

To Our Shareholders

Koshienguchi 6-1-45, Nishinomiya-shi, Hyogo
KYOKUTO KAIHATSU KOGYO CO., LTD.
Kazuya Takahashi, President

NOTICE OF THE 80th ANNUAL MEETING OF SHAREHOLDERS

Dear Shareholders,

You are cordially invited to attend the 80th Annual Meeting of Shareholders.

If you are unable to attend the meeting, you may vote by mail. In order to exercise your rights by mail, please review the attached “Reference Material for the Meeting of Shareholders”, indicate your approval or disapproval for the proposals on the enclosed Exercise of Voting Rights form, and then return it to us so that the mail arrives until 5:30 p.m. (JST), Wednesday June 24, 2015.

Notice of Meeting

1. **Date and Time** 10 a.m. (JST) on Thursday June 25, 2015
2. **Place** Head Office Conference Room, KYOKUTO KAIHATSU KOGYO CO., LTD. Koshienguchi 6-1-45, Nishinomiya-shi, Hyogo, Japan
3. **Objectives of Meeting**
 - Reporting**
 1. Report on contents of Business Report, Consolidated Financial Statement, and results of Audit on Consolidated Financial Statement by accounting auditors and board of auditors for the 80th business period (from April 1, 2014 to March 31, 2015)
 2. Report on contents of Financial Documents for the 80th business period (from April 1, 2014 to March 31, 2015)

Agenda

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|-------------------|------------------------------------|
| Proposal 1 | Appropriation of retained earnings |
| Proposal 2 | Election of Nine (9) Directors |
| Proposal 3 | Election of Four (4) Auditors |

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- If you plan to attend the meeting, please submit the enclosed Exercise of Voting Rights form to the receptionist at the meeting.
 - In case of any amendment to the Business Report, Consolidated Financial Statement, Financial Documents, and Reference Material for the Meeting of Shareholders, the amended documents will be posted on the website of the company.
(URL: <http://www.kyokuto.com/>)

Reference Material for the Meeting of Shareholders

Proposals and References

Proposal 1 Appropriation of retained earnings

It is proposed that the appropriation of retained earnings be made as follows.

1. Year-end dividend

After comprehensive consideration of the Company's business policy regarding the return to shareholders as the most important management politics, the Company's current financial status, and the need to respond to the shareholders' everyday support, it is proposed that the year-end dividend for the 80th business period be provided as follows:

(1) Type of dividend

Money

(2) Allocation of dividend and the total amount

Year-end dividend 14 yen per common share of the company

Total amount of dividend 556,207,526 yen

The annual dividend including the interim dividend for this business period will be 26 yen per share, increased by 5 yen from the former business period.

(3) Effective date of surplus allotment

June 26, 2015

2. Appropriation of retained earnings

In order to strengthen the financial structure of the Company, it is proposed to appropriate retained earnings as follows:

(1) Retained earnings increased and the amount

Contingent reserve 1,000,000,000 yen

(2) Retained earnings decreased and the amount

Earned surplus carried forward 1,000,000,000 yen

Proposal 2 Election of Nine (9) Directors

The terms of office of seven (7) Directors; Takaaki Fudetani, Kazuya Takahashi, Harumi Sugimoto, Takashi Yoneda, Haruhiro Kondo, Ikuya Sakai and Ryuichiro Nishikawa will expire at the close of this Annual Meeting of Shareholders. In order to strengthen and enhance the management system, it is proposed to elect Nine (9) Directors, increased by two (2) Directors.

The candidates for Directors are as follows:

Candidate Number	Name (Date of Birth)	Brief personal history and representative positions in other companies	# of shares held by the candidate	Special interest in the Company
1	Takaaki Fudetani (May 30, 1947)	<p>April 1971 Joined the Company</p> <p>June 2002 Executive Officer of the Company</p> <p>June 2003 Director of the Company</p> <p>April 2006 Executive General Manager of Administration of the Company</p> <p>June 2006 Senior Executive Officer of the Company</p> <p>June 2007 Representative Director, Senior Managing Director of the Company</p> <p> Representative Executive Officer of the Company</p> <p> Assistant President of the Company, in charge of related operations</p> <p>June 2008 Representative Director, President of the Company</p> <p> Chief Operating Officer of the Company</p> <p>June 2013 Representative Director, Chairman of the Company (current position)</p> <p> Chief Executive Officer of the Company (current position)</p> <p>(Representative position in other companies) Vice Chairman of Japan Auto-Body Industries Association inc.</p>	63,950	None

2	Kazuya Takahashi (Feb. 16, 1957)	<p>April 1980 April 2007 June 2008 April 2010 April 2011 June 2011 April 2012</p> <p>June 2013</p> <p>(Representative position in other companies)</p>	<p>Joined the Company Director of Kyokuto Kaihatsu Parking Co., Ltd. Representative Director of Kyokuto Kaihatsu Parking Co., Ltd. Executive Officer of the Company Overseas Operations Division Director of the Company Director of the Company Associate Senior Executive Officer of the Company SPV Division Director of the Company Chairman of the Kyokuto Special Automobile Trading (Shanghai) Co., Ltd. Chairman of the Kyokuto Kaihatsu (Kunshan) Machinery Co., Ltd. Representative Director, President of the Company (current position) Chief Operating Officer of the Company (current position)</p> <p>Director of Japan Auto-Body Industries Association inc.</p>	12,900	None
3	Harumi Sugimoto (Oct. 18, 1952)	<p>April 1975 April 2003 April 2006 April 2007 April 2010 June 2012 April 2013</p> <p>June 2014</p>	<p>Joined the Company Center Manager of Tailgate lifter of the Company General Manager of Manufacture, Nagoya Plant of the Company Nagoya Plant Manager of the Company Executive Officer of the Company Executive General Manager of Production of the Company Director of the Company (current position) SPV Division Director of the Company (current position) Chairman of the Kyokuto Special Automobile Trading (Shanghai) Co., Ltd. (current position) Chairman of the Kyokuto Kaihatsu (Kunshan) Machinery Co., Ltd. (current position) Associate Senior Executive Officer of the Company (current position)</p>	7,500	None

4	Takashi Yoneda (Oct. 23, 1954)	<p>April 1979 April 2004 April 2006 April 2009 April 2010 June 2012 June 2014 April 2015</p> <p>Joined the Company General Manager of Engineering, Nagoya Plant of the Company Center Manager of Tailgate lifter of the Company General Manager of Development of the Company Executive Officer of the Company Executive General Manager of Engineering of the Company General Manager of Engineering Management of the Company Director of the Company (current position) Associate Senior Executive Officer of the Company (current position) Executive General Manager of Production of the Company (current position) Miki Plant Manager of the Company (current position) Related to Engineering of the Company (current position)</p>	13,878	None
5	Haruhiro Kondo (Sep. 20, 1951)	<p>April 1974 June 2001 June 2002 June 2007 April 2011 April 2012 April 2013 June 2013 June 2014</p> <p>Joined Sumitomo Light Metal Industries, Ltd. Joined NIPPON TREX Co., Ltd. Director of NIPPON TREX Co., Ltd. Executive Director of NIPPON TREX Co., Ltd. Assistant Senior Executive Officer of NIPPON TREX Co., Ltd. Joined the Company Executive Officer of the Company General Manager of Finance of the Company (current position) Executive General Manager of Administration of the Company (current position) Director of the Company (current position) In charge of Real Estate Rental Division (current position) Associate Senior Executive Officer of the Company (current position)</p>	9,300	None

6	Ikuya Sakai (Nov. 26, 1954)	<p>April 1977 April 2003 April 2004 April 2006 April 2008 April 2010 April 2012 April 2013 June 2013 June 2014</p>	<p>Joined the Company General Manager of Engineering Management of the Company General Manager of Corporate Planning of the Company General Manager of Development of the Company Miki Plant Manager of the Company Representative Director of Kyokuto Kaihatsu Parking Co., Ltd. Executive Officer of the Company Real Estate Rental Division Director of the Company Environmental Division Director of the Company (current position) Related to affiliate companies, Environmental Division of the Company (current position) Director of the Company (current position) Associate Senior Executive Officer of the Company (current position)</p>	8,550	None
7	Ryuichiro Nishikawa (April 30, 1951)	<p>April 1976 June 2002 June 2006 April 2007 June 2008 April 2011 April 2012 June 2014 (Representative position in other companies)</p>	<p>Joined NIPPON TREX Co., Ltd. Director of NIPPON TREX Co., Ltd. Executive Director of NIPPON TREX Co., Ltd. Executive General Manager of Sales Department of NIPPON TREX Co., Ltd. Representative Director, President of NIPPON TREX Co., Ltd. (current position) Executive Officer of the Company Chief Operating Officer of NIPPON TREX Co., Ltd. (current position) Associate Senior Executive Officer of the Company (current position) Director of the Company (current position) Director of Japan Auto-Body Industries Association inc.</p>	7,900	None

8	* Yoji Kido (Dec 3, 1951)	<p>April 1975 June 2005 June 2007 April 2011 April 2013 June 2013 March 2014 April 2014 April 2015</p>	<p>Joined HANSHIN ELECTRIC RAILWAY CO., LTD. Director of HANSHIN ELECTRIC RAILWAY CO., LTD. Executive Director of HANSHIN ELECTRIC RAILWAY CO., LTD. Representative Director, Senior Executive Director of HANSHIN ELECTRIC RAILWAY CO., LTD. Representative Director, Vice President of HANSHIN ELECTRIC RAILWAY CO., LTD. Representative Director, Chairman of HANSHIN HOTEL SYSTEMS CO., LTD. Director of Japan Society of Civil Engineers (current position) Director of Hankyu Hanshin Building Management Co., Ltd. Vice Branch Director of Kansai Branch of the Japanese Geotechnical Society (current position) Representative Director, Chairman of Hankyu Hanshin Building Management Co., Ltd.</p>	0	None
9	* Akira Michigami (May 5, 1953)	<p>April 1982 April 1987 April 1998 April 1999 April 2007 June 2007 March 2010 April 2010 June 2011 Jan 2012 June 2014</p>	<p>Registration as Lawyer Vice President of Kobe Blue Sky Law Office (formerly Akagi & Michigami Lawyer's Office) Deputy President of Hyogo Bar Association (Formerly Kobe Bar Association) Mediator of Sumoto Branch Office of Kobe District Court (current position) President of Hyogo Bar Association Outside Corporate Auditor of the Company (current position) Independent Executive of the Company (current position) Deputy President of Japan Federation of Bar Associations Part-time Director of AWAJI SHINKIN BANK (current position) President of Kobe Blue Sky Law Office (current position) Outside Corporate Auditor of TOA Corporation (current position) Independent Executive of TOA Corporation (current position)</p>	0	None

Note:1. * means a new candidate.

2. Yoji Kido and Akira Michigami are candidates for Outside Directors.

3. Yoji Kido has long experience in management. Akira Michigami is a lawyer and has broad knowledge and long experience in corporate law and legal affairs. Therefore, we expect that they will supervise our management objectively.

Akira Michigami has not been involved in management except as Outside Corporate Auditor. However, we deem that he will fulfill his duty of Outside Director properly due to the above-mentioned.

4. Akira Michigami is current Outside Corporate Auditor of the Company. Eight years will have passed upon ending this Annual Meeting of Shareholders since Akira Michigami assumed Auditor of the Company.

5. Yoji Kido will be Independent Executive of the Company in accordance with the regulation of Tokyo Stock Exchange, Incorporated, in the event that he assumes Director of the Company.

6. We have reported Akira Michigami is Independent Executive of the Company in accordance with the regulation of Tokyo Stock Exchange, Incorporated.

7. In the event that Yoji Kido and Akira Michigami assume Director of the Company, the Company plans to enter into the limited liability contract prescribed in Article 427, Paragraph 1 of the Companies Act with them in accordance with the Articles of Incorporation of the Company. The limit of liability for damages pursuant to such limited liability contract is the minimum liability amount prescribed in Article 425, Paragraph 1 of the Companies Act.

8. We have considered appointing Outside Directors in view of the current public situation, but proposal for such election has not been done. In this Annual Meeting of Shareholders, we propose the election of Outside Directors as above-mentioned.

Proposal 3 Election of Four (4) Auditors

The terms of office of four (4) Auditors; Yoshinori Takashima, Tomoki Ueyama, Akira Michigami and Morio Kusunoki will expire at the close of this Annual Meeting of Shareholders. Therefore, it is proposed to elect Four (4) Auditors.

We have already received the approval of this proposal from the Board of Auditors.

The candidates for Directors are as follows:

Candidate Number	Name (Date of Birth)	Brief personal history and representative positions in other companies	# of shares held by the candidate	Special interest in the Company
1	Yoshinori Takashima (March 13, 1950)	April 1972 Joined the Company April 1999 General Manager of Engineering, Yokohama Plant of the Company April 2005 General Manager of Sales and Engineering of the Company June 2007 Executive Officer of the Company Deputy Executive General Manager of Administration of the Company April 2008 In charge of CSR of the Company June 2008 Director of the Company Executive General Manager of Administration of the Company April 2010 In charge of Warranty of Quality of the Company May 2011 Director of Japan Auto-Body Industries Association inc. June 2011 Associate Senior Executive Officer of the Company June 2013 Auditor of the Company (current position)	9,000	None

2	Tomoki Ueyama (March 14, 1948)	<p>April 1970 April 2001 June 2002 August 2002 August 2003 August 2006 April 2007 June 2007 June 2011</p> <p>Joined the Company Yokohama Plant Manager of the Company Executive Officer of the Company Representative Director of Kyokuto Special Automobile Trading (Shang Hai) Co., Ltd. President of Kyokuto Kaihatsu (Kunshan) Machinery Co., Ltd. Representative Director of Kyokuto Kaihatsu (Kunshan) Machinery Co., Ltd. Overseas Operations Division Director of the Company Director of the Company Auditor of the Company (current position)</p>	20,300	None
3	Morio Kusunoki (Nov. 4, 1946)	<p>April 2004 June 2005 June 2006 June 2007 June 2010 June 2011</p> <p>Senior Managing Director and Senior Executive Officer of Sumitomo Mitsui Banking Corporation Director and Deputy President of Sumitomo Mitsui Financial Group Standing Auditor of Sumitomo Mitsui Financial Group Auditor of Sumitomo Mitsui Banking Corporation Representative Director, President of Kobe Tochi Tatemono Corporation Representative Director, Chairman of Kobe Tochi Tatemono Corporation Outside Corporate Auditor of Hanshin Expressway Company Limited Outside Corporate Auditor of the Company (current position) Outside Corporate Auditor of NIKKO Co., Ltd. (current position) Senior Advisor of Kobe Tochi Tatemono Corporation (current position)</p>	0	None

4	* Yoshihiko Norikura (May 1, 1952)	April 1985	Registration as Lawyer	0	None
		Jan 1991	President of Norikura Law Office (current position)		
		April 2006	Professor of Konan Law School (labor law)		
		April 2010	President of Hyogo Bar Association		
		April 2013	Member of Personnel Committee of Kobe City (current position) Branch Director of Hyogo Branch of Japan Legal Support Center (current position)		
		June 2014	Outside Director of SAKURA KCS Corporation (current position) Independent Executive of SAKURA KCS Corporation (current position)		

Note:1. * means a new candidate.

2. Morio Kusunoki and Yoshihiko Norikura are candidates for Outside Corporate Auditors.
3. Morio Kusunoki was engaged on financial affairs in the bank for long years and has knowledge of finance and accounting and long experience in management. Yoshihiko Norikura is a lawyer and has broad knowledge and long experience in corporate law and legal affairs. Therefore, we expect that they will audit our management objectively.

Yoshihiko Norikura has not been involved in management except as Outside Director. However, we deem that he will fulfill his duty of Outside Corporate Auditor properly due to the above-mentioned.
4. Four years will have passed upon ending this Annual Meeting of Shareholders since Morio Kusunoki assumed Auditor of the Company.
5. Yoshihiko Norikura will be Independent Executive of the Company in accordance with the regulation of Tokyo Stock Exchange, Incorporated, in the event that he assumes Auditor of the Company.
6. In the event that Morio Kusunoki and Yoshihiko Norikura assume Auditor of the Company, the Company plans to enter into the limited liability contract prescribed in Article 427, Paragraph 1 of the Companies Act with them in accordance with the Articles of Incorporation of the Company. The limit of liability for damages pursuant to such limited liability contract is the minimum liability amount prescribed in Article 425, Paragraph 1 of the Companies Act.