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Securities Code: 9902

May 31, 2024

To our shareholders:

Toshikazu Fuke, Representative Director and President
Executive Officer

NICHIDEN Corporation

1-2-16 Uehommachinishi, Chuo-ku, Osaka

Notice of the 73rd Annual General Shareholders Meeting

We are pleased to announce the 73rd Annual General Shareholders Meeting of NICHIDEN Corporation (the “Company”), which will be held as indicated below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on each of the following websites. Please access the websites to view the information.

The Company’s website: <https://www.nichiden.com/> (in Japanese)

(From the above website, select “IR information,” and then “General Shareholders’ Meeting Materials.”)

In addition to the Company’s website, the Electronic Provision Measures Matters are also posted on TSE website below.

TSE website (Listed Company Search):

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

(Access the TSE website by using the internet address shown above, enter “NICHIDEN” in “Issue name (company name)” or the Company’s securities code “9902” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

If you are unable to attend the meeting in person, you may exercise your voting rights via the Internet, etc. or in writing (postal mail). Please review the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 5:30 p.m. on June 20 (Thursday), 2024 (JST).

[Exercise of voting rights via the Internet, etc.]

Please access the dedicated website for exercising voting rights (<https://soukai.mizuho-tb.co.jp/>) (in Japanese), use the “voting code” and “password” displayed on the voting form sent to you along with this notice to enter your vote of approval or disapproval for each proposal before the aforementioned deadline by following the instructions on the screen.

[Exercise of voting rights in writing (postal mail)]

Please indicate your approval or disapproval of the proposals on the voting form and return it to the Company by mail so that it arrives before the aforementioned deadline.

- 1. Date and Time:** Friday, June 21, 2024, at 10:00 a.m. (JST)
(Reception will begin at 9:00 a.m.)
- 2. Venue:** 5th Floor Conference Room at NICHIDEN Corporation
1-2-16 Uehommachinishi, Chuo-ku, Osaka
- 3. Purpose of the Meeting:**
Matters to be reported:
 1. The Business Report and Consolidated Financial Statements for the 73rd fiscal year (from April 1, 2023 to March 31, 2024), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
 2. The Non-consolidated Financial Statements for the 73rd fiscal year (from April 1, 2023 to March 31, 2024)**Matters to be resolved:**
 - Proposal No. 1:** Appropriation of Surplus
 - Proposal No. 2:** Amendment to the Articles of Incorporation
 - Proposal No. 3:** Election of Five Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
 - Proposal No. 4:** Election of Three Directors Who Are Audit and Supervisory Committee Members
 - Proposal No. 5:** Determination of Remuneration for Granting Restricted Stock to Directors (Excluding Directors and Outside Directors Who Are Audit and Supervisory Committee Members)
- 4. Matters to Be Determined When Convening**
 - (1) If neither approval nor disapproval of proposal is indicated when you exercise voting rights in writing (postal mail), the Company will deem that you indicated your approval of the proposal.
 - (2) Please note that your online vote will prevail should you exercise your voting rights both via the Internet, etc. and in writing (postal mail).
 - (3) If you exercise your voting rights via the Internet, etc. multiple times, the vote exercised last will be recorded as the effective vote.
 - If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the Company's aforementioned website and the TSE website.

Reference Documents for the General Shareholders Meeting

Proposals and Reference Information

Proposal No. 1: Appropriation of Surplus

The Company's basic policy is to make efforts to ensure a stable business foundation for the long term and continue to return profits to shareholders in the form of dividends. The Company also intends to secure internal reserves to strengthen its corporate structure and prepare to expand its businesses in the future. In order to further clarify the Company's basic dividend policy, on March 4, 2019 the Board of Directors resolved to set the minimum consolidated dividend payout ratio to 30% and the minimum dividend to ¥15 per share.

In order to reciprocate the support and expectations of its shareholders, after giving comprehensive consideration to factors including the Company's financial circumstances and performance over the full year based on its basic policy, the year-end dividend for the 73rd fiscal year is proposed as follows:

1. Year-end dividends
 - (1) Type of dividend property
To be paid in cash.
 - (2) Allotment of dividend property to shareholders and their aggregate amount
The Company proposes to pay a dividend of ¥65 per common share of the Company.
In this event, the total dividends will be ¥1,976,218,660.
 - (3) Effective date of dividends of surplus
The effective date of dividends shall be June 24, 2024.
2. Appropriation of surplus
Not applicable.

Proposal No. 2: Amendment to the Articles of Incorporation

1. Reasons for the proposal

The Company will add the business objective shown in “Proposed amendments” below to Article 2 “Purpose” in the pre-amended Articles of Incorporation and make the necessary arrangements accordingly in order to prepare for the upcoming expansion of construction-related business associated with the expansion of the Company’s business domains.

2. Details of the amendments

The details of the amendments are as follows.

(Amendments are underlined.)

Current Articles of Incorporation	Proposed amendments
<p style="text-align: center;">Chapter 1 General Provisions</p> <p>Article 1 (Purpose) Article 2 The purpose of the Company shall be to engage in the following business activities: 1. – 8. (Text omitted) (Newly established) (Newly established) (Newly established) (Newly established) (Newly established) (Newly established) <u>9. – 16.</u> (Text omitted)</p>	<p style="text-align: center;">Chapter 1 General Provisions</p> <p>Article 1 (Unchanged) Article 2 (Unchanged)</p> <p>1. – 8. (Unchanged) <u>9. Scaffolding work and earthwork</u> <u>10. Roofing work</u> <u>11. Tile, brick and concrete block work</u> <u>12. Steel structure work</u> <u>13. Sheet metal work</u> <u>14. Demolition work</u> <u>15. – 22.</u> (Unchanged)</p>

Proposal No. 3: Election of Five Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

At the conclusion of this meeting, the terms of office of all five Directors (excluding Directors who are Audit and Supervisory Committee members; applicable to the rest of this proposal) will expire. Therefore, the Company proposes the election of five Directors. The candidates for Director in this proposal were finalized by the Board of Directors after deliberation by the Nomination and Remuneration Committee. In addition, the Audit and Supervisory Committee considered the candidates and issued a statement deeming them suitable for the position of Director.

The candidates for Director are as follows:

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Toshikazu Fuke (September 7, 1963)	<p>Mar. 1986 Joined the Company</p> <p>Apr. 2007 Managing Administrator, General Manager of Sales Promotion Department</p> <p>Apr. 2008 Executive Officer, General Manager of Sales Promotion Department</p> <p>June 2008 Director, Acting General Manager of Sales Department, General Manager of Sales Promotion Department</p> <p>Apr. 2009 General Manager of Sales Department</p> <p>June 2010 Managing Director</p> <p>Apr. 2011 Head of Sales</p> <p>June 2011 Representative Director and President</p> <p>Apr. 2015 Representative Director and President, General Manager of Sales Department</p> <p>Apr. 2017 Representative Director and President</p> <p>Apr. 2021 Representative Director and President Executive Officer (current position)</p>	91,500
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Fuke has extensive experience and expert knowledge of the Company's business activities from his service as Representative Director and President Executive Officer and manager of sales departments. Additionally, given his involvement in the Company's management and appropriate execution of his duties as a Director for 16 years since June 2008, the Company judges that he is qualified to serve as a Director of the Company. Accordingly, the Company has again nominated him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	Kenichi Okamoto (March 31, 1958)	<p>Mar. 1976 Joined the Company</p> <p>Apr. 2007 Managing Administrator, General Manager of Tokyo Branch</p> <p>Apr. 2008 Executive Officer, General Manager of Tokyo Branch</p> <p>Apr. 2009 Executive Officer, General Manager of East Block</p> <p>June 2010 Director</p> <p>Apr. 2011 General Manager of Central Block</p> <p>Apr. 2015 Managing Director</p> <p>Apr. 2016 General Manager of East Block</p> <p>Apr. 2018 General Manager of East Block, in charge of East ME System Department</p> <p>Apr. 2019 Senior Managing Director</p> <p>Apr. 2021 Representative Director and Senior Managing Executive Officer, Head of Sales, General Manager of East Block, and in charge of Central Block</p> <p>Apr. 2024 Representative Director and Senior Managing Executive Officer, Head of Sales (current position)</p> <p>(Significant concurrent positions outside the Company) Representative Director and Chairman, NPa SYSTEM CO., LTD.</p>	23,300
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Okamoto has extensive experience and expert knowledge of the Company's business activities from his service as block manager of sales departments. Additionally, given his involvement in the Company's management and appropriate execution of his duties as a Director for 14 years since June 2010, the Company judges that he is qualified to serve as a Director of the Company. Accordingly, the Company has again nominated him as a candidate for Director.</p>			
3	Atsushi Sangawa (January 28, 1963)	<p>Mar. 1985 Joined the Company</p> <p>Apr. 2006 General Manager of Nagoya Branch</p> <p>Apr. 2009 Executive Officer, General Manager of Central Block</p> <p>June 2010 Director</p> <p>Apr. 2011 General Manager of Sales Department, General Manager of Sales Promotion Department</p> <p>Apr. 2015 General Manager of West Block</p> <p>Apr. 2019 Managing Director</p> <p>Apr. 2021 Director and Managing Executive Officer, General Manager of Administration Department (current position)</p> <p>(Significant concurrent positions outside the Company) Director, Okazaki Machinery Co., Ltd.</p>	60,400
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Sangawa has extensive experience and expert knowledge of the Company's business activities from his service as block manager of sales departments and as the General Manager of the Administration Department. Additionally, given his involvement in the Company's management and appropriate execution of his duties as a Director for 14 years since June 2010, the Company judges that he is qualified to serve as a Director of the Company. Accordingly, the Company has again nominated him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
4	Jyunji Morita (March 16, 1960)	Apr. 1982 Joined the Company Apr. 2005 General Manager of FA Control Department Apr. 2006 General Manager of East ME System Department Apr. 2008 Executive Officer, General Manager of East ME System Department Apr. 2011 Executive Officer, General Manager of East Block Apr. 2013 Executive Officer, General Manager of East Block, and General Manager of Tokyo Branch Apr. 2014 Executive Officer, in charge of East Block and Greater Tokyo, and General Manager of Tokyo Branch Apr. 2016 Executive Officer, General Manager of West ME System Department Apr. 2018 Executive Officer, General Manager of West ME System Department, and in charge of West Engineering Department June 2018 Director Apr. 2019 General Manager of West ME System Department, in charge of Engineering Department Apr. 2021 Director and Senior Executive Officer, General Manager of Business Promotion Department Apr. 2024 Director and Managing Executive Officer, General Manager of Business Promotion Department (current position)	16,400
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Morita has extensive experience and expert knowledge of the Company's business activities from his service as block manager of sales departments and manager of ME System Departments. Additionally, given his involvement in the Company's management and appropriate execution of his duties as a Director for six years since June 2018, the Company judges that he is qualified to serve as a Director of the Company. Accordingly, the Company has again nominated him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
5	Hajime Sasaki (January 7, 1960)	<p>Apr. 1982 Joined the Company</p> <p>Apr. 2009 Executive Officer, Head of Kyushu Region, and General Manager of Kyushu Branch</p> <p>Apr. 2015 Executive Officer, Deputy General Manager of Sales Department, and General Manager of Sales Promotion Department</p> <p>Apr. 2017 Executive Officer, General Manager of Sales Department, and General Manager of Sales Promotion Department</p> <p>June 2017 Director</p> <p>Apr. 2019 General Manager of Sales Department</p> <p>Apr. 2021 Director and Senior Executive Officer, General Manager of West Block</p> <p>June 2023 Director and Senior Executive Officer, General Manager of West Block, Head of Kyushu Region, and General Manager of Kyushu Branch</p> <p>Apr. 2024 Director and Senior Executive Officer, General Manager of West Block (current position)</p>	6,400
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Sasaki has extensive experience and expert knowledge of the Company's business activities from his service as general manager in charge of regions and sales promotion in sales departments. Additionally, given his involvement in the Company's management and appropriate execution of his duties as a Director for seven years since June 2017, the Company judges that he is qualified to serve as a Director of the Company. Accordingly, the Company has again nominated him as a candidate for Director.</p>			

- Notes:
1. There is no special interest between each of the candidates and the Company.
 2. The Company plans to enter 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, with all Directors as the insured. The policy will cover losses that may arise from the insured's assumption of liability incurred in the course of the performance of duties, or receipt of claims pertaining to the pursuit of such liability. In addition, each candidate is included as an insured in the policy, and the Company plans to renew the policy with the same terms when the policy is renewed.

Proposal No. 4: Election of Three Directors Who Are Audit and Supervisory Committee Members

The terms of office of three Directors who are Audit and Supervisory Committee members (“Audit and Supervisory Committee members”; applicable to the rest of this proposal) Kiyokazu Furuta, Masaru Kawakami and Yasuko Terashima will expire at the conclusion of this meeting. Therefore, the Company proposes the election of three Audit and Supervisory Committee members.

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

The candidates for Audit and Supervisory Committee member are as follows:

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company’s shares owned
1	Kiyokazu Furuta (June 24, 1955)	<p>Oct. 1984 Joined the Osaka Office of Showa Audit Corporation (currently Ernst & Young ShinNihon LLC)</p> <p>Mar. 1988 Registered as a certified public accountant</p> <p>May 2000 Partner, ShinNihon Audit Corporation (currently Ernst & Young ShinNihon LLC)</p> <p>Mar. 2006 Withdrew from ShinNihon Audit Corporation</p> <p>Apr. 2006 Full-time Professor, Department of Accounting, Graduate School of Business, Konan University (Department of Professional Accounting, Graduate School of Social Science, Konan University)</p> <p>June 2007 Audit and Supervisory Committee member of the Company</p> <p>Apr. 2014 Full-time Professor, Department of Professional Accounting, Graduate School of Social Science, Konan University</p> <p>Apr. 2016 Professor, Center for Education in General Studies, Konan University</p> <p>June 2018 Director (Audit and Supervisory Committee member) of the Company (current position)</p> <p>Apr. 2024 Professor Emeritus, Konan University (current position)</p>	8,500
<p>[Reasons for nomination as candidate for outside Director who is an Audit and Supervisor Committee member] Mr. Furuta has never been involved in the management of a company except as an outside officer. However, he has broad discernment rooted in extensive experience as a certified public accountant and has provided advice and recommendations from multifaceted perspectives from his position as an outside officer. As an Audit and Supervisory Committee Member, he will continue to utilize his expertise related to finance and accounting and the Company expects that he will contribute to further strengthen the corporate governance of the Group. Therefore, the Company has nominated him again as a candidate for Outside Director who is an Audit and Supervisory Committee Member.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	Masaru Kawakami (January 7, 1969)	Feb. 1998 Registered as a certified public tax accountant Sept. 1998 Joined Watanabe Accounting Office July 2002 Opened Kawakami Accounting Office Director (current position) June 2014 Audit and Supervisory Committee member of the Company June 2018 Director (Audit and Supervisory Committee member) (current position) (Significant concurrent positions outside the Company) Director of Kawakami Accounting Office	5,000
		[Reasons for nomination as candidate for outside Director who is an Audit and Supervisor Committee member] Mr. Kawakami has never been involved in the management of a company except as an outside officer. However, he has broad discernment rooted in extensive experience as a certified public tax accountant and has provided advice and recommendations from multifaceted perspectives from his position as an outside officer. As an Audit and Supervisory Committee Member, he will continue to utilize his expertise related to accounting and tax affairs and the Company expects that he will contribute to further strengthen the corporate governance of the Group. Therefore, the Company has nominated him again as a candidate for Outside Director who is an Audit and Supervisory Committee Member.	
3	Yasuko Terashima (July 12, 1956)	Jan. 1994 Opened Office Tera (human resources development business) Representative (current position) Oct. 2009 Certified as a career consultant June 2016 Director of the Company June 2018 Director (Audit and Supervisory Committee member) (current position) (Significant concurrent positions outside the Company) Representative of Office Tera	2,900
		[Reasons for nomination as candidate for outside Director who is an Audit and Supervisor Committee member] Ms. Terashima has never been involved in the management of a company except as an outside officer. However, she has extensive experience and knowledge—namely from her expertise in human resources development and leadership of employee training at various companies as a career consultant—and has provided suitable advice from multifaceted perspectives from her position as an outside officer. As an Audit and Supervisory Committee Member, she will continue to utilize her expertise related to human resources development and the Company expects that she will contribute to the further strengthen the corporate governance of the Group. Therefore, the Company has nominated her again as a candidate for outside Director who is an Audit and Supervisory Committee member.	

- Notes:
- There is no special interest between each of the candidates and the Company.
 - Kiyokazu Furuta, Masaru Kawakami and Yasuko Terashima are candidates for outside Director as defined in Article 2, paragraph (3), item (vii) of the Regulation for Enforcement of the Companies Act.
 - At the conclusion of this meeting, Kiyokazu Furuta's tenure as outside Director who is an Audit and Supervisory Committee member will have been six years.
 - At the conclusion of this meeting, Masaru Kawakami's tenure as an outside Director who is an Audit and Supervisory Committee member will have been six years.
 - At the conclusion of this meeting, Yasuko Terashima's tenure as outside Director who is an Audit and Supervisory Committee member will have been six years. In addition, at the conclusion of this meeting, her tenure as outside Director will have been eight years.
 - The Company has submitted notification to the Tokyo Stock Exchange that Kiyokazu Furuta, Masaru Kawakami and Yasuko Terashima have been designated as independent officers as provided for by the aforementioned exchange. If Mr. Furuta, Mr. Kawakami and Ms. Terashima are elected, the Company plans for their designation as independent officers to continue.
 - Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with Kiyokazu Furuta, Masaru Kawakami and Yasuko Terashima to limit their liability for damages under Article 423, paragraph (1) of the same Act. The maximum amount of liability for damages under this agreement is the minimum liability amount provided for under laws and regulations. If Kiyokazu Furuta, Masaru Kawakami and Yasuko Terashima are elected, the Company plans to continue these agreements with each one of them.
 - The Company plans to enter 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, with all Directors as the insured. The policy will cover

losses that may arise from the insured's assumption of liability incurred in the course of the performance of duties, or receipt of claims pertaining to the pursuit of such liability. In addition, each candidate is included as an insured in the policy, and the Company plans to renew the policy with the same terms when the policy is renewed.

Proposal No. 5: Determination of Remuneration for Granting Restricted Stock to Directors (Excluding Directors and Outside Directors Who Are Audit and Supervisory Committee Members)

At the 67th Annual General Meeting of Shareholders held on June 22, 2018, shareholders approved annual remuneration, etc. for the Company's Directors (excluding Directors who are Audit and Supervisory Committee members) up to ¥500 million (not including employee salaries).

As part of a review of the Company's officer remuneration plans, it is proposed to provide incentives to Company Directors (excluding Directors and Outside Directors who are Audit and Supervisory Committee members; hereinafter "Eligible Directors") for the purpose of sustainable improvement in corporate value, as well as to newly provide remuneration for granting restricted stock to Eligible Directors, separate from the remuneration framework described above, with the purpose of encouraging a greater sense of shared value with stakeholders.

Based on this proposal, the remuneration to be paid for granting restricted stock to Eligible Directors shall be deemed as monetary claims, and the total of these shall be no more than ¥200 million per annum (not including employee salaries). Furthermore, the specific timing and allocation of payments to Eligible Directors shall be determined by the Board of Directors.

The current number of Eligible Directors is five. If Proposal No. 3, "Election of Five Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)," is approved as proposed, the number of Eligible Directors will be five.

In addition, based on resolution of the Company's Board of Directors, the Eligible Directors shall pay the entirety of monetary claims paid per this proposal as contributions in kind, receiving issuances or disposals of Company common stock. The total number of shares of Company common stock to be issued or disposed of shall be 140,000 shares or less per annum (however, in the event of a stock split, stock consolidation [including gratis allotment of Company common shares], or other reason requiring adjustment of the total number of shares of Company common stock for issuance or disposal as restricted shares arising on or after the day of approval of this proposal, this total number shall be adjusted within a reasonable range).

The amount to be paid in per share shall be determined by the board of directors based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of each Board of Directors meeting (or, if no trading of shares is conducted the day in question, the closing price on the business day immediately preceding), to the extent that the amount is not particularly favorable to the Eligible Directors who are to receive said common stock. In addition, the issuance or disposal of common stock of the Company under this proposal, as well as the payment of monetary claims as contributions in kind for the same, shall be subject to the execution of a restricted stock allocation agreement (hereinafter the "Allotment Agreement") between the Company and the Eligible Directors as follows. In this proposal, the upper limit of remuneration, the total number of Company common shares to be issued or disposed of, and other conditions for granting restricted shares to Eligible Directors based on this proposal have been determined in consideration of the aforementioned purpose, the Company's business conditions, the Company's policy on decisions relating to individual remuneration of directors (if this proposal is approved, the policy is to be modified with the contents of "Reference #2" below to be consistent with the approved content), and other miscellaneous matters, and we believe these to be appropriate.

Overview of the Allotment Agreement

(1) Transfer restriction period

Eligible Directors shall hold the shares of common stock of the Company allotted under the Allotment Agreement (the "Allotted Shares") for a period of 30 years from the date of allotment under the Allotment Agreement (the "Transfer Restriction Period"), and may not transfer, grant a security interest in, or otherwise dispose of the Allotted Shares during this period.

(2) Treatment at the time of resignation or retirement

If an Eligible Director resigns or retires from his or her position as an officer or employee of the Company or its subsidiaries prior to the expiration of the Transfer Restriction Period, the Company shall naturally acquire the Allotted Shares without consideration, unless there is a justifiable reason for such resignation or retirement such as the expiration of his or her term of office or death.

(3) Release of transfer restrictions

Notwithstanding the provisions of (1) above, the Company shall release restrictions on transfer of all of the Allotted Shares upon the expiration of the Transfer Restriction Period, provided that the Eligible Director continuously holds, during the Transfer Restriction Period, a position as an officer or employee of the Company or its subsidiaries, as previously determined by the Board of Directors of the Company. However, in the event that the Eligible Director in question resigns or retires from his or her position as an officer or employee of the Company or its subsidiaries as previously determined by the Board of Directors of the Company before the expiration of the Transfer Restriction Period due to the expiration of his or her term of office, death or other justifiable reason as provided in (2) above, the number of the Allotted Shares to be released from the transfer restrictions and the timing of release of the transfer restrictions shall be reasonably adjusted as necessary. In addition, the Company shall naturally acquire all Allotted Shares for which the transfer restrictions have not been released immediately and without consideration after the transfer restrictions are released in accordance with the above provisions.

(4) Treatment of organizational restructuring, etc.

Notwithstanding the provisions of (1) above, if, during the Transfer Restriction Period, the Company's General Meeting of Shareholders (or the Company's Board of Directors if approval by the Company's General Meeting of Shareholders is not required for the organizational restructuring, etc., in question) approves a merger agreement in which the Company is the dissolved company, a stock transfer agreement in which the Company becomes a wholly owned subsidiary, or stock transfer plan or other organizational restructuring, etc., then, under a resolution of the Board of Directors, the transfer restrictions shall be released for a number of Allotted Shares reasonably determined based on the period from the commencement date of the Transfer Restriction Period to the date of approval of the organizational restructuring, etc., prior to the effective date of the organizational restructuring, etc. In addition, in the cases set forth above, the Company shall naturally acquire all Allotted Shares for which the transfer restrictions have not been released immediately and without consideration after the transfer restrictions are released.

(5) Other matters

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

Reference #1

Subject to the approval of the proposal concerning this plan at this General Meeting of Shareholders, the Company plans to introduce a similar restricted stock remuneration plan for Executive Officers who do not concurrently serve as Directors of the Company.

Reference #2

If this proposal is approved, the Company's Board of Directors, at a meeting held after the conclusion of this General Meeting of Shareholders, plans to make the following changes to the "Policy for Determining the Details of Individual Directors' Remuneration, etc." stated in the Business Report, in order to make it consistent with the content approved by the shareholders.

Proposed change to the "Policy for Determining the Details of Individual Directors' Remuneration, etc."

● Method for determining the policy for determining the details of individual Directors' remuneration, etc.

The Company's policy for determining the content of individual remuneration, etc. of its Directors (excluding Directors who are Audit and Supervisory Committee members) (the "Determination Policy") is to be resolved by the Board of Directors after deliberation by the Nomination and Remuneration Committee, which is chaired by an outside Director.

● Overview of the Determination Policy

The Company's basic policy is to determine the remuneration of each Director at an appropriate level based on his or her responsibilities, with a remuneration system linked to performance and designed to function as sufficient incentive to seek the sustainable improvement of corporate value.

Specifically, remuneration for Directors (excluding Directors who are Audit and Supervisory Committee members) consists of base remuneration as fixed remuneration, bonuses as performance-linked remuneration and non-monetary remuneration.

Of these, base remuneration is a monthly fixed remuneration, which is determined based on comprehensive consideration of remuneration levels at other companies, the Company's performance, and the highest level of employee salaries, depending on the position and responsibilities.

Bonuses as performance-linked remuneration are paid at certain times each year as bonuses calculated based on performance indicators (achievement of budgeted sales and operating profit for each fiscal year and comparison to the previous year's performance) to raise awareness of the need to improve performance in each consolidated fiscal year.

Performance indicators and their target values shall be set at the planning stage so as to be consistent with the medium-term management plan, and shall be reviewed from time to time in response to changes in the environment.

Non-monetary compensation shall be in the form of restricted stock, and the total amount of monetary claims to be paid to Eligible Directors for the grant of restricted stock shall not exceed ¥200 million per annum, and the total number of shares of common stock newly issued or disposed of by the Company shall not exceed 140,000 shares per annum (however, in the event of a stock split [including gratis allotment of shares of common stock of the Company] or reverse stock split of shares of common stock of the Company, or in the event of any other event requiring adjustment of the total number of shares of common stock of the Company to be issued or disposed of as restricted stock, such total number shall be adjusted within a reasonable range).

The specific timing and allocation of payments to Directors shall be determined by the Board of Directors.

Remuneration, etc. of Directors (Audit and Supervisory Committee members) shall be paid within the maximum amount of remuneration resolved at the General Meeting of Shareholders, and shall be determined through discussions among Directors who are Audit and Supervisory Committee members.

<Reference>

The expertise and experience expected of each Director in the event that Proposals No. 3 and 4 are approved are as indicated on the following skills matrix.

Name	Gender	Position and responsibility in the Company		Corporate management	Sales and marketing	Finance and accounting	Human resources management	Compliance and risk management
Toshikazu Fuke	Male	Representative Director and President Executive Officer	Nomination and Remuneration Committee member	○	○		○	○
Kenichi Okamoto	Male	Representative Director and Senior Managing Executive Officer	Head of Sales	○	○			
Atsushi Sangawa	Male	Director and Managing Executive Officer	General Manager of Administration Department	○		○		○
Jyunji Morita	Male	Director and Managing Executive Officer	General Manager of Business Promotion Department		○			
Hajime Sasaki	Male	Director and Senior Executive Officer	General Manager of West Block		○			
Yasuo Higaki	Male	Director	Full-time Audit and Supervisory Committee member			○		○
Kiyokazu Furuta	Male	Independent Outside Director	Audit and Supervisory Committee member Nomination and Remuneration Committee member			○		
Masaru Kawakami	Male	Independent Outside Director	Audit and Supervisory Committee member Chair of Nomination and Remuneration Committee			○		
Yasuko Terashima	Female	Independent Outside Director	Audit and Supervisory Committee member				○	