

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.

Code No: 9792
June 8, 2018

2-9 Kanda-Surugadai, Chiyoda-ku, Tokyo, Japan
Nichii Gakkan Co., Ltd.
President and COO
Nobusuke Mori

Notice of the 46th Annual Shareholders Meeting

Dear Shareholders:

You are cordially invited to attend the 46th Annual Shareholders Meeting of Nichii Gakkan Co., Ltd. (the “Company”). The meeting will be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights through either of the following methods. Please review the Reference Documents for the Shareholders Meeting and exercise your voting rights.

[Exercising Voting Rights by attending the Meeting]

Please present the enclosed voting form at the reception desk upon arrival at the meeting.

[Exercising Voting Rights in Writing]

Please indicate your vote of approval or disapproval of each proposal on the enclosed voting form, and return the form to us so that it arrives before 5:15 p.m., Monday, June 25, 2018 (JST).

[Exercising Voting Rights via the Internet]

Please access the website (<https://evote.tr.mufg.jp/>) designated by the Company, and enter your vote of approval or disapproval of each proposal by using the login ID and temporary password shown on the enclosed voting form and following on-screen instructions before 5:15 p.m., Monday, June 25, 2018 (JST).

1. Date and Time: Tuesday, June 26, 2018 at 10:00 a.m. (reception starts at 9:30 a.m.)

2. Location: Tokyo Dome Hotel, Tenku, the first basement level
1-3-61, Koraku, Bunkyo-ku, Tokyo, Japan

3. Agenda of the Meeting

Items to be reported:

1. Business Report, Consolidated Financial Statements, and the audit reports on Consolidated Financial Statements by the Accounting Auditor and the Board of Auditors for the 46th business term (from April 1, 2017 to March 31, 2018)
2. Non-consolidated Financial Statements for the 46th business term (from April 1, 2017 to March 31, 2018)

Items to be resolved:

- Proposal 1.** Appropriation of Surplus
- Proposal 2.** Partial Amendments to the Articles of Incorporation
- Proposal 3.** Election of Ten (10) Directors
- Proposal 4.** Payment of Directors’ Bonuses
- Proposal 5.** Determination of Remuneration for Granting Restricted Shares to Directors (Excluding Outside Directors)

For those attending on the day, please present the enclosed voting form at the reception desk upon arrival at the meeting. We also ask that you bring this Notice of the Annual Shareholders Meeting for reference during the meeting.

If any revision is made with regard to the Reference Documents for the Shareholders Meeting, the Business Report, the Non-consolidated Financial Statements and/or the Consolidated Financial Statements, the Company will post such revision on the Company's website.

As a part of our energy saving efforts we will adjust the air conditioning on the day of the meeting. Also, please be aware that attendees are free to not wear a jacket or necktie (a style dubbed "Cool Biz").

Of the documents provided by this Notice of the Annual Shareholders Meeting, pursuant to the relevant laws and regulations and Article 16 of the Articles of Incorporation, the following items are posted on the Company's website and are not attached to this notice. Accordingly, the attached documents to this notice are part of the documents that were audited by the auditors and the accounting auditor in preparing the Audit Reports.

- (1) Notes to the Consolidated Financial Statements
- (2) Notes to the Non-consolidated Financial Statements

The Company's website (<http://www.nichiigakkan.co.jp/ir/stock/shareholders.html>)

Reference Documents for the Shareholders Meeting

Proposal 1. Appropriation of Surplus

The Company hereby proposes the appropriation of surplus as follows:

Matters concerning year-end dividends

The Company has given consideration to matters including the business performance of the fiscal year and future business development, and it proposes to pay year-end dividends for the 46th fiscal year as follows:

(1) Type of dividend property

Cash

(2) Matters regarding allocation of dividend property and total amount thereof

It is proposed that ordinary dividends be 11 yen per common share of the Company.
Accordingly, the total amount of dividends would be 706,116,180 yen.

(3) Effective date of the dividends from surplus

It is proposed to set the effective date to be June 27, 2018.

Proposal 2. Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

- (1) In order to prepare for the Company’s future business development, business purposes are to be added and changed in Article 2 (Purpose) of the current Articles of Incorporation.
- (2) In line with the above-mentioned amendments, the item numbers of the Article shall be appropriately adjusted.

2. Contents of the amendments

Contents of the amendments are as follows:

(Underlining denotes amendment.)

Current Articles of Incorporation	Proposed Amendments
CHAPTER I. GENERAL PROVISIONS	CHAPTER I. GENERAL PROVISIONS
(Purpose)	(Purpose)
Article 2. The purpose of the Company shall be to engage in the following businesses:	Article 2. (Unchanged)
(1) Education business for human resource development for medical treatment, care, childcare, etc.	(1) (Unchanged)
(2) Management of language schools and education business related to language learning	(2) (Unchanged)
(3) Publication, planning, production and sale of books and educational materials	(3) (Unchanged)
(4) Planning, production, publication and sale of books, educational materials and software related to language learning	(4) (Unchanged)
(5) Marketing research and development of goods, training courses, and educational systems	(5) (Unchanged)
(6) Contract clerical services such as reception, management of medical records, and medical fee claims at medical institutions, etc.	(6) (Unchanged)
(7) Business related to information processing and provision through computer, and its operation training	(7) (Unchanged)
(8) Operation, maintenance, development and sale of computer systems and software	(8) (Unchanged)
<u>(9) Services for preparation of reports using a voice-recognition system</u>	(Deleted)
<u>(10) Consulting services pertaining to management of medical institutions</u>	(9) (Unchanged)
<u>(11) Worker dispatch services</u>	<u>(10)</u> (Unchanged)
<u>(12) Contract services for clinical clerk and works at medical institutions, etc.</u>	<u>(11)</u> (Unchanged)
<u>(13) Contract services for inspection, maintenance, repair, and storage of specially controlled medical devices, as well as management, disinfection, and sterilization of medical equipment at medical institutions, etc.</u>	<u>(12)</u> (Unchanged)
<u>(14) Prenatal/postnatal care business</u>	<u>(13)</u> (Unchanged)
<u>(15) Consulting services related to operation and training for prenatal/postnatal care business</u>	<u>(14)</u> (Unchanged)
<u>(16) Business related to provisions and operation of public facilities, etc. based on Act on Promotion of Private Finance Initiative (PFI Act)</u>	<u>(15)</u> (Unchanged)
<u>(17) Sale and home delivery of foods, beverages, clothing, everyday sundries, drugs and medicines, quasi drugs, nursery items, childcare items, housing equipment, kitchen equipment, as well as sale, home delivery, rental and import/export of medical aids and equipment, welfare equipment, nursing care items, medical goods, sanitary goods, rehabilitation equipment, exercise equipment and goods</u>	<u>(16)</u> (Unchanged)

Current Articles of Incorporation	Proposed Amendments
(18) Management of pharmacies, and consulting services pertaining to such management	(17) (Unchanged)
(19) Research and development, cultivation, and sale of flowers, ornamental plants and seedlings	(18) (Unchanged)
(20) Meal providing services and catering services	(19) (Unchanged)
(21) Home-visit nursing based on the Health Insurance Act	(20) (Unchanged)
(22) (i) Designated in-home long-term care supports based on the Long-Term Care Insurance Act	(21) (i) (Unchanged)
(ii) The following in-home long-term care services based on the Long-Term Care Insurance Act	(ii) (Unchanged)
(a) Home-visit service	
(b) Home-visit bathing service	
(c) Home-visit nursing	
(d) Outpatient day long-term care	
(e) Short-term admission for daily life long-term care	
(f) Daily life long-term care admitted to specified facilities	
(g) Rental of equipment for long-term care covered by public aid	
(h) Sale of specified equipment covered by public aid	
(i) Management and guidance of in-home medical service	
(iii) Community-based services based on the Long-Term Care Insurance Act	(iii) (Unchanged)
(a) Home-visit at night for long-term care	
(b) Outpatient long-term care for dementia patients	
(c) Multifunctional long-term care in small size group homes	
(d) Communal daily long-term care for dementia patients	
(e) Daily life long-term care for persons admitted to community-based specified facilities	
(f) Multifunctional long-term care in a small group home with nursing care service	
(g) Regular and as-needed home-visit for long-term care and nursing care	
(New)	<u>(h) Community-based outpatient day long-term care</u>
(iv) Preventive long-term care services based on the Long-Term Care Insurance Act	(iv) (Unchanged)
<u>(a) Home-visit service for preventive long-term care</u>	(Deleted)
(b) Home-visit bathing service for preventive long-term care	(a) (Unchanged)
(c) Home-visit nursing service for preventive long-term care	(b) (Unchanged)
<u>(d) Outpatient preventive long-term care</u>	(Deleted)
(e) Short-term stay for daily preventive long-term care	(c) (Unchanged)
(f) Daily preventive long-term care admitted to specified facilities	(d) (Unchanged)
(g) Rental of equipment for preventive long-term care covered by public aid	(e) (Unchanged)
(h) Sale of specified equipment for preventive long-term care covered by public aid	(f) (Unchanged)

Current Articles of Incorporation	Proposed Amendments
(i) Management and guidance of in-home medical service for preventive long-term care	(g) (Unchanged)
(v) <u>Preventive long-term care and comprehensive daily life supporting businesses based on the Long-Term Care Insurance Act</u>	(v) <u>Preventive long-term care supports based on the Long-Term Care Insurance Act</u>
(vi) Community-based preventive services of long-term care based on the Long-Term Care Insurance Act	(vi) (Unchanged)
(a) Preventive long-term care for dementia outpatients	
(b) Multifunctional preventive long-term care in small group homes	
(c) Preventive long-term care for dementia in communal living	
(vii) Community supports based on the Long-Term Care Insurance Act (New)	(vii) (Unchanged)
(viii) Home modification for in-home long-term care	(viii) <u>Preventive long-term care and comprehensive daily life supporting businesses based on the Long-Term Care Insurance Act</u>
(ix) Operation and development/management of facilities for businesses stated above	(ix) (Unchanged)
(23) Consultation supports based on the Comprehensive Supports for Daily Lives and Social Lives of Persons with Disabilities Act	(22) (Unchanged)
(24) Transportation supports based on the Comprehensive Supports for Daily Lives and Social Lives of Persons with Disabilities Act	(23) (Unchanged)
(25) Other community life supports based on the Comprehensive Supports for Daily Lives and Social Lives of Persons with Disabilities Act	(24) (Unchanged)
(26) Welfare service for persons with disabilities based on the Comprehensive Supports for Daily Lives and Social Lives of Persons with Disabilities Act	(25) (Unchanged)
(27) Services and supports to prevent physical inability of the elderly	(26) (Unchanged)
(28) Assistance to persons with disabilities and the elderly	(27) (Unchanged)
(29) In-home long-term care services not covered by the Long-Term Care Insurance Act	(28) (Unchanged)
(30) Management of fee-based homes for the elderly, care houses, and houses for the elderly	(29) (Unchanged)
(31) Operation and development/management of facilities for businesses stated above	(30) (Unchanged)
(32) Consulting services related to operation and training for care business	(31) (Unchanged)
(33) Consulting services related to operation and training for health care business	(32) (Unchanged)
(34) Fee-based employment placement service	(33) (Unchanged)
(35) Goods purchasing	(34) (Unchanged)
(36) Life supporting services and private-expense care business	(35) (Unchanged)
(37) Operation of child and child-raising services based on the Child Welfare Act, the Social Welfare Act, the Child and Child Care Support Act and other relevant laws and regulations	(36) (Unchanged)
(i) Operation of authorized day-care centers	(i) (Unchanged)
(ii) Small-scale childcare business	(ii) (Unchanged)
(iii) Family day-care business	(iii) (Unchanged)

(TRANSLATION FOR REFERENCE PURPOSE ONLY)

Current Articles of Incorporation	Proposed Amendments
(iv) Childcare business on business facilities	(iv) (Unchanged)
(v) Operation of day-care centers on business facilities	(v) (Unchanged)
(vi) Operation of day-care centers at hospitals	(vi) (Unchanged)
(vii) In-home childcare business	(vii) (Unchanged)
(viii) Operation of children's clubs for after-school activities	(viii)(Unchanged)
(ix) Child development services (New)	(ix) (Unchanged) <u>(x) Temporary keeping business</u>
<u>(x) Operation of child-raising support bases related to other than those stated above</u>	<u>(xi) (Unchanged)</u>
(38) Operation and development/management of facilities for businesses stated above	(37) (Unchanged)
(39) Baby-sitter dispatch services	(38) (Unchanged)
(40) Consulting services related to operation and training for childcare business	(39) (Unchanged)
(41) Sale of goods related to child-raising for the childcare business	(40) (Unchanged)
(42) General construction work	(41) (Unchanged)
(43) Antique trade	(42) (Unchanged)
<u>(44) Sale, rental, and dry disinfection of bedding</u>	(Deleted)
(45) Advertising agency	(43) (Unchanged)
(46) Office administration services including reception and information service	(44) (Unchanged)
(47) Agent and mediation of clerical work for medical checkup visit	(45) (Unchanged)
(48) Mail-order business	(46) (Unchanged)
(49) Research and development, and manufacturing of welfare equipment and nursing items	(47) (Unchanged)
(50) Hotel	(48) (Unchanged)
(51) Eating and drinking place	(49) (Unchanged)
(52) Travel agency	(50) (Unchanged)
(53) Consulting services for overseas study, provision/introduction of international destination and agency for procedures of overseas study	(51) (Unchanged)
(54) Operation and management of tourist facilities	(52) (Unchanged)
(55) Non-life insurance agent	(53) (Unchanged)
(56) Business and activities to promote the use of service dogs and therapy dogs	(54) (Unchanged)
(57) Operation and development/management of facilities for businesses stated above	(55) (Unchanged)
(58) Breeding and sales of pet dogs	(56) (Unchanged)
(59) Planning, production and sales of pet supplies	(57) (Unchanged)
(60) Franchise business	(58) (Unchanged)
(61) Solicitation of membership stores under franchise system and managerial instruction for membership companies	(59) (Unchanged)
(62) Production of websites	(60) (Unchanged)
(63) Various notification services	(61) (Unchanged)
(64) Call center services	(62) (Unchanged)
(65) The following service businesses using telecommunications: (i) Monitoring and supporting services for the elderly (ii) Life-supporting services for the elderly	(63) (Unchanged) (i) (Unchanged) (ii) (Unchanged)
<u>(66) Sale of alcoholic drinks</u>	(Deleted)
(67) Consulting services for the sale of welfare equipment, nursery-care items, and other goods	(64) (Unchanged)
(68) Export and import of therapy dogs	(65) (Unchanged)
(69) Consulting services for the housekeeping business	(66) (Unchanged)

(TRANSLATION FOR REFERENCE PURPOSE ONLY)

Current Articles of Incorporation	Proposed Amendments
(70) Development and operation of prenatal/postnatal care training courses and prenatal/postnatal care service business	(67) (Unchanged)
(71) Service business to handle foreigners at medical institutions	(68) (Unchanged)
(72) Operation of online language learning school	(69) (Unchanged)
(73) Consulting services for long-term care facilities and childcare facilities design and construction	(70) (Unchanged)
(74) Care business related to pets, and pet daycare business	(71) (Unchanged)
(75) Education business for skill development	(72) (Unchanged)
(76) Suitable implementation of technical intern training for foreigners, and intern training implementation business for foreign technical intern trainees in accordance with laws related to the care of technical intern trainees	(73) (Unchanged)
(77) Project for accepting foreigners for domestic support based on the Act on National Strategic Special Zones	(74) (Unchanged)
(New)	<u>(75) Selective care business based on the Act on National Strategic Special Zones</u>
(New)	<u>(76) Contract services of medical care expenditure regulation plan for health insurers</u>
(78) All services incidental and related to each item above	(77) (Unchanged)

Proposal 3. Election of Ten (10) Directors

The terms of office of ten (10) Directors will expire at the conclusion of this meeting. Accordingly, the election of ten (10) new Directors is proposed.

The candidates for Director are as follows:

Candidate Number	Name	Current position and responsibilities	Attribute
1	Akihiko Terada	Chairman and CEO President of Tokyo Marunouchi Publishing Co., Ltd.	Reelection
2	Nobusuke Mori	President and COO Chairman of NIHON CREDITLEASE Co., Ltd.	Reelection
3	Daisuke Terada	Executive Vice President President and COO and CEO of GABA Corporation Chairman of Nichii-HTW China Co., Ltd.	Reelection
4	Takayuki Masuda	Senior Managing Director Chief Operating Officer (COO) of China Business and Executive Division Director of China Business Headquarters Chairman of Nichii China Co., Ltd. Chairman, President and CEO of Beijing Nichii Sanjie Health Management Co., Ltd.	Reelection
5	Tsuyoshi Terada	Managing Director, Executive Division Director of Balance Supply Business Headquarters, President and Representative Director of YORK Global Study Center Co., Ltd., President and Representative Director of Nichii Green Farm Company, Chairman of Nichii Hong Kong Co., Ltd., Chairman of Nichii Guangzhou Co., Ltd., Chairman of Guangzhou Zhengxianghe Housekeeping Service Co., LTD., President and COO of SELC AUSTRALIA PTY. LTD., President and COO of SELC TOURS PTY. LTD.	Reelection
6	Takako Ide	Managing Director Executive Division Director of Core Businesses Headquarters	Reelection
7	Mitsuo Kaise	Director Executive Division Director of Corporate Governance Headquarters	Reelection
8	Etsuko Kuroki	Director Deputy Executive Division Director of Core Businesses Headquarters, Division Director of Long-Term Care Division and in charge of Facility Care Business Department	Reelection
9	Keita Moriwaki	Director Attorney at Oh-Ebashi LPC & Partners	Reelection Outside Director Independent Officer
10	Yuji Sugimoto	Director, Managing Director of Bain Capital Private Equity (Japan), LLC, Director of YUKIGUNI MAITAKE CO., LTD., Director of Japan Wind Development Co., Ltd., Director of Ooedo-Onsen-Monogatari Co., Ltd., Director of ASATSU-DK INC.	Reelection Outside Director Independent Officer

Reelection: Reelected candidate for Director

Outside Director: candidate for Outside Director

Independent Officer: Independent Officer based on the provisions of the relevant stock exchanges, etc.

(TRANSLATION FOR REFERENCE PURPOSE ONLY)

Candidate Number	Name (Date of birth)	Career summary, position and responsibility at the Company	Number of Company shares held
1	Akihiko Terada (April 23, 1936) Reelection	May 1971 Japan Medical Affairs Institute Co., Ltd. was incorporated (merged by absorption-type merger with the Company in April 1976) President of the said company August 1973 Child Care Academy Co., Ltd. was incorporated (present Nichii Gakkan Co., Ltd.) President of the said company June 2005 Chairman and CEO of the Company (to present) October 2014 Chairman and COO (Significant concurrent positions outside the Company) President of Tokyo Marunouchi Publishing Co., Ltd.	10,928,400 shares
[Reason for choosing as candidate for Director] Mr. Akihiko Terada has built the current Nichii Group as the founder based on the Company's social mission in step with Japan's social security system. His broad knowledge backed by management performance that led the Company to a leading company in the industry, speedy managerial decision and strong leadership for sustained improvement in the corporate value are essential for further corporate growth in the future, and for these reasons, he has been chosen as a candidate for Director.			

(TRANSLATION FOR REFERENCE PURPOSE ONLY)

Candidate Number	Name (Date of birth)	Career summary, position and responsibility at the Company	Number of Company shares held
2	Nobusuke Mori (March 3, 1964) Reelection	March 1998 Joined the Company April 2001 Acting General Manager of Public Relations Office October 2002 Deputy General Manager of President's Office October 2004 President's Office Executive Officer April 2005 President's Office Executive Officer of Corporate Governance Division October 2005 General Manager of Public Relations Office of Corporate Planning Division November 2005 Division Director of Corporate Planning Division and General Manager of Corporate Planning Office and Public Relations Office April 2006 Division Director of Corporate Planning Division and General Manager of Public Relations Office June 2006 Director April 2008 In charge of Public Relations Department June 2009 Managing Director June 2009 In charge of Public Relations October 2009 President's Office Executive Officer June 2010 Division Director of Compliance Division and General Manager of Customer Counseling Office October 2010 Division Director of Compliance Division April 2011 Senior Managing Director April 2011 Division Director of Corporate Planning Division August 2013 Division Director of China Business Division October 2014 President's Office Executive Officer October 2015 In charge of President's Office and Corporate Governance Department June 2016 Executive Vice President August 2016 In charge of Corporate Governance Headquarters December 2017 President and COO (to present) (Significant concurrent positions outside the Company) Chairman of NIHON CREDITLEASE Co., Ltd.	11,958 shares
[Reason for choosing as candidate for Director] Mr. Nobusuke Mori has been involved in the Company's public relations, President's Office, corporate planning department and others, as well as concurrently servicing as a Director at group companies and affiliated companies, and has contributed to the sound management for the overall Group. Mr. Mori has demonstrated front-line leadership as the Company's President and COO since December 2017. The Company believes he can use his deep knowledge in business management, new ideas generated from a wide perspective and ability to get things done, and further fulfill the effective management administration function, and for these reasons, he has been chosen as a candidate for Director.			

(TRANSLATION FOR REFERENCE PURPOSE ONLY)

Candidate Number	Name (Date of birth)	Career summary, position and responsibility at the Company	Number of Company shares held
3	Daisuke Terada (August 10, 1968) Reelection	September 1992 Joined the Company June 1998 Director October 2002 Managing Director April 2004 Division Director of Business Management Division April 2006 Senior Managing Director June 2008 Executive Vice President April 2009 President and COO April 2011 President of NICHII CARENET COMPANY February 2012 Chairman of Nichii Shanghai Co. Ltd. June 2014 Executive Vice President (to present) June 2014 In charge of China business October 2015 In charge of China business and ZhongFu Nichii Business Headquarters (Significant concurrent positions outside the Company) President and COO and CEO of GABA Corporation Chairman of Nichii-HTW China Co., Ltd.	275,100 shares
<p>[Reason for choosing as candidate for Director]</p> <p>Mr. Daisuke Terada has been involved in the Company's corporate planning, public relations, long-term care business and China business, as well as concurrently serving as a Director at multiple group companies, and has extensive experience and results in management and business promotion.</p> <p>At present, Mr. Terada concurrently serves as Representative Director of GABA Corporation, focuses on the integration and parallelization of Gaba-COCO Juku, and is working to enhance performance of the language education business of the overall Group.</p> <p>The Company believes he can vigorously lead the organization toward further growth of the language education business with his strong leadership and decision-making ability, and for these reasons, he has been chosen as a candidate for Director.</p>			

(TRANSLATION FOR REFERENCE PURPOSE ONLY)

Candidate Number	Name (Date of birth)	Career summary, position and responsibility at the Company	Number of Company shares held
4	Takayuki Masuda (April 26, 1965) Reelection	<p>December 1997 Joined Healthy Life Service Co., Ltd. (merged by absorption-type merger with the Company in July 1999)</p> <p>December 2005 Deputy General Manager of Business Department of Business Management Division</p> <p>April 2006 General Manager of Corporate Planning Office of Corporate Planning Division</p> <p>April 2008 Division Director of Corporate Planning Division and General Manager of Corporate Planning Office</p> <p>June 2008 Director</p> <p>April 2011 Managing Director and Division Director of Education Division</p> <p>December 2011 Executive Vice President and Representative Director of GABA Corporation</p> <p>March 2012 President and COO and CEO of GABA Corporation</p> <p>April 2015 Senior Executive Officer</p> <p>April 2015 Chief Operating Officer (COO) of China Business of the Company (to present)</p> <p>June 2015 Senior Managing Director (to present)</p> <p>October 2015 Executive Division Director of China Business Headquarters (to present)</p> <p>(Significant concurrent positions outside the Company) Chairman of Nichii China Co., Ltd. Chairman, President and CEO of Beijing Nichii Sanjie Health Management Co., Ltd.</p>	6,300 shares
<p>[Reason for choosing as candidate for Director]</p> <p>Mr. Takayuki Masuda has served as the person in charge of the corporate planning and the education department of the Company, as well as President and COO and CEO of one of the group companies, and he currently serves as Chief Operating Officer (COO) of the Company's China business at present. He has abundant experience, knowledge in global business management and excellent ability to get things done, the Company believes he can contribute to achievement of sustained improvement in the corporate value of the Group, and for these reasons he has been chosen as a candidate for Director.</p>			

(TRANSLATION FOR REFERENCE PURPOSE ONLY)

Candidate Number	Name (Date of birth)	Career summary, position and responsibility at the Company	Number of Company shares held
5	Tsuyoshi Terada (March 22, 1973) Reelection	May 2003 Joined the Company November 2007 Acting General Manager of Public Relations Office of Corporate Planning Division April 2008 General Manager of Public Relations Department April 2009 General Manager of Public Relations Department of Public Relations Division June 2009 Director June 2009 Division Director of Public Relations Division and General Manager of Public Relations Department October 2009 Division Director of Public Relations Division April 2011 General Manager of International Business Department July 2011 In charge of International Business October 2011 General Manager of International Business Department January 2012 Managing Director (to present) January 2012 Division Director of Corporate Governance Division January 2013 Division Director of Marketing Division July 2013 Executive Division Director of Education Business Headquarters and Division Director of Marketing Division and General Manager of International Business Department April 2014 Executive Division Director of Global Business Headquarters and Division Director of Americas and Oceania Business Division and Division Director of China Business Division June 2014 Chairman's Office Executive Officer October 2014 Executive Division Director of Corporate Governance Headquarters October 2014 Division Director of Corporate Governance Division of Corporate Governance Headquarters and Division Director of Global Business Division of Business Headquarters August 2016 Executive Division Director of Strategic Business Headquarters April 2017 Division Director of Corporate Planning Division April 2018 Executive Division Director of Balance Supply Business Headquarters (to present) (Significant concurrent positions outside the Company) President and Representative Director of YORK Global Study Center Co., Ltd. President and Representative Director of Nichii Green Farm Company Chairman of Nichii Hong Kong Co., Ltd. Chairman of Nichii Guangzhou Co., Ltd. Chairman of Guangzhou Zhengxianghe Housekeeping Service Co., LTD. President and COO of SELC AUSTRALIA PTY. LTD. President and COO of SELC TOURS PTY. LTD.	150,900 shares

(TRANSLATION FOR REFERENCE PURPOSE ONLY)

Candidate Number	Name (Date of birth)	Career summary, position and responsibility at the Company	Number of Company shares held																																				
		<p>[Reason for choosing as candidate for Director] Mr. Tsuyoshi Terada has served as the person in charge of the public relations and the corporate planning department, and has concurrently served as President and COO at multiple group companies, making contributions to the expansion of the management administration functions which form the basis of the Company's enterprise power. At present he, as the person in charge overseeing Balance supply businesses (education, healthcare and therapy), works to further improve the corporate value. The Company believes he can contribute to further pursuit of economic efficiency in the overall Group based on his extensive experience and managerial knowledge, and for these reasons, he has been chosen as a candidate for Director.</p>																																					
6	Takako Ide (March 11, 1968) Reelection	<table><tbody><tr><td>August</td><td>1997</td><td>Joined the Company</td></tr><tr><td>March</td><td>2007</td><td>Acting General Manager of Organizational Supervision Office of Corporate Governance Division</td></tr><tr><td>April</td><td>2008</td><td>General Manager of Organizational Supervision Office of Corporate Governance Division</td></tr><tr><td>June</td><td>2010</td><td>Director</td></tr><tr><td>February</td><td>2011</td><td>In charge of Childcare Business</td></tr><tr><td>April</td><td>2012</td><td>Division Director of Childcare Business Division</td></tr><tr><td>October</td><td>2014</td><td>Deputy Executive Division Director of Business Headquarters and Division Director of Childcare Business Division and Division Director of Childcare Business Division of China Business Headquarters</td></tr><tr><td>April</td><td>2015</td><td>Executive Division Director of Business Headquarters</td></tr><tr><td>October</td><td>2015</td><td>Managing Director (to present)</td></tr><tr><td>April</td><td>2016</td><td>In charge of Education Business Improvement</td></tr><tr><td>August</td><td>2016</td><td>Executive Division Director of Core Businesses Headquarters (to present)</td></tr><tr><td>December</td><td>2016</td><td>General Manager of Tokyo Office</td></tr></tbody></table>	August	1997	Joined the Company	March	2007	Acting General Manager of Organizational Supervision Office of Corporate Governance Division	April	2008	General Manager of Organizational Supervision Office of Corporate Governance Division	June	2010	Director	February	2011	In charge of Childcare Business	April	2012	Division Director of Childcare Business Division	October	2014	Deputy Executive Division Director of Business Headquarters and Division Director of Childcare Business Division and Division Director of Childcare Business Division of China Business Headquarters	April	2015	Executive Division Director of Business Headquarters	October	2015	Managing Director (to present)	April	2016	In charge of Education Business Improvement	August	2016	Executive Division Director of Core Businesses Headquarters (to present)	December	2016	General Manager of Tokyo Office	2,900 shares
August	1997	Joined the Company																																					
March	2007	Acting General Manager of Organizational Supervision Office of Corporate Governance Division																																					
April	2008	General Manager of Organizational Supervision Office of Corporate Governance Division																																					
June	2010	Director																																					
February	2011	In charge of Childcare Business																																					
April	2012	Division Director of Childcare Business Division																																					
October	2014	Deputy Executive Division Director of Business Headquarters and Division Director of Childcare Business Division and Division Director of Childcare Business Division of China Business Headquarters																																					
April	2015	Executive Division Director of Business Headquarters																																					
October	2015	Managing Director (to present)																																					
April	2016	In charge of Education Business Improvement																																					
August	2016	Executive Division Director of Core Businesses Headquarters (to present)																																					
December	2016	General Manager of Tokyo Office																																					
		<p>[Reason for choosing as candidate for Director] Ms. Takako Ide has been involved in Organization and Human Resources Management Department and all the departments for domestic businesses of the Company and concurrently served as a Director at group companies. She has extensive experience and results in both management and business promotion. She currently works to increase productivity and improve profitability as the person in charge overseeing core businesses (medical care, long-term care and childcare). The Company believes she can contribute to establishment of a strong organization through her attitude of playing fair and taking the initiative, wide perspective and managerial knowledge, and for these reasons, she has been chosen as a candidate for Director.</p>																																					

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Candidate Number	Name (Date of birth)	Career summary, position and responsibility at the Company	Number of Company shares held
7	Mitsuo Kaise (January 19, 1959) Reelection	<p>October 1981 Joined the Company</p> <p>March 1994 Senior Manager of Accounting Department</p> <p>March 1995 Senior Manager of Accounting Department and Manager of Accounting Section</p> <p>May 1997 General Manager of Information Management Department of Information System Development Division</p> <p>January 1998 General Manager of Information Management Department of Administration Division</p> <p>April 2000 Deputy Division Director of Corporate Governance Division and General Manager of Information Management Department</p> <p>June 2000 Director (to present)</p> <p>July 2000 Division Director of Information System Division and General Manger of Information System Department</p> <p>May 2003 General Manager of Audit Office</p> <p>April 2004 Division Director of General & Personnel Affairs Division and General Manager of Personnel Department</p> <p>December 2006 General Manager of Customer Counseling Office</p> <p>March 2007 In charge of Customer Counseling Office</p> <p>April 2009 Division Director of Compliance Division and General Manager of Customer Counseling Office</p> <p>June 2010 Division Director of General & Personnel Affairs Division</p> <p>April 2012 General Manager of Compliance Promotion Office of General & Personnel Affairs Division</p> <p>January 2013 Division Director of Personnel Division</p> <p>October 2014 In charge of Personnel Department of Corporate Governance Division of Corporate Governance Headquarters</p> <p>April 2015 Division Director of Corporate Governance Division of Corporate Governance Headquarters</p> <p>April 2018 Executive Division Director of Corporate Governance Headquarters (to present)</p>	12,700 shares
<p>[Reason for choosing as candidate for Director]</p> <p>Mr. Mitsuo Kaise has served as the person in charge of the Company's corporate administrative department, and he has extensive experience and knowledge accumulated for many years in general affairs, personnel affairs and compliance.</p> <p>As the person in charge overseeing management administration, Mr. Kaise currently works to restructure the internal control system, further strengthen the governance structure and enhance the strategy for organizational personnel affairs that is the central point of business management. The Company believes he can contribute to achievement of the vision and for these reasons, he has been chosen as a candidate for Director.</p>			

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Candidate Number	Name (Date of birth)	Career summary, position and responsibility at the Company	Number of Company shares held
8	Etsuko Kuroki (March 8, 1966) Reelection	<p>October 1999 Joined the Company</p> <p>April 2008 Acting General Manager of Long-Term Care Business Supervision Office of Healthcare Headquarters</p> <p>October 2009 Acting Division Director of Facility Care Business Division of Healthcare Headquarters</p> <p>August 2010 Acting Division Director of Facility Care Business Division of Healthcare Headquarters and General Manager of Hohoemi Business Department</p> <p>October 2010 Acting Division Director of Facility Care Business Division of Healthcare Headquarters and General Manager of Community-based Services Department</p> <p>April 2011 Vice Executive Division Director of Healthcare Headquarters and Division Director of Facility Care Business Division and General Manager of Long-Term Care Business Supervision Office</p> <p>June 2011 Executive Division Director of Healthcare Headquarters</p> <p>June 2012 Director (to present)</p> <p>April 2013 Executive Division Director of Long-Term Care Headquarters</p> <p>July 2013 Division Director of Facility Care Business Division of Long-Term Care Headquarters and General Manager of Care Services Department</p> <p>April 2014 Division Director of Facility Care Business Division of Long-Term Care Headquarters</p> <p>October 2014 Division Director of Long-Term Care Division of Business Headquarters</p> <p>October 2014 Division Director of Long-Term Care Division of China Business Headquarters</p> <p>April 2015 Deputy Executive Division Director of Business Headquarters</p> <p>August 2015 In charge of Facility Care Business Department of Long-Term Care Division of Business Headquarters</p> <p>August 2016 Deputy Executive Division Director of Core Businesses Headquarters, Division Director of Long-Term Care Division and in charge of Facility Care Business Department (to present)</p>	2,800 shares
<p>[Reason for choosing as candidate for Director]</p> <p>Ms. Etsuko Kuroki has served as the person in charge of the long-term care department, and her strong leadership has allowed her to make large contributions to growth of the long-term care business.</p> <p>Ms. Kuroki currently provides accurate guidance as one of persons in charge of core businesses (medical care, long-term care and childcare) in addition to the long-term care business.</p> <p>The Company believes she can contribute to achievement of the future vision of the Group as well as corporate growth, and for these reasons, she has been chosen as a candidate for Director.</p>			

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Candidate Number	Name (Date of birth)	Career summary, position and responsibility at the Company	Number of Company shares held
9	Keita Moriwaki (March 19, 1973) Reelection	October 2000 Joined Mitsui, Yasuda, Wani & Maeda March 2003 Joined Sato & Partners January 2009 Joined Oh-Ebashi LPC & Partners January 2011 Became Partner of Oh-Ebashi LPC & Partners (to present) June 2013 Outside Board Member (to present) (Significant concurrent positions outside the Company) Attorney at Oh-Ebashi LPC & Partners	-
		[Reason for choosing as candidate for Outside Director] Mr. Keita Moriwaki has worked to make legally minded and appropriate responses to various issues in the Company's broad business areas and provide apt advice supported by strong awareness in legal compliance and abundant experience and expert knowledge that he has acquired as an attorney in commercial affairs. It is judged that he would continue to appropriately execute his duties as Outside Director, and for these reasons, he has been chosen as a candidate for Outside Director.	
10	Yuji Sugimoto (July 11, 1969) Reelection	April 1992 Joined Mitsubishi Corporation December 2000 Joined Ripplewood Holdings LLC June 2006 Managing Director of Bain Capital Asia, LLC (present Bain Capital Private Equity (Japan), LLC) (to present) June 2012 Director of SKYLARK CO., LTD. July 2012 Director of Jupiter Shop Channel Co., Ltd. March 2014 Director of BELLSYSTEM24 Holdings, Inc. July 2014 Director, Audit Committee Member of MACROMILL, INC. May 2015 Director of YUKIGUNI MAITAKE CO., LTD. (to present) June 2015 Outside Board Member of the Company (to present) July 2015 Director of Japan Wind Development Co., Ltd. (to present) February 2016 Director of Ooedo-Onsen-Monogatari Co., Ltd. (to present) March 2018 Director of ASATSU-DK INC. (to present)	-
		[Reason for choosing as candidate for Outside Director] Up until now, Mr. Yuji Sugimoto has a track record of many achievements, including investment in many Japanese companies and provision of management support. It is judged that his extensive experience relating to corporate growth and deep insight in corporate management gained through his participation in business at a global level as well as his adequate supervision and shrewd advice are useful for the Company, which is forging ahead with globalization, and he would appropriately execute his duties as Outside Director, and for these reasons, he has been chosen as a candidate for Outside Director.	

Notes: 1. Special interests between the Company and any of the candidates of Directors

(1) Mr. Keita Moriwaki is an attorney of Oh-Ebashi LPC & Partners, and between the Company and the firm, there is a transaction relationship such as consignment of legal affairs, but the amount of transactions is 12 million yen or less, and is less than 1% of the annual net sales of the firm, both are insignificant.

Mr. Yuji Sugimoto is a Director of ASATSU-DK INC., and between the Company and the aforementioned company, there is a transaction relationship such as advertisement posting, but the amount of transactions accounts for as insignificant as less than 1% of the consolidated annual net sales of both the Company and the aforementioned company respectively.

(2) There are no special interests between the Company and any other candidates than the above.

2. Mr. Keita Moriwaki and Mr. Yuji Sugimoto are candidates for Outside Director.

3. Mr. Keita Moriwaki has not been involved in corporate management other than through serving as an Outside Director or

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Outside Corporate Auditor, however, it is judged that he would appropriately execute his duties as Outside Director, as described in “Reason for choosing as candidate for Outside Director” for Mr. Moriwaki.

4. The term of office of Mr. Keita Moriwaki as an Outside Director will have been five (5) years, and the term of office of Mr. Yuji Sugimoto as an Outside Director will have been three (3) years, at the conclusion of this Annual Shareholders Meeting.
5. In the case that Mr. Keita Moriwaki and Mr. Yuji Sugimoto are re-elected, in accordance with Article 427, Paragraph 1 of the Companies Act, the Company is planning to continue an agreement with them to limit their liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act, up to the minimum liability amount specified under Article 425, Paragraph 1 of the Companies Act.
6. The Company reported Mr. Keita Moriwaki and Mr. Yuji Sugimoto as Independent Directors pursuant to the regulations of the Tokyo Stock Exchange.
If their reappointments are approved, they will continue to be Independent Directors of the Company.

Proposal 4. Payment of Directors' Bonuses

It is proposed that bonuses of 38,000 thousand yen in total be paid to eight (8) Directors (excluding Outside Directors) who have been in service during the year under review, in view of the amounts paid in the past, the operating results of this business year, and other circumstances.

Proposal 5. Determination of Remuneration for Granting Restricted Shares to Directors (Excluding Outside Directors)

The annual remuneration for Directors of the Company was set at within 200 million yen by resolution of the extraordinary shareholders meeting held on January 20, 1992 (which includes directors' bonuses, but does not include employee salaries of Directors who concurrently serve as employees). It was also approved at the 43rd Annual Shareholders Meeting held on June 25, 2015 to set the number of share acquisition rights to be issued and allocated to Directors excluding Outside Directors as share remuneration-type share options at within 45,000 units a year, separately from the maximum remuneration mentioned above.

With the aim of, as part of revisions of remuneration system for officers, giving incentives, to Directors of the Company (excluding Outside Directors, hereinafter the "Eligible Directors"), appropriate for sustainable growth in our corporate value and achieving the targets of the medium-term business plan, and for making Eligible Directors further share values with our shareholders, the Company proposes terminating the above-mentioned share remuneration-type share options by the close of fiscal 2024 and at the same time newly providing remuneration for granting restricted shares ("restricted shares" are defined later) to Eligible Directors for the limited period of seven years from fiscal 2018 to fiscal 2024, in a framework that is separate to the maximum remuneration amount described above.

The restricted-share remuneration plan (hereinafter the "Plan") shall consist of the tenure-based restricted shares which require a certain period of continuous service with the Company for conditions for lifting the transfer restrictions ("transfer restrictions" are defined later), and the performance target commitment-based restricted shares which require, in addition to the condition above, achievement of business performance targets including operating profit the Board of Directors of the Company predetermines for lifting the transfer restrictions.

The remuneration to be provided to Eligible Directors for granting the restricted shares based on this proposal shall be monetary claims (hereinafter the Monetary Remuneration Claims") and its total amount, the tenure-based restricted shares and the performance target commitment-based restricted shares combined, shall be 1,320 million yen or less per year, the level of amount deemed as reasonable in light of the aforementioned objective provided, which shall be provided for the limited period of seven years from the day on which this proposal is approved and adopted.

Also, the Company asks that specific granting periods and distributions to each Eligible Director be determined by the Board of Directors. The remuneration for granting the restricted shares shall not, however, be provided to Outside Directors.

Moreover, in the Plan, the above-mentioned remuneration amount shall not include employee salaries of Directors who concurrently serve as employees.

Currently, there are ten Directors (including two Outside Directors). If Proposal 3 "Election of Ten (10) Directors" is approved and adopted as proposed, the number of Directors will be ten, including two Outside Directors.

The Eligible Directors shall pay in all Monetary Remuneration Claims to be provided based on this proposal in the form of property contributed in kind, in accordance with the resolution by the Board of Directors of the Company, and shall, in return, receive common shares of the Company to be issued or disposed of by the Company. The total number of said common shares of the Company to be issued or disposed of, the tenure-based restricted shares and the performance target commitment-based restricted shares combined, shall be not more than 132,000 per year (in the event, however, that the Company makes a share split of common shares of the Company (including gratis allotment of common shares of the Company) or a share consolidation of the same on or after this proposal is approved and adopted, or any other unavoidable circumstance arises requiring adjustment of the total number of the Company's common shares to be issued or disposed of as the restricted shares, such total number shall be adjusted within a reasonable range). In addition, such shares shall be issued or disposed of for the limited period of seven years from the day on which this proposal is approved and adopted.

The amount to be paid in per share shall be based on the closing price of the Company's common shares on the First Section of the Tokyo Stock Exchange on the business day immediately before the date of each meeting of the Board of Directors of the Company to resolve issuance or disposition of the common shares of the Company (if there is no closing price on such date, the closing price of the closest preceding trading day). In addition, such issuance or disposal of the Company's common shares shall be subject to a restricted share allotment agreement that include the provisions summarized below and is entered into by and between the Company and each Eligible Director of the Company (hereinafter the "Allotment Agreement").

The provisions are summarized below:

(1) Transfer Restriction period

The Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of the common shares of the Company allotted under the Allotment Agreement (hereinafter the “Allotted Shares”) for a period of 30 years that starts from the day on which the Eligible Directors receive such shares based on the Allotment Agreement for the tenure-based restricted shares, and for a period of one year that starts from the day on which the Eligible Directors receive such shares based on the Allotment Agreement for the performance target commitment-based restricted shares (each of these period, hereinafter the “Transfer Restriction Period”). The restrictions described in the previous sentence will hereinafter be referred to as the “transfer restrictions,” and shares with the transfer restrictions will hereinafter be referred to as “restricted shares.”

(2) Treatment on resignation or retirement from office

When an Eligible Director resigns or retires from the position of Director, Executive Officer who does not concurrently serve as a Director, Auditor, employee, Corporate Adviser or Counselor, or equivalent position, of the Company or subsidiaries of the Company before expiration of the Transfer Restriction Period, the Company shall automatically acquire the Allotted Shares without contribution unless the reason for his/her resignation or retirement from office is the expiration of the term of his/her office, death, or any other justifiable reason

(3) Lifting of the transfer restrictions

(i) Notwithstanding the provisions in (1) above, the Company shall lift the transfer restrictions on all of the Allotted Shares upon expiration of the Transfer Restriction Period, on the condition that a given Eligible Director has remained in the position of Director, Executive Officer who does not concurrently serve as a Director, Auditor, employee, Corporate Adviser or Counselor, or equivalent position, of the Company or subsidiaries of the Company throughout the Transfer Restriction Period. In case any of the Eligible Directors resigns or retires from any of the positions defined in (2) above before expiration of the Transfer Restriction Period for a reason of the expiration of the term of his/her office, death or any other justifiable reason defined in (2) above, the Company shall make reasonable adjustments to the number of the Allotted Shares and the schedule to lift the transfer restrictions as necessary. The Company shall automatically acquire such Allotted Shares without contribution on which the transfer restrictions have not been lifted as of the time immediately after the transfer restrictions are lifted as specified above.

(ii) Notwithstanding the provisions in (1) above, the Company shall lift the transfer restrictions on all of the Allotted Shares upon expiration of the Transfer Restriction Period, on the condition that a given Eligible Director has remained in the position of Director, Executive Officer who does not concurrently serve as a Director, Auditor, employee, Corporate Adviser or Counselor, or equivalent position, of the Company or subsidiaries of the Company throughout the Transfer Restriction Period and that business performance targets including operating profit the Board of Directors of the Company predetermines are achieved. In case, however, the Eligible Director resigns or retires from any of the positions defined in (2) above before expiration of the Transfer Restriction Period for a reason of the expiration of the term of his/her office, death or any other justifiable reason defined in (2) above, the Company shall make reasonable adjustments to the number of the Allotted Shares and the schedule to lift the transfer restrictions as necessary. The Company shall automatically acquire such Allotted Shares without contribution on which the transfer restrictions have not been lifted as of the time immediately after the transfer restrictions are lifted as specified above.

(4) Treatment during organizational restructuring, etc.

Notwithstanding the provisions in (1) above, if a merger agreement under which the Company will become a non-surviving company, a share exchange agreement or a share transfer plan based upon which the Company will become a wholly-owned subsidiary, or other matters relating to organizational restructuring, etc. are approved in a General Meeting of Shareholders of the Company during the Transfer Restriction Period (or approved by the Board of Directors of the Company in the event that approval of the General Meeting of Shareholders is not required in relation to the organizational restructuring, etc.), the Company shall lift the

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transfer restrictions on a certain number of the Allotted Shares that will be reasonably determined by resolution of the Board of Directors of the Company prior to the date on which the organizational restructuring, etc., becomes effective, in view of the period from the date of commencement of the Transfer Restriction Period through the date of approval on the organizational restructuring, etc. In the event specified above, the Company shall automatically acquire without contribution the Allotted Shares on which the transfer restrictions have not been lifted as of the time immediately after the transfer restrictions are lifted.

Other matters concerning the Allotment Agreement shall be determined by the Board of Directors of the Company. Under the Plan, in addition to Eligible Directors, the Company plans to also provide directors of the wholly-owned subsidiaries in Japan and Executive Officers who do not concurrently serve as a Director with remuneration granted as the restricted shares in the same manner for Eligible Directors, by resolution of the Board of Directors, and thereafter newly issue or dispose of the common shares of the Company.