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Securities Code: 9247

June 10, 2022

To Shareholders with Voting Rights:

Mitsuo Abe  
President  
**TRE HOLDINGS CORPORATION**  
15th floor of Tokyo Sankei Bldg., 1-7-2 Otemachi,  
Chiyoda-ku, Tokyo

## **NOTICE OF THE 1ST ANNUAL GENERAL MEETING OF SHAREHOLDERS**

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

Please be informed that the 1st Annual General Meeting of Shareholders of TRE HOLDINGS CORPORATION (the “Company”) will be held for the purposes below.

While we will hold this General Meeting of Shareholders after implementing appropriate measures to prevent the spread of novel coronavirus infection, we would like to ask all shareholders planning to attend the meeting to pay attention to the state of infection and their physical condition on the day of the meeting and to make careful decisions.

Please review the attached Reference Documents for the General Meeting of Shareholders, and refer to the “Guide to the Exercise of Voting Rights” (in Japanese only) to indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form or via the Internet such that it will be received by no later than 5 p.m. (JST) on Monday, June 27, 2022.

- 1. Date and Time:** Tuesday, June 28, 2022 at 10 a.m. (JST) (Reception starts at 9:30 a.m.)
- 2. Place:** Room E, AP Hamamatsu-cho, 1st basement floor, Shiba Park Building B  
2-4-1 Shibakoen, Minato-ku, Tokyo

### **3. Meeting Agenda:**

#### **Matters to be reported:**

1. The Business Report and Consolidated Financial Statements for the Company’s 1st Business Year (October 1, 2021 – March 31, 2022) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee  
(Note) The 1st business year of the Company is from October 1, 2021 to March 31, 2022; however, the fiscal year under review is from April 1, 2021 to March 31, 2022.
2. Non-consolidated Financial Statements for the Company’s 1st Business Year (October 1, 2021 – March 31, 2022)

#### **Matters to be resolved:**

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Amendment to the Articles of Incorporation
- Proposal No. 3:** Election of Four (4) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 4:** Election of One (1) Substitute Director Who Is an Audit and Supervisory Committee Member
- Proposal No. 5:** Establishment of the Amount of Compensation for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 6:** Establishment of the Amount of Compensation for Directors Who Are Audit and Supervisory Committee Members
- Proposal No. 7:** Introduction of the Performance-linked Stock Compensation Plan for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- The Cool Biz (light clothing) dress code will be followed on the day.
- In the event of revisions to the Reference Documents for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements and Consolidated Financial Statements, information after the revision will be posted on the Company's website (<https://tre-hd.co.jp/ir/>).
- Among the documents to be included in this notice of the annual general meeting, the following items are provided to the shareholders for their review by posting them on the Company's website (<https://tre-hd.co.jp/ir/>) on the Internet pursuant to the relevant laws and regulations as well as the provisions in Article 16 of the Articles of Incorporation of the Company.
  - (1) "System to Ensure the Appropriateness of Operations and the Operational Status of the Relevant System" in the Business Report
  - (2) "Consolidated Statements of Changes in Equity" and "Notes to the Consolidated Financial Statements" in the Consolidated Financial Statements
  - (3) "Non-consolidated Statements of Changes in Equity" and "Notes to the Non-consolidated Financial Statements" in the Non-consolidated Financial Statements

Accordingly, the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements included in this notice of the annual general meeting are part of the Business Report, Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Accounting Auditor when preparing the accounting audit report and the same documents audited by the Audit and Supervisory Committee in preparing the audit report.

- We would like to ask all shareholders attending the meeting to cooperate with measures, such as using a non-contact thermometer for temperature measurement when entering the venue, wearing face masks, and using alcohol to disinfect their hands.
- We may refuse your entry if we observe you are unwell when taking your temperature using a non-contact thermometer at the entrance of the venue.
- The number of seats available will be reduced with a view to preventing infection. You will not be able to enter the venue if the seats are fully occupied.
- The operational staff of the General Meeting of Shareholders will attend to their duties wearing face masks.

## Reference Documents for the General Meeting of Shareholders

### Proposal No. 1 Appropriation of Surplus

We view the return of profits to our shareholders as one of the most important issues of management and work to stably distribute dividends. Based on the above basic policy and by taking into consideration future business expansion, among others, we propose to set the year-end dividend for the 1st business year as follows.

- (1) Type of dividend property  
To be paid in cash.
- (2) Allocation of dividend property and total amount thereof  
We propose to pay 25 yen per share of the Company's common stock (ordinary dividend of 20 yen and commemorative dividend of 5 yen).  
In this event, the total dividends will be 1,292,302,975 yen.
- (3) Effective date of dividends of surplus  
The effective date of dividends will be June 29, 2022.

**Proposal No. 2**      Amendment to the Articles of Incorporation

1. Reason for proposal

Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of a system for providing informational materials for the general meeting of shareholders in electronic format.

- (1) Article 16, Paragraph 1, after amendment, will stipulate that the Company shall take measures for providing information that constitutes the contents of the Reference Documents for the General Meeting of Shareholders, etc. in electronic format.
- (2) Article 16, Paragraph 2, after amendment, will establish a provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
- (3) Since the provision for Disclosure via the Internet of the Reference Documents for the General Meeting of Shareholders, etc. and the Deemed Provision of Information (Article 16 of the current Articles of Incorporation) will no longer be required, it will be deleted.
- (4) Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established.

2. Details of amendment

Details of the amendment are as follows.

(The underlined portions represent where changes are made.)

Current Articles of Incorporation	After amendment
<p><u>Disclosure via the Internet of the Reference Documents for the General Meeting of Shareholders, etc. and the Deemed Provision of Information</u></p> <p><u>Article 16</u></p> <p><u>When convening the General Meeting of Shareholders, the Company may be deemed to have provided shareholders with necessary information of the matters to be stated or indicated in the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements, and the Consolidated Financial Statements by disclosing such information via the Internet in accordance with Ministry of Justice Orders.</u></p> <p style="text-align: center;">(New establishment)</p>	<p style="text-align: center;">(Deleted)</p> <p><u>(Measures, etc. for Providing Information in Electronic Format)</u></p> <p><u>Article 16</u></p> <p>1. <u>When convening the General Meeting of Shareholders, the Company shall take measures for providing information that constitutes the contents of the Reference Documents for the General Meeting of Shareholders, etc. in electronic format.</u></p> <p>2. <u>Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by Ministry of Justice Orders from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p>

Current Articles of Incorporation	After amendment
<p>(New establishment)</p> <p>(New establishment)</p>	<p><u>(Supplementary Provisions)</u>  <u>(Transitional Measures for Providing Informational Materials for the General Meeting of Shareholders in Electronic Format)</u>  <u>Article 1</u></p> <ol style="list-style-type: none"> <li data-bbox="820 327 1437 546">1. <u>The amendment to the Articles of Incorporation pertaining to Article 16 shall be effective from September 1, 2022, which is the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Date of Enforcement”).</u></li> <li data-bbox="820 562 1437 781">2. <u>Notwithstanding the provision of the preceding paragraph, Article 16 of the pre-amended Articles of Incorporation (Disclosure via the Internet of the Reference Documents for the General Meeting of Shareholders, etc. and the Deemed Provision of Information) shall remain effective regarding any General Meeting of Shareholders held on a date within six (6) months from the Date of Enforcement.</u></li> <li data-bbox="820 797 1437 965">3. <u>The provisions under this Article shall be deleted on the date when six (6) months have elapsed from the Date of Enforcement or three (3) months have elapsed from the date of the General Meeting of Shareholders in the preceding paragraph, whichever is later.</u></li> </ol>

**Proposal No. 3** Election of Four (4) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all of the four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter in this proposal) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes to elect four (4) Directors.

With respect to this proposal, the Audit and Supervisory Committee of the Company has judged that all of the candidates for Director are suitable.

The candidates for Director are as follows. Each candidate has been nominated after the deliberations at the Nomination and Compensation Committee, an advisory organ to the Board of Directors of the Company.

Candidate No.	Name (Date of birth)	Past experience, positions, and responsibilities and significant concurrent positions	Number of shares of the Company held
1	Naoto Matsuoka (Apr. 20, 1949) <u>Reappointment</u>	<p>Apr. 1972      Joined Mitsubishi Corporation</p> <p>Apr. 1999      President and Representative Director, Ueno Tekko Co., Ltd.</p> <p>Apr. 2004      President, Metal One Structural Steel &amp; Resource Corporation (currently MM&amp;KENZAI Corporation)</p> <p>Apr. 2009      President &amp; CEO, Director, Metal One Corporation</p> <p>Sep. 2015      President and Representative Director, SUZUTOKU Holdings Co., Ltd. (currently REVER HOLDINGS CORPORATION)</p> <p>Sep. 2016      Director, HIDAKA SUZUTOKU (Thailand) CO., LTD.</p> <p>May 2018      President, Representative Director and Executive Officer, REVER HOLDINGS CORPORATION (current position)</p> <p>Oct. 2021      Member of the Board, TAKEEI CORPORATION (current position)</p> <p>Oct. 2021      Chairman and Executive Officer, the Company (current position)</p> <p>Jun. 2022      Representative Director, TRE Foundation for SDGs Promotion (current position)</p> <p>(Significant concurrent positions)</p> <p>President, Representative Director and Executive Officer, REVER HOLDINGS CORPORATION</p> <p>Member of the Board, TAKEEI CORPORATION</p> <p>Representative Director, TRE Foundation for SDGs Promotion</p>	10,000
<p><b>&lt;Reason for candidacy&gt;</b>            Since joining Mitsubishi Corporation, Mr. Naoto Matsuoka has played a leading role in the steel industry. Having served as representative director of several companies, he possesses abundant knowledge and experience regarding overall corporate management. Since assuming the office of President and Representative Director of SUZUTOKU Holdings Co., Ltd. (currently REVER HOLDINGS CORPORATION) in September 2015, he has appropriately fulfilled his duties and responsibilities. We have renominated him as a candidate for Director since we believe that he is a person who can contribute to the management of the Company by leveraging his experience and insight.</p>			

Candidate No.	Name (Date of birth)	Past experience, positions, and responsibilities and significant concurrent positions	Number of shares of the Company held
2	<p>Mitsuo Abe (Jun. 29, 1960)</p> <p><u>Reappointment</u></p>	<p>Mar. 2016 Retired as Managing Executive Officer, Resona Bank, Limited</p> <p>Mar. 2017 Retired as Representative Director and President, Resona Kessai Service Co., Ltd.</p> <p>Apr. 2017 Joined TAKEEI CORPORATION, Executive Officer, Deputy General Manager, Corporate Planning Division</p> <p>Jan. 2018 Executive Officer, Deputy General Manager, Sales Division and General Manager, Related Business Department</p> <p>Jun. 2018 Member of the Board, Managing Executive Officer and General Manager, Corporate Planning Division</p> <p>Jun. 2019 Member of the Board, Chief Operating Officer (current position) Representative Director, T·V Energy Holdings, Inc.</p> <p>Apr. 2020 Representative Director, T&amp;H Eco Mirai Co., Ltd.</p> <p>Jan. 2021 Representative Director, TEC Takekuma Co., Ltd. (current position)</p> <p>Sep. 2021 Director, REVER HOLDINGS CORPORATION (current position)</p> <p>Oct. 2021 President and Executive Officer, the Company (current position)</p> <p>(Significant concurrent positions) Member of the Board, Chief Operating Officer, TAKEEI CORPORATION Representative Director and President, TEC Takekuma Co., Ltd. Director, REVER HOLDINGS CORPORATION</p>	16,716
<p><b>&lt;Reason for candidacy&gt;</b> Mr. Mitsuo Abe served as Deputy General Manager, Corporate Planning Division and Deputy General Manager, Sales Division after joining TAKEEI CORPORATION in April 2017, and assumed the office of Member of the Board in June 2018. Since assuming the office of Member of the Board, Chief Operating Officer in June 2019, the following year, he has demonstrated his abundant experience and excellent management skills cultivated through working at a financial institution for many years and appropriately fulfilled his duties and responsibilities. We have renominated him as a candidate for Director since we believe that he is a talent who can contribute to the management of the Company by leveraging his experience and insight.</p>			

Candidate No.	Name (Date of birth)	Past experience, positions, and responsibilities and significant concurrent positions	Number of shares of the Company held
3	<p style="text-align: center;">Takao Suzuki (Sep. 25, 1941)</p> <p style="text-align: center;"><u>Reappointment</u></p>	<p>Apr. 1968    Joined Suzuki Tokugoro Shoten Co., Ltd. (currently REVER CORPORATION)</p> <p>Apr. 1973    Director</p> <p>Jul. 1978    Managing Director</p> <p>Apr. 1985    President and Representative Director</p> <p>Jun. 1996    Chairman, Japan Iron and Steel Recycling Institute</p> <p>Jan. 2002    Chairman of the Board, Metal Recycling Co., Ltd. (currently REVER CORPORATION)</p> <p>Dec. 2003    Chairman and Representative Director, NAKADAYA CORPORATION</p> <p>Apr. 2006    Chairman and Representative Director, Suzutoku LTD. (currently REVER CORPORATION)</p> <p>Jul. 2007    Established SUZUTOKU Holdings Co., Ltd. (currently REVER HOLDINGS CORPORATION), President and Representative Director</p> <p>Sep. 2013    Chairman and Representative Director (current position)</p> <p>Dec. 2015    Chairman and Representative Director, Major Venous Japan Co., Ltd.</p> <p>Apr. 2021    Outside Director, BESTERRA CO., LTD. (current position)</p> <p>Oct. 2021    Director, the Company (current position)</p> <p>(Significant concurrent positions)</p> <p>Chairman and Representative Director, REVER HOLDINGS CORPORATION</p> <p>Outside Director, BESTERRA CO., LTD.</p>	1,000,000
<p><b>&lt;Reason for candidacy&gt;</b></p> <p>Since joining Suzuki Tokugoro Shoten Co., Ltd. (currently REVER CORPORATION), Mr. Takao Suzuki has engaged in the metal recycling business and industrial waste business for over 50 years, and possesses profound knowledge and experience regarding the metal recycling business and other businesses. In addition to successively serving as Representative Director of major subsidiaries of the Company, he assumed the office of President and Representative Director of SUZUTOKU Holdings Co., Ltd. (currently REVER HOLDINGS CORPORATION) at the time of its establishment in July 2007, and has served as Chairman and Representative Director since September 2013, appropriately fulfilling his duties and responsibilities for many years. We have renominated him as a candidate for Director since we believe that he is a person who can contribute to the management of the Company by leveraging his experience and insight.</p>			



Candidate No.	Name (Date of birth)	Past experience, positions, and responsibilities and significant concurrent positions	Number of shares of the Company held
4	Mamoru Mitsumoto (Jun. 10, 1947)  <u>Reappointment</u>	<p>Mar. 1977 Member of the Board, Takeei Construction Co., Ltd. (currently TAKEEI CORPORATION)</p> <p>Jun. 1983 Member of the Board, Chief Operating Officer</p> <p>Aug. 2006 Representative Director, Monzen Clean Park Co., Ltd. (current position)</p> <p>Sep. 2007 Representative Director, Green Arrows Holdings, Inc. (current position)</p> <p>Jun. 2010 Chairman of the Board of Directors, TAKEEI CORPORATION (current position)</p> <p>May 2020 Representative Director, Takeei Foundation for SDGs Promotion (currently TRE Foundation for SDGs Promotion)</p> <p>Oct. 2021 Director, the Company (current position) (Significant concurrent positions)</p> <p>Chairman of the Board of Directors, TAKEEI CORPORATION Representative Director and President, Monzen Clean Park Co., Ltd. Representative Director and President, Green Arrows Holdings, Inc.</p>	2,116,556
<p><b>&lt;Reason for candidacy&gt;</b>  Mr. Mamoru Mitsumoto has been involved in the waste treatment industry for over 50 years since the founding of TAKEEI CORPORATION, and has accumulated abundant experience, achievements and a wide range of insight regarding the environmental business. Having served as Member of the Board, Chief Operating Officer of the company from June 1983 and as Chairman of the Board of Directors since June 2010, he has appropriately fulfilled his duties and responsibilities for many years. We have renominated him as a candidate for Director since we believe that he is a talent who can contribute to the management of the Company by leveraging his experience and insight.</p>			

(Note) There are no special interests between each candidate and the Company.

(Reference) Expertise and experience of Directors and the candidates for Director (skill matrix)

The expertise and experience possessed by Directors and Directors who are Audit and Supervisory Committee Members, subject to Proposal No. 3 being approved and passed as originally proposed, will be as follows.

Name	Corporate management/ management strategy	Internal control/ governance	Sales/ marketing	Environment/ sustainability	Production/ technology	Finance/ accounting	HR/labor management	Legal/ compliance
Naoto Matsuoka	●	●	●			●	●	●
Mitsuo Abe	●	●	●			●	●	●
Takao Suzuki	●		●	●	●			●
Mamoru Mitsumoto	●		●	●	●			●
Tomoji Ishii	●	●				●	●	
Fumie Omura	●	●		●			●	●
Hiroyuki Suematsu	●	●		●				

**Proposal No. 4** Election of One (1) Substitute Director Who Is an Audit and Supervisory Committee Member

In order to prepare for a situation where the number of Directors who are Audit and Supervisory Committee Members falls short of that required by laws and regulations, the Company proposes to elect one (1) substitute Director who is an Audit and Supervisory Committee Member.

This proposal shall be in effect until the commencement of the next Annual General Meeting of Shareholders; however, the Board of Directors may resolve to rescind it with the consent of the Audit and Supervisory Committee provided that the substitute Director has not assumed the office of Director who is an Audit and Supervisory Committee Member.

In addition, the consent of the Audit and Supervisory Committee has been obtained for this proposal.

The candidate for substitute Director who is an Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Past experience, positions, and responsibilities and significant concurrent positions	Number of shares of the Company held
<p style="text-align: center;">Naoto Yokoi (Apr. 27, 1951)</p> <p style="border: 1px solid black; display: inline-block; padding: 2px;">New appointment</p>	<p>Apr. 1975    Joined Asahi &amp; Co. (currently KPMG AZSA LLC)</p> <p>Aug. 1979    Registered as a certified public accountant</p> <p>May 1990    Partner, Asahi Shinwa &amp; Co. (currently KPMG AZSA LLC)</p> <p>May 2000    Representative Partner, Asahi Audit Corp. (currently KPMG AZSA LLC)</p> <p>Jun. 2013    Resigned from KPMG AZSA LLC</p> <p>Jun. 2014    Outside Member of the Board, TAKEEI CORPORATION (current position)</p> <p>Jun. 2014    Outside Corporate Auditor, Nichiban Co., Ltd. (current position)</p> <p>Mar. 2015    Outside Corporate Auditor, JAC Recruitment Co., Ltd.</p> <p>Mar. 2022    Outside Director (Audit and Supervisory Committee Member) (current position)</p> <p>(Significant concurrent positions)</p> <p>Outside Member of the Board, TAKEEI CORPORATION</p> <p>Outside Director (Audit and Supervisory Committee Member), JAC Recruitment Co., Ltd.</p>	-

**<Reason for candidacy and the expected role>**

Mr. Naoto Yokoi has a wealth of expert knowledge and experience as a certified public accountant working as an audit manager at a business corporation. Since assuming the office of Member of the Board of TAKEEI CORPORATION in June 2014, he has proactively provided opinions and advice on the issues concerning the Group’s management policies from an independent and objective standpoint. We have nominated him as a candidate for substitute Outside Director who is an Audit and Supervisory Committee Member since we believe that he can contribute to enhancing the effectiveness of the audit function as well as the Board of Directors’ decision-making and supervisory functions of the Company.

- (Notes)
1. There are no special interests between Mr. Naoto Yokoi and the Company.
  2. Mr. Naoto Yokoi is a candidate for substitute Outside Director.
  3. Mr. Naoto Yokoi will resign as Outside Corporate Auditor of Nichiban Co., Ltd. as of June 28, 2022.
  4. Mr. Naoto Yokoi serves as Outside Member of the Board of TAKEEI CORPORATION, the Company’s subsidiary, and will resign as Outside Member of the Board of TAKEEI CORPORATION in advance if the said candidate assumes the office of Director who is an Audit and Supervisory Committee Member of the Company.
  5. Mr. Naoto Yokoi satisfies the requirements for an independent director/auditor as stipulated by Tokyo Stock Exchange, Inc. and the Company plans to submit a notification to the said exchange if the candidate takes the office of Director who is an Audit and Supervisory Committee Member.
  6. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company plans to enter into a liability limitation agreement to limit the amount of liability under Article 423, Paragraph 1 of the said Act with Mr. Naoto Yokoi if he takes the office of Director who is an Audit and Supervisory Committee Member. In such case, the maximum amount of liability under the said agreement shall be limited to the amount stipulated by laws and regulations.

**Proposal No. 5** Establishment of the Amount of Compensation for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Article 2 in Supplementary Provisions of the Articles of Incorporation of the Company stipulates that the amount of compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same applies in this proposal) of the Company for the period from the date of establishment of the Company until the conclusion of this General Meeting of Shareholders be no more than 350 million yen per year, and the said provision will be deleted upon the conclusion of this General Meeting of Shareholders. Accordingly, the Company seeks new approval on the amount of compensation for Directors.

The Company proposes the total amount of compensation for Directors after the conclusion of this General Meeting of Shareholders to be no more than 600 million yen per year. Further, the Company proposes that the amount of compensation for Directors shall not include employee salaries for Directors who concurrently serve as employees.

This proposal has been adopted by the Board of Directors, after deliberations at the Nomination and Compensation Committee, by comprehensively taking into account factors such as the size of the Company's businesses, the officer compensation system and the current level of the compensation provided, the current number of officers, and future trends, and the Company has judged that it is appropriate.

Further, the Matters Regarding the Company's Decision-making Policy on the Contents of Individual Compensation, etc. for Directors are as per the description on pages 19 to 22 of the Business Report (in Japanese only).

The current number of Directors is four (4), and there will be no change to the number of Directors if Proposal No. 3 is approved and passed as originally proposed.

**Proposal No. 6**      Establishment of the Amount of Compensation for Directors Who Are Audit and Supervisory Committee Members

Article 2 in Supplementary Provisions of the Articles of Incorporation of the Company stipulates that the amount of compensation for Directors who are Audit and Supervisory Committee Members of the Company for the period from the date of establishment of the Company until the conclusion of this General Meeting of Shareholders be no more than 50 million yen per year, and the said provision will be deleted upon the conclusion of this General Meeting of Shareholders. Accordingly, the Company seeks new approval on the amount of compensation for Directors who are Audit and Supervisory Committee Members.

The Company proposes the total amount of compensation for Directors who are Audit and Supervisory Committee Members after the conclusion of this General Meeting of Shareholders to be unchanged at no more than 50 million yen per year.

This proposal has been adopted by the Board of Directors, after deliberations at the Nomination and Compensation Committee, by comprehensively taking into account factors such as the size of the Company's businesses, the officer compensation system and the current level of the compensation provided, the current number of officers, and future trends, and the Company has judged that it is appropriate.

Further, the Matters Regarding the Company's Decision-making Policy on the Contents of Individual Compensation, etc. for Directors who are Audit and Supervisory Committee Members are as per the description on pages 19 to 22 of the Business Report (in Japanese only).

The current number of Directors who are Audit and Supervisory Committee Members is three (3).

**Proposal No. 7** Introduction of the Performance-linked Stock Compensation Plan for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

1. Reasons for proposal and reasons why the proposal is considered appropriate

Under this proposal, the Company seeks approval on the introduction of a new performance-linked stock compensation plan, “Board Benefit Trust (BBT)” (hereinafter referred to as the “Plan”), for its Directors (excluding Directors who are Audit and Supervisory Committee Members, and Outside Directors among other Directors; hereinafter the same applies unless otherwise noted) and Executive Officers as well as Directors (excluding Outside Directors) and Executive Officers of some of its subsidiaries (hereinafter, Directors and Executive Officers of the Company as well as Directors and Executive Officers of its subsidiaries collectively referred to as “Eligible Officers”).

This proposal is intended to enhance the motivation of Eligible Officers to contribute to the improvement of business performance of the Group over the medium to long term and the increase of corporate value by further clarifying the link between compensation for Eligible Officers and the Group’s business performance as well as stock value, with Eligible Officers sharing not only the benefits of increases in share price but also the risks of decreases in share price with the shareholders. As this proposal is also in line with Matters Regarding the Company’s Decision-making Policy on the Contents of Individual Compensation, etc. for Directors (included in the below) which are to be amended, subject to this proposal being approved and passed as originally proposed, the Company considers this proposal to be appropriate.

Under this proposal, the Company seeks approval on the specific calculation method and specific details of the amount of compensation, etc. in order to provide compensation under the Plan to the Company’s Directors, separately from the amount of compensation for the Company’s Directors (excluding Directors who are Audit and Supervisory Committee Members) (at no more than 600 million yen per year, excluding employee salaries) which is to be approved under Proposal No. 5. The Company also seeks approval to delegate the determination of the details of the Plan to the Board of Directors of the Company within the scope of 2. below. Subject to Proposal No. 3 being approved and passed as originally proposed, the number of the Company’s Directors eligible for the Plan will be four (4).

2. Specific calculation method and details of the amount of compensation, etc. pertaining to the Plan

(1) Outline of the Plan

The Plan is a performance-linked stock compensation plan under which the Company’s shares will be acquired through a trust (the trust to be established under the Plan hereinafter referred to as the “Trust”) (the Company plans to establish the Trust through the transfer of the title of the entrustor of the trust established by TAKEEI CORPORATION on September 9, 2016 (hereinafter referred to as the “Pre-Succession Trust”) and pay a certain amount of settlement money to TAKEEI CORPORATION in conjunction with such transfer of the title of the entrustor) using money contributed by the Company as the source, and the Company’s shares and the money equivalent to the market value of the Company’s shares (hereinafter referred to as the “Company Shares, etc.”) will be paid to Eligible Officers through the Trust in accordance with the Officer Stock Benefit Regulations established by the Company and its subsidiaries. Eligible Officers, etc. will receive the Company Shares, etc., in principle, upon their retirement from office.

(2) Individuals eligible for the Plan

Directors (Directors who are Audit and Supervisory Committee Members, and Outside Directors among other Directors shall be ineligible for the Plan) and Executive Officers of the Company, as well as Directors (Outside Directors shall be excluded) and Executive Officers of the Company’s certain subsidiaries.

(3) Trust period

The period from June 2022 (planned) until the end of the Trust. (A specific termination date shall not be determined for the trust period of the Trust, and the Trust shall continue as long as the Plan exists. The Plan shall be terminated when the Company’s stock is delisted or the Officer Stock Benefit Regulations are abolished, etc.)

(4) Entrusted amount

Subject to the proposal being approved, the Company will introduce the Plan to cover the five business years from the business year ended March 31, 2022 to the business year ending March 31, 2026 (the covered period of five business years hereinafter referred to as the “Initial Applicable Period,” and the Initial Applicable Period and each of the subsequent periods of five business years that start following the Initial Applicable Period hereinafter referred to as the “Applicable Period”), as well as each of the subsequent Applicable Periods. The following money will be contributed to the Trust as the funds for the Trust to acquire the Company’s shares to ensure the provision of the Company Shares, etc. to Eligible Officers, in addition to the payment of settlement money to TAKEEI CORPORATION in conjunction with the transfer of the title of the entrustor of the Pre-Succession Trust.

First, the Company will be transferred the title of the entrustor of the Pre-Succession Trust by TAKEEI CORPORATION in June 2022 (planned). A certain amount of money will be paid to TAKEEI CORPORATION as the settlement money. In addition to the payment of such settlement money, the Company will reasonably estimate the number of shares necessary for the provision to the Eligible Officers for the Initial Applicable Period and make additional contributions to the Trust of the funds necessary for the Trust to acquire such shares in advance. While, at present, the number of the Company’s shares remaining in the Trust (excluding the Company’s shares that correspond to the number of points granted to Members of the Board and Executive Officers of TAKEEI CORPORATION in the past and that have not been provided to the relevant Members of the Board and Executive Officers) is 167,672 shares, the maximum number of points to be granted to Eligible Officers under the Plan is 174,000 points per business year as stated in the below (6). Therefore, the Company shall contribute the funds reasonably estimated to be necessary to acquire the Company’s shares up to 615,328 shares during the Initial Applicable Period to the Trust. For your reference, the necessary funds for the above are estimated to be approximately 1,386 million yen when using the closing price of 2,253 yen on May 26, 2022.

In addition, the Company will reasonably estimate the number of shares necessary for the provision to Eligible Officers, after the Initial Applicable Period ends and until the Plan terminates, and make additional contributions to the Trust for each Applicable Period, in principle, of the funds necessary for the Trust to acquire such shares in advance. Provided, however, that in cases where such additional contribution is made and the Company’s shares (excluding any portion of the Company’s shares that corresponds to the number of points granted to Eligible Officers for each Applicable Period up to the immediately preceding period and has not been provided to Eligible Officers) and monies (hereinafter, the “Remaining Shares, etc.”) remain within the trust assets, the Remaining Shares, etc. shall be allocated to make the provision pursuant to the Plan for the subsequent Applicable Periods and the amount of additional contribution shall be determined by taking into account the Remaining Shares, etc. When the Company has decided to make additional contributions, the Company shall appropriately disclose the decision in a timely manner.

(Note) The actual amount of money to be contributed to the Trust by the Company will be a sum of estimated necessary costs such as trust fees and the above funds to acquire the shares.

- (5) The method of acquisition of the Company’s shares by the Trust and the number of shares to be acquired
- The Trust will acquire the Company’s shares through the markets on stock exchanges or through disposal of treasury stock, using the funds contributed through the above (4) as the source, other than the Company’s shares remaining in the Pre-Succession Trust at the time when the Company is transferred the title of the entrustor. Since the maximum number of points to be granted to Eligible Officers is 174,000 points per business year as stated in the below (6), the maximum number of the Company’s shares to be acquired by the Trust for each Applicable Period shall be 870,000 shares. However, for the Initial Applicable Period, by taking into consideration that the first business year of the Initial Applicable Period is less than one year and that the number of the Company’s shares currently remaining in the Trust is 167,672, the maximum number of the Company’s shares to be additionally acquired by the Trust during the Initial Applicable Period shall be 615,328. When the Trust acquires the Company’s shares, the Company shall appropriately disclose the details in a timely manner.

(6) The maximum number of the Company Shares, etc. to be provided to Eligible Officers

A certain number of points, determined in consideration of factors such as their position and the attainment of business performance in accordance with the Officer Stock Benefit Regulations, will be granted to Eligible Officers for each business year. The maximum number of total points to be granted to Eligible Officers per business year shall be 174,000 (including 41,400 for Directors of the Company) (this shall be pro-rated for a business year of less than one year; any fraction of less than one month or less than one point shall be rounded upward). This maximum number has been determined by comprehensively taking into account factors such as the current level of the officer compensation provided, trends in the number of Eligible Officers, and future expectations, and the Company has judged that it is appropriate.

Points granted to the Eligible Officers will be converted when the Company Shares, etc. are provided in accordance with (7) below, at a rate of one share of the Company's common stock per point. However, in the event of a share split, a gratis allotment of shares, a share consolidation, etc. of the Company's shares after the approval of this proposal, the maximum number of points and the number of points granted, or the conversion rate, will be adjusted to a reasonable extent according to the split or consolidation ratio, etc.

The number of shares equivalent to the maximum number of points to be granted to Eligible Officers per business year (174,000 shares) accounts for approximately 0.34% of the total number of issued shares (as of March 31, 2022; after deducting treasury stock).

The number of points held by an Eligible Officer to be used as a standard when providing the Company Shares, etc. in accordance with (7) below shall be, in principle, the number of points granted to such Eligible Officer by the time of his or her retirement (the number of points calculated in this manner hereinafter referred to as the "Number of Finalized Points").

(7) Provision of the Company Shares, etc. and the specific method to determine the amount of compensation, etc.

If an Eligible Officer who has retired from office meets the beneficiary requirements prescribed in the Officer Stock Benefit Regulations, such Eligible Officer will be able to receive the Company's shares from the Trust after his or her retirement in proportion to the Number of Finalized Points determined in accordance with the provisions of the above (6) in principle, by taking the prescribed procedures to confirm the beneficiary. Provided, however, that if an Eligible Officer meets certain requirements set under the Officer Stock Benefit Regulations, as for a certain percentage of the Company's shares to be provided, the Company will provide him or her with money equivalent to the market value of such shares, instead of providing them. Please note that the Trust may sell the Company's shares to provide such money.

Even when an Eligible Officer has been granted points, he or she shall not obtain the right to receive the provision if he or she has retired from office for such reasons as having been engaged in certain illegal activities during the term of office, or if he or she does inappropriate actions that can cause damage to the Company during the term of office.

The amount of compensation, etc. to be received by Directors of the Company shall be based on an amount as calculated by multiplying the sum of the points to be granted to the Directors by the book value per share of the Company's shares held by the Trust at the time of granting the points. However, in the event of a share split, a gratis allotment of shares, a share consolidation, etc. of the Company's shares, reasonable adjustment will be made according to the split or consolidation ratio, etc. Further, where it is considered reasonable to provide money on an exceptional basis pursuant to the provisions of the Officer Stock Benefit Regulations, such amount of money shall be added.

(8) Exercise of voting rights

Voting rights related to the Company's shares held by the Trust account shall not be exercised at all pursuant to the instructions of the trust administrator. In this way, the Trust will be able to ensure its neutrality in the Company's management with regard to the exercise of voting rights related to the Company's shares held by the Trust account.



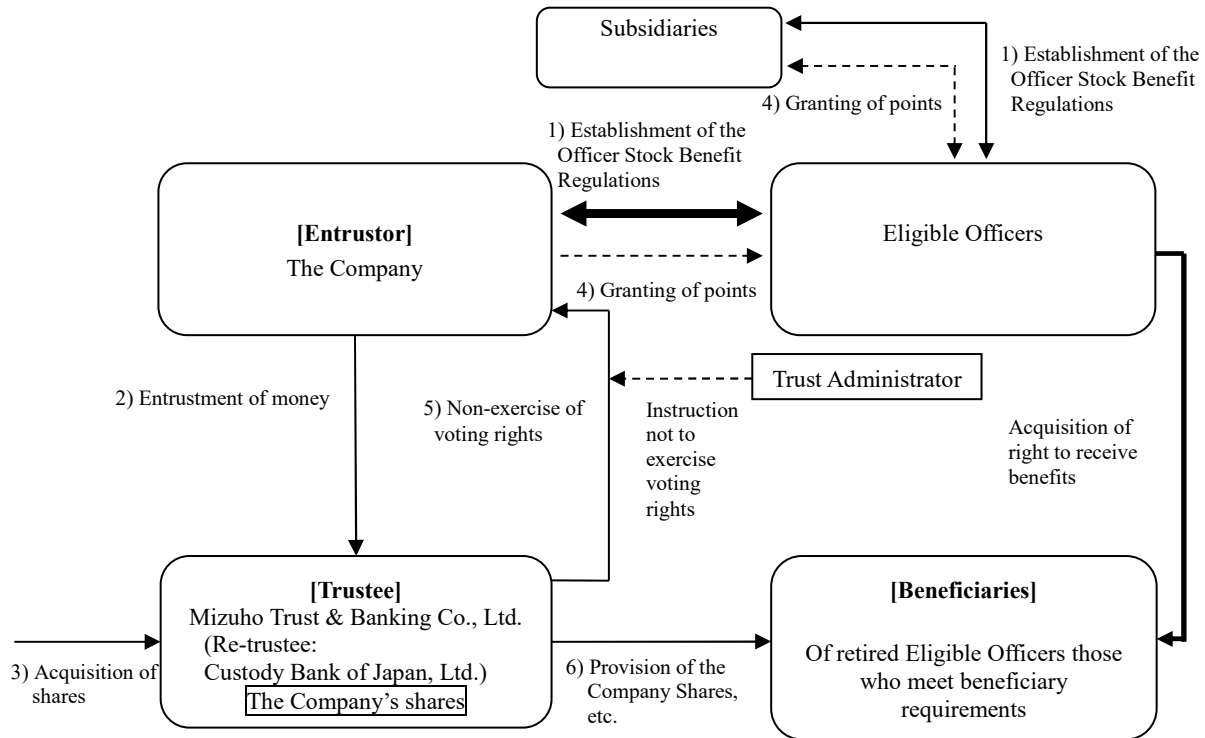
(9) Dividends

Dividends related to the Company's shares held by the Trust account shall be received by the Trust to acquire the Company's shares or pay for the trustee's compensation, etc. in relation to the Trust. Any dividends, etc. remaining in the Trust upon termination of the Trust will be provided to the then current Eligible Officers, and prorated according to the number of points held by each Eligible Officer, in accordance with the provisions of the Officer Stock Benefit Regulations.

(10) Termination of the Trust

The Trust shall be terminated when the Company's stock is delisted or the Officer Stock Benefit Regulations are abolished, etc. Of the residual assets in the Trust upon its termination, all of the Company's shares will be acquired by the Company without contribution and be canceled by a resolution of the Board of Directors of the Company. Of the residual assets in the Trust upon its termination, money excluding the portion provided to Eligible Officers in accordance with the above (9) will be provided to the Company.

<Reference: Structure of the Plan>



- 1) The Company and its subsidiaries establish the Officer Stock Benefit Regulations within the framework approved under this proposal.
- 2) The Company is transferred the title of the entrustor of the Pre-Succession Trust and entrusts money, within the scope approved under this proposal.
- 3) The Trust acquires the Company's shares through the markets on stock exchanges or disposal of treasury stock with the money entrusted in 2) as the source, in addition to the Company's shares existing in the Pre-Succession Trust at the time when the Company is transferred the title of the entrustor.
- 4) The Company and its subsidiaries grant points to Eligible Officers based on the Officer Stock Benefit Regulations.
- 5) The Trust shall not exercise the voting rights for the Company's shares held by the Trust account based on instructions from the trust administrator, who is independent from the Company.
- 6) The Trust provides the Company's shares to retired Eligible Officers who also meet the beneficiary requirements prescribed in the Officer Stock Benefit Regulations (hereinafter referred to as the "Beneficiaries"), based on the number of points they have been granted. If an Eligible Officer meets certain requirements set under the Officer Stock Benefit Regulations, as for a certain percentage of the points granted to such Eligible Officer, the Trust will provide him or her with money equivalent to the market value of the Company's shares.