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(Securities Code 1417)

June 7, 2018

To Our Shareholders:

5-6-36 Toyosu, Koto-ku, Tokyo, Japan

MIRAIT Holdings Corporation

President and Chief Executive Officer Masatoshi Suzuki

## NOTICE OF THE 8TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

You are cordially invited to attend the 8th Ordinary General Meeting of Shareholders of MIRAIT Holdings 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 by submitting the Voting Right Exercise Form, or via the Internet website (<https://evote.tr.mufg.jp/>) after reviewing the Reference Documents for the General Meeting of Shareholders described hereinafter. Please cast your vote by 5:30 p.m. on Monday, June 25, 2018 Japan time.

1. **Time and Date:** 10 a.m., Tuesday, June 26, 2018 (Japan time)
2. **Place:** 5-6-36 Toyosu, Koto-ku, Tokyo, Japan  
Seventh floor conference room,  
MIRAIT Holdings Corporation  
5-6-36 Toyosu, Koto-ku, Tokyo, Japan
3. **Meeting Agenda:**  
**Matters to be reported:**
  1. The Business Report, Consolidated Financial Statements for the Company’s 8th Fiscal Term (April 1, 2017 - March 31, 2018) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors
  2. Non-consolidated Financial Statements for the Company’s 8th Fiscal Term (April 1, 2017 - March 31, 2018)

**Proposals to be resolved:**

- Proposal No. 1: Appropriation of Surplus
- Proposal No. 2: Approval of Share Exchange Agreement Between the Company and TTK Co., Ltd.
- Proposal No. 3: Election of Ten Directors
- Proposal No. 4: Election of Two Corporate Auditors
- Proposal No. 5: Election of One Substitute Auditor

**4. Matters Determined on the Convocation of the Meeting:**

- (1) You may exercise your voting rights by proxy only in cases where the proxy is another shareholder of the Company. The proxy will be required to present written proof of their right of proxy.
- (2) If you exercise your voting rights both in writing and via the Internet, the votes made via the Internet shall prevail.
- (3) If you exercise your voting rights multiple times via the Internet, the vote submitted last shall prevail.

**5. Items Presented Online (Japanese Only):**

The following items are posted on the Company's website at (<https://www.mirait.co.jp/> [Japanese only]) in accordance with laws and regulations and the provisions of the Company's Articles of Incorporation.

Therefore, these items are not included in the documents accompanying this convocation notice.

- (1) "Business Report, Consolidated Financial Statements" and "Notes to the Consolidated Financial Statements"
- (2) "Non-Consolidated Financial Statements" and "Notes to the Non-Consolidated Financial Statements"
- (3) "Business Report, Consolidated Financial Statements" pertaining to the last business year of TTK Co., Ltd.(Reference Documents)

Therefore, the Business Report, Consolidated Financial Statements, Non-Consolidated Financial Statements audited by the Audit & Supervisory Board Member and Accounting Auditor comprise the aforementioned items posted on the Company's website in addition to the referential materials included in the documents accompanying the NOTICE OF THE 8TH ORDINARY GENERAL MEETING OF SHAREHOLDERS.

End

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(Information)

- Subsequent amendments to the Reference Documents for the General Meeting of Shareholders (if any) will be listed on the Company's website (<https://www.mirait.co.jp/>).

## Reference Documents for the General Meeting of Shareholders

### Proposals and References

#### Proposal No. 1: Appropriation of Surplus

The basic policy of the Company is to pay out stable dividends, while taking into account the Company's business performance and its payout ratio. Additionally, its internal reserve is used for reinforcing its financial position and for investing in business development to enhance its corporate value.

Based on such a policy, the appropriation of surplus shall be as follows.

Accordingly, the annual dividend including the interim dividend of ¥15 per share is ¥35 per share.

#### Term-End Dividends

(1) Type of dividend property

Cash

(2) Appropriation of dividend property to shareholders and total amount thereof

A dividend of ¥20 per share of common stock of the Company shall be paid.

In this case, the total dividend paid is ¥1,590,825,640.

(3) Effective date of distribution of surplus

June 27, 2018

**Proposal No. 2: Approval of Share Exchange Agreement Between the Company and TTK Co., Ltd.**  
MIRAIT Holdings (The "Company") and TTK Co., Ltd. ("TTK") entered into a share exchange agreement (the "Share Exchange Agreement") on April 27, 2018 relating to business integration through a share exchange on October 1, 2018 as effective date.

Matters regarding this proposal, such as reasons for the share exchange, terms and conditions of the Share Exchange Agreement, the share exchange are as described below.

## **1. Reasons for the share exchange**

The MIRAIT group, a corporate group with The Company as its holding company (the "MIRAIT Group"), aims to ensure its continued growth and development as a "comprehensive engineering and services company" in response to the movements of telecommunications carriers and changes in the business environment. Given this objective, the MIRAIT Group has developed its third medium-term management plan for the four year period beginning from 2017 (target for 2020: sales of JPY 340 billion, operating income of JPY 17 billion, ROE of 8% or above), and has been actively engaged in expanding its developing business areas (the frontier domain), including its cloud, stock, Wi-Fi, software, environment and energy and global businesses.

At the same time, the MIRAIT Group has continuously worked on securing competitive advantages in the market and expansion of its business bases. It has also promoted profit-oriented business operations through the improvement of operational efficiency and the resulting increase in orders, the establishment of a productive work system and the comprehensive strengthening of on-site capabilities.

The TTK group, a corporate group comprising TTK and its group companies (the "TTK Group"), since its establishment, in cooperation with many partners, has accumulated a track record of more than sixty years in the areas of design, construction, maintenance and consulting services for information and telecommunications equipment in the Tohoku region. The TTK Group has built a solid business foundation in all six prefectures of the Tohoku region under the fundamental management philosophy of utilizing its genuine technology and creativity to contribute to the realization of the rich information society of the twenty-first century and seeking higher corporate and shareholder value as a "reliable information and communications engineering company."

In addition, based on its fifth medium-term management plan (for fiscal years 2017 to 2019), which was released in May 2017, the TTK Group seeks to maximize sales and profits through further productivity improvement and the promotion of operational efficiency in its existing businesses. Simultaneously, the TTK Group is also working on expanding its business areas by designating the Hikari Collaboration-related business, the environmental civil engineering works business and the electrical works business as its three "new core businesses."

The MIRAIT Group is known nationwide as one of the top three information and communications engineering work business operators. At the same time, it is making an aggressive expansion into fields other than information and communications engineering work, including construction work for photovoltaic solar power generation facilities, stock business (such as operation and maintenance), software development, global business with focus on Asia, and drone businesses. These beliefs have led both groups to determine that the Business Integration would contribute to their sustained growth and development as well to the creation of medium and long term corporate value.

The Share Exchange falls under the simplified share exchange prescribed in Article 796, Paragraph 2 of the Corporate Law, but in consideration of the importance of the Share Exchange, it will be presented as a proposal at this ordinary general meeting of shareholders.

We ask for continuous support of our shareholders in understanding the background and approving each proposal.

## **2. Terms and conditions of the Share Exchange Agreement**

The details of the share exchange agreement concluded with TTK on April 27, 2018 are as follows.

### Share Exchange Agreement (copy)

MIRAIT Holdings Corporation (“MIRAIT HD”) and TTK Co., Ltd. (“TTK”) hereby enter into a share exchange agreement (the “Agreement”) as follows on April 27, 2018 (the “Agreement Execution Date”).

#### Article 1: The Share Exchange

In accordance with the provisions herein, MIRAIT HD and TTK will carry out a share exchange under which MIRAIT HD will be TTK’s wholly-owning parent company and TTK will be MIRAIT HD’s wholly-owned subsidiary (hereinafter, the “Share Exchange”), and upon the Share Exchange MIRAIT HD will acquire all of the outstanding shares of TTK (not including shares of TTK held by MIRAIT HD; hereinafter the same).

Article 2: Trade Names and Addresses of Wholly-Owning Parent Company in the Share Exchange and Wholly-Owned Subsidiary in the Share Exchange MIRAIT HD and TTK’s respective trade names and addresses are as follows.

#### (1) MIRAIT HD (Wholly-Owning Parent Company in the Share Exchange)

Trade Name: MIRAIT Holdings Corporation

Address: 6-36, Toyosu 5-chome, Koto-ku, Tokyo

#### (2) TTK (Wholly-Owned Subsidiary in the Share Exchange)

Trade Name: TTK Co., Ltd.

Address: 2-23, Shintera 1-chome, Wakabayashi-ku, Sendai-shi

#### Article 3: Shares to Be Delivered Upon the Share Exchange and Allotment Thereof

1. Upon the Share Exchange, MIRAIT HD will deliver, to TTK’s shareholders (not including MIRAIT HD; hereinafter the same in this Article) as of the time immediately preceding the time at which it acquires all of the outstanding shares of TTK under the Share Exchange (the “Record Time”), shares of MIRAIT HD’s common stock equivalent in number to 0.47 multiplied by the total number of shares of TTK’s common stock held by each TTK shareholder in exchange for those shares of TTK’s common stock.

2. Upon the Share Exchange, MIRAIT HD will allot shares of MIRAIT HD's common stock to each TTK shareholder as of the Record Time at the ratio of 0.47 shares of MIRAIT HD's common stock for each share of TTK's common stock held by each TTK shareholder.

3. If the number of shares of MIRAIT HD's common stock to be allotted by MIRAIT HD to TTK's shareholders in accordance with the preceding two paragraphs includes any fraction less than one share, it will be handled by MIRAIT HD in accordance with Article 234 of the Companies Act and other applicable laws and regulations.

#### Article 4: MIRAIT HD's Capital and Capital Reserve Amounts

The amounts of MIRAIT HD's capital and capital reserves to be increased upon the Share Exchange are as follows.

(1) Capital amount: JPY 0

(2) Capital reserve amount: An amount to be separately specified by MIRAIT HD in accordance with Article 39 of the Rules of Corporate Accounting

(3) Amount of profit reserves: JPY 0

#### Article 5: Conditions Precedent

The coming into effect of the Share Exchange shall be subject to the condition that, immediately prior to the Effective Date (as defined in Article 6; hereinafter the same), all of the circumstances in the following items have been met; provided, however, that even if any or all of the following circumstances are not fulfilled as of the Effective Date, MIRAIT HD or TTK can at its own discretion cause the Share Exchange to take effect by waiving such circumstances (except for those specified in Item (1)).

(1) That the procedures required under laws and regulations for MIRAIT HD and TTK each to carry out the Share Exchange (including, without limitation, resolutions of the General Shareholders' Meetings specified in Article 7, and obtaining permission and authorization for implementing the Share Exchange) have been completed or taken.

(2) That there are no effective judgments, decisions, orders, judicial settlements, licenses, permissions, approvals, notifications, administrative guidance, guidelines, or other determinations issued by any court, arbitrator, arbitration tribunal, competent authority, local government, financial instruments exchange, or any other judicial organ, executive agency, or self-regulatory institution that would prohibit or suspend the execution of the Share Exchange.

(3) That subsequent to the execution of the Agreement, there have been no circumstances which might reasonably be considered likely to have a major negative effect on MIRAIT HD or TTK's financial position, operating results, cash flow, business, or rights and duties, nor are there any circumstances which would make it difficult to achieve the purpose of the Share Exchange.

#### Article 6: Effective Date

The date on which the Share Exchange will come into effect (the "Effective Date") shall be October 1, 2018; provided, however, that if necessary in the course of the proceedings for the Share Exchange or for any other reasons, MIRAIT HD and TTK can change the Effective Date through mutual consultation and agreement.

Article 7: Approval of the General Shareholders' Meeting

1. MIRAIT HD shall seek approval for this Agreement at the Ordinary General Shareholders' Meeting scheduled to be held on June 26, 2018 ("MIRAITHD's Ordinary General Shareholders' Meeting").
2. TTK shall seek approval for this Agreement at the Ordinary General Shareholders' Meeting scheduled to be held on June 28, 2018 ("TTK's Ordinary General Shareholders' Meeting").
3. If necessary in the course of the proceedings for the Share Exchange or for any other reasons, MIRAIT HD and TTK can change the date of MIRAIT HD's Ordinary General Shareholders' Meeting or TTK's Ordinary General Shareholders' Meeting through mutual consultation and agreement.

Article 8: Business Management etc.

In the period from the Agreement Execution Date until the Effective Date, MIRAIT HD and TTK shall each conduct their respective business operations and manage their respective assets with the due care of a competent manager within the scope of normal operations so as to enhance their corporate value, and shall also cause their respective subsidiaries to conduct their own business operations and manage their own assets with the due care of a competent manager within the scope of normal operations so as to enhance their corporate value.

Article 9: Dividends of Surplus

1. Except for cases prescribed in the following paragraph, from the Agreement Execution Date onward, MIRAIT HD and TTK shall not adopt any resolutions on dividends of surplus having the Effective Date or an earlier date as the record date, nor shall they adopt any resolutions approving a buyback of their own shares having an acquisition date on or prior to the Effective Date (not including a buyback of own shares in a case where either MIRAIT HD or TTK is required to buy back its own shares in accordance with the exercise of its shareholders' rights pursuant to applicable laws and regulations).

2. Notwithstanding the provisions of the preceding paragraph, (i) MIRAIT HD can pay dividends of surplus up to a total of JPY 1.8 billion to its shareholders or registered pledgees of shares last registered or otherwise recorded in the latest shareholder register as of March 31, 2018, and up to a total of JPY 1.8 billion to its shareholders or registered pledgees of shares last registered or otherwise recorded in the latest shareholder register as of September 30, 2018, and (ii) TTK can pay dividends of surplus up to a total of JPY 500 million to its shareholders or registered pledgees of shares last registered or otherwise recorded in the latest shareholder register as of March 31, 2018, and up to a total of JPY 200 million to its shareholders or registered pledgees of shares last registered or otherwise recorded in the latest shareholder register as of September 30, 2018; provided, however, that MIRAIT HD and TTK are entitled to change the amounts of the relevant dividends of surplus upon reaching an agreement separately in writing.

Article 10: Retirement of Own Shares

During the period from the Agreement Execution Date onward until the Effective Date, TTK shall not retire its own shares (including any of its own shares acquired in response to demands for purchase of shares made by its opposing shareholders at the time of the Share Exchange, as prescribed in Article 785, Paragraph 1 of the Companies Act).

#### Article 11: Termination

1. In any of the following cases, MIRAITHD can immediately terminate this Agreement only prior to the Effective Date upon notifying TTK in writing.

- (1) If all or a portion of the preconditions prescribed in Article 5 have not been met (provided, however, that this does not include cases where the unsatisfied preconditions have been waived).
- (2) If TTK has breached any material duty under this Agreement, thereby making it difficult to achieve the purpose of this Agreement.

2. In any of the following cases, TTK can immediately terminate this Agreement only prior to the Effective Date upon notifying MIRAITHD in writing.

- (1) If all or some of the preconditions prescribed in Article 5 have not been met (provided, however, that this does not include cases where the unsatisfied preconditions have been waived).
- (2) If MIRAITHD has breached any material duty under this Agreement, thereby making it difficult to achieve the purpose of this Agreement.

#### Article 12: Changes to or Suspension of the Share Exchange

If, during the period from the Agreement Execution date until the Effective Date, any circumstances arise that significantly impede the execution of the Share Exchange, or it becomes clear that any such circumstances will arise (including without limitation cases where any measures or procedures are taken by the Japan Fair Trade Commission to prevent the Share Exchange, such as a cease and desist order), or if there are any other circumstances that make it difficult to attain the purposes of this Agreement, MIRAITHD and TTK can, by reaching an agreement through good-faith consultations, change the conditions of the Share Exchange, otherwise alter the specifics of this Agreement, or suspend the Share Exchange.

#### Article 13: Effectiveness of this Agreement

This Agreement will cease to be effective in the following cases: (i) if the approval specified in Article 7, Paragraph 1 is not obtained at MIRAITHD's Ordinary General Shareholders' Meeting; (ii) if the approval specified in Article 7, Paragraph 2 is not obtained at TTK's Ordinary General Shareholders' Meeting; (iii) if the approval of the relevant authorities etc. necessary for the execution of the Share Exchange as prescribed by laws and regulations etc. is not obtained (including, without limitation, cases where any notifications to be filed by MIRAITHD in connection with the Share Exchange under the Antimonopoly Act are not received by the Effective Date, or where the period for measures related to such notifications is not concluded by the Effective Date); (iv) if this Agreement is terminated pursuant to the provisions of Article 11; and (v) if the Share Exchange is suspended under the preceding Article 12.

#### Article 14: Governing Law and Jurisdiction

1. This Agreement shall be governed by and construed in accordance with the laws of Japan.
2. MIRAITHD and TTK agree that the Tokyo District Court shall be the exclusive court of first instance for any disputes arise in court in connection with this Agreement.



Article 15: Consultations

Any matters not set forth in this Agreement or any questions arising from the content of this Agreement shall be resolved through consultations in good faith by MIRAIT HD and TTK.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate, and upon placing their respective signatures and seals thereon each party shall keep one original.

April 27, 2018

MIRAIT HD MIRAIT Holdings Corporation  
6-36, Toyosu 5-chome, Koto-ku, Tokyo  
Masatoshi Suzuki, President and Chief Executive Officer

TTK TTK Co., Ltd.  
2-23, Shintera 1-chome, Wakabayashi-ku, Sendai-shi  
Mikio Doi, President and Representative Director

**3. Outline of matters listed in each item of Article 193, Paragraph 1 of the Enforcement Regulations of the Companies Act (excluding items 5 and 6)**

(1) Matters concerning the equivalence of exchange consideration

① Allotment in the Share Exchange

	MIRAIT HD (wholly-owning parent company in the share exchange)	TTK (wholly-owned subsidiary in the share exchange)
Allotment ratio in the Share Exchange	1	0.47

(Note 1) Allotment ratio of shares

For each share of the common stock of TTK, 0.47 shares of the common stock of MIRAIT HD will be allotted and delivered.

(Note 2) Number of shares to be delivered under the Share Exchange

Upon the Share Exchange, MIRAIT HD will allot and deliver 9,789,978 shares (scheduled) of the common stock of MIRAIT HD to shareholders of TTK as of the time immediately before the acquisition by MIRAIT HD of all of the issued and outstanding shares in TTK through the Share Exchange. While the shares to be delivered are scheduled to be newly issued, MIRAIT HD will use 2 million treasury shares (scheduled) held by itself as part of the shares allotted in the Share Exchange.

(Note 3) Treatment of shares constituting less than one unit

The shareholders of TTK who will hold shares constituting less than one unit (less than 100 shares) of the stock of MIRAIT HD upon the Share Exchange will be entitled to use either of the following systems. Shares constituting less than one unit cannot be sold on any financial instruments exchange market.

(i) System of purchase by MIRAIT HD for shares constituting less than one unit (sale of less than 100 shares)

A system whereby pursuant to Article 192, Paragraph 1 of the Companies Act of Japan (the “Companies Act”), a holder of shares constituting less than one unit of the stock of MIRAIT HD may request MIRAIT HD to purchase the shares constituting less than one unit held by the holder.

(ii) System of additional purchase for shares constituting less than one unit (additional purchase to own 100 shares)

A system whereby pursuant to Article 194, Paragraph 1 of the Companies Act and the articles of incorporation of MIRAIT HD, a holder of shares constituting less than one unit of the stock of MIRAIT HD may demand that MIRAIT HD sell, and the holder may purchase, such number of shares of the common stock of MIRAIT HD which, together with the number of shares constituting less than one unit held by the holder, will constitute one unit (100 shares).

(Note 4) Treatment of fractions less than one share

If the number of shares allotted to a shareholder of TTK upon the Share Exchange includes a fraction of less than one share of the stock of MIRAIT HD, MIRAIT HD will pay cash to each such shareholder in an amount proportional to the value of such fraction pursuant to Article 234 of the Companies Act and other relevant laws and regulations.

②Basis of the Calculation for Allotment related to the Share Exchange

(1) Basis and reason for the calculation of the allotment concerning the Share Exchange

For the purpose of ensuring the fairness and appropriateness of the calculation of the allotment ratio that applies to the Share Exchange (the “Share Exchange Ratio”) as described in 2(3) “Allotment in the Share Exchange” above, MIRAIT HD and TTK have decided to respectively and separately request a third-party valuation institution, independent of both companies, to calculate the share exchange ratio for the Share Exchange. MIRAIT HD and TTK appointed Mizuho Securities Co., Ltd. (“Mizuho”) and Nomura Securities Co., Ltd. (“Nomura”) as their respective third-party valuation institutions.

MIRAIT HD and TTK carefully considered the results of the due diligence review of the other party and other aspects, by reference to the calculation results of the share exchange ratio submitted by their respective third-party valuation institutions, and repeatedly conducted mutual negotiations and consultations with comprehensive consideration given to, among other factors, their respective financial conditions, asset status and future prospects. As a result, MIRAIT HD and TTK have come to the conclusion that the Share Exchange Ratio is appropriate and will not be detrimental to their respective shareholders’ benefits. Therefore, MIRAIT HD and TTK have resolved, at their respective board of directors meetings held today, to implement the Share Exchange at the Share Exchange Ratio.

Upon the occurrence of any material change to any of the conditions used as the basis of calculation, the Share Exchange Ratio may be subject to change by consultation between the parties.

(2) Matters concerning calculation

With the objective of ensuring the fairness and appropriateness of the allotment ratio in the Share Exchange, MIRAIT HD appointed Mizuho, a third-party valuation institution which is independent of MIRAIT HD and TTK. Mizuho is not a related party of either MIRAIT HD or TTK, and has no material interest in either MIRAIT HD or TTK.

In performing its analysis, Mizuho reviewed the financial information of MIRAIT HD and TTK, in addition to reviewing the terms and conditions of the Share Exchange. Mizuho used a market stock price analysis, since the stocks of both companies are listed on a financial instruments exchange and their market prices are publicly available. In addition, as there are multiple listed companies that are comparable to both companies and an analysis of the share value based on comparable companies is possible, Mizuho conducted the comparable company analysis. Further, the discounted cash flow analysis (the “DCF Analysis”) was used by Mizuho to account for the future business operations of the two companies in the valuation.

The table below shows the range in the number of shares of MIRAIT HD common stock to be allotted for each share of TTK common stock derived from each of the analysis methods.

Analysis method	Calculation results of share exchange ratio
Market stock price analysis	0.36-0.37
Comparable company analysis	0.21-0.49
DCF Analysis	0.38-0.54

In performing the market stock price analysis, Mizuho set April 26, 2018, as the calculation reference date (the “Reference Date”). Mizuho then reviewed the price of the stock on the Reference Date and the simple average of the closing prices of the stock for the most recent one-week, one-month, three-month and six-month periods, each ending on the Reference Date.

The profit plans of both companies that Mizuho used as the basis for the DCF Analysis do not include any fiscal periods in which significant changes in profits are projected.

In calculating the share exchange ratio, Mizuho relied upon and assumed the accuracy and completeness of all of the financial or other information relating to both companies that was publicly available or was furnished to or discussed with Mizuho by both companies and upon which the calculation of the share exchange ratio is substantially based. Mizuho did not independently verify (nor assume responsibility or liability for independently verifying) the accuracy or completeness of such information. The contents expressed in Mizuho’s valuation report on the share exchange ratio (the “Mizuho Valuation Report”) could potentially differ if there are matters that would make the information provided to Mizuho or discussed between Mizuho and the companies materially incorrect, or if there is a fact or circumstance not disclosed at the time of delivery of the Mizuho Valuation Report, or which occurs subsequent to the delivery of the Mizuho Valuation Report (including facts which potentially existed at the time of delivery of the Mizuho Valuation Report and which are clarified subsequently). Mizuho assumed that the management of each company was unaware of any fact that would make the information provided to or discussed with Mizuho incomplete or misleading. In addition, Mizuho did not conduct an independent valuation or appraisal of any assets or liabilities (including derivatives, off-balance sheet assets and liabilities and other contingent liabilities), or the reserves of either company or its affiliates, and Mizuho was not independently provided with any such valuation or appraisal by a third party, nor did Mizuho make any request to a third party for any such valuation or appraisal. Mizuho does not assume any obligation to conduct any inspection of the properties or facilities of either company or its affiliates, nor has Mizuho evaluated the capitalization, solvency or fair value of either company or its affiliates under any law relating to bankruptcy, insolvency or similar matters.

With respect to any information which Mizuho requested in connection with the calculation of the share exchange ratio but was not provided or disclosed to Mizuho by the companies, which was provided or disclosed to Mizuho, but whose impact on the share value of each company is undetermined at present, or which could not otherwise be used by Mizuho as a basis of Mizuho’s evaluation, Mizuho used assumptions it believed to be reasonable and appropriate. Mizuho did not verify the effect of such assumptions on either company’s future financial condition in the event that such assumptions prove to be materially inaccurate.

With respect to the financial forecasts and other forward-looking information provided to Mizuho, Mizuho assumed that such information was reasonably prepared by the management of each company on a basis reflecting the best currently available estimates and judgments of the management as to the expected future results of the operations and financial conditions of the companies. Mizuho relied on the above-mentioned assumptions, financial projections and business forecasts without independent verification of the feasibility of such assumptions, financial projections and business forecasts. Mizuho expressed no view as to any analyses or forecasts referred to in the Mizuho Valuation Report or the

assumptions on which they are based. Mizuho is not a legal, regulatory, or tax expert and therefore, it relied on the assessments made by advisors to the companies with respect to such issues. Mizuho further assumed that the Share Exchange will qualify as a tax-free reorganization for Japanese corporate tax purposes.

Mizuho has provided its financial analysis results to MIRAIT HD in response to the request of MIRAIT HD for the sole purpose of assisting the board of directors of MIRAIT HD to determine the Share Exchange Ratio. Such financial analysis results are not for the purpose of expressing Mizuho's opinion as to the fairness of the Share Exchange Ratio.

With the objective of ensuring the fairness and appropriateness of the allotment ratio in the Share Exchange, TTK appointed Nomura, a third-party valuation institution which is independent of MIRAIT HD and TTK. Nomura is not a related party of either MIRAIT HD or TTK, and has no material interest in either MIRAIT HD or TTK.

As the stock of MIRAIT HD is listed on a financial instruments exchange and its market price exists, Nomura adopted the average market price analysis in valuing MIRAIT HD (With April 26, 2018 as the Reference Date, the analysis was based on the respective average closing prices of the stock of MIRAIT HD on the First Section of the TSE for the most recent six-month period from October 27, 2017 to the Reference Date; the most recent three-month period from January 29, 2018 to the Reference Date; the most recent one-month period from March 27, 2018 to the Reference Date, the most recent five business days from April 20, 2018 to the Reference Date; and the closing price on the Reference Date.). In addition, Nomura adopted the comparable company analysis because there are several listed companies comparable to MIRAIT HD and an analogical inference of the share value is possible. Nomura also adopted the DCF Analysis to account for future business operations in the valuation.

As the stock of TTK is listed on a financial instruments exchange and its market price exists, Nomura adopted the average market price analysis in valuing TTK (With April 26, 2018 as the Reference Date, the analysis was based on the respective average closing prices of the stock of TTK on the Second Section of the TSE for the most recent six-month period from October 27, 2017 to the Reference Date; the most recent three-month period from January 29, 2018 to the Reference Date; the most recent one-month period from March 27, 2018 to the Reference Date, the most recent five business days from April 20, 2018 to the Reference Date; and the closing price on the base date.). In addition, Nomura adopted the comparable company analysis because there are several listed companies comparable to TTK and an analogical inference of the share value is possible. Nomura also adopted the DCF Analysis to account for future business operations in the valuation.

The table below shows the range of share values per share of MIRAIT HD stock:

Analysis method	Calculation results of share exchange ratio
Average market price analysis	0.36-0.37
Comparable company analysis	0.28-0.37
DCF Analysis	0.40-0.54

In calculating the share exchange ratio above, Nomura used the information provided by both companies, public information and other materials, without any independent verification of the

accuracy and completeness of such information based on the assumption that such information is accurate and complete. Nomura has not performed any valuation, appraisal or assessment of the assets and liabilities (including contingent liabilities) of both companies and their respective affiliates, including an analysis or valuation of each of such assets or liabilities, nor has it separately requested any third-party institution to make such an appraisal or assessment. The calculation of the share exchange ratio by Nomura reflects the information available to it and the economic conditions as of April 26, 2018. Nomura assumed that the financial projections of MIRAIT HD and TTK had been reasonably considered or prepared based on the best projections and judgment then available to the management of both companies.

The profit plans of MIRAIT HD and TTK that Nomura used as a basis for applying the DCF Analysis do not include any fiscal year in which significant increases or decreases in profits are expected.

### ③Prospects and reasons for delisting

Upon the Share Exchange, MIRAIT HD will become the wholly-owning parent company of TTK as of its effective date (October 1, 2018 (scheduled)). Accordingly, the common stock of TTK, which will become a wholly-owned subsidiary, will be delisted as of September 26, 2018, following the prescribed procedures in accordance with the delisting standards of the Second Section of the TSE (with the final trading date being September 25, 2018).

After the delisting, it will be impossible to trade the common stock of TTK on a financial instruments exchange. However, the common stock of MIRAIT HD that will be allotted to the shareholders of TTK as of the effective date of the Share Exchange will remain listed on the First Section of the TSE. Thus, although certain shareholders may only receive an allotment of shares constituting less than one unit, shares constituting one or more units will be tradeable on financial instruments exchanges and share liquidity will continue to be provided.

Although the shareholders of TTK who receive shares constituting less than one unit of the stock of MIRAIT HD upon the Share Exchange will not be able to trade such shares constituting less than one unit on any financial instruments exchange, each such shareholder may use the system of purchase for shares constituting less than one unit. Alternatively, by utilizing the system of additional purchase for shares constituting less than one unit, each such shareholder may purchase from MIRAIT HD such number of shares which, together with the number of less-than-one-unit shares held by that shareholder, will constitute one unit. For details of such treatment, please see (1)② (Note 3) “Treatment of shares constituting less than one unit” above. For details of the treatment of any fractions less than one share that may result from the Share Exchange, please see (1)② (Note 4) “Treatment of fractions less than one share” above.

### ④Measures to ensure fairness

MIRAIT HD and TTK have implemented the following measures to ensure the fairness of the share exchange ratio in the Share Exchange:

- (i) Acquisition of valuation reports on the share exchange ratio from independent third-party valuation institutions

MIRAIT HD received, on behalf of its shareholders, a valuation report on the Share Exchange from Mizuho, a third-party valuation institution which is independent of MIRAIT HD and TTK. For an overview of the valuation report, please see ②(2) “Matters concerning calculation” above.

MIRAIT HD has not obtained from Mizuho an opinion to the effect that the Share Exchange Ratio is fair to the shareholders of MIRAIT HD from a financial viewpoint (a fairness opinion).

By contrast, TTK received, on behalf of its shareholders, a valuation report on the Share Exchange from Nomura, a third-party valuation institution which is independent of MIRAIT HD and TTK. For an overview of the valuation report, please see ②(2) “Matters concerning calculation” above.

TTK has not obtained from Nomura an opinion to the effect that the Share Exchange Ratio is fair to the shareholders of TTK from a financial viewpoint (a fairness opinion).

(ii) Advice from independent law firms

MIRAIT HD has appointed Shibata, Suzuki & Nakada, and Anderson Mori & Tomotsune as its legal advisers concerning the Share Exchange and has received their legal advice regarding the procedures for the Share Exchange, the decision-making methods and process of the board of directors meetings, along with advice regarding other issues. Shibata, Suzuki & Nakada, and Anderson Mori & Tomotsune do not have any material interest in either MIRAIT HD or TTK.

(iii) By contrast, TTK has appointed TMI Associates as its legal adviser and has received its legal advice regarding the procedures for the Share Exchange, the decision-making method and process of the board of directors meetings, along with advice regarding other issues. TMI Associates has no material interest in either MIRAIT HD or TTK.

⑤ Measures to avoid conflicts of interest

No special measure has been taken because no particular relationship involving conflicts of interest arises between MIRAIT HD and TTK.

(2) Matters regarding appropriateness of provisions concerning the Company’s paid-in capital and reserves

Provisions concerning paid-in capital, capital reserve and profit reserve of the Company that will

increase through the share exchange are as below.

- ① Amount of paid-in capital: 0 yen
- ② Amount of capital reserve to be increased: Changes in net assets set forth in Article 39 of the Ordinance on Company Accounting
- ③ Amount of profit reserve: 0 yen

We believe that the above capital and reserves are reasonable from the viewpoint of facilitate flexible implementation of capital policy.

(3)Matters concerning the appropriateness of the provision of stock acquisition rights and bonds rights pertaining to share exchange

TTK has not issued any stock acquisition rights or bonds with stock acquisition rights.

#### **4. Details of the financial statements, etc. of TTK for the most recent business year (from April 1, 2017 to March 31, 2018)**

Details of the financial statements, etc. of TTK for the most recent business year have been disclosed on the Company's website (<https://www.mirait.co.jp/>)[Japanese only]) pursuant to laws and regulations, and Article 16 of the Articles of Incorporation of the Company.

#### **5. Disposition of material assets etc. after the last day of the most recent business year by the companies involved in the Share Exchange**

(1)The company

The company disposed of its own shares via third-party allotment pursuant to a resolution at a meeting of the board of directors held on April 27,2018 (the "Disposition of Own Shares"). The Disposition of Own Shares involved conducting a share exchange between MIRAIT Corporation (which is a wholly-owned subsidiary of the company) and Nissetsu Co., Ltd. (a subsidiary of the same company) having the common stock of the company as the consideration, for the purpose of making MIRAIT Corporation the wholly-owning parent company in the Share Exchange and making Nissetsu Co., Ltd. the wholly-owned subsidiary in the Share Exchange.

(2)TTK

N/A.



### Proposal No. 3

The terms of office of all eleven Directors will end upon the completion of the General Meeting. Therefore, the Company proposes to elect Ten Directors.

The candidates for Directors are as follows.



Re-election

Date of birth

October 30, 1951

Number of the Company's shares owned

33,778 shares

Attendance at board meetings

15/15 (100%)

Candidate No.

1

Masatoshi Suzuki

#### Career Summary, Status, Responsibilities and Significant Positions Concurrently Held

July 2002	General Manager of Miyagi Branch, Nippon Telegraph and Telephone East Corporation
June 2004	Managing Director of Public Relations Department, NTT DOCOMO, INC.
June 2007	Executive Vice President and Managing Director of Human Resources Management Department, NTT DOCOMO, INC.
June 2008	Senior Executive Vice President and General Manager of Global Business Division, NTT DOCOMO, INC.
July 2008	Senior Executive Vice President for Global and Corporate Business, NTT DOCOMO, INC.
June 2012	Senior Executive Vice President, MIRAIT Holdings Corporation
	Senior Executive Vice President, Daimei Telecom Engineering Corporation (currently MIRAIT Corporation)
October 2012	President and Chief Executive Officer, MIRAIT Holdings Corporation (to present)
	President and Chief Executive Officer, MIRAIT Corporation (to present)

#### Status of Key Positions Held Concurrently

President and Chief Executive Officer, MIRAIT Corporation

#### Reason for Nomination as a Candidate for Director

Masatoshi Suzuki provides direction aimed at increasing the corporate value of the Group as a whole and is implementing management reforms by utilizing his strong leadership in a position of overseeing the management of the Group as a whole as President of MIRAIT Holdings Corporation and MIRAIT Corporation based on his abundant management experience in the telecommunications industry. He has been nominated as a candidate for re-election as Director because the Company determined that he is a suitable person for the Company in order to aim for sustained enhancement of corporate value due to his excellent personality, knowledge and management skills.

#### Other Remarkable Information about the Candidate for Director

- No conflicts of interest exist between the candidate and the Company.



Re-election

Date of birth

May 9, 1955

Number of the Company's shares owned

17,835 shares

Attendance at board meetings

15/15 (100%)

Candidate No.

2

Koichi Takahatake

Career Summary, Status, Responsibilities and Significant Positions Concurrently Held

May 2002	General Manager of Kumamoto Branch, Nippon Telegraph and Telephone West Corporation
June 2007	Senior Vice President and General Manager of the Service Management Department, Nippon Telegraph and Telephone West Corporation
June 2008	Senior Vice President and General Manager of the Network Department, Nippon Telegraph and Telephone West Corporation
June 2011	Executive Vice President and General Manager of the Network Department, Nippon Telegraph and Telephone West Corporation
June 2012	Senior Executive Vice President and General Manager of Plant Headquarters, Nippon Telegraph and Telephone West Corporation
June 2014	Senior Executive Vice President, MIRAITS Holdings Corporation (to present) Director, MIRAITS Corporation Director, MIRAITS Technologies Corporation
June 2015	President, MIRAITS Technologies Corporation

Status of Key Positions Held Concurrently

President, MIRAITS Technologies Corporation

Reason for Nomination as a Candidate for Director

Koichi Takahatake provides direction aimed at increasing the corporate value of the Group as a whole and is implementing management reforms by utilizing his strong leadership in a position of overseeing the management of the Group as a whole as Vice President of MIRAITS Holdings Corporation and President of MIRAITS Technologies Corporation based on his abundant management experience in the telecommunications industry. He has been nominated as a candidate for re-election as Director because the Company determined that he is a suitable person for the Company in order to aim for sustained enhancement of corporate value due to his excellent personality, knowledge and management skills.

Other Remarkable Information about the Candidate for Director

- No conflicts of interest exist between the candidate and the Company.



Candidate No.	3
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# Toshiki Nakayama

## Career Summary, Status, Responsibilities and Significant Positions Concurrently Held

June 2011	Senior Vice President, Strategic Business Development Division, Nippon Telegraph and Telephone Corporation
June 2012	Senior Vice President, General Manager of Frontier Services Department, NTT DOCOMO, INC.
July 2013	Senior Vice President, General Manager of Smart-life Solutions Department, NTT DOCOMO, INC.
June 2014	Executive Vice President, Executive General Manager of Smart-life Business Division, General Manager of Smart-life Solutions Department, NTT DOCOMO, INC.
June 2015	Executive Vice President, Executive General Manager of Smart-life Business Division, NTT DOCOMO, INC.
June 2016	Senior Executive Vice President, NTT DOCOMO, INC. (to present)

New election

Date of birth

January 29, 1958

Number of the Company's shares owned

6,000 shares

Attendance at board meetings

—

## Reason for Nomination as a Candidate for Director

Toshiki Nakayama has been nominated as candidate for election as Director because the Company has determined that he is a suitable person for overseeing and implementing management of the Group as a whole and operating companies due to his abundant management experience as Vice President of NTT DOCOMO, INC. and his broad knowledge and experience in the telecommunications industry including the promotion of new business at Nippon Telegraph and Telephone Corporation.

## Other Remarkable Information about the Candidate for Director

- No conflicts of interest exist between the candidate and the Company.
- He will step down as Director of NTT DOCOMO, INC. as of the conclusion of the Ordinary General Meeting of Shareholders of NTT DOCOMO, INC. to be held on June 19, 2018.



Re-election

Date of birth

November 26, 1956

Number of the Company's shares owned

19,471 shares

Attendance at board meetings

15/15 (100%)

Candidate No.

4

Manabu Kiriya

Career Summary, Status, Responsibilities and Significant Positions Concurrently Held

- June 2007 General Manager of Accounts and Finance Department, Nippon Telegraph and Telephone East Corporation
- July 2009 General Manager of Corporate Management Headquarters Corporate Planning Department and General Manager of Risk Management Headquarters Compliance Promotion Office, Daimei Telecom Engineering Corporation (currently MIRAIT Corporation)
- June 2010 Vice President, General Manager of Corporate Management Headquarters Corporate Planning Department and General Manager of Risk Management Headquarters Compliance Promotion Office, Daimei Telecom Engineering Corporation
- October 2010 General Manager of Finance Division, MIRAIT Holdings Corporation
- October 2011 Vice President, General Manager of Finance Division and General Manager of M's Brain Center Finance and Accounting Division, MIRAIT Holdings Corporation
- June 2012 Executive Vice President, General Manager of Finance Division and General Manager of M's Brain Center Finance and Accounting Division, MIRAIT Holdings Corporation
- October 2012 Executive Vice President, General Manager of Finance and Accounting Department, General Manager of M's Brain Center and General Manager of Finance and Accounting Division, MIRAIT Holdings Corporation (to present)

Reason for Nomination as a Candidate for Director

Manabu Kiriya contributes to the enhancement of the Group's management base by handling the improvement/strengthening of its finances and cash management from the perspective of overseeing finance strategy of the Group as a whole as the officer responsible for finance. He has been nominated as a candidate for re-election as Director because the Company determined that he is a suitable person for the Company in order to aim for sustained enhancement of corporate value due to his excellent personality, knowledge and management skills.

Other Remarkable Information about the Candidate for Director

- No conflicts of interest exist between the candidate and the Company.



Re-election

Date of birth

October 1, 1956

Number of the Company's shares owned

5,504 shares

Attendance at board meetings

15/15 (100%)

Candidate No.

5

Ryuichi Hara

Career Summary, Status, Responsibilities and Significant Positions Concurrently Held

June 2010	NTT Communications Corporation Director and General Manager of Business Network Services Division, NTT Communications Corporation
August 2011	Director and General Manager of Network Services Division, NTT Communications Corporation
June 2014	Executive Vice President and Assistant General Manager of Solution Business Headquarters, MIRAII Corporation
July 2014	Executive Vice President, Assistant General Manager of Solution Business Headquarters, General Manager of Social Infrastructure Sales and Marketing Group, and General Manager of Wi-Fi Solution Business Promotion Office, MIRAII Corporation
June 2015	Director, Executive Vice President, General Manager of Mobile Communication Business Headquarters and General Manager of Wi-Fi Solution Business Promotion Office of Solution Business Headquarters, MIRAII Corporation
June 2016	Director, Executive Vice President, General Manager of Strategy, MIRAII Corporation (to present)

Reason for Nomination as a Candidate for Director

Ryuichi Hara contributes to the enhancement of the Group's management base by handling the formulation and realization of the Group's Medium-term Management Plan from the perspective of overseeing sales strategy and overseas strategy of the Group as a whole as the officer responsible for management strategy. He has been nominated as a candidate for re-election as Director because the Company determined that he is a suitable person for the Company in order to aim for sustained enhancement of corporate value due to his excellent personality, knowledge and management skills.

Other Remarkable Information about the Candidate for Director

- No conflicts of interest exist between the candidate and the Company.



Re-  
election

Date of birth

January 9, 1959

Number of the Company's shares  
owned

4,796 shares

Attendance at board meetings

15/15 (100%)

Candidate  
No.

6

Yasuhiro Yamamoto

Career Summary, Status, Responsibilities and Significant Positions Concurrently Held

July 2002	General Manager of 5th Division, Nippon Telegraph and Telephone Corporation
August 2008	General Manager of Hokkaido Branch, Nippon Telegraph and Telephone East Corporation
June 2011	General Manager of Private Sector Sales Division, Corporate Business Promotion Headquarters, Nippon Telegraph and Telephone East Corporation
June 2012	Director, Assistant General Manager of Corporate Business Promotion Headquarters and General Manager of Private Sector Sales Division, Nippon Telegraph and Telephone East Corporation
July 2013	Director, Assistant General Manager of Corporate Sales Promotion Headquarters and General Manager of Private Sector Sales Division, Nippon Telegraph and Telephone East Corporation
June 2016	Director, Senior Vice President, General Manager of Corporate Affairs Department, General Manager of M's Brain Center General Affairs Division, MIRAIT Holdings Corporation (to present)

Reason for Nomination as a Candidate for Director

Yasuhiro Yamamoto contributes to the enhancement of the management base by handling the formulation and realization of planning of general affairs and personnel strategy from the perspective of overseeing sales strategy and overseas strategy of the Group as a whole as the officer responsible for general affairs and personnel. He has been nominated as a candidate for re-election as Director because the Company determined that he is a suitable person for the Company in order to aim for sustained enhancement of corporate value due to his excellent personality, knowledge and management skills.

Other Remarkable Information about the Candidate for Director

- No conflicts of interest exist between the candidate and the Company.



Re-election

Date of birth  
June 16, 1958

Number of the Company's shares owned

842 shares

Attendance at board meetings  
12/12 (100%)

Candidate No.

7

Masayoshi Hosokawa

Career Summary, Status, Responsibilities and Significant Positions Concurrently Held

- June 2011 Director and General Manager, Enterprise Sales Division II, NTT Communications Corporation
- August 2011 Director and General Manager, Sales Division III, NTT Communications Corporation
- June 2015 Director, Executive Vice President and Assistant General Manager of Solution Business Headquarters, MIRAIT Technologies Corporation
- July 2016 Director, Executive Officer, General Manager of Tokyo Branch and Assistant General Manager of Solution Business Headquarters, MIRAIT Technologies Corporation
- June 2017 Executive Vice President, General Manager of Emerging Business Office, MIRAIT Corporation (to present)  
Director, Executive Vice President, General Manager of Solution Business Headquarters and General Manager of East Japan Business Division, MIRAIT Technologies Corporation

Reason for Nomination as a Candidate for Director

Masayoshi Hosokawa is responsible for promoting the planning and realization of business development strategy and contributes to the management base from the position of overseeing business development and solution strategies as the supervisor of new business promotion in the Group as a whole and the supervisor of solutions in MIRAIT Technologies Corporation. He has been nominated as a candidate for re-election as Director because the Company determined that he is a suitable person for the Company in order to aim for sustained enhancement of corporate value due to his excellent personality, knowledge and management skills.

Other Remarkable Information about the Candidate for Director

- No conflicts of interest exist between the candidate and the Company.



New  
election

Candidate  
No.

8

Mikio Doi

Career Summary, Status, Responsibilities and Significant Positions Concurrently Held

April 2002	General Manager, Integrated Network Department, Network Business Division, NTT Communications Corporation
June 2006	Director and General Manager of Customer Service Division, NTT Communications Corporation
June 2009	Senior Managing Director and General Manager of Mobile Division, TTK Co., Ltd.
June 2010	President, TTK Co., Ltd. (to present)

Date of birth

December 24, 1952

Number of the Company's shares  
owned

0 shares

Attendance at board meetings

—

Reason for Nomination as a Candidate for Director

Mikio Doi has been nominated as candidate for election as Director to smoothly implement integration of management of the MIRAIT Group because he has led management for eight years as president of TTK Co., Ltd. and due to his excellent personality, knowledge and management skills.

Other Remarkable Information about the Candidate for Director

- No conflicts of interest exist between the candidate and the Company.





Re-election Outside Independent

Date of birth

July 3, 1957

Number of the Company's shares owned

0 shares

Attendance at board meetings

15/15 (100%)

Candidate No.

9

Eiji Ebinuma

Career Summary, Status, Responsibilities and Significant Positions Concurrently Held

April 2002	Assistant Manager of Human Resources Division Planning Team, Mizuho Bank, Ltd.
April 2003	Manager of President's Office and Manager of General Planning Office, Olympic Co., Ltd.
December 2008	Registered as attorney at Law
April 2010	Part-time teacher at Sophia Law School (to present)
January 2013	Partner of Tanabe & Partners (to present)
April 2014	Member of Toranomon Hospital Clinical Review Board (to present) Independent Committee Member, DC Co., Ltd.
June 2014	Director of MIRAIT Holdings Corporation (to present)
June 2016	Outside Director, Rakuten Bank, Ltd. (to present)

Reason for Nomination as a Candidate for Outside Director

Eiji Ebinuma has served in key positions such as at Mizuho Bank, and plays a role as Outside Director from an objective and expert opinion based on a legal viewpoint using his highly specialized knowledge and abundant experience concerning corporate law as an attorney. His insight and knowledge are suitable for the supervision of management, and he has been nominated as a candidate for re-election as Outside Director to improve transparency of the Board of Directors and strengthen its supervisory functions.

Other Remarkable Information about the Candidate for Outside Director

- No conflicts of interest exist between the candidate and the Company.
- He is a candidate for Outside Director and has been registered as an independent officer in accordance with the provisions of Tokyo Stock Exchange, Inc.
- His term will be four years as of the completion of the General Meeting.
- Article 28 of the current Articles of Incorporation stipulates that the Company may conclude agreements with Directors (excluding executive directors, etc.) to limit liability for compensation for damages arising from failure to perform their duties. The Company has concluded such an agreement to limit liability with the candidate, and the agreement will be renewed if he is re-elected. The content of the agreements are as follows.  
In the event a Director (excluding executive directors, etc.) is liable to the Company for failing in his/her duties, liability shall be to the extent of the minimum limit of liability under Article 425, Paragraph 1 of the Companies Act.  
Recognition of the above limitation of liability is limited to the execution of duties causing the liability of the Director (excluding executive directors, etc.) being due to good intention and without gross negligence.



New election    Outside    Independent

Candidate No. **10**

## Chiharu Baba

### Career Summary, Status, Responsibilities and Significant Positions Concurrently Held

April 2005	Deputy President (Representative Director), Mizuho Trust & Banking Co., Ltd.
June 2007	Corporate Auditor (Full-time), Japan Energy Corporation (currently JXTG Nippon Oil & Energy Corporation)
June 2012	Corporate Auditor (Full-time), JX Nippon Mining & Metals Corporation
June 2015	Outside Director, Saitama Resona Bank, Limited Outside Corporate Auditor, Tohoku Electric Power Co., Inc. (to present)
June 2017	Outside Director (Member of Audit Committee), Resona Holdings, Inc. (to present)

Date of birth

November 15, 1950

Number of the Company's shares owned

0 shares

Attendance at board meetings

—

### Reason for Nomination as a Candidate for Outside Director

Chiharu Baba has served as Deputy President (Representative Director), Mizuho Trust & Banking Co., Ltd. and as an outside officer in multiple companies such as energy-related companies, and possesses a wide range of knowledge and abundant experience spanning financial accounting, risk management and general management. His insight and knowledge are suitable for the supervision of management, and he has been nominated as a candidate for election as Outside Director to improve transparency of the Board of Directors and strengthen its supervisory functions.

### Other Remarkable Information about the Candidate for Outside Director

- No conflicts of interest exist between the candidate and the Company.
- He is a candidate for Outside Director and the Company intends to register him as an independent officer in accordance with the provisions of Tokyo Stock Exchange, Inc.
- Article 28 of the current Articles of Incorporation stipulates that the Company may conclude agreements with Directors (excluding executive directors, etc.) to limit liability for compensation for damages arising from failure to perform their duties. If he is elected, the Company intends to conclude such an agreement with him to limit his liability. The content of the agreements are as follows.
  - In the event a Director (excluding executive directors, etc.) is liable to the Company for failing in his/her duties, liability shall be to the extent of the minimum limit of liability under Article 425, Paragraph 1 of the Companies Act.
  - Recognition of the above limitation of liability is limited to the execution of duties causing the liability of the Director (excluding executive directors, etc.) being due to good intention and without gross negligence.

The terms of office of Corporate Auditors Masao Matsuo and Hiroshi Daikuya will end upon the completion of the General Meeting. Therefore, the Company proposes to elect two Corporate Auditors.

This proposal has received the approval of the Board of Corporate Auditors  
The candidates for Corporate Auditors are as follows.



Candidate No. 1

Hiroshi Seki

Career Summary, Status and Significant Positions Concurrently Held

June 2007	General Manager of Tochigi Branch, Nippon Telegraph and Telephone East Corporation
July 2010	Senior Vice President and General Manager of Sales Department, NTT Number Information Co., Ltd. (currently NTT TownPage Corporation)
July 2011	Senior Vice President and General Manager of Directory Management Department
June 2014	Senior Vice President, General Manager of Directory Management Department and General Manager of Service Development Department, NTT TownPage Corporation
June 2015	Executive Vice President, General Manager of Directory Management Department and General Manager of Service Development Department, NTT TownPage Corporation
June 2017	Executive Vice President, General Manager of Directory Management Department and General Manager of Marketing Headquarters, NTT TownPage Corporation

New election    Outside    Independent

Date of birth

September 24, 1957

Number of the Company's shares owned

0 shares

Attendance at board meetings

—

Attendance at meetings of the Board of Corporate Auditors

—

Reason for Nomination as a Candidate for Corporate Auditor

Hiroshi Seki has abundant experience in various fields in the telecommunications industry such as corporate sales in the business operations of Nippon Telegraph and Telephone East Corporation and its group companies, and has been nominated for election as an Outside Corporate Auditor because he is suitable for supervising the execution of duties of Directors in future from a neutral and objective perspective.

Other Remarkable Information about the Candidate for Outside Corporate Auditor

- No conflicts of interest exist between the candidate and the Company.
- Hiroshi Seki will step down as Director of NTT TownPage Corporation as of the conclusion of the Ordinary General Meeting of Shareholders of NTT TownPage Corporation to be held on June 21, 2018.
- He is a candidate for Outside Corporate Auditor and the Company intends to register him as an independent officer in accordance with the provisions of Tokyo Stock Exchange, Inc.
- Article 39 of the current Articles of Incorporation stipulates that the Company may conclude agreements with Corporate Auditors to limit liability for compensation for damages arising from failure to perform their duties. If he is elected, the Company intends to conclude such an agreement with him to limit his liability. The content of the agreements are as follows.  
In the event a Corporate Auditor is liable to the Company for failing in his/her duties, liability shall be to the extent of the minimum limit of liability under Article 425, Paragraph 1 of the Companies Act.  
Recognition of the above limitation of liability is limited to the execution of duties causing the liability of the Corporate Auditor being due to good intention and without gross negligence.



Candidate No.	2
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## Chiaki Katsumaru (Chiaki Ishikawa)

### Career Summary, Status and Significant Positions Concurrently Held

March 1986	Registered as Certified Public Accountant
June 1986	Joined Showa Ota & Co. Shikoku Office (Currently Ernst & Young ShinNihon LLC Takamatsu Office)
November 2002	Outside Corporate Auditor, Anabuki Kosan In. (to present)
February 2006	Joined Certified Tax Accountant Firm Ishikawa Office Accounting (to present)
June 2016	Chairperson of Shikoku Chapter, Japanese Institute of Certified Public Accountants (to present)

New election	Outside	Independent
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Date of birth

August 4, 1960

Number of the Company's shares owned

300 shares

Attendance at board meetings

—

Attendance at meetings of the Board of Corporate Auditors

—

### Reason for Nomination as a Candidate for Corporate Auditor

Chiaki Katsumaru has an abundant career and highly specialized knowledge concerning corporate finances and accounting at a major auditing firm and accounting offices for many years, and has been nominated for election as a candidate for Outside Corporate Auditor because she is suitable for supervising the execution of duties of Directors in the future from a neutral and objective perspective.

### Other Remarkable Information about the Candidate for Outside Corporate Auditor

- No conflicts of interest exist between the candidate and the Company.
- She is a candidate for Outside Corporate Auditor and the Company intends to register her as an independent officer in accordance with the provisions of Tokyo Stock Exchange, Inc.
- Article 39 of the current Articles of Incorporation stipulates that the Company may conclude agreements with Corporate Auditors to limit liability for compensation for damages arising from failure to perform their duties. If she is elected, the Company intends to conclude such an agreement with her to limit her liability. The content of the agreements are as follows.
  - In the event a Corporate Auditor is liable to the Company for failing in his/her duties, liability shall be to the extent of the minimum limit of liability under Article 425, Paragraph 1 of the Companies Act.
  - Recognition of the above limitation of liability is limited to the execution of duties causing the liability of the Corporate Auditor being due to good intention and without gross negligence.

## Election of 1 Substitute Corporate Auditor

The effect of the election of the current Substitute Corporate Auditor expires at the commencement of the General Meeting, and the Company proposes the election of one Substitute Corporate Auditor again in case the number of Corporate Auditors falls short of the number specified by law.

This proposal has received the approval of the Board of Corporate Auditors  
The candidate for Substitute Corporate Auditor is as follows.



Outside

Independent

Date of birth

August 6, 1949

Number of the Company's shares  
owned

0 shares

Attendance at board meetings

—

Attendance at meetings of the  
Board of Corporate Auditors

—

### Yoichi Takamiya

#### Career Summary, Status and Significant Positions Concurrently Held

June 2001	Director, Executive Officer and General Manager of President's Office, The Yasuda Fire and Marine Insurance Company, Ltd. (currently Sompo Japan Nipponkoa Insurance Inc.)
April 2002	Director, Executive Officer and General Manager of Corporate Planning Department, The Yasuda Fire and Marine Insurance Company, Ltd.
June 2002	Director and Managing Executive Officer, The Yasuda Fire and Marine Insurance Company, Ltd.
April 2005	Senior Managing Executive Officer, Sompo Japan Insurance Inc.
April 2007	Advisor to Sompo Japan Insurance Inc.
June 2007	Corporate Auditor, Mizuho Trust & Banking Co., Ltd.
April 2010	Visiting Professor, Faculty of Management & Information Sciences, Josai International University
June 2011	Corporate Auditor, Daimei Telecom Engineering Corporation (currently MIRAIT Corporation)
April 2018	Visiting Professor, Faculty of Social and Environmental Studies, Josai International University (to present)

#### Reason for Nomination as a Candidate for Substitute Corporate Auditor

Yoichi Takamiya has been involved in management as a director of Sompo Japan Nipponkoa Insurance Inc. and also served as an Outside Corporate Auditor in a private company. He has a wide range of knowledge and abundant experience in management in general, and has been nominated for re-election as a candidate for Substitute Outside Corporate Auditor because he is suitable for supervising the execution of duties of Directors in the future from a neutral and objective perspective.

#### Other Remarkable Information about the Candidate for Outside Corporate Auditor

- No conflicts of interest exist between the candidate and the Company.
- He is a candidate for Substitute Outside Corporate Auditor and the Company intends to register him as an independent officer in accordance with the provisions of Tokyo Stock Exchange, Inc. if he is appointed as Outside Corporate Auditor.
- Article 39 of the current Articles of Incorporation stipulates that the Company may conclude agreements with Corporate Auditors to limit liability for compensation for damages arising from failure to perform their duties. If he is elected, the Company intends to conclude such an agreement with him to limit his liability. The content of the agreements are as follows.

In the event a Corporate Auditor is liable to the Company for failing in his/her duties, liability shall be to the extent of the minimum limit of liability under Article 425, Paragraph 1 of the Companies Act.

Recognition of the above limitation of liability is limited to the execution of duties causing the liability of the Corporate Auditor being due to good intention and without gross negligence.

## [Reference] Standard for Determining Independence

The Company believes that Outside Directors and Outside Corporate Auditors (hereinafter referred to as “Outside Officers”) must have adequate independence to ensure the objectivity and transparency required for appropriate governance.

The Company has stipulated the following standard for determining independence of Outside Officers in the Company, and an Outside Officer (including candidates therefor; the same applies below) is deemed to lack adequate independence if any of the following items apply.

1. Originally from the Company or a consolidated subsidiary of the Company (hereinafter referred to as “the Group”) (Note 1)
2. A major shareholder of the Company (Note 2)
3. A person who executes the business of a company, etc. that falls under any of the following items.
  - (1) A major business partner of the Group (Note 3)
  - (2) A major lender to the Group (Note 4)
  - (3) A company, etc. in which the Group holds 10% or more of shares on a voting basis
4. A Certified Public Accountant who belongs to the auditing firm serving as the Group’s Independent Auditor
5. A consultant, accountant, tax accountant, attorney, judicial scrivener, patent attorney or other expert receiving a substantial amount (Note 5) of money or other property from the Group
6. A person who has received substantial donations from the Group (Note 6)
7. An executive of a company in a relationship mutually providing Outside Officers (Note 7)
8. A person whose close relative (Note 8) falls under any of items 1 through 7 above (limited to key personnel (Note 9) with the exception of items 4 and 5)
9. A person to whom any of items 2 through 8 have applied in the past three years
10. Notwithstanding the provisions of the preceding items, a person who is deemed to have another conflict of interest with the Company

Note 1: A currently serving executive director, executive officer or other similar employee (hereinafter referred to as “executive”) or an executive who has served in the Group at any time in the past.

Note 2: A major shareholder is a shareholder who, as of the end of the Company’s fiscal year, holds 10% or more of shares on a voting basis in his/her own name or the name of another person.

If the major shareholder is an organization such as a corporation or a partnership, this refers to an executive of such organization.

Note 3: A major business partner is a purchaser or supplier of the Group whose annual transactions with the Group exceed 3% of the Company’s consolidated sales or the supplier’s consolidated sales.

Note 4: A major lender is a financial institution from whom the Group borrows, and the balance of the borrowing exceeds 2% of the consolidated total assets of the Company or the consolidated total assets of the financial institution as of the end of the Company’s fiscal year.

Note 5: A substantial amount is defined as follows according to the relationship with the provision of services by the expert.

(1) If the expert provides services to the Group as an individual, the consideration received from the Group is a substantial amount if it exceeds 10 million yen per year.

(2) If the organization such as a corporation or partnership to which the expert belongs provides services to the Group, the consideration received from the Group is a substantial amount if it exceeds 2% of the organization’s annual sales or total revenue. However, even if 2% is not exceeded, the amount is deemed to be a substantial amount if the amount received by the organization as consideration for services provided with the direct involvement of the expert exceeds 10 million yen per year.

Note 6: A person who has received donations from the Group exceeding 10 million yen per year. If the party receiving the donations is an organization such as a corporation or a partnership, this refers to a person who is directly involved in the research, education or other activities related to the donations.

Note 7: A relationship in which an executive of the Group is an outside director of another company, and an executive of the other company is an outside director of the Company.

Note 8: A close relative is a spouse or a relative within two degrees of relationship.

Note 9: Key personnel are directors and executive officers.

End