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Securities Code: 6412

June 6, 2019

To Those Shareholders with Voting Rights

Katsuya Minei
Representative Director/President
Heiwa Corporation
1-16-1, Higashiueno, Taito-ku,
Tokyo, Japan

NOTICE OF THE 51ST ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to the 51st Ordinary General Meeting of Shareholders of Heiwa Corporation (the “Company”). The meeting will be held as stated below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders as described hereinafter, and exercise your voting rights no later than 6:00 p.m. on Wednesday, June 26, 2019.

Notice on Exercising Voting Rights

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| Exercising Voting Rights at the General Meeting of Shareholders | ▶ Shareholders attending the meeting in person are requested to submit the Voting Right Exercise Form enclosed with this notice to the reception desk on the day of the meeting. |
| Exercising Voting Rights in Writing | ▶ Please indicate “for” or “against” for each of the proposals in the enclosed Voting Right Exercise Form, and return the form to us no later than 6:00 p.m. on Wednesday, June 26, 2019. |
| Exercising Voting Rights via the Internet | ▶ To exercise your voting rights via the Internet, please refer to the attached “Instructions for Exercising Voting Rights” (omitted in this translation) and exercise your voting rights no later than 6:00 p.m. on Wednesday, June 26, 2019. |

- 1. Date and Time:** Thursday, June 27, 2019 at 10:00 a.m.
2. Place: Grand Ballroom “TENKU” (B1F), Tokyo Dome Hotel
1-3-61 Koraku, Bunkyo-ku, Tokyo

3. Agenda of the Meeting:

- Matters to be reported:**
1. Business Report, Consolidated Financial Statements for the 51st Fiscal Year (from April 1, 2018 to March 31, 2019) and results of audits by the Accounting Auditor and the Audit and Supervisory Board of the Consolidated Financial Statements
 2. Non-Consolidated Financial Statements for the 51st Fiscal Year (from April 1, 2018 to March 31, 2019)

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
Proposal No. 2: Election of One (1) Director
Proposal No. 3: Election of One (1) Audit and Supervisory Board Member

Shareholders attending the meeting in person are requested to submit the Voting Right Exercise Form enclosed with this notice to the reception desk on the day of the meeting.

A shareholder may exercise his/her voting rights by designating one proxy who is another shareholder of the Company with voting rights. In such cases, please submit a document authorizing the proxy with the Voting Right Exercise Form enclosed with this notice to the Company at the reception desk.

If the Reference Documents for the General Meeting of Shareholders, Business Report, and Consolidated and Non-consolidated Financial Statements are subsequently revised, the revisions shall be posted on the Company’s website (https://www.heiwanet.co.jp/en/ir/ir_top.php).

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

The Company places top priority on returning profits to shareholders while increasing corporate value. To be more specific, the Company's basic policy is to pay stable dividends in comprehensive consideration of its business plan, financial position, business performance, payout ratio, dividend on equity ratio, etc.

In accordance with the policy mentioned above, we would like to propose the year-end dividends for the 51st fiscal year as follows:

(1) Type of dividend property

Dividends will be paid in cash.

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

¥40 per share of the Company's common stock, for a total amount of ¥3,945,547,320

(As a result, the annual dividend, including interim dividend of ¥40 per share, would be ¥80 per share in total.)

(3) Effective date of dividends from surplus

June 28, 2019

Proposal No. 2: Election of One (1) Director

The Company has decided to add one (1) new Director to strengthen its management structure. Therefore, the Company proposes to elect one (1) Director.

The term of office of the newly elected Director shall be until the expiration of the scheduled terms of office of the incumbent Directors, pursuant to Article 22, paragraph (2) of the Articles of Incorporation of the Company.

The candidate for Director is as follows:

Name (Date of birth)	Career summary, position and areas of responsibility in the Company, and significant concurrent positions	Number of shares of the Company held
Yuji Mizushima (Apr. 9, 1962) <New election>	Jul. 1994 Joined the Company Jan. 2005 General Manager of Product Strategy Promotion Group and Group Leader of Total Marketing Group of Product Strategy Division of Development Production Business Unit of the Company Jul. 2005 General Manager of Administrative Group of Development Production Business Unit of the Company Apr. 2006 General Manager of Administrative Group of Development Production Division of the Company Feb. 2008 General Manager of Development Promotion Group of Development Division of the Company Apr. 2014 Executive Officer, General Manager of Development Promotion Group of Development Division of the Company Jun. 2018 Representative Director and President of AMTEX CO., LTD. (current position) Apr. 2019 Executive Officer, Deputy Chief of Development Division, in charge of Planning Group, and in charge of Design Group of the Company (current position)	—
<Reason for nomination as a candidate for Director> Mr. Yuji Mizushima has been involved in the sales, administration, and development departments and serving as Deputy Chief of Development Division since April 2019, having cultivated extensive experience and wide-ranging insights. The Company judges that this experience and track record will contribute to sustainable improvements in the corporate value of the Group, and hence it has nominated him as a candidate for Director.		

Note: No conflict of interest exists between Mr. Yuji Mizushima and the Company.

Proposal No. 3: Election of One (1) Audit and Supervisory Board Member

Out of the three (3) Audit and Supervisory Board Members of the Company, the term of office of Mr. Yuichiro Eguchi will expire at the conclusion of this meeting. Therefore, the Company proposes to elect one (1) Audit and Supervisory Board Member.

The Audit and Supervisory Board has already given its consent to this proposal.

The candidate for Audit and Supervisory Board Member is as follows:

Name (Date of birth)	Career summary, position and significant concurrent positions	Number of shares of the Company held
Yuichiro Eguchi (Jul. 22, 1974) <Re-election> <Outside> <Independent>	Apr. 1999 Admitted to the bar in Japan Joined Tokyo Eiwa Attorney at Law Jul. 2008 Joined TMI Associates Jan. 2014 Partner of TMI Associates (current position) Jun. 2015 Outside Audit and Supervisory Board Member of the Company (current position)	—
<Reason for nomination as a candidate for Outside Audit and Supervisory Board Member> Although Mr. Yuichiro Eguchi has not been involved in corporate management other than having served as an Outside Audit and Supervisory Board Member, the Company judges that he will be able to utilize his professional knowledge and abundant experience as an attorney at law for supervising the overall management of the Company, and hence it has nominated him as a candidate for Outside Audit and Supervisory Board Member.		

- Notes:
1. No conflict of interest exists between Mr. Yuichiro Eguchi and the Company.
 2. Mr. Yuichiro Eguchi is a candidate for Outside Audit and Supervisory Board Member.
 3. The term of office of Mr. Yuichiro Eguchi will be four (4) years at the conclusion of this meeting.
 4. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreement with Mr. Yuichiro Eguchi which shall limit the liability for damages provided for in Article 423, paragraph (1) of the Companies Act, to the extent of the minimum amount of liability provided for in Article 425, paragraph (1) of the Companies Act. In the event that his re-election is approved, the Company plans to continue the said agreement.
 5. The Company has designated Mr. Yuichiro Eguchi as an independent officer stipulated by the Tokyo Stock Exchange, and has registered him as such at the Exchange. In the event that his re-election is approved, the Company plans to continue to designate him as an independent officer. In addition, Mr. Yuichiro Eguchi complies with the "Policy on Independence of Outside Directors and Outside Audit and Supervisory Board Members" (refer to Page 6) established by the Company.

Policy on Independence of Outside Directors and Outside Audit and Supervisory Board Members

In the event that an Outside Director or Outside Audit and Supervisory Board Member falls under any of the following descriptions, the Company will determine that the person does not have independence.

1. An executive director, executive officer (*shikkoyakuin*) or any other person equivalent thereto or any other employee (hereinafter collectively referred to as “executive”), of the Company and its subsidiaries (hereinafter referred to as the “Group”).
2. A person who was an executive of the Group in the past.
3. A relative within the second degree of kinship, of an executive of the Group.
4. A major shareholder of the Company (a person who holds 10% or more of voting rights of all shareholders of the Company. In the event that the major shareholder is an organization that is a corporation, partnership, etc., “major shareholder” shall refer to an executive belonging to the organization).
5. A relative within the second degree of kinship, of a major shareholder of the Company.
6. A major client or supplier of the Group (any supplier that has received a payment from the Group of 2% or more of consolidated net sales of the Company for the most recent fiscal year, or any client who has paid the Group 2% or more of consolidated net sales of the Company for the most recent fiscal year. In the event that said client or supplier is a company, “major client or supplier” shall refer to an executive of said company).
7. A person providing professional services who received remuneration, etc. of ¥10 million or more in one of the previous three fiscal years from the Group (excluding officer remuneration from the Group).
8. A person who received donations or subsidies of ¥10 million or more in one of the previous three fiscal years from the Group (in the event that said donations or subsidies are received by a corporation, other organization, etc., “person who received donations or subsidies” shall refer to an executive of said organization).
9. An executive of a financial institution or other large-lot creditor (hereinafter referred to as “large-lot creditor etc.”) that is essential to the Company’s financing and that the Company is dependent on to a degree that there is no substitute.
10. A person who was an executive of a large-lot creditor etc. in the previous three years.
11. A person for whom an exceptional reason has been found to exist that would cause a conflict of interest with the Company, notwithstanding the provisions above.