

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Securities Code 7242)
June 1, 2018

To Shareholders with Voting Rights:

Yasusuke Nakajima
Representative Director,
President Executive Officer
KYB Corporation
World Trade Center Bldg.,
2-4-1, Hamamatsu-cho,
Minato-ku, Tokyo

**NOTICE OF
THE 96TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

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

You are cordially invited to attend the 96th Ordinary General Meeting of Shareholders of KYB Corporation (the “Company”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or via electromagnetic means (the Internet, etc.). Please exercise your voting rights by 5:15 p.m. on Thursday, June 21, 2018 (Japan time), by following the instructions described in the “Guide for the Exercise of Voting Rights,” on page 17, after taking the time to consult the attached reference documents for the General Meeting of Shareholders.

1. Date and Time: Friday, June 22, 2018 at 10:00 a.m. (Reception starts at 9:00 a.m.) (Japan time)

2. Place: 2nd Floor, Annex Bldg., Shiba Park Hotel,
1-5-10, Shiba Koen, Minato-ku, Tokyo

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 96th Fiscal Year (April 1, 2017 - March 31, 2018) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 96th Fiscal Year (April 1, 2017 - March 31, 2018)

Proposals to be resolved:

- Proposal 1:** Appropriation of the Surplus
Proposal 2: Election of eight (8) Members of the Board of Directors
Proposal 3: Election of one (1) Audit & Supervisory Board Member
Proposal 4: Election of one (1) Substitute Audit & Supervisory Board Member
Proposal 5: Payment of performance-linked bonuses to Members of the Board of Directors

4. Exercise of voting rights:

If you vote both in writing on the Voting Rights Exercise Form and via the Internet, only your vote placed via the Internet will be counted.

If you vote multiple times via the Internet, only the last vote will be counted.

-
- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. For the purpose of saving resources, please bring this Notice and the attached Business Report for the 96th Fiscal Year to the meeting.
 - The following items have been posted on the Company's website (<https://www.kyb.co.jp/>) in accordance with laws and regulations and the provisions of Article 15 of the Articles of Incorporation of the Company and are accordingly not included in the attached Business Report for the 96th Fiscal Year.
 - Notes to the Consolidated Financial Statements
 - Notes to the Non-consolidated Financial StatementsThe Consolidated Financial Statements and the Non-consolidated Financial Statements included in the Business Report for the 96th Fiscal Year are part of the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Accounting Auditor and the Audit & Supervisory Board Members for the preparation of the Accounting Audit Report and Audit & Supervisory Board's Report.
 - Any updates to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements, or the Consolidated Financial Statements will be posted on the Company's website (<https://www.kyb.co.jp/>).
 - Souvenirs will be prepared for the shareholders attending the meeting. One souvenir will be given to each shareholder attending the meeting, irrespective of the number of Voting Rights Exercise Forms each shareholder brings.
 - Please note that persons who are not shareholders, such as non-shareholder proxies or persons accompanying shareholders, are not allowed to attend the meeting.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of the Surplus

Appropriate shareholder return is an important management policy of the Company. In accordance with the Company's basic policy, and in consideration of the results for the fiscal year ended March 31, 2018, future capital investments and other factors, the Company proposes the payment of the year-end dividends as follows.

Matters concerning the year-end dividend:

1. Type of dividend assets
Cash
2. Allocation of dividend assets and the total amount of dividends
80 yen per share of common stock of the Company
Total amount of dividends: 2,043,543,680 yen
3. Effective date of appropriation of surplus
June 25, 2018

Proposal 2: Election of eight (8) Members of the Board of Directors

The terms of office of all the eight (8) Members of the Board of Directors will expire at the conclusion of this meeting. We propose election of eight (8) Members of the Board of Directors.

The candidates for the Members of the Board of Directors are as follows:

List of candidates for Members of the Board of Directors

No.	Name	Attributes	Current positions in the Company	Attendance of the meetings of the Board of Directors	
1	Yasusuke Nakajima	(Reappointment)	Representative Director, President Executive Officer	100% (20/20)	
2	Takaaki Kato	(Reappointment)	Representative Director, Executive Vice President Executive Officer	100% (20/20)	
3	Keisuke Saito	(Reappointment)	Member of the Board of Directors, Senior Managing Executive Officer	100% (20/20)	
4	Takafumi Shoji	(Reappointment)	Member of the Board of Directors, Senior Managing Executive Officer	100% (16/16) (after his assumption of office on June 23, 2017)	
5	Masao Ono	(Reappointment)	Member of the Board of Directors, Senior Managing Executive Officer	100% (16/16) (after his assumption of office on June 23, 2017)	
6	Keiichi Handa	(Reappointment)	Senior Managing Executive Officer	-	
7	Rokurou Tsuruta	(Reappointment)	(Candidate for Member of the Board of Directors (Outside)) (Independent Officer)	Member of the Board of Directors (Outside)	90% (18/20)
8	Shuhei Shiozawa	(Reappointment)	(Candidate for Member of the Board of Directors (Outside)) (Independent Officer)	Member of the Board of Directors (Outside)	90% (18/20)

No.	Name (Date of birth)	Career summary, positions, responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
1	<p data-bbox="193 660 406 750">Yasusuke Nakajima (November 2, 1955) (Reappointment)</p> <p data-bbox="193 784 406 873">Term of office as a Member of the Board of Directors: 13 years</p> <p data-bbox="193 907 406 996">Attendance of the meetings of the Board of Directors: (20/20)</p>	<p data-bbox="426 275 544 297">April 1979</p> <p data-bbox="426 309 544 331">April 2005</p> <p data-bbox="426 365 544 387">June 2005</p> <p data-bbox="426 454 544 477">April 2007</p> <p data-bbox="426 521 544 544">June 2009</p> <p data-bbox="426 589 544 611">June 2010</p> <p data-bbox="426 656 544 678">June 2011</p> <p data-bbox="426 745 544 768">April 2012</p> <p data-bbox="426 835 544 857">April 2014</p> <p data-bbox="426 925 544 947">June 2015</p> <p data-bbox="426 1025 1289 1350">[Reasons for proposing him as a candidate for Member of the Board of Directors] He has a wealth of experience and deep knowledge in management acquired through his long-time career as a corporate manager and has steadily promoted management reforms, including reinforcements of corporate governance, management with an emphasis on quality, and management reform such as global-level restructuring. We expect that his insight and achievements will continue to be useful for the decision-making on important matters and the supervision of business execution of the whole Group as the Group works to accomplish the targets of the mid-term management plan, as this fiscal year is the middle year of the plan. Consequently, we reappoint him as a candidate for Member of the Board of Directors.</p>	3,900

No.	Name (Date of birth)	Career summary, positions, responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
2	<p>Takaaki Kato (June 12, 1957) (Reappointment)</p> <p>Term of office as a Member of the Board of Directors: 3 years</p> <p>Attendance of the meetings of the Board of Directors: (20/20)</p>	<p>April 1980 Joined The Fuji Bank, Limited (present Mizuho Bank, Ltd.)</p> <p>March 2005 General Manager, Hong Kong Branch, Mizuho Corporate Bank, Ltd. (present Mizuho Bank, Ltd.)</p> <p>April 2008 Executive Officer, Mizuho Securities Co., Ltd.</p> <p>April 2009 Managing Executive Officer, ditto</p> <p>April 2011 Managing Executive Officer, ditto and Chairman, Mizuho Securities Asia Limited</p> <p>April 2013 Joined the Company, Managing Executive Officer, Deputy General Manager, Finance & Accounting Div.</p> <p>June 2014 Managing Executive Officer, General Manager, Finance & Accounting Div.</p> <p>April 2015 Senior Managing Executive Officer, General Manager, Finance & Accounting Div.</p> <p>June 2015 Member of the Board of Directors, Senior Managing Executive Officer, in charge of audit, in charge of CSR, General Manager, Finance & Accounting Div., General Manager, Corporate Planning Div.</p> <p>April 2016 Member of the Board of Directors, Senior Managing Executive Officer, in charge of global finance, General Manager, Finance & Accounting Div.</p> <p>April 2017 Member of the Board of Directors, Senior Managing Executive Officer, in charge of global finance</p> <p>June 2017 Representative Director, Executive Vice President Executive Officer, in charge of global finance (current position)</p> <p>[Reasons for proposing him as a candidate for Member of the Board of Directors] He has deep knowledge of finance, accounting, and IR, and has promoted IR activities on a global basis based on the wealth of international experience and insight he has acquired and cultivated while working in financial institutions. We expect that his knowledge and achievements will continue to be useful for the promotion to secure soundness in the management especially in its financial side, the strengthening of IR activities, and the supervision of business execution of the general management of the whole Group. Consequently, we reappoint him as a candidate for Member of the Board of Directors.</p>	1,100

No.	Name (Date of birth)	Career summary, positions, responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
3	<p data-bbox="204 837 394 927">Keisuke Saito (August 18, 1959) (Reappointment)</p> <p data-bbox="204 958 408 1048">Term of office as a Member of the Board of Directors: 7 years</p> <p data-bbox="204 1079 408 1169">Attendance of the meetings of the Board of Directors: (20/20)</p>	<p data-bbox="432 320 1286 376">April 1983 Joined the Ministry of International Trade and Industry (present Ministry of Economy, Trade and Industry)</p> <p data-bbox="432 383 1219 439">August 2002 General Manager, Beijing Office, Japan-China Economic Association</p> <p data-bbox="432 445 1230 535">September 2005 Director, Industrial Revitalization Division, Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry</p> <p data-bbox="432 542 1257 620">July 2007 Director, Industrial Science and Technology Policy Division, Industrial Science and Technology Policy and Environment Bureau, ditto</p> <p data-bbox="432 627 1198 654">July 2008 Director, Finance Division, Minister's Secretariat, ditto</p> <p data-bbox="432 660 1286 750">July 2009 Director-General for Energy Conservation and Renewable Energy Department, Agency for Natural Resources and Energy, ditto</p> <p data-bbox="432 757 963 784">September 2010 Special Adviser of the Company</p> <p data-bbox="432 790 1278 869">June 2011 Member of the Board of Directors, Senior Managing Executive Officer, General Manager, Engineering Div. and General Manager, Corporate Planning Div.</p> <p data-bbox="432 875 1278 954">April 2014 Member of the Board of Directors, Senior Managing Executive Officer, in charge of legal affairs and information technology administration, General Manager, Engineering Div.</p> <p data-bbox="432 960 1286 1084">January 2016 Member of the Board of Directors, Senior Managing Executive Officer, in charge of Information Technology Administration, in charge of Aircraft Components Div., General Manager, Engineering Div.</p> <p data-bbox="432 1090 1294 1169">April 2017 Member of the Board of Directors, Senior Managing Executive Officer, in charge of Aircraft Components Div., General Manager, Hydraulic Components Operations</p> <p data-bbox="432 1176 1278 1299">April 2018 Member of the Board of Directors, Senior Managing Executive Officer, General Manager, Hydraulic Components Operations and General Manager, Aircraft Components Div. (current position)</p> <p data-bbox="432 1330 1294 1659">[Reasons for proposing him as a candidate for Member of the Board of Directors] He has diverse experience gained through his career in the Ministry of Economy, Trade and Industry and deep knowledge cultivated in the Company in the areas of engineering, research and development and has promoted activities to accomplish business assignments under his strong leadership since taking charge of the Aircraft Components Div. and Hydraulic Components Operations. We expect that his knowledge and achievements will continue to be useful for stabilizing the profit base of Hydraulic Components Operations, the recovery of the performance of the aircraft components business, and the supervision of business execution of the general management of the Group. Consequently, we reappoint him as a candidate for Member of the Board of Directors.</p>	2,300

No.	Name (Date of birth)	Career summary, positions, responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
4	<p>Takafumi Shoji (January 10, 1956) (Reappointment)</p> <p>Term of office as a Member of the Board of Directors: 7 years</p> <p>Attendance of the meetings of the Board of Directors: (16/16) (after his assumption of office on June 23, 2017)</p>	<p>April 1978 Joined the Company</p> <p>April 2005 General Manager, Accounting Dept.</p> <p>June 2005 Member of the Board of Directors, General Manager, Accounting Dept.</p> <p>June 2008 Member of the Board of Directors, General Manager, Finance & Accounting Div.</p> <p>April 2009 Member of the Board of Directors, General Manager, Finance & Accounting Div. and General Manager, Information Technology Administration Div.</p> <p>June 2009 Managing Member of the Board of Directors, General Manager, Finance & Accounting Div. and General Manager, Information Technology Administration Div.</p> <p>June 2010 Managing Member of the Board of Directors, General Manager, Information Technology Administration Div.</p> <p>June 2011 Managing Executive Officer, General Manager, Information Technology Administration Div. and General Manager, Audit Dept.</p> <p>January 2015 Managing Executive Officer, General Manager, Information Technology Administration Div.</p> <p>April 2015 Managing Executive Officer, in charge of general affairs, General Manager, Information Technology Administration Div. and General Manager, Human Resources Div.</p> <p>January 2016 Managing Executive Officer, in charge of general affairs, in charge of legal affairs, General Manager, Information Technology Administration Div. and General Manager, Human Resources Div.</p> <p>April 2016 Senior Managing Executive Officer, in charge of general affairs, in charge of legal affairs, in charge of audit, General Manager, Information Technology Administration Div. and General Manager, Human Resources Div.</p> <p>April 2017 Senior Managing Executive Officer, in charge of CSR, General Manager, Information Technology Administration Div. and General Manager, Finance & Accounting Div.</p> <p>June 2017 Member of the Board of Directors, Senior Managing Executive Officer, in charge of CSR, General Manager, Information Technology Administration Div. and General Manager, Finance & Accounting Div.</p> <p>April 2018 Member of the Board of Directors, Senior Managing Executive Officer, in charge of CSR and Safety Control, and General Manager, Finance & Accounting Div. (current position)</p> <p>[Reasons for proposing him as a candidate for Member of the Board of Directors] He has a wealth of business experience in finance & accounting, information technology administration, audit and human resources and has promoted activities for reinforcing corporate governance in performing his duties as an officer in charge of general affairs, legal affairs and affairs concerning safety control and environment. We expect that his knowledge and achievements will continue to be useful for the promotion of CSR activities, establishment of safety promotion system, and the supervision of business execution of the general management of the whole Group. Consequently, we reappoint him as a candidate for Member of the Board of Directors.</p>	3,600

No.	Name (Date of birth)	Career summary, positions, responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
5	<p>Masao Ono (November 7, 1956) (Reappointment)</p> <p>Term of office as a Member of the Board of Directors: 1 year</p> <p>Attendance of the meetings of the Board of Directors: (16/16) (after his assumption of office on June 23, 2017)</p>	<p>April 1979 Joined the Company</p> <p>January 2004 General Manager, Operations Planning Dept., Automotive Devices Business Div.</p> <p>April 2005 General Manager, Operations Planning Dept., Automotive Components Operations</p> <p>June 2006 General Manager, Purchasing Dept.</p> <p>June 2008 General Manager, Purchasing Div.</p> <p>April 2012 Executive Officer, General Manager, Purchasing Div.</p> <p>April 2014 Managing Executive Officer, General Manager, Purchasing Div.</p> <p>April 2016 Senior Managing Executive Officer, in charge of purchasing, in charge of CSR, General Manager, Corporate Planning Div.</p> <p>April 2017 Senior Managing Executive Officer, in charge of purchasing, in charge of audit, General Manager, Corporate Planning Div.</p> <p>June 2017 Member of the Board of Directors, Senior Managing Executive Officer, in charge of purchasing, in charge of audit, General Manager, Corporate Planning Div.</p> <p>April 2018 Member of the Board of Directors, Senior Managing Executive Officer, in charge of purchasing, General Manager, Corporate Planning Div. (current position)</p> <p>[Reasons for proposing him as a candidate for Member of the Board of Directors] As an officer responsible for executing the mid-term management plan, he has been promoting various measures toward the achievement of management tasks, including organizational reforms and a realignment of the group companies. We expect that his knowledge and achievement will continue to be useful for sustainable growth, the promotion of IoT as an innovation strategy, and the supervision of business execution of the general management of the whole Group. Consequently, we reappoint him as a candidate for Member of the Board of Directors.</p>	1,500

No.	Name (Date of birth)	Career summary, positions, responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
6	<p data-bbox="199 790 402 880">Keiichi Handa (August 14, 1952) (Reappointment)</p> <p data-bbox="199 913 402 1032">Term of office as a Member of the Board of Directors: 6 years (from 2005 to 2011)</p>	<p data-bbox="434 275 1289 365">April 1977 Joined the Company January 2004 General Manager, Suspension Design Dept., Gifu North Plant, Automotive Devices Business Div.</p> <p data-bbox="434 365 1289 421">April 2005 General Manager, Aftermarket Business Sales & Planning Dept., Automotive Components Operations</p> <p data-bbox="434 421 1289 510">June 2005 Member of the Board of Directors, General Manager, Aftermarket Business Sales & Planning Dept., Sales & Marketing Headquarters, Automotive Components Operations</p> <p data-bbox="434 510 1289 566">June 2007 Member of the Board of Directors, General Manager, Sales & Marketing Headquarters, Automotive Components Operations</p> <p data-bbox="434 566 1289 656">June 2009 Managing Member of the Board of Directors, Deputy General Manager, Automotive Components Operations, in charge of Europe Business Headquarters</p> <p data-bbox="434 656 1289 790">July 2010 Managing Member of the Board of Directors, Deputy General Manager, Automotive Components Operations and President, KYB Europe Headquarters GmbH (present KYB Europe GmbH)</p> <p data-bbox="434 790 1289 846">June 2011 Managing Executive Officer, President, KYB Europe Headquarters GmbH (present KYB Europe GmbH)</p> <p data-bbox="434 846 1289 936">April 2012 Managing Executive Officer, Deputy General Manager, Corporate Planning Div. and General Manager, Global Business Headquarters, Corporate Planning Div.</p> <p data-bbox="434 936 1289 992">April 2013 Managing Executive Officer, Deputy General Manager, Corporate Planning Div.</p> <p data-bbox="434 992 1289 1081">January 2014 Managing Executive Officer, Deputy General Manager, Corporate Planning Div. and General Manager, Corporate Planning Dept., Corporate Planning Div.</p> <p data-bbox="434 1081 1289 1137">April 2014 Managing Executive Officer, General Manager, Automotive Components Operations</p> <p data-bbox="434 1137 1289 1227">April 2017 Senior Managing Executive Officer, in charge of U.S. and Europe business and General Manager, Automotive Components Operations</p> <p data-bbox="434 1227 1289 1339">April 2018 Senior Managing Executive Officer, in charge of Automotive Components Operations and in charge of Engineering (current position)</p> <p data-bbox="434 1373 1289 1619">[Reasons for proposing him as a candidate for Member of the Board of Directors] In addition to his long-term contributions to the results of performance in the engineering, sales and planning divisions, he has promoted various reforms as a person responsible for Automotive Components Operations. We expect that his knowledge and achievement will be henceforth useful for new product development and the promotion of innovative manufacturing as a person in charge of Engineering and the supervision of business execution of the general management. Consequently, we appoint him as a candidate for Member of the Board of Directors.</p>	2,400

No.	Name (Date of birth)	Career summary, positions, responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
7	<p>Rokurou Tsuruta (June 16, 1943) (Reappointment) (Candidate for Member of the Board of Directors (Outside)) (Candidate for Independent Officer)</p> <p>Term of office as a Member of the Board of Directors (Outside): 3 years</p> <p>Attendance of the meetings of the Board of Directors: (18/20)</p>	<p>April 1970 Prosecutor, Tokyo District Public Prosecutors Office</p> <p>April 2005 Superintending Prosecutor, Nagoya High Public Prosecutors Office</p> <p>July 2006 Registered as an attorney (Daini Tokyo Bar Association)</p> <p>June 2007 Outside Director, TEIKOKU PISTON RING CO., LTD. (present TPR Co., Ltd.) (current position)</p> <p>September 2007 Outside Audit & Supervisory Board Member, J. FRONT RETAILING Co., Ltd.</p> <p>June 2012 Outside Corporate Auditor, Sumitomo Mitsui Financial Group, Inc.</p> <p>June 2015 Member of the Board of Directors (Outside) of the Company (current position)</p> <p>May 2017 Outside Director, J. FRONT RETAILING Co., Ltd.</p> <p>June 2017 Outside Corporate Auditor, Sumitomo Mitsui Banking Corporation (current position)</p> <p>[Reasons for proposing him as a candidate for Member of the Board of Directors (Outside)] In consideration of his expertise and experience as an attorney, we expect him to continue giving us useful opinions and recommendations to strengthen the internal control, compliance, etc. of the Company. Consequently, we reappoint him as a candidate for Member of the Board of Directors (Outside).</p> <p>Although he has not participated in corporate management other than as an outside director or outside audit & supervisory board member, we judge that he will duly perform his duties as a Member of the Board of Directors (Outside) for the abovementioned reasons.</p> <p>[Significant concurrent positions] Attorney and representative, Tsuruta Rokurou Law Office Outside Director, TPR Co., Ltd. Outside Corporate Auditor, Sumitomo Mitsui Banking Corporation</p>	300

No.	Name (Date of birth)	Career summary, positions, responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
8	<p>Shuhei Shiozawa (September 19, 1955) (Reappointment) (Candidate for Member of the Board of Directors (Outside)) (Candidate for Independent Officer)</p> <p>Term of office as a Member of the Board of Directors (Outside): 2 years</p> <p>Attendance of the meetings of the Board of Directors: (18/20)</p>	<p>April 1981 Assistant, Faculty of Economics, Keio University April 1987 Associate Professor, Faculty of Economics, Keio University April 1994 Professor, Faculty of Economics, Keio University (current position) January 2001 Director for International Economic Affairs, Cabinet Office October 2005 Dean, Faculty of Economics, Keio University March 2012 Member of the Board of Directors (Outside), Kenedix, Inc. (current position) June 2016 Member of the Board of Directors (Outside) of the Company (current position) June 2017 Independent Director (Audit & Supervisory Committee member), Ahresty Corporation (current position)</p> <p>[Reasons for proposing him as a candidate for Member of the Board of Directors (Outside)] We expect him to give us useful opinions and recommendations on finance and CSR of the Company based on his wealth of knowledge and insight as a specialist in economics. Consequently, we reappoint him as a candidate for Member of the Board of Directors (Outside). Although he has not participated in corporate management other than as an outside director or outside audit & supervisory board member, we judge that he will duly perform his duties as a Member of the Board of Directors (Outside) or for the above mentioned reasons.</p> <p>[Significant concurrent positions] Professor, Faculty of Economics, Keio University Member of the Board of Directors (Outside), Kenedix, Inc. Independent Director (Audit & Supervisory Committee member), Ahresty Corporation</p>	100

(Notes)

1. No conflict of interests exists between any of the above candidates and the Company.
2. The Company has designated Mr. Rokuro Tsuruta and Mr. Shuhei Shiozawa, candidates, as independent officers under the rules of the Tokyo Stock Exchange and filed the designations with the Tokyo Stock Exchange. If the re-election of both Mr. Rokuro Tsuruta and Mr. Shuhei Shiozawa is approved, the Company will continue to designate them as independent officers.
3. The liability limitation agreements with candidates for Members of the Board of Directors (Outside):
Mr. Rokuro Tsuruta and Mr. Shuhei Shiozawa have each entered into an agreement with the Company to limit their liabilities. The Company shall continue the agreement with each of them should they be reelected.
The outline of the agreement is as follows:
 - If Mr. Rokuro Tsuruta/Mr. Shuhei Shiozawa becomes liable to the Company for failure to perform his duties as a Member of the Board of Directors (Outside) after the conclusion of this agreement, the maximum amount of his liability shall be twice the value of the annual property benefits that he has received or should receive from the Company as consideration for the execution of his duties during his term of office as calculated by the method provided in Article 113 of the Ordinance for Enforcement of the Companies Act, and any amount in excess of the maximum amount shall be exempted from the liability, provided that he has conducted his duties in good faith and without gross negligence.

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

Mr. Michio Tani will resign from his position as an Audit & Supervisory Board Member at the conclusion of this meeting. We propose election of one (1) Audit & Supervisory Board Member.

The Audit & Supervisory Board has given its consent to this proposal in advance.

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

In accordance with the provisions of the Articles of Incorporation, the term of office for the Audit & Supervisory Board Member elected by this meeting will expire on the expiry date of the Audit & Supervisory Board Member who will resign.

Name (Date of birth)	Past experience and significant concurrent positions	Number of shares of the Company held
<p>Takashi Saito (July 23, 1959) (New appointment)</p> <p>(Candidate for Audit & Supervisory Board Member (Outside))</p>	<p>April 1984 Joined The Fuji Bank, Limited (present Mizuho Bank, Ltd.) April 2011 General Manager, International Fund Dept. ditto April 2012 Executive Officer, General Manager, International Fund Dept. ditto July 2013 Executive Officer, General Manager, Derivatives Sales Dept. ditto April 2016 Managing Executive Officer, Deputy Head of Global Markets Company, Mizuho Financial Group, Inc. April 2016 Managing Executive Officer, Co-General Manager, Global Markets Division, Mizuho Bank, Ltd. May 2017 Advisor, Mizuho Human Services K.K. June 2017 Representative Director and President, ditto</p> <p>[Reasons for proposing him as a candidate for Audit & Supervisory Board Member (Outside)] He has considerable knowledge related to finance and accounting based on the expertise and experience he has acquired while working in financial institutions, thus we expect that he will give us useful opinions and recommendations. Consequently, we appoint him as a candidate for Outside Audit & Supervisory Board Member. He retired from his position as Representative Director and President of Mizuho Human Services K.K. on May 2018.</p> <p>[Significant concurrent positions] None</p>	<p>0</p>

(Notes)

1. No conflict of interests exists between Mr. Takashi Saito, a candidate, and the Company.
2. Mr. Takashi Saito, a candidate, once served as an Executive of Mizuho Bank, Ltd., a Specified Associated Service Provider of the Company, in the past five years.
3. The liability limitation agreement with a candidate for Audit & Supervisory Board Member:
 The Company will enter into an agreement with Mr. Takashi Saito, a candidate, to limit his liability should he be elected.
 The outline of the agreement is as follows:
 - If Mr. Takashi Saito becomes liable to the Company for failure to perform his duties as an Audit & Supervisory Board Member (Outside) after the conclusion of this agreement, the maximum amount of his liability shall be twice the total value of the annual property benefits that he has received or should receive from the Company as consideration for the execution of his duties during his term of office as calculated by the method provided in Article 113 of the Ordinance for Enforcement of the Companies Act, and any amount in excess of the maximum amount shall be exempted from the liability, provided that he has conducted his duties in good faith and without gross negligence.

Proposal 4: Election of one (1) Substitute Audit & Supervisory Board Member

Mr. Atsushi Shigeta was elected as a Substitute Audit & Supervisory Board Member at the 95th Ordinary General Meeting of Shareholders held on June 23, 2017 by its resolution effective until the commencement of this meeting. To prepare for any case where the number of Outside Audit & Supervisory Board Members becomes less than the number required by laws and regulations, we propose to elect one (1) Substitute Audit & Supervisory Board Member.

Such Substitute Audit & Supervisory Board Member will assume the office of Audit & Supervisory Board Member only if the number of Outside Audit & Supervisory Board Members becomes less than the number required by laws and regulations. His term of office shall be equal to the remaining term of office of his predecessor.

The Audit & Supervisory Board has given its consent to this proposal in advance.

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

Name (Date of birth)	Past experience and significant concurrent positions	Number of shares of the Company held
<p>Atsushi Shigeta (March 31, 1957)</p> <p>(Candidate for Substitute Audit & Supervisory Board Member (Outside))</p>	<p>April 1979 Joined The Fuji Bank, Limited (present Mizuho Bank, Ltd.) March 2006 Executive Officer and General Manager, 7th Sales Dept., Mizuho Corporate Bank, Ltd. (present Mizuho Bank, Ltd.) April 2008 Managing Executive Officer, ditto May 2010 Senior Managing Director, Tobu Department Store Co., Ltd. May 2011 Representative Senior Managing Director, ditto April 2013 Representative Director and President, ditto June 2015 Representative Director and President, Tobu Hotel Management Co., Ltd. (current position) March 2016 Part-time Audit & Supervisory Board Member, Tokyo Tatemono Real Estate Sales Co., Ltd. (current position) June 2017 Outside Audit & Supervisory Board Member, JCU CORPORATION (current position) April 2018 Representative Director and President, Sendai Kokusai Hotel Co., Ltd. (current position)</p> <p>[Reasons for proposing him as a candidate for Substitute Audit & Supervisory Board Member (Outside)] We expect that he will give us useful opinions and recommendations to secure soundness of the auditing and corporate management of the Company based on his wealth of experience as a long-time corporate manager. Consequently, we appoint him as a candidate for Substitute Outside Audit & Supervisory Board Member.</p> <p>[Significant concurrent positions] Representative Director and President, Tobu Hotel Management Co., Ltd. Part-time Audit & Supervisory Board Member, Tokyo Tatemono Real Estate Sales Co., Ltd. Outside Audit & Supervisory Board Member, JCU CORPORATION Representative Director and President, Sendai Kokusai Hotel Co., Ltd.</p>	<p>0</p>

(Notes)

1. No conflict of interests exists between Mr. Atsushi Shigeta, a candidate, and the Company.
2. Mr. Atsushi Shigeta, a candidate, retired from his position as an Executive of Mizuho Bank, Ltd., a Specified Associated Service Provider of the Company, eight years ago.
3. The liability limitation agreement with a candidate for Substitute Audit & Supervisory Board Member:
The Company has entered into an agreement with Mr. Shigeta Atsushi to limit his liability on condition that he assumes office as Audit & Supervisory Board Member. The outline of the agreement is as follows:
 - If Mr. Atsushi Shigeta becomes liable to the Company for failure to perform his duties as an Audit & Supervisory Board Member (Outside) after the conclusion of this agreement, the maximum amount of his liability shall be twice the total value of the annual property benefits that he has received or should receive from the Company as consideration for the execution of his duties during his term of office as calculated by the method provided in Article 113 of the Ordinance for Enforcement of the Companies Act, and any amount in excess of the maximum amount shall be exempted from the liability, provided that he has conducted his duties in good faith and without gross negligence.

Proposal 5: Payment of performance-linked bonuses to Members of the Board of Directors

We propose the payment of bonuses in the total amount of ¥148.7 million to six (6) Members of the Board of Directors in office as of the end of the current fiscal year (excluding two (2) Members of the Board of Directors (Outside) from the eight (8) Members of the Board of Directors) in consideration of various factors, including the business performance for the current fiscal year.

For the purpose of promoting value-sharing with the shareholders through enhanced linkage between the remuneration of Members of the Board of Directors and the business performance, the Company has adopted a performance-linked bonus system with respect to the bonuses paid to the Members of the Board of Directors (excluding Members of the Board of Directors (Outside)).

The policy for the performance-linked bonus system of the Company is as follows:

(Policy for performance-linked bonus system)

The total amount of bonuses payable to Members of the Board of Directors (excluding Members of the Board of Directors (Outside)) under the performance-linked bonus system, which is a variable remuneration linked to the performance of the Company, shall be calculated in accordance with the degree of actual achievement of the performance forecast stated in the *kessan tanshin* (financial results report) on the settlement of accounts for the end of the previous fiscal year, within a certain maximum amount separately set. The total amount for payment shall be decided by a resolution of the Board of Directors upon consultation with the Remuneration Committee, a body consisting of the Representative Directors and the Members of the Board of Directors (Outside), and thereupon shall be submitted to the ordinary general meeting of shareholders every year for approval. The amount payable to each Member of the Board of Directors shall be decided based on the allotment ratio preliminarily determined according to the position of each Member of the Board of Directors.

END