

To Our Shareholders:

3-31-1 Myoon-dori, Mizuho-ku, Nagoya
Sanyo Housing Nagoya Co., Ltd.
Souichi Miyazaki, Representative Director
and President

Notice of the 27th Annual Meeting of Shareholders

The Company would hereby like to request shareholders to attend the Company's 27th Annual Meeting of Shareholders as described below.

If you are unable to attend the meeting on the date, you may also exercise your voting rights in writing. We kindly request you to read the following Reference Document for the Annual Meeting of Shareholders, indicate "for" or "against" on each agenda item on the voting form enclosed herewith, and return it no later than 6:00 p.m., November 28, 2016 (Monday).

Sincerely yours,

1. **Date:** 10:00 a.m., November 29 (Tuesday), 2016
(Reception starts at 9:00 a.m.)
2. **Venue:** 2F, Zuiun, Hotel Mielparque NAGOYA
3-16-16 Aoi, Higashi-ku, Nagoya
3. **Purposes:**
 1. **Items to be reported:** The business report, the consolidated financial statements and the results of consolidated financial statement audits by the Accounting Auditor and the Audit & Supervisory Board for the 27th business period (September 1, 2015 to August 31, 2016)
 2. The non-consolidated financial statements for the 27th business period (September 1, 2015 to August 31, 2016)

Items to be resolved:

Agenda: Election of Eight (8) Directors

When you attend the meeting, we kindly request that you submit the enclosed voting form to the receptionist at the venue.

If there are any revisions to the Reference Document for the Annual Meeting of Shareholders, and/or the business report, the consolidated and the non-consolidated financial statements, such revisions will be listed on the Company's website. (URL: <http://www.sanyo-hn.co.jp>)

Reference Document for the Annual Meeting of Shareholders

Agenda: Election of Eight (8) Directors

The terms of the office of all eight (8) Directors expire at the conclusion of this Annual Meeting of Shareholders. Accordingly, we propose the election of eight (8) Directors, including two (2) Outside Directors.

The candidates for Directors are as follows.

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company, and significant concurrent positions	Number of the Company's shares owned
1	Souichi Miyazaki (October 19, 1948) [Reappointment]	<p>November 1989 Establishment of the Company, Representative Director and President (incumbent)</p> <p>[Significant concurrent positions]</p> <p>Representative Director, Sanyo Engineering-works Survey Co., Ltd.</p> <p>Representative Director, Sanyo Best Home Co., Ltd.</p> <p>*Status of attending Board of Directors' Meetings during the 27th business period: 15/15 (100%)</p> <p>*Term of office as the Company Director: 27 years (at the conclusion of this Annual Meeting of Shareholders)</p>	4,074,300
<p>[Reason for the nomination as a Director candidate]</p> <p>Mr. Souichi Miyazaki has worked on the development of foundation and business expansion of the Sanyo Housing Group as Representative Director since the establishment of the Company in 1989. The Company has nominated him as a Director candidate in the expectation that he will make further contributions to the continuous and stable development of the Group's business with his outstanding insights into corporate management and leadership.</p>			
2	Yasunari Sawada (May 4, 1971) [Reappointment]	<p>February 1990 Joined the Company</p> <p>October 2003 Executive Officer, Department Head of Sales</p> <p>August 2004 Executive Officer, Department Manager of Sales</p> <p>November 2006 Director and Executive Officer, Department Manager of Sales</p> <p>November 2011 Managing Director and Department Manager of Sales (incumbent)</p> <p>*Status of attending Board of Directors' Meetings during the 27th business period: 15/15 (100%)</p> <p>*Term of office as Company Director: 10 years (at the conclusion of this Annual Meeting of Shareholders)</p>	57,900
<p>[Reason for the nomination as a Director candidate]</p> <p>Mr. Yasunari Sawada has made efforts toward the expansion of the scope and progress of the business of the Company, mainly in the sales department, since joining the Company. The Company has nominated him as a Director candidate in the expectation that he will make further contributions by leveraging his high level of professional knowledge and many years of experience in selling houses.</p>			

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company, and significant concurrent positions	Number of the Company's shares owned
3	Eiji Sugiura (December 22, 1953) [Reappointment]	<p>April 1976 Joined the Tokai Bank, Ltd. (currently, the Bank of Tokyo-Mitsubishi UFJ, Ltd.)</p> <p>November 1999 Manager of the Kasadera Branch of the bank</p> <p>April 2001 Seconded to the Toyo Trust and Banking Company, Ltd. (currently, the Mitsubishi UFJ Trust and Banking Corporation)</p> <p>April 2003 Joined Nadex Co., Ltd.</p> <p>April 2005 Department Head of General Affairs</p> <p>August 2007 Joined the Company, Department Head of Finance</p> <p>October 2008 Executive Officer, Department Head of Finance</p> <p>November 2009 Director and Executive Officer, Department Head of Finance</p> <p>November 2011 Managing Director, Department Manager of Administration</p> <p>November 2015 Managing Director (incumbent)</p> <p>*Status of attending Board of Directors' Meetings during the 27th business period: 15/15 (100%) *Term of office as Company Director: 7 years (at the conclusion of this Annual Meeting of Shareholders)</p>	28,500
<p>[Reason for the nomination as a Director candidate]</p> <p>Mr. Eiji Sugiura has contributed to the strengthening of the administration functions of the Company mainly by engaging in accounting and finance operations. The Company has nominated him as a Director candidate in the expectation that he will make further contributions to the enhancement of administration functions and ensuring and improving the soundness and appropriateness of management decision making of the Company by leveraging his extensive work experience.</p>			

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company, and significant concurrent positions	Number of the Company's shares owned
4	Naoki Mito (December 27, 1961) [Reappointment]	<p>April 1980 Joined National House Industrial Co., Ltd. (currently, PanaHome Corporation)</p> <p>April 2006 Joined Sanyo Best Home Co., Ltd.</p> <p>October 2006 Joined the Company</p> <p>April 2007 Department Head of Construction</p> <p>November 2007 Executive Officer, Department Head of Construction</p> <p>November 2009 Director and Executive Officer, Department Head of Construction</p> <p>November 2011 Director and Executive Officer, Department Manager of Construction</p> <p>March 2015 Director and Executive Officer, Department Manager of Construction and Department Head of Design (incumbent)</p> <p>*Status of attending Board of Directors' Meetings during the 27th business period: 15/15 (100%)</p> <p>*Term of office as Company Director: 7 years (at the conclusion of this Annual Meeting of Shareholders)</p>	6,200
<p>[Reason for the nomination as a Director candidate]</p> <p>Mr. Naoki Mito has been engaged in construction operations of the Company and advanced technological development and operational improvement in this area since joining the Company. The Company has nominated him as a Director candidate in the expectation that he will make further contributions to the continuous development of the Group's business with his high level of expertise and extensive knowledge.</p>			

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company, and significant concurrent positions	Number of the Company's shares owned
5	Noboru Kohara (January 12, 1957) [Reappointment]	<p>April 1979 Joined Sasaki Glass Co., Ltd. (currently, Toyo-Sasaki Glass Co., Ltd.)</p> <p>September 1990 Joined Kokusai Securities Co., Ltd. (currently, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)</p> <p>October 1999 General Manager of Osaka IPO Underwriting Department</p> <p>January 2008 Seconded to the Company, Section Chief of Internal Audit</p> <p>July 2008 Section Chief of Corporate Planning</p> <p>October 2008 Executive Officer, Section Chief of Corporate Planning</p> <p>November 2009 Joined the Company, Executive Officer, Section Chief of Corporate Planning</p> <p>November 2009 Director and Executive Officer, Section Chief of Corporate Planning</p> <p>November 2011 Director and Executive Officer, Department Manager of Corporate Management and Section Chief of Corporate Planning (incumbent)</p> <p>*Status of attending Board of Directors' Meetings during the 27th business period: 15/15 (100%)</p> <p>*Term of office as the Company's Director: 7 years (at the conclusion of this Annual Meeting of Shareholders)</p>	16,300
<p>[Reason for the nomination as a Director candidate]</p> <p>Mr. Noboru Kohara, as Director of the Company, has assumed responsibility in corporate planning operations and exercised his ability in development of management plans and business administration of the Group. The Company has nominated him as a Director candidate in the expectation that he will make further contributions to the expansion of the Group's business.</p>			

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company, and significant concurrent positions	Number of the Company's shares owned
6	Takaharu Omori (October 6, 1962) [Reappointment]	April 1985 Joined Chuo Sogo Bank, Ltd. (currently, the Aichi Bank, Ltd.) June 2011 Manager of Shinmichi Branch July 2013 Seconded to the Company, Department Head of General Affairs November 2013 Executive Officer, Department Head of Personnel September 2014 Joined the Company, Executive Officer, Department Head of Personnel November 2014 Director and Executive Officer, Department Head of Personnel November 2015 Director and Executive Officer, Department Manager of Administration and Department Head of Personnel (incumbent) *Status of attending Board of Directors' Meetings during the 27th business period: 14/15 (93%) *Term of office as the Company's Director: 2 years (at the conclusion of this Annual Meeting of Shareholders)	1,200
[Reason for the nomination as a Director candidate] Mr. Takaharu Omori, as Director of the Company, has reviewed and improved the Company's various personnel systems and business administration operations. The Company has nominated him as a Director candidate in the expectation that he will make further contributions to improving the Company's corporate value by leveraging his experience and insights into those operations.			

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company, and significant concurrent positions	Number of the Company's shares owned
7	<p>Takashi Ori (November 11, 1948) [Reappointment] [Outside Director Candidate]</p>	<p>April 1971 Joined the Juroku Bank, Ltd. June 1995 Director, General Manager of Marketing at Head Office June 1997 Managing Director, General Manager of Marketing at Head Office June 2000 Senior Managing Director June 2004 President and Representative Director, Juroku Lease Co., Ltd. June 2010 President and Representative Director, Juroku DC Card Co., Ltd. (currently, Juroku Card Co., Ltd.) President and Representative Director, Juroku JCB Co., Ltd. (currently, Juroku Card Co., Ltd.) June 2013 President and Representative Director, Juroku Research Institute Co., Ltd. June 2015 Advisor to Juroku Research Institute Co., Ltd. (incumbent) November 2015 Outside Director of the Company (incumbent)</p> <p>[Significant concurrent positions] Advisor to Juroku Research Institute Co., Ltd. *Status of attending Board of Directors' Meetings during the 27th business period: 11/11 (100%) (since the appointment in November 2015) *Term of office as the Company's Outside Director: 1 year (at the conclusion of this Annual Meeting of Shareholders)</p>	200
<p>[Reason for the nomination as an Outside Director candidate] Mr. Takashi Ori has considerable expertise in finance and accounting obtained from many years of banking experience and extensive experience of corporate management. The Company has nominated him as an Outside Director candidate according to the judgment that he will be able to perform the duties of Outside Director based on such experience and a high level of insights.</p>			

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company, and significant concurrent positions	Number of the Company's shares owned
8	Akikazu Endo (March 16, 1971) [Reappointment] [Outside Director Candidate]	<p>October 1998 Joined Tohmatsu & Co. Nagoya Office (currently, Deloitte Touche Tohmatsu LLC Nagoya Office)</p> <p>April 2002 Registered as certified public accountant</p> <p>July 2003 Joined Tohmatsu Consulting Co., Ltd. (currently, Deloitte Tohmatsu Consulting LLC)</p> <p>November 2005 Establishment of Endo Accounting Office, Director (incumbent)</p> <p>November 2014 Outside Director of the Company (incumbent)</p> <p>January 2015 Chief Executive Officer, One's Brain Partners Corporation (incumbent)</p> <p>[Significant concurrent positions] Director, Endo Accounting Office Chief Executive Officer, One's Brain Partners Corporation</p> <p>*Status of attending Board of Directors' Meetings during the 27th business period: 14/15 (93%)</p> <p>*Term of office as the Company's Outside Director: 2 years (at the conclusion of this Annual Meeting of Shareholders)</p>	800
<p>[Reason for the nomination as an Outside Director candidate] Mr. Akikazu Endo has no direct experience of corporate management. However, he has a high level of professional knowledge and experience obtained as a certified public accountant. The Company has judged that he will be able to perform the duties of Outside Director of the Company based on such experience and a high level of insight.</p>			

Notes:

1. There are no special relationships of interest between the Company and Director candidates.
2. Mr. Takashi Ori and Mr. Akikazu Endo are candidates for Outside Director.
3. The Company has entered into an agreement with Mr. Takashi Ori and Mr. Akikazu Endo to limit their liability for damages as provided for by Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the said Act; provided however, that the amount of the liability limitation under the said agreement is the minimum liability amount provided for by Article 425, Paragraph 1 of the said Act if they act in good faith without gross negligence in the performance of their duties. The Company will renew the said agreement with them if their reappointment is approved.
4. Mr. Takashi Ori and Mr. Akikazu Endo meet the requirements of Independent Officer specified by the Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. The Company has registered them with those stock exchanges as Independent Officers. They will continue to serve as Independent Officers if their election is approved as proposed.
5. In March 2016, which is during the time of service of Mr. Takashi Ori and Mr. Akikazu Endo as Outside Directors, the Company received supervisory dispositions from the Ministry of Land, Infrastructure, Transport and Tourism in accordance with the Building Lots and Buildings Transaction Business Act. As Outside Directors they have been offering advice and recommendations from the viewpoint of compliance with laws and regulations and performing their duties in reviewing the Company's overall operations and implementing operational improvement initiatives to prevent

recurrence.