Committee has been obtained for this proposal.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

Candidate No.	Name (Date of birth)	Career summary, and position and areas of responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Yoshihiro Sakatani (March 11, 1957)	Oct. 1979 Joined Nisshin Audit Corporation (currently Ernst & Young ShinNihon LLC) Aug. 1998 Representative Partner of Century Audit Corporation (currently Ernst & Young ShinNihon LLC) June 2004 Retired from Representative Partner of Century Audit Corporation July 2004 Founded Japan Management Consulting Co., Ltd., Representative Director (current position) July 2004 Auditor of the Company June 2015 Assumed office as Director (Audit and Supervisory Committee Member) of the Company (current position) (Significant concurrent positions outside the Company) Representative Director of Japan Management Consulting Co., Ltd	7,600
2	Keiko Nishioka (April 3, 1959)	Mar. 1999 Founded Nishioka Labor and Social Security Attorney Office, Representative (current position) June 2005 Auditor of the Company Apr. 2006 Founded Y.K. At Brain, Director (current position) June 2015 Assumed office as Director (Audit and Supervisory Committee Member) of the Company (current position) (Significant concurrent positions outside the Company) Representative of Nishioka Labor and Social Security Attorney Office Director of At Brain Limited	7,600
3	Hakaru Nakabayashi (November 23, 1949)	Apr. 1974 Joined the Chuo Trust & Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited) Oct. 2001 Joined Osaka Securities Exchange Co., Ltd. (currently Osaka Exchange, Inc.) June 2013 Full-time Auditor of the Company June 2015 Assumed office as Director (Audit and Supervisory Committee Member) of the Company (current position)	1,900

Notes:

1. The candidates for directors do not have special interest in the Company.
2. Mr. Yoshihiro Sakatani, Ms. Keiko Nishioka and Mr. Hakaru Nakabayashi are candidates for External Director and registered as independent directors on the Tokyo Stock Exchange.
3. The Company appointed Mr. Yoshihiro Sakatani as a candidate for External Director as we expect that he will contribute to the Company's audit and supervision based on his insight on corporate finance that has been cultivated through his long-term experience as a certified public accountant in Japan. Mr. Yoshihiro Sakatani is currently the Company's External Director who is an Audit and Supervisory Committee Member whose tenure, as an external director who is an Audit and Supervisory Committee Member, will be four years at the conclusion of this annual general meeting of shareholders.
4. The Company appointed Ms. Keiko Nishioka as a candidate for External Director as we expect that she will contribute to the Company's audit and supervision based on her insight on labor-related laws that has been cultivated through her experience as a labor and social security attorney in Japan. Ms. Keiko Nishioka is currently the Company's External Director who is an Audit and Supervisory Committee Member whose tenure, as an external director who is an Audit and Supervisory Committee Member, will be four years at the conclusion of this annual general meeting of shareholders.
5. The Company appointed Mr. Hakaru Nakabayashi as a candidate for External Director as we expect that he will contribute to the Company's audit and supervision based on his expertise and abundant experience that have been cultivated through his long-term experience in a trust bank and a stock exchange. Mr. Hakaru Nakabayashi is currently the Company's External Director who is an Audit and Supervisory Committee Member whose tenure, as an external director who is an Audit and Supervisory Committee Member, will be four years at the conclusion of this annual general meeting of shareholders. Although he had never been involved in corporate management except as an external director or auditor, due to the reason noted above, the Company believes that he is capable of executing his duty as an external director who is an Audit and Supervisory Committee Member.
6. The Company entered into agreements with Mr. Yoshihiro Sakatani, Ms. Keiko Nishioka and Mr. Hakaru Nakabayashi to limit liabilities for damages at the amount specified by laws and regulations. The Company will renew the agreements with

Mr. Yoshihiro Sakatani, Ms. Keiko Nishioka and Mr. Hakaru Nakabayashi if their re-election is approved.

7. The number of the Company's shares owned by the candidates includes shares owned through the shareholding association.

Proposal No. 4 Payment of retirement benefits to retired director

The Company requests approval for payment of retirement benefits to Mr. Yoshinori Nagashima, who resigned from the director position as of July 31, 2018, within the limits based on given standards provided by the Company in order to reward his service as a director.

The specific amount of retirement benefits and the timing and method of payment shall be decided by the Board of Directors.

The brief history of the retired director is as follows:

Name	Career summary	
Yoshinori Nagashima	June 2010	Director of the Company
	July 2018	Retired from Director of the Company (to the present)

Proposal No. 5 Final payment of retirement benefits associated with the abolition of the retirement benefits payment system for retiring directors

At the Board of Directors' meeting held on May 23, 2019, the Company resolved to abolish the retirement benefits payment system for retiring directors at the conclusion of this annual general meeting of shareholders, subject to the approval of Proposal No. 6 "Determination of remuneration, etc., of directors (excluding those who are Audit and Supervisory Committee Members) to grant shares with transfer restrictions" at this annual general meeting of shareholders as proposed. Accordingly, the Company will pay final retirement benefits to Directors in office, that is, Mr. Shinobu Yamagishi, Mr. Yutaka Doi, Mr. Toshihide Tanaka, Mr. Katsuma Kawai, Mr. Kenichi Hirano, Mr. Junichi Tajikawa, Mr. Masanori Harada and Mr. Masahide Takano, within the reasonable scope according to the Company's prescribed calculation criteria for retirement benefits for directors, which will be commensurate with the terms of their services until the conclusion of this annual general meeting of shareholders. The specific amount of retirement benefits and the method of payment shall be decided by the Board of Directors. Payments shall be made at the time of retirement of each director, respectively.

This Proposal shall become effective subject to the approval of Proposal No. 6 "Determination of remuneration, etc., of directors (excluding those who are Audit and Supervisory Committee Members) to grant shares with transfer restrictions" at this annual general meeting of shareholders as proposed.

Directors subject to final payment of retirement benefits are as follows:

Name	Career summary
Shinobu Yamagishi	Oct. 1997 President and Representative Director of the Company (current position)
Yutaka Doi	May 2000 Director of the Company Apr. 2001 Managing Director of the Company Apr. 2003 Senior Managing Director of the Company Apr. 2017 Director and Vice President of the Company (current position)
Toshihide Tanaka	May 2002 Director of the Company Apr. 2003 Managing Director of the Company Apr. 2015 Senior Managing Director of the Company (current position)
Katsuma Kawai	Mar. 2004 Director of the Company June 2009 Managing Director of the Company Apr. 2014 Senior Managing Director of the Company (current position)
Kenichi Hirano	June 2015 Director of the Company Apr. 2017 Managing Director of the Company (current position)
Junichi Tajikawa	June 2009 Director of the Company (current position)
Masanori Harada	June 2017 Director of the Company (current position)
Masahide Takano	June 2017 Director of the Company (current position)

Proposal No. 6 Determination of remuneration, etc., of directors (excluding those who are Audit and Supervisory Committee Members) to grant shares with transfer restrictions

The 18th annual general meeting of shareholders held on June 23, 2015 resolved remuneration, etc., of the Company's directors (excluding those who are Audit and Supervisory Committee Members) up to 600 million yen per year (excluding the amount of remuneration paid, as salary to employees, to Directors who have the status of employees) and in addition to this, stock options up to 30 million yen per year (up to 70 million yen if Proposal No. 7 "Issuance of stock acquisition rights as stock options" is approved at this annual general meeting of shareholders as proposed) were also approved to grant to eight (8) Directors (excluding those who are Audit and Supervisory Committee Members). The Company requests to approve payment of new remuneration to grant shares with transfer restrictions to the Company's Directors (excluding those who are Audit and Supervisory Committee Members and external directors; hereinafter referred to as "eligible Directors") separate from the above framework of remuneration in order to enhance the function of incentives for making sustainable improvements to the corporate value of the Company and to achieve further sharing of value among eligible Directors and shareholders.

The total monetary remuneration to be paid to eligible Directors for the purpose of granting of shares with transfer restrictions in accordance with this Proposal shall be up to 100 million yen per year, which is the amount deemed reasonable in order to achieve the goals described above. The specific distribution to eligible Directors shall be resolved by the Board of Directors.

The current number of Directors (excluding those who are Audit and Supervisory Committee Members) is eight (8) (of which, the number of external directors is zero). If Proposal No. 2 is passed as proposed, the number of Directors (excluding those who are Audit and Supervisory Committee Members) shall be nine (9) (of which, the number of external directors is zero).

Based on the resolution of the Board of Directors, eligible Directors shall be paid the total of monetary remuneration rights occurring due to this Proposal contribution in kind, and the shares shall be subject to issuance or disposal of ordinary shares of the Company. The total annual limit of the ordinary shares of the Company to be issued or disposed shall be within 100,000 shares (provided, however, in the case of a necessary reason to adjust the total number of common shares of the Company to be issued or disposed as shares with transfer restrictions due to a share split (including gratis allocation of ordinary shares) or a reverse share split of common shares of the Company to occur after the date when this Proposal is approved, the total number of shares shall be adjusted within reasonable scope). The payment amount per share is based on the closing price of common shares of the Company on the Tokyo Stock Exchange on the business day before the resolution date of the Board of Directors (if trading was not conducted on the day in question, the closing price on the most recent preceding trading day). The payment amount shall be determined by the Board of Directors so as not to provide an advantageous price to eligible Directors. Also, the Company will enter into a subscription agreement for shares with transfer restrictions (hereinafter referred to as the "Subscription Agreement") with eligible Directors including the following provisions, with regard to the issuance and disposal of ordinary shares of the Company.

- (1) During a period from the issuance of ordinary shares of the Company received according to the Subscription Agreement (hereinafter referred to as the "Subscribed Shares") to a day when eligible Directors will resign from the director position or lose other positions specified by the Board of Directors (hereinafter referred to as the "Transfer Restriction Period"), eligible Directors shall not transfer, pledge as security, or otherwise dispose of the Subscribed Shares (hereinafter referred to as "Transfer Restrictions").
- (2) If an eligible Director loses his/her position prior to the end of the period specified separately by the Board of Directors (hereinafter referred to as the "Service Rendering Period"), the Company shall acquire rightfully the Subscribed Shares for no fee, except for a reason deemed as reasonable by the Board of Directors.
- (3) The Company shall remove Transfer Restrictions from all Subscribed Shares at the time of completing the Transfer Restriction Period, on the condition the eligible Director continued to serve as a Director at the Company or other post specified by the Board of Directors throughout the Service Rendering Period. However, if the eligible Director retires from the position defined in (1) above prior to completing the Service Rendering Period and if said retirement was due to a reason deemed as reasonable by the Board of Directors as defined in (2) above, the number of Subscribed Shares from which Transfer Restrictions are removed and the timing of removal of Transfer Restrictions shall be adjusted as necessary and as reasonable.
- (4) The Company shall rightfully acquire the Subscribed Shares for which the Transfer Restrictions are not removed according to (3) above for no fee at the time of completing the Transfer Restriction Period.
- (5) Regardless of rules stated in (1) above, if items related to reorganization such as a merger agreement in which the Company is absorbed or a share-exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary are approved at the ordinary general meeting of shareholders (or, approved by the Board of Directors for cases in which approval from the ordinary general meeting of shareholders is not required for reorganization) during the Transfer Restriction Period, the Company shall act on resolutions by the Board of Directors and remove Transfer Restrictions from the number of Subscribed Shares as deemed reasonable based on the period from the start of the Transfer Restriction Period until the approved date of said reorganization, in advance of the date on which reorganization of the Company becomes effective.
- (6) In the case in the above (5), the Company shall acquire at no fee the Subscribed Shares for which Transfer Restrictions

have not been removed immediately following the removal of Transfer Restrictions in accordance with rules stipulated in the above (5).

(7) The method of indicating intention and issuing notice under the Subscription Agreement, the method of revision of the Subscription Agreement and other matters decided in the Board of Directors shall be in the Subscription Agreement.

The Company will grant shares with transfer restrictions the same as those in the above to directors of the Company's subsidiaries, subject to the approval of this Proposal.

Proposal No. 7 Issuance of stock acquisition rights as stock options

Pursuant to Articles 236, 238 and 239 of the Companies Act, the Company proposes to delegate to the Board of Directors the authority to determine subscription requirements of stock acquisition rights to be issued as stock options to the Company's directors (excluding those who are Audit and Supervisory Committee Members; the same shall apply hereinafter), directors of the Company's subsidiaries and employees of the Company and its subsidiaries.

The grant of stock acquisition rights to the Company's directors falls into remuneration, etc., under Article 361, Paragraph 1, Item 3 of the Companies Act.

The remuneration of the Company's directors was approved at up to 600 million yen per year at the 18th annual general meeting of shareholders held on June 23, 2015. This Proposal also seeks approval for the grant of stock acquisition rights to seven (7) directors up to 70 million yen per year, separately from the said remuneration.

1. The reason why the Company issues stock acquisition rights under preferential terms

The Company issues stock acquisition rights to directors of the Company and its subsidiaries as well as employees of the Company and its subsidiaries in order to raise their willingness and motivation to increase the Group's business results.

In addition, the grant of stock acquisition rights to directors of the Company is to grant them as stock options and it seems to be reasonable as remuneration, etc., of directors.

2. Payment for stock acquisition rights

Cash payment shall not be required.

3. Allotment date of stock acquisition rights.

The allotment date shall be determined by the Board of Directors.

4. Details of stock acquisition rights

(1) Class and number of shares to be issued upon exercise of stock acquisition rights

Not exceeding 2,196,000 shares of common shares of the Company in total.

In the event that the Company splits its common shares or consolidates its common shares, the number of underlying shares shall be adjusted according to the formula outlined below. However, such adjustment shall be made only to those subject to stock acquisition rights unexercised at the time of such adjustment, and any fraction less than one share resulting from such adjustment shall be rounded down.

$$\text{Number of shares after adjustment} = \text{Number of shares before adjustment} \times \text{Ratio of split or reverse split}$$

In the case of a merger, company split, share exchange or share transfer (hereinafter collectively referred to as "Merger, etc."), gratis allocation of shares or other events that compel the number of shares to be adjusted, the number of shares shall be adjusted to the extent reasonable taking into consideration the terms and conditions of the Merger, etc., and gratis allocation of shares.

(2) Total number of stock acquisition rights to be issued

Not exceeding 21,960 units. The number of stock acquisition rights to be issued to the Company's directors shall be up to 1,050 units. (The number of shares to be issued upon exercise of each stock acquisition rights shall be 100 shares per unit. In the event the number of shares is adjusted as provided in (1) above, the number of shares shall also be adjusted.)

(3) Value of the assets to be contributed upon exercise of stock acquisition rights

The purpose of contribution upon exercise of stock acquisition rights shall be cash, and the amount shall be the amount obtained by multiplying the amount to be paid in for each share to be issued upon exercise of such stock acquisition rights (hereinafter, referred to as "Exercise Price") by the number of shares to be issued upon exercise of such stock acquisition rights. The Exercise Price shall be the price obtained by multiplying the average of closing prices of common shares of the Company in each trading day (excluding the days on which trades are not made) in the month before the month including the date of allotment of stock acquisition rights (hereinafter, referred to as the "Allotment Date") on the Tokyo Stock Exchange by 1.05, and any fraction of less than one yen shall be rounded up; provided, however, that such price falls below the closing price of the Allotment Date (if no closing price in the Allotment Date, the closing price immediately before that day), the closing price of the Allotment Date shall be applied.

In the event that the Company carries out a stock split or a reverse stock split of its common shares after the Allotment Date, the above Exercise Price shall be adjusted based on the ratio of a stock split or a reverse stock split according to the formula outlined below, and any fraction of less than one yen shall be rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times 1/\text{Ratio of split or reverse split}$$

In the event that the Company issues new shares or sells treasury shares at below market price (except for sale of treasury shares in accordance with Article 194 of the Companies Act (Demand for Sale to Holder of Shares Less than One Unit) and conversion or exercise of securities to be converted or convertible to common shares of the Company or stock acquisition rights (including those attached to bonds with stock acquisition rights) to be requested to issue common shares of the Company), the above Exercise Price shall be adjusted according to the formula outlined below, and any

fraction of less than one yen shall be rounded up.

Exercise Price after adjustment =

Exercise Price before adjustment × (Number of outstanding shares + Number of newly issued shares × Amount paid per share / Market price) / (Number of outstanding shares + Number of newly issued shares)

For the purpose of the calculation above, “Number of outstanding shares” shall be the total number of shares of the Company’s common shares issued and outstanding less the total number of treasury stock, and in case of disposition of treasury stock, “Number of newly issued shares” and “Amount paid per share” shall be read as “Number of treasury stock to be disposed” and “Disposal amount per share,” respectively. In the case of a Merger, etc., gratis allocation of shares or other events that compel the exercise price to be adjusted, the Exercise Price shall be adjusted to the extent reasonable taking into consideration the terms and conditions of the Merger, etc., or gratis allocation of shares.

(4) Exercise period of stock acquisition rights

The exercise period shall be three years from the day when it has passed two years from the date following the Allotment Date. In the event that the last date of the Exercise Period is a non-business day of the Company, it shall be the business day immediately preceding such date.

(5) Matters concerning the amount of capital stock and capital reserve to be increased by the issuance of shares upon exercise of stock acquisition rights

- i) The amount of capital stock to be increased by the issuance of shares upon exercise of stock acquisition rights shall be one-half of the maximum limit on the increase in capital stock as calculated pursuant to Article 17, Paragraph 1 of the Ordinance on Accounting of Companies. Any fraction of less than one yen shall be rounded up.
- ii) The amount of capital reserve to be increased by the issuance of shares upon exercise of stock acquisition rights shall be the maximum limit on the increase in capital stock provided in i) above less the amount of increased capital stock stipulated in i) above.

(6) Conditions for exercise of stock acquisition rights

- i) A holder of stock acquisition rights must be a director or an employee of the Company or its subsidiaries at the time of the exercise to be eligible, except when a director resigns due to the expiration of his/her term of office or an employee retires due to compulsory retirement, or when there is any other due reason specifically provided by the Board of Directors.
- ii) In case of the death of a holder of stock acquisition rights, the heir shall exercise his/her right.
- iii) Other conditions upon exercise of stock acquisition rights shall be provided in the “Agreement for allotment of stock acquisition rights” which will be entered into between the Company and holders of stock acquisition rights based on the resolution of the 22nd annual general meeting of shareholders and the Board of Directors to be held on June 21, 2019.

(7) Matters concerning acquisition of stock acquisition rights

- i) If a holder of stock acquisition rights is not satisfied with conditions upon exercise of stock acquisition rights stated in (6), the Company shall acquire such stock acquisition rights for no fee.
- ii) In the event that a general meeting of shareholders of the Company approves a proposal for a merger agreement in which the Company is absorbed or a proposal for a share-exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, the Company shall acquire stock acquisition rights for no fee.

(8) Restriction on transfer of stock acquisition rights

Any acquisition of stock acquisition rights through a transfer shall require approval by a resolution of the Board of Directors.

(9) Treatment of stock acquisition rights at the Company’s restructuring

In the event that an agreement or a plan that is made at the Company’s restructuring stipulates the following matters regarding issuance of stock acquisition rights of a company, stock acquisition rights of a company shall be issued as follows:

i) Merger (only when the Company is absorbed)

A surviving company after merger or a new company to be established after merger

ii) Absorption-type company split

A company that will succeed all or part of the rights and obligations that a company subject to an absorption-type company split has regarding the said business

iii) Incorporation-type company split

A company to be established as a result of an incorporation-type company split

iv) Exchange of shares

A company that has all shares outstanding of a company subject to an exchange of shares

v) Share transfer

A company to be established as a result of a share transfer

(10) Rounding down of fractions arising from exercise of stock acquisition rights

Any fraction less than one share resulting from issuance of shares to holders of stock acquisition rights shall be rounded down.

(11) Other matters concerning stock acquisition rights

Other matters concerning stock acquisition rights, together with other terms and conditions of the grant, shall be determined by a resolution of the Board of Directors' meeting to be held in future.

(12) Specific calculation method of remuneration, etc., of directors and calculation criteria for fair evaluation of stock acquisition rights

i) For the specific calculation method of remuneration, etc., of directors, the amount shall be calculated by multiplying the fair value per stock acquisition right by the total units of stock acquisition rights to be allocated to directors of the Company effective at the Allotment Date.

ii) The fair value per stock acquisition right shall be calculated using the Black-Scholes model based on conditions at the Allotment Date.

(13) Treatment in case of issuance of stock acquisition right certificates

The Company shall not issue stock acquisition right certificates.