

IMPORTANT NOTICE

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Securities Code: 1812
June 3, 2019

To Stockholders with Voting Rights

Yoshikazu Oshimi
President and Representative Director
Kajima Corporation
3-1, Motoakasaka 1-chome, Minato-ku,
Tokyo, Japan

NOTICE OF THE 122nd ORDINARY STOCKHOLDERS' MEETING

You are cordially invited to attend the 122nd Ordinary Stockholders' Meeting of the Company. The meeting will be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights by post, or via the Internet. Please review the Reference Documents for the Stockholders' Meeting to complete the exercise of your voting rights in accordance with the guidance hereinafter no later than 5:30 p.m., Japan Standard Time on Monday, June 24, 2019.

- 1. Date and Time:** Tuesday, June 25, 2019 at 10:00 a.m., Japan Standard Time
- 2. Place:** East 21 Hall
1st floor, Hotel East 21 Tokyo
3-3, Toyo 6-chome, Koto-ku, Tokyo, Japan
- 3. Agenda of the Meeting:**
 - Matters to be reported:**
 1. The Business Report, the Consolidated Financial Statements, and the audit results of the Consolidated Financial Statements by the Independent Auditor and the Audit & Supervisory Board for the 122nd Fiscal Year (from April 1, 2018 to March 31, 2019)
 2. The Non-consolidated Financial Statements for the 122nd Fiscal Year (from April 1, 2018 to March 31, 2019)
 - Proposals to be resolved:**
 - Proposal No. 1:** Appropriation of Retained Earnings
 - Proposal No. 2:** Election of eight Directors
 - Proposal No. 3:** Election of one Audit & Supervisory Board Member
 - Proposal No. 4:** Determination of remuneration for allotting shares with restriction on transfer to Directors

Remarks Related to the Convocation of the Ordinary Stockholders' Meeting

1. If you plan to attend the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk when you arrive at the venue.
If you plan to exercise your voting rights by proxy at the meeting, it is required to submit a written power of attorney and your Voting Rights Exercise Form as well as the proxy's Voting Rights Exercise Form at the reception desk of the meeting. (Pursuant to the Articles of Incorporation of the Company, only one stockholder with voting right can be appointed as a proxy.)
2. As for the documents which should be provided related to this Notice of Stockholder's Meeting, the Notes for the Consolidated Financial Statements and the Notes for the Non-consolidated Financial Statements are posted on the Company's website (<https://www.kajima.co.jp/>), pursuant to the laws and regulations and the Articles of Incorporation of the Company, and are not included in the Attached Documents of this Notice.
The Consolidated and Non-consolidated Financial Statements included in the Attached Documents of this Notice are part of Consolidated and Non-consolidated Financial Statements audited by Audit & Supervisory Board Members and the Independent Auditor when preparing their respective audit reports.
3. Subsequent amendments to the Attached Documents and the Reference Documents for the Stockholders' Meeting (if any) will be listed on the Company's website (<https://www.kajima.co.jp/>).

Guide for exercise of voting rights:

The following four methods are available for exercise of voting rights.

(1) For stockholders attending the Stockholders' Meeting

Date and time of the meeting: Tuesday, June 25, 2019 at 10:00 a.m., Japan Standard Time

Please bring the enclosed Voting Rights Exercise Form and submit it at the reception desk. We kindly ask you to bring this booklet as reference materials for the meeting agenda.

(2) Exercise of voting rights by post

Voting deadline: Monday, June 24, 2019 at 5:30 p.m., Japan Standard Time

Please indicate your votes for or against each of the proposals on the enclosed Voting Rights Exercise Form and return the form so that it reaches us no later than the voting deadline.

(3) Exercise of voting rights via the Internet

Voting deadline: Monday, June 24, 2019 at 5:30 p.m., Japan Standard Time

Please access our voting website and enter your votes for or against each of the proposals no later than the voting deadline.

[URL of the website for exercise of voting rights] <https://www.web54.net>

▶▶ Please refer to the following page for the details of exercise of voting rights via the Internet.

(4) Exercise of voting rights via smartphones, etc.

Voting deadline: Monday, June 24, 2019 at 5:30 p.m., Japan Standard Time

Please scan "the Login QR Code to Voting Rights Exercise Website for Smartphones" in the bottom-right corner of the enclosed Voting Rights Exercise Form using a smartphone or tablet device, and enter your votes for or against each of the proposals no later than the voting deadline.

*There is no site for mobile phones.

▶▶ Please refer to the enclosed leaflet for the details of exercise of voting rights via smartphones, etc.

Guidance for Exercise of Voting Rights via the Internet

You can exercise your voting rights via the Internet, only through the Company's designated website (<https://www.web54.net>).

Please read through the following content and confirm the following matters prior to using the website.

To exercise your voting rights via the Internet, you will need the "voting rights exercise code" and the "password" printed on the right-hand piece (back side) of the Voting Rights Exercise Form.

Website for Exercise of Voting Rights

<https://www.web54.net>

You can also exercise your voting rights via a smartphone or mobile phone by scanning the QR code on the left using the barcode reader in your mobile device and accessing the website for exercise of voting rights.



Handling of exercise of voting rights

- (1) If you exercise your voting rights both by post and through the Internet, the exercise through the Internet shall be deemed to be effective.
- (2) If you exercise your voting rights more than once through the Internet, the last vote shall be deemed to be effective.

Handling of password

- (1) The password is important information used to verify whether the person exercising voting rights is a legitimate stockholder. Please handle it carefully.
- (2) The password will be disabled when inputted incorrectly for a certain number of times. If your password is locked, please follow the instructions on the screen.

Conditions for using the system

Fees for internet providers and carriers (connection charges, etc.) associated with using the website for exercise of voting rights shall be at your own expense.

Contact information regarding the operation of your personal computer, etc.

If you have any questions regarding the operation of your personal computer, etc. to exercise your voting rights on the website, please contact the following for assistance:

Hotline of Stock Transfer Agency Web Support, Sumitomo Mitsui Trust Bank, Limited
0120-652-031 (toll free in Japan, operating hours: 9:00 a.m. to 9:00 p.m., Japan Standard Time)

For institutional investors

The Company participates in the "Electronic Voting System Platform" operated by ICJ, Inc.

Reference Documents for the Stockholders' Meeting

Proposals and References

Proposal No. 1: Appropriation of Retained Earnings

The Company's basic policy for profit allocation aims to distribute stable amounts of dividend with a target range of a 20 to 30% payout ratio, while securing adequate consolidated equity capital, as well as to provide stockholder returns with consideration of business performance, financial condition and business environment.

The Company proposes a year-end dividend for the fiscal year under review and appropriation of retained earnings in the following manner.

1. Year-end Dividend

(1) Type of Distribution

Cash

(2) Allocation of Distribution per-share and Total Amounts

¥26.00 per common share of the Company

¥13,516,199,944 in total

On October 1, 2018, the Company conducted a consolidation of shares at a ratio of one share for every two shares. As such, the dividend for the fiscal year under review will be ¥50 per share, including an interim dividend (¥12 per share, which is converted to ¥24 per share after the share consolidation).

(3) Effective Date of Dividend Payment

June 26, 2019

2. Other Appropriation of Retained Earnings

(1) Item and the Amount of Retained Earnings to be increased

General reserve: ¥72.0 billion

(2) Item and the Amount of Retained Earnings to be decreased

Retained earnings carried forward: ¥72.0 billion

[Reference]


The Company resolved at the Board of Directors' Meeting held on May 15, 2019 to purchase treasury stock within the upper limit of 8,000,000 shares and ¥10.0 billion in value.

Proposal No. 2: Election of eight Directors

The term of eight Directors, Messrs. Yoshikazu Oshimi, Naoki Atsumi, Tamiharu Tashiro, Hiroyoshi Koizumi, Ken Uchida, Koji Furukawa and Masahiro Sakane, and Ms. Kiyomi Saito will expire and Director Mr. Takashi Hinago will resign from his post at the closing of this Stockholders' Meeting. Accordingly, with a view to further strengthening its corporate governance system, the Company proposes adding one Outside Director to the Board of Directors and electing eight Directors, including four Outside Directors.


The candidates are as follows:


| Candidate no. | Name | Positions and assignments at the Company |
|---------------|---|--|
| 1 | Yoshikazu Oshimi [Renominated] | President, Representative Director |
| 2 | Naoki Atsumi [Renominated] | Executive Vice President, Representative Director |
| 3 | Hiroyoshi Koizumi [Renominated] | Executive Vice President, Representative Director General Manager, Building Construction Management Division |
| 4 | Ken Uchida [Renominated] | Director, Managing Executive Officer General Manager, Treasury Division |
| 5 | Koji Furukawa [Renominated] [Outside Director] [Independent Director] | Director |
| 6 | Masahiro Sakane [Renominated] [Outside Director] [Independent Director] | Director |
| 7 | Kiyomi Saito [Renominated] [Outside Director] [Independent Director] [Female] | Director |
| 8 | Yukio Machida [New candidate] [Outside Director] [Independent Director] | Audit & Supervisory Board Member |


| Candidate No. | Name (Date of birth) | Career summary, positions, assignments and status of other important concurrent positions | Number of shares of the Company held |
|--|---|--|--------------------------------------|
| 1 |  Yoshikazu Oshimi (February 21, 1949) [Renominated] | April 1974 Joined the Company June 2005 Executive Officer General Manager, Yokohama Branch April 2008 Managing Executive Officer General Manager, Yokohama Branch April 2009 Managing Executive Officer General Manager, Building Construction Management Division April 2010 Senior Executive Officer General Manager, Building Construction Management Division April 2013 Senior Executive Officer General Manager, Kansai Branch April 2015 Executive Vice President June 2015 President, Representative Director (to the present) (Important concurrent positions) Outside Director, The Building & Housing Center of Japan, Inc. | 10,481 shares |
| [Reasons for nomination as a candidate for Director] Mr. Yoshikazu Oshimi has been serving as President, Representative Director since June 2015, with supreme responsibility for the Company's business execution, after having served as General Manager, Yokohama Branch Office, and General Manager of Building Construction Management Division. The Company renominates him as a candidate for Director, as he has hitherto fully performed his duties as Director based on his wealth of business experience and excellent track record in the Company, along with his insight into management in general. | | | |


| Candidate No. | Name (Date of birth) | Career summary, positions, assignments and status of other important concurrent positions | Number of shares of the Company held |
|--|---|--|--------------------------------------|
| 2 |  Naoki Atsumi (November 29, 1949) [Renominated] | July 1986 Joined the Company June 1995 Director Responsible for Sales and Marketing June 1997 Managing Director June 2000 Senior Managing Director June 2002 Executive Vice President, Representative Director June 2005 Executive Vice President, Representative Director General Manager, Corporate Planning Division Responsible for CSR June 2006 Executive Vice President, Representative Director General Manager, Corporate Planning Division April 2007 Executive Vice President, Representative Director (to the present) | 994,474 shares |
| <p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Naoki Atsumi is currently serving as Executive Vice President, Representative Director, after having served as Director, responsible for Sales and Marketing, and General Manager, Corporate Planning Division. The Company renominates him as a candidate for Director, as he has hitherto fully performed his duties as Director based on his wealth of business experience and excellent track record in the Company, along with his insight into management in general.</p> | | | |

| Candidate No. | Name (Date of birth) | Career summary, positions, assignments and status of other important concurrent positions | Number of shares of the Company held |
|---|--|--|--------------------------------------|
| 3 |  <p>Hiroyoshi Koizumi (June 5, 1949)</p> <p>[Renominated]</p> | <p>April 1973 Joined the Company</p> <p>September 1999 General Manager, Construction Department, Building Construction Technology Division, Construction Group</p> <p>June 2004 Managing Director, Kajima Overseas Asia Pte Ltd.</p> <p>April 2008 Executive Officer Managing Director, Kajima Overseas Asia Pte Ltd.</p> <p>April 2010 Managing Executive Officer Managing Director, Kajima Overseas Asia Pte Ltd.</p> <p>April 2013 Senior Executive Officer General Manager, Building Construction Management Division</p> <p>April 2015 Executive Vice President General Manager, Building Construction Management Division</p> <p>June 2015 Executive Vice President, Representative Director General Manager, Building Construction Management Division (to the present)</p> | 4,100 shares |
| <p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Hiroyoshi Koizumi is currently serving as Executive Vice President, Representative Director, General Manager of Building Construction Management Division, after having served as General Manager of Construction Department, Building Construction Technology Division and Managing Director of a subsidiary in Asia. The Company renominates him as a candidate for Director, as he has hitherto fully performed his duties as Director based on his wealth of business experience and excellent track record in the Company, along with his insight into management in general.</p> | | | |

| Candidate No. | Name (Date of birth) | Career summary, positions, assignments and status of other important concurrent positions | Number of shares of the Company held |
|--|---|--|--------------------------------------|
| 4 |  <p>Ken Uchida (May 13, 1956)</p> <p>[Renominated]</p> | <p>April 1979 Joined the Company</p> <p>October 2009 General Manager, Administration and Finance Department, Overseas Subsidiaries Management Division</p> <p>July 2010 General Manager, Planning and Administration Department, Overseas Operations Division</p> <p>December 2012 Managing Director, Kajima Europe Ltd.</p> <p>April 2015 Executive Officer Deputy General Manager, Treasury Division General Manager, Accounting Department</p> <p>September 2016 Executive Officer Deputy General Manager, Treasury Division General Manager, Finance Department</p> <p>April 2017 Managing Executive Officer Deputy General Manager, Treasury Division General Manager, Finance Department</p> <p>June 2017 Director, Managing Executive Officer General Manager, Treasury Division (to the present)</p> | 7,600 shares |
| <p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Ken Uchida is currently serving as Director, Managing Executive Officer and General Manager, Treasury Division, after having served as Managing Director of a subsidiary in Europe and Deputy General Manager of Treasury Division and General Manager of Accounting Department. The Company renominates him as a candidate for Director, as he has been fully performing his duties as Director based on his wealth of business experience and excellent track record in the Company, along with his insight into management in general.</p> | | | |

| Candidate No. | Name (Date of birth) | Career summary, positions, assignments and status of other important concurrent positions | Number of shares of the Company held |
|---|--|---|--------------------------------------|
| 5 |  <p>Koji Furukawa (April 26, 1938)</p> <p>[Renominated] [Outside Director] [Independent Director]</p> | <p>April 1962 Joined Mitsubishi Corporation June 1992 Director, Mitsubishi Corporation June 1995 Managing Director, Mitsubishi Corporation April 1999 Director, Senior Executive Vice President, Mitsubishi Corporation (Retired in June 2004) June 2004 Vice Chairman of the Board, Mitsubishi Motors Corporation (Retired in January 2005) October 2007 Chairman and CEO, Representative Director, Japan Post Bank Co., Ltd. (Retired in November 2009) December 2009 Chairman and CEO, Representative Director, Japan Post Network Co., Ltd. (currently Japan Post Co., Ltd.) October 2012 Chairman and CEO, Representative Director, Japan Post Co., Ltd. (Retired in June 2013) June 2013 Advisor, Japan Post Co., Ltd. (Retired in March 2014) July 2013 Advisor, Japan Post Co., Ltd. and Advisor, Mitsubishi Corporation April 2014 Advisor, Mitsubishi Corporation June 2015 Director of the Company (to the present)</p> <p>(Important concurrent positions) Advisor, Mitsubishi Corporation</p> | 5,300 shares |
| <p>[Reasons for nomination as a candidate for Outside Director and other matters]</p> <p>Mr. Koji Furukawa has a wealth of experience and high-level expertise as corporate executive in a variety of industries, after having served in various executive posts including Director, Senior Executive Vice President, Mitsubishi Corporation, Vice Chairman of the Board, Mitsubishi Motors Corporation, Chairman and CEO, Representative Director, Japan Post Bank Co., Ltd., and Chairman and CEO, Representative Director, Japan Post Co., Ltd. The Company renominates him as a candidate for Outside Director, as he has an excellent track record in providing effective advice to the management of the Company while adequately supervising its business execution since he assumed office as Director of the Company in June 2015.</p> <p>While the Company has business transactions with Mitsubishi Corporation, in which Mr. Furukawa currently serves as Advisor, as well as Mitsubishi Motors Corporation, Japan Post Bank Co., Ltd., and Japan Post Co., Ltd., in which he served as Director, the amounts of respective transactions between the Company and each of the aforementioned companies were less than 1% of the consolidated revenues of each company (consolidated revenue for Mitsubishi Corporation and ordinary income for Japan Post Bank Co., Ltd. and Japan Post Co., Ltd.) in the fiscal year under review, and his independence as Outside Director is deemed to be ensured.</p> <p>Mr. Furukawa will have served as Outside Director of the Company for four years at the closing of this Stockholders' Meeting.</p> | | | |

| Candidate No. | Name (Date of birth) | Career summary, positions, assignments and status of other important concurrent positions | Number of shares of the Company held |
|---------------|--|--|---|
| |  <p data-bbox="311 640 512 707">Masahiro Sakane (January 7, 1941)</p> <p data-bbox="284 757 539 846">[Renominated] [Outside Director] [Independent Director]</p> | <p data-bbox="560 253 1257 797"> April 1963 Joined Komatsu Ltd. June 1989 Director, Komatsu Ltd. June 1994 Managing Director, Komatsu Ltd. June 1997 Executive Managing Director, Komatsu Ltd. June 1999 Executive Vice President and Representative Director, Komatsu Ltd. June 2001 President and Representative Director, Komatsu Ltd. June 2003 President and CEO, Representative Director, Komatsu Ltd. June 2007 Chairman of the Board and Representative Director, Komatsu Ltd. June 2010 Chairman of the Board, Komatsu Ltd. April 2013 Director and Councilor, Komatsu Ltd. June 2013 Councilor, Komatsu Ltd. June 2015 Director of the Company (to the present) </p> <p data-bbox="560 831 1257 920"> (Important concurrent positions) Councilor, Komatsu Ltd. Outside Director, Takeda Pharmaceutical Company Limited </p> | <p data-bbox="1353 555 1426 611">4,300 shares</p> |
| 6 | <p data-bbox="292 931 1182 958">[Reasons for nomination as a candidate for Outside Director and other matters]</p> <p data-bbox="292 969 1398 1155">Mr. Masahiro Sakane has a wealth of experience and high-level expertise as management of a manufacturer with global spread of business, after having served as President and Representative Director, as well as Chairman of the Board and Representative Director of Komatsu Ltd. The Company renominates him as a candidate for Outside Director, as he has an excellent track record in providing effective advice to the management of the Company while adequately supervising its business execution since he assumed office as Director of the Company in June 2015.</p> <p data-bbox="292 1167 1422 1290">While the Company has business transaction with Komatsu, Ltd., in which Mr. Sakane currently serves as Councilor, the amount of such transaction was less than 1% of the consolidated revenue of each company in the fiscal year under review, and his independence as Outside Director is deemed to be ensured.</p> <p data-bbox="292 1301 1417 1585">Takeda Pharmaceutical Company Limited, in which Mr. Sakane has been serving since June 2014 as Outside Director, received in June 2015, a business improvement order from the Ministry of Health, Labour and Welfare based on the Law on Ensuring Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical devices, on account of the misleading advertisement with respect to some of the company's advertising materials for its hypertension medicine, targeting healthcare professionals. Mr. Sakane had consistently voiced his opinions, stressing compliance with laws and regulations at the Board of Directors' Meetings of the company, and he is keeping up such effort after the aforementioned event, offering recommendations on the measures for preventing recurrence of this type of irregularities.</p> <p data-bbox="292 1597 1422 1653">Mr. Sakane will have served as Outside Director of the Company for four years at the closing of this Stockholders' Meeting.</p> | | |

| Candidate No. | Name (Date of birth) | Career summary, positions, assignments and status of other important concurrent positions | Number of shares of the Company held |
|--|--|---|--------------------------------------|
| 8 |  <p data-bbox="323 629 499 696">Yukio Machida (July 3, 1942)</p> <p data-bbox="316 745 507 846">[New candidate] [Outside Director] [Independent Director]</p> | <p data-bbox="560 253 1246 667"> April 1969 Appointed as Public Prosecutor, Tokyo District Public Prosecutors' Office June 2002 Director-General, Public Security Intelligence Agency January 2004 Superintending Prosecutor, Sendai High Public Prosecutors' Office December 2004 Deputy Prosecutor-General, Supreme Public Prosecutors' Office July 2005 Retired from Public Prosecutors' Office September 2005 Registered as Lawyer June 2015 Audit & Supervisory Board Member of the Company (to the present) </p> <p data-bbox="560 701 1246 860"> (Important concurrent positions) Lawyer Outside Audit & Supervisory Board Member, Asahi Mutual Life Insurance Co. Outside Director, Mizuho Bank, Ltd. </p> | 4,300 shares |
| <p data-bbox="292 869 1185 898">[Reasons for nomination as a candidate for Outside Director and other matters]</p> <p data-bbox="292 904 1422 1218"> Since Mr. Yukio Machida assumed office as Outside Audit & Supervisory Board Member of the Company, he has been fully performing his duties, providing effective opinions from an independent and objective point of view based on his professional insight as public prosecutor and lawyer, along with extensive experience and high-level expertise as a legal practitioner. Mr. Machida is also familiar with the business operation of the Company since he conducts audits of the Company. Thus, the Company proposes that Mr. Machida be elected as Outside Director, as he is expected to leverage his extensive knowledge and experience for the benefit of management of the Company. Although he has never been involved in corporate management, except as an outside director and outside corporate auditor, the Company considers that he is capable of adequately carrying out duties as Outside Director, for the aforementioned reasons. </p> <p data-bbox="292 1227 1422 1384"> Although Mr. Machida is currently serving as Outside Audit & Supervisory Board Member of the Company, he is scheduled to retire from the post, as his term of office as Outside Audit & Supervisory Board Member expires at the closing of this Stockholders' Meeting. He will have served as Outside Audit & Supervisory Board Member of the Company for four years at the closing of this Stockholders' Meeting. </p> | | | |


- Notes:
1. No conflict of interest exists between the Company and the above candidates for Directors.
 2. Messrs. Koji Furukawa, Masahiro Sakane and Yukio Machida and Ms. Kiyomi Saito are candidates for Outside Directors. The Company has registered Messrs. Koji Furukawa, Masahiro Sakane and Yukio Machida and Ms. Kiyomi Saito with Tokyo Stock Exchange and Nagoya Stock Exchange, as independent directors based on the regulations of the respective exchanges.
 3. The Company and one of its employees were prosecuted for a suspected violation of the Antimonopoly Act over construction for the Chuo Shinkansen Projects led by Central Japan Railway Company in March 2018, when Messrs. Koji Furukawa and Masahiro Sakane and Ms. Kiyomi Saito were serving as Outside Directors.
While none of the Outside Directors above were aware of this issue in advance, they consistently have expressed their opinions at the Board of Directors meetings and on other occasions, with respect to the importance of compliance issues and thorough compliance with laws and regulations. After becoming aware of this issue, they have performed their duties primarily by calling for an investigation to establish facts and circumstances behind this issue, while expressing opinions regarding the further development of the compliance system across the Group along with the promotion of relevant activities.
 4. The Company has entered into an agreement with Messrs. Koji Furukawa and Masahiro Sakane and Ms. Kiyomi Saito to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act, based on Article 427, Paragraph 1 of the Act, to the extent of the amount specified in Article 425, Paragraph 1 of the Act when they act in good faith and are not grossly negligent in conducting their duties (limited liability agreement). The Company will continue this limited liability agreement with Messrs. Koji Furukawa and Masahiro Sakane and Ms. Kiyomi Saito when their re-elections are approved. If the election of Mr. Yukio Machida is approved, the Company will enter into a similar limited liability agreement with him.

Proposal No. 3: Election of one Audit & Supervisory Board Member

The term of Audit & Supervisory Board Member, Mr. Yukio Machida will expire at the closing of this Stockholders' Meeting. Accordingly, the Company proposes the election of one Audit & Supervisory Board Member.

The candidate is as follows.

The Audit & Supervisory Board has consented to this Proposal No. 3.

| Name (Date of birth) | Career summary, positions and status of other important concurrent positions | Number of shares of the Company held |
|---|---|--------------------------------------|
|  <p>Kazumine Terawaki (April 13, 1954)</p> <p>[New candidate] [Outside Audit & Supervisory Board Member] [Independent Auditor]</p> | <p>April 1980 Appointed as Public Prosecutor, Tokyo District Public Prosecutors' Office</p> <p>January 2014 Director-General, Public Security Intelligence Agency</p> <p>January 2015 Superintending Prosecutor, Sendai High Public Prosecutors' Office</p> <p>September 2016 Superintending Prosecutor, Osaka High Public Prosecutors' Office</p> <p>April 2017 Retired from Public Prosecutors' Office</p> <p>June 2017 Registered as Lawyer (to the present)</p> <p>(Important concurrent positions) Lawyer Outside Corporate Auditor, Kewpie Corporation External Audit & Supervisory Board Member, The Shoko Chukin Bank, Ltd.</p> | <p>0 shares</p> |
| <p>[Reasons for nomination as a candidate for Outside Audit & Supervisory Board Member and other matters] Mr. Kazumine Terawaki has professional insight gained through his past career as Director-General, Public Security Intelligence Agency, Superintending Prosecutor, Sendai High Public Prosecutors' Office, and Superintending Prosecutor, Osaka High Public Prosecutors' Office, along with extensive experience and high-level insight as a legal practitioner. After getting registered as a lawyer, Mr. Terawaki also gained a wide range of experiences primarily by practicing as a lawyer and serving as an outside corporate auditor at multiple listed corporations. Considering that Mr. Terawaki will adequately carry out his role as Outside Audit & Supervisory Board Member, the Company nominated him as a new candidate for Outside Audit & Supervisory Board Member. Although he has never been involved in corporate management, except as an outside corporate auditor, the Company considers that he is capable of adequately carrying out duties as Outside Audit & Supervisory Board Member of the Company, for the aforementioned reasons.</p> | | |

- Notes: 1. No conflict of interest exists between the Company and the above candidate for Audit & Supervisory Board Member.
2. Mr. Kazumine Terawaki is a candidate for Outside Audit & Supervisory Board Member. Mr. Terawaki is a candidate for independent auditor based on the regulations of the Tokyo Stock Exchange and the Nagoya Stock Exchange.
3. Mr. Kazumine Terawaki is slated to be appointed on June 21, 2019 as Outside Director of Toshiba Machine Co., Ltd., which will change its name to Shibaura Machine Co., Ltd. on April 1, 2020.
4. If the election of Mr. Kazumine Terawaki, a candidate for Outside Audit & Supervisory Board Member, is approved, the Company will enter into an agreement to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act, based on Article 427, Paragraph 1 of the Act, to the amount specified in Article 425, Paragraph 1 of the Act to the extent he acts in good faith and is not grossly negligent in conducting his duties (limited liability agreement).

Proposal No. 4: Determination of remuneration for allotting shares with restriction on transfer to Directors

The 108th Ordinary Stockholders' Meeting held on June 29, 2005 approved the maximum amount of monthly remuneration for the Company's Directors of ¥60 million, and the 120th Ordinary Stockholders' Meeting held on June 29, 2017 approved the maximum amount of annual bonuses for the Company's Directors of ¥300 million in total.

With the aim of enhancing motivation of the Company's Directors (hereinafter the "Targeted Directors", which exclude Outside Directors) to contribute to an increase of the stock value and corporate value of the Company by sharing the benefit and risks of stock value fluctuation with stockholders, the Company proposes to allot shares of its common stock to the Targeted Directors that are subject to some restrictions (hereinafter the "Shares with Restriction on Transfer"), including a transfer restriction period and the Company's right to acquire the shares without contribution if particular conditions are met. Shares with Restriction on Transfer will be awarded apart from the remuneration and bonuses for the Directors mentioned above.

The Company proposes providing monetary remuneration receivables to the Targeted Directors to grant the Shares with Restriction on Transfer. The maximum amount of those receivables shall be ¥300 million per year, comprehensively taking into account factors such as the Targeted Directors' contributions to the Company.

The time of payment and the allocation of the remuneration to individual Targeted Directors shall be determined by the Board of Directors.

The current number of Directors of the Company is fourteen (including three Outside Directors), and if Proposal No. 2 is approved, it will stand at thirteen (including four Outside Directors), thereby nine Directors will be eligible to receive remuneration for Shares with Restriction on Transfer.

Details and maximum number of Shares with Restriction on Transfer for Directors (excluding Outside Directors)

1. Allotment and payment of Shares with Restriction on Transfer

Based on the resolution at the Board of Directors Meeting, the Company provides monetary remuneration receivables to the Targeted Directors as remuneration related to Shares with Restriction on Transfer, within the annual amount as described above. Shares with Restriction on Transfer allotted to each Targeted Director by providing such monetary remuneration receivables to the Company in full amount through contribution in kind.

The amount to be paid in for Shares with Restriction on Transfer shall be determined by the Board of Directors of the Company within the scope of an amount that is not particularly advantageous to the Targeted Directors to be granted such Shares with Restriction on Transfer. It shall be based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the relevant resolution of the Board of Directors concerning the issuance or disposal of such shares (if no transaction is executed on such date, the closing price quoted as of the trading day immediately preceding the date shall be applied).

The above monetary remuneration receivables shall be provided to a Targeted Director, on the condition that the Targeted Director has consented to the above contribution in kind and has concluded the restricted stock allotment agreement including details defined in 3. below.

2. Total number of Shares with Restriction on Transfer

The upper limit of Shares with Restriction on Transfer to be allotted in each fiscal year shall be 600,000 which is the total number of Shares with Restriction on Transfer to be allotted to the Targeted Directors.

However, on or after the date of resolution of this Proposal No. 4, the total number of said Shares with Restriction on Transfer may be adjusted within a reasonable scope when it becomes necessary to adjust the total number of Shares with Restriction on Transfer to be allotted in the event of stock splits of the Company's common stock (including allotment of the Company's common stock without contribution), reverse stock splits, etc.

3. Details of the restricted stock allotment agreement

Based on the resolution of the Board of Directors of the Company concerning the allotment of Shares with Restriction on Transfer, the restricted stock allotment agreement to be concluded between the Company and each Targeted Director to whom Shares with Restriction on Transfer shall be allotted shall include the following contents.

(1) Details of transfer restriction

During the period from the grant date of the Shares with Restriction on Transfer to the date when the Targeted Director retires from either post of the Company's Director or Executive Officer (the "Transfer Restriction Period"), the Targeted Directors to whom Shares with Restriction on

Transfer have been allotted may not dispose of such Shares with Restriction on Transfer allotted (the “Allotted Shares”) to third parties in any manner, including transfer to third parties, establishment of right of pledge, establishment of a security interest, advancement or bequest (the “Transfer Restriction”).

(2) Acquisition of Shares with Restriction on Transfer without contribution

In the event that the Targeted Director to whom Shares with Restriction on Transfer have been allotted retires from either post of the Company’s Director and Executive Officer prior to the date immediately preceding the date for the first Ordinary Stockholders’ Meeting arriving on or after the commencement date of the Transfer Restriction Period, the Company shall naturally acquire the Allotted Shares without contribution, except when there are legitimate reasons otherwise deemed justifiable by the Company’s Board of Director.

In addition, the Company shall naturally acquire without contribution the Allotted Shares for which the Transfer Restriction has not been cancelled pursuant to the reasons for such cancellation described in (3) below when the Transfer Restriction Period stipulated in (1) above expires.

(3) Lifting of Transfer Restriction

The Company shall lift the Transfer Restriction for all of the Allotted Shares upon the expiration of the Transfer Restriction Period, on the condition that the Targeted Directors to whom Shares with Restriction on Transfer have been allotted remain in their posts as the Company’s Directors or Executive Officers up until the date of the first Ordinary Stockholders’ Meeting arriving on or after the commencement date of the Transfer Restriction Period.

However, in the event that such Director leaves his or her post as the Company’s Director or Executive Officer prior to the date immediately preceding the date of the first Ordinary Stockholders’ Meeting arriving on or after the commencement date of the Transfer Restriction Period, and there are legitimate reason otherwise deemed justifiable by the Company’s Board of Directors, the number of the Allotted Shares for which the Transfer Restriction is lifted and the timing of such lifting shall be adjusted within a reasonable scope as necessary.

(4) Treatment in the event of organizational restructuring, etc.

During the Transfer Restriction Period, in the event that approval is given at the Stockholders’ Meeting of the Company (or at a meeting of the Board of Directors of the Company in the case that approval by the Stockholders’ Meeting of the Company is not required regarding organizational restructuring, etc.) for proposals regarding merger agreements under which the Company becomes the non-surviving company, share exchange agreements or share transfer plans under which the Company becomes a wholly-owned subsidiary of another company, or any other proposals regarding organizational restructuring, etc., the Company shall, by resolution of the Board of Directors of the Company and prior to the date on which such organizational restructuring, etc. enters into force, lift the Transfer Restriction for the number of the Allotted Shares reasonably determined by taking into account the period from the commencement date of the Transfer Restriction Period to the day on which such organizational restructuring, etc. is approved.

In such cases, the Company shall naturally acquire without contribution any Allotted Shares for which the Transfer Restriction has not been lifted immediately after the Transfer Restriction has been lifted pursuant to the provisions above.

[Reference]

Subject to approval of this Proposal No. 4 at this Stockholders’ Meeting, the Company plans to introduce a restricted stock remuneration plan which shall be equivalent to the above plan for the Company’s Executive Officers.