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(Stock Exchange Code 7972)  
March 6, 2018

**To Shareholders with Voting Rights:**

President Yoshiro Hirai  
ITOKI CORPORATION  
Head Office: 1-4-12 Imafuku-higashi,  
Joto-ku, Osaka

**NOTICE OF  
THE 68TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

You are cordially invited to attend the 68th Ordinary General Meeting of Shareholders of ITOKI CORPORATION (the "Company"). The meeting will be held for the purposes stated below.

If you are unable to attend the meeting, you can exercise your voting rights in writing. If exercising your voting rights in writing, please review the attached Reference Documents for the General Meeting of Shareholders, indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that it is received by 5:45 p.m. on Tuesday, March 27, 2018, Japan time.

- 1. Date and Time:** Wednesday, March 28, 2018, at 10 a.m. Japan time  
(Doors open at 9 a.m.)
- 2. Place:** Conference hall on the 10th floor of the Company's Head Office located at  
1-4-12 Imafuku-higashi, Joto-ku, Osaka, Japan  
(Please refer to the map of the place at the end of this notice.)
- 3. Meeting Agenda:**  
**Matters to be reported:**
  1. The Business Report, Consolidated Financial Statements for the Company's 68th Fiscal Year (January 1, 2017–December 31, 2017) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
  2. Non-Consolidated Financial Statements for the Company's 68th Fiscal Year (January 1, 2017–December 31, 2017)

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Six (6) Directors
- Proposal 3:** Election of One (1) Substitute Audit & Supervisory Board Member
- Proposal 4:** Determination of Compensation for the Allotment of Shares with Restrictions on Transfer to the Company's Directors
- Proposal 5:** Determination of Compensation for the Allotment of Shares with Restrictions on Transfer to the Company's Audit & Supervisory Board Members

- If attending the meeting in person, please present the enclosed Voting Rights Exercise Form at the reception desk.
- From among the documents to be provided together with this convocation notice, the notes to the Consolidated Financial Statements and the notes to the Non-Consolidated Financial Statements are disclosed on the Company's Web site (<http://www.itoki.jp/>) and not provided herewith pursuant to the applicable law and Article 16 of the Company's Articles of Incorporation.
- If any revisions are made to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements or the Non-Consolidated Financial Statements, the revised versions will be posted on the Company's Web site (<http://www.itoki.jp/>).

# Reference Documents for the General Meeting of Shareholders

## Proposals and Reference Information

### Proposal 1: Appropriation of Surplus

Regarding the appropriation of surplus, we would like to propose the following.

#### Matters concerning the year-end dividend

The Company recognizes profit distribution as an important managerial issue and makes it a basic policy to ensure the continuous and stable payment of dividends to shareholders based on comprehensive consideration of its status of earnings, enhancement of internal reserves and future development of business operations from a long-term perspective. In line with this policy, we would like to propose the payment of the year-end dividend for the fiscal year ended December 31, 2017, as follows.

- (1) Type of dividend property: Cash
- (2) Matters concerning the allotment of dividend property and the total amount thereof:  
¥13 per share of common stock of the Company  
In that case, total cash dividends will be ¥592,122,492.
- (3) Date on which the dividend of surplus will become effective: March 29, 2018

**Proposal 2:** Election of Six (6) Directors

The terms of office of all six (6) Directors—Masamichi Yamada, Yoshiro Hirai, Hidematsu Ibaragi, Kenji Makino, Hiroshi Nagata and Toshio Nagashima—will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of six (6) Directors is proposed.

The candidates for Director are as follows:

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Masamichi Yamada (May 5, 1940)	<p>April 1964      Joined The Mitsubishi Bank, Ltd. (currently The Bank of Tokyo-Mitsubishi UFJ, Ltd.)</p> <p>June 1991      Director, The Mitsubishi Bank, Ltd.</p> <p>June 1995      Managing Director, The Mitsubishi Bank, Ltd.</p> <p>April 1996      Managing Director, The Bank of Tokyo-Mitsubishi, Ltd. (currently The Bank of Tokyo-Mitsubishi UFJ, Ltd.)</p> <p>June 2000      Senior Managing Director, The Bank of Tokyo-Mitsubishi, Ltd.</p> <p>September 2002      Representative Director and Chairman, Mitsubishi Securities Co., Ltd. (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)</p> <p>June 2004      Full-Time Corporate Auditor, TOKYU CORPORATION</p> <p>June 2005      Director of the Company</p> <p>June 2007      Chairman and Representative Director of the Company (current)</p> <p>[Significant concurrent positions]</p> <p>Chairman, Genki Plaza Medical Center for Health Care</p> <p>Chairman, Incorporated Foundation Tokyo Kenbikyo-In</p> <p>Chairman, Japan Facility Management Association</p>	663,253
	Reason for appointment as Director	Having led the Company and its group as Chairman and Director for many years, Mr. Masamichi Yamada has accumulated abundant experience and deep insight in overall management. He has adequately fulfilled the roles of making decisions on the Company's important managerial issues and supervising the execution of its business operations and was therefore reappointed as a candidate for Director.	
2	Yoshiro Hirai (January 26, 1961)	<p>April 1984      Joined the former ITOKI Co., Ltd. ("former ITOKI")</p> <p>June 1984      Kansai Branch of former ITOKI</p> <p>December 1995      Full-time staff of Itoki Labor Union</p> <p>September 1998      Chairman, Itoki Labor Union</p> <p>December 1999      Office of Preparations for Establishing a Maintenance Company at former ITOKI</p> <p>December 2000      Environment Division of former ITOKI</p> <p>December 2002      Kansai Corporate Sales Section Manager of former ITOKI</p> <p>July 2009      General Manager, Human Resources Department of the Company</p> <p>May 2012      General Manager, Marketing Strategy Department Group of the Company</p> <p>January 2013      Executive Officer and General Manager, Marketing Strategy Department Group of the Company</p> <p>January 2015      Executive Officer of the Company</p> <p>March 2015      President of the Company (current)</p>	8,542
	Reason for appointment as Director	Having assumed office as President of the Company in 2015, Mr. Yoshiro Hirai has abundant operational experience in corporate management and deep insight in business management, administration and marketing. He has adequately fulfilled the roles of making decisions on the Company's important managerial issues and supervising the execution of its business operations and was therefore reappointed as a candidate for Director.	

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Hidematsu Ibaragi (April 18, 1949)	<p>April 1973      Joined Toyota Motor Co., Ltd. (currently Toyota Motor Corporation (“TMC”))</p> <p>February 1985      Transferred to the Europe office of Toyota Motor Co., Ltd.</p> <p>January 1995      Transferred to New United Motor Manufacturing, Inc., a joint venture between TMC and General Motors</p> <p>January 2000      General Manager, Production Investigation Dept. of TMC</p> <p>January 2006      President, P.T. Toyota Motor Manufacturing Indonesia</p> <p>November 2009      Advisor to the Company</p> <p>January 2010      Managing Executive Officer and General Manager, Production Division of the Company</p> <p>March 2011      Director, Managing Executive Officer and General Manager, Production Division of the Company</p> <p>March 2012      Director, Senior Managing Executive Officer and General Manager, Production Division of the Company</p> <p>January 2016      Director and Senior Technical Executive of the Company (current)</p>	27,297
	Reason for appointment as Director	Mr. Hidematsu Ibaragi has been engaged in the production division and the execution of business operations overseas, accumulating abundant experience and deep insight. He has adequately fulfilled the roles of making decisions on the Company’s important managerial issues and supervising the execution of its business operations and was therefore reappointed as a candidate for Director.	
4	Kenji Makino (January 8, 1957)	<p>April 1980      Joined the former ITOKI Co., Ltd. (“former ITOKI”)</p> <p>October 1992      General Manager, Okayama Branch of former ITOKI</p> <p>December 2000      General Manager, Corporate Customer Sales Department of former ITOKI</p> <p>March 2004      General Manager, Associated Companies Control Department of former ITOKI</p> <p>January 2005      Transferred to, ITOKI TOKO Co., Ltd. (as President)</p> <p>January 2010      Executive Officer and General Manager, Logistics Control Department Group of the Company</p> <p>January 2011      Executive Officer and General Manager, Corporate Planning Control Department Group of the Company</p> <p>January 2012      Executive Officer and General Manager, Planning Division of the Company</p> <p>January 2013      Managing Executive Officer and General Manager, Planning Division of the Company</p> <p>March 2015      Director, Managing Executive Officer and General Manager, Planning Division of the Company</p> <p>January 2016      Director, Managing Executive Officer, General Manager, Planning Division, and General Manager, Construction and Logistics Department Group of the Company (current)</p>	3,132
	Reason for appointment as Director	Mr. Kenji Makino has abundant experience and deep insight from his career in corporate planning and as president of a group company. He has adequately fulfilled the roles of making decisions on the Company’s important managerial issues and supervising the execution of its business operations and was therefore reappointed as a candidate for Director.	

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	Hiroshi Nagata (February 22, 1941)	<p>April 1970      Joined MITSUI &amp; CO., France</p> <p>June 1996      Director, MITSUI &amp; CO., LTD. (“MITSUI”)</p> <p>June 1999      Managing Director, MITSUI President, MITSUI &amp; CO. EUROPE PLC</p> <p>April 2002      Representative Director, Executive Vice President and Chemicals Group President, MITSUI</p> <p>June 2004      Advisor to MITSUI</p> <p>April 2005      Visiting Professor at Waseda University Graduate School of Commerce (MBA Course)</p> <p>March 2008      External Director of the Company (current)</p>	17,670
	Reason for appointment as External Director	Mr. Hiroshi Nagata has abundant experience and deep insight in corporate management. He has provided valuable opinions and advice on the management of the Company and monitored management from an independent perspective. He was therefore reappointed as a candidate for External Director.	
6	Toshio Nagashima (July 22, 1948)	<p>April 1971      Joined MITSUBISHI ESTATE CO., LTD. (“Mitsubishi”)</p> <p>June 2001      Director and General Manager, Marunouchi Development Planning Department of Mitsubishi</p> <p>April 2002      Director and General Manager, Office Building Development Planning Department of Mitsubishi</p> <p>April 2004      Senior Executive Officer, Deputy General Manager, Office Building Business Division, and General Manager, Office Building Development Planning Department of Mitsubishi</p> <p>June 2005      Director, Executive Vice President and General Manager, Office Building Business Division (Representative Director) of Mitsubishi</p> <p>January 2011   Representative Executive Officer and Executive Vice President, Japan Post Holdings Co., Ltd. (“Japan Post”)</p> <p>June 2011      Director and Representative Executive Officer and Executive Vice President, Japan Post</p> <p>June 2013      Advisor to Japan Post</p> <p>July 2013      Special Counselor to Osaka City (current) Partner, Ito Shigeru Urban Planning Office (current)</p> <p>March 2014      External Director of the Company (current)</p> <p>[Significant concurrent position] Outside Director, Sugita Ace Co., Ltd.</p>	8,513
	Reason for appointment as External Director	Mr. Toshio Nagashima has abundant experience and deep insight in corporate management. He has provided valuable opinions and advice on the management of the Company and monitored management from an independent perspective. He was therefore reappointed as a candidate for External Director.	

(Notes)

1. There are no special interests between each candidate and the Company.
2. Messrs. Hiroshi Nagata and Toshio Nagashima are candidates for External Director.
3. Messrs. Hiroshi Nagata and Toshio Nagashima are currently External Directors of the Company and will have served as External Director for ten (10) years and four (4) years, respectively, at the conclusion of this General Meeting of Shareholders.
4. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into a limited liability agreement with Messrs. Hiroshi Nagata and Toshio Nagashima to limit the liability prescribed in Article 423, Paragraph 1 of said Act to the minimum amount stipulated by laws and regulations. The Company will continue the above-mentioned agreement with them if their election is approved.
5. The Company designates Messrs. Hiroshi Nagata and Toshio Nagashima as the independent officers provided for by the Tokyo Stock Exchange and has so reported to said Exchange.

[Reference]

The Company's "Standards of Independence for External Directors" are as follows.

The Company's External Directors shall not be

1. A person who executes the business of the Company or a subsidiary or an affiliate thereof currently or for the past ten (10) years;
2. A major shareholder who has 10% or more of the Company's voting rights or a person who executes the Company's business;
3. A person who executes the business of a major customer of the Company to which the Company's annual sales exceed 2% of the Company's consolidated net sales or a major supplier of the Company from which the Company's annual purchases exceed 2% of the supplier's consolidated net sales;
4. A person who executes the business of a major lender for the Company—a financial institution from which the Company's annual borrowings exceed 2% of the Company's total assets; or
5. A professional, such as a consultant, an accountant or a lawyer, who receives from the Company cash or other forms of property being worth ¥10 million or more a year, aside from directors' remuneration from the Company.

**Proposal 3:** Election of One (1) Substitute Audit & Supervisory Board Member

To prepare for a situation where the number of External Audit & Supervisory Board Members fails to satisfy the number prescribed by laws and regulations, we would like to request the election of one (1) Substitute Audit & Supervisory Board Member.

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

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

Name (Date of birth)	Career summary and significant concurrent positions		Number of shares of the Company held
Suguru Fujita (July 22, 1944)	April 1963 July 1995 July 1997 July 1999 July 2001 July 2003 August 2003 September 2003	Joined Osaka Regional Taxation Bureau Special Examiner, First Large Enterprise Examination Department of Tokyo Regional Taxation Bureau Deputy District Director, Minami Tax Office Chief Examiner, Second Large Enterprise Examination Department of Osaka Regional Taxation Bureau District Director, Asahi Tax Office Retired as District Director of Asahi Tax Office Registered as Tax Accountant (current) Opened Fujita Suguru Tax Accountant Office (current)	0

(Notes)

1. There are no special interests between the candidate and the Company.
2. Mr. Suguru Fujita is a candidate for Substitute External Audit & Supervisory Board Member.
3. Mr. Suguru Fujita was selected as a candidate for Substitute External Audit & Supervisory Board Member so that his professional knowledge and experience as a tax accountant can be reflected in the auditing system of the Company, although he has not been directly involved in corporate management.
4. The Company's Articles of Incorporation prescribe that, pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may conclude a limited liability agreement with an Audit & Supervisory Board Member to limit the liability prescribed in Article 423, Paragraph 1 of said Act to the minimum amount stipulated by laws and regulations. If Mr. Suguru Fujita's election is approved and he assumes the office of External Audit & Supervisory Board Member, should a situation occur where the number of External Audit & Supervisory Board Members fails to satisfy the number prescribed by laws and regulations, the Company will enter into said limited liability agreement with him.

**Proposal 4:** Determination of Compensation for the Allotment of Shares with Restrictions on Transfer to Directors

The amount of compensation for the Company's Directors was approved to be up to ¥25 million (including up to ¥3 million for External Directors) a month at the 51st Ordinary General Meeting of Shareholders held on March 29, 2001. In addition to the fixed amount of compensation, variable compensation for Directors was separately approved to be up to 10% of the Company's net income for each fiscal year (including up to ¥10 million a year for External Directors) at the 63rd Ordinary General Meeting of Shareholders held on March 27, 2013.

In reviewing its compensation system for Directors and Audit & Supervisory Board Members, the Company would like to offer new compensation for the allotment of shares of its common stock with restrictions on transfer to the Company's Directors including External Directors (hereinafter "Eligible Directors") with the aims of providing incentives for the Eligible Directors to contribute to the sustainable enhancement of the Company's corporate value and promoting their sharing of value with the Company's shareholders.

The compensation to be awarded to Eligible Directors for the allotment of shares with restrictions on transfer in accordance with this Proposal shall be in the form of monetary claims (hereinafter "Monetary Compensation Receivables"). The total amount thereof is proposed to be up to ¥120 million (including up to ¥5 million for External Directors) a year, an amount deemed as reasonable in consideration of the aforementioned aims. The specific timing to award the Monetary Compensation Receivables and allocation thereof shall be determined by the Board of Directors.

The aforementioned amount of the Monetary Compensation Receivables is proposed not to include the employee salary portion for a Director who concurrently serves as an employee.

Currently, the Company has six (6) Directors, including two (2) External Directors. If Proposal 2 "Election of Six (6) Directors" is approved as originally proposed, the Company will have six (6) Directors, including two (2) External Directors.

Eligible Directors shall, based on a resolution of the Company's Board of Directors, tender all the Monetary Compensation Receivables awarded according to this Proposal as a contribution in kind to have shares of the Company's common stock issued thereto or disposed of therefor. The total number of shares of the Company's common stock thus issued or disposed of shall be up to 179,000 a year. Provided, however, that said total number may be adjusted within a reasonable range in the case that a stock split (including a gratis allotment) or a reverse stock split of the Company's common stock is conducted on or after the day when this Proposal is approved or whenever any other reason arises that would require the adjustment of the total number of the Company's common shares that are issued or disposed of as shares with restrictions on transfer.

The amount to be paid in per such share shall be the closing price of the Company's common stock at the Tokyo Stock Exchange on its business day preceding the day when the relevant resolution is made by the Company's Board of Directors (or, if the stock's trading is not closed, the closing price on the day when such trading is closed immediately before). Regarding the issuance or disposal of the Company's common shares upon such payment, a contract on the allotment of shares with restrictions on transfer (hereinafter the "Allotment Contract") that includes the following provisions shall be concluded between the Company and an Eligible Director.

(1) Transfer Restriction Period

An Eligible Director must not transfer, create a security interest in or otherwise dispose of the shares of the Company's common stock that are allotted according to the Allotment Contract (hereinafter the "Allotted Shares") during a period prescribed by the Company's Board of Directors (hereinafter the "Transfer Restriction Period") between three (3) and five (5) years from the day when he or she was allotted such shares according to the Allotment Contract. (Such restrictions are hereinafter collectively referred to as "Transfer Restrictions.")

(2) Lifting of Transfer Restrictions

Notwithstanding the provision of (1) above, the Company will lift the Transfer Restrictions on all of the Allotted Shares at the expiration of the Transfer Restriction Period on the condition that an Eligible Director has served as either Director, Audit & Supervisory Board Member, Executive Officer or employee of the Company or a subsidiary thereof without a break throughout the Restriction Transfer Period. Provided, however, that, if an Eligible Director retires or resigns from all of the positions as Director, Audit & Supervisory Board Member, Executive Officer and/or employee of the Company or a subsidiary thereof before the Transfer Restriction Period expires due to the expiration of his/her term, his/her death or other



justifiable reasons, the Transfer Restrictions will be lifted on all of the Allotted Shares that are held by said Eligible Director as of such retirement or resignation, immediately after such retirement or resignation (or, if the reason of retirement or resignation is death, at the timing after the death and otherwise determined by the Board of Directors).

(3) Handling in Case of Reorganization

Notwithstanding the provision of (1) above, in the case that a proposal for a merger agreement under which the Company will be absorbed, a share exchange agreement or a stock transfer plan under which the Company will become a wholly owned subsidiary or other forms of reorganization of the Company was approved by the Company's General Meeting of Shareholders (or the Company's Board of Directors when such reorganization does not require approval of the Company's General Meeting of Shareholders) during the Transfer Restriction Period, the Company will, by a resolution of its Board of Directors, lift the Transfer Restrictions on all of the Allotted Shares that are held by the Eligible Directors on the day of approval of such reorganization, prior to the effective date of such reorganization.

(4) Other Matters Determined by the Board of Directors

In addition to the aforementioned provisions, a method of indication of intention or notification under the Allotment Contract, a method of revising the Allotment Contract and/or other matters determined by the Board of Directors shall constitute the provisions of the Allotment Contract.

**Proposal 5: Determination of Compensation for the Allotment of Shares with Restrictions on Transfer to Audit & Supervisory Board Members**

The amount of compensation for the Company's Audit & Supervisory Board Members was approved to be up to ¥10 million a month at the 63rd Ordinary General Meeting of Shareholders held on March 27, 2013.

In reviewing its compensation system for Directors and Audit & Supervisory Board Members, the Company would like to offer new compensation for the allotment of shares of its common stock with restrictions on transfer to the Company's Audit & Supervisory Board Members (including External Audit & Supervisory Board Members; hereinafter the same applies) to promote their sharing of value with the Company's shareholders.

The compensation to be awarded to Audit & Supervisory Board Members for the allotment of the shares with restrictions on transfer in accordance with this Proposal shall be in the form of monetary claims (hereinafter "Monetary Compensation Receivables"). The total amount thereof is proposed to be up to ¥10 million (including up to ¥2 million for External Audit & Supervisory Board Members) a year, an amount deemed as reasonable in consideration of the aforementioned purposes. The specific timing to award the Monetary Compensation Receivables and allocation thereof shall be determined by consultation among the Audit & Supervisory Board Members.

Currently, the Company has four (4) Audit & Supervisory Board Members, including (2) External Audit & Supervisory Board Members.

Audit & Supervisory Board Members shall, based on a resolution of the Company's Board of Directors, tender all the Monetary Compensation Receivables awarded according to this Proposal as a contribution in kind to have shares of the Company's common stock issued thereto or disposed of therefor. The total number of shares of the Company's common stock thus issued or disposed of shall be up to 15,000 a year. Provided, however, that said total number may be adjusted within a reasonable range in the case that a stock split (including a gratis allotment) or a reverse stock split of the Company's common stock is conducted on or after the day when this Proposal is approved or whenever any other reason arises that would require the adjustment of the total number of the Company's common shares that are issued or disposed of as shares with restrictions on transfer. The amount to be paid in per such share shall be the closing price of the Company's common stock at the Tokyo Stock Exchange on its business day preceding the day when the relevant resolution is made by the Company's Board of Directors (or, if the stock's trading is not closed, the closing price on the day when such trading is closed immediately before). Regarding the issuance or disposal of the Company's common shares upon such payment, a contract with provisions equivalent to those of the Allotment Contract prescribed in Proposal 4 "Determination of Compensation for the Allotment of Shares with Restrictions on Transfer to Directors" shall be concluded between the Company and an Audit & Supervisory Board Member.