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Securities code: 6755
May 28, 2020

To Our Shareholders:

Etsuro Saito
President & Representative Director
Fujitsu General Limited
3-3-17, Suenaga, Takatsu-ku,
Kawasaki, Japan

CONVOCATION NOTICE OF THE 101ST ORDINARY GENERAL MEETING OF SHAREHOLDERS

Please refer to the below for information about the upcoming of the 101st Ordinary General Meeting of Shareholders (the “Meeting”) of Fujitsu General Limited (the “Company”).

To prevent the risk of contracting or spreading COVID-19, we recommend that you exercise your voting rights in advance by writing or via the Internet.

Please review the attached “Reference Materials for the General Meeting of Shareholders” and exercise your voting rights no later than 5:00 p.m., Tuesday, June 16, 2020 (Japan Standard Time), in accordance with the guidance on the following pages.

Thank you very much for your cooperation.

- 1. Date and Time:** June 17, 2020(Wednesday) at 10:00 a.m.
- 2. Place:** 3-3-17, Suenaga, Takatsu-ku, Kawasaki, Japan
Hall, second floor, “Innovation & Communication Center (ICC) ”,
the Company headquarters
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report and the Consolidated Financial Statements for the 101st Fiscal Year (April 1, 2019 to March 31, 2020), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
 2. The Non-consolidated Financial Statements for the 101st Fiscal Year (April 1, 2019 to March 31, 2020)

Matters to be resolved:

- First proposal:** Appropriation of Retained Earnings
- Second proposal:** Election of Twelve (10) Directors
- Third proposal:** Election of One (1) Audit & Supervisory Board Member
- Fourth proposal:** Election of One (1) Substitute Audit & Supervisory Board Member
- Fifth proposal:** Bonus Payments for Directors
- sixth proposal:** Determination of Remuneration for Granting Restricted Shares to Directors (Excluding External Directors)

4. Guidance for Exercising Voting Rights:

- 1) Exercise of voting rights in writing
Please indicate your approval or disapproval for each of the proposals on the enclosed Voting Rights Exercise Form and send it to the Company to arrive no later than 5:00 p.m., Tuesday, June 16, 2020 (Japan Standard Time).
- 2) Exercise of voting rights via the Internet
Please read the “Guidance for the Exercise of Voting Rights via the Internet” (on page 3) and exercise your voting rights no later than 5:00 p.m., Tuesday, June 16, 2020 (Japan Standard Time).
- 3) If your voting rights are exercised both in writing and via the Internet, we will consider the exercise via the Internet to be valid. In the event that your voting rights are exercised more than once via the Internet, we will consider the last vote to be valid.

5. Disclosure via the Internet:

- 1) In the Consolidated Financial Statements and the Non-consolidated Financial Statements that were audited by the Accounting Auditor and Audit & Supervisory Board Members, “Consolidated Statement of Changes in Net Assets” and “Notes to the Consolidated Financial Statements” and “Non-consolidated Statement of Changes in Net Assets” and “Notes to the Non-consolidated Financial Statements” are posted on the Company’s website (<https://www.fujitsu-general.com/jp/>) in accordance with the laws and regulations and the Company’s Articles of Incorporation, and are not provided in the “Business Report for the 101st Fiscal Year.”
- 2) Any amendments to the Reference Materials for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements will be posted on the Company’s website (<https://www.fujitsu-general.com/jp/>).

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- When attending the Meeting, you will be kindly requested to submit the enclosed Voting Rights Exercise Form at the reception desk at the venue for organizational reasons.
 - The Meeting will be carried out in business casual (“Cool Biz”) and wearing a facial mask on the day. Your kind understanding is appreciated.

< Special Notice to Shareholders >

- To prevent the risk of contracting or spreading COVID-19, we recommend that you exercise your voting rights in advance by writing or via the Internet, instead of attending the meeting in person.
- If you choose to attend the meeting, please check the news updates on the spread of the COVID-19 outbreak in the area and take precautionary measures such as wearing a facial mask when leaving home on the morning of the meeting.
- An attending shareholder who looks sick at the entrance to the meeting venue may be stopped and asked to refrain from entering.
- We appreciate your cooperation in helping us run the meeting smoothly and efficiently as we plan to keep it shorter than usual.
- We will notify on the Company’s website (<https://www.fujitsu-general.com/jp/>) any major changes we may need to make to the conducting of the meeting.

Guidance for the Exercise of Voting Rights via the Internet

If you wish to exercise your voting rights via the Internet, we would like you to confirm the followings.

1. Website for Exercising Voting Rights

You can exercise your voting rights via the Internet by accessing and using the Company's designated website, or using a smartphone by scanning "QR code for the Voting Rights Exercise Website for Smartphones" listed on the Voting Rights Exercise Form.

<Website for exercising voting rights> <https://www.web54.net>

2. Method of the Exercise of Voting Rights

(1) For shareholders using a personal computer

After access the above website, please enter the "Voting Rights Exercise Code" and "password" specified in the enclosed Voting Rights Exercise Form. Then indicate your approval or disapproval for each of the proposals by following the instructions displayed on the screen.

(2) For shareholders using a smartphone

Please scan "QR code for the Voting Rights Exercise Website for Smartphones" displayed on the enclosed Voting Rights Exercise Form. Then indicate your approval or disapproval for each of the proposals by following the instructions displayed on the screen. If you wish to change your vote after casting, please scan the QR code again. You will be required to enter the "Voting Rights Exercise Code" and "Password" displayed on the Voting Rights Exercise Form.

3. Handling of the Exercise of Voting Rights

(1) The deadline for voting is 5:00 p.m., Tuesday, June 16, 2020 (Japan Standard Time). An early exercise of your vote would be very much appreciated.

(2) If your voting rights are exercised both in writing and via the Internet, we will consider the exercise via the Internet to be valid. In the event that your voting rights are exercised more than once via the Internet, or both using a personal computer and a smartphone, we will consider the last vote to be valid.

(3) Any fees to Internet service providers and telecommunication carriers (such as access fees, etc.) for the usage of the website for exercising voting rights shall be borne by the shareholders.

(4) In some network environments (a personal computer or smartphone, etc.), you may not be able to exercise voting rights.

4. Handling of Password and Voting Rights Exercise Code

(1) Password is important information to verify whether the person exercising voting rights is a legitimate shareholder. Please maintain the password as strictly confidential in the same manner as a seal or a personal identification number.

(2) In case you commit more errors than a certain number of tries to input your password, you will not be allowed to use the password. If you would like your password to be reissued, please follow the instruction on the screen for the necessary procedures.

(3) Voting Rights Exercise Code indicated on the Voting Rights Exercise Form is valid only for this Meeting.

5. In Case You Need Instructions to Operate Your Personal Computer, etc.

(1) In case you need instructions for how to operate your personal computer, etc., in order to exercise your voting rights, please call the following number:

Dedicated number of Stock Transfer Agent Web Support, Sumitomo Mitsui Trust Bank, Limited
Telephone: 0120 (652) 031 (Business hours: 9:00 a.m. to 9:00 p.m.; toll free within Japan only)

(2) If you have any other inquiries, please use the following contacts:

a. Shareholders with an account at a securities company

For a shareholder who has an account at a securities company, please contact the securities company that handles your transactions.

b. Shareholders who do not have an account at a securities company (shareholders with a special account)

Stock Transfer Agency Business Planning Dept, Sumitomo Mitsui Trust Bank, Limited.

Telephone: 0120 (782) 031 (Business hours: 9:00 a.m. to 5:00 p.m. excluding Saturdays, Sundays, and public holidays; toll free within Japan only)

6. Exercise of Voting Rights via the Electronic Voting Rights Exercise platform (for institutional investors)

Institutional investors may use the electronic voting rights exercise platform operated by ICJ, Inc. to electronically exercise the voting rights for the Meeting.

Reference Materials for the General Meeting of Shareholders

Proposals and Reference Information

First proposal: Appropriation of Retained Earnings

As for the Appropriation of Retained Earnings, it is proposed as follows.

Matters relating to year-end dividends

For the fiscal year under review, although the Company reported a year-on-year decline in profit attributable to owners of parent due to extraordinary losses, etc., for strengthening air conditioner business in the future, a year-end dividend of ¥14 is proposed under the Company's basic policy on profit distribution to provide stable and continual return of profit. Including the interim dividend (¥14 per share), the annual dividend is ¥28, an increase of ¥2 per share from the previous fiscal year.

1) Type of dividends

Cash

2) Dividend amount to be allocated

Per share of common stock: ¥14

Total dividends: ¥1,464,770,846

3) Effective date of dividends from retained earnings

June 18, 2020

Second proposal: Election of Ten (10) Directors

The term of office of all twelve (12) Directors will expire at the close of this Meeting. Accordingly, it is hereby proposed that ten (10) Directors be elected with a reduction of two (2) Internal Director.

The candidates for Directors are as follows.

The nomination of candidates for Director is deliberated and decided by the Board of Directors after deliberation carried out in meetings of the Nominating Committee, a majority of whose members are Independent External Directors and reporting to the Board of Directors.

The candidates for Internal Director are people who not only understand and embody the Group's corporate mission and philosophy but also possess good personality and insight, and have the capacity to use their expertise and execute their duties from a company-wide perspective. The candidates for External Director are people who carry out supervisory functions of management while also providing advice for the Company's business activities based on each of their extensive experiences and high level of insight from an external independent standpoint.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Etsuro Saito (April 2, 1954)	<p>April 1977 Joined the Company</p> <p>December 2008 General Manager, VRF/ATW Sales & Marketing Division</p> <p>April 2009 Corporate Vice President</p> <p>April 2011 Corporate Senior Vice President</p> <p>April 2015 Corporate Senior Executive Vice President</p> <p>June 2015 President & Representative Director (to present)</p>	13,900 shares
2	Hiroshi Niwayama (February 22, 1955)	<p>April 1977 Joined the Company</p> <p>October 2001 General Manager, Finance Division and General Manager, Accounting Division</p> <p>June 2004 Director</p> <p>April 2006 Director & Corporate Vice President</p> <p>April 2007 Director & Corporate Senior Vice President</p> <p>April 2010 Director & Corporate First Senior Vice President</p> <p>April 2011 Director & Corporate Executive Vice President</p> <p>April 2015 Director & Corporate Senior Executive Vice President</p> <p>June 2018 Vice President & Representative Director, in charge of Corporate Functions (to present)</p>	27,500 shares

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Hisashi Sakamaki (March 6, 1940) [External/Independent]	<p>January 1967 Joined Canon Camera Co., Inc. (currently Canon Inc.)</p> <p>January 1987 General Manager, Systems Operations, Canon Inc.</p> <p>March 1989 Director, Canon Inc.</p> <p>March 1996 Managing Director, Canon Inc.</p> <p>March 1999 President & CEO, Canon Electronics Inc. (to present)</p> <p>May 2010 External Director, Ryohin Keikaku Co., Ltd.</p> <p>June 2015 Director, the Company (to present)</p> <p>June 2016 External Director, Yaoko Co., Ltd. (to present)</p> <p><Significant concurrent positions> President & CEO, Canon Electronics Inc. External Director, Yaoko Co., Ltd.</p>	0 shares
4	Fumiaki Terasaka (April 12, 1949) [External/Independent]	<p>April 1972 Joined Sapporo Breweries Limited (currently Sapporo Holdings Limited)</p> <p>October 2002 Director, Kyushu Sales & Marketing Division, Sapporo Breweries Limited</p> <p>March 2004 Operating Officer, Sapporo Breweries Limited (newly established company)</p> <p>September 2004 Director and Managing Officer, Sapporo Breweries Limited</p> <p>March 2005 Director and Executive Managing Officer, Sapporo Breweries Limited</p> <p>March 2009 Executive Managing Officer, Sapporo Breweries Limited</p> <p>March 2010 President and Representative Director, Sapporo Breweries Limited Member of the Board, Managing Director and Group Operating Officer, Sapporo Holdings Limited</p> <p>March 2013 Senior Advisor, Sapporo Breweries Limited</p> <p>March 2014 Advisor, Sapporo Breweries Limited</p> <p>November 2015 External Audit & Supervisory Board Member, DAISYO CORPORATION (to present)</p> <p>June 2017 Director, the Company (to present)</p> <p>June 2017 External Director, Citizen Watch Co., Ltd. (to present)</p> <p><Significant concurrent positions> External Director, Citizen Watch Co., Ltd. External Audit & Supervisory Board Member, DAISYO CORPORATION</p>	700 shares

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	Mieko Kuwayama (March 30, 1948) [External/Independent]	<p>April 1970 Joined Shiseido Company, Limited</p> <p>April 2004 General Manager, CSR Department, Shiseido Company, Limited</p> <p>April 2008 Part-time Lecturer, Faculty of Economics, Komazawa University</p> <p>April 2009 Senior Researcher, Business Ethics Research Center</p> <p>June 2012 Specially Appointed Professor, Graduate School of Law, Hitotsubashi University</p> <p>April 2015 Visiting Researcher, Research Center for CFO Education, Hitotsubashi University (to present)</p> <p> Visiting Researcher, Mission Management Research Institute, Meiji University</p> <p>June 2017 Director, the Company (to present)</p> <p>April 2018 Chief Researcher, Business Ethics Research Center (to present)</p> <p>June 2018 External Director, HAZAMA ANDO CORPORATION (to present)</p> <p><Significant concurrent positions></p> <p>Visiting Researcher, Research Center for CFO Education, Hitotsubashi University</p> <p>Chief Researcher, Business Ethics Research Center</p> <p>External Director, HAZAMA ANDO CORPORATION</p>	500 shares
6	Hirohisa Yamaguchi (October 9, 1960) [External]	<p>April 1983 Joined Fujitsu Limited</p> <p>April 2015 Head of Innovation Business Unit, Fujitsu Limited</p> <p>April 2016 Corporate Vice President, Fujitsu Limited</p> <p>April 2018 Corporate Senior Vice President, Fujitsu Limited (to present)</p> <p><Significant concurrent positions></p> <p>Corporate Senior Vice President, Fujitsu Limited</p>	0 shares
7	Tsunenao Kosuda (March 5, 1955)	<p>April 1978 Joined the Company</p> <p>June 2002 General Manager, Sales Planning Department, Domestic Whole Sales Promotion Division</p> <p>June 2005 Director</p> <p>April 2006 Director & Corporate Vice President</p> <p>June 2006 Corporate Vice President</p> <p>April 2009 Corporate Senior Vice President</p> <p>June 2010 Director & Corporate Senior Vice President</p> <p>April 2011 Director & Corporate First Senior Vice President</p> <p>April 2013 Director & Corporate Executive Vice President</p> <p>April 2018 Director & Corporate Senior Executive Vice President, in charge of Domestic Sales and Marketing, and President, Office of Domestic Sales and Marketing (to present)</p>	22,400 shares

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
8	Tadashi Hasegawa (September 29, 1964)	<p>April 1988 Joined Fujikoki Corporation</p> <p>May 1997 Joined the Company</p> <p>April 2014 Director & Senior Vice General Manager, Fujitsu General Central Air-conditioner (Wuxi) Co., Ltd.</p> <p>April 2015 Corporate Vice President, the Company</p> <p>April 2017 Corporate Senior Vice President</p> <p>June 2018 Director & Corporate Senior Vice President</p> <p>April 2019 Director & Corporate First Senior Vice President</p> <p>April 2020 Director & Corporate Executive Vice President, in charge of Air Conditioner and Quality Assurance, President, Office of Air Conditioner Business, and General Manager, Air Conditioner Products Planning Division (to present)</p>	1,500 shares
9	Hiroyuki Yokoyama (October 14, 1962)	<p>April 1986 Joined the Company</p> <p>October 2007 General Manager, Global Demand Chain Management Division, Office of Global Demand Chain Management</p> <p>April 2009 Corporate Vice President</p> <p>April 2014 Corporate Senior Vice President</p> <p>June 2017 Director & Corporate Senior Vice President</p> <p>April 2019 Director & Corporate First Senior Vice President</p> <p>April 2020 Director & Corporate First Senior Vice President, President, Office of International Sales and Marketing, General Manager, International Marketing Division, President, Fujitsu General Central Air-conditioner (Wuxi) Co., Ltd., and President, Fujitsu General (Taiwan) Co., Ltd. (to present)</p>	6,500 shares
10	Masaki Sugiyama (January 10, 1959)	<p>April 1981 Joined the Company</p> <p>April 2011 General Manager, Information & Communication Networking System Division</p> <p>April 2016 Corporate Vice President,</p> <p>June 2016 Director & Corporate Vice President</p> <p>April 2018 Director & Corporate Senior Vice President</p> <p>April 2019 Director & Corporate First Senior Vice President</p> <p>May 2019 Director & Corporate First Senior Vice President, in charge of Information & Communication System, and President, Office of Information & Communication System, and President & Representative Director, Fujitsu General OS Technology Limited (to present)</p>	3,000 shares

(Notes) 1. Mr. Hisashi Sakamaki, Mr. Fumiaki Terasaka, Ms. Mieko Kuwayama and Mr. Hirohisa Yamaguchi are candidates for External Directors.

2. The Company has designated Mr. Hisashi Sakamaki, Mr. Fumiaki Terasaka and Ms. Mieko Kuwayama as Independent Directors prescribed by the Tokyo Stock Exchange, and their names have been notified to the said stock exchange as Independent Directors of the Company.
3. Fujitsu Limited, where Mr. Hirohisa Yamaguchi serves as a Corporate Senior Vice President is the Company's largest shareholder, and the Company is an affiliate of Fujitsu Limited accounted for under the equity method. The Company and Fujitsu Limited have transaction relationships such as contract manufacturing and sales of information and communication devices.
4. Mr. Hisashi Sakamaki is proposed as a candidate for External Director because the Company considers that the extensive experience and insight he has gained as an executive officer at another company, and the appropriate advice he offers from the perspective of an outsider, are beneficial for the Company's business activities.
5. Mr. Fumiaki Terasaka is proposed as a candidate for External Director because the Company considers that the extensive experience and insight he has gained as an executive officer at another company, and the appropriate advice he offers from the perspective of an outsider, are beneficial for the Company's business activities.
6. Ms. Mieko Kuwayama is proposed as a candidate for External Director because the Company considers that the extensive business experience she has gained at other companies, her keen insight as a researcher, and the appropriate advice she offers from the perspective of an outsider are beneficial for the Company's business activities.
7. Mr. Hirohisa Yamaguchi is proposed as a candidate for External Director because the Company considers that the extensive experience and insight he has gained as an officer at another company, and the appropriate advice he offers from the perspective of an outsider, are beneficial for the Company's business activities.
8. Mr. Hisashi Sakamaki, Mr. Fumiaki Terasaka, Ms. Mieko Kuwayama and Mr. Hirohisa Yamaguchi are currently External Directors of the Company. At the close of this Meeting, Mr. Hisashi Sakamaki will have served as External Directors for five (5) years, and Mr. Fumiaki Terasaka and Ms. Mieko Kuwayama for three (3) year, and Mr. Hirohisa Yamaguchi for one (1) year, respectively.
9. Mr. Hisashi Sakamaki, Mr. Fumiaki Terasaka, Ms. Mieko Kuwayama and Mr. Hirohisa Yamaguchi are currently External Directors of the Company. The Company has concluded an agreement with them to limit their liability amount to the minimum liability limit amount as provided for by Article 425, Paragraph 1 of the Companies Act. Should the re-election of Mr. Hisashi Sakamaki, Mr. Fumiaki Terasaka, Ms. Mieko Kuwayama and Mr. Hirohisa Yamaguchi be approved, the Company plans to continue said limited liability agreement with each of them.
10. There are no special interests between any of the candidates and the Company.

Third proposal: Election of One (1) Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member, Mr. Youichi Hirose will expire at the conclusion of this Meeting. Accordingly, it is hereby proposed that one (1) Audit & Supervisory Board Member be elected.

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

The Audit & Supervisory Board consented to the proposal of this resolution.

The nomination of candidate for Audit & Supervisory Board Member is deliberated and decided by the Board of Directors upon approval of the Audit & Supervisory Board after receiving advice from the Independent External Directors.

The candidate for Audit & Supervisory Board Member is person who either possesses good personality and insight and has understood corporate management and the Company's business, or who has extensive expertise and experience in areas such as accounting.

Name (Date of birth)	Career summary, positions, and significant concurrent positions	Number of shares of the Company held	
Youichi Hirose (March 5, 1958) [External]	April 1981	Joined Fujitsu Limited	0 shares
	June 2009	Vice President, Corporate Controller, Corporate Finance Unit, Fujitsu Limited	
	April 2012	Executive Vice President, Fujitsu Limited	
	May 2013	Corporate Vice President, Fujitsu Limited	
	April 2014	Head of Corporate Finance Unit, Fujitsu Limited	
	April 2017	Executive Adviser, Fujitsu Limited	
	June 2017	Audit & Supervisory Board Member, Fujitsu Limited (to present)	
	June 2018	Audit & Supervisory Board Member, the Company (to present)	
	<Significant concurrent positions>		
	Audit & Supervisory Board Member, Fujitsu Limited		
Audit & Supervisory Board Member, Fujitsu Capital Limited			

- (Notes)
1. Mr. Youichi Hirose is a candidate for External Audit & Supervisory Board Member.
 2. Fujitsu Limited, where Mr. Youichi Hirose serves as an Audit & Supervisory Board Member, is the Company's largest shareholder, and the Company is an affiliate of Fujitsu Limited accounted for under the equity method. The Company and Fujitsu Limited have transaction relationships such as contract manufacturing and sales of information and communication devices. In addition, Fujitsu Capital Limited, where Mr. Youichi Hirose serves as an Audit & Supervisory Board Member, is a subsidiary of Fujitsu Limited. The Company and Fujitsu Capital Limited have a transaction relationship in factoring.
 3. Mr. Youichi Hirose held positions of Corporate Vice President and Head of Corporate Finance Unit of Fujitsu Limited and currently serves as an Audit & Supervisory Board Member of Fujitsu Limited; hence he has extensive experience as an officer at other companies and considerable knowledge about finance and accounting. Accordingly, the Company considers that he is capable of appropriately and effectively audit and supervise the business execution of the Company, and proposes him as a candidate for External Audit & Supervisory Board Member.
 4. Mr. Youichi Hirose is currently an External Audit & Supervisory Board Member of the Company. At the close of the Meeting, he will have served as External Audit & Supervisory Board Member for two (2) years.
 5. Mr. Youichi Hirose is currently an External Audit & Supervisory Board Member of the Company, and the Company has concluded an agreement with him to limit his liability amount to the minimum liability limit amount as provided for by Article 425, Paragraph 1 of the Companies Act. Should Mr. Hirose's re-election be approved, the Company plans to continue said limited liability agreement with him.
 6. There are no special interests between Mr. Youichi Hirose and the Company.

Fourth proposal: Election of One (1) Substitute Audit & Supervisory Board Member

The effective tenure of substitute Audit & Supervisory Board Member Mr. Toshihiro Murashima, who was elected at the 100th Ordinary General Meeting of Shareholders held on June 21, 2019, will expire at the start of this Meeting. In this regard, in order to prepare for a case in which the number of Audit & Supervisory Board Members falls short of the number stipulated by laws and regulations, it is hereby proposed that one (1) substitute Audit & Supervisory Board Member be elected in advance.

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

The Audit & Supervisory Board consented to the proposal of this resolution.

Name (Date of birth)	Career summary, positions, and significant concurrent positions	Number of shares of the Company held
Yasuo Nishimura (August 29, 1952)	April 1985 Registered to Dai-ichi Tokyo Bar Association Joined Sengoku Law Office June 2000 Audit & Supervisory Board Member, JOHNAN ACADEMIC PREPARATORY INSTITUTE, INC. August 2001 Established Akasaka City Law Office, Partner June 2015 External Director (the Member of Audit & Supervisory Committee), JOHNAN ACADEMIC PREPARATORY INSTITUTE, INC. (to present) August 2018 Established Nishimura Machida Law Office, Partner (to present) <Significant concurrent positions> Partner of Nishimura Machida Law Office External Director (the Member of Audit & Supervisory Committee), JOHNAN ACADEMIC PREPARATORY INSTITUTE, INC.	0 shares

- (Notes)
1. Mr. Yasuo Nishimura is a candidate for substitute External Audit & Supervisory Board Member.
 2. Mr. Yasuo Nishimura has extensive experience and a high level of insight in the field of corporate law as an attorney, and an officer at another company. Accordingly, the Company considers that he is capable of appropriately and effectively auditing and supervising the business execution of the Company, and proposes him as a candidate for substitute Audit & Supervisory Board Member.
 3. If Mr. Yasuo Nishimura is appointed as an Audit & Supervisory Board Member, the Company will conclude an agreement with him to limit his liability amount to the minimum liability amount as provided for by in Article 425, Paragraph 1 of the Companies Act.
 4. There are no special interests between Mr. Yasuo Nishimura and the Company.

Fifth proposal: Bonus Payments for Directors

It is proposed that bonuses of ¥75,956 thousand in total be paid to seven (7) Executive Directors who were in service as of the end of the fiscal year under review, in view of the operating results of this fiscal year, and other circumstances.

In addition, it is proposed that specific monetary amounts provided to each Director be determined by the Board of Directors.

Sixth proposal: Determination of Remuneration for Granting Restricted Shares to Directors (Excluding External Directors)

The amount of remuneration for the Company's Directors was approved at the 98th Ordinary General Meeting of Shareholders held on June 20, 2017 to be ¥600 million or less per year (of which ¥50 million or less per year for External Directors; the amount does not include employee salaries of Directors who concurrently serve as employees).

The Company hereby proposes to pay new remuneration for granting shares subject to Transfer Restriction, as defined later, ("restricted shares") to Directors of the Company (excluding External Directors; the "Eligible Directors") separately from the existing maximum amount of remuneration described above in order to provide them an incentive to sustainably increase the Company's corporate value and to further create shared value between shareholders and them, as part of the revision to its remuneration plan for Directors.

The remuneration to be paid to the Eligible Directors for granting restricted shares based on this proposal shall be monetary claims (the "Monetary Remuneration Claims") and its total amount shall be ¥100 million or less per year, which is deemed reasonable in light of the aforementioned purpose. The specific timing for providing thereof and the allocation to each Eligible Director shall be determined by the Board of Directors. Please note that the above amount of remuneration does not include employee salaries of Directors who concurrently serve as employees.

The number of Directors is currently twelve (12) (including four (4) External Directors). Subject to the approval and adoption of the second proposal "Election of Ten (10) Directors" as originally proposed, the number of Directors will be ten (10) (including four (4) External Directors), and the number of the Eligible Directors will be six (6).

In accordance with the resolution of the Board of Directors of the Company, the Eligible Directors shall pay all the Monetary Remuneration Claims to be provided under this proposal in the form of property contribution in kind, and shall, in return, receive shares of the Company's common stock that shall be issued or disposed of by the Company. The total number of shares of the Company's common stock to be issued or disposed of thereby shall be 70,000 shares or less annually (provided, however, that if the Company performs a split of the Company's common stock (including allotment of the Company's common stock without contribution), a consolidation thereof, with effective date of the date of approval and adoption of this proposal, or if any other event that requires adjustment of the total number of shares of the Company's common stock to be issued or disposed of as restricted shares occurs, the relevant total number shall be adjusted to the reasonable extent as necessary).

The amount to be paid in per share shall be determined by the Board of Directors based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately before each date of resolution by the Board of Directors (if there is no closing price on such date, the closing price on the closest preceding trading day) within the extent that the amount will not be particularly advantageous to the Eligible Directors who subscribe such common stock. For such issuance or disposal of the Company's common stock thereby, an agreement on allotment of shares with transfer restrictions that includes the following provisions (the "Allotment Agreement") shall be entered into between the Company and each Eligible Director.

(1) Restriction Period

The Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of shares of the Company's common stock allotted under the Allotment Agreement (the "Allotted Shares") for a period specified in advance by the Board of Directors of the Company between three (3) and thirty (30) years from the date of allotment (the "Restriction Period") in accordance with the said agreement (the "Transfer Restrictions").

(2) Procedures for retirement from the position

If an Eligible Director retires from the position defined in advance by the Board of Directors of the Company before the Restriction Period expires, the Company shall automatically acquire the Allotted Shares without contribution, unless the reason for his/her retirement from office is the expiration of the term of his/her office, death or any other justifiable reason.

(3) Lifting of the Transfer Restrictions

Notwithstanding the provision of (1) above, the Company shall lift the Transfer Restrictions of all of the Allotted Shares upon expiration of the Restriction Period, on the condition that the Eligible Director has remained in the position defined in advance by the Board of Directors of the Company throughout the Restriction Period. However, if the Eligible Director retires from the position defined in advance by the Board of Directors of the Company before the expiration of the Restriction Period due to the expiration of the term of his/her office, death or any other justifiable reason, the Company shall rationally adjust the number of the Allotted Shares on which the Transfer Restrictions are to be lifted, and the timing of lifting as needed. Furthermore, pursuant to the provisions above, the Company shall automatically acquire without contribution the Allotted Shares on which the Transfer Restrictions have not been lifted as of the time immediately after the Transfer Restrictions were lifted.

(4) Procedures in case of organizational restructuring, etc.

Notwithstanding the provision of (1) above, if, during the Restriction Period, matters relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. are approved at the Company's General Meeting of Shareholders (or at a meeting of its Board of Directors in cases where approval at the Company's General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company shall lift the Transfer Restrictions on the Allotted Shares with the number of shares that is reasonably determined considering the period from the start date of the Restriction Period to the date of approval of the reorganization, etc. prior to the date on which the reorganization, etc. becomes effective, by resolution of the Board of Directors of the Company. In cases specified above, the Company shall automatically acquire without contribution the Allotted Shares on which the Transfer Restrictions have not been lifted as of the time immediately after the Transfer Restrictions were lifted.

(5) Other matters

Other matters with regard to the Allotment Agreement shall be determined by the Board of Directors of the Company.

(Reference)

Subject to the approval and adoption of the sixth proposal as originally proposed, the Company plans to apply a restricted share-based remuneration plan similar to the one above for Corporate Vice Presidents of the Company who do not concurrently serve as Directors.