

Securities identification code: 9041

May 24, 2019

To our shareholders:

Yoshinori Yoshida

President

Kintetsu Group Holdings Co., Ltd.

6-1-55, Uehommachi, Tennoji-ku, Osaka-shi, Osaka, Japan

NOTICE OF THE 108TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 108th Ordinary General Meeting of Shareholders of Kintetsu Group Holdings Co., Ltd. (the “Company”), which will be held 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 and others). Please review the Reference Documents for the General Meeting of Shareholders (from page 4 to page 18) and the Information on Exercise Method of Voting Rights (on page 2 and page 3) and exercise your voting rights by 6:00 p.m. on Wednesday, June 12, 2019 (Japan Standard Time).

Meeting Details

1. Date and Time: Thursday, June 13, 2019 at 10:00 a.m. (Japan Standard Time)

2. Venue: 6-1-55, Uehommachi, Tennoji-ku, Osaka-shi, Osaka, Japan
Sheraton Miyako Hotel Osaka, 4F “Naniwa”

3. Purposes:

Items to be reported:

Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements for the 108th Term (from April 1, 2018 to March 31, 2019), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board

Items to be resolved:

Proposal 1: Dividends of surplus

Proposal 2: Election of fourteen (14) Directors

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

Proposal 4: Revision of the amounts of remuneration for the introduction of restricted share-based remuneration plan for the Directors of the Company

Information on Exercise Method of Voting Rights

You may exercise your voting rights by one of the following three methods.

When you attend the General Meeting of Shareholders in person:

Please submit the enclosed Voting Rights Exercise Form to the reception desk at the site of the General Meeting of Shareholders.

Date of the Ordinary General Meeting of Shareholders

Thursday, June 13, 2019 at 10:00 a.m. (Japan Standard Time)

When you exercise your voting rights in writing:

Please indicate your approval or disapproval of each of the proposals on the enclosed Voting Rights Exercise Form and send the Exercise Form to us by return mail no later than the deadline below.

Deadline Wednesday, June 12, 2019 at 6:00 p.m. (Japan Standard Time)

When you exercise your voting rights via the Internet:

Please see below and the following page.

Deadline Wednesday, June 12, 2019 at 6:00 p.m. (Japan Standard Time)

Information on Exercise of Voting Rights via the Internet

- Shareholders can exercise their voting rights only by indicating approval or disapproval of each of the proposals on the voting rights exercise site designated by the Company (<https://evote.tr.mufg.jp/>) no later than the deadline. (However, please note that you cannot exercise your voting rights via the Internet on the designated website between the hours of 2:00 a.m. and 5:00 a.m.)
- If you exercise your voting rights both in writing and via electromagnetic means, including the Internet, the voting via the electromagnetic means shall be deemed valid. If you exercise your voting rights more than once via electromagnetic means, the last exercise of voting rights shall be deemed valid.
- Shareholders are cordially requested to exercise their voting rights as early as possible to facilitate the counting of votes.
- Please call Help Desk as mentioned in the following page with any inquiries or questions.

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

How to scan the QR code

You can log in the Website for Exercising Voting Rights by scanning the QR code without entering your login ID and temporary password.

- 1 Please scan QR code provided at the right of the Voting Rights Exercise Form by using a smartphone.
* “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.
- 2 Please enter your approval or disapproval of each of the proposals in accordance with instructions on the screen.

Note that you can log in with the QR code only once.

If you wish to exercise your voting rights again or exercise your voting rights without scanning the QR code, please see “How to enter login ID and temporary password” below.

How to enter login ID and temporary password

Website for Exercising Voting Rights: <https://evote.tr.mufg.jp/>

- 1 Please access the Website for Exercising Voting Rights via PC, smartphone or mobile phone.
- 2 Please log in by entering the “login ID and temporary password” indicated on the Voting Rights Exercise Form.
- 3 Please register a new password.
* Please note that, in order to prevent unauthorized access to the designated website (impersonation) and to prevent the alteration of votes, we request that you change your “temporary password” to a permanent password. You will receive a new login ID and a new temporary password with each convocation notice for a General Meeting of Shareholders.
- 4 Please enter your approval or disapproval of each of the proposals in accordance with instructions on the screen.

Notes

- Please note that you may not be able to exercise your voting rights via PC or smartphone on the designated website for the exercise of voting rights, depending on the Internet settings configured on your PC or smartphone, such as firewalls, etc. that are in place to regulate your Internet connections, anti-virus software that has been installed on your PC or smartphone, or the use of a proxy server.
- For security reasons, you cannot exercise your voting rights using a mobile phone that cannot send TLS encrypted information or that cannot send information of the mobile phone used.
- All costs associated with accessing the website for the exercise of voting rights (cost of Internet connections etc.) are to be borne by the shareholder. Also, when voting via mobile phone etc. all packet communication fees and other costs incurred in the use of a smartphone or a mobile phone are also to be borne by the shareholder.

If you have any inquiries about the operation of a PC, a smartphone or a mobile phone regarding the exercise of voting rights via the Internet, contact the following:

Mitsubishi UFJ Trust and Banking Corporation

Transfer Agent Department (Help Desk)

Phone: 0120-173-027 (toll free only within Japan; 9:00 a.m. to 9:00 p.m. (Japan Standard Time))

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Documents

Proposal 1: Dividends of surplus

The Company makes it a basic policy to maintain stable dividend payments while we strive to strengthen our management base and financial position. All Group companies made full efforts to establish and strengthen business bases based on the Kintetsu Group Management Plan. Though the business environment remains unpredictable, we plan to conduct term-end dividend payment as follows.

1. Type of dividend property

Cash

2. Allocation of dividend property to shareholders and the total amount thereof

50 yen per common share of the Company

Total amount of dividends: 9,524,537,000 yen

3. Effective date of dividends of surplus

June 14, 2019

Proposal 2: Election of fourteen (14) Directors

The term of office of all seventeen (17) Directors will expire at the conclusion of this General Meeting of Shareholders. In order to accelerate decision-making, the number of Directors will be reduced by three (3). Accordingly, the Company proposes the election of fourteen (14) Directors.

The candidates for Directors are as follows:

Candidate No. 1	Name (Date of birth) Tetsuya Kobayashi (November 27, 1943)
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Career history and position	Important positions concurrently held
April 1968 Joined the Company	Chairman of the Board, Kintetsu Railway Co., Ltd.
June 2001 Director, the Company	Chairman of the Board,
June 2003 Managing Director, the Company	Kintetsu Real Estate Co., Ltd.
June 2005 Senior Executive Director, the Company	Chairman of the Board,
June 2007 President, the Company	KNT-CT Holdings Co., Ltd.
April 2015 Chairman of the Board,	Director,
the Company (present position)	The Kansai Electric Power Company, Incorporated
	Number of shares of the Company held:
	21,589 shares

Reasons for selection as a candidate for Director

Based on his broad business experience, Tetsuya Kobayashi has supervised the Kintetsu Group's overall management previously as President and currently as Chairman of the Board of the Company. We believe that Tetsuya Kobayashi is a qualified candidate for Director after taking into account his knowledge, ability, personality, and others in a comprehensive manner.

- Tetsuya Kobayashi is scheduled to retire as Chairman of the Board of Kintetsu Railway Co., Ltd. as well as Chairman of the Board of Kintetsu Real Estate Co., Ltd. as of June 13, 2019 and is scheduled to become part-time Director of both companies. Tetsuya Kobayashi is also scheduled to retire as Chairman of the Board of KNT-CT Holdings Co., Ltd. as of June 19, 2019 and is scheduled to become part-time Director of the same company.

Candidate Name (Date of birth)
No. 2 Yoshinori Yoshida (March 27, 1952)

Career history and position		Important positions concurrently held
April 1975	Joined the Company	Chairman of the Board,
June 2006	Officer, the Company	Kintetsu Miyako Hotels International, Inc.
June 2009	Managing Director, the Company	President, Nara Kanko Tochi Corporation
May 2011	Director, Kintetsu Department Store Co., Ltd.	Director, Nippon Pallet Pool Co., Ltd.
June 2011	Retired as Managing Director, the Company	Number of shares of the Company held: 10,000 shares
July 2011	Senior Executive Vice President Officer, Kintetsu Department Store Co., Ltd.	
May 2013	Retired as Senior Executive Vice President Officer, Kintetsu Department Store Co., Ltd.	
June 2013	Senior Executive Vice President, the Company	
April 2015	President, the Company (present position)	

Reasons for selection as a candidate for Director

Yoshinori Yoshida has engaged in the management of the Company as well as Group companies such as Kintetsu Department Store Co., Ltd. and currently serves the Group's management as President of the Company. We believe that Yoshinori Yoshida is a qualified candidate for Director after taking into account his knowledge, ability, personality, and others in a comprehensive manner.

- Yoshinori Yoshida is scheduled to become Chairman of the Board of Kintetsu Real Estate Co., Ltd. as of June 13, 2019. Yoshinori Yoshida is scheduled to retire as Chairman of the Board of Kintetsu Miyako Hotels International, Inc. as of June 30, 2019 and is scheduled to become part-time Director of the same company.

Candidate Name (Date of birth)
No. 3 Yoshihiro Yasumoto (February 24, 1956)

Career history and position		Responsibilities
April 1978	Joined the Company	Accounting and Finance Div.
June 2009	Officer, the Company	Important positions concurrently held
June 2012	Director, Managing Executive Officer, the Company	Director, Senior Managing Executive Officer, Kintetsu Railway Co., Ltd.
June 2015	Director, Senior Managing Executive Officer, the Company (present position)	Number of shares of the Company held: 7,900 shares

Reasons for selection as a candidate for Director

Yoshihiro Yasumoto has engaged in accounting of the Company as well as Group companies and currently is well versed in the Group's overall accounting as Director of the Company. We believe that Yoshihiro Yasumoto is a qualified candidate for Director after taking into account his knowledge, ability, personality, and others in a comprehensive manner.

- Yoshihiro Yasumoto is scheduled to retire as Director and Senior Managing Executive Officer of Kintetsu Railway Co., Ltd. as of June 13, 2019.

Candidate	Name (Date of birth)
No. 4	Kazuhiro Morishima (February 19, 1955)

Career history and position		Responsibilities
April 1977	Joined the Company	Human Resources Div.
June 2010	Officer, the Company	Important positions concurrently held
June 2012	Director, Managing Executive Officer, the Company	Director, Senior Managing Executive Officer, Kintetsu Railway Co., Ltd.
June 2015	Director, Senior Managing Executive Officer, the Company (present position)	Number of shares of the Company held: 5,637 shares

Reasons for selection as a candidate for Director

Kazuhiro Morishima has engaged in real estate and hotel businesses of the Group and currently drives the Group's overall personnel operations as Director of the Company. We believe that Kazuhiro Morishima is a qualified candidate for Director after taking into account his knowledge, ability, personality, and others in a comprehensive manner.

- Kazuhiro Morishima is scheduled to retire as Director and Senior Managing Executive Officer of Kintetsu Railway Co., Ltd. as of June 13, 2019.

Candidate	Name (Date of birth)
No. 5	Masaaki Shirakawa (September 30, 1959)

Career history and position		Responsibilities
April 1982	Joined the Company	Business Development Div.
June 2014	Officer, the Company	Public Relations Div.
June 2016	Director, Managing Executive Officer, the Company (present position)	Number of shares of the Company held: 5,300 shares

Reasons for selection as a candidate for Director

Masaaki Shirakawa has engaged in corporate planning operations and public relations and currently promotes several operations, including business development, as Director of the Company. We believe that Masaaki Shirakawa is a qualified candidate for Director after taking into account his knowledge, ability, personality, and others in a comprehensive manner.

Candidate	Name (Date of birth)
No. 6	Hiroyuki Murai (June 9, 1958)

Career history and position

April 1982	Joined the Company
June 2016	Director, Managing Executive Officer, the Company (present position)

Responsibilities

Administrative General Affairs Div.
Audit Div.

Important positions concurrently held

Director, Managing Executive Officer,
Kintetsu Railway Co., Ltd.

Number of shares of the Company held:

4,206 shares

Reasons for selection as a candidate for Director

Hiroyuki Murai has engaged in general affairs and audit of the Company as well as Group companies, including those listed on the stock market, and currently is well versed in general affairs and audit as Director of the Company. We believe that Hiroyuki Murai is a qualified candidate for Director after taking into account his knowledge, ability, personality, and others in a comprehensive manner.

Candidate	Name (Date of birth)
No. 7	Takashi Wakai (May 30, 1959)

Career history and position

April 1983	Joined the Company
June 2016	Director, Managing Executive Officer, the Company (present position)

Responsibilities

Accounting and Finance Div.

Important positions concurrently held

Director, Managing Executive Officer,
Kintetsu Railway Co., Ltd.

Number of shares of the Company held:

3,006 shares

Reasons for selection as a candidate for Director

Takashi Wakai has engaged in accounting of the Company as well as Group companies and currently is well versed in the Group's overall accounting as Director of the Company. We believe that Takashi Wakai is a qualified candidate for Director after taking into account his knowledge, ability, personality, and others in a comprehensive manner.

- Takashi Wakai is scheduled to retire as Director and Managing Executive Officer of Kintetsu Railway Co., Ltd. as of June 13, 2019.

Candidate	Name (Date of birth)
No. 8	Tsutomu Nakayama (November 19, 1952)

Career history and position		Important positions concurrently held
April 1976	Joined the Company	President,
November 2009	Senior Managing Director, KINTETSU HOTEL SYSTEMS, INC. (currently Kintetsu Miyako Hotels International, Inc.)	Kintetsu Miyako Hotels International, Inc.
June 2016	Senior Executive Vice President, Kintetsu Miyako Hotels International, Inc.	Number of shares of the Company held: 2,300 shares
June 2018	Director, the Company (present position)	
June 2018	President, Kintetsu Miyako Hotels International, Inc. (present position)	

Reasons for selection as a candidate for Director

Tsutomu Nakayama is versed in the overall hotel business as he serves as President of Kintetsu Miyako Hotels International, Inc. He also engages in the Company's management as Director. We believe that Tsutomu Nakayama is a qualified candidate for Director after taking into account his knowledge, ability, personality, and others in a comprehensive manner.

Candidate	Name (Date of birth)
No. 9	Takahisa Kurahashi (January 9, 1956)

Career history and position		Responsibilities
April 1980	Joined the Company	Management Strategy Div.
June 2012	Officer, the Company	Secretarial Div.
June 2015	Director, Managing Executive Officer, the Company	Important positions concurrently held
June 2016	Director, Senior Managing Executive Officer, the Company (present position)	Director, Senior Managing Executive Officer, Kintetsu Railway Co., Ltd.
		Number of shares of the Company held: 6,323 shares

Reasons for selection as a candidate for Director

Takahisa Kurahashi has engaged in corporate planning operations as well as real estate business of the Company and he is scheduled to serve as President of Kintetsu Real Estate Co., Ltd. from June 13, 2019. We believe that Takahisa Kurahashi is a qualified candidate for Director after taking into account his knowledge, ability, personality, and others in a comprehensive manner.

- Takahisa Kurahashi is scheduled to retire as Director and Senior Managing Executive Officer of Kintetsu Railway Co., Ltd. as of June 13, 2019. Takahisa Kurahashi is scheduled to become President of Kintetsu Real Estate Co., Ltd. as of June 13, 2019.

Candidate No. 10	Name (Date of birth) Kunie Okamoto (September 11, 1944)	External Director
Career history and position		Important positions concurrently held
June 1969	Joined Nippon Life Insurance Company	Executive Advisor to the Board,
March 2002	Senior Managing Director, Nippon Life Insurance Company	Nippon Life Insurance Company
April 2005	President, Nippon Life Insurance Company	Director, TOKYU CORPORATION
June 2005	Director, the Company	Director, Daicel Corporation
June 2006	Retired as Director, the Company	Number of shares of the Company held:
June 2010	Director, the Company (present position)	0 share
April 2011	Chairman, Nippon Life Insurance Company	
April 2018	Director and Executive Advisor to the Board, Nippon Life Insurance Company	
July 2018	Executive Advisor to the Board, Nippon Life Insurance Company (present position)	

Reasons for selection as a candidate for External Director

We believe that Kunie Okamoto is adequate as External Director as he has abundant experience and deep insight due to his long career as a business manager and understands the Company's businesses as well.

Candidate No. 11	Name (Date of birth) Tsuyoshi Ueda (June 13, 1951)	External Director
Career history and position		Important positions concurrently held
April 1974	Joined THE HYAKUGO BANK, LTD.	Chairman, THE HYAKUGO BANK, LTD.
June 2007	Managing Director, THE HYAKUGO BANK, LTD.	Number of shares of the Company held:
June 2009	President, THE HYAKUGO BANK, LTD.	0 share
April 2015	Chairman, THE HYAKUGO BANK, LTD. (present position)	
June 2016	Director, the Company (present position)	

Reasons for selection as a candidate for External Director

We believe that Tsuyoshi Ueda is adequate as External Director as he has abundant experience and deep insight due to his long career as a business manager and understands the Company's businesses as well.

- Tsuyoshi Ueda assumed office of Director of Mie Kotsu Group Holdings, Inc., an affiliate of the Company from June 24, 2011 to June 21, 2016.

Candidate No. 12	Name (Date of birth) Ryuichi Murata (April 12, 1948)	External Director
Career history and position		Important positions concurrently held
April 1971	Joined The Mitsubishi Bank, Ltd.	Senior Advisor,
January 2006	Senior Managing Director, The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mitsubishi UFJ Lease & Finance Company Limited Director, Eisai Co., Ltd.
May 2006	Deputy President, The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Audit & Supervisory Board Member, NORITAKE CO., LIMITED
June 2009	Retired as Deputy President, The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Number of shares of the Company held:
June 2009	Deputy President, Mitsubishi UFJ Lease & Finance Company Limited	0 share
June 2010	President, Mitsubishi UFJ Lease & Finance Company Limited	
June 2012	Chairman, Mitsubishi UFJ Lease & Finance Company Limited	
June 2017	Director, the Company (present position)	
June 2017	Advisor, Mitsubishi UFJ Lease & Finance Company Limited	
July 2018	Senior Advisor, Mitsubishi UFJ Lease & Finance Company Limited (present position)	

Reasons for selection as a candidate for External Director

We believe that Ryuichi Murata is adequate as External Director as he has abundant experience and deep insight due to his long career as a business manager and understands the Company's businesses as well.

Candidate No. 13	Name (Date of birth) Masanori Yanagi (October 6, 1950)	New candidate, External Director
Career history		Important positions concurrently held
April 1974	Joined Japan Development Bank	Chairman, The Japan Economic Research Institute
October 2006	Director, Development Bank of Japan	Number of shares of the Company held:
October 2008	Member of the Board of Directors, Managing Executive Officer, Development Bank of Japan Inc.	0 share
June 2011	Deputy President, Development Bank of Japan Inc.	
June 2015	President and CEO, Development Bank of Japan Inc.	
June 2018	Retired as President and CEO, Development Bank of Japan Inc.	
August 2018	Chairman, The Japan Economic Research Institute (present position)	

Reasons for selection as a candidate for External Director

We believe that Masanori Yanagi is adequate as External Director as he has abundant experience and deep insight due to his long career managing businesses, etc. and understands the Company's businesses as well.

Candidate No. 14	Name (Date of birth) Takashi Tsuji (August 26, 1957)	New candidate
Career history		Important positions concurrently held
April 1982	Joined the Company	Director, Managing Executive Officer,
January 2015	Officer, Kintetsu Division Preparation Company (currently Kintetsu Railway Co., Ltd.)	Kintetsu Railway Co., Ltd. President, Iga Railway Co., Ltd.
June 2016	Director, Managing Executive Officer, Kintetsu Railway Co., Ltd. (present position)	Number of shares of the Company held: 3,655 shares

Reasons for selection as a candidate for Director

Takashi Tsuji is versed in the overall railway business and he is scheduled to serve as President of Kintetsu Railway Co., Ltd. from June 13, 2019. We believe that Takashi Tsuji is a qualified candidate for Director after taking into account his knowledge, ability, personality, and others in a comprehensive manner.

- Takashi Tsuji is scheduled to become President of Kintetsu Railway Co., Ltd. as of June 13, 2019. Takashi Tsuji is scheduled to retire as President of Iga Railway Co., Ltd. as of June 26, 2019.

Notes:

1. There is no special interest between any of the candidates and the Company.
2. Masanori Yanagi and Takashi Tsuji are new candidates.
3. Kunie Okamoto, Tsuyoshi Ueda, Ryuichi Murata and Masanori Yanagi are candidates for External Directors. Kunie Okamoto, Tsuyoshi Ueda and Ryuichi Murata currently serve as External Directors of the Company. The term of office for Kunie Okamoto will be nine years, the term of office for Tsuyoshi Ueda will be three years and the term of office for Ryuichi Murata will be two years at the conclusion of this General Meeting of Shareholders.
4. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act and Article 28 of the Articles of Incorporation of the Company, the Company has entered into a contract with each of Kunie Okamoto, Tsuyoshi Ueda and Ryuichi Murata to limit their liabilities for damages under Article 423, paragraph (1) of the same Act. In accordance with the contracts, the limit of liability shall be equivalent to the amount determined under laws and regulations. When the reappointment of each person is approved, the Company plans to extend the liability limitation contract with each of them. When the election of Masanori Yanagi is approved, the Company plans to conclude the same contract with Masanori Yanagi.
5. All of the candidates for External Directors were submitted to the Tokyo Stock Exchange on which the Company is listed as independent officers, as stipulated under the regulations of the Exchange.

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

Hisakatsu Sakurai resigned as Audit & Supervisory Board Member on March 31, 2019. Accordingly, the Company proposes the election of one (1) Audit & Supervisory Board Member as substitute.

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

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

Name (Date of birth)		New candidate, External Audit & Supervisory Board Member
Kazumi Suzuki (December 22, 1959)		
Career history		Important positions concurrently held
April 1994	Associate Professor, Faculty of Business and Economics, Kindai University	Professor, Graduate School of Business Administration, Kobe University
April 1995	Associate Professor, School of Business Administration, Kobe University	Director, Nozaki Insatsu Shigyo Co., Ltd.
April 1999	Associate Professor, Graduate School of Business Administration, Kobe University	Number of shares of the Company held: 0 share
April 2012	Professor, Graduate School of Business Administration, Kobe University (present position)	

Reasons for selection as a candidate for External Audit & Supervisory Board Member

We believe that Kazumi Suzuki is a qualified candidate for External Audit & Supervisory Board Member due to his abundant knowledge and deep insight as an accounting scholar and a certified public accountant. Although he has never been involved in corporate management except as External Director, we believe that Kazumi Suzuki can appropriately perform duties as an External Audit & Supervisory Board Member for the aforementioned reason.

Notes:

1. There is no special interest between Kazumi Suzuki and the Company.
2. Kazumi Suzuki is a candidate for External Audit & Supervisory Board Member.
3. When the election of Kazumi Suzuki is approved, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act and Article 35 of the Articles of Incorporation of the Company, the Company plans to enter into a contract with Kazumi Suzuki to limit his liabilities for damages under Article 423, paragraph (1) of the same Act. In accordance with the contract, the limit of liability shall be equivalent to the amount determined under laws and regulations.
4. Kazumi Suzuki was submitted to the Tokyo Stock Exchange on which the Company is listed as independent officer, as stipulated under the regulations of the Exchange.
5. Kazumi Suzuki is a university professor of accounting and also a certified public accountant. He has considerable knowledge of financial and accounting affairs.

Proposal 4: Revision of the amounts of remuneration for the introduction of restricted share-based remuneration plan for the Directors of the Company

The total amount of remuneration for the Directors of the Company was approved at the 74th Ordinary General Meeting of Shareholders held on June 28, 1985 to be not more than 45 million yen per month.

The Company, as part of the revision to its remuneration package for Directors, would like to introduce a new restricted share-based remuneration plan for Directors (excluding External Directors) of the Company (“Eligible Directors”) and pay remuneration to such Eligible Directors for the purpose of granting them new restricted shares. By enhancing the link between their remuneration and the stock value of the Company, it is aimed to provide stronger incentives for the Directors to contribute to improving mid- to long-term business results and increasing the corporate value of the Kintetsu Group.

Based on this proposal, the Company proposes that the remuneration to be paid to Eligible Directors for the purpose of granting them restricted shares shall be monetary claims (“Monetary Remuneration Claims”), and the total amount shall be not more than 60 million yen per year as deemed reasonable in light of the aforementioned purposes. The specific timing for providing thereof and the allocation to each Eligible Director shall be decided at the meeting of the Board of Directors. However, remuneration for the purpose of granting restricted shares shall not be paid to External Directors.

Accordingly, the Company proposes that the amount of monetary remuneration for the Directors be changed from the previously approved amount of not more than 45 million yen per month (which can be converted not more than 540 million yen per year) to an amount of not more than 480 million yen per year (of which not more than 50 million yen per year is remuneration for External Directors). This amount is derived by subtracting the above-mentioned remuneration amount of 60 million yen per year for the purpose of granting restricted shares, from the previously approved remuneration amount.

Furthermore, Eligible Directors shall pay all Monetary Remuneration Claims to be provided under this proposal in the form of property contributed in kind, in accordance with the resolution of the Board of Directors of the Company, and shall, in return, receive common shares of the Company that shall be issued or disposed of by the Company, and the total number of common shares of the Company to be issued or disposed of thereby shall be not more than 15,000 shares per year.

Note: If, on or after the day on which this proposal is approved and adopted, the Company performs a share split (including allotment of shares without contribution) or a reverse share split of its common shares, or any other reason arises necessitating an adjustment to the total number of common shares of the Company to be issued or disposed of as restricted shares, the relevant total number shall be reasonably adjusted.

The amount to be paid in per share shall be determined by the Board of Directors based on the closing price of the common shares of the Company 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) and within the extent that the amount would not be particularly advantageous to Eligible Directors who subscribe for said common shares. For such issuance or disposal of the common shares of the Company, an agreement on allotment of restricted shares (the “Allotment Agreement”) shall be entered into between the Company and each Eligible Director, which shall include the following provisions:

Note: The number of Directors is currently seventeen (17) (including four (4) External Directors). Subject to the approval and adoption of Proposal 2, “Election of fourteen (14) Directors” as originally proposed, the number of Directors will be fourteen (14) (including four (4) External Directors).

<Outline of the Allotment Agreement>

1. Restriction Period

Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of (“Transfer Restrictions”) the common shares of the Company allotted under the Allotment Agreement (the “Allotted Shares”) for a period of 30 years from the day on which shares are allotted under the Allotment Agreement (the “Restriction Period”).

2. Treatment on retirement from the position

If an Eligible Director retires from the position of Director of the Company before the expiration of the period from the day on which shares are allotted under the Allotment Agreement to the time immediately preceding the closing of the Ordinary General Meeting of Shareholders that first arrives thereafter (the “Expected Service Provision Period”), the Company shall automatically acquire without contribution such Allotted Shares, unless his/her retirement from office is due to his/her death or other justifiable reason.

3. Lifting of Transfer Restrictions

- (1) 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 of Director of the Company continuously throughout the Expected Service Provision Period.

- (2) If the Eligible Director retires from the position of Director of the Company before the expiration of the Expected Service Provision Period due to his/her death or other justifiable reason, the Company shall reasonably adjust the number of the Allotted Shares on which the Transfer Restrictions are to be lifted, and the timing of lifting of Transfer Restrictions as needed.
- (3) Notwithstanding the provision of (1) above, if the Eligible Director retires from the position of Director, Audit & Supervisory Board Member, or Officer of the Company during the Restriction Period due to expiration of the term of his/her office, death or other justifiable reason, the Company shall, in principle, lift the Transfer Restrictions immediately after the retirement of such Eligible Director.
- (4) 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 in accordance with provisions (1) through (3) above.

4. Treatment during reorganization, 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 such event, 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 respect to the Allotment Agreement shall be determined at the meeting of the Board of Directors of the Company.

«For reference: Image diagram of current and new remuneration plans for Directors»

