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(Stock Exchange Code 9367)
June 6, 2022

To Shareholders with Voting Rights:

Yoshisada Sone
President and Representative Director
DAITO KOUN CO., LTD.
4-6-8 Shibaura, Minato-ku, Tokyo, Japan

NOTICE OF CONVOCATION OF THE 73rd ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially notified that the 73rd Annual General Meeting of Shareholders of DAITO KOUN CO., LTD. (the “Company”) will be held for the purposes as described below.

Giving the highest priority to shareholders’ safety and reassurance, we kindly ask our shareholders to consider refraining from attending the General Meeting of Shareholders as a measure to prevent the spread of COVID-19 and instead exercise your voting rights by mailing us the enclosed Voting Rights Exercise Form or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:15 p.m. on Thursday, June 23, 2022, Japan time.

- 1. Date and Time:** Friday, June 24, 2022 at 10:00 a.m. Japan time
- 2. Place:** Room 2 & 3, 1st floor, BELLESALLE Mita at Sumitomo Fudosan Mita Twin Bldg. West Wing located at 3-5-27 Mita, Minato-ku, Tokyo, Japan
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report, Consolidated Financial Statements for the Company’s 73rd Fiscal Year (April 1, 2021 - March 31, 2022) and report on results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors.
 2. Non-consolidated Financial Statements for the Company’s 73rd Fiscal Year (April 1, 2021 - March 31, 2022)

Proposals to be resolved:

- Proposal 1:** Partial Amendments to the Articles of Incorporation
- Proposal 2:** Election of Six Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal 3:** Election of Three Directors Who Are Audit and Supervisory Committee Members
- Proposal 4:** Election of One Substitute Director Who Is an Audit and Supervisory Committee Member
- Proposal 5:** Setting of Remuneration Amount for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal 6:** Setting of Remuneration Amount for Directors Who Are Audit and Supervisory Committee Members
- Proposal 7:** Determination of Remuneration for Granting Restricted Shares to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors)

- ◎ When attending the meeting in person, please submit the enclosed Voting Rights Exercise Form at the reception desk at the venue. Additionally, please bring this Notice with you in order to conserve resources.
- ◎ Should the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website (<https://www.daito-koun.co.jp/>).
- ◎ Of the documents required to be presented along with this notice of convocation, "Notes to the Consolidated Financial Statements" and "Notes to the Non-consolidated Financial Statements" are, in accordance with laws and ordinances, and Article 14 of the Articles of Incorporation of the Company, posted on the Company's website (<https://www.daito-koun.co.jp/>) and are therefore not included in the documents attached to this notice of convocation. Accordingly, the documents attached to this notice of convocation are part of the Consolidated Financial Statements and the Non-consolidated Financial Statements which have been audited by the Accounting Auditor and Corporate Auditors in the preparation of their respective audit reports.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

- 1) To further enhance corporate governance by strengthening the supervision function of the Board of Directors, the Company will transition to a Company with an Audit and Supervisory Committee. In line with this transition, it is proposed to make the necessary amendments, including establishing new provisions concerning Audit and Supervisory Committee Members and the Audit and Supervisory Committee and deleting provisions concerning Corporate Auditors and the Board of Corporate Auditors. Also, to raise the efficiency of management and enable expeditious decision-making, it is proposed to establish new provisions regarding the delegation of authority to Executive Directors.
- 2) In line with the enforcement of amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) on September 1, 2022, provisions shall be established to provide that information contained in the reference documents for the general meeting of shareholders, etc. will be furnished electronically and to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it. In addition, the provisions related to the Internet disclosure and deemed provision of the reference documents for the general meeting of shareholders, etc. will become unnecessary and will therefore be deleted, and supplementary provisions related to the effective date, etc. of these amendments shall be established.

2. Details of amendments

The details of the amendments are as follows.

These amendments to the Articles of Incorporation shall take effect at the conclusion of this Annual General Meeting of Shareholders.

(Amendments are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>CHAPTER I GENERAL PROVISIONS Articles 1-4 (Omitted)</p> <p>CHAPTER II SHARES Articles 5-8 (Omitted)</p> <p>(Shareholder Registry Administrator) Article 9 The Company shall appoint an administrator to manage the shareholder register.</p> <p>2. The selection of the administrator to manage the shareholder register and the location of its office shall be determined by resolution of the Board of Directors and public notice shall be given.</p> <p>(Share Handling Regulations) Article 10 Entry or recording in the shareholder register and the register of share acquisition rights, acquisition and make-up purchases of shareholdings of</p>	<p>CHAPTER I GENERAL PROVISIONS Articles 1-4 (Unchanged)</p> <p>CHAPTER II SHARES Articles 5-8 (Unchanged)</p> <p>(Shareholder Registry Administrator) Article 9 The Company shall appoint an administrator to manage the shareholder register.</p> <p>2. The selection of the administrator to manage the shareholder register and the location of its office shall be determined by resolution of the Board of Directors <u>or by a Director who has been delegated by resolution of the Board of Directors</u> and public notice shall be given.</p> <p>(Share Handling Regulations) Article 10 Entry or recording in the shareholder register and the register of share acquisition rights, acquisition and make-up purchases of shareholdings of</p>

less than one share unit, and other handling and fees related to shares and share acquisition rights shall be determined in accordance with the provisions of applicable laws and ordinances, the Articles of Incorporation, and rules for the handling of shares set forth by the Board of Directors.

Article 11 (Omitted)

CHAPTER III GENERAL MEETING OF
SHAREHOLDERS

Articles 12-13 (Omitted)

(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)

Article 14 The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the Internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.

<Newly established>

Articles 15-17 (Omitted)

CHAPTER IV DIRECTORS AND BOARD OF
DIRECTORS

less than one share unit, and other handling and fees related to shares and share acquisition rights shall be determined in accordance with the provisions of applicable laws and ordinances, the Articles of Incorporation, and rules for the handling of shares set forth by the Board of Directors or by a Director who has been delegated by resolution of the Board of Directors.

Article 11 (Unchanged)

CHAPTER III GENERAL MEETING OF
SHAREHOLDERS

Articles 12-13 (Unchanged)

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(Measures for Electronic Provision, Etc.)

Article 14 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.

2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.

Articles 15-17 (Unchanged)

CHAPTER IV DIRECTORS AND BOARD OF
DIRECTORS

Article 18 (Omitted)

(Number of Directors)

Article 19 The number of Directors of the Company shall not exceed twenty (20).

<Newly established>

(Method of Election of Directors)

Article 20 A Director shall be elected by a resolution at the general meeting of shareholders.

2. Resolutions for the election of Directors shall require one-third or more of shareholders entitled to vote be present, and shall require a majority vote of those present to pass.
3. Cumulative voting shall not be allowed for resolutions for the election of Directors.

(Term of Office of Directors)

Article 21 The term of office of Directors shall expire at the close of the annual general meeting of shareholders held in respect of the business year ending within one (1) year after their election.

<Newly established>

Article 18 (Unchanged)

(Number of Directors)

Article 19 The number of Directors (excluding Directors who are Audit and Supervisory Committee Members) of the Company shall not exceed twelve (12).

2. The number of Directors who are Audit and Supervisory Committee Members shall not exceed four (4).

(Method of Election of Directors)

Article 20 A Director shall be elected by a resolution at the general meeting of shareholders, distinguishing between Directors who are Audit and Supervisory Committee Members and other Directors.

2. Resolutions for the election of Directors shall require one-third or more of shareholders entitled to vote be present, and shall require a majority vote of those present to pass.
3. Cumulative voting shall not be allowed for resolutions for the election of Directors.

(Term of Office of Directors)

Article 21 The term of office of Directors (excluding Directors who are Audit and Supervisory Committee Members) shall expire at the close of the annual general meeting of shareholders held in respect of the business year ending within one (1) year after their election.

2. The term of office of Directors who are Audit and Supervisory Committee Members shall expire at the close of the annual general meeting of shareholders held in respect of the business year ending within two (2) years after their election.
3. The term of office of a Director who is an Audit and Supervisory Committee Member elected to fill a vacancy caused by the departure of a Director who is an Audit and Supervisory Committee Member prior to the expiry of such Director's term of office shall expire at the time the term of office of such departed Director expires.
4. The term of validity of a resolution for the election of a substitute Director who is an Audit and Supervisory Committee Member elected under Article 329, Paragraph 3 of the Companies Act shall expire at the

<p>(Representative Directors and Directors with Special Titles)</p> <p>Article 22 The Company shall appoint Representative Directors by resolution of the Board of Directors.</p> <p>2. The Representative Directors shall represent the Company in the execution of the Company's operations.</p> <p>3. The Board of Directors may appoint one (1) President, and, as necessary, <u>one (1) Corporate Advisor</u>, one (1) Chairman of the Board, a small number of Vice Presidents, Senior Managing Directors and Managing Directors by its resolution.</p>	<p><u>beginning of the annual general meeting of shareholders held in respect of the latest business year ending within two (2) years after such resolution.</u></p> <p>(Representative Directors and Directors with Special Titles)</p> <p>Article 22 The Company shall appoint Representative Directors <u>from among Directors (excluding Directors who are Audit and Supervisory Committee Members)</u> by resolution of the Board of Directors.</p> <p>2. The Representative Directors shall represent the Company in the execution of the Company's operations.</p> <p>3. The Board of Directors may appoint one (1) President and, as necessary, one (1) Chairman of the Board, <u>and</u> a small number of Vice Presidents, Senior Managing Directors and Managing Directors <u>from among Directors (excluding Directors who are Audit and Supervisory Committee Members)</u> by its resolution.</p>
<p>Article 23 (Omitted)</p>	<p>Article 23 (Unchanged)</p>
<p>(Notice of Convocation of the Meetings of the Board of Directors)</p> <p>Article 24 A convocation notice regarding a meeting of the Board of Directors shall be issued to each Director <u>and each Corporate Auditor</u> no later than three (3) days prior to the date of the meeting; provided, however, that such period may be shortened in the case of urgent necessity.</p>	<p>(Notice of Convocation of the Meetings of the Board of Directors)</p> <p>Article 24 A convocation notice regarding a meeting of the Board of Directors shall be issued to each Director no later than three (3) days prior to the date of the meeting; provided, however, that such period may be shortened in the case of urgent necessity.</p>
<p>(Method of Resolution by the Board of Directors)</p> <p>Article 25 Resolutions of the Board of Directors shall be made with a majority of the Directors in attendance, by a majority of those attending Directors.</p>	<p>(Method of Resolution by the Board of Directors)</p> <p>Article 25 Resolutions of the Board of Directors shall be made with a majority of the Directors <u>entitled to participate in voting</u> in attendance, by a majority of those attending Directors.</p>
<p>(Omission of Resolution by the Board of Directors)</p> <p>Article 26 With respect to the matters to be resolved by the Board of Directors, the Company shall deem that such matters were approved by a resolution of the Board of Directors when all Directors express their agreement in writing or by an electromagnetic device; <u>provided, however, that this shall not</u></p>	<p>(Omission of Resolution by the Board of Directors)</p> <p>Article 26 With respect to the matters to be resolved by the Board of Directors, the Company shall deem that such matters were approved by a resolution of the Board of Directors when all Directors express their agreement in writing or by an electromagnetic device.</p>

be the case if an objection is made by a Corporate Auditor.

<Newly established>

(Minutes of Meetings of the Board of Directors)

Article 27 A summary of the proceedings of the Board of Directors, the results of those proceedings, and other matters set forth in laws and ordinances shall be stated or recorded in the minutes, and the Directors and Corporate Auditors present shall sign or affix their name and seal to them or make an electronic signature.

Article 28 (Omitted)

(Remuneration, etc. of the Board of Directors)

Article 29 Directors' remuneration, etc. shall be determined by resolution of the general meeting of shareholders.

(Exemption from Directors' Liability)

Article 30 The Company may, by resolution of the Board of Directors, exempt Directors (including former Directors) from liability for damages as defined under Article 423, Paragraph 1 of the Companies Act if conditions stipulated by applicable laws and ordinances apply. In such instances, the Company may exempt such Directors up to an amount that is derived by deducting the minimum amount of liability required under applicable laws and ordinances from the amount of liability for damages.

2. The Company may enter into a contract with Outside Directors that limits their liability for damages as defined under Article 423, Paragraph 1 of the Companies Act if conditions

(Delegation of Decision-Making on Important Business Executions)

Article 27 The Company may, pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, delegate to Directors all or part of the authority of decision-making on important business executions (excluding matters listed in each Item of Article 399-13, Paragraph 5 of said Act), by resolution of the Board of Directors.

(Minutes of Meetings of the Board of Directors)

Article 28 A summary of the proceedings of the Board of Directors, the results of those proceedings, and other matters set forth in laws and ordinances shall be stated or recorded in the minutes, and the Directors present shall sign or affix their name and seal to them or make an electronic signature.

Article 29 (Unchanged)

(Remuneration, etc. of the Board of Directors)

Article 30 Directors' remuneration, etc. shall be determined by resolution of the general meeting of shareholders, distinguishing between Directors who are Audit and Supervisory Committee Members and other Directors.

(Exemption from Directors' Liability)

Article 31 The Company may, by resolution of the Board of Directors, exempt Directors (including former Directors) from liability for damages as defined under Article 423, Paragraph 1 of the Companies Act if conditions stipulated by applicable laws and ordinances apply. In such instances, the Company may exempt such Directors up to an amount that is derived by deducting the minimum amount of liability required under applicable laws and ordinances from the amount of liability for damages.

2. The Company may enter into a contract with Directors (excluding Executive Directors, etc.) that limits their liability for damages as defined under Article 423, Paragraph 1 of the

stipulated by applicable laws and ordinances apply; provided, however, that the limit of liability under said contract shall be the amount stipulated by laws and ordinances.

Article 31 (Omitted)

CHAPTER V CORPORATE AUDITORS AND BOARD OF CORPORATE AUDITORS

(Establishment of Corporate Auditors and Board of Corporate Auditors)

Article 32 The Company shall establish Corporate Auditors and a Board of Corporate Auditors.

(Number of Corporate Auditors)

Article 33 The number of Corporate Auditors of the Company shall not exceed four (4).

(Election of Corporate Auditors)

Article 34 Corporate Auditors shall be elected at a general meeting of shareholders.

2. Resolution for the election of Corporate Auditors shall require one-third or more of shareholders entitled to vote be present, and shall require a majority vote of those present to pass.

(Term of Office of Corporate Auditors)

Article 35 The term of office of Corporate Auditors shall expire at the close of the annual general meeting of shareholders held in respect of the latest business year ending within four (4) years after their election.

2. The term of office of a Corporate Auditor elected to fill a vacancy shall expire at the time the term of office of such departing Corporate Auditor expires.

(Substitute Corporate Auditors)

Article 36 Substitute Corporate Auditors may be elected at the general meeting of shareholders to prepare for the prospect of the number of Corporate Auditors failing to meet the minimum number required by laws and ordinances and the Articles of Incorporation.

2. The provisions of Article 34 shall apply mutatis mutandis for resolutions for the election of substitute Corporate

Companies Act if conditions stipulated by applicable laws and ordinances apply; provided, however, that the limit of liability under said contract shall be the amount stipulated by laws and ordinances.

Article 32 (Unchanged)

CHAPTER V AUDIT AND SUPERVISORY COMMITTEE

(Establishment of Audit and Supervisory Committee)

Article 33 The Company shall establish an Audit and Supervisory Committee.

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Auditors.

3. The election of substitute Corporate Auditors shall be valid until the start of the annual general meeting of shareholders that ends within four (4) years from such election.

4. The term of office of a substitute Corporate Auditor appointed as Corporate Auditor shall be until the expiry of the term of office of the departing Corporate Auditor.

(Standing Corporate Auditors)

Article 37 The Board of Corporate Auditors shall appoint Standing Corporate Auditors from among the Corporate Auditors by its resolution.

<Newly established>

(Notice of Convocation of the Meetings of the Board of Corporate Auditors)

Article 38 A convocation notice regarding a meeting of the Board of Corporate Auditors shall be issued to each Corporate Auditor no later than three (3) days prior to the date of the meeting; provided, however, that such period may be shortened in the case of urgent necessity.

<Newly established>

(Method of Resolution by the Board of Corporate Auditors)

Article 39 Unless otherwise provided for by law or ordinance, resolutions of a meeting of the Board of Corporate Auditors shall be made by a majority of the Corporate Auditors.

(Standing Audit and Supervisory Committee Members)

Article 34 The Audit and Supervisory Committee may appoint Standing Audit and Supervisory Committee Members from among the Audit and Supervisory Committee Members by its resolution.

(Persons Authorized to Convene Audit and Supervisory Committee Meetings)

Article 35 Individual Audit and Supervisory Committee Members may convene meetings of the Audit and Supervisory Committee.

(Notice of Convocation of the Meetings of the Audit and Supervisory Committee)

Article 36 A convocation notice regarding a meeting of the Audit and Supervisory Committee shall be issued to each Audit and Supervisory Committee Member no later than three (3) days prior to the date of the meeting; provided, however, that such period may be shortened in the case of urgent necessity.

2. If the unanimous consent of all Audit and Supervisory Committee Members is obtained, meetings of the Audit and Supervisory Committee may be held without following the convocation procedures.

(Method of Resolution by the Audit and Supervisory Committee)

Article 37 Unless otherwise provided for by law or ordinance, resolutions of a meeting of the Audit and Supervisory Committee shall be made by a majority of the Audit and Supervisory Committee Members entitled to participate in voting in attendance, by a majority of those attending Audit and Supervisory Committee Members.

(Minutes of Meetings of the Board of Corporate Auditors)

Article 40 A summary of the proceedings of the Board of Corporate Auditors, the results of those proceedings, and other matters set forth in laws and ordinances shall be stated or recorded in the minutes, and the Corporate Auditors present shall sign or affix their name and seal to them or make an electronic signature.

(Regulations of the Board of Corporate Auditors)

Article 41 Matters concerning the Board of Corporate Auditors shall be governed by the Regulations of the Board of Corporate Auditors set forth by the Board of Corporate Auditors, unless otherwise provided for by laws and ordinances and the Articles of Incorporation.

(Remuneration, etc. of Corporate Auditors)

Article 42 Corporate Auditors' remuneration, etc. shall be determined by resolution of the general meeting of shareholders

(Exemption of liability of Company Auditors)

Article 43 The Company may, by resolution of the Board of Directors, exempt Corporate Auditors (including former Corporate Auditors) from liability for damages as defined under Article 423, Paragraph 1 of the Companies Act if conditions stipulated by applicable laws and ordinances apply. In such instances, the Company may exempt such Corporate Auditors up to an amount that is derived by deducting the minimum amount of liability required under applicable laws from the amount of liability for damages.

2. The Company may enter into a contract with Outside Corporate Auditors that limits their liability for damages as defined under Article 423, Paragraph 1 of the Companies Act if conditions stipulated by applicable laws and ordinances apply; provided, however, that the limit of liability under said contract shall be the amount stipulated by laws and ordinances.

CHAPTER VI ACCOUNTING AUDITORS
Articles 44-46 (Omitted)

(Minutes of Meetings of the Audit and Supervisory Committee)

Article 38 A summary of the proceedings of the Audit and Supervisory Committee, the results of those proceedings, and other matters set forth in laws and ordinances shall be stated or recorded in the minutes, and the Audit and Supervisory Committee Members present shall sign or affix their name and seal to them or make an electronic signature.

(Regulations of the Audit and Supervisory Committee)

Article 39 Matters concerning the Audit and Supervisory Committee shall be governed by the Regulations of the Audit and Supervisory Committee set forth by the Audit and Supervisory Committee, unless otherwise provided for by laws and ordinances and the Articles of Incorporation.

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CHAPTER VI ACCOUNTING AUDITORS
Articles 40-42 (Unchanged)

(Remuneration, etc. of the Accounting Auditors)
Article 47 The Board of Directors shall determine the remuneration, etc. of the Accounting Auditors with the consent of the Board of Corporate Auditors.

Article 48 (Omitted)

CHAPTER VII ACCOUNTS

Articles 49-52 (Omitted)

<Newly established>

(Remuneration, etc. of the Accounting Auditors)
Article 43 The Board of Directors shall determine the remuneration, etc. of the Accounting Auditors with the consent of the Audit and Supervisory Committee.

Article 44 (Unchanged)

CHAPTER VII ACCOUNTS

Articles 45-48 (Unchanged)

SUPPLEMENTARY PROVISIONS

(Transitional Measures Regarding the Exemption of Liability of Corporate Auditors Prior to Transition to a Company with an Audit and Supervisory Committee)

Article 1 Exemption of liability determined by resolution of the Board of Directors pursuant to Article 423, Paragraph 1 of the Companies Act relating to the actions of Corporate Auditors (including former Corporate Auditors) prior to the conclusion of the 72nd Annual General Meeting of Shareholders held in June 2022 shall be governed by the provisions of the Articles of Incorporation prior to the amendments resulting from the conclusion of said Annual General Meeting of Shareholders.

2. Contracts pursuant to Article 423, Paragraph 1 of the Companies Act that limit liability relating to the actions of Outside Corporate Auditors (including former Outside Corporate Auditors) prior to the conclusion of the 72nd Annual General Meeting of Shareholders held in June 2022 shall be governed by the provisions of the Articles of Incorporation prior to the amendments resulting from the conclusion of said Annual General Meeting of Shareholders.

(Transitional Measures Regarding Measures for Electronic Provision, Etc.)

Article 2 The amendment of Article 14 of the Articles of Incorporation shall come into effect on September 1, 2022, which is the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the "Effective Date").

2. Notwithstanding the provisions of the preceding paragraph, Article 14 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six (6) months from the Effective Date.
3. This Article 2 of the Supplementary Provisions shall be deleted after the lapse of six (6) months from the Effective Date or the lapse of three (3) months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.



Proposal 2: Election of Six Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)



Should Proposal 1, “Partial Amendments to the Articles of Incorporation,” be approved and resolved as proposed, the Company will transition to a company with an Audit and Supervising Committee. The terms of office of all seven Directors in office will expire at the time the amendments to the Articles of Incorporation come into effect.

Accordingly, the Company proposes the election of six Directors (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply hereinafter). This proposal shall come into effect on the condition that the amendments to the Articles of Incorporation in Proposal 1, “Partial Amendments to the Articles of Incorporation,” come into effect.


The candidates for Directors are as follows:

No.	Name	Current positions at the Company	Attendance at the Board of Directors meetings
1	[Reappointment] Yoshisada Sone	President and Representative Director	12 out of 12 meetings (100%)
2	[Reappointment] Tetsuji Ogino	Vice President and Director	12 out of 12 meetings (100%)
3	[Reappointment] Tadashi Kusakabe	Senior Managing Director	12 out of 12 meetings (100%)
4	[Reappointment] Noboru Igushi	Director	12 out of 12 meetings (100%)
5	[Reappointment] Noriyoshi Arizono [Outside]	Director	12 out of 12 meetings (100%)
6	[Reappointment] Atsuko Okajima [Outside] [Independent]	Director	8 out of 10 meetings (80%)

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	 Yoshisada Sone (October 4, 1959) [Reappointment]	April 1982 Joined the Company June 1994 Director April 1997 Managing Director June 1998 Vice President and Representative Director June 1999 President and Representative Director June 2009 President and Representative Director in charge of Internal Audit Office December 2010 President and Representative Director in charge of Customs Clearance Administration & Management Office and Legal Audit Office June 2012 President and Representative Director, Internal Audit Office, Legal Audit Office, and Customs Clearance Administration & Management Office June 2015 President and Representative Director, Customs Clearance Administration & Management Office June 2021 President and Representative Director To the present	327,600
	Reason for nomination as candidate for Director	Mr. Yoshisada Sone has served as the Company's President and Representative Director since 1999 and has a track record of leading the entire Group and abundant experience and insight as a corporate manager. The Company proposes his continued election as Director representing the Group because we judged that he is qualified to promote the Group's management.	
2	 Tetsuji Ogino (July 1, 1956) [Reappointment]	April 1979 Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.) April 2009 Joined the Company as General Manager of President's Office June 2009 Director in charge of Administration Department and General Manager of President's Office July 2010 Director supervising Administration Division, Executive Officer in charge of Administration Department and Accounting Department, and General Manager of President's Office June 2011 Managing Director, Administration Division June 2014 Managing Director, Administration Division, Internal Audit Office, Customs Clearance Department I, Customs Clearance Department II, and Food Import Consulting Office June 2018 Senior Managing Director and Assistant to President, Internal Audit Office, Administration Division, and Customs Clearance Division June 2021 Vice President and Director, Assistant to President, Customs Clearance Administration & Management Office, Internal Audit Office, and Administration Division To the present	97,000
	Reason for nomination as candidate for Director	While assisting the president, Mr. Tetsuji Ogino served as the person in charge of the Company's Administration Division and Customs Clearance Administration & Management Office, and has abundant experience, achievements and insights in business management and accounting and finance, as well as being familiar with customs clearance, which is the company's main business. The Company proposes his continued election as Director because we judged that he is qualified to decide the important matters of the Group's management.	

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	 Tadashi Kusakabe (December 5, 1956) [Reappointment]	December 1975 Joined Daito Maritime Agency Co., Ltd. November 1986 Transferred to the Company April 2008 General Manager of Marketing Department II July 2010 Executive Officer in charge of Marketing Department I and General Manager of Marketing Department II June 2011 Executive Officer in charge of Marketing Department I, General Manager of Marketing Department II, and General Manager of Marketing Department III July 2012 Executive Officer in charge of Marketing Department I, Marketing Department II, Marketing Department III, and Marketing Department IV, and General Manager of Marketing Department III June 2013 Director, Marketing Department I, Marketing Department II, and Marketing Department III June 2015 Director, Marketing Division June 2016 Managing Director, Marketing Division June 2020 Senior Managing Director, Marketing Division To the present	67,500
	Reason for nomination as candidate for Director	Mr. Tadashi Kusakabe has a wealth of experience and insight in corporate management and the Marketing Division, and boasts strong leadership and a unifying force in leading the organization. The Company proposes his continued election as Director because we judged that he is qualified to strengthen the Company's sales capabilities.	
4	 Noboru Igushi (October 30, 1967) [Reappointment]	April 1988 Joined the Company June 2012 General Manager of General Planning Department July 2015 Executive Officer and General Manager of General Planning Department July 2017 Senior Executive Officer in charge of Accounting Department and General Manager of General Planning Department July 2018 Senior Executive Officer in charge of Distribution Marketing Department and Operations Department June 2019 Director, Distribution Marketing Department, Operations Department, Customs Clearance Department I, and Customs Clearance Department II June 2021 Director, Distribution Marketing Department, Operations Department, Customs Clearance Division November 2021 Director, Distribution Marketing Department, Operations Department, Customs Clearance Department, Yokohama Branch To the present	18,300
	Reason for nomination as candidate for Director	Based on Mr. Noboru Igushi's many years of experience in the Administration Division, it was judged that he is suitable for opening dialogue with sites utilizing his knowledge of the core system and proposing and executing an efficient mechanism in response to the request, with a view to management through figures. Therefore, the Company proposes his continued election as Director.	

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	 <p>Noriyoshi Arizono (February 27, 1959)</p> <p>[Reappointment] [Outside]</p>	<p>April 1977 Joined Kobe Steel, Ltd.</p> <p>January 2001 Chief staff of Production Control Section, Production Control Department, Kakogawa Works, Production Division, Iron & Steel Business of Kobe Steel, Ltd.</p> <p>April 2010 Manager of Production Control Section, Production Control Department, Kakogawa Works, Iron & Steel Business of Kobe Steel, Ltd.</p> <p>July 2013 General Manager in charge of Business Planning Department, Kakogawa Works, Iron & Steel Business of Kobe Steel, Ltd.</p> <p>April 2017 General Manager of Business Planning Department, Kakogawa Works, Iron & Steel Business of Kobe Steel, Ltd.</p> <p>April 2018 Executive Assistant of KOBELCO LOGISTICS, LTD.</p> <p>June 2018 Director in charge of Kakogawa Products Shipping Department of Steel Products Division, Marine Transport Department, and Overland Transportation Department, and in charge of President's special assignment of KOBELCO LOGISTICS, LTD.</p> <p>June 2019 Executive Managing Director and General Manager of Raw Materials & Transportation Division, in charge of Kakogawa Products Shipping Department of Steel Products Division, Marine Transport Department, and Overland Transportation Department, and Iron & Steel Operations Management Center of KOBELCO LOGISTICS, LTD.</p> <p>June 2020 Executive Managing Director and General Manager of Steel Products Division of KOBELCO LOGISTICS, LTD.</p> <p>June 2020 Director of the Company</p> <p>June 2021 Executive Managing Director and General Manager of Steel Products Division, in charge of Engineering Department of KOBELCO LOGISTICS, LTD.</p> <p>To the present</p> <p>[Significant concurrent positions] Executive Managing Director of KOBELCO LOGISTICS, LTD.</p>	—
	Reason for nomination as candidate for Outside Director and expected roles	<p>Mr. Noriyoshi Arizono is a candidate for Outside Director as stipulated in Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Companies Act. Based on his abundant management experience and wide-ranging insight, he has played an important role in ensuring the validity and appropriateness of our management judgment and management supervision, etc., while providing useful and appropriate advice, suggestions, and supervision. In addition, based on his own knowledge, he has fulfilled important duties such as promoting the sustainable growth of the company and giving advice to improve corporate value over the medium to long term. Therefore, the Company proposes his continued election as Outside Director.</p>	

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	 Atsuko Okajima (October 15, 1954) [Reappointment] [Outside] [Independent]	April 1977 July 2003 July 2004 July 2006 July 2009 April 2013 June 2020 July 2020 June 2021 [Significant concurrent positions] Outside Director (Audit & Supervisory Committee Member) of House Foods Group Inc. Part-time Adviser of KYOKUYO CO., LTD.	1,000
	Reason for nomination as candidate for Outside Director and expected roles	Ms. Atsuko Okajima is a candidate for Outside Director as stipulated in Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Companies Act. She is expected to give appropriate advice and supervision regarding management decisions and risk management by utilizing her wealth of experience and knowledge about food as well as the wide range of experience and insight in policy management that she has cultivated through serving in the positions of the Ministry of Agriculture, Forestry and Fisheries; Ministry of Health, Labour and Welfare; Vice Governor of Saitama prefecture; Director-General of Gender Equality Bureau of Cabinet Office; and a member of the Information Disclosure and Personal Information Protection Review Board of Cabinet Office. Additionally, the Company expects that she will serve as a Nomination Committee member (nominating directors, etc.), a voluntary committee, to play an important role such as supervising the management team. Therefore, the Company proposes her continued election as Outside Director.	

(Notes)

- Mr. Noriyoshi Arizono and Ms. Atsuko Okajima are candidates for Outside Directors. The Company has registered Ms. Atsuko Okajima as Independent Director with the Tokyo Stock Exchange in accordance with its regulations.
- The Company has entered into agreements with Mr. Noriyoshi Arizono and Ms. Atsuko Okajima in accordance with the Company's Articles of Incorporation and Article 427, Paragraph 1 of the Companies Act to limit their liability for damages pursuant to Article 423, Paragraph 1 of the same Act. If their reelection is approved, the Company will continue said liability limitation agreement with them.
- The Company has concluded a directors and officers liability insurance contract with an insurance company, and each candidate is insured under the policy. Please refer to page 35 of the Business Report (Japanese version) for outline of the insurance contract. The Company plans to renew the insurance contract with the same contents at the time of the next renewal.
- A candidate for Director, Mr. Noriyoshi Arizono, is concurrently serving as Executive Managing Director of KOBELCO LOGISTICS, LTD. There is a business relationship between KOBELCO LOGISTICS, LTD. and the Company regarding revenue such as shipping charges, premises work fees, and payment of office rent.
- The term of office of Mr. Noriyoshi Arizono as the Company's Outside Director will be two years as of the conclusion of this Annual General Meeting of Shareholders.
- The term of office of Ms. Atsuko Okajima as the Company's Outside Director will be one year as of the conclusion of this Annual General Meeting of Shareholders.
- There are no special interests between other candidates for Directors and the Company. In addition to the above, there are no special matters to be stated in the proposal for the election of Directors as stipulated in Article 74 of the Regulation for Enforcement of the Companies Act.

(Reference) Expertise and experience of the candidates for the Company's Directors (Skill Matrix)


No.	1	2	3	4	5	6
Name	Yoshisada Sone	Tetsuji Ogino	Tadashi Kusakabe	Noboru Igushi	Noriyoshi Arizono	Atsuko Okajima
Position at the Company	President and Representative Director	Vice President and Director	Senior Managing Director	Director	Outside Director	Outside Director
Term of office	28	13	9	3	2	1
Corporate management	○	○	○	○	○	
Marketing	○		○			
Finance and accounting		○		○	○	
Legal affairs and risk management		○		○	○	○
Operation				○		
Knowledge of the industry	○				○	○
Knowledge of overseas		○	○			
Public administration and gender	○					○
Nomination Committee (voluntary)	○	○	○			○
Remuneration Committee (voluntary)		○	○	○		○



Proposal 3: Election of Three Directors Who Are Audit and Supervisory Committee Members

Should Proposal 1, “Partial Amendments to the Articles of Incorporation,” be approved and resolved as proposed, the Company will transition to a company with an Audit and Supervising Committee.

Accordingly, the Company proposes the election of three Directors who are Audit and Supervisory Committee Members, with the consent of the Board of Corporate Auditors. Furthermore, this proposal shall come into effect on the condition that the amendments to the Articles of Incorporation in Proposal 1, “Partial Amendments to the Articles of Incorporation,” come into effect.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	 <p>Hisao Kitada (January 7, 1956) [New appointment]</p>	<p>June 1990 Joined the Company April 2003 General Manager of Port Transport Department April 2006 General Manager in charge of Development Department December 2006 General Manager of Marketing Department I July 2010 Executive Officer in charge of Marketing Department VI and Marketing Department VII and General Manager of Marketing Department V June 2013 Director, Marketing Department IV and Marketing Department V June 2015 Director, Operations Division, Yokohama Branch, Kawasaki Branch, and Keiyo Branch June 2018 Managing Director, Operations Division, Yokohama Branch, Kawasaki Branch, and Keiyo Branch June 2019 Managing Director, Operations Division and Branch Division To the present</p>	18,000
	<p>Reason for nomination as candidate for Director</p>	<p>Since joining the Company, Mr. Hisao Kitada has accumulated abundant experience and insight in the Operations Division, the Marketing Division, and the Branch Division over many years, and has served as Director since 2013. The Company proposes his new election as Director who is an Audit and Supervisory Committee Member because we judged that he is qualified to contribute to securing the soundness of the Company by ensuring the legality of business execution and maintaining close communication with the Internal Audit Office capitalizing on his wealth of experience.</p>	

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	 Eijiro Kamata (May 23, 1950) [New appointment] [Outside] [Independent]	April 1973 Joined The Dai-ichi Kangyo Bank, Limited (currently Mizuho Bank, Ltd.) April 1996 General Manager of Shinmatsudo Branch September 1999 Planning and Research Officer of Human Resources Office April 2002 General Manager of Minowa Ekimae Branch of Mizuho Bank, Ltd. August 2003 Transferred to Credit Management Services Co., Ltd., Managing Director and General Manager of General Administration Division April 2006 Executive Director of Mizuho Education Welfare Foundation May 2014 Retired from the Foundation June 2014 Corporate Auditor of the Company To the present May 2015 Outside Director of Maruzen Co., Ltd. (retired in May 2019) To the present	—
	Reason for nomination as candidate for Outside Director and expected roles	Mr. Eijiro Kamata has a wealth of knowledge in financial affairs, having served in the banking business for many years. He is highly independent and has served as a Nomination Committee member (nominating directors, etc.). The Company proposes his new election as Outside Director who is an Audit and Supervising Committee Member because we expect him to contribute to further strengthen the Company's audit system.	
3	 Ryuta Matsuda (May 26, 1972) [New appointment] [Outside] [Independent]	March 1997 Graduated Hitotsubashi University Faculty of Law April 1999 Registered as attorney-at-law (51st Legal Apprenticeship) Joined Ono Takao Law Firm (currently ONO SOGO LEGAL PROFESSION CORPORATION) September 2016 Partner June 2019 Corporate Auditor of the Company To the present [Significant concurrent positions] Partner of ONO SOGO LEGAL PROFESSION CORPORATION	—
	Reason for nomination as candidate for Outside Director and expected roles	Although Mr. Ryuta Matsuda has never been directly involved in corporate management, he has extensive knowledge of legal affairs as an attorney-at-law, and we expect him to proactively contribute to the Company's auditing operations objectively as a legal expert. The Company proposes his new election as Outside Director who is an Audit and Supervising Committee Member because we judged that he is a necessary asset to enhance the corporate value of the Company.	

(Notes)

1. The Company has a legal advisory agreement with ONO SOGO LEGAL PROFESSION CORPORATION, to which Mr. Ryuta Matsuda belongs. There is no special interest relationship between other candidates and the Company.
2. Messrs. Eijiro Kamata and Ryuta Matsuda are candidates for Outside Directors. The Company has registered Messrs. Eijiro Kamata and Ryuta Matsuda as Independent Directors with the Tokyo Stock Exchange in accordance with its regulations.
3. The Company has entered into agreements with Messrs. Eijiro Kamata and Ryuta Matsuda in accordance with the Company's Articles of Incorporation and Article 427, Paragraph 1 of the Companies Act to limit their liability for damages as Corporate Auditors pursuant to Article 423, Paragraph 1 of the same Act. If their election as Directors who are Audit and Supervising Committee Members is approved, the Company will continue said liability limitation agreement with them.
4. The Company has concluded a directors and officers liability insurance contract with an insurance company, and each

candidate is insured under the policy. Please refer to page 35 of the Business Report (Japanese version) for outline of the insurance contract. The Company plans to renew the insurance contract with the same contents at the time of the next renewal.


5. The term of office of Mr. Eijiro Kamata as Outside Corporate Auditor of the Company will be eight years as of the conclusion of this Annual General Meeting of Shareholders.
6. The term of office of Mr. Ryutaro Matsuda as Outside Corporate Auditor of the Company will be three years as of the conclusion of this Annual General Meeting of Shareholders.

In addition to the above, there are no special matters to be stated in the proposal for the election of Directors who are Audit and Supervising Committee Members, as stipulated in Article 74-3 of the Regulation for Enforcement of the Companies Act.

Proposal 4: Election of One Substitute Director Who Is an Audit and Supervisory Committee Member

Should Proposal 1, “Partial Amendments to the Articles of Incorporation,” be approved and resolved as proposed, the Company will transition to a company with an Audit and Supervising Committee.

Accordingly, the Company proposes the election of one substitute Director who is an Audit and Supervisory Committee Member to prepare in advance for a case where the number of Directors who are Audit and Supervisory Committee Members falls below the number stipulated by laws and ordinances, with the consent of the Board of Corporate Auditors. Furthermore, this proposal shall come into effect on the condition that the amendments to the Articles of Incorporation in Proposal 1, “Partial Amendments to the Articles of Incorporation,” come into effect. The effectiveness of election pursuant to this proposal may be nullified by a resolution of the Board of Directors with the consent of the Audit and Supervisory Committee, but only prior to the candidate assuming office.

Name (Date of birth)	Past experience, positions, and significant concurrent positions	Number of shares of the Company held
 Tomio Hanada (June 13, 1945)	April 1964 Joined Sapporo Regional Taxation Bureau, Co-ordination Division of Management and Co-ordination Department July 1993 Director of Co-ordination Division of Kanagawa Tax Office July 1998 Deputy District Director of Hino Tax Office July 2003 Deputy District Director of Azabu Tax Office (in charge of Co-ordination, Public Relations, and Revenue Management and Collection) September 2004 Established Hanada Tomio Taxation Office January 2005 Corporate Tax Advisor of the Company March 2014 Outside Corporate Auditor of the Company (retired in June 2014) December 2018 Outside Corporate Auditor of the Company (retired in June 2019) To the present	3,000
Reason for nomination as candidate for Substitute Outside Director and expected roles	Although Mr. Tomio Hanada has never been directly involved in corporate management, he has professional expertise and experience as a certified tax accountant, and we expect him to accurately conduct the Company’s auditing operations with his wealth of knowledge. The Company proposes his new election as Substitute Outside Director who is an Audit and Supervising Committee Member because we judged that he is a necessary asset to enhance the corporate value of the Company.	

(Notes)

1. There is no special interest relationship between Mr. Tomio Hanada and the Company.
2. Mr. Tomio Hanada is a candidate for Substitute Outside Director who is an Audit and Supervisory Committee Member.
3. If Mr. Tomio Hanada assumes the position of Outside Director who is an Audit and Supervising Committee Member, the Company will enter into agreement with him in accordance with the Company’s Articles of Incorporation and Article 427, Paragraph 1 of the Companies Act to limit his liability for damages pursuant to Article 423, Paragraph 1 of the same Act.
4. The Company has concluded a directors and officers liability insurance contract with an insurance company. Please refer to page 35 of the Business Report (Japanese version) for outline of the insurance contract. If Mr. Tomio Hanada assumes the position of Outside Director who is an Audit and Supervising Committee Member, he will be covered by the insurance contract.

Proposal 5: Setting of Remuneration Amount for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

If Proposal 1, “Partial Amendments to the Articles of Incorporation” is approved and resolved as proposed, the Company will transition to a Company with an Audit and Supervisory Committee.

The amount of remuneration for Directors of the Company was determined by a resolution of the 44th Annual General Meeting of Shareholders held on June 29, 1993 to be within 270 million yen annually and has not been changed to this day. However, in line with the Company’s transition to a Company with an Audit and Supervisory Committee, the Company proposes to set a new remuneration amount for Directors (excluding Directors who are Audit and Supervisory Committee Members) to be within the same amount of 270 million yen annually (including 20 million yen annually for Outside Directors).

This proposal has been determined by the Board of Directors after deliberation by the Nomination and Remuneration Committee, taking into comprehensive consideration factors such as the scale of the Company’s business, the structure of officers’ remuneration and levels of payment, the current number of officers and future developments, and we believe it to be appropriate.

The policy for decisions on the contents of individual remuneration, etc. for Directors the Company appears on page 35 of the Business Report (Japanese version). We propose that such amounts of remuneration shall not include employee salaries of Directors who are also employees.

There are currently seven Directors (including two Outside Directors), and if Proposal 1 and Proposal 2 are approved and resolved as proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) relevant to this proposal will be six (including two Outside Directors).

The resolution of this proposal will take effect subject to the taking effect of the amendments to the Articles of Incorporation stated in Proposal 1, “Partial Amendments to the Articles of Incorporation.”

Proposal 6: Setting of Remuneration Amount for Directors Who Are Audit and Supervisory Committee Members

If Proposal 1, “Partial Amendments to the Articles of Incorporation” is approved and resolved as proposed, the Company will transition to a Company with an Audit and Supervisory Committee.

Accordingly, we propose that the amount of remuneration for Directors who are Audit and Supervisory Committee Members be within 81 million yen annually, the same amount as the amount of remuneration for Corporate Auditors approved at the 44th Annual General Meeting of Shareholders held on June 29, 1993.

This proposal has been determined after taking into comprehensive consideration factors such as the scale of the Company’s business, the structure of officers’ remuneration and levels of payment, the current number of officers and future developments, and we believe it to be appropriate.

If Proposal 1 and Proposal 3 are approved and resolved as proposed, the number of Directors who are Audit and Supervisory Committee Members relevant to this proposal will be three (including two Outside Directors).

The resolution of this proposal will take effect subject to the taking effect of the amendments to the Articles of Incorporation stated in Proposal 1, “Partial Amendments to the Articles of Incorporation.”

Proposal 7: Determination of Remuneration for Granting Restricted Shares to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors)

If Proposal 1, “Partial Amendments to the Articles of Incorporation” is approved and resolved as proposed, the Company will transition to a Company with an Audit and Supervisory Committee. In line with this transition, as part of its reforms of systems to enhance the Company’s corporate governance, the Company proposes to grant new remuneration for granting restricted shares to the Company’s Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter “Eligible Directors”) within the remuneration amount for which the Company seeks approval in Proposal 5, “Setting of Remuneration Amount for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” with the objectives of giving Eligible Directors incentive to sustainably increase the Company’s corporate value and further promoting shared value with shareholders.

Based on this proposal, the remuneration granted to Eligible Directors for the granting of restricted shares will be monetary claims in a total amount of within 25 million yen annually (however, this amount shall not include employee salaries of Directors who are also employees). The specific timing of granting and allocations to individual Eligible Directors shall be determined by the Board of Directors.

There are currently seven Directors (including two Outside Directors), and if Proposal 2, “Election of Six Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” is approved and resolved as proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) will be six (including two Outside Directors).

Eligible Directors shall, based on a resolution of the Board of Directors, make in-kind contribution of all the monetary claims to be granted according to this proposal, and receive common shares of the Company that shall either be issued or disposed of by the Company. The total number of common shares thus issued or disposed of shall be within 38,000 shares annually (however, that total number may be adjusted within a reasonable range in the case that a stock split (including an allotment of common shares without contribution) or a reverse stock split of the Company’s common shares is conducted, or in any other case that requires an adjustment to the total number of common shares of the Company to be issued or disposed of as restricted shares, on or after the day on which this proposal is approved and resolved).

The amount to be paid in per share will be determined by the Board of Directors, based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the last business day before the date of the resolution of the Board of Directors (or if trading is not concluded on that date, the closing price on the most recent trading date prior to that day) within a range that is not especially favorable to the Eligible Directors. The purpose of such issuance or disposal of common shares of the Company and the granting of monetary remuneration claims as property for in-kind contributions shall be conditional on the conclusion of a contract between the Company and Eligible Directors on the allotment of restricted shares (hereinafter “Allotment Contract”) that includes the provisions summarized below. Further, the upper limit of remuneration pertaining to this proposal, the total number of common shares of the Company to be issued or disposed of, and other conditions of the granting of restricted shares to Eligible Directors under this proposal have been decided in consideration of the aforementioned objectives, the state of the Company’s business, the policy for the determination of the contents of remuneration, etc. for Directors of the Company (refer to page 35 of the Business Report (Japanese version) for contents of this policy), and other various factors, and we believe them to be appropriate.

If the proposal regarding this scheme is approved and resolved as proposed at this General Meeting of Shareholders, the Company plans to introduce a similar restricted shares remuneration plan for delegated Executive Officers of the Company.

(Summary of contents of Allotment Contract)

(1) Transfer restriction period

Eligible Directors shall not transfer, pledge, or otherwise dispose of (hereinafter “Transfer Restrictions”) the common shares of the Company allotted to them under the Allotment Contract (hereinafter “Allotted Shares”) from the date of granting of the restricted shares until immediately after they vacate all posts as officer or employee of the Company or a subsidiary of the Company previously determined by the Board of Directors (hereinafter “Transfer Restriction Period”). However, if such post is vacated within a period of three months after the lapse of the fiscal year to which the date of grant of the restricted shares belongs, the end of the Transfer Restriction Period may be adjusted within a reasonable range.

(2) Handling upon vacation of posts

If an Eligible Director vacates all posts as officer or employee of the Company or a subsidiary of the Company previously determined by the Board of Directors prior to the expiration of the period

previously determined by the Board of Directors (hereinafter “Service Provision Period”), the Company shall rightfully acquire the Allotted Shares for no consideration, except in the case of expiration of term of office, death, or other justifiable reason.

(3) Lifting of Transfer Restrictions

Provided an Eligible Director has held a post as officer or employee of the Company or a subsidiary of the Company previously determined by the Board of Directors continuously throughout the Service Provision Period, the Company shall lift the Transfer Restrictions for all the Allotted Shares at the expiration of the Transfer Restriction Period. However, in the event that (i) such Eligible Director vacates all posts as officer or employee of the Company or a subsidiary of the Company previously determined by the Board of Directors prior to the expiration of the Service Provision Period for a justifiable reason, or (ii) such Eligible Director vacates all posts as officer or employee of the Company or a subsidiary of the Company previously determined by the Board of Directors after the expiration of the Service Provision Period but before the expiration of the Transfer Restriction Period for a reason that is not justifiable, the number of Allotted Shares for which the Transfer Restrictions shall be lifted and the timing of the lifting of the Transfer Restrictions shall be reasonably adjusted as necessary. The Company shall rightfully acquire for no consideration any Allotted Shares for which the Transfer Restrictions have not been lifted pursuant to the above provisions by a point immediately after the expiration of the Transfer Restriction Period.

(4) Handling in the event of organizational restructuring, etc.

Notwithstanding the provisions of (1) above, in the event that a merger agreement where the Company becomes the non-surviving company, a share exchange agreement or a share transfer plan where the Company becomes a wholly-owned subsidiary, or other matter concerning an organizational restructuring, etc. is approved by the Company’s General Meeting of Shareholders (or the Company’s Board of Directors if approval of the Company’s General Meeting of Shareholders is not required for the organizational restructuring, etc.) during the Transfer Restriction Period, the Company may lift the Transfer Restrictions before the effective date of the organizational restructuring, etc. by resolution of the Company’s Board of Directors, for a number of the Allotted Shares to be reasonably determined based on the period from the start of the Transfer Restriction Period until the date of approval of the organizational restructuring, etc. In the event that the above is determined, the Company shall rightfully acquire for no consideration any Allotted Shares for which the Transfer Restrictions have not been lifted by a point immediately after the expiration of the Transfer Restriction Period.

(5) Other matters

Other matters concerning the Allotment Contract shall be determined by the Board of Directors of the Company.

This proposal shall take effect when Proposal 1, “Partial Amendments to the Articles of Incorporation” comes into effect.