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Code No: 9792

June 9, 2017

2-9 Kanda-Surugadai, Chiyoda-ku, Tokyo, Japan

Nichii Gakkan Co., Ltd.

Chairman, President and CEO

Akihiko Terada

Notice of the 45th Annual Shareholders Meeting

Dear Shareholders:

You are cordially invited to attend the 45th 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 Mail]

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 26, 2017 (JST).

[Exercising Voting Rights via the Internet]

Please access the website (<http://www.evotep.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 26, 2017 (JST).

[Handling of duplicated exercises of voting rights by the same shareholder]

If you exercise your voting rights by two different methods, that is, via the Internet as well as by mailing your voting form, the vote via the Internet shall be deemed valid, regardless of the date and time when your voting results reach us.

If you exercise your voting rights more than once via the Internet, only the final execution shall be deemed valid.

1. Date and Time: Tuesday, June 27, 2017 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 45th business term (from April 1, 2016 to March 31, 2017)
2. Non-consolidated Financial Statements for the 45th business term (from April 1, 2016 to March 31, 2017)

Items to be resolved:

- Proposal 1.** Appropriation of Surplus
- Proposal 2.** Reduction of Legal Capital Surplus
- Proposal 3.** Partial Amendments to the Articles of Incorporation
- Proposal 4.** Payment of Directors' Bonuses

For those attending on the day, please present the enclosed voting form at the reception desk upon arrival at the meeting.

Pursuant to the relevant laws and regulations and Article 16 of the Company's Articles of Incorporation, the following items are posted on the Company's website (<http://www.nichiigakkan.co.jp/ir/stock/shareholders.html>) 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

If any revision is made with regard to the Reference Documents for the Shareholders Meeting, the Business Report, the Consolidated Financial Statements and/or the Non-consolidated Financial Statements, the Company will post such revision on the Company's website (<http://www.nichiigakkan.co.jp>).

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 45th 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 706,115,256 yen.
3. Effective date of the dividends from surplus
It is proposed to set the effective date to be June 28, 2017.

Proposal 2. Reduction of Legal Capital Surplus

1. Reason for reduction of Legal Capital Surplus

To ensure a nimble and flexible future capital policies, pursuant to Article 448, paragraph 1 of the Companies Act, it is proposed to reduce the amount of legal capital surplus and transfer the amount to other capital surplus.

2. Reduction of Legal Capital Surplus

- (1). Amount of legal capital surplus to be reduced
Capital reserves of 15,262,748,147 yen are to be reduced by 15,262,748,147 yen, and the full amount from this reduction is to be transferred to other capital surplus.
- (2). Effective date of reduction of legal capital surplus
June 28, 2017

Proposal 3. 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 (Purpose) Article 2. The purpose of the Company shall be to engage in the following businesses: (1) Education business for human resource development for medical treatment, care, childcare, etc. (2) <u>Management of language schools</u>	CHAPTER I. GENERAL PROVISIONS (Purpose) Article 2. (Unchanged) (1) (Unchanged) (2) <u>Management of language schools and education business related to language learning</u>

Current Articles of Incorporation	Proposed Amendments
(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)
(9) Services for preparation of reports using a voice-recognition system	(9) (Unchanged)
(10) Consulting services pertaining to management of medical institutions	(10) (Unchanged)
(11) Worker dispatch services	(11) (Unchanged)
(12) Contract services for clinical clerk and works at medical institutions, etc.	(12) (Unchanged)
(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.	(13) (Unchanged)
(14) Prenatal/postnatal care business	(14) (Unchanged)
(15) Consulting services related to operation and training for prenatal/postnatal care business	(15) (Unchanged)
(16) Business related to provisions and operation of public facilities, etc. based on Act on Promotion of Private Finance Initiative (PFI Act)	(16) (Unchanged)
(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	(17) (Unchanged)
(18) Management of pharmacies, and consulting services pertaining to such management	(18) (Unchanged)
(19) Research and development, cultivation, and sale of flowers, ornamental plants and seedlings	(19) (Unchanged)
(20) Meal providing services and catering services	(20) (Unchanged)
(21) Home-visit nursing based on the Health Insurance Act	(21) (Unchanged)
(22) (i) Designated in-home long-term care supports based on the Long-Term Care Insurance Act	(22) (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	

Current Articles of Incorporation	Proposed Amendments
(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 (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	(iii) (Unchanged)
(iv) Preventive long-term care services based on the Long-Term Care Insurance Act (a) Home-visit service for preventive long-term care (b) Home-visit bathing service for preventive long-term care (c) Home-visit nursing service for preventive long-term care (d) Outpatient preventive long-term care (e) Short-term stay for daily preventive long-term care (f) Daily preventive long-term care admitted to specified facilities (g) Rental of equipment for preventive long-term care covered by public aid (h) Sale of specified equipment for preventive long-term care covered by public aid (i) Management and guidance of in-home medical service for preventive long-term care	(iv) (Unchanged)
(v) <u>Preventive long-term care supports based on the Long-Term Care Insurance Act</u>	(v) <u>Preventive long-term care and comprehensive daily life supporting businesses 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 (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	(vi) (Unchanged)
(vii) Community supports based on the Long-Term Care Insurance Act	(vii) (Unchanged)
(viii) Home modification for in-home long-term care	(viii) (Unchanged)
(ix) Operation and development/management of facilities for businesses stated above	(ix) (Unchanged)

(TRANSLATION FOR REFERENCE PURPOSE ONLY)

Current Articles of Incorporation	Proposed Amendments
(23) Consultation supports based on the Comprehensive Supports for Daily Lives and Social Lives of Persons with Disabilities Act	(23) (Unchanged)
(24) Transportation supports based on the Comprehensive Supports for Daily Lives and Social Lives of Persons with Disabilities Act	(24) (Unchanged)
(25) Other community life supports based on the Comprehensive Supports for Daily Lives and Social Lives of Persons with Disabilities Act	(25) (Unchanged)
(26) Welfare service for persons with disabilities based on the Comprehensive Supports for Daily Lives and Social Lives of Persons with Disabilities Act	(26) (Unchanged)
(27) Services and supports to prevent physical inability of the elderly	(27) (Unchanged)
(28) Assistance to persons with disabilities and the elderly	(28) (Unchanged)
(29) In-home long-term care services not covered by the Long-Term Care Insurance Act	(29) (Unchanged)
(30) Management of fee-based homes for the elderly, care houses, and houses for the elderly	(30) (Unchanged)
(31) Operation and development/management of facilities for businesses stated above	(31) (Unchanged)
(32) Consulting services related to operation and training for care business	(32) (Unchanged)
(33) Consulting services related to operation and training for health care business	(33) (Unchanged)
(34) Fee-based employment placement service	(34) (Unchanged)
(35) Goods purchasing	(35) (Unchanged)
(36) Life supporting services and private-expense care business	(36) (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	(37) (Unchanged)
(i) Operation of authorized day-care centers	(i) (Unchanged)
(ii) Small-scale childcare business	(ii) (Unchanged)
(iii) Family day-care business	(iii) (Unchanged)
(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	(ix) (Unchanged)
(x) Operation of child-raising support bases related to other than those stated above	(x) (Unchanged)
(38) Operation and development/management of facilities for businesses stated above	(38) (Unchanged)
(39) Baby-sitter dispatch services	(39) (Unchanged)
(40) Consulting services related to operation and training for childcare business	(40) (Unchanged)
(41) Sale of goods related to child-raising for the childcare business	(41) (Unchanged)
(42) General construction work	(42) (Unchanged)
(43) Antique trade	(43) (Unchanged)
(44) Sale, rental, and dry disinfection of bedding	(44) (Unchanged)
(45) Advertising agency	(45) (Unchanged)

(TRANSLATION FOR REFERENCE PURPOSE ONLY)

Current Articles of Incorporation	Proposed Amendments
(46) Office administration services including reception and information service	(46) (Unchanged)
(47) Agent and mediation of clerical work for medical checkup visit	(47) (Unchanged)
(48) Mail-order business	(48) (Unchanged)
(49) Research and development, and manufacturing of welfare equipment and nursing items	(49) (Unchanged)
(50) Hotel	(50) (Unchanged)
(51) Eating and drinking place	(51) (Unchanged)
(52) Travel agency	(52) (Unchanged)
(53) Consulting services for overseas study, provision/introduction of international destination and agency for procedures of overseas study	(53) (Unchanged)
(54) Operation and management of tourist facilities	(54) (Unchanged)
(55) Non-life insurance agent	(55) (Unchanged)
(56) Business and activities to promote the use of service dogs and therapy dogs	(56) (Unchanged)
(57) Operation and development/management of facilities for businesses stated above	(57) (Unchanged)
(58) Breeding and sales of pet dogs	(58) (Unchanged)
(59) Planning, production and sales of pet supplies	(59) (Unchanged)
(60) Franchise business	(60) (Unchanged)
(61) Solicitation of membership stores under franchise system and managerial instruction for membership companies	(61) (Unchanged)
(62) Production of websites	(62) (Unchanged)
(63) Various notification services	(63) (Unchanged)
(64) Call center services	(64) (Unchanged)
(65) The following service businesses using telecommunications:	(65) (Unchanged)
(i) Monitoring and supporting services for the elderly	(i) (Unchanged)
(ii) Life-supporting services for the elderly	(ii) (Unchanged)
(66) Sale of alcoholic drinks	(66) (Unchanged)
(67) Consulting services for the sale of welfare equipment, nursery-care items, and other goods	(67) (Unchanged)
(68) Export and import of therapy dogs	(68) (Unchanged)
(69) Consulting services for the housekeeping business	(69) (Unchanged)
(70) Development and operation of prenatal/postnatal care training courses and prenatal/postnatal care service business	(70) (Unchanged)
(71) Service business to handle foreigners at medical institutions	(71) (Unchanged)
(72) Operation of online language learning school	(72) (Unchanged)
(73) Consulting services for long-term care facilities and childcare facilities design and construction	(73) (Unchanged)
(New)	<u>(74) Care business related to pets, and pet daycare business</u>
(New)	<u>(75) Education business for skill development</u>
(New)	<u>(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</u>
(74) All services incidental and related to each item above	<u>(77) (Unchanged)</u>

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 Board Members) and three (3) Auditors who have been in service during the year under review (35,200 thousand yen for Directors and 2,800 thousand yen for Auditors), in view of the amounts paid in the past, the operating results of this business year, and other circumstances.