

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities code: 9336

June 10, 2024

To our shareholders

Fumio Kaneko
President and Representative Director
Daiei Kankyo Co., Ltd.
2-3-28 Techno Stage, Izumi, Osaka, Japan

Notice of the 45th Annual General Meeting of Shareholders

We would like to inform you that the 45th Annual General Meeting of Shareholders of Daiei Kankyo Co., Ltd. (the “Company”) will be held as set forth 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. in electronic format (hereinafter, the “Electronic Provision Measures Matters”), and has posted the information on the Company’s website. Please access the websites below to view the information.

The Company’s website:

<https://www.dinsgr.co.jp/> (in Japanese)

(From the above website, select “Investor Relations,” and then “IR Library” followed by “General Meeting of Shareholders.”)

In addition to the Company’s website mentioned above, the Electronic Provision Measures Matters are also posted on the Tokyo Stock Exchange (TSE) website.

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 “Daiei Kankyo” in “Issue name (company name)” or the Company’s securities code “9336” 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 using either of the following methods. Please review the Reference Documents for the General Meeting of Shareholders before exercising your voting rights accordingly.

[Exercising voting rights via the Internet, etc.]

Please access the Company’s designated voting website (<https://www.web54.net>) (in Japanese), and enter your votes for or against the proposals by no later than 5:30 p.m., Tuesday, June 25, 2024 (JST).

[Exercising voting rights in writing (postal mail)]

Please indicate your votes for or against the proposals on the enclosed voting form and send the form back to arrive no later than 5:30 p.m., Tuesday, June 25, 2024 (JST).

1. Date and Time: Wednesday, June 26, 2024, at 10:00 a.m. (JST) (reception opens at 9:00 a.m.)

2. Venue: 5F, Orbis Hall, Kobe Fashion Museum inside Kobe Fashion Plaza
2-9-1 Koyochi-naka, Higashinada-ku, Kobe, Hyogo, Japan

3. Purpose of the Meeting

Matters to be reported:

1. Report on the Business Report, Consolidated Financial Statements, and results of audits of the Consolidated Financial Statements by the Independent Auditor and the Audit & Supervisory Board for the 45th fiscal year (from April 1, 2023, to March 31, 2024)
2. Report on the Non-Consolidated Financial Statements for the 45th fiscal year (from April 1, 2023, to March 31, 2024)

Matters to be resolved:

- Proposal No. 1** Appropriation of Surplus
- Proposal No. 2** Partial Amendments to the Articles of Incorporation
- Proposal No. 3** Election of 4 Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal No. 4** Election of 3 Directors Who Are Audit & Supervisory Committee Members
- Proposal No. 5** Determination of Remuneration Amount for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal No. 6** Determination of Remuneration Amount for Directors Who Are Audit & Supervisory Committee Members
- Proposal No. 7** Determination of Performance-Linked Restricted Share-Based Remuneration for Directors (Excluding Outside Directors and Directors Who Are Audit & Supervisory Committee Members)
- Proposal No. 8** Implementation of Restricted Share-Based Remuneration System and Determination of Remuneration Amount for Outside Directors (Excluding Outside Directors Who Are Audit & Supervisory Committee Members)
- Proposal No. 9** Implementation of Restricted Share-Based Remuneration System and Determination of Remuneration Amount for Directors Who Are Audit & Supervisory Committee Members

4. Handling of Voting Rights

- If you exercise your voting rights more than once via the Internet, the last vote shall be deemed valid.
 - If you exercise your voting rights both via the Internet and in writing (postal mail), the vote cast via the Internet shall be deemed valid, irrespective of the date the voting card is received.
 - If no indication of approval or disapproval is made for each proposal when exercising your voting rights in writing (postal mail), it will be treated as an indication of approval.
 - Please also refer to the “Guide for Exercising Voting Rights” mentioned below.
-
- If attending the meeting in-person, please present the voting form at the reception desk.
 - If revisions to the Electronic Provision Measures Matters arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the Company’s website and the TSE website listed on the previous page.
 - For this General Meeting of Shareholders, paper-based documents stating Electronic Provision Measures Matters will be sent to shareholders, irrespective of whether you have requested them or not; however, these documents do not include the following matters in accordance with the provisions of laws and regulations and Article 14, paragraph 2 of the Articles of Incorporation.
 - (1) “Principal Lines of Business,” “Principal Offices, Etc.,” “Employees,” “Major Creditors,” “Independent Auditor,” and “System for Ensuring the Appropriateness of Operations and Status of its Operation” of the Business Report
 - (2) “Consolidated Statements of Changes in Equity” and “Notes to Consolidated Financial Statements” of the Consolidated Financial Statements
 - (3) “Statements of Changes in Equity” and “Notes to Non-Consolidated Financial Statements” of the Non-Consolidated Financial Statements
- Accordingly, the Business Report, Consolidated Financial Statements, and Non-Consolidated Financial Statements described in those documents are part of the documents audited by the Independent Auditor when preparing the accounting audit report and by the Audit & Supervisory Board Members when preparing the audit report.
- As part of our efforts to conserve electricity, the air conditioning at the venue will be turned down on the day of the meeting. In addition, please note that the Company’s staff will attend the meeting in business casual attire (Cool Biz).

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company has been following a basic policy of returning profits to shareholders in a stable manner while taking into account the balance between the Company's approach based on the premise of maintaining and securing funds necessary for business operations while comprehensively considering various factors, such as the business environment and financial position, and the Company's growth investments, which include M&A, public-private partnerships, and research and development. Accordingly, the Company has been planning to pay a sustained and stable dividend aiming for a consolidated dividend payout ratio of 30% or higher, and has paid year-end dividends once a year. In accordance with this policy, the Company has given consideration to matters including the business performance of the fiscal year and future business development, and it proposes to pay year-end dividends for the fiscal year under review as follows:

Matters concerning the year-end dividends

- (1) Type of dividend property
Cash
- (2) Allotment of dividend property and their aggregate amount
¥42 per common share of the Company
Total dividends: ¥4,165,369,152
- (3) Effective date of dividends of surplus
June 27, 2024

Proposal No. 2 Partial Amendments to the Articles of Incorporation

1. Reason for proposal

(i) We intend to transition to a company with an Audit & Supervisory Committee, strengthening the supervisory function of the Board of Directors and further enhancing corporate governance by providing Audit & Supervisory Committee members, who are also Directors, with voting rights at Board of Directors meetings, and having the Audit & Supervisory Committee, which will be composed of a majority of outside Directors, conduct “appropriateness audits” in addition to “legality audits.” In addition, the Board of Directors will delegate decision-making authority for important business executions to Directors in order to expedite decision-making and further enhance corporate value.

Accordingly, we wish to implement new provisions related to Audit & Supervisory Committee members and the Audit & Supervisory Committee which are necessary for the transition to this structure and abolish provisions related to Audit & Supervisory Board Members and the Audit & Supervisory Board.

(ii) We acquired all shares of INAC Football Club Co., Ltd., the operating company of INAC KOBE LEONESSA, a Japanese professional soccer team and member of the WE League to make the company our consolidated subsidiary on March 1, 2024. Accordingly in addition to adding “Sports promotion business” to Article 2 of the current Articles of Incorporation (Purpose), the Company will consolidate “Operation of golf courses and sale of golf goods” into “Sports promotion business.”

2. Details of the amendments

Details of the amendments are as follows:

The amendments to the Articles of Incorporation under this proposal will take effect upon conclusion of this Annual General Meeting of Shareholders.

(Underlines indicate changes in the provisions.)

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">Chapter 1 General Provisions</p> <p>Article 1 (omitted)</p> <p>(Purpose)</p> <p>Article 2 The purpose of the Company shall be to engage in the following business activities: Paragraphs 1. to 28. (omitted)</p> <p>29. <u>Operation of golf courses and sale of golf goods</u></p> <p>Paragraphs 30. to 33. (omitted)</p> <p>Article 3 (omitted)</p> <p>(Establishment of Organizational Bodies)</p> <p>Article 4 The Company shall establish the following organizational bodies in addition to the General Meeting of Shareholders and Directors:</p> <p>(1) Board of Directors (2) <u>Audit & Supervisory Board Members</u> (3) <u>Audit & Supervisory Board</u> (4) Independent Auditor</p> <p>Article 5 (omitted)</p>	<p style="text-align: center;">Chapter 1 General Provisions</p> <p>Article 1 (same as the current provisions)</p> <p>(Purpose)</p> <p>Article 2 The purpose of the Company shall be to engage in the following business activities: Paragraphs 1. to 28. (same as the current provisions)</p> <p>29. <u>Sports promotion business</u></p> <p>Paragraphs 30. to 33. (same as the current provisions)</p> <p>Article 3 (same as the current provisions)</p> <p>(Establishment of Organizational Bodies)</p> <p>Article 4 The Company shall establish the following organizational bodies in addition to the General Meeting of Shareholders and Directors:</p> <p>(1) Board of Directors (2) <u>Audit & Supervisory Committee</u> (deleted) (3) Independent Auditor</p> <p>Article 5 (same as the current provisions)</p>
<p style="text-align: center;">Chapter 2 Shares</p>	<p style="text-align: center;">Chapter 2 Shares</p>
<p>Article 6–Article 11 (omitted)</p>	<p>Article 6–Article 11 (same as the current provisions)</p>
<p style="text-align: center;">Chapter 3 General Meetings of Shareholders</p>	<p style="text-align: center;">Chapter 3 General Meetings of Shareholders</p>
<p>Article 12–Article 17 (omitted)</p>	<p>Article 12–Article 17 (same as the current provisions)</p>
<p style="text-align: center;">Chapter 4 Directors and Board of Directors</p>	<p style="text-align: center;">Chapter 4 Directors and Board of Directors</p>
<p>(Number of Directors)</p>	<p>(Number of Directors)</p>
<p>Article 18 The Company shall have no more than <u>8</u> Directors.</p>	<p>Article 18 <u>1</u> The Company shall have no more than <u>10</u> Directors.</p>

Current Articles of Incorporation	Proposed Amendments
(new provision)	2 <u>Of the Directors appointed pursuant to the preceding paragraph, the number of Directors who are Audit & Supervisory Committee members shall be no more than 5.</u>
<p>(Appointment of Directors) Article 19 1 Resolutions on the appointment of Directors of the Company shall be adopted by a majority vote of shareholders at general meetings of shareholders, provided the shareholders in attendance account for at least one-third of the voting rights which can be exercised at such meetings.</p>	<p>(Appointment of Directors) Article 19 1 Resolutions on the appointment of Directors of the Company shall be adopted by a majority vote of shareholders at general meetings of shareholders, provided the shareholders in attendance account for at least one-third of the voting rights which can be exercised at such meetings, <u>and the adoption of said resolutions for Directors who are Audit & Supervisory Committee members shall be conducted separately from those for other Directors.</u></p>
<p>2 (omitted)</p> <p>(Term of Office for Directors) Article 20 The term of office for Directors shall be until the conclusion of the annual general meeting of shareholders pertaining to the last fiscal year ending within one year after their appointment.</p>	<p>2 (same as the current provisions)</p> <p>(Term of Office for Directors) Article 20 1 The term of office for Directors <u>other than Directors who are Audit & Supervisory Committee members</u> shall be until the conclusion of the annual general meeting of shareholders pertaining to the last fiscal year ending within one year after their appointment.</p>
(new provision)	2 <u>The term of office for Directors who are Audit & Supervisory Committee members shall be until the conclusion of the annual general meeting of shareholders pertaining to the last fiscal year ending within two years after their appointment.</u>
(new provision)	3 <u>The term of office of a Director who is an Audit & Supervisory Committee member elected as the substitute for an Audit & Supervisory Committee member who retired from office before the expiration of their term of office shall continue until the time when the term of the retired Audit & Supervisory Committee member was set to expire.</u>
<p>(Executive Directors) Article 21 By resolution of the Board of Directors, one Director and President shall be appointed from among the Directors, and one Director and Chairperson, and a limited number of Director and Vice Presidents, Senior Managing Directors, and Junior Managing Directors may be appointed if necessary.</p>	<p>(Executive Directors) Article 21 By resolution of the Board of Directors, one Director and President shall be appointed from among the Directors <u>(excluding Directors who are Audit & Supervisory Committee Members)</u>. One Director and Chairperson and a limited number of Director and Vice Presidents, Senior Managing Directors, and Junior Managing Directors may be appointed if necessary.</p>
Article 22–Article 23 (omitted)	Article 22–Article 23 (same as the current provisions)
(Convocation of Board of Directors Meetings)	(Convocation of Board of Directors Meetings)
<p>Article 24 Convocation notice for Board of Directors meetings shall be dispatched to each Director <u>and each Audit & Supervisory Board Member</u> three days prior to the scheduled date of such meetings. However, this notice period may be reduced for urgent matters.</p>	<p>Article 24 Convocation notice for Board of Directors meetings shall be dispatched to each Director three days prior to the scheduled date of such meetings. However, this notice period may be reduced for urgent matters.</p> <p><u>(Delegation of Decisions on Execution of Important Operations)</u></p>
(new provision)	<p><u>Article 25</u> Pursuant to the provisions of Article 399-13, paragraph (6) of the Companies Act, the Company may delegate to a Director all or part of decisions on execution of important operations (excluding matters stipulated in the items of Article 399-13, paragraph (5) of the Companies Act) by a resolution of the Board of Directors.</p>
Article 25 (omitted)	Article 26 (same as the current provisions)

Current Articles of Incorporation	Proposed Amendments
<p>(Omission of Resolutions of the Board of Directors) Article <u>26</u> If a Director submits a proposal related to a matter which is the purpose of a resolution at a Board of Directors meeting and all Directors with the right to participate in voting related to said matter express their intention to agree to the proposal either in writing or electronically, a resolution to approve said proposal shall be deemed to have been passed by the Board of Directors. <u>However, this provision shall not apply in cases where an Audit & Supervisory Board member has stated objections to the applicable proposal.</u></p> <p>(Minutes) Article <u>27</u> A summary of the proceedings of the Board of Directors meeting, the results thereof, and other items as prescribed by relevant laws and regulations shall be described or recorded in the minutes of the meeting, and the Directors <u>and Audit & Supervisory Board members</u> present at the meeting shall sign, stamp, or electronically sign said minutes.</p> <p>(Remuneration, etc. for Directors) Article <u>28</u> Remuneration, bonuses, and other economic benefits in consideration for the execution of duties (hereinafter “Remuneration, etc.”) given by the Company to Directors shall be determined by resolutions at general meetings of shareholders.</p> <p>Article <u>29</u>–Article <u>30</u> (omitted) Chapter 5 <u>Audit & Supervisory Board Member and Audit & Supervisory Board</u></p> <p>(Number of Audit & Supervisory Board Members) Article <u>31</u> The Company shall have a maximum of four Audit & Supervisory Board Members.</p> <p>(Appointment of Audit & Supervisory Board Members) Article <u>32</u> <u>Resolutions on the appointment of Audit & Supervisory Board Members of the Company shall be adopted by a majority vote of shareholders at general meetings of shareholders, provided the shareholders in attendance account for at least one-third of the voting rights which can be exercised at such meetings.</u></p> <p>(Term of Office for Audit & Supervisory Board Members) Article <u>33</u> 1 <u>The term of office for Audit & Supervisory Board Members shall be until the conclusion of the annual general meeting of shareholders pertaining to the last fiscal year ending within four years after their appointment.</u> 2 <u>The term of office of an Audit & Supervisory Board Member who is appointed as the substitute for a retiring Audit & Supervisory Board Member shall be until the expiry of the term of office of the retiring Audit & Supervisory Board Member.</u></p> <p>(Appointment of Full-time Audit & Supervisory Board Members) Article <u>34</u> <u>The Audit & Supervisory Board shall appoint one or more Full-time Audit & Supervisory Board Members from among the Audit & Supervisory Board Members by resolution.</u></p> <p>(Remuneration, etc. for Audit & Supervisory Board Members) Article <u>35</u> <u>Remuneration, etc. for Audit & Supervisory Board Members shall be determined by resolutions at general meetings of shareholders.</u></p>	<p>(Omission of Resolutions of the Board of Directors) Article <u>27</u> If a Director submits a proposal related to a matter which is the purpose of a resolution at a Board of Directors meeting and all Directors with the right to participate in voting related to said matter express their intention to agree to the proposal either in writing or electronically, a resolution to approve said proposal shall be deemed to have been passed by the Board of Directors.</p> <p>(Minutes) Article <u>28</u> A summary of the proceedings of the Board of Directors meeting, the results thereof, and other items as prescribed by relevant laws and regulations shall be described or recorded in the minutes of the meeting, and the Directors present at the meeting shall sign, stamp, or electronically sign said minutes.</p> <p>(Remuneration, etc. for Directors) Article <u>29</u> Remuneration, bonuses, and other economic benefits in consideration for the execution of duties (hereinafter “Remuneration, etc.”) given by the Company to Directors shall be determined by resolutions at general meetings of shareholders, <u>with Remuneration, etc. for Directors who are Audit & Supervisory Committee members determined separately from Remuneration, etc. for other Directors.</u></p> <p>Article <u>30</u>–Article <u>31</u> (same as the current provisions) Chapter 5 <u>Audit & Supervisory Committee</u></p> <p>(deleted)</p> <p>(deleted)</p> <p>(deleted)</p> <p>(Appointment of Full-time Audit & Supervisory Committee Members) Article <u>32</u> <u>The Audit & Supervisory Committee may appoint Full-time Audit & Supervisory Committee members from among the Audit & Supervisory Committee members by resolution.</u></p> <p>(deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Convocation of <u>Audit & Supervisory Board</u>) Article <u>36</u> 1 Convocation notice for meetings of the <u>Audit & Supervisory Board</u> shall be issued to each <u>Audit & Supervisory Board Member</u> at least three days prior to the scheduled date of such meetings. However, this notice period may be reduced for urgent matters. 2 <u>Audit & Supervisory Board</u> may be held without following the convening procedures, provided all <u>Audit & Supervisory Board Members</u> consent to holding said meetings.</p> <p style="text-align: center;">(new provision)</p>	<p>(Convocation of <u>Audit & Supervisory Committees</u>) Article <u>33</u> 1 Convocation notice for meetings of the <u>Audit & Supervisory Committee</u> shall be issued to each <u>Audit & Supervisory Committee member</u> at least three days prior to the scheduled date of such meetings. However, this notice period may be reduced for urgent matters. 2 <u>Audit & Supervisory Committees</u> may be held without following the convening procedures, provided all <u>members of the Audit & Supervisory Committee</u> consent to holding said meetings.</p> <p>(Method of Resolutions of the <u>Audit & Supervisory Committee</u>) Article <u>34</u> <u>Resolutions of the Audit & Supervisory Committee shall be adopted by a majority vote of the Audit & Supervisory Committee members present at the meeting, provided the majority of the Audit & Supervisory Committee members entitled to vote on said resolutions are present.</u></p>
<p>(Minutes) Article <u>37</u> A summary of the proceedings of the <u>Audit & Supervisory Board</u>, the results thereof, and other items as prescribed by relevant laws and regulations shall be described or recorded in the minutes of the meeting, and <u>the Audit & Supervisory Board Members</u> present at the meeting shall sign, stamp, or electronically sign said minutes.</p>	<p>(Minutes) Article <u>35</u> A summary of the proceedings of the <u>Audit & Supervisory Committee</u>, the results thereof, and other items as prescribed by relevant laws and regulations shall be described or recorded in the minutes of the meeting, and the <u>Audit & Supervisory Committee members</u> present at the meeting shall sign, stamp, or electronically sign said minutes.</p>
<p>(Regulations of the <u>Audit & Supervisory Board</u>) Article <u>38</u> Matters concerning the <u>Audit & Supervisory Board</u> shall be in accordance with the Regulations of the <u>Audit & Supervisory Board</u> established by the <u>Audit & Supervisory Board</u>, in addition to laws and regulations and these Articles of Incorporation.</p>	<p>(Regulations of the <u>Audit & Supervisory Committee</u>) Article <u>36</u> Matters concerning the <u>Audit & Supervisory Committee</u> shall be in accordance with the Regulations of the <u>Audit & Supervisory Committee</u> established by the <u>Audit & Supervisory Committee</u>, in addition to laws and regulations and these Articles of Incorporation.</p>
<p>(Exemption of <u>Audit & Supervisory Board Members</u> from <u>Liability</u>) Article <u>39</u> 1 Pursuant to the provisions of Article 426, paragraph (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt an <u>Audit & Supervisory Board Member (including a person who was formerly an Audit & Supervisory Board Member)</u> from liability for damages arising from neglect of assigned duties to the extent permitted by laws and regulations. 2 Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company may enter into an agreement with <u>Audit & Supervisory Board Members</u> to limit their liability for damages arising from neglect of assigned duties. However, the amount of liability is limited to under such an agreement shall conform to the minimum liability amount stipulated by relevant laws and regulations.</p>	<p style="text-align: center;">(deleted)</p>
<p style="text-align: center;">Chapter 6 Independent Auditor</p> <p>Article <u>40</u>–Article <u>41</u> (omitted) (Remuneration, etc. for the Independent Auditor) Article <u>42</u> Remuneration, etc. for the Independent Auditor shall be determined by the Director and President of the Company, subject to the consent of the <u>Audit & Supervisory Board</u>.</p> <p style="text-align: center;">Chapter 7 Accounts</p> <p>Article <u>43</u>–Article <u>47</u> (omitted)</p>	<p style="text-align: center;">Chapter 6 Independent Auditor</p> <p>Article <u>37</u>–Article <u>38</u> (same as the current provisions) (Remuneration, etc. for the Independent Auditor) Article <u>39</u> Remuneration, etc. for the Independent Auditor shall be determined by the Director and President of the Company, subject to the consent of the <u>Audit & Supervisory Committee</u>.</p> <p style="text-align: center;">Chapter 7 Accounts</p> <p>Article <u>40</u>–Article <u>44</u> (same as the current provisions)</p>

Current Articles of Incorporation	Proposed Amendments
(new provision)	<p style="text-align: center;"><u>Supplementary Provisions</u></p> <p><u>(Transitional Measures Concerning Exemption of Audit & Supervisory Board Members from Liability)</u></p> <p><u>Article 1</u></p> <p><u>1 Pursuant to the provisions of Article 426, paragraph (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt an Audit & Supervisory Board Member (including a person who was formerly an Audit & Supervisory Board Member) from liability for damages arising from neglect of assigned duties in relation to acts conducted prior to the conclusion of the 45th annual general meeting of shareholders to the extent permitted by laws and regulations.</u></p> <p><u>2 Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the provisions of the agreement with Audit & Supervisory Board Members (including a person who was formerly an Audit & Supervisory Board Member) to limit their liability for damages entered into by the Company shall continue to apply to the extent the damages concern neglect of assigned duties in relation to acts conducted prior to the effective date of the partial amendment of the Articles of Incorporation resolved at the 45th annual general meeting of shareholders.</u></p>

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

Subject to the approval and adoption of Proposal No. 2 “Partial Amendments to the Articles of Incorporation,” the Company will transition into a company with Audit & Supervisory Committee, and the terms of office of all 5 Directors will expire at the conclusion of this Annual General Meeting of Shareholders.

In that regard, the Company proposes the election of 4 Directors (excluding Directors who are Audit & Supervisory Committee Members; hereinafter “Directors” for the rest of this proposal).

This proposal, however, can only take effect after Proposal No. 2 “Partial Amendments to the Articles of Incorporation” takes effect.

The candidates for Director are as follows:

Candidate No.	Name	Current position and responsibilities in the Company	
1	Fumio Kaneko	President and Representative Director	Reelection
2	Nariyuki Ohta	Senior Managing Director Responsible for Enterprise and Technical	Reelection
3	Kazumasa Onaka	Junior Managing Director and General Sales Manager Responsible for Sales	Reelection
4	Tomoko Murakami	Outside Director	Reelection Outside Independent

Reelection Candidate for reelection as Director

Outside Candidate for Outside Director

Independent Independent officer pursuant to securities exchange rules

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Ms. Tomoko Murakami is a candidate for Outside Director.
 3. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Ms. Tomoko Murakami has been designated as an independent officer as provided for by the aforementioned exchange. If the reelection of Ms. Tomoko Murakami is approved, the Company plans for her designation as an independent officer to continue.
 4. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with Ms. Tomoko Murakami to limit her liability for damages under Article 423, paragraph (1) of the same Act. The defined maximum liability amount under the agreement is the minimum amount as provided for by Article 425, paragraph (1) of the same Act. If the reelection of Ms. Murakami is approved, the Company plans to renew the aforementioned agreement.
 5. The Company has entered into an indemnity agreement with each Director, pursuant to the provisions of Article 430-2, paragraph (1) of the Companies Act, whereby the Company will provide compensation for expenses prescribed in item (i) of the same paragraph and losses prescribed in item (ii) of the same paragraph, within the ranges prescribed by laws and regulations. If the reelection of each candidate is approved, the Company intends to continue with said agreement.
 6. The Company has entered into a directors and officers liability insurance agreement with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. This insurance agreement covers damages of the insured including the Company’s Directors. If the reelection of each candidate is approved, he or she will become the insured of the relevant insurance agreement. The next time the current agreement is renewed, the Company plans to renew the agreement with similar provisions.

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company	Number of the Company's shares owned
1	<p>Fumio Kaneko (October 17, 1956)</p> <p>Reelection</p> <p>Number of years as Director 33 years</p> <p>Attendance at Board of Directors meetings 19/19 times</p>	<p>Apr. 1979 Joined Daieieisei Inc. (currently Daieieisei Corporation)</p> <p>Sept. 1983 Director of Mie Chuo Kaihatsu Co., Ltd.</p> <p>June 1986 Auditor of Mie Chuo Kaihatsu Co., Ltd.</p> <p>May 1991 Director of the Company</p> <p>Mar. 1994 Junior Managing Director of the Company</p> <p>Mar. 2002 Vice President of the Company</p> <p>Mar. 2002 Vice President of Mie Chuo Kaihatsu Co., Ltd.</p> <p>Mar. 2003 Established GE Co., Ltd. (currently DINS Kansai Co., Ltd.) and became Director</p> <p>Mar. 2004 Director of Bioethanol Japan Kansai Co., Ltd. (currently DINS Kansai Co., Ltd.)</p> <p>May 2004 Vice President and Representative Director of the Company</p> <p>May 2004 Vice President and Representative Director of Mie Chuo Kaihatsu Co., Ltd.</p> <p>Apr. 2007 President and Representative Director of Mie Chuo Kaihatsu Co., Ltd.</p> <p>Apr. 2007 President and Representative Director of the Company (current position)</p> <p>Apr. 2007 Director of RAC Kansai Co., Ltd. (currently DINS Kansai Co., Ltd.)</p> <p>Sept. 2023 Director of the Resource Recycling Council general incorporated association (current position)</p> <p>Mar. 2024 Representative Director and Chair of INAC Football Club Co., Ltd. (current position)</p> <p>[Significant concurrent positions outside the Company] Director of the Resource Recycling Council general incorporated association</p>	48,300 shares
<p>Reasons for nomination as candidate for Director</p> <p>As one of the persons who founded the Company in October 1979, Mr. Fumio Kaneko has been responsible for the Daiei Kankyo Group's (hereinafter, the "Group") business operations and management and has served as a Director of the Company and its Group companies. Since becoming President and Representative Director of the Company in April 2007, he has led the entire Group for many years with strong leadership and he has the track record of enhancing corporate value and abundant experience. The Company nominates him as a candidate for reelection as Director because it expects that he will continue to enhance corporate value using his excellent management prowess and strong leadership.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company	Number of the Company's shares owned
2	<p>Nariyuki Ohta (September 14, 1954)</p> <p>Reelection</p> <p>Number of years as Director 17 years</p> <p>Attendance at Board of Directors meetings 19/19 times</p>	<p>Aug. 1982 Established Kayu Construction Limited and became Director</p> <p>Mar. 1996 Joined Takehiro Kaihatsu Co., Ltd. (currently Mie Chuo Kaihatsu Co., Ltd.)</p> <p>May 2002 Director and Deputy General Manager of Enterprise Division of Mie Chuo Kaihatsu Co., Ltd.</p> <p>Apr. 2007 Junior Managing Director and General Manager of Enterprise Division of the Company</p> <p>Apr. 2007 Junior Managing Director and General Manager of Enterprise Division of Mie Chuo Kaihatsu Co., Ltd.</p> <p>Apr. 2011 Director of Japan Soil Treatment Association (current position)</p> <p>Apr. 2013 Junior Managing Director of the Company</p> <p>Apr. 2013 Junior Managing Director of Mie Chuo Kaihatsu Co., Ltd.</p> <p>Feb. 2016 Director of Japan Disaster Treatment Systems (current position)</p> <p>May 2020 Representative Director of DINS Kansai Co., Ltd.</p> <p>June 2021 Senior Managing Director, Responsible for Enterprise and Technical of the Company (current position)</p> <p>June 2022 Director of Sakai Coastal Eco Factories Council (current position)</p> <p>June 2023 Director of DINS Kansai Co., Ltd. (current position)</p> <p>[Significant concurrent positions outside the Company] Director of DINS Kansai Co., Ltd. Director of Japan Soil Treatment Association Director of Japan Disaster Treatment Systems Director of Sakai Coastal Eco Factories Council</p>	47,800 shares
<p>Reasons for nomination as candidate for Director</p> <p>Mr. Nariyuki Ohta had been engaged in management as a Director of Mie Chuo Kaihatsu Co., Ltd., a significant subsidiary of the Group, since May 2002. Following his appointment as a Director of the Company in April 2007, he has served as General Manager of Enterprise Division, and since June 2021, he has been fully demonstrating his management skills as Director responsible for Enterprise Division and Technical Department. Based on these facts, the Company selected him as candidate for Director judging that he can continue to utilize his experience and track record in the management of the Company.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company	Number of the Company's shares owned
3	<p>Kazumasa Onaka (March 28, 1956)</p> <p>Reelection</p> <p>Number of years as Director 14 years</p> <p>Attendance at Board of Directors meetings 19/19 times</p>	<p>Mar. 1974 Joined Nissha Printing Co., Ltd. (currently Nissha Co., Ltd.)</p> <p>June 1980 Joined Marusue Kogyo Co., Ltd. (currently Marusue Co., Ltd.)</p> <p>Mar. 1989 Joined Mie Chuo Kaihatsu Co., Ltd.</p> <p>May 2002 Director and General Manager of Sales Department of Mie Chuo Kaihatsu Co., Ltd.</p> <p>Apr. 2010 Director and General Manager of Sales Department of the Company</p> <p>Dec. 2011 Director of the Company</p> <p>Apr. 2019 Director and General Sales Manager of the Company</p> <p>June 2021 Junior Managing Director and General Sales Manager, Responsible for Sales of the Company (current position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>-</p>	8,800 shares
<p>Reasons for nomination as candidate for Director</p> <p>Mr. Kazumasa Onaka had been engaged in management as a Director of Mie Chuo Kaihatsu Co., Ltd., a significant subsidiary of the Group, since May 2002. He has served as a Director and General Manager of Sales Department of the Company since April 2010, and as a Director and General Sales Manager since April 2019, providing him with ample management prowess as a Director responsible for the Group's Sales Division. Based on these facts, the Company selected him as candidate for Director judging that he can continue to utilize his experience and track record in the management of the Company.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company	Number of the Company's shares owned
4	<p>Tomoko Murakami (December 23, 1970)</p> <p>Reelection Outside Independent</p> <p>Number of years as Outside Director 3 years</p> <p>Attendance at Board of Directors meetings 19/19 times</p>	<p>Oct. 2005 Registered as an attorney-at-law</p> <p>Oct. 2005 Joined Ishii Yoshihito Law Office</p> <p>Nov. 2008 Joined Murata Futaba Law and Patent Office</p> <p>Apr. 2011 Part-time Lecturer (Business Law), School of Law and Politics, Kwansai Gakuin University</p> <p>May 2013 Established ARCUS PARTNERS and became Partner (current position)</p> <p>Apr. 2017 Contract Counselor of Employment Consultation Center of Kansai National Strategic Special Zone (Deloitte Touche Tohmatsu LLC)</p> <p>Nov. 2017 Contract Counselor of Osaka Business Development Agency (Internal Control Hotline) (current position)</p> <p>Apr. 2019 Member of Third-Party Expert Team of the Osaka City Board of Education (current position)</p> <p>Apr. 2021 Member of Osaka Bay Area Fisheries Adjustment Committee (current position)</p> <p>June 2021 Auditor of Sendankai (current position)</p> <p>June 2021 Outside Director of the Company (current position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>Partner of ARCUS PARTNERS</p> <p>Member of Third-Party Expert Team of the Osaka City Board of Education</p> <p>Member of Osaka Bay Area Fisheries Adjustment Committee</p>	4,600 shares
<p>Reasons for nomination as candidate for Outside Director and summary of expected roles in case of his/her election as Outside Director</p> <p>Ms. Tomoko Murakami possesses advanced specialist knowledge of law as an attorney-at-law and she has abundant specialist expertise based on her many years of experience in corporate legal affairs, and she has provided useful opinions on the Company's management from an independent standpoint.</p> <p>Based on this experience, the Company selected her again as candidate for Outside Director because it judges that further enhancement of corporate governance can be expected from her external and objective perspectives. She has not been directly involved in corporate management, but the Company has judged that she can adequately execute her duties as Outside Director because of her specialist expertise and experience as an attorney-at-law.</p>			

Proposal No. 4 Election of 3 Directors Who Are Audit & Supervisory Committee Members

Subject to the approval and adoption of Proposal No. 2 “Partial Amendments to the Articles of Incorporation,” the Company will transition to a company with Audit & Supervisory Committee.

Therefore, the Company proposes the election of 3 Directors who will concurrently serve as Audit & Supervisory Committee Members.

This proposal, however, can only take effect after Proposal No. 2 “Partial Amendments to the Articles of Incorporation” takes effect.

Candidates for the role of Directors who are Audit & Supervisory Committee Members are as follows:

Candidate No.	Name	Position in the Company	
1	Akira Minemori	Full-time Audit & Supervisory Board Member	New election
2	Kazumasa Murai	Outside Director	New election Outside Independent
3	Noriko Kitajima	Outside Audit & Supervisory Board Member	New election Outside Independent

New election Candidate for new election as Director

Outside Candidate for Outside Director

Independent Independent officer pursuant to securities exchange rules

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Mr. Kazumasa Murai and Ms. Noriko Kitajima are candidates for Outside Director.
 3. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Mr. Kazumasa Murai and Ms. Noriko Kitajima have been designated as independent officers as provided for by the aforementioned exchange. If the reelection of Mr. Kazumasa Murai and Ms. Noriko Kitajima is approved, the Company plans for their designation as independent officers to continue.
 4. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with Mr. Kazumasa Murai and Ms. Noriko Kitajima to limit their liability for damages under Article 423, paragraph (1) of the same Act. The defined maximum liability amount under these agreements is the minimum amount as provided for by Article 425, paragraph (1) of the same Act. If the reelection of Mr. Kazumasa Murai and Ms. Noriko Kitajima is approved, the Company plans to renew the aforementioned agreements with them.
 5. The Company has entered into an indemnity agreement with each Director and each Audit & Supervisory Board Member, pursuant to the provisions of Article 430-2, paragraph (1) of the Companies Act, whereby the Company will provide compensation for expenses prescribed in item (i) of the same paragraph and losses prescribed in item (ii) of the same paragraph, within the ranges prescribed by laws and regulations. If the election of each candidate is approved, the Company intends to continue with said agreement.
 6. The Company has entered into a directors and officers liability insurance agreement with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. This insurance agreement covers damages of the insured including the Company’s Directors. If the election of each candidate is approved, he or she will become the insured of the relevant insurance agreement. The next time the current agreement is renewed, the Company plans to renew the agreement with similar provisions.

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company	Number of the Company's shares owned
1	<p style="text-align: center;">Akira Minemori (August 10, 1952)</p> <p style="text-align: center;">New election</p> <p>Number of years as Audit & Supervisory Board Member 4 years</p> <p>Attendance at Board of Directors meetings 19/19 times</p> <p>Attendance at Audit & Supervisory Board meetings 13/13 times</p>	<p>Apr. 1975 Joined Sumitomo Bank (currently Sumitomo Mitsui Banking Corporation)</p> <p>Oct. 1994 General Manager of Fushimi Branch of the same bank</p> <p>Jan. 1997 General Manager of Fukaebashi Branch of the same bank</p> <p>Oct. 1998 General Manager of Nishinomiya Branch of the same bank</p> <p>Apr. 1999 General Manager of Nishinomiya Corporate Division of the same bank</p> <p>Apr. 2000 Advisor of Biwako Bank, Ltd. (currently Kansai Mirai Bank, Limited)</p> <p>June 2000 Director of Biwako Bank</p> <p>June 2003 Junior Managing Director of the same bank</p> <p>Apr. 2007 General Manager of Business Administration Department, Business Administration Division, Nitto Pharmaceutical Industries, Ltd.</p> <p>May 2007 Director and General Manager of Business Administration Division of the same company</p> <p>June 2019 Advisor, General Affairs Department, Business Administration Division of the Company</p> <p>Feb. 2020 Audit & Supervisory Board Member of the Company (current position)</p> <p>Feb. 2020 Corporate Auditor of Mie Chuo Kaihatsu Co., Ltd. (current position)</p> <p>[Significant concurrent positions outside the Company] Corporate Auditor of Mie Chuo Kaihatsu Co., Ltd.</p>	9,000 shares
<p>Reasons for nomination as candidate for a Director who is an Audit & Supervisory Committee member</p> <p>Mr. Akira Minemori possesses broad experience gained through his extensive career at financial institutions. He is equipped with deep understanding and experience cultivated through his past engagement in management as a director of listed companies as well as our group companies, and has strived to enhance corporate governance of the Company and Group companies as a full-time Audit & Supervisory Board Member. Based on these facts, the Company selected him as candidate for Director judging that he can continue to utilize his experience and track record in the audit and supervision of the overall management of the Company.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company	Number of the Company's shares owned
2	<p>Kazumasa Murai (December 13, 1963)</p> <p>New election Outside Independent</p> <p>Number of years as Outside Director 3 years</p> <p>Attendance at Board of Directors meetings 19/19 times</p> <p>Attendance at Audit & Supervisory Board meetings</p>	<p>Oct. 1990 Joined Osaka Office, Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>Aug. 1995 Registered as a certified public accountant</p> <p>Aug. 2006 Registered as a tax accountant</p> <p>Aug. 2006 Opened Murai Certified Public Accountant Office and became Representative (current position)</p> <p>May 2007 Established Management Research Institute Co., Ltd. and became Representative Director</p> <p>June 2017 Company Auditor of Technical Electron Co., Ltd. (currently Parking Solutions Co., Ltd.)</p> <p>May 2019 Opened Murai Tax Accountants' Corporation and became Representative Partner (current position)</p> <p>June 2021 Outside Director of the Company (current position)</p> <p>[Significant concurrent positions outside the Company] Representative of Murai Certified Public Accountant Office Representative Partner of Murai Tax Accountants' Corporation</p>	4,600 shares
<p>Reasons for nomination as candidate for Outside Director who is an Audit & Supervisory Committee member and summary of expected roles in case of his/her election as Outside Director</p> <p>Mr. Kazumasa Murai has a wealth of specialized knowledge in finance, accounting, and tax affairs as a certified public accountant and licensed tax accountant, and the Company has received his useful opinions on the management of the Company from an independent standpoint as Outside Director of the Company.</p> <p>Based on these extensive experiences, knowledge, and independence, the Company selected him as candidate for Outside Director who is an Audit & Supervisory Committee member, because it judges that further enhancement of audit and supervision of the overall management of the Company can be expected from his independent perspectives. He has not been directly involved in corporate management, but the Company has judged that he can adequately execute his duties as Outside Director who is an Audit & Supervisory Committee member because of his specialist expertise and experience as a certified public accountant and a tax accountant.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company	Number of the Company's shares owned
3	<p data-bbox="343 304 531 365">Noriko Kitajima (October 25, 1974)</p> <p data-bbox="371 405 502 495">New election Outside Independent</p> <p data-bbox="300 528 574 651">Number of years as Outside Audit & Supervisory Board Member 3 years</p> <p data-bbox="323 689 550 779">Attendance at Board of Directors meetings 19/19 times</p> <p data-bbox="300 817 574 907">Attendance at Audit & Supervisory Board meetings 13/13 times</p>	<p data-bbox="614 264 1241 293">Oct. 2000 Registered as an attorney-at-law</p> <p data-bbox="614 300 1241 360">Oct. 2000 Joined Takahiko Inoue Law Offices (currently Phoenix Law Offices)</p> <p data-bbox="614 367 1241 427">Jan. 2012 Co-Representative of the same law office (current position)</p> <p data-bbox="614 434 1241 524">June 2015 Outside Director (Audit & Supervisory Committee member) of SANKYO KASEI CORPORATION</p> <p data-bbox="614 530 1241 591">Mar. 2017 Outside Audit & Supervisory Board Member of Daitron Co., Ltd. (current position)</p> <p data-bbox="614 598 1241 658">June 2021 Outside Audit & Supervisory Board Member of the Company (current position)</p> <p data-bbox="614 665 1241 754">Mar. 2023 Outside Director (Audit & Supervisory Committee member) of Taki Chemical Co., Ltd. (current position)</p> <p data-bbox="614 761 1241 947">[Significant concurrent positions outside the Company] Co-Representative of Phoenix Law Offices Outside Audit & Supervisory Board Member of Daitron Co., Ltd. Outside Director (Audit & Supervisory Committee member) of Taki Chemical Co., Ltd.</p>	4,600 shares
<p data-bbox="276 954 1441 1014">Reasons for nomination as candidate for Outside Director who is an Audit & Supervisory Committee member and summary of expected roles in case of his/her election as Outside Director</p> <p data-bbox="276 1021 1441 1178">In addition to her deep specialized knowledge of corporate legal affairs as an attorney-at-law, Ms. Noriko Kitajima has assumed roles of outside Audit & Supervisory Board Member and outside Director who is an Audit & Supervisory Committee Member at listed companies, and has been striving to enhance our corporate governance through auditing of overall business execution from an independent perspective as an Outside Audit & Supervisory Board Member of the Company.</p> <p data-bbox="276 1184 1441 1274">Based on this track record, the Company selected her as candidate for Outside Director who is an Audit & Supervisory Committee member, because it judges that further enhancement of audit and supervision of the overall management of the Company can be expected from her independent perspectives.</p> <p data-bbox="276 1281 1441 1361">She has not been directly involved in corporate management, but the Company has judged that she can adequately execute her duties as Outside Director who is an Audit & Supervisory Committee member because of her specialist expertise and experience as an attorney-at-law.</p>			

Skills Matrix

(Reference) Skills Matrix of Directors (including Directors who are Audit & Supervisory Committee Members) after the conclusion of this Annual General Meeting of Shareholders

If Proposals No. 3. and No. 4 are approved as proposed, the Skills Matrix of Directors (including Directors who are Audit & Supervisory Committee Members) will be as follows.

Name	Position	Corporate management	Legal affairs Compliance	Risk management	Finance, accounting and tax affairs	Technology Facilities operation	Research and development	Sales Marketing	ESG Sustainability	Human resource development
Fumio Kaneko	Representative Director	●		●	●				●	●
Nariyuki Ohta	Director		●	●		●	●	●		
Kazumasa Onaka	Director					●		●		
Tomoko Murakami	Outside Director		●	●						
Akira Minemori	Director and Audit & Supervisory Committee member	●	●	●	●					
Kazumasa Murai	Outside Director and Audit & Supervisory Committee member				●				●	
Noriko Kitajima	Outside Director and Audit & Supervisory Committee member		●	●						

Policy for Appointment of Directors and Nomination of Candidates

(1) Nomination procedure

Candidates for Director (excluding independent outside Directors) are not limited by nationality, race, or gender, and in addition to the criteria for selecting directors based on the Officer Regulations, the qualities required of directors are stipulated as follows. The appointment and nomination of directors are deliberated by the Nomination and Remuneration Advisory Committee, a majority of whose members consist of independent outside Directors, based on the following criteria, and candidates are decided by the Board of Directors.

(2) Criteria for appointment of Directors

- (i) Understand and put into practice the Company's corporate philosophy
- (ii) Possess the ability to make objective judgments, management knowledge, foresight, and insight that contributes to sustainable growth and medium- to long-term enhancement of corporate value from the perspective of group corporate management beyond business execution departments
- (iii) Possess knowledge of corporate governance and the qualities required of directors
- (iv) Excellent reputation, dignity, and ethics, and good physical and mental health.
- (v) Ability to sincerely work and harmonize with all stakeholders
- (vi) Past experience as executive officer, etc. or excellent track record of achievements outside the Company
- (vii) No conflict of interests, etc. that may affect his/her execution of duties as a Director

Policy for Appointment of Outside Directors and Nomination of Candidates

(1) Nomination procedure

Based on the criteria for the appointment of outside Directors (hereinafter referred to as "outside officers") and the criteria for determining independence, the Nomination and Remuneration Advisory Committee, a majority of whose members consist of independent outside directors, deliberates on candidates who are then decided by the Board of Directors.

(2) Criteria for appointment of outside officers

- (i) A person with knowledge in specialized fields such as management, accounting and finance, law, administration, and social culture, and who has achieved appropriate results in the relevant specialized field
- (ii) A person with a sense of humanity and ethics suitable for a Director
- (iii) A person whose concurrent positions are appropriate and do not interfere with his/her duties in the execution of his/her duties as an outside officer
- (iv) A person free of health problems in the execution of his/her duties as an outside officer

(3) Independence criteria for outside officers

In order for an outside officer of the Company to be recognized as independent by the Board of Directors, an outside officer who is not likely to have a conflict of interest with a general shareholder and who does not fall under any of the independence standards listed in a. to d. below (Guidelines concerning Listed Company Compliance, etc. III. 5 (3)-2) of the Tokyo Stock Exchange must maintain a neutral presence independent from the management of the Company. (Hereinafter, outside officers who are recognized as having independence are referred to as "independent officers")

- a. A person for which said company is a major client or a person who executes business for such person, or a major client of said company or a person who executes business for such client
- b. A consultant, accounting professional or legal professional (in the case of a group such as a juridical person or association, including persons belonging to such group) who receives a large amount of money or other asset other than officer remuneration from said company
- c. A person who has recently fallen under the preceding a. or b.
- c-2. A person who had fallen under the following (a) or (b) at any time during the ten (10) years before assuming office
 - (a) A person who executes business for the parent company of said company (including a director who does not execute business and, in cases where said company designates an outside Audit & Supervisory Board Member as an independent officer, an Audit & Supervisory Board Member)

- (b) A person who executes business for a fellow subsidiary of said company
- d. A close relative of a person referred to in any of the following (a) to (f) (excluding those of insignificance)
 - (a) A person referred to in a. to the preceding c-2.
 - (b) An accounting advisor of said company (limited to cases where an outside Audit & Supervisory Board Member thereof has been designated as an independent officer. When said accounting advisor is a corporation, any member thereof who is in charge of such advisory affairs is included. The same shall apply hereinafter.)
 - (c) A person who executes business for a subsidiary of said company (including a director who does not execute business or an accounting advisor in cases where said company designates an outside Audit & Supervisory Board Member as an independent officer)
 - (d) A person who executes business for the parent company of said company (including a director who does not execute business and, in cases where said company designates an outside Audit & Supervisory Board Member as an independent officer, an Audit & Supervisory Board Member)
 - (e) A person who executes business for a fellow subsidiary of said company
 - (f) A person who has recently fallen under (b) or (c), or a person who executed business for said company (including a director who does not execute business in cases where an outside Audit & Supervisory Board Member is designated as an independent officer)

Proposal No. 5 Determination of Remuneration Amount for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

The total amount of remuneration for the Company's Directors was approved at the 43rd Annual General Meeting of Shareholders held on June 27, 2022 to be no more than ¥320 million annually (of which the remuneration for outside Directors should not exceed ¥30 million). If Proposal No. 2 "Partial Amendments to the Articles of Incorporation" is approved as proposed, the Company will transition into a company with Audit & Supervisory Committee. Therefore, pursuant to the provisions of Article 361, paragraphs (1) and (2) of the Companies Act, the Company proposes to abolish the current remuneration limit for Directors, newly establish a remuneration amount for Directors (excluding Directors who are Audit & Supervisory Committee members; hereinafter referred to in this proposal as "Director(s)") which shall continue to be no more than ¥320 million annually (of which the remuneration of outside Directors shall not exceed ¥30 million), and further allow that remuneration for each Director, timing of payment and other details shall be left to the decision of the Board of Directors.

Employee salaries of Directors serving concurrently as employees are not included in the remuneration amount for Directors.

The Company currently has 5 Directors (of which 2 are outside Directors). If Proposal No. 2 "Partial Amendments to the Articles of Incorporation" and Proposal No. 3 "Election of 4 Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)" are approved as proposed, the number of Directors will become 4 (of which 1 will be an outside Director).

The Company believes that the contents of this proposal are consistent with the "Policy for Determining the Details of Remuneration, etc. for Individual Directors" (please refer to pages 30 and 31 of this convocation notice) planned to be amended subject to Proposal No. 2 "Partial Amendments to the Articles of Incorporation" being approved as proposed and are reasonable in consideration of the duties and responsibilities, etc. of Directors.

This proposal is intended to take effect subject to Proposal No. 2 "Partial Amendments to the Articles of Incorporation" being approved as proposed and the amendments to the Articles of Incorporation taking effect pursuant to such approval of the proposal.

Proposal No. 6 Determination of Remuneration Amount for Directors Who Are Audit & Supervisory Committee Members

Subject to the approval and adoption of Proposal No. 2 “Partial Amendments to the Articles of Incorporation,” the Company will transition into a company with Audit & Supervisory Committee.

Pursuant to the provisions of Article 361, paragraphs (1) and (2) of the Companies Act, the Company proposes to set the remuneration amount for Directors who are Audit & Supervisory Committee members (hereinafter referred to in this proposal as “Audit & Supervisory Committee member(s)”) to be no more than ¥46 million annually in consideration of the duties and responsibilities, etc. of Audit & Supervisory Committee members.

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” and Proposal No. 4 “Election of 3 Directors Who Are Audit & Supervisory Committee Members” are approved as proposed, the number of Audit & Supervisory Committee members will become 3.

The Company believes the contents of this proposal are reasonable in consideration of the duties and responsibilities, etc. of Audit & Supervisory Committee members.

This proposal is intended to take effect subject to Proposal No. 2 “Partial Amendments to the Articles of Incorporation” being approved as proposed and the amendments to the Articles of Incorporation taking effect pursuant to such approval of the proposal.

Proposal No. 7 Determination of Performance-Linked Restricted Share-Based Remuneration for Directors (Excluding Outside Directors and Directors Who Are Audit & Supervisory Committee Members)

To date, the total amount of remuneration for the Company's Directors was approved at the 43rd Annual General Meeting of Shareholders of the Company held on June 27, 2022 to be no more than ¥320 million annually (of which the remuneration of outside Directors should not exceed ¥30 million). In addition, it was approved at the 44th Annual General Meeting of Shareholders held on June 27, 2023 that the total amount of monetary compensation to be paid to Directors (excluding outside Directors) as remuneration related to Restricted Shares (separately from the total amount of remuneration for Directors mentioned above) be set at an annual amount of ¥64 million or less, and further that the maximum number of Restricted Shares allotted to the Company's Directors (excluding outside Directors) in each fiscal year shall be 40,000 shares.

Subject to the approval and adoption of Proposal No. 2 "Partial Amendments to the Articles of Incorporation," the Company will transition into a company with Audit & Supervisory Committee.

Therefore, the Company seeks approval to abolish the current restricted share-based remuneration for Directors (excluding outside Directors) and newly implement a performance-linked restricted share-based remuneration system for Directors (excluding outside Directors and Directors who are Audit & Supervisory Committee members; hereinafter referred to in this proposal as "Eligible Director(s)"). The Company proposes to establish a performance-linked restricted share-based remuneration system that sets the total amount of monetary compensation to be paid as remuneration related to Restricted Shares at an annual amount of ¥64 million or less and a maximum number of Restricted Shares allotted to Eligible Directors of 40,000 shares in each fiscal year, and further allow that specific allotment for each Director shall be left to the decision of the Board of Directors.

The Company believes that the contents of this proposal are consistent with the "Policy for Determining the Details of Remuneration, etc. for Individual Directors" (please refer to pages 30 and 31 of this convocation notice) planned to be amended subject to Proposal No. 2 "Partial Amendments to the Articles of Incorporation" being approved as proposed, and further notes that the maximum allotment of shares to Eligible Directors per fiscal year constitutes 0.04% or less of the total outstanding shares (as of March 31, 2024), and accordingly considers the contents reasonable in view of the duties and responsibilities, etc. of the Eligible Directors.

Employee salaries of Directors serving concurrently as employees are not included in the above remuneration.

The Company currently has 5 Directors (of which 2 are outside Directors). If Proposal No. 2 "Partial Amendments to the Articles of Incorporation" and Proposal No. 3 "Election of 4 Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)" are approved as proposed, the number of Directors (excluding Directors who are Audit & Supervisory Committee members) will become 4 (of which 1 will be an outside Director), and the number of Eligible Directors will be 3.

This proposal is intended to take effect subject to Proposal No. 2 "Partial Amendments to the Articles of Incorporation" being approved as proposed and the amendments to the Articles of Incorporation taking effect pursuant to such approval of the proposal.

Detailed Outline of Performance-Linked Restricted Share-Based Remuneration System

The performance-linked restricted share-based remuneration system is a system where the Company pays monetary compensation claims to Eligible Directors as a way to allow the Company to grant performance-linked restricted share-based remuneration to them after the end of a period that is in principle one business year (hereinafter "Assessment Period") in accordance with their percentage level of achievement of each Assessment Period's performance targets, which are established by the Board of Directors in advance, and the Company shall allot the common shares of the Company that the Company has either issued or disposed of by having the Eligible Directors pay the full amount of the aforementioned monetary compensation claims as payment in kind for those shares.

1. Allotment and payment of Restricted Shares

The Company provides monetary compensation to Eligible Directors as compensation related to Restricted Shares, etc. within the above maximum amount per year based on the resolution of its Board of Directors, and Eligible Directors receive allotment of Restricted Shares by providing all the monetary compensation claims by way of contribution in kind.

The amount paid for Restricted Shares is determined by the Board of Directors based on the closing price of common shares of the Company at the Tokyo Stock Exchange on the business day prior to the date of the resolution of the Company's Board of Directors regarding the issuance or disposal (if no trading is made on the day, the closing price on the trading day immediately before the day), to the extent that the amount is not particularly favorable to Eligible Directors who receive the Restricted Shares.

In addition, the above monetary compensation claims are provided on the condition that the Eligible Directors agree on the above contribution in kind and enter into a restricted share allotment agreement including the content specified in 3. below.

2. Total number of Restricted Shares

The maximum number of Restricted Shares that can be allotted to Eligible Directors each fiscal year shall be 40,000 shares.

However, in the case where a share split (including allotment of common shares of the Company without contribution) or share consolidation of common shares of the Company is conducted on and after the date of resolution on this proposal, or any other similar cases where the total number of Restricted Shares allotted needs to be adjusted, the total number of the Restricted Shares may be reasonably adjusted.

3. Content of restricted share allotment agreement

Restricted share allotment agreements to be concluded between the Company and Eligible Directors who receive allotment of Restricted Shares upon resolution of its Board of Directors shall include the following contents.

(1) Details of restriction on transfer

Eligible Directors who received allotment of Restricted Shares shall not conduct transfer to a third party, establishment of the right of pledge, establishment of security interest by way of transfer, gift during life, bequest, or any other disposal (hereinafter referred to as the "Transfer Restriction") of the Restricted Shares allotted to the Eligible Director (hereinafter referred to as the "Allotted Shares") in the period from the date of granting of Restricted Shares until the date on which three years have passed from the Eligible Director's retirement from all positions of Director (including outside Director and Director who is an Audit & Supervisory Committee member), Executive Officer or employee of the Company (hereinafter referred to as the "Transfer Restriction Period").

(2) Acquisition of Restricted Shares without contribution

If an Eligible Director who received allotment of Restricted Shares retires from all positions of Director (including outside Director and Director who is an Audit & Supervisory Committee member), Executive Officer, or employee of the Company prior to the date of the Company's first annual general meeting of shareholders held on or after the start date of the Transfer Restriction Period, the Company shall automatically acquire the Allotted Shares without contribution, unless there is a reason which its Board of Directors deems legitimate.

In addition, of the Allotted Shares, if there are any Restricted Shares for which the Transfer Restriction has not been lifted based on the provisions for events of lifting the Transfer Restriction specified in (3) below at the expiry of the Transfer Restriction Period, the Company shall automatically acquire these shares without contribution.

(3) Lifting of the Transfer Restriction

The Company lifts the Transfer Restriction on all the Allotted Shares held by an Eligible Director at the expiry of the Transfer Restriction Period on the condition that the Eligible Director who received allotment of Restricted Shares has continuously remained in the position of either Director (including outside Director and Director who is an Audit & Supervisory Committee member), Executive Officer, or employee of the Company until the date of the Company's first annual general meeting of shareholders held on or after the start date of the Transfer Restriction Period.

However, if the Eligible Director retires from all positions of Director (including outside Director and Director who is an Audit & Supervisory Committee member), Executive Officer, or employee of the Company prior to the date of the Company's first annual general meeting of shareholders held on or after the start date of the Transfer Restriction Period for any reason that its Board of Directors deems legitimate, the number of the Allotted Shares for which and the timing for when the Transfer Restriction is lifted shall be reasonably adjusted as necessary.

(4) Treatment in organizational restructuring, etc.

If a proposal for a merger agreement where the Company becomes the extinguished entity, a share exchange agreement or share transfer agreement where the Company becomes a wholly-owned subsidiary, or any other organizational restructuring, etc. is approved at a general meeting of shareholders of the Company (in cases where approval at a general meeting of shareholders of the Company is not required, by the Board of Directors of the Company) during the Transfer Restriction Period, the Company lifts the Transfer Restriction for Allotted Shares in the number reasonably determined in light of the period from the start date of the Transfer Restriction Period to the date of the approval for the organizational restructuring, etc., by resolution of its Board of Directors, prior to the effective date of the organizational restructuring, etc.

In this case, the Company automatically acquires the Allotted Shares for which the Transfer Restriction has still not been lifted without contribution at the time immediately after the Transfer Restriction is lifted based on the aforementioned provision.

(Reference)

After the conclusion of this Annual General Meeting of Shareholders, the Company intends to allot Restricted Shares to its Executive Officers as described above.

Proposal No. 8 Implementation of Restricted Share-Based Remuneration System and Determination of Remuneration Amount for Outside Directors (Excluding Outside Directors Who Are Audit & Supervisory Committee Members)

Subject to the approval and adoption of Proposal No. 2 “Partial Amendments to the Articles of Incorporation,” the Company will transition into a company with Audit & Supervisory Committee.

We therefore seek approval to implement a restricted share-based remuneration system for outside Directors (excluding outside Directors who are Audit & Supervisory Committee members; same applies for the rest of this proposal) with a total amount of monetary compensation claims to be paid as remuneration related to restricted shares set at an annual amount of ¥16 million or less, separate from the remuneration amount under Proposal No. 5 “Determination of Remuneration Amount for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members),” and a maximum number of restricted shares allotted to outside Directors in each fiscal year of 10,000 shares.

The details of the restricted share-based remuneration system to be implemented are as follows.

The Company believes that the contents of this proposal are consistent with the amended “Policy for Determining the Details of Remuneration, etc. for Individual Directors” (please refer to pages 30 and 31 of this convocation notice) planned to be implemented subject to Proposal No. 2 “Partial Amendments to the Articles of Incorporation” being approved as proposed, and further notes that the maximum allotment of shares to outside Directors per fiscal year constitutes 0.01% or less of the total outstanding shares (as of March 31, 2024), and accordingly considers the contents reasonable in view of the duties and responsibilities, etc. of the outside Directors.

In order to ensure an objective viewpoint on supervision and advice of Outside Directors, the share-based remuneration system will not be performance-linked.

The Company currently has 5 Directors (of which 2 are outside Directors). If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” and Proposal No. 3 “Election of 4 Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)” are approved as proposed, the number of outside Directors will become 1.

This proposal is intended to take effect subject to Proposal No. 2 “Partial Amendments to the Articles of Incorporation” being approved as proposed and the amendments to the Articles of Incorporation taking effect pursuant to such approval of the proposal.

Detailed outline of the system

1. Allotment and payment of Restricted Shares

The Company provides monetary compensation claims to Outside Directors as compensation related to Restricted Shares, etc. within the above maximum amount per year based on the resolution of its Board of Directors, and Outside Directors receive allotment of Restricted Shares by providing all the monetary compensation claims by way of contribution in kind.

The amount paid for Restricted Shares is determined by the Board of Directors based on the closing price of common shares of the Company at the Tokyo Stock Exchange on the business day prior to the date of the resolution of the Company’s Board of Directors regarding the issuance or disposal (if no trading is made on the day, the closing price on the trading day immediately before the day), to the extent that the amount is not particularly favorable to Outside Directors who receive the Restricted Shares.

In addition, the above monetary compensation claims are provided on the condition that the outside Directors agree on the above contribution in kind and enter into restricted share allotment agreements including the content specified in 3. below.

2. Total number of Restricted Shares

The maximum number of Restricted Shares that can be allotted to outside Directors each fiscal year shall be 10,000 shares.

However, in the case where a share split (including allotment of common shares of the Company without contribution) or share consolidation of common shares of the Company is conducted on and after the date of resolution on this proposal, or any other similar cases where the total number of Restricted Shares allotted needs to be adjusted, the total number of the Restricted Shares may be reasonably adjusted.

3. Content of restricted share allotment agreement

A restricted share allotment agreement to be concluded between the Company and outside Directors who receive allotment of Restricted Shares, based on the resolution of its Board of Directors in the allotment of Restricted Shares shall include the following contents.

(1) Details of restriction on transfer

Outside Directors who received allotment of Restricted Shares shall not conduct transfer to a third party, establishment of the right of pledge, establishment of security interest by way of transfer, gift during life, bequest, or any other disposal (hereinafter referred to as the "Transfer Restriction") of the Restricted Shares allotted to the Eligible Director (hereinafter referred to as the "Allotted Shares") in the period from the date of granting Restricted Shares until the date on which three years have passed from the Eligible Director's retirement from all positions of Director (including outside Director and Director who is an Audit & Supervisory Committee member), Executive Officer or employee of the Company (hereinafter referred to as the "Transfer Restriction Period").

(2) Acquisition of Restricted Shares without contribution

If an outside Director who received allotment of Restricted Shares retires from all positions of Director (including outside Director and Director who is an Audit & Supervisory Committee member), Executive Officer, or employee of the Company by the date prior to the date of the Company's annual general meeting of shareholders that is first held on or after the start date of the Transfer Restriction Period, the Company automatically acquires the Allotted Shares without contribution, unless there is a reason which its Board of Directors deems legitimate. In addition, of the Allotted Shares, if there are any Restricted Shares for which the Transfer Restriction has not been lifted based on the provisions for events of lifting the Transfer Restriction specified in (3) below at the expiry of the Transfer Restriction Period, the Company shall automatically acquire these shares without contribution.

(3) Lifting of the Transfer Restriction

The Company lifts the Transfer Restriction on all the Allotted Shares held by an outside Director at the expiry of the Transfer Restriction Period on the condition that the outside Director who received allotment of Restricted Shares has continuously remained in the position of either Director (including outside Director and Director who is an Audit & Supervisory Committee member), Executive Officer, or employee of the Company until the date of the Company's first annual general meeting of shareholders held on or after the start date of the Transfer Restriction Period.

However, if the outside Director retires from all positions of Director (including outside Director and Director who is an Audit & Supervisory Committee member), Executive Officer, or employee of the Company by the date prior to the date of its annual general meeting of shareholders that is first held on or after the start date of the Transfer Restriction Period for any reason that its Board of Directors deems legitimate, the number of the Allotted Shares for which the Transfer Restriction is lifted and the timing when the Transfer Restriction is lifted shall be reasonably adjusted as necessary.

(4) Treatment in organizational restructuring, etc.

If a proposal for a merger agreement where the Company becomes the extinguished entity, a share exchange agreement or share transfer agreement where the Company becomes a wholly-owned subsidiary, or any other organizational restructuring, etc. is approved at a general meeting of shareholders of the Company (in cases where approval at a general meeting of shareholders of the Company is not required, by the Board of Directors of the Company) during the Transfer Restriction Period, the Company lifts the Transfer Restriction for Allotted Shares in the number reasonably determined in light of the period from the start date of the Transfer Restriction Period to the date of the approval for the organizational restructuring, etc., by resolution of its Board of Directors, prior to the effective date of the organizational restructuring, etc.

In this case, the Company automatically acquires the Allotted Shares for which the Transfer Restriction has still not been lifted without contribution at the time immediately after the Transfer Restriction is lifted based on the aforementioned provision.

(Reference)

After the conclusion of this Annual General Meeting of Shareholders, the Company intends to allot Restricted Shares similar to the restricted shares described above to its employees.

Proposal No. 9 Implementation of Restricted Share-Based Remuneration System and Determination of Remuneration Amount for Directors Who Are Audit & Supervisory Committee Members

Subject to the approval and adoption of Proposal No. 2 “Partial Amendments to the Articles of Incorporation,” the Company will transition into a company with Audit & Supervisory Committee.

We therefore seek approval to implement a restricted share-based remuneration system for Directors who are Audit & Supervisory Committee members (hereinafter “Audit & Supervisory Committee members”), with a total amount of monetary compensation claims to be paid as remuneration related to restricted shares set at an annual amount of ¥32 million or less, separate from the remuneration amount under Proposal No. 6 “Determination of Remuneration Amount for Directors Who Are Audit & Supervisory Committee Members,” and a maximum number of restricted shares allotted to Audit & Supervisory Committee members each fiscal years of 20,000 shares.

The details of the restricted share-based remuneration system to be implemented are as follows.

The Company believes that the contents of this proposal are reasonable in view of the duties and responsibilities, etc. of the Audit & Supervisory Committee members, and also notes that the maximum allotment of shares to Audit & Supervisory Committee members per fiscal year constitutes 0.02% or less of the total outstanding shares (as of March 31, 2024).

In order to ensure an objective viewpoint on supervision and advice of Audit & Supervisory Committee members, the share-based remuneration system will not be performance-linked.

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” and Proposal No. 4 “Election of 3 Directors Who Are Audit & Supervisory Committee Members” are approved as proposed, the number of Audit & Supervisory Committee members will become 3.

This proposal is intended to take effect subject to Proposal No. 2 “Partial Amendments to the Articles of Incorporation” being approved as proposed and the amendments to the Articles of Incorporation taking effect pursuant to such approval of the proposal.

Detailed outline of the system

1. Allotment and payment of Restricted Shares

The Company provides monetary compensation claims to Audit & Supervisory Committee members as compensation related to Restricted Shares, etc. within the above maximum amount per year based on the resolution of its Board of Directors and Audit & Supervisory Committee members receive allotment of Restricted Shares by providing all the monetary compensation claims by way of contribution in kind.

The amount paid for Restricted Shares is determined by the Board of Directors based on the closing price of common shares of the Company at the Tokyo Stock Exchange on the business day prior to the date of the resolution of the Company’s Board of Directors regarding the issuance or disposal (if no trading is made on the day, the closing price on the trading day immediately before the day), to the extent that the amount is not particularly favorable to Audit & Supervisory Committee members who receive the Restricted Shares.

In addition, the above monetary compensation claims are provided on the condition that the Audit & Supervisory Committee members agree on the above contribution in kind and enter into a restricted share allotment agreement including the content specified in 3. below.

2. Total number of Restricted Shares

The maximum number of restricted shares that can be allotted to Audit & Supervisory Committee members each fiscal year shall be 20,000 shares.

However, in the case where a share split (including allotment of common shares of the Company without contribution) or share consolidation of common shares of the Company is conducted on and after the date of resolution on this proposal, or any other similar cases where the total number of Restricted Shares allotted needs to be adjusted, the total number of the Restricted Shares may be reasonably adjusted.

3. Content of restricted share allotment agreement

A restricted share allotment agreement to be concluded between the Company and Audit & Supervisory Committee members who receive allotment of Restricted Shares, based on the resolution of its Board of Directors in the allotment of Restricted Shares shall include the following contents.

(1) Details of restriction on transfer

Audit & Supervisory Committee members who received allotment of Restricted Shares shall not conduct transfer to a third party, establishment of the right of pledge, establishment of security interest by way of transfer, gift during life, bequest, or any other disposal (hereinafter referred to as the "Transfer Restriction") of the Restricted Shares allotted to the Eligible Audit & Supervisory Committee member (hereinafter referred to as the "Allotted Shares") in the period from the date of granting of Restricted Shares until the date on which three years have passed from the Eligible Director's retirement from all positions of Director (including outside Director and Director who is an Audit & Supervisory Committee member), Executive Officer or employee of the Company (hereinafter referred to as the "Transfer Restriction Period").

(2) Acquisition of Restricted Shares without contribution

If an Audit & Supervisory Committee member who received allotment of Restricted Shares retires from all positions of Director (including outside Director and Director who is an Audit & Supervisory Committee member), Executive Officer, or employee of the Company by the date prior to the date of the Company's annual general meeting of shareholders that is first held on or after the start date of the Transfer Restriction Period, the Company automatically acquires the Allotted Shares without contribution, unless there is a reason which its Board of Directors deems legitimate.

In addition, of the Allotted Shares, if there are any Restricted Shares for which the Transfer Restriction has not been lifted based on the provisions for events of lifting the Transfer Restriction specified in (3) below at the expiry of the Transfer Restriction Period, the Company automatically acquires these shares without contribution.

(3) Lifting of the Transfer Restriction

The Company lifts the Transfer Restriction on all the Allotted Shares held by an Audit & Supervisory Committee member at the expiry of the Transfer Restriction Period on the condition that the Audit & Supervisory Committee member who received allotment of Restricted Shares has continuously remained in the position of either Director (including outside Director and Director who is an Audit & Supervisory Committee member), Executive Officer, or employee of the Company until the date of the Company's first annual general meeting of shareholders held on or after the start date of the Transfer Restriction Period.

However, if the Audit & Supervisory Committee member retires from all positions of Director (including Outside Director and Director who is an Audit & Supervisory Committee member), Executive Officer, or employee of the Company by the date prior to the date of its annual general meeting of shareholders that is first held on or after the start date of the Transfer Restriction Period for any reason that its Board of Directors deems legitimate, the number of the Allotted Shares for which and the timing for which the Transfer Restriction is lifted and the timing when the Transfer Restriction is lifted shall be reasonably adjusted as necessary.

(4) Treatment in organizational restructuring, etc.

If a proposal for a merger agreement where the Company becomes the extinguished entity, a share exchange agreement or share transfer agreement where the Company becomes a wholly-owned subsidiary, or any other organizational restructuring, etc. is approved at a general meeting of shareholders of the Company (in cases where approval at a general meeting of shareholders of the Company is not required, by the Board of Directors of the Company) during the Transfer Restriction Period, the Company lifts the Transfer Restriction for Allotted Shares in the number reasonably determined in light of the period from the start date of the Transfer Restriction Period to the date of the approval for the organizational restructuring, etc., by resolution of its Board of Directors, prior to the effective date of the organizational restructuring, etc.

In this case, the Company automatically acquires the Allotted Shares for which the Transfer Restriction has still not been lifted without contribution at the time immediately after the Transfer Restriction is lifted based on the aforementioned provision.

(Reference)

If Proposal No. 7 “Determination of Performance-Linked Restricted Share-Based Remuneration for Directors (Excluding Outside Directors and Directors Who Are Audit & Supervisory Committee Members),” Proposal No. 8 “Implementation of Restricted Share-Based Remuneration System and Determination of Remuneration Amount for Outside Directors (Excluding Outside Directors Who Are Audit & Supervisory Committee Members),” and Proposal No. 9 “Implementation of Restricted Share-Based Remuneration System and Determination of Remuneration Amount for Directors Who Are Audit & Supervisory Committee Members” are approved, we will revise the “Policy for Determining the Details of Remuneration, etc. for Individual Directors” as follows by resolution at the Board of Directors meeting to be held upon conclusion of this Annual Meeting of Shareholders.

Policy for Determining the Details of Remuneration, etc. for Individual Directors

a. Basic Policy

Remuneration for Directors of the Company shall consist of base remuneration and restricted share-based compensation from the perspective of reflecting business performance and sharing value with shareholders.

b. Policy on Determination of Base Remuneration

Base remuneration shall be fixed remuneration determined according to the position, job responsibilities, etc. of Directors in accordance with the Officer Remuneration Regulations, and shall be reviewed as necessary in consideration of business performance and social circumstances. The revision of fixed remuneration shall be deliberated by the Nomination and Remuneration Advisory Committee and decided by resolution of the Board of Directors. However, fixed remuneration of Directors who are Audit & Supervisory Committee members shall be determined upon deliberation among the Directors who are Audit & Supervisory Committee members.

c. Policy on Determination of Restricted Share-Based Compensation

Restricted share-based compensation is paid in accordance with the Officer Remuneration Regulations to provide incentives for sustainable enhancement of corporate value and to improve share value between Directors and shareholders. Changes to the restricted share-based compensation shall be deliberated by the Nomination and Remuneration Advisory Committee and decided by resolution of the Board of Directors. However, restricted share-based compensation of Directors who are Audit & Supervisory Committee members shall be determined upon deliberation among the Directors who are Audit & Supervisory Committee members.

Details of Restricted Shares to Directors (Excluding Outside Directors and Directors Who Are Audit & Supervisory Committee Members) and Upper Limit

· Allotment and payment of Restricted Shares

The Company provides monetary compensation claims to its Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee members) as compensation related to Restricted Shares, etc. based on resolutions of its Board of Directors, within the maximum amount per year approved by the General Meeting of Shareholders, and each Director receives allotment of Restricted Shares by providing all the monetary compensation claims by way of contribution in kind.

The amount paid for Restricted Shares is determined by the Board of Directors based on the closing price of common shares of the Company at the Tokyo Stock Exchange on the business day prior to the date of the resolution of the Company’s Board of Directors regarding the issuance or disposal (if no trading is made on the day, the closing price on the trading day immediately before the day), to the extent that the amount is not particularly favorable to Directors who receive the Restricted Shares.

In addition, the above monetary compensation claims are provided on the condition that the Company’s Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee members) agree on the above contribution in kind and enter into a restricted share allotment agreement.

· Total number of Restricted Shares

The total number of Restricted Shares allotted to the Company’s Directors (excluding Outside Directors) of 40,000 shares shall be the maximum number of Restricted Shares allotted in each fiscal year.

However, in the case where a share split (including allotment of common shares of the Company without contribution) or share consolidation of common shares of the Company is conducted on or after the date of resolution by the General Meeting of Shareholders on the restricted share-based compensation, or any

other similar cases where the total number of Restricted Shares allotted needs to be adjusted, the total number of the Restricted Shares may be reasonably adjusted.

Details of Restricted Shares to Outside Directors (Excluding Outside Directors Who Are Audit & Supervisory Committee Members) and Upper Limit

· Allotment and payment of Restricted Shares

The Company provides monetary compensation claims to its Outside Directors (excluding Directors who are Audit & Supervisory Committee members) as compensation related to Restricted Shares, etc. based on resolutions of its Board of Directors, within the maximum amount per year approved by the General Meeting of Shareholders, and each Director receives allotment of Restricted Shares by providing all the monetary compensation claims by way of contribution in kind.

The amount paid for Restricted Shares is determined by the Board of Directors based on the closing price of common shares of the Company at the Tokyo Stock Exchange on the business day prior to the date of the resolution of the Company's Board of Directors regarding the issuance or disposal (if no trading is made on the day, the closing price on the trading day immediately before the day), to the extent that the amount is not particularly favorable to Directors who receive the Restricted Shares.

In addition, the above monetary compensation claims are provided on the condition that the Company's Outside Directors (excluding Directors who are Audit & Supervisory Committee members) agree on the above contribution in kind and enter into a restricted share allotment agreement.

· Total number of Restricted Shares

The total number of Restricted Shares allotted to the Company's Outside Directors (excluding Outside Directors who are Audit & Supervisory Committee members) of 10,000 shares shall be the maximum number of Restricted Shares allotted in each fiscal year.

However, in the case where a share split (including allotment of common shares of the Company without contribution) or share consolidation of common shares of the Company is conducted on or after the date of resolution by the General Meeting of Shareholders on the restricted share-based compensation, or any other similar cases where the total number of Restricted Shares allotted needs to be adjusted, the total number of the Restricted Shares may be reasonably adjusted.

Details of Restricted Shares to Directors Who Are Audit & Supervisory Committee Members and Upper Limit

· Allotment and payment of Restricted Shares

The Company provides monetary compensation claims to its Directors who are Audit & Supervisory Committee members as compensation related to Restricted Shares, etc. based on resolutions of its Board of Directors, within the maximum amount per year approved by the General Meeting of Shareholders, and each Director receives allotment of Restricted Shares by providing all the monetary compensation claims by way of contribution in kind.

The amount paid for Restricted Shares is determined by the Board of Directors based on the closing price of common shares of the Company at the Tokyo Stock Exchange on the business day prior to the date of the resolution of the Company's Board of Directors regarding the issuance or disposal (if no trading is made on the day, the closing price on the trading day immediately before the day), to the extent that the amount is not particularly favorable to Directors who receive the Restricted Shares.

In addition, the above monetary compensation claims are provided on the condition that the Company's Directors who are Audit & Supervisory Committee members agree on the above contribution in kind and enter into a restricted share allotment agreement.

· Total number of Restricted Shares

The total number of Restricted Shares allotted to the Directors who are Audit & Supervisory Committee members of 20,000 shares shall be the maximum number of Restricted Shares allotted in each fiscal year. However, in the case where a share split (including allotment of common shares of the Company without contribution) or share consolidation of common shares of the Company is conducted on or after the date of resolution by the General Meeting of Shareholders on the restricted share-based compensation, or any other similar cases where the total number of Restricted Shares allotted needs to be adjusted, the total number of the Restricted Shares may be reasonably adjusted.