

Securities code: 4310

May 31, 2024

(Start date of electronic provisioning measures: May 24, 2024)

Notice of Convocation of the 24th Annual General Meeting of Shareholders

Dear Shareholders:

We would hereby like to inform you that the 24th Annual General Meeting of Shareholders will be held as follows.

The Notice of the General Meeting of Shareholders is provided electronically, and matters concerning the electronic provision are posted on the following websites.

The Company's web site

https://www.dreamincubator.co.jp/ir/shareholder_meeting/



The Tokyo Stock Exchange, Inc. web site

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>



To view information regarding the convocation of the General Meeting of Shareholders, please visit the website above, enter/search the name of the Company or its securities code, and choose "Basic information," "Documents for public inspection / PR information."

If you are unable to attend, you may exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 6:00 p.m. on Friday, June 14, 2024.

Yours faithfully

Takayuki Miyake

Representative Director and President

Dream Incubator Inc.

3-2-6 Kasumigaseki, Chiyoda-ku, Tokyo, Japan

1	Date and Time	Monday, June 17, 2024, at 2:00 p.m.
2	Venue	Belle Salle Toranomom Sumitomo Fudosan Toranomom Tower 2F, 2-2-1 Toranomom, Minato-ku, Tokyo, Japan
3	Agenda	<p>Items to be reported</p> <p>1. Business Report, Consolidated Financial Statements for the 24th Fiscal Year (from April 1, 2023 to March 31, 2024), as well as Auditing Reports on Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee</p> <p>2. Non-Consolidated Financial Statements for the 24th Fiscal Year (from April 1, 2023 to March 31, 2024)</p> <p>Items to be resolved</p> <p>Proposal 1 Partial Revisions to the Articles of Incorporation</p> <p>Proposal 2 Election of Three Directors Who Are Not Audit and Supervisory Committee Members</p> <p>Proposal 3 Election of Two Directors Who Are Audit and Supervisory Committee Members</p> <p>Proposal 4 Election of One Substitute Director Who Is an Audit and Supervisory Committee Member</p>

■ If there is no indication of your vote for or against the proposal in the Voting Rights Exercise Form, your vote shall be treated as approval of the proposal.

■ If you have exercised your voting rights multiple times on the Internet, the final vote will be taken as valid.

■ If you have exercised your voting rights both in writing and via the Internet, those exercised via the Internet will be taken as valid.

■ If you plan to attend the meeting in person, please submit the Voting Rights Exercise Form to the receptionist at the meeting.

■ If there are any amendments to the matters concerning the electronic provision, we will post the corrections on each website.

■ Out of the matters subject to measures for electronic convocation, systems to ensure adequacy of business and overview of their operational status in the business report, consolidated and non-consolidated statements of changes in net assets, and notes to the consolidated and non-consolidated financial statements are listed on the Company's internet website in accordance with law and with Article 15 of the Articles of Incorporation. The notes can be viewed online and, therefore, are not included in the convocation notice. The Accounting Auditor and Audit and Supervisory Committee have audited the documents to be audited, including these matters subject to the electronic provision measures published on the Company's website.

1 . Reasons for the Proposal

(1)Change in business purpose

The Company proposes to delete part of the business purpose set forth in Article 2 of the current Articles of Incorporation, in order to clarify its business purpose to better reflect the current operational status. This proposed deletion will result in changes in the numbering of articles.

(2)Change in executives

The proposed revision to Article 24 of the current Articles of Incorporation establishes a provision to allow the Board of Directors to appoint president and other executives not only from among directors but also from executive officers, in a bid to enable the Company to flexibly build an optimal management structure.

(3)Establishment of new provision regarding executive officers

The Company introduced the executive officer system in 2002 to ensure prompt business execution and clarify responsibilities. The Company proposes to add a new provision to the Articles of Incorporation to clarify the method of appointing executive officers and their roles. The establishment of the new provision will also result in changes in the numbering of articles.

2 . Details of the Revisions

Details of the revisions are as follows.

(Revisions are underlined.)

Current Articles of Incorporation	Proposed Revisions
<p>Chapter 1 General Rules (Purpose) Article 2 The Company shall operate following lines of businesses.</p> <ol style="list-style-type: none"> 1. Investment in and development of venture businesses 2. Management consulting business 3. Mediation in corporate mergers and alliances in technology, sales, and manufacturing 4. Planning, operating, and holding lectures, training courses, and seminars 5. Acquisition and storage of negotiable securities 6. General workers dispatching business and specific workers dispatching business according to the Manpower Dispatching Business Act 7. Fee-charging employment service <u>8.</u> Planning and production of advertisements and public relations materials, and marketing and sales agency businesses <u>9.</u> Collection, analysis, and management of information, and data service <u>10.</u> Non-life insurance agency business <u>11.</u> Any and all businesses relevant to each of the foregoing <p>Chapter 4 Directors and the Board of Directors (Executive directors) Article 24 A certain number of presidents, vice presidents, and other executives appointed by the Board of Directors may be selected from among directors (except for Audit and Supervisory Committee members) according to the resolution of the Board of Directors.</p> <p>Article 25 ~ Article 28 (omitted)</p> <p><Newly established></p> <p>Article <u>29</u> ~ Article <u>45</u> (omitted)</p>	<p>Chapter 1 General Rules (Purpose) Article 2 The Company shall operate following lines of businesses.</p> <ol style="list-style-type: none"> 1. Investment in and development of venture businesses 2. Management consulting business 3. Mediation in corporate mergers and alliances in technology, sales, and manufacturing 4. Planning, operating, and holding lectures, training courses, and seminars 5. Acquisition and storage of negotiable securities <Deleted> <Deleted> <u>6.</u> Planning and production of advertisements and public relations materials, and marketing and sales agency businesses <u>7.</u> Collection, analysis, and management of information, and data service <u>8.</u> Non-life insurance agency business <u>9.</u> Any and all businesses relevant to each of the foregoing <p>Chapter 4 Directors and the Board of Directors (Executives, etc.) Article 24 A certain number of presidents, vice presidents, and other executives appointed by the Board of Directors may be selected from among directors (except for Audit & Supervisory Committee members) or executive officers according to the resolution of the Board of Directors.</p> <p>Article 25 ~ Article 28 (same as the current Articles of Incorporation)</p> <p>(Executive officers) Article 29 The Company may, by resolution of the Board of Directors, appoint executive officers to share and execute the business of the Company.</p> <p>Article <u>30</u> ~ Article <u>46</u> (same as the current Articles of Incorporation)</p>

Proposal 2

Election of Three Directors Who Are Not
Audit and Supervisory Committee Members

The term of office of all (four) of the Company's directors (excluding directors who are Audit and Supervisory Committee members; the same shall apply hereinafter in this proposal) will expire at the conclusion of this general meeting. Accordingly, we request the election of Three directors. With regard to this proposal, the Audit and Supervisory Committee has expressed its opinion that all of the director candidates are qualified and capable of fulfilling the roles expected of directors.

Director candidates are as follows.

No.	Name	Age	Current Position, Responsibility	Attendance at Board of Directors Meetings	Attributes of Director Candidates		
					Reelection	Executive officer	Independent director
1	Takayuki Miyake	54	Representative Director, President	100% (12/12)	Reelection	Executive officer	—
2	Kyohei Hosono	51	Director, Executive Vice President	100% (12/12)	Reelection	Executive officer	—
3	Tsutomu Fujita	64	Director	100% (12/12)	Reelection	Outside director	Independent director

1

Takayuki Miyake (Born April 24, 1970; age 54)

Reelection



Number of Company shares held: 87,600 shares

Brief Personal History, Positions, Duties, and Important Concurrent Positions

- Apr. 1995 Joined the Ministry of International Trade and Industry (now the Ministry of Economy, Trade and Industry)
- Jul. 2001 Joined A.T. Kearney
- Jun. 2004 Joined Dream Incubator
- Nov. 2004 Manager
- Oct. 2009 Executive Officer (current position)
- Jun. 2019 Director
- Jun. 2020 Representative Director & COO
- Jun. 2021 Representative Director, President (current position)

Reasons for Selection as a Candidate for Director

Mr. Takayuki Miyake assumed the position of Executive Officer of the Company in 2009. As officer in charge of the Business Production Department, he has contributed to the establishment and development of our unique consulting services, producing new businesses and industries. He assumed the position of Representative Director and President in 2021, and has promoted efforts to strengthen the Company's earnings base, with a focus on producing businesses. We have determined that his extensive work experience and high level of management insight are necessary to continuously enhance the Group's corporate value going forward, and we request his continued election as a Director.

2

Kyohei Hosono (Born April 28, 1973; age 51)

Reelection



Number of Company shares held: 38,300 shares

Brief Personal History, Positions, Duties, and Important Concurrent Positions

- Apr. 1996 Joined the Overseas Economic Cooperation Fund (now the Japan Bank for International Cooperation)
- Aug. 1998 Studied abroad at St. Petersburg State University
- May 2000 Masters of Public Administration, University of Michigan
- Oct. 2005 Joined Dream Incubator
- Aug. 2007 Manager
- Oct. 2009 Managing Director in Charge of Asia
- Oct. 2012 Executive Officer (current position)
- Jun. 2019 Director
- Jun. 2020 Representative Director & COO
- Jun. 2021 Director, Executive Vice President (current position)

Reasons for Selection as a Candidate for Director

Mr. Kyohei Hosono was responsible for producing global businesses that bridge Japan and other parts of Asia by supporting large corporations in their Asian expansion strategies and fostering investment geared toward Asia. In addition, as the officer in charge of the Incubation Department, he helped to cultivate development in innovative venture companies and growth businesses. We have determined that his extensive work experience and high level of management insight are necessary to continuously enhance the Group's corporate value going forward, and we request his continued election as a Director.



Number of Company shares held: 0 shares

Brief Personal History, Positions, Duties, and Important Concurrent Positions

Apr. 1982 Joined Yamaichi Securities Co., Ltd.
 Oct. 1997 Joined Merrill Lynch Asset Management
 Sep. 2000 Joined Nikko Salomon Smith Barney Securities Ltd. (now Citigroup Global Markets Japan Inc.)
 Nov. 2010 Director & Vice Chairman
 Jun. 2016 Advisor, Citigroup Global Markets Japan (current position)
 Apr. 2017 Adjunct Professor, School of Business Administration, Hitotsubashi University (current position)
 Jul. 2017 Representative, Hitotsubashi University Graduate School Fintech Research Forum (current position)
 Sep. 2019 Director, HOUSE DO Co., Ltd. (now &Do Holdings Co., Ltd.)
 Jun. 2020 Outside Director, RIZAP Group, Inc. (current position)
 Jun. 2021 Outside Director, Dream Incubator (current position)
 Jun. 2021 Outside Director, ZUU Co., Ltd.
 Apr. 2022 Visiting Professor, School of Business Administration, Hitotsubashi University (current position)
 Jun. 2022 Representative Director & President, Strategy Advisors Co., Ltd. (current position)
 Jun. 2023 Outside Audit, ITOCHU Corporation (current position)

Reasons for Selection as a Candidate for Outside Director and Overview of Expected Role

Mr. Tsutomu Fujita has gained extensive experience and insight in corporate management through such roles as Advisor (and formerly Vice Chairman) of Citigroup Global Markets Japan, serving as Outside Director to multiple companies, and his position as Adjunct Professor in the School of Business Administration at Hitotsubashi University. Based on this background, he has helped to strengthen the Company's corporate governance by supervising its management and providing accurate and meaningful advice on the Company's overall management. Through such efforts, we expect that he will continue contributing toward the enhancement of the Group's corporate value, and we therefore request his continued appointment.

Notes: 1. No special-interest relationships exist between the individual candidates and the Company.

2. Mr. Tsutomu Fujita is a candidate for outside director. As he satisfies the requirements for an independent director as stipulated by the Tokyo Stock Exchange, Inc., if Mr. Tsutomu Fujita assumes the position of outside director, we intend to provide notice that he is an independent director.
3. Mr. Tsutomu Fujita is currently an outside director of the Company. At the conclusion of this general meeting, his period of tenure will be three years.
4. In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Tsutomu Fujita to limit his liability for damages as provided for by Article 423, Paragraph 1 of the Companies Act. If Mr. Tsutomu Fujita performs his duties in good faith and without gross negligence, his maximum liability for damages to the Company shall be limited to the minimum amount stipulated in laws and regulations. If his reelection is approved, the Company intends to continue this agreement with him.
5. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. If the individual candidates are elected and assume their positions as directors, the Company plans to include them as insured parties under this insurance policy. For details of the insurance policy, see "Business Report, 4. Matters concerning Company Officers, (3) Overview of Details of Directors and Officers Liability Insurance Policy" in the convocation notice.

Proposal 3

Election of Two Directors Who Are Audit and Supervisory Committee Members

The term of office for two directors who are Audit and Supervisory Committee members, namely Soichiro Uno and Sakon Uda, will expire at the conclusion of this general meeting. Accordingly, we request the election of two directors who are Audit and Supervisory Committee members. The Audit and Supervisory Committee has approved this proposal.

The candidate for director who are Audit and Supervisory Committee members are as follows.

No.	Name	Age	Current Position, Responsibility	Attendance at Board of Directors Meetings	Attendance at Audit and Supervisory Committee Meetings	Attributes of Director Candidates		
1	Tetsuro Harada	58	Director	100% (12/12)	-	New election	—	—
2	Sakon Uda	69	Director, Audit and Supervisory Committee member	100% (12/12)	100% (13/13)	Reelection	Outside director	Independent director

1

Tetsuro Harada (Born September 22, 1965; age 58)

New Election



Number of Company shares held: 54,300 shares

Brief Personal History, Positions, Duties, and Important Concurrent Positions

- Apr. 1981: Joined the Japan Maritime Self-Defense Force
- Apr. 1990: Joined Nippon Life Insurance Company
- May 1996: Received MBA from the University of California, Berkley
- Oct. 2000: Joined Dream Incubator
- Jan. 2003: Manager
- Jun. 2006: Executive Officer
- Nov. 2017: Director, ipet Insurance Co., Ltd.
- Jun. 2018: Director, Dream Incubator
- Jun. 2020: Representative Director & CEO
- Oct. 2020: Director, ipet Holdings, Inc. (Audit and Supervisory Committee member)
- Jun. 2021: Director, ipet Holdings, Inc.
- Jun. 2023: Director and Chairman of the Board of Directors, Dream Incubator (current position)
- Jun. 2024: Outside Director, Mandom Corporation (scheduled to take office from June 21, 2024)
- Jun. 2024: Outside Director, Wacoal Holdings Corp. (scheduled to take office from June 25, 2024)

Reasons for Selection as a Candidate for Director

In 2006, Mr. Tetsuro Harada assumed the position of Executive Officer in charge of the Corporate Department. Since then, he has directed all aspects of the Company's business administration and human resources and general affairs, helping to improve the soundness and transparency of the Company's management. Since assuming the position of Representative Director and CEO in 2020, he has striven to enhance corporate governance as Chairman of the Board of Directors. The Company has determined that his such abundant and extensive knowledge and expertise are necessary for supervising and auditing the Company's management and requests his election as Director also serving as Audit and Supervisory Committee member.



Number of Company shares held: 0 shares

Brief Personal History, Positions, Duties, and Important Concurrent Positions

Apr. 1981 Joined Nippon Kokan K.K. (now JFE Holdings, Inc.)
 Jul. 1989 Joined McKinsey & Company
 Dec. 1995 Principal (Partner)
 Feb. 2006 Executive Officer, Japan Post Holdings Co., Ltd.
 Senior Managing Executive Officer, Japan Post Holdings Co., Ltd. First Executive Officer,
 Oct. 2007 Japan Post Service Co., Ltd. (now Japan Post Holdings Co., Ltd.)
 May 2010 Professor, Business Breakthrough University
 Jul. 2010 Executive Officer, Chief Operating Officer (COO), The Tokyo Star Bank, Limited
 Jun. 2011 Outside Director, EBARA Corporation
 Managing Director of Investigation, Fukushima Nuclear Accident Independent Investigation
 Dec. 2011 Commission
 Counselor, Nuclear Damage Compensation Facilitation Corporation (now Nuclear Damage
 Nov. 2012 Compensation and Decommissioning Facilitation Corporation)
 Apr. 2014 Dean, Faculty of Business Administration, Professor, Business Breakthrough University
 Jun. 2014 Director, Business Breakthrough, Inc.
 Director, Academic Panel Member, Public Utility Fund Japan–North America Medical
 May 2015 Exchange Foundation
 Apr. 2016 Vice President, Business Breakthrough University
 Sep. 2016 Special Advisor, Tokyo Metropolitan Government Political Reform Headquarters
 Jul. 2017 Executive Director, Public Utility Fund Japan–North America Medical Exchange Foundation
 Member, Tokyo Metropolitan Government Urban Planning Council Committee (current
 Nov. 2017 position)
 Mar. 2019 Outside Director and Chairman of the Board of Directors, EBARA Corporation
 Jun. 2021 Outside Director, The CC Innovation, Ltd.
 Jun. 2022 Director and Vice Chairman, Strategy Advisors Co., Ltd.
 Jun. 2022 Outside Director (Audit and Supervisory Committee member), Dream Incubator (current
 position)
 Jun. 2022 Outside Director, Pacific Consultants, Co., Ltd. (current position)
 Feb. 2023 Electricity rate advisor, Consumer Affairs Agency (current position)
 May 2023 Outside Director, Ichigo Inc. (current position)
 Jun. 2023 Outside Director (Audit and Supervisory Committee member), Hokkoku Financial Holdings,
 Inc. (current position)

Reasons for Selection as a Candidate for Outside Director and Overview of Expected Role

In addition to his extensive management experience at such organizations as McKinsey & Company, a consulting firm, as well as Japan Post Holdings Co., Ltd. and The Tokyo Star Bank, Limited, Mr. Sakon Uda had served as Chairman of the Board of Directors as an Outside Director of EBARA Corporation. Given this background, we believe he can offer useful opinions and strategic plans to improve the Company's corporate governance. In addition, we anticipate that he will utilize his experience and insight in auditing the Company's management. Accordingly, we request his continued appointment as an Outside Director who is an Audit and Supervisory Committee member.

Notes: 1. No special-interest relationships exist between individual candidate and the Company.

2. Mr. Sakon Uda is a candidate for outside director. As he satisfies the requirements for an independent director as stipulated by the Tokyo Stock Exchange, Inc., if Mr. Sakon Uda assumes the position of outside director, we intend to provide notice that he is an independent director.
3. Mr. Sakon Uda is currently an outside director who is an Audit and Supervisory Committee member of the Company. At the conclusion of this general meeting, his period of tenure will be two years.
4. In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Sakon Uda to limit his liability for damages as provided for by Article 423, Paragraph 1 of the Companies Act. If Mr. Sakon Uda performs his duties in good faith and without gross negligence, his maximum liability for damages to the Company shall be limited to the minimum amount stipulated in laws and regulations. If his reelection is approved, the Company intends to continue this agreement with him. Furthermore, if the appointment of Mr. Tetsuro Harada is approved, the Company plans to conclude a liability limitation agreement with him with the same content as above.
5. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. If Mr. Sakon Uda is elected and assumes his position as director who is an Audit and Supervisory Committee member, the Company plans to include his as an insured party under this insurance policy. For details of the insurance policy, see "Business Report, 4. Matters concerning Company Officers, (3) Overview of Details of Directors and Officers Liability Insurance Policy." in the convocation notice.

Reference

Expected Management Structure if
Proposals 1 and 2 Are Approved

Under the medium-term management plan, we aim to realize our mission statement of “changing societies and creating businesses” while enhancing corporate value. To promote and maintain governance over the medium-term plan, the Board of Directors will improve its monitoring function continuously.

We appoint directors with broad experience in management, as well as expertise, knowledge, and experience in various fields to improve the effectiveness of the Board of Directors.

We believe it is particularly important for the Company’s directors to have experience in the following areas.

Skills and Experience	Description
Corporate management	General experience, knowledge, and governance experience related to the management of listed companies
Capital markets	Experience and knowledge of investing in listed companies and responding to shareholders and investors
Finance and accounting	Knowledge of finance and accounting and experience in formulating financial strategies, including growth investments and shareholder return strategies
Legal and risk management	Specialized knowledge and experience in corporate legal, regulatory and risk management
Consulting	Consulting experience and management experience in the consulting business
Government, international institutions	Experience in government, related organizations, and international organizations working to resolve social issues through industry
Global	Management experience in a global company or business experience outside Japan

Name	Position	Outside	Independent	Areas of Particular Expertise and Experience						
				Corporate Management	Capital Markets	Finance and Accounting	Legal and Risk Management	Consulting	Government, International Institutions	Global
Takayuki Miyake	Representative Director, President			Yes				Yes	Yes	
Kyohei Hosono	Director, Executive Vice President			Yes				Yes	Yes	Yes
Tsutomu Fujita	Director	Yes	Yes	Yes	Yes					Yes
Tetsuro Harada	Director, Audit and Supervisory Committee member			Yes		Yes	Yes	Yes		
Yuriya Komatsu	Director, Audit and Supervisory Committee member	Yes	Yes	Yes	Yes	Yes				
Sakon Uda	Director, Audit and Supervisory Committee member	Yes	Yes	Yes	Yes			Yes		

Note: The above skills matrix is a list of skills and areas of expertise that we specifically expect from each candidate. This table does not represent all of the knowledge and experience that each person possesses.

We request the election of one substitute Director who is an Audit and Supervisory Committee member (a person who could substitute for any of the Directors who are Audit and Supervisory Committee members) to prepare for the situation in which the number of Company Directors who are Audit and Supervisory Committee members falls below the number required by laws and regulations. This proposal has been approved by the Audit and Supervisory Committee. The candidate for substitute Director who is an Audit and Supervisory Committee member is as follows.

Hideka Morimoto (Born January 4, 1957; age 67)

Number of Company shares held: 0 shares

Brief Personal History, Positions, Duties, and Important Concurrent Positions

Apr. 1981 Joined Environment Agency (now Ministry of the Environment)
 Sep. 1997 Private Secretary, Director General of Environment Agency
 Feb. 2002 Private Secretary, Minister of the Environment
 Jul. 2008 Director, General Affairs Division, Ministry's Secretariat
 Jul. 2009 Director, Personnel Division, Ministry's Secretariat
 Aug. 2011 Councilor, Cabinet Secretariat and Director, Cabinet Secretariat Nuclear Safety Regulation Organizational Reform
 Sep. 2012 Deputy Director General, Nuclear Regulation Agency
 Jul. 2014 Ministry's Secretariat, Ministry of the Environment
 Jul. 2017 Administrative Vice-Minister, Ministry of the Environment
 Jul. 2019 Advisor, Ministry of the Environment
 Jan. 2020 Special Advisor, Dream Incubator (current position)
 Apr. 2020 Professor, Faculty of Law, Waseda University (current position)
 Jun. 2020 Chief Director, Institute for Promoting Sustainable Societies (current position)
 Jun. 2021 Outside Director, Takasago Thermal Engineering Co., Ltd. (current position)
 Mar. 2022 Outside Director, INPEX Corporation (current position)

Reasons for Selection as a Candidate for Substitute Outside Director and Overview of Expected Role

Mr. Hideka Morimoto has held multiple important posts, including Administrative Vice-Minister at the Ministry of the Environment. Since assuming the position of special advisor to the Company in January 2020, he has provided us with suggestions on management based on his abundant experience and knowledge. Although Mr. Hideka Morimoto has no experience of being involved in the management of a company, we expect that he would apply his experience and expertise toward the auditing of our management. Accordingly, we request his election as a substitute Outside Director who is an Audit and Supervisory Committee member.

Notes: 1. No special-interest relationships exist between Mr. Hideka Morimoto and the Company.

2. Mr. Hideka Morimoto is a candidate for substitute Outside Director who is an Audit and Supervisory Committee member. As he satisfies the requirements for an Independent Director as stipulated by the Tokyo Stock Exchange, Inc., if Mr. Hideka Morimoto assumes the position of Director who is an Audit and Supervisory Committee member, we intend to provide notice that he is an Independent Director. Furthermore, although he is currently a special advisor to the Company, his annual remuneration is less than 10 million yen, which satisfies the independence criteria for outside directors established by the Company, and so we believe his independence from the Company is sufficient.
3. If Mr. Hideka Morimoto assumes the position of Director who is an Audit and Supervisory Committee member, in accordance with Article 427, Paragraph 1 of the Companies Act, the Company intends to enter into an agreement with Mr. Hideka Morimoto to limit his liability for damages as provided for by Article 423, Paragraph 1 of the Companies Act. If Mr. Hideka Morimoto performs his duties in good faith and without gross negligence, his maximum liability for damages to the Company shall be limited to the minimum amount stipulated in laws and regulations.
4. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. If Mr. Hideka Morimoto assumes the position of Director who is an Audit and Supervisory Committee member, the Company plans to include him as an insured party under this insurance policy. For details of the insurance policy, see "Business Report, 4. Matters concerning Company Officers, (3) Overview of Details of Directors and Officers Liability Insurance Policy." in the convocation notice.