

[Translation for reference only]

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT

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

(Securities code: 9006)

June 5, 2019

To our shareholders

Kazuyuki Harada
President
Keikyu Corporation
2-20-20, Takanawa, Minato-ku, Tokyo

Notice of the 98th Annual General Meeting of Shareholders

You are cordially invited to attend the 98th Annual General Meeting of Shareholders of Keikyu Corporation (hereinafter “the Company”), which will be held as described below.

If you are unable to attend the meeting, you may exercise your voting rights in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders provided at the back of this document, and make sure that your votes are submitted no later than 5:45 p.m. on Wednesday, June 26, 2019 (Japan Standard Time).

1. Date and Time: Thursday, June 27, 2019, at 10:00 a.m. (Japan Standard Time)

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

3. Purpose of the Meeting

Matters to be reported:

1. Business Report, Consolidated Financial Statements and Audit Reports for the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board, for the 98th Fiscal Year (from April 1, 2018 to March 31, 2019)
2. Non-consolidated Financial Statements for the 98th Fiscal Year (from April 1, 2018 to March 31, 2019)

Matters to be resolved:

- Proposal No. 1: Appropriation of surplus
- Proposal No. 2: Partial amendments to the Articles of Incorporation
- Proposal No. 3: Election of thirteen (13) Directors
- Proposal No. 4: Election of one (1) Audit & Supervisory Board Member

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

policies of the Company, the Consolidated Statement of Changes in Equity, the Notes to the Consolidated Financial Statements, the Non-consolidated Statement of Changes in Equity and the Notes to the Non-consolidated Financial Statements are not attached to this notice.

- 2) Please note that any modifications to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements shall be posted on the Company's website. (<https://www.keikyu.co.jp>)

Exercising Voting Rights

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

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

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Documents

Proposal No. 1: Appropriation of surplus

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

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

Items on year-end dividend

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

¥8 per the Company's common share

Total: ¥2,203,280,112

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

2. Effective date of dividends from surplus

June 28, 2019

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

1. Reasons for the proposal

- (1) The Company intends to change the location of the head office stipulated in Article 3 of the Articles of Incorporation, relocating the headquarters from Minato-ku, Tokyo to Yokohama-shi, in order to consolidate the headquarters functions of several of the Group companies and thereby to achieve further improvements in operational efficiency.

A supplementary provision is planned to be established to stipulate provisional measures pertaining to this change.

- (2) The Company is going to introduce an executive officer system following the Board of Directors meeting to be held after this General Meeting of Shareholders, with the objective of achieving sustainable growth, an increase in corporate value over the medium to long term and further strengthening of the corporate governance system. The Company aims to make decisions faster and clarify executive responsibilities through the introduction of the executive officer system and specify the major roles of the Board of Directors as making important management decisions and supervising business execution in order to further strengthen the functions thereof. In this context, the Company intends to amend some parts of Article 23 of the Articles of Incorporation in order to allow itself to designate one Chairman of the Board of Directors as Director with specific titles, in addition to one President, when there are any business needs.

2. Details of the amendments

Details of the amendments are as follows:

(Underlined portions show amended parts.)

Present Articles of Incorporation	Proposed Amendments
<p>(Location of Head Office) Article 3. The Head Office of the Company is located in <u>Minato-ku, Tokyo</u>.</p> <p>(Representative Director, etc.) Article 23 1. <Omitted> 2. <Omitted> 3. The Company may designate <u>one Chairman of the Board of Directors and a few Executive Vice Presidents, Senior Executive Directors and Executive Directors</u>, when there are any business needs.</p> <p><Newly established></p>	<p>(Location of Head Office) Article 3. The Head Office of the Company is located in <u>Yokohama-shi</u>.</p> <p>(Representative Director, etc.) Article 23 1. <Same as present> 2. <Same as present> 3. The Company may designate <u>one Chairman of the Board of Directors</u>, when there are any business needs.</p> <p><u>Supplementary Provision</u> <u>The amendments to Article 3 (Location of Head Office) shall take effect on the date of relocation of the Head Office to be resolved at a Board of Directors meeting to be held by September 30, 2019. This Supplementary Provision shall be deleted upon effectuation of Article 3.</u></p>

Proposal No. 3: Election of thirteen (13) Directors

The terms of office of all fifteen (15) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, we propose that thirteen (13) Directors be elected.

The candidates for Directors are as follows:

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

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

Note: The number of Board of Directors meetings attended for Mr. Yoshinori Terajima considers only the Board of Directors meetings held after his assumption as Director on June 28, 2018.

No.	Name, etc. of Directors	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions
1 <u>Reappointment</u>	<p>Tsuneo Ishiwata</p> <p>Date of birth April 5, 1941 (78 years old)</p> <p>Tenure as Director 24 years (At the conclusion of this General Meeting of Shareholders)</p> <p>Number of Board of Directors Meetings Attended 13/13</p> <p>Number of the Company's shares owned 91,700 Shares</p>	<p>Apr. 1964 Joined the Company</p> <p>Jun. 1995 Director, the Company</p> <p>Jun. 1999 Executive Director, the Company</p> <p>Jun. 2003 Senior Executive Director, the Company</p> <p>Jun. 2003 Representative Director, the Company (present)</p> <p>Jun. 2005 President, the Company</p> <p>Jun. 2013 Chairman of the Board, the Company (present)</p> <p>(Significant concurrent positions)</p> <p>Chairman, Kanagawa-ken Employer's Association</p> <p>Chairman, Kanagawa Association of Corporate Executives</p> <p>Outside Audit & Supervisory Board Member, Gurunavi, Inc.</p> <p>Outside Director, Tokai Kisen Co., Ltd.</p> <p>[Reasons for nominating the candidate for Director] Mr. Tsuneo Ishiwata has been engaged primarily in accounting and business management etc. and obtained abundant experiences and deep insights in these areas. He assumed the position of President of the Company in June 2005, and serves as Chairman of the Board responsible for the business management of the Group since June 2013. The Company considers that he has properly performed his duties in decision-making on important business matters, supervising business execution, etc. and hence, appointed him as a candidate for Director.</p>

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

No.	Name, etc. of Directors	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions
2 <u>Reappointment</u>	<p>Kazuyuki Harada</p> <p>Date of birth January 22, 1954 (65 years old)</p> <p>Tenure as Director 12 years (At the conclusion of this General Meeting of Shareholders)</p> <p>Number of Board of Directors Meetings Attended 13/13</p> <p>Number of the Company's shares owned 45,300 Shares</p>	<p>Apr. 1976 Joined the Company</p> <p>Jun. 2007 Director, the Company</p> <p>Jun. 2010 Executive Director, the Company</p> <p>Jun. 2011 Senior Executive Director, the Company</p> <p>Jun. 2013 President and in charge of Inquiry and Auditing Group Operating Department, the Company (present)</p> <p>Jun. 2013 Representative Director, the Company (present)</p> <p>(Significant concurrent positions)</p> <p>Outside Director, Japan Post Insurance Co., Ltd.</p> <p>Outside Director, Japan Airport Terminal Co., Ltd.</p> <p>Outside Director, NKB Inc.</p> <p>Outside Director, Yokohama Shintoshin Center Corporation</p> <p>[Reasons for nominating the candidate for Director] Mr. Kazuyuki Harada has been engaged primarily in railway business and human resources and obtained abundant experiences and deep insights in these areas. He serves as President of the Company responsible for the business management of the Group since June 2013. The Company considers that he has properly performed his duties in decision-making on important business matters, supervising business execution, etc. and hence, appointed him as a candidate for Director.</p>

No.	Name, etc. of Directors	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions
3 <u>Reappointment</u>	<p>Toshiyuki Ogura</p> <p>Date of birth October 12, 1954 (64 years old)</p> <p>Tenure as Director 12 years (At the conclusion of this General Meeting of Shareholders)</p> <p>Number of Board of Directors Meetings Attended 13/13</p> <p>Number of the Company's shares owned 30,300 Shares</p>	<p>Apr. 1978 Joined the Company</p> <p>Jun. 2007 Director, the Company</p> <p>Jun. 2011 Executive Director, the Company</p> <p>Jun. 2014 Senior Executive Director, the Company</p> <p>Jun. 2015 Senior General Manager, Development and Administration of Facilities Headquarters and Office Manager, Shinagawa Development Department, the Company (present)</p> <p>Jun. 2016 Executive Vice President and Executive Manager, the Company (present)</p> <p>(Significant concurrent positions) Outside Director, KAGETSUEN KANKO Co., Ltd.</p> <p>[Reasons for nominating the candidate for Director] Mr. Toshiyuki Ogura has been engaged primarily in railway business and development projects, and obtained abundant experiences and deep insights in these areas. He serves as Director of the Company since June 2007. The Company considers that he has properly performed his duties in decision-making on important business matters, supervising business execution, etc. and hence, appointed him as a candidate for Director.</p>

No.	Name, etc. of Directors	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions
4 <u>Reappointment</u>	<p>Takashi Michihira</p> <p>Date of birth April 10, 1958 (61 years old)</p> <p>Tenure as Director 8 years (At the conclusion of this General Meeting of Shareholders)</p> <p>Number of Board of Directors Meetings Attended 13/13</p> <p>Number of the Company's shares owned 16,900 Shares</p>	<p>Apr. 1982 Joined the Company</p> <p>Jun. 2011 Director, the Company</p> <p>Jun. 2015 Executive Director, the Company</p> <p>Jun. 2015 Senior General Manager, Railway Headquarters, the Company (present)</p> <p>Jun. 2018 Senior Executive Director, and in charge of Public Relations and Press Department, the Company (present)</p> <p>(Significant concurrent positions) Outside Director, Yokohama Minatomirai Railway Company</p> <p>[Reasons for nominating the candidate for Director] Mr. Takashi Michihira has been engaged primarily in railway business and obtained abundant experiences and deep insights in this area. He serves as Director of the Company since June 2011. The Company considers that he has properly performed his duties in decision-making on important business matters, supervising business execution, etc. and hence, appointed him as a candidate for Director.</p>

No.	Name, etc. of Directors	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions
5 <u>Reappointment</u>	<p>Toshiaki Honda</p> <p>Date of birth July 12, 1958 (60 years old)</p> <p>Tenure as Director 8 years (At the conclusion of this General Meeting of Shareholders)</p> <p>Number of Board of Directors Meetings Attended 13/13</p> <p>Number of the Company's shares owned 17,400 Shares</p>	<p>Apr. 1982 Joined the Company</p> <p>Jun. 2011 Director, the Company</p> <p>Jun. 2016 Executive Director, the Company (present)</p> <p>Sep. 2016 General Manager, Machi Creation Department, Development and Administration of Facilities Headquarters, the Company (present)</p> <p>Jun. 2017 Office Manager, Business Creation Department, the Company (present)</p> <p>Apr. 2018 President, R-Bank Co., Ltd. (present)</p> <p>(Significant concurrent positions) President, R-Bank Co., Ltd.</p> <p>[Reasons for nominating the candidate for Director] Mr. Toshiaki Honda has been engaged primarily in leisure services business and development projects, and obtained abundant experiences and deep insights in these areas. He serves as Director of the Company since June 2011. The Company considers that he has properly performed his duties in decision-making on important business matters, supervising business execution, etc. and hence, appointed him as a candidate for Director.</p>

Note: Mr. Toshiaki Honda is President of the R-Bank Co., Ltd. The Company pays brokerage commissions for real estate transactions, etc. to R-Bank Co., Ltd., but the payment from the Company to R-Bank Co., Ltd. is small.

No.	Name, etc. of Directors	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions
6 <u>Reappointment</u>	<p>Takeshi Hirai</p> <p>Date of birth August 29, 1958 (60 years old)</p> <p>Tenure as Director 7 years (At the conclusion of this General Meeting of Shareholders)</p> <p>Number of Board of Directors Meetings Attended 13/13</p> <p>Number of the Company's shares owned 10,100 Shares</p>	<p>Apr. 1982 Joined the Company</p> <p>Jun. 2006 Transferred to Keihin Kyuko Bus Co., Ltd.</p> <p>Jun. 2012 Director, the Company (present)</p> <p>Jun. 2013 President, Keihin Kyuko Bus Co., Ltd. (present)</p> <p>(Significant concurrent positions) President, Keihin Kyuko Bus Co., Ltd.</p> <p>[Reasons for nominating the candidate for Director] Mr. Takeshi Hirai has been engaged primarily in bus business, and obtained abundant experiences and deep insights in this area. He serves as Director of the Company since June 2012. The Company considers that he has properly performed his duties in decision-making on important business matters, supervising business execution, etc. and hence, appointed him as a candidate for Director.</p>

No.	Name, etc. of Directors	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions
7 <u>Reappointment</u>	<p>Kazuo Urabe</p> <p>Date of birth November 3, 1961 (57 years old)</p> <p>Tenure as Director 4 years (At the conclusion of this General Meeting of Shareholders)</p> <p>Number of Board of Directors Meetings Attended 13/13</p> <p>Number of the Company's shares owned 7,900 Shares</p>	<p>Apr. 1984 Joined the Company</p> <p>Jun. 2015 Director, the Company (present)</p> <p>Jun. 2015 Office Manager, Corporate Strategy Department, and in charge of Personnel Department, the Company (present)</p> <p>[Reasons for nominating the candidate for Director] Mr. Kazuo Urabe has been engaged primarily in railway business and general affairs and obtained abundant experiences and deep insights in these areas. He serves as Director of the Company since June 2015. The Company considers that he has properly performed his duties in decision-making on important business matters, supervising business execution, etc. and hence, appointed him as a candidate for Director.</p>

No.	Name, etc. of Directors	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions
8 <u>Reappointment</u>	<p>Shizuyoshi Watanabe</p> <p>Date of birth December 6, 1961 (57 years old)</p> <p>Tenure as Director 4 years (At the conclusion of this General Meeting of Shareholders)</p> <p>Number of Board of Directors Meetings Attended 13/13</p> <p>Number of the Company's shares owned 5,700 Shares</p>	<p>Apr. 1986 Joined the Company</p> <p>Jun. 2010 General Manager, General Affairs Department, the Company (present)</p> <p>Jun. 2015 Director, the Company (present)</p> <p>[Reasons for nominating the candidate for Director] Mr. Shizuyoshi Watanabe has been engaged primarily in general affairs and business management and obtained abundant experiences and deep insights in these areas. He serves as Director of the Company since June 2015. The Company considers that he has properly performed his duties in decision-making on important business matters, supervising business execution, etc. and hence, appointed him as a candidate for Director.</p>

No.	Name, etc. of Directors	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions
9 <u>Reappointment</u>	<p>Yukihiro Kawamata</p> <p>Date of birth February 10, 1964 (55 years old)</p> <p>Tenure as Director 3 years (At the conclusion of this General Meeting of Shareholders)</p> <p>Number of Board of Directors Meetings Attended 13/13</p> <p>Number of the Company's shares owned 13,100 Shares</p>	<p>Apr. 1986 Joined the Company</p> <p>Jun. 2016 Director, the Company (present)</p> <p>Jun. 2016 General Manager, Business Strategy Department, Development and Administration of Facilities Headquarters and General Manager, Shinagawa Development Department, the Company (present)</p> <p>[Reasons for nominating the candidate for Director] Mr. Yukihiro Kawamata has been engaged primarily in hotel business and business management and obtained abundant experiences and deep insights in these areas. He serves as Director of the Company since June 2016. The Company considers that he has properly performed his duties in decision-making on important business matters, supervising business execution, etc. and hence, appointed him as a candidate for Director.</p>

No.	Name, etc. of Directors	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions
10 <u>Reappointment</u>	<p>Kenji Sato</p> <p>Date of birth January 24, 1962 (57 years old)</p> <p>Tenure as Director 2 years (At the conclusion of this General Meeting of Shareholders)</p> <p>Number of Board of Directors Meetings Attended 13/13</p> <p>Number of the Company's shares owned 4,110 Shares</p>	<p>Apr. 1984 Joined the Company</p> <p>Jun. 2017 Director, the Company (present)</p> <p>Jun. 2017 President, Keikyu Store Co., Ltd. (present)</p> <p>(Significant concurrent positions) President, Keikyu Store Co., Ltd.</p> <p>[Reasons for nominating the candidate for Director] Mr. Kenji Sato has been engaged primarily in retailing business and obtained abundant experiences and deep insights in this area. He serves as Director of the Company since June 2017. The Company considers that he has properly performed his duties in decision-making on important business matters, supervising business execution, etc. and hence, appointed him as a candidate for Director.</p>

No.	Name, etc. of Directors	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions
11 <input type="checkbox"/> Reappointment <input type="checkbox"/> Outside <input type="checkbox"/> Independent	<p style="text-align: center;">Kenji Sasaki</p> <p>Date of birth September 1, 1938 (80 years old)</p> <p>Tenure as Outside Director 4 years (At the conclusion of this General Meeting of Shareholders)</p> <p>Number of Board of Directors Meetings Attended 13/13</p> <p>Number of the Company's shares owned 0 Shares</p>	<p>Jun. 2000 President, NHK SPRING CO., LTD.</p> <p>Jun. 2006 Chairman of the Board, NHK SPRING CO., LTD. (resigned in June 2013)</p> <p>Dec. 2007 President, Yokohama Chamber of Commerce and Industry (resigned in October 2015)</p> <p>Jun. 2008 Outside Audit & Supervisory Board Member, Yokohama Shintosh Center Corporation (resigned in June 2016)</p> <p>Jun. 2015 Director, the Company (present)</p> <p>[Reasons for nominating the candidate for Outside Director] Mr. Kenji Sasaki has once served as the president of a leading manufacturer of automotive components as well as the representative of local economy and society, and obtained abundant experiences and broad insights in these areas. He serves as Outside Director of the Company since June 2015. The Company considers that he has properly performed his duties in supervising business execution, etc. of the Company and hence, appointed him as a candidate for Outside Director.</p>

- Notes:
1. Mr. Kenji Sasaki satisfies the "Independence Criteria for Outside Officers" established by the Company (Please see pages 14 and 15).
 2. The Company has designated him as an independent officer pursuant to the requirements of the Tokyo Stock Exchange and has given notification thereof to the exchange.
 3. The Company has entered into an agreement with him to limit liability for damages pursuant to Article 423, paragraph 1 of the Companies Act, and the limit amount for liability for damages pursuant to the agreement is the minimum liability amount prescribed by laws and regulations. If he is elected as proposed, the Company plans to conclude a limited liability agreement of the same content with him.
 4. Until June 2016, he was the Outside Audit & Supervisory Board Member of Yokohama Shintosh Center Corporation, the affiliated company of the Company, in the last five years.

No.	Name, etc. of Directors	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions
<p style="text-align: center;">12</p> <p style="text-align: center;">Reappointment</p> <p style="text-align: center;">Outside</p> <p style="text-align: center;">Independent</p> <p style="text-align: center;">Female</p>	<p style="text-align: center;">Michiko Tomonaga</p> <p>Date of birth July 26, 1947 (71 years old)</p> <p>Tenure as Outside Director 3 years (At the conclusion of this General Meeting of Shareholders)</p> <p>Number of Board of Directors Meetings Attended 13/13</p> <p>Number of the Company's shares owned 0 Shares</p>	<p>Mar. 1975 Registered as Certified Public Accountant</p> <p>Jul. 2007 Vice President, the Japanese Institute of Certified Public Accountants (resigned in July 2010)</p> <p>Jul. 2008 Senior Partner, Ernst & Young ShinNihon LLC (resigned in June 2010)</p> <p>Jun. 2010 Audit & Supervisory Board Member, the Company (resigned in June 2016)</p> <p>Jun. 2011 Outside Audit & Supervisory Board Member, NIPPON TELEGRAPH AND TELEPHONE CORPORATION (present) (scheduled to resign in June 2019)</p> <p>Jun. 2016 Director, the Company (present) (Significant concurrent positions) Certified Public Accountant Outside Audit & Supervisory Board Member, NIPPON TELEGRAPH AND TELEPHONE CORPORATION (scheduled to resign in June 2019)</p> <p>[Reasons for nominating the candidate for Outside Director] Ms. Michiko Tomonaga has once served as Vice President of the Japanese Institute of Certified Public Accountants as well as the outside officer of major telecommunications company, and obtained abundant experiences and broad insights in these areas. After properly performing her duties as Outside Audit & Supervisory Board Member of the Company during June 2010 through June 2016, she has served as Outside Director of the Company since June 2016. The Company considers that she has properly performed her duties in supervising business execution, etc. of the Company and hence, appointed her as a candidate for Outside Director.</p>

- Notes: 1. Ms. Michiko Tomonaga satisfies the "Independence Criteria for Outside Officers" established by the Company (Please see pages 14 and 15). While she is a former Senior Partner of Ernst & Young ShinNihon LLC (resigned in June 2010), with which the Company has transactions including auditing of the Company by the former, the total amount of remuneration paid by the Company to Ernst & Young ShinNihon LLC pertaining to the fiscal year under review is ¥134 million (0.1% of the total net sales of the audit corporation in the latest business year), which is below the criterion of "audit corporation that receives money or other property benefits in an amount exceeding a certain threshold from the Company" (2% of the total net sales of the audit corporation in the latest business year) in the "Independence Criteria for Outside Officers".
2. The Company has designated her as an independent officer pursuant to the requirements of the Tokyo Stock Exchange and has given notification thereof to the exchange.
3. The Company has entered into an agreement with her to limit liability for damages pursuant to Article 423, paragraph 1 of the Companies Act, and the limit amount for liability for damages pursuant to the agreement is the minimum liability amount prescribed by laws and regulations. If she is elected as proposed, the Company plans to conclude a limited liability agreement of the same content with her.

No.	Name, etc. of Directors	Brief Personal Profile, Position and Responsibility in the Company, and Significant Concurrent Positions
<p style="text-align: center;">13</p> <div style="border: 1px solid black; width: fit-content; margin: 2px auto; padding: 2px;">Reappointment</div> <div style="border: 1px solid black; width: fit-content; margin: 2px auto; padding: 2px;">Outside</div> <div style="border: 1px solid black; width: fit-content; margin: 2px auto; padding: 2px;">Independent</div>	<p style="text-align: center;">Yoshinori Terajima</p> <p>Date of birth January 2, 1959 (60 years old)</p> <p>Tenure as Outside Director 1 year (At the conclusion of this General Meeting of Shareholders)</p> <p>Number of Board of Directors 10/10</p> <p>Number of the Company's shares owned 0 Shares</p>	<p>Mar. 2017 Representative Director, Executive Vice President, Nippon Life Insurance Company</p> <p>Mar. 2018 Director, Nippon Life Insurance Company (resigned in July 2018)</p> <p>Apr. 2018 President, Representative Director, Taisay Building Management Co., Ltd. (present)</p> <p>Jun. 2018 Director, the Company (present)</p> <p>(Significant concurrent positions) President, Representative Director, Taisay Building Management Co., Ltd.</p> <p>[Reasons for nominating the candidate for Outside Director] Mr. Yoshinori Terajima has once served as an executive of a major life insurance company, and obtained abundant experiences and broad insights in these areas. He serves as Outside Director of the Company since June 2018. The Company considers that he has properly performed his duties in supervising business execution, etc. of the Company and hence, appointed him as a candidate for Outside Director.</p>

- Notes:
1. Mr. Yoshinori Terajima satisfies the "Independence Criteria for Outside Officers" established by the Company (Please see pages 14 and 15). He was formerly serving as Director of Nippon Life Insurance Company, with which the Company has transactions such as borrowing of funds. However, because the amount of borrowing accounts for less than 10% of the total amount of borrowing of the Company, the company does not fall under the criteria, "a major lender of the Company" (a financial institution with which the Company was relying on, with no substitute, for its funds procurement at the end of the most recent business year) as stipulated in the "Independence Criteria for Outside Officers."
 2. The Company has designated him as an independent officer pursuant to the requirements of the Tokyo Stock Exchange and has given notification thereof to the exchange.
 3. The Company has entered into an agreement with him to limit liability for damages pursuant to Article 423, paragraph 1 of the Companies Act, and the limit amount for liability for damages pursuant to the agreement is the minimum liability amount prescribed by laws and regulations. If he is elected as proposed, the Company plans to conclude a limited liability agreement of the same content with him.

Proposal No. 4: Election of one (1) Audit & Supervisory Board Member

Among the four (4) Audit & Supervisory Board Members currently in office, the term of office of Mr. Shin Kokushoh will expire at the conclusion of this General Meeting of Shareholders. Accordingly, we propose that one (1) Audit & Supervisory Board Member be elected.

The candidate for Audit & Supervisory Board Member is as follows.

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

Name, etc. of Audit & Supervisory Board Member	Brief Personal Profile, Position in the Company, and Significant Concurrent Positions
<p style="text-align: center;">Yuichiro Hirokawa</p> <p>Date of birth July 26, 1958 (60 years old)</p> <p>Tenure as Audit & Supervisory Board Member –</p> <p>Number of Board of Directors Meetings Attended 13/13</p> <p>Number of Audit & Supervisory Board Meetings Attended –</p> <p>Number of the Company's shares owned 20,200 Shares</p>	<p>Apr. 1982 Joined the Company</p> <p>Jun. 2007 General Manager, Accounts and Finance Department, the Company (present)</p> <p>Jun. 2011 Director, the Company</p> <p>Jun. 2016 Executive Director, the Company (present)</p> <p>[Reasons for nominating the candidate for Audit & Supervisory Board Member]</p> <p>Mr. Yuichiro Hirokawa has been engaged primarily in accounting and obtained abundant experiences and deep insights in this area. He serves as Director of the Company since June 2011. The Company considers that he has properly performed his duties in decision-making on important business matters, supervising business execution, etc. and hence, judges him to be qualified to serve as an Audit & Supervisory Board Member of the Company and appointed him as a candidate for Audit & Supervisory Board Member.</p>

[Reference]

Independence Criteria for Outside Officers

Outside Directors or Outside Audit & Supervisory Board Members of the Company must not fall under any of the following categories if they are to be considered independent.

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

Notes:

1. The term “executing person” refers to an “executive director, executive officer, manager, or person or employee equivalent to this.”
2. The term “major shareholder” in Item 2 means “a person (or a company) who holds 10% or more of the total voting rights of the Company directly or indirectly at the end of the most recent business year.”
3. The term “a person (or a company) who is a major lender of the Company” in Item 3 means “a financial institution or other large creditor with which/whom the Company was relying on, with no substitute, for its funds procurement at the end of the most recent business year.”
4. The term “a person (or a company) for whom/which the Company is a major trading partner” in Item 4 means a “person (or a company) who has received payments from the Company in an amount equivalent to 2% or more of the consolidated annual net sales of that person (or company) in the latest business year.”
5. The term “a person (or a company) who is a major trading partner of the Company” in Item 5 means a “person (or a company) who has made payments to the Company in an amount equivalent to 2% or more of the consolidated annual net sales of the Company in the latest business year.”

6. The term “a certain threshold” in Items 6 and 7 means “10 million yen per year.”
7. The term “a certain threshold” in Item 8 means “2% of the total net sales of the corporation, or group such as a union in the latest business year.”
8. The term “outside director mutual appointment relationship” Item 9 means “a relationship where the executing person of the Company in the latest business year is an outside director or an outside Audit & Supervisory Board Member of another company and an executing person of that other company is an outside director or an outside Audit & Supervisory Board Member of the Company.”
9. The term a “person with an important position” in Item 11 means “a person holding a position of general manager or higher with authority equivalent to that of an executing person.”
10. Any matters not stated herein that may significantly affect the judgment of independence shall be managed in appropriate manner.

Consolidated Balance Sheet

(As of March 31, 2019)

(Millions of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	126,731	Current liabilities	221,579
Cash and deposits	45,742	Notes and accounts payable - trade	39,193
Notes and accounts receivable - trade	26,229	Short-term borrowings	125,637
Merchandise and finished goods	2,691	Commercial papers	10,000
Land and buildings for sale in lots	44,606	Income taxes payable	7,279
Work in process	591	Advances received	5,056
Raw materials and supplies	281	Provision for bonuses	1,485
Other	6,616	Provision for bonuses for directors (and other officers)	112
Allowance for doubtful accounts	(27)	Provision for loss on disaster	290
		Other provisions	243
		Other	32,281
Non-current assets	765,113	Non-current liabilities	400,425
Property, plant and equipment	627,399	Bonds payable	105,000
Buildings and structures	321,992	Long-term borrowings	189,211
Machinery, equipment and vehicles	43,816	Deferred tax liabilities	11,884
Land	172,759	Provision for retirement benefits for directors (and other officers)	439
Construction in progress	81,677	Retirement benefit liability	10,608
Other	7,153	Long-term deferred contribution for construction	56,155
Intangible assets	5,827	Other	27,126
Investments and other assets	131,886		
Investment securities	77,849	Total liabilities	622,005
Long-term loans receivable	1,100	Net assets	
Deferred tax assets	6,130	Shareholders' equity	248,141
Retirement benefit asset	24,593	Share capital	43,738
Other	22,367	Capital surplus	44,158
Allowance for doubtful accounts	(154)	Retained earnings	160,900
		Treasury shares	(656)
		Accumulated other comprehensive income	20,705
		Valuation difference on available-for- sale securities	17,063
		Foreign currency translation adjustment	(10)
		Remeasurements of defined benefit plans	3,653
		Non-controlling interests	992
		Total net assets	269,839
Total assets	891,844	Total liabilities and net assets	891,844

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

Consolidated Statement of Income

(From April 1, 2018 to March 31, 2019)

(Millions of yen)

Item	Amount	
Operating revenue		339,268
Operating expenses		
Operating expenses and cost of sales of transportation	259,649	
Selling, general and administrative expenses	39,471	299,120
Operating profit		40,147
Non-operating income		
Interest and dividend income	856	
Share of profit of entities accounted for using equity method	703	
Other	823	2,383
Non-operating expenses		
Interest expenses	4,382	
Other	374	4,757
Ordinary profit		37,774
Extraordinary income		
Contribution for construction	1,750	
Gain on sales of investment securities	607	
Gain on sales of non-current assets	333	
Other	100	2,792
Extraordinary losses		
Impairment loss	6,219	
Loss on reduction of non-current assets	1,748	
Compensation expenses	741	
Loss on valuation of investment securities	424	
Provision for loss on disaster	290	
Loss on retirement of non-current assets	194	
Other	162	9,780
Profit before income taxes		30,786
Income taxes - current	10,767	
Income taxes - deferred	(679)	10,087
Profit		20,698
Profit attributable to non-controlling interests		(15)
Profit attributable to owners of parent		20,714

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

Non-consolidated Balance Sheet

(As of March 31, 2019)

(Millions of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	83,850	Current liabilities	242,118
Cash and deposits	23,600	Short-term borrowings	125,637
Railway fares receivables	577	Commercial papers	10,000
Accounts receivable	13,644	Accounts payable - other	36,132
Short-term loans receivable	10,173	Accrued expenses	3,889
Land and buildings for sale in lots	32,699	Accrued consumption taxes	1,118
Prepaid expenses	1,916	Income taxes payable	4,437
Other current assets	1,240	Inter-line fares received	709
Allowance for doubtful accounts	(2)	Deposits received	1,337
		Prepaid fares received	3,800
		Advances received	1,863
		Unearned revenue	1,241
		Other provisions	243
		Other current liabilities	51,705
Non-current assets	696,133	Non-current liabilities	381,361
Non-current assets - railway	315,217	Bonds payable	105,000
Non-current assets - incidental	137,656	Long-term borrowings	188,688
Non-current assets - affiliated	7,485	Deferred tax liabilities	9,550
Construction in progress	82,667	Provision for loss on business of subsidiaries and associates	871
Investments and other assets	153,106	Long-term deferred contribution for construction	56,155
Shares of subsidiaries and associates	41,224	Asset retirement obligations	833
Investment securities	62,114	Other non-current liabilities	20,262
Long-term loans receivable	13,628		
Prepaid pension cost	17,256	Total liabilities	623,480
Other	19,853	Net assets	
Allowance for doubtful accounts	(971)	Shareholders' equity	139,528
		Share capital	43,738
		Capital surplus	40,363
		Legal capital surplus	17,861
		Other capital surplus	22,502
		Retained earnings	56,054
		Legal retained earnings	6,665
		Other retained earnings	49,389
		Reserve for tax purpose reduction entry of non-current assets	11,082
		Reserve for special account for tax purpose reduction entry of non-current assets	3,882
		Reserve for special depreciation	333
		General reserve	2,050
		Retained earnings brought forward	32,040
		Treasury shares	(628)
		Valuation and translation adjustments	16,975
		Valuation difference on available-for-sale securities	16,975
		Total net assets	156,503
Total assets	779,983	Total Liabilities and net assets	779,983

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

Non-consolidated Statement of Income

(From April 1, 2018 to March 31, 2019)

(Millions of yen)

Item	Amount	
Railway:		
Operating revenue	86,051	
Operating expenses	67,186	
Operating profit		18,865
Incidental:		
Operating revenue	68,075	
Operating expenses	58,398	
Operating profit		9,676
Operating profit - all businesses		28,541
Non-operating income		
Interest and dividend income	1,894	
Other revenue	626	2,520
Non-operating expenses		
Interest expenses	4,411	
Other expenses	259	4,670
Ordinary profit		26,392
Extraordinary income		
Contribution for construction	1,025	
Gain on sales of investment securities	607	
Gain on extinguishment of tie-in shares	125	1,758
Extraordinary losses		
Impairment loss	3,413	
Loss on tax purpose reduction entry of non-current assets	1,025	
Compensation expenses	792	
Loss on valuation of investment securities	424	5,656
Profit before income taxes		22,494
Income taxes - current		6,163
Income taxes - deferred		(50)
Profit		16,381

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