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(Stock Exchange Code 3232)  
May 30, 2018

**To Shareholders with Voting Rights:**

Toshihide Ogura  
President and Representative Director  
**Mie Kotsu Group Holdings, Inc.**  
1-1, Chuo, Tsu City, Mie

## **NOTICE OF THE 12TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 12th Ordinary General Meeting of Shareholders of Mie Kotsu Group Holdings, Inc. (the "Company"). The meeting will be held as described below.

If you are unable to attend the meeting in person, you can exercise your voting rights in writing or via the Internet etc. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 6:00 p.m. on Wednesday, June 20, 2018, Japan standard time.

### **Details of the Meeting**

- 1. Date and Time:** Thursday, June 21, 2018 at 10:00 a.m. Japan standard time  
**2. Place:** Tsu Center Palace Hall on  
5th floor of Tsu Center Palace Building  
7-15, Daimon, Tsu City, Mie, Japan

**3. Meeting Agenda:**

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 12th Fiscal Year (April 1, 2017 - March 31, 2018) and results of audits by the Accounting Auditor and Audit & Supervisory Board of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company's 12th Fiscal Year (April 1, 2017 - March 31, 2018)

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Election of Seventeen (17) Directors  
**Proposal 3:** Election of One (1) Audit & Supervisory Board Member  
**Proposal 4:** Revision in the Amount of Compensation for Directors and Audit & Supervisory Board Members  
**Proposal 5:** Determination of Compensation for Granting Restricted Stock to Directors

**4. Other:**

Of the documents required to be appended to this Notice of Convocation as attachments, the Consolidated Statement of Changes in Net Assets and the Notes to the Consolidated Financial Statements, which are part of the Consolidated Financial Statements, and the Statement of Changes in Net Assets and the Notes to the Non-consolidated Financial Statements, which are part of the Non-consolidated Financial Statements, have been posted on the Company's website (<http://holdings.sanco.co.jp/>) in accordance with laws and regulations and Article 15 of the Articles of Incorporation of the Company, and are therefore not included in the attached documents.

Therefore, the Consolidated Financial Statements and the Non-consolidated Financial Statements included in this Notice are part of the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by Audit & Supervisory Board and the Accounting Auditor in preparing their respective Audit Reports.

**- END -**

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1. When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Please also bring this Notice with you.
2. Any updates to the Reference Documents for the General Meeting of Shareholders and the Attached Documents will be posted on the Company's website (<http://holdings.sanco.co.jp/>). (Japanese only)

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

**Proposal 1:** Appropriation of Surplus

### **Matters concerning year-end dividends**

With respect to the year-end dividends for the 12th fiscal year, it is proposed that the year-end dividends be appropriated as follows, taking into account the financial results for the fiscal year and future business developments.

1. Type of dividend property  
Cash
2. Allocation of dividend property to shareholders and total amount thereof  
¥8 per share of common stock of the Company  
Total amount of dividends: ¥791,977,112
3. Effective date of distribution of dividends of surplus  
June 22, 2018

**Proposal 2: Election of Seventeen (17) Directors**

The terms of office of all Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the election of 17 Directors is proposed.

The candidates for director are as follows:

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
1	Naoyuki Okamoto (December 29, 1946)  (Reappointment)	April 1970      Joined Kintetsu Corporation (current Kintetsu Group Holdings Co., Ltd.) June 2003      Director of Kintetsu Corporation June 2005      Senior Managing Director of Kintetsu Corporation June 2007      Vice President and Representative Director of Kintetsu Corporation June 2010      President and Representative Director of the Company June 2010      Chairman and Representative Director of Mie Kotsu Co., Ltd. June 2010      Chairman and Representative Director of Sanco Real Estate Co., Ltd. June 2010      Chairman and Representative Director of Meihankintetsu Bus Co., Ltd. June 2016      Chairman and Representative Director of the Company (present)	64,700
<p>&lt;Reason for selection as a candidate for director&gt;            Mr. Naoyuki Okamoto has been working for Kintetsu Corporation (current Kintetsu Group Holdings Co., Ltd.) since 1970 and has gained a wealth of business experience through his involvement in public relations, personnel affairs, and the real estate business. He became Director of Kintetsu Corporation in 2003 and has in-depth knowledge and a wealth of experience of corporate management. He has been engaged in the Group's management as the President and Representative Director of the Company since 2010 and as the Chairman and Representative Director since 2016. The Company believes that he can contribute to strengthening the effectiveness of the decision-making and control function of the Board of Directors by utilizing his experience and insight at the Board of Directors. Thus, the Company selected him as a candidate for director.</p>			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions		Number of shares of the Company held
2	Toshihide Ogura (September 9, 1955)  (Reappointment)	April 1978	Joined Kintetsu Corporation (current Kintetsu Group Holdings Co., Ltd.)	32,500
		June 2009	Executive Officer of Kintetsu Corporation	
June 2012	Director and Managing Executive Officer of Kintetsu Corporation			
June 2015	Director and Senior Managing Executive Officer of Kintetsu Group Holdings Co., Ltd.			
June 2016	Chairman and Representative Director of Mie Kotsu Co., Ltd. (present)			
June 2016	Chairman and Representative Director of Sanco Real Estate Co., Ltd. (present)			
June 2016	Chairman and Representative Director of Meihankintetsu Bus Co., Ltd. (present)			
June 2016	President and Representative Director of the Company (present)			
		[Significant concurrent positions] Chairman and Representative Director of Mie Kotsu Co., Ltd. Chairman and Representative Director of Sanco Real Estate Co., Ltd. Chairman and Representative Director of Meihankintetsu Bus Co., Ltd.		
<p>&lt;Reason for selection as a candidate for director&gt;  Mr. Toshihide Ogura has been working for Kintetsu Corporation (current Kintetsu Group Holdings Co., Ltd.) since 1978 and has gained a wealth of business experience through his involvement in general affairs and administration of the Group. He has been serving as Executive Officer of Kintetsu Corporation since 2009 and has in-depth knowledge and a wealth of experience in the Group's management. He has been engaged in the Group's management as the President and Representative Director of the Company since 2016. The Company believes that he can contribute to strengthening the effectiveness of the decision-making and control function of the Board of Directors by utilizing his experience and insight at the Board of Directors of the Company. Thus, the Company selected him as a candidate for director.</p>				
3	Kei Kumoi (June 21, 1957)  (Reappointment)	April 1980	Joined Mie Kotsu Co., Ltd.	45,250
		June 2010	Director of Mie Kotsu Co., Ltd.	
June 2011	Director of the Company			
June 2012	Managing Director of Mie Kotsu Co., Ltd.			
June 2013	Senior Managing Director of Mie Kotsu Co., Ltd.			
June 2014	President and Representative Director of Mie Kotsu Co., Ltd. (present)			
June 2014	Vice President and Representative Director of the Company (present)			
		[Significant concurrent positions] President and Representative Director of Mie Kotsu Co., Ltd.		
<p>&lt;Reason for selection as a candidate for director&gt;  Mr. Kei Kumoi has been working for the Group since 1980 and has gained a wealth of business experience through his involvement in planning, personnel affairs, and general affairs. He has been engaged in the Group's management as a Director of the Company since 2011, and has assumed the position of the President and Representative Director of Mie Kotsu Co., Ltd. in 2014. The Company believes that he can contribute to strengthening the effectiveness of the decision-making and control function of the Board of Directors by utilizing his experience and insight at the Board of Directors of the Company. Thus, the Company selected him as a candidate for director.</p>				

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions		Number of shares of the Company held
4	Shinya Nakagawa (September 7, 1958)  (Reappointment)	April 1981	Joined Mie Kotsu Co., Ltd.	15,000
		June 2005	Director of Sanco Cogyo Co., Ltd.	
		June 2007	Managing Director of Sanco Cogyo Co., Ltd.	
		June 2011	Director of Meihankintetsu Bus Co., Ltd.	
		June 2013	Managing Director of Sanco Real Estate Co., Ltd.	
		June 2015	Managing Director of Mie Kotsu Co., Ltd.	
		June 2015	Director of the Company (present)	
		June 2017	Senior Managing Director of Mie Kotsu Co., Ltd. (present)	
		[Responsibilities at the Company] Responsible for Accounting, Accounting Group Responsible for Internal Control Office		
		[Significant concurrent positions] Senior Managing Director of Mie Kotsu Co., Ltd.		
<p>&lt;Reason for selection as a candidate for director&gt;  Mr. Shinya Nakagawa has been working for the Group since 1981 and has gained a wealth of business experience through his involvement in accounting and as a Director of a company in the Group. He has been engaged in the Group's management as a Director of the Company since 2015. The Company believes that he can contribute to strengthening the effectiveness of the decision-making and control function of the Board of Directors by utilizing his experience and insight at the Board of Directors of the Company. Thus, the Company selected him as a candidate for director.</p>				
5	Toshiya Shibata (December 30, 1962)  <Reappointment>	April 1986	Joined Kintetsu Corporation (current Kintetsu Group Holdings Co., Ltd.)	21,800
		November 2008	General Manager of Planning and Accounting Group (responsible for Corporate Planning) (current Planning Office) of the Company	
		July 2011	General Manager of General Affairs and Human Resources Group (responsible for Corporate Communications) of the Company	
		June 2017	Director of Mie Kotsu Co., Ltd. (present)	
		June 2017	Director of the Company (present)	
		[Responsibilities at the Company] Responsible for Planning Office Responsible for General Affairs, Secretary and Corporate Communications, General Affairs and Human Resources Group		
<p>&lt;Reason for selection as a candidate for director&gt;  Mr. Toshiya Shibata worked for Kintetsu Corporation (current Kintetsu Group Holdings Co., Ltd.) since 1986 and was mainly engaged in transportation and planning. He has been engaged in the Group's management as a Director of the Company since 2017. The Company believes that he can contribute to strengthening the effectiveness of the decision-making and control function of the Board of Directors by utilizing his experience and insight at the Board of Directors of the Company. Thus, the Company selected him as a candidate for director.</p>				

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions		Number of shares of the Company held
6	Noriyuki Kawamura (January 9, 1953)  (Reappointment)	April 1975	Joined Mie Kotsu Co., Ltd.	44,100
		June 2007	Director of Mie Kotsu Co., Ltd.	
		June 2009	Managing Director of Mie Kotsu Co., Ltd.	
		June 2011	Senior Managing Director of Mie Kotsu Co., Ltd.	
		June 2011	Director of the Company (present)	
		June 2013	President and Representative Director of Mie Isuzu Motor Co., Ltd. (present)	
		[Significant concurrent positions] President and Representative Director of Mie Isuzu Motor Co., Ltd.		
<Reason for selection as a candidate for director> Mr. Noriyuki Kawamura has been working for the Group since 1975 and has gained a wealth of business experience through his involvement in personnel affairs and general affairs. He has been engaged in the Group's management as a Director of the Company since 2011. The Company believes that he can contribute to strengthening the effectiveness of the decision-making and control function of the Board of Directors by utilizing his experience and insight at the Board of Directors of the Company. Thus, the Company selected him as a candidate for director.				
7	Toshiaki Fujii (February 10, 1955)  (Reappointment)	April 1977	Joined Mie Kotsu Co., Ltd.	35,800
		June 2004	President and Representative Director of Toba Seaside Hotel Co., Ltd.	
		June 2007	Director of Mie Kotsu Co., Ltd.	
		June 2009	Director of the Company	
		June 2011	Vice President and Representative Director of Sanco Creative Life Co., Ltd.	
		June 2013	Director of the Company (present)	
		June 2013	President and Representative Director of Sanco Creative Life Co., Ltd. (present)	
		[Significant concurrent positions] President and Representative Director of Sanco Creative Life Co., Ltd.		
<Reason for selection as a candidate for director> Mr. Toshiaki Fujii has been working for the Group since 1977 and has gained a wealth of business experience through his involvement in the bus business and as a Director of a company in the Group. He has been engaged in the Group's management as a Director of the Company since 2009. The Company believes that he can contribute to strengthening the effectiveness of the decision-making and control function of the Board of Directors by utilizing his experience and insight at the Board of Directors of the Company. Thus, the Company selected him as a candidate for director.				

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions		Number of shares of the Company held
8	Kenichi Takeya (July 28, 1956)  (Reappointment)	April 1979	Joined Mie Kotsu Co., Ltd.	28,900
		June 2009	Director of Mie Kotsu Co., Ltd.	
		June 2011	Managing Director of Mie Kotsu Co., Ltd.	
		June 2013	Director of the Company (present)	
		June 2013	Senior Managing Director of Mie Kotsu Co., Ltd.	
		June 2017	Vice President and Representative Director of Mie Kotsu Co., Ltd. (present)	
		[Significant concurrent positions] Vice President and Representative Director of Mie Kotsu Co., Ltd.		
<p>&lt;Reason for selection as a candidate for director&gt;  Mr. Kenichi Takeya has been working for the Group since 1979 and has gained a wealth of business experience through his involvement in the bus business and as a Director of a company in the Group. He also has been engaged in the Group's management as a Director of the Company since 2013. The Company believes that he can contribute to strengthening the effectiveness of the decision-making and control function of the Board of Directors by utilizing his experience and insight at the Board of Directors of the Company. Thus, the Company selected him as a candidate for director.</p>				
9	Manabu Takabayashi (September 13, 1956)  (Reappointment)	April 1981	Joined Mie Kotsu Co., Ltd.	20,600
		June 2011	Director of Mie Kotsu Co., Ltd.	
		June 2013	Managing Director of Mie Kotsu Co., Ltd.	
		June 2014	Senior Managing Director of Mie Kotsu Co., Ltd.	
		June 2014	Director of the Company (present)	
		June 2016	President and Representative Director of Sanco Real Estate Co., Ltd. (present)	
		[Significant concurrent positions] President and Representative Director of Sanco Real Estate Co., Ltd.		
<p>&lt;Reason for selection as a candidate for director&gt;  Mr. Manabu Takabayashi has been working for the Group since 1981 and has gained a wealth of business experience through his involvement in the bus business and personnel affairs. He has been engaged in the Group's management as a Director of the Company since 2014. The Company believes that he can contribute to strengthening the effectiveness of the decision-making and control function of the Board of Directors by utilizing his experience and insight at the Board of Directors of the Company. Thus, the Company selected him as a candidate for director.</p>				



No.	Name (Date of birth)	Past experience, positions and significant concurrent positions		Number of shares of the Company held
10	Takeshi Matsuda (April 14, 1957)  (Reappointment)	April 1980	Joined Kintetsu Corporation (current Kintetsu Group Holdings Co., Ltd.)	18,100
		June 2014 June 2016 June 2017 June 2017	Director of the Company Managing Director of the Company President and Representative Director of Meihankintetsu Bus Co., Ltd. (present) Director of the Company (present)	
		[Responsibilities at the Company] President and Representative Director of Meihankintetsu Bus Co., Ltd.		
<Reason for selection as a candidate for director> Mr. Takeshi Matsuda has been working for Kintetsu Corporation (current Kintetsu Group Holdings Co., Ltd.) since 1980 and has gained a wealth of business experience through his involvement in the railway business. He has been engaged in the Group's management as a Director of the Company since 2014. The Company believes that he can contribute to strengthening the effectiveness of the decision-making and control function of the Board of Directors by utilizing his experience and insight at the Board of Directors of the Company. Thus, the Company selected him as a candidate for director.				
11	Tomohiro Okawa (August 5, 1955)  (Reappointment)	April 1979	Joined Mie Kotsu Co., Ltd.	17,000
		June 2009	Director of Sanco Home Co., Ltd. (current Sanco Real Estate Co., Ltd.)	
		April 2010 June 2012 April 2013 June 2015	Executive Officer of Sanco Real Estate Co., Ltd. Director of Mie Kotsu Co., Ltd. President and Representative Director of Sanco Inn Co., Ltd. (present) Director of the Company (present)	
		[Significant concurrent positions] President and Representative Director of Sanco Inn Co., Ltd.		
<Reason for selection as a candidate for director> Mr. Tomohiro Okawa has been working for the Group since 1979 and has gained a wealth of business experience through his involvement in the real estate business and as a Director of a company in the Group. He also has been engaged in the Group's management as a Director of the Company since 2015. The Company believes that he can contribute to strengthening the effectiveness of the decision-making and control function of the Board of Directors by utilizing his experience and insight at the Board of Directors of the Company. Thus, the Company selected him as a candidate for director.				

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions		Number of shares of the Company held
12	Sumito Ando (July 21, 1961)  (Reappointment)	April 1984	Joined Mie Kotsu Co., Ltd.	16,900
		March 2011	Director of Matsusaka Country Club Co., Ltd.	
		June 2013	Director of Mie Kotsu Co., Ltd.	
		June 2014	Representative Director of Mie Kyuko Jidosha Co., Ltd.	
		June 2014	Representative Director of Happu Bus Co., Ltd.	
		June 2015	Managing Director of Mie Kotsu Co., Ltd.	
		June 2017	President and Representative Director of Sanco Community Co., Ltd. (present)	
		June 2017	Director of the Company (present)	
		[Significant concurrent positions] President and Representative Director of Sanco Community Co., Ltd.		
<p>&lt;Reason for selection as a candidate for director&gt;  Mr. Sumito Ando has been working for the Group since 1984 and has gained a wealth of business experience through his involvement in the bus business and the real estate business and as a Director of companies in the Group. He has been engaged in the Group's management as a Director of the Company since 2017. The Company believes that he can contribute to strengthening the effectiveness of the decision-making and control function of the Board of Directors by utilizing his experience and insight at the Board of Directors of the Company. Thus, the Company selected him as a candidate for director.</p>				
13	Tetsuya Kobayashi (November 27, 1943)  (Outside Director) (Reappointment)	April 1968	Joined Kintetsu Corporation (current Kintetsu Group Holdings Co., Ltd.)	13,000
		June 2001	Director of Kintetsu Corporation	
		June 2003	Managing Director of Kintetsu Corporation	
		June 2005	Senior Managing Director of Kintetsu Corporation	
		June 2007	President and Representative Director of Kintetsu Corporation	
		June 2007	President and Representative Director of Mieken Kanko Kaihatsu Co., Ltd.	
		June 2010	Outside Director of the Company (present)	
		June 2013	Chairman and Representative Director of Mieken Kanko Kaihatsu Co., Ltd.	
		April 2015	Chairman and Representative Director of Kintetsu Group Holdings Co., Ltd. (present)	
		June 2015	Chairman and Director of Mieken Kanko Kaihatsu Co., Ltd. (retired in June 2016)	
		[Significant concurrent positions] Chairman and Representative Director of Kintetsu Group Holdings Co., Ltd. Chairman and Director of Kintetsu Department Store Co., Ltd. Chairman and Director of KNT-CT Holdings Co., Ltd. Outside Director of Kintetsu World Express, Inc. Director of Kin-Ei Corp. Outside Director of The Kansai Electric Power Company, Incorporated		
<p>&lt;Reason for selection as a candidate for outside director&gt;  Mr. Tetsuya Kobayashi joined Kintetsu Corporation (current Kintetsu Group Holdings Co., Ltd.) in 1968 and has gained a wealth of business experience through his involvement in the railway business. He was appointed Director of Kintetsu Corporation in 2001 and has gained knowledge and experience in management. The Company believes that he can contribute to strengthening the effectiveness of the decision-making and control function of the Board of Directors by utilizing the knowledge and experience gained in the course of his career in management, and to the enhancement of the Group's corporate value over the medium to long term. Thus, the Company selected him as a candidate for outside director.</p>				

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
14	Atsumasa Uchida (February 19, 1947)  (Outside Director) (Independent Director) (Reappointment)	September 1977 Institutional Assistant, National Defense Medical College May 1980 Lecturer, National Defense Medical College October 1995 Assistant Professor, Faculty of Medicine, Osaka University May 1996 Professor, Faculty of Medicine, Mie University April 2005 Director of Mie University Hospital April 2009 President of Mie University April 2015 Adviser to the President of Mie University (present) June 2015 Outside Director of the Company (present)  [Significant concurrent positions] Adviser to the President of Mie University	700
<p>&lt;Reason for selection as a candidate for outside director&gt; Mr. Atsumasa Uchida has experience in university management in addition to his career as a university professor through his service as the President of Mie University. Based on his deep insight and a wealth of experience gained in the course of his career, the Company considers that he is capable of providing accurate advice on management of the Company from an objective viewpoint. The Company believes that he can contribute to strengthening the effectiveness of the decision-making and control function of the Board of Directors and to the enhancement of the Group's corporate value over the medium to long term. Thus, the Company selected him as a candidate for outside director.</p>			
15	Yoshiyuki Kusui (May 14, 1954)  (Outside Director) (Independent Director) (Reappointment)	April 1980 Mie Prefectural Government April 1985 Registered as attorney-at-law January 1992 Opened Kusui Law Office December 2011 Outside Audit & Supervisory Board Member of Being Co., Ltd. June 2014 Outside Audit & Supervisory Board Member of the Company June 2015 Outside Director of Being Co., Ltd. (present) June 2016 Outside Director of the Company (present)  [Significant concurrent positions] Attorney-at-law Outside Director of Being Co., Ltd.	11,300
<p>&lt;Reason for selection as a candidate for outside director&gt; Mr. Yoshiyuki Kusui has served as an Outside Audit &amp; Supervisory Board Member of the Company for two years since 2014 and has been engaged in audits of the Company to ascertain whether performance of duties of management is appropriate and reasonable. Based on his wealth of knowledge and experience cultivated as an attorney-at-law, the Company considers that he is capable of providing accurate advice on management of the Company from an objective viewpoint. The Company believes that he can contribute to strengthening the effectiveness of the decision-making and control function of the Board of Directors and to the enhancement of the Group's corporate value over the medium to long term. Thus, the Company selected him as a candidate for outside director.</p>			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held	
16	Shigehisa Fujiwara (November 26, 1959)  <New candidate>	April 1982 July 2005 October 2006  June 2011 June 2014 June 2016  June 2017  [Significant concurrent positions]	Joined Mie Kotsu Co., Ltd. General Manager of General Affairs Dept., Mie Kotsu Co., Ltd. General Manager of General Affairs and Human Resources Group, the Company Director of Mie Kotsu Co., Ltd. Audit & Supervisory Board Member (full-time) of the Company Audit & Supervisory Board Member of Sanco Real Estate Co., Ltd. Representative Director and Senior Managing Executive Officer of Mie Kotsu Shoji Co., Ltd. (present) Representative Director and Senior Managing Executive Officer of Mie Kotsu Shoji Co., Ltd. (present)	18,300
		<Reason for selection as a candidate for director> Mr. Shigehisa Fujiwara has been working for the Group since 1982 and has gained a wealth of business experience through his involvement in the general affairs and travel planning service and as a Director of companies in the Group. The Company believes that he can contribute to strengthening the effectiveness of the decision-making and control function of the Board of Directors by utilizing his experience and insight at the Board of Directors of the Company. Thus, the Company selected him as a candidate for director.		
17	Takayuki Muto (October 4, 1960)  <New candidate>	April 1984 June 2009 July 2012 June 2013 June 2014 March 2015 June 2016 June 2017  [Significant concurrent positions]	Joined Mie Kotsu Co., Ltd. Director of Gozaisho Ropeway Co., Ltd. Director of Sanco Cogyo Co., Ltd. Managing Director of Sanco Cogyo Co., Ltd. Director of Mie Kotsu Co., Ltd. Representative Director of Sanco Iseshima Kotsu Co., Ltd. Managing Director of Mie Kotsu Co., Ltd. President and Representative Director of Toba Seaside Hotel Co., Ltd. (present) President and Representative Director of Toba Seaside Hotel Co., Ltd. (present)	18,200
		<Reason for selection as a candidate for director> Mr. Takayuki Muto has been working for the Group since 1984 and has gained a wealth of business experience through his involvement in the bus business and as a Director of companies in the Group. The Company believes that he can contribute to strengthening the effectiveness of the decision-making and control function of the Board of Directors by utilizing his experience and insight at the Board of Directors of the Company. Thus, the Company selected him as a candidate for director.		

(Notes)

1. There are no special interests between each of the candidates and the Company.
2. Messrs. Tetsuya Kobayashi, Atsumasa Uchida, and Yoshiyuki Kusui are candidates for Outside Director. Mr. Tetsuya Kobayashi will have served as Outside Director for eight years, Mr. Atsumasa Uchida will have served as Outside Director for three years, and Mr. Yoshiyuki Kusui will have served as Outside Director for two years at the conclusion of this Ordinary General Meeting of Shareholders.
3. The Company has appointed Mr. Atsumasa Uchida and Mr. Yoshiyuki Kusui as Independent Directors as prescribed by the Tokyo Stock Exchange and the Nagoya Stock Exchange and submitted a notification of the appointment to these Exchanges.
4. Kintetsu Group Holdings Co., Ltd. (former Kintetsu Corporation), where Mr. Tetsuya Kobayashi serves as the Chairman and Director, received an administrative order from the Minister of Consumer Affairs on December 19, 2013 because menus etc. of Japanese-style hotels and other hotels that are managed by Kintetsu Group Holdings Co., Ltd. and whose operations are entirely entrusted to its subsidiaries contained misrepresentations violating the Act against Unjustifiable Premiums and Misleading Representations of Japan.
5. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act and Article 28 of the Articles of Incorporation, the Company has entered into agreements with Messrs. Tetsuya Kobayashi, Atsumasa Uchida, and Yoshiyuki Kusui that limit their liability for damages pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations. If their reappointment is approved, the Company intends to continue the said agreements with them.
6. Mr. Shigehisa Fujiwara is scheduled to assume the office of President and Representative Director of Mie Kotsu Shoji Co., Ltd. on June 21, 2018.

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

The term of office of Audit & Supervisory Board Member Mr. Yoshihiro Yasumoto will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the election of one Audit & Supervisory Board Member is proposed.

The consent of Audit & Supervisory Board has been obtained for the submission of this proposal.

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

Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
Yoshihiro Yasumoto (February 24, 1956)  (Outside Audit & Supervisory Board Member) (Reappointment)	April 1978 Joined Kintetsu Corporation (current Kintetsu Group Holdings Co., Ltd.)	8,600
	June 2009 Executive Officer of Kintetsu Corporation	
	June 2012 Director and Managing Executive Officer of Kintetsu Corporation	
	June 2014 Outside Audit & Supervisory Board Member of the Company (present)	
	June 2015 Director and Senior Managing Executive Officer of Kintetsu Group Holdings Co., Ltd. (present)	
	[Significant concurrent positions] Director and Senior Managing Executive Officer of Kintetsu Group Holdings Co., Ltd. Audit & Supervisory Board Member of Kin-Ei Corp. Outside Audit & Supervisory Board Member of Kintetsu World Express, Inc.	
<p>&lt;Reason for selection as a candidate for outside Audit &amp; Supervisory Board Member&gt; Mr. Yoshihiro Yasumoto joined Kintetsu Corporation (current Kintetsu Group Holdings Co., Ltd.) in 1978 and has gained a wealth of business experience through his involvement in accounting as well as extensive knowledge of finance and accounting. He was appointed Executive Officer of Kintetsu Corporation in 2009. The Company believes that he is capable of appropriately fulfilling his duties as Audit &amp; Supervisory Board Member from his objective standpoint, and selected him as a candidate for outside Audit &amp; Supervisory Board Member.</p>		

(Notes)

1. There are no special interests between the candidate and the Company.
2. Mr. Yoshihiro Yasumoto is a candidate for Outside Audit & Supervisory Board Member. He will have served as Outside Audit & Supervisory Board Member for four years at the conclusion of this Ordinary General Meeting of Shareholders.
3. Kintetsu Group Holdings Co., Ltd. (former Kintetsu Corporation), where Mr. Yoshihiro Yasumoto serves as Director and Senior Managing Executive Officer, received an administrative order from the Minister of Consumer Affairs on December 19, 2013 because menus etc. of Japanese-style hotels and other hotels that are managed by Kintetsu Group Holdings Co., Ltd. and whose operations are entirely entrusted to its subsidiaries contained misrepresentations violating the Act against Unjustifiable Premiums and Misleading Representations of Japan.
4. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act and Article 37 of the Articles of Incorporation, the Company has entered into an agreement with Mr. Yoshihiro Yasumoto that limits his liability for damages pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations. If his reappointment is approved, the Company intends to continue the said agreement with him.

**Proposal 4: Revision in the Amount of Compensation for Directors and Audit & Supervisory Board Members**

The amount of compensation for Directors of the Company has been set at a maximum of ¥26 million per month (of which, up to ¥2 million for Outside Directors) and a maximum of ¥4.8 million per month for Audit & Supervisory Board Members in accordance with the approval for the amount of compensation for Directors and Audit & Supervisory Board Members resolved at the first Ordinary General Meeting of Shareholders held on June 28, 2007.

To introduce a compensation system that would enable flexible operation of the officers' compensation, it is proposed that the provision on the amount of compensation for Directors and Audit & Supervisory Board Members be stipulated in a yearly amount instead of a monthly amount. Specifically, we propose that the amount of compensation for Directors be up to ¥252 million per year (of which, up to ¥30 million for Outside Directors, an increase with an eye to securing personnel hereafter), which is obtained by setting aside ¥60 million out of the aggregate ¥312 million, a twelvefold amount to the current compensation of ¥26 million per month, for a transfer to the compensation scheme referred to in Proposal 5. Regarding the amount of compensation for Audit & Supervisory Board Members, up to ¥57.6 million per year is proposed, a twelvefold amount to the current compensation of ¥4.8 million per month.

Currently, the number of Directors is 17 (including three Outside Directors), and the number of Audit & Supervisory Board Members is four. Even if Proposal 2: "Election of Seventeen (17) Directors" and Proposal 3: "Election of One (1) Audit & Supervisory Board Member" are approved and resolved as originally proposed, the number of Directors will remain at 17 (including three Outside Directors), and the number of Audit & Supervisory Board Members will remain at four.

As in the past, the amount of compensation for Directors concurrently serving as employees shall not include the salary for their service in the capacity of employees.

**Proposal 5:** Determination of Compensation for Granting Restricted Stock to Directors

As part of the Company's effort to review the compensation system for officers, it is proposed that, separately from the amount of compensation for Directors referred to in Proposal 4, a new type of compensation be paid for granting restricted stock to Directors of the Company (excluding Outside Directors; hereinafter referred to as the "Eligible Directors"), for the purpose of providing an incentive for them to achieve the Group's sustainable growth and improvement of corporate value over the mid- to long-term, and further facilitating their sense of sharing value with shareholders.

The compensation paid for granting restricted stock to Eligible Directors based on this Proposal shall be monetary claim (hereinafter referred to as the "Monetary Compensation Claim"), and total amount thereof shall be up to ¥60 million per year (the portion transferred from the amount of monetary compensation referred to in Proposal 4), which is deemed reasonable for the aforementioned purposes. Specific timing and allocation of the payment to each Eligible Director shall be determined by the Board of Directors. However, the amount described above shall not include the salary for their service in the capacity of employees, and compensation shall not be paid to Outside Directors for granting restricted stock.

Currently, the number of Directors is 17 (including three Outside Directors), and even if Proposal 2: "Election of Seventeen (17) Directors" is approved and resolved as originally proposed, the number of Directors will remain unchanged from the current 17 (including three Outside Directors).

Eligible Directors shall pay in all the Monetary Compensation Claim paid under this Proposal, based on the resolution of the Board of Directors, as in-kind contribution to the Company to be issued, or disposed of by the Company, the common stock of the Company. The total number of common stock to be issued or disposed of by the Company shall not exceed 176,000 shares per year (provided, however, in the case of a share split of the common stock of the Company (including the gratis allotment of the common stock of the Company) or reverse share split, or any other reasons requiring the adjustment of the total number of the common stock of the Company to be issued or disposed of as restricted stock on or after the date on which this Proposal is approved and resolved, such total number of shares shall be adjusted to a reasonable extent.).

The amount to be paid in per share shall be determined by the Board of Directors within the range not to be particularly favorable to the Eligible Directors subscribing for the common stock of the Company, such as the closing price of the common stock of the Company on the Tokyo Stock Exchange on the business day immediately prior to each date of resolution at the Board of Directors (if no trading is reported on that day, the closing price on the trading day immediately prior to that day). In the case of the issuance or disposal of the common stock of the Company for the purpose of this type of compensation, a contract for granting the restricted stock (hereinafter referred to as the "Grant Contract") shall be executed between the Company and the respective Eligible Directors, which shall include the following provisions.

(1) Transfer Restriction Period

The Eligible Directors shall be prohibited from transferring to third parties, setting collateral rights for, or otherwise disposing of the common stocks of the Company granted to them pursuant to the Grant Contract (hereinafter referred to as the "Shares Granted"), for a period to be determined by the Board of Directors of the Company within the range from 10 years to 30 years after the grant date under the Grant Contract (hereinafter referred to as the "Transfer Restriction Period," and this prohibition is hereinafter referred to as the "Transfer Restriction").

(2) Handling at Resignation or Retirement

In the event that the Eligible Director resigns or retires from his/her post as Director, Audit & Supervisory Board Member or employee of the Company or its subsidiaries or any other posts equivalent thereto, prior to the expiry of the Transfer Restriction Period, the Company shall duly acquire his/her Shares Granted free of charge, unless such resignation or retirement is due to the expiration of his/her term of office, his/her death or any other reasons recognized as reasonable by the Board of Directors of the Company.

(3) Lifting of the Transfer Restriction

The Company shall lift the Transfer Restriction for the whole of the Shares Granted at the expiry of the Transfer Restriction Period, on condition that the Eligible Director has, during the Transfer Restriction Period, remained uninterrupted in his/her post as Director, Audit & Supervisory Board Member or employee of the Company or its subsidiaries or any other posts equivalent thereto; provided, however, that if the Eligible Director resigns or retires from his/her post as specified in (2) above prior to the expiry of the Transfer Restriction Period, due to the expiration of his/her term of office, his/her death or any other reasons recognized as reasonable by the Board of Directors of the Company as specified in (2) above, the number of Shares Granted subject to the lifting of the Transfer Restriction and the timing for the lifting shall be reasonably adjusted as appropriate. Pursuant to the provision above, immediately after the lifting of the Transfer Restriction, the Company shall duly acquire free of charge the Shares Granted for which the Transfer Restriction has not been lifted.



(4) Handling at Organizational Restructuring

Notwithstanding the provisions in (1) above, during the Transfer Restriction Period, in the event that a merger agreement in which the Company becomes the absorbed company, a stock exchange agreement or stock transfer plan in which the Company becomes a wholly-owned subsidiary, or other matter related to its organizational restructuring is approved at the General Meeting of Shareholders of the Company (or at the Board of Directors of the Company, if such organizational restructuring does not involve the approval of the General Meeting of Shareholders of the Company), the Company shall lift the Transfer Restriction based on the resolution of the Board of Directors of the Company, prior to the effective date of such organizational restructuring, for the number of the Shares Granted as reasonably determined. Pursuant to the provision above, immediately after the lifting of the Transfer Restriction, the Company shall duly acquire free of charge the Shares Granted for which the Transfer Restriction has not been lifted.

(5) Other Matters

Other matters concerning the Grant Contract shall be determined by the Board of Directors of the Company.

(Reference)

On the condition that Proposal 5 is approved and resolved as originally proposed, the Company intends to introduce the same compensation system for granting restricted stock as shown above for Directors of the subsidiaries of the Company.

Amount of compensation for officers upon the approval for Proposal 4 and Proposal 5

Directors

	Current	Proposed amount
Amount of monetary compensation	Up to ¥26 million per month (of which, up to ¥2 million for Outside Directors) [up to ¥312 million in yearly amount (of which, up to ¥24 million for Outside Directors)]	Up to ¥252 million per year (of which, up to ¥30 million for Outside Directors)
Amount of compensation for granting restricted stock (newly established)	—	Up to ¥60 million per year (not provided for Outside Directors)

Audit & Supervisory Board Members

	Current	Proposed amount
Amount of monetary compensation	Up to ¥4.8 million per month [up to ¥57.6 million in yearly amount]	Up to ¥57.6 million per year

[Reference]

**Criteria for Independence of Outside Directors/Audit & Supervisory Board Members**

Mie Kotsu Group Holdings, Inc. (hereinafter the “Company”) defines the criteria for independence of outside directors/Audit & Supervisory Board Members of the Company as stated below. If an Outside Director/Audit & Supervisory Board Member (including a candidate) does not fall under any of the following attributes, the Company judges that he/she is highly independent from the Company.

1. A person executing operations of the Company or consolidated subsidiaries of the Company (hereinafter the “Group”) \*1
2. A major shareholder of the Company\*2 or a person executing operations of the Company
3. The person executing operations of a principal business partner\*3 of the Group
4. The person executing operations of a principal lender\*4 to the Group
5. A certified public accountant who belongs to the accounting firm that is the accounting auditor of the Group
6. An attorney, a certified public accountant, a tax accountant, a consultant, etc. who has received an amount of money or other property exceeding ¥10 million a year from the Group
7. A person executing operations of an organization that has received a donation exceeding ¥10 million a year from the Group
8. The person executing operations of a company that has a member of the board dispatched from the Group
9. An immediate family member of a person who comes under any of 1 to 8 above \*5
10. Any person who may have potential conflicts of interest with general shareholders of the Company

(Notes)

1. A “person executing operations” means an executive director, an executive officer, a senior executive and an employee with similar power (including a person who was a person executing operations in the past 10 years).
2. A major shareholder means a shareholder that holds 10% or more of the total voting rights of the Company.
3. A principal business partner means a customer or a supplier of the Group whose annual transaction amount with the Group exceeds 2% of consolidated net sales of the Company or such party in the most recent fiscal year or in any of the three preceding fiscal years.
4. A principal lender means a financial institution that cannot be substituted in the Group’s financing.
5. An immediate family member means the spouse of the person or a relative in the second degree of kinship or a relative residing together with the person.

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