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Securities Code: 8999

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To our shareholders:

President
Yasushi Sayama
Grandy House Corporation
4-3-18 Odori, Utsunomiya-shi, Tochigi

Notice of the 33rd Annual General Meeting of Shareholders

We are pleased to announce the 33rd Annual General Meeting of Shareholders of Grandy House Corporation (the “Company”), which will be held as indicated below.

In convening this General Meeting of Shareholders, the Company takes measures for providing information that constitutes the content of Reference Documents for the General Meeting of Shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on each of the following websites. Please access any of these websites using the internet address shown below to review the information.

The Company’s website
<https://www.grandy.co.jp> (in Japanese)

(Please access the above website, select “Investors Relations (English)” from the menu, then “IR Library,” and review the information.)

Website for posting materials for the General Meeting of Shareholders
<https://d.sokai.jp/8999/teiji/> (in Japanese)

Tokyo Stock Exchange website (Listed Company Search):
<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Please access the above TSE website, enter “Grandy House” in “Issue name (company name)” or the Company’s securities code “8999” 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].”)

Furthermore, if you are unable to attend the General Meeting of Shareholders in person, please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights in writing or by electromagnetic means (the Internet, etc.), in accordance with the instructions (in Japanese only) on pages 3 and 4 by 5:30 p.m. on Wednesday, June 26, 2024.

- 1. Date and Time** Thursday, June 27, 2024, at 11:00 a.m. (JST) (Reception starts at 10:00 a.m.)
- 2. Venue** Hotel New Itaya, 3rd floor, Tenpyo-no-Ma
2-4-6 Odori, Utsunomiya-shi, Tochigi
To prevent infection, we are considering seating layouts with space between seats, and we ask for your understanding that we may have to move you to another venue in the same hotel if the above-mentioned venue is full.
- 3. Purpose of the Meeting**
Matters to be reported:
 1. Reports on the Business Report and Consolidated Financial Statements for the 33rd Fiscal Year (from April 1, 2023 to March 31, 2024) and the Audits Results of the Consolidated Financial Statements by the Financial Auditor and the Audit and Supervisory Committee

2. Reports on the Non-consolidated Financial Statements for the 33rd Fiscal Year (from April 1, 2023 to March 31, 2024)

Matters to be resolved:

- Proposal No. 1** Election of Four Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 2** Payment of Retirement Bonus and Special Merit Bonus to Retiring Director (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 3** Final Payment in Conjunction with the Abolition of the Retirement Bonus System for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) and Directors Who Are Audit and Supervisory Committee Members
- Proposal No. 4** Determination of Remuneration for Granting Restricted Stocks to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors)

4. Matters Determined in Relation to the Convocation (Instructions Concerning the Exercise of Voting Rights)

- (1) When voting rights have been exercised in writing (by mail), if there is no indication of a vote for or against a proposal on the voting form, it shall be treated as an indication of a vote for the proposal.
- (2) If voting rights have been exercised multiple times via the Internet, the final exercise of voting rights shall be treated as valid.
- (3) If voting rights have been exercised in duplicate via the Internet and in writing (by mail), the exercise of voting rights via the Internet shall be treated as valid, regardless of the time and date of arrival.
- (4) If exercising voting rights by proxy, one other shareholder with voting rights may attend the General Meeting of Shareholders as a proxy. Please note, however, that it is necessary to submit a document proving the authority of the proxy.

- If you plan to attend the meeting in person, please submit the voting form to the receptionist at the meeting.
- The Company shall send paper-based documents containing the matters for which measures for providing information in electronic format shall be taken to shareholders who have requested the delivery of paper-based documents, however the following matters shall be excluded from these paper-based documents, pursuant to the provisions of laws and regulations and Article 15 of the Articles of Incorporation.
 - (i) “Notes to Consolidated Financial Statements”
 - (ii) “Notes to Non-consolidated Financial Statements”

Accordingly, the Consolidated Financial Statements and Non-consolidated Financial Statements provided in these paper-based documents constitute part of the documents audited by the Financial Auditor and the Audit and Supervisory Committee when preparing the accounting audit report and audit report, respectively.

- The Company shall send this convocation notice and the reference documents for the General Meeting of Shareholders to shareholders who have not requested the delivery of paper-based documents.
- If revisions arise to the matters for which measures for providing information in electronic format are to be taken, a notice of the revisions and the details of the matters before and after the revisions will be posted on each of the websites on page 1.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Election of Four Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The term of office of all six Directors (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply hereinafter in this proposal) will expire at the conclusion of this General Meeting of Shareholders. Therefore, the Company proposes the election of four Directors, excluding two Directors who will retire owing to the expiration of their term of office.

The Audit and Supervisory Committee considered this proposal, and there were no objections.

The candidates for Director are as follows:

| Candidate No. | Name (Date of birth) | Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company (Note 3)) | | Number of the Company's shares owned |
|---------------|--|---|--|--|
| 1 | Yasuro Hayashi (February 23, 1959) Re-election | Apr. 1982 Apr. 2010 June 2010 Apr. 2011 Mar. 2012 June 2013 Apr. 2014 Apr. 2018 Apr. 2024 | Joined The Ashikaga Bank, Ltd. Joined the Company General Manager of Finance Department, Administration Division Managing Director Supervisor of Finance Department, Administration Division Senior Managing Director General Manager of President's Office Supervisor Responsible for the Entire Company Management Vice President President Chairman (current position) | 124,082 shares |
| 2 | Yasushi Sayama (October 31, 1969) Re-election | Apr. 1992 Apr. 1997 June 2005 Mar. 2008 June 2013 Apr. 2023 Apr. 2024 | Joined Watanabe General Construction Joined the Company Director Managing Director General Manager of Development Division Senior Managing Director Vice President President (current position) | 131,131 shares |
| 3 | Atsuo Saito (April 26, 1956) Re-election | Apr. 1990 Mar. 1997 June 2002 Apr. 2006 Mar. 2008 Mar. 2012 Apr. 2017 June 2020 | Joined Elleair Paper Tech Co. Ltd. Joined the Company Director Managing Director General Administration Manager Senior Managing Director Vice President (current position) General Administration Manager (current position) | 262,365 shares |
| 4 | Hideki Tani (April 15, 1973) Re-election | Oct. 1999 Feb. 2003 Dec. 2003 Jan. 2010 Apr. 2011 June 2011 Oct. 2013 Apr. 2024 | Joined the Company Joined Houshou Kensetsu Joined the Company General Manager of Construction Department, Construction Division General Manager of Construction Division (current position) Director Managing Director Senior Managing Director (current position) | 35,567 shares |

Notes: 1. There is no special interest between any of the Director candidates and the Company.

2. Directors (excluding Directors who are Audit and Supervisory Committee Members), in principle, are appointed as Executive Directors; Directors supervise each other from the perspective of the individual field of business that they are in charge of (or have been supervising), and, in addition, have involvement in the making of important decisions. Under such a basis, we have adopted a policy for the selection of candidates in which the individual's skills, qualifications, personality, experience, track record, etc., are considered, with the objective of achieving a Board of Directors that has a good balance of important managerial skills for the corporate management of the Company (refer to the "Skills Matrix of Directors" shown below).

The reasons for the election of each Director candidate are as follows.

- Yasuro Hayashi has held various important positions since his appointment as Director in charge of finance, and has a proven track record of expanding the Company's business as Representative Director and President since 2018 and as Chairman since April of this year, as well as insight into corporate management. Therefore, we request that he be elected to continue to serve as Chairman.
 - Yasushi Sayama has a proven track record of contributing to the expansion of the Company's business in the acquisition and development of land for sale, which is at the core of the Group's business, as Director in charge of the development division, has contributed to the strengthening of the Company's management structure since his appointment as Vice President in April 2023, and, in addition, has led the management of the Group as President since April of this year. Therefore, we request that he be elected to continue to serve as President.
 - Atsuo Saito has a proven track record of contributing to the establishment and strengthening of corporate governance, compliance, financial reporting, and other systems as a Director in charge of administration divisions, and has contributed to the strengthening of the Company's management structure as Vice President since April 2017. Therefore, we request that he be elected to continue to serve as Vice President.
 - Hideki Tani, as Director in charge of the construction division, has a proven track record of contributing to the improvement of the quality and performance, etc. of newly built housing, which is a flagship product of the Group, as well as the establishment of a production system to accommodate business expansion. Therefore, we request that he be elected to continue to serve as Director.
3. Significant concurrent positions outside the company held by each candidate are as follows.
 - Yasuro Hayashi concurrently serves as a Director of Ibaraki Grandy House, Gunma Grandy House, Chiba Grandy House, General Livtech Co., Ltd., Chuko House Information Center Co., Ltd., Grandy Reform Co., Ltd., and Kanagawa Grandy House INC. (all consolidated subsidiaries of the Company).
 - Yasushi Sayama concurrently serves as a Director of Ibaraki Grandy House, Gunma Grandy House, Chiba Grandy House, General Livtech Co., Ltd., Chuko House Information Center Co., Ltd., Grandy Reform Co., Ltd., and Kanagawa Grandy House INC.
 - Hideki Tani concurrently serves as a Director of Grandy Reform Co., Ltd. and Representative Director of Welcome House Co., Ltd. (a consolidated subsidiary of the Company).
 4. The Company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3 of the Companies Act, which insures Directors (including Directors who are Audit and Supervisory Committee Members), Audit & Supervisory Board Members, and Executive Officers of the Company and its subsidiaries, and a summary of the contents of such insurance policy is stated in the Business Report "II. Current Status of the Company, 3. Status of Company Officers, (iii) Overview of the content of Officers' Liability Insurance Policy" (in Japanese only). If each of the candidates is appointed as a Director under this proposal, the insurance policy will expire during his term of office, but the Company intends to continue to conclude an equivalent corporate officers' liability insurance policy insuring all of the candidates.
 5. The number of the Company's shares owned is the number of shares as of March 31, 2024.

[Reference] Skills Matrix of Directors

- If Proposal No. 1 is approved in its original form at this General Meeting of Shareholders, the skills matrix of the Company's Directors will be as follows.

| Name | Expertise and experience | | | | | | |
|---|--|---------------------------|-----------------------------------|-----------------------|---|---|-----------------------|
| | Corporate management Organizational operation | Sales Sales strategies | Technology/quality Development | Finance Accounting | Internal controls Risk management Legal affairs | Human resources development Personnel/labor affairs | ESG Sustainability |
| Yasuro Hayashi | • | • | | • | | • | • |
| Yasushi Sayama | • | • | • | | | | • |
| Atsuo Saito | • | | | • | • | • | • |
| Hideki Tani | • | • | • | | | | • |
| Hajime Yuzawa (Audit and Supervisory Committee Member) | • | | | • | • | | |
| Takehiko Kobayashi* (Audit and Supervisory Committee Member) | | | | • | • | | |
| Chikara Chikami* (Audit and Supervisory Committee Member) | • | | | • | • | | |
| Toru Yoshino* (Audit and Supervisory Committee Member) | | | | • | • | | |
| Akifumi Morita* (Audit and Supervisory Committee Member) | | | | • | • | | |

(*) Independent Outside Director

Proposal No. 2 Payment of Retirement Bonus and Special Merit Bonus to Retiring Director (Excluding Directors Who Are Audit and Supervisory Committee Members)

The Company proposes to pay a retirement bonus within an appropriate range to Hiroyuki Murata and Masayasu Ishikawa, who will retire as Directors owing to the expiration of their term of office at the conclusion of this General Meeting of Shareholders, in order to reward them for their service while in office, in line with certain standards of the Company. In addition, the Company proposes to pay a special merit bonus within an appropriate range to Hiroyuki Murata, in addition to the retirement bonus, as an award for his contributions to the development of the Company over his long 14-year tenure as Representative Director, in line with certain standards of the Company.

Furthermore, the Company proposes that the specific amount, timing and method of payment, and other details be delegated to the Board of Directors.

This proposal has been determined by the Board of Directors in accordance with policies and internal regulations related to determining the content of individual remuneration, etc. for Directors set forth by the Board of Directors in advance, and the Company has thus judged that it is appropriate. An overview of the content of the policy for determining the content of individual remuneration, etc. for Director of the Company is stated in the Business Report “II. Current Status of the Company, 3. Status of Company Officers, (iv) Directors’ Remuneration, etc., 5) Policies for Determining the Content of Officer Remuneration, etc.” (in Japanese only).

The Audit and Supervisory Committee considered this proposal, and there were no objections.

The career summary of the retiring Director is as follows:

| Name | Career summary | |
|-------------------|-----------------------------|-----------------------------|
| Hiroyuki Murata | Sept. 2000 | Director of the Company |
| | Feb. 2003 | Managing Director |
| | June 2004 | Senior Managing Director |
| | Mar. 2008 | Director |
| | Mar. 2010 | Director and Vice President |
| | Mar. 2011 | President |
| | Apr. 2018 | Chairman |
| Masayasu Ishikawa | Apr. 2024 | Director (current position) |
| | June 2011 | Director of the Company |
| | May 2014 | Managing Director |
| | June 2016 | Director |
| | Apr. 2018 | Managing Director |
| Apr. 2024 | Director (current position) | |

Proposal No. 3 Final Payment in Conjunction with the Abolition of the Retirement Bonus System for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) and Directors Who Are Audit and Supervisory Committee Members

The Company, at the meeting of the Board of Directors held on May 20, 2024, as part of its review of the officers remuneration system, on the condition that Proposal No. 4 “Determination of Remuneration for Granting Restricted Stocks to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)” is approved in its original form, resolved to abolish the officer retirement bonus system at the conclusion of this General Meeting of Shareholders. In conjunction with this, on the condition that Proposal No. 1 “Election of Four Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” is approved in its original form, the Company, in order to reward Yasuro Hayashi, Yasushi Sayama, Atsuo Saito, and Hideki Tani for their hard work during their tenure, during which they were eligible for the retirement bonus system, would like to pay them a final retirement bonus within an appropriate range, in line with certain standards of the Company.

The payment will be made upon the retirement of each respective Director; the Company proposes that the specific amount and method of payment be delegated to the Board of Directors in the case of Directors (excluding Director who are Audit and Supervisory Committee Members) and to discussions among the Directors who are Audit and Supervisory Committee Members in the case of Directors who are Audit and Supervisory Committee Members.

This proposal has been determined by the Board of Directors in accordance with policies and internal regulations related to determining the content of individual remuneration, etc. for Directors set forth by the Board of Directors in advance, and the Company has thus judged that it is appropriate. An overview of the content of the policy for determining the content of individual remuneration, etc. for Director of the Company is stated in the Business Report “II. Current Status of the Company, 3. Status of Company Officers, (iv) Directors’ Remuneration, etc., 5) Policies for Determining the Content of Officer Remuneration, etc.” (in Japanese only).

The Audit and Supervisory Committee considered the part of this proposal concerning the final payment of retirement bonus to Directors (excluding Directors who are Audit and Supervisory Committee Members), and Directors who are Audit and Supervisory Committee Members considered the part of this proposal concerning the final payment of retirement bonus to Directors who are Audit and Supervisory Committee Members, and there were no objections.

The career summary of the Directors (excluding Directors who are Audit and Supervisory Committee Members) and Directors who are Audit and Supervisory Committee Members, who are expected to receive a final payment in conjunction with the abolition of the retirement bonus system, is provided below.

| Name | Career summary | |
|----------------|---|--|
| Yasuro Hayashi | June 2010 Mar. 2012 Apr. 2014 Apr. 2018 Apr. 2024 | Managing Director of the Company Senior Managing Director Vice President President Chairman (current position) |
| Yasushi Sayama | June 2005 Mar. 2008 June 2013 Apr. 2023 Apr. 2024 | Director of the Company Managing Director Senior Managing Director Vice President President (current position) |
| Atsuo Saito | June 2002 Apr. 2006 Mar. 2012 Apr. 2017 | Director of the Company Managing Director Senior Managing Director Vice President (current position) |
| Hideki Tani | June 2011 Oct. 2013 Apr. 2024 | Director of the Company Managing Director Senior Managing Director (current position) |
| Hajime Yuzawa | June 2012 June 2015 | Standing Audit & Supervisory Board Member of the Company Director who is an Audit & Supervisory Committee Member (current position) |

Proposal No. 4 Determination of Remuneration for Granting Restricted Stocks to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors)

The amount of remuneration, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) of the Company was approved at the 30th Annual General Meeting of Shareholders held on June 29, 2021, as an annual amount not to exceed 450 million yen (not including salary as an employee for Directors serving concurrently as employees).

As part of our review of the officer remuneration system, the Company would like to give incentives to Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members; hereinafter referred to as “Eligible Directors”) with the aim of the sustainable improvement of the corporate value of the Company, and in addition, with the objective of promoting the further sharing of value with all shareholders, would like to pay remuneration in order to newly grant restricted stock to Eligible Directors outside of the remuneration limit described above.

Based on this proposal, the remuneration to be paid in order to grant restricted stock to Eligible Directors shall be in the form of a monetary claim, and the total annual amount of this shall not exceed 25 million yen (not including salary as an employee for Directors serving concurrently as employees). In addition, the specific timing and distribution of payments to each Eligible Director shall be determined by the Board of Directors after consulting with and receiving a report from the Remuneration Advisory Committee.

The current number of Directors (excluding Directors who are Audit and Supervisory Committee Members) is six (including no Outside Directors), and if Proposal No. 1 “Election of Four Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” is approved in its original form, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) will be four (including no Outside Directors).

In addition, Eligible Directors, based on the resolution of the Board of Directors of the Company, will pay in the full amount of monetary claims paid by this proposal as assets contributed in kind, and shall receive delivery or disposal of the common stocks of the Company; the total number of common stocks of the Company that are to be delivered or disposed of through this shall not exceed 45,000 shares per year (however, in the event of a stock split (includes the gratis allocation of common stocks of the Company) or reverse stock split being performed on the common stocks of the Company after the date that this proposal is approved, and in other cases where the need arises to adjust the total number of common stocks of the Company that are to be delivered or disposed of as restricted stocks, this total number shall be adjusted within a reasonable range).

The amount to be paid in per share shall be determined by the Board of Directors, within a range that is not particularly advantageous to the Eligible Directors who receive common stocks, based on the closing price of the common stocks of the Company on the Tokyo Stock Exchange on the business day prior to the respective date of the resolution of the Board of Directors (in the event of no transactions being concluded on that day, the closing price on the most recent preceding business day). In addition, the delivery or disposal of the common stocks of the Company as well as the payment of monetary claims as a contribution in kind through this shall be on the condition of the execution of a restricted stock allocation agreement that includes the following content between the Company and the Eligible Directors (hereinafter referred to as “the Allocation Agreement”). Furthermore, the upper limit for the amount of remuneration in this proposal, the total number of common stocks of the Company that are to be delivered or disposed of, as well as the other conditions for the allocation of restricted stocks to Eligible Directors based on this proposal have been determined in consideration of the objectives described above, the business conditions of the Company, the policy of the Company for decisions concerning the content of individual Director remuneration, etc. (note that if this proposal is approved, it is planned to change this policy to the content stated in the [Reference] section below in order to bring it in line with the approved content), as well as various other circumstances, and are thought to be suitable.

The Audit and Supervisory Committee considered this proposal, and there were no objections.

In addition, if the proposal for this System is approved in its original form at this General Meeting of Shareholders, the Company plans to introduce a similar restricted stock remuneration system for Directors (excluding Outside Directors) of the Company’s subsidiaries.

[Overview of the Content of the Allocation Agreement]

(1) Transfer restriction period

Eligible Directors, in the period from the date of allocation pursuant to this Allocation Agreement through to the time immediately after their resignation or retirement of the position of officer or employee of the Company or a subsidiary of the Company that has been prescribed beforehand by the Company's Board of Directors (hereinafter referred to as "transfer restriction period"), must not transfer, set as collateral, or dispose in any other manner (hereinafter referred to as "transfer restrictions") of the common stocks of the Company that have been assigned pursuant to this Allocation Agreement (hereinafter referred to as "the Allocated Stocks"). However, in the event of the timing immediately after such resignation or retirement being less than three months after the end of the business year in which the allocation of the Allocated Stocks is received, the end date of the transfer restriction period may be adjusted within a reasonable range.

(2) Handling upon resignation or retirement

In the event of an Eligible Director resigning or retiring from the position of officer or employee of the Company or a subsidiary of the Company that has been prescribed beforehand by the Company's Board of Directors prior to the expiration of the period prescribed by the Company's Board of Directors (hereinafter referred to as "service provision period"), with the exception of where the resignation or retirement was due to the expiration of tenure, death, or other legitimate reason, the Company shall acquire the Allocated Stocks free of charge as a matter of course.

(3) Release of transfer restrictions

The Company, on the condition that the Eligible Directors continue in their position of officer or employee of the Company or a subsidiary of the Company that has been prescribed beforehand by the Company's Board of Directors throughout the service provision period, shall release the transfer restrictions on all of the Allocated Stocks upon the expiration of the transfer restriction period. However, (i) in the event of an applicable Eligible Director having resigned or retired from their position of officer or employee of the Company or a subsidiary of the Company that has been prescribed beforehand by the Company's Board of Directors prior to the expiration of the service provision period due to a legitimate reason, or (ii) in the event of an applicable Eligible Director having resigned or retired from their position of officer or employee of the Company or a subsidiary of the Company that has been prescribed beforehand by the Company's Board of Directors due to any reason that is not a legitimate reason prior to the expiration of the transfer restriction period, even if after the expiration of the service provision period, the number of the Allocated Stocks for which the transfer restrictions are to be released, as well as the timing of the release of transfer restrictions, shall be reasonably adjusted as necessary. In addition, the Company shall acquire the Allocated Stocks for which the transfer restrictions have not been released free of charge as a matter of course immediately after the release of transfer restrictions in accordance with the provisions above.

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

Notwithstanding the provisions of (1) above, the Company, in the event of a merger agreement in which the Company will be the extinguished company, a stock exchange agreement or stock transfer plan in which the Company will become a wholly owned subsidiary, or other matter relating to organizational restructuring, etc., being approved at a General Meeting of Shareholders of the Company (however, in cases where the approval of a General Meeting of Shareholders of the Company is not required for the applicable organizational restructuring, etc., the Board of Directors of the Company), pursuant to the resolution of the Board of Directors of the Company, shall release the transfer restrictions for the Allocated Stocks to the quantity reasonably prescribed based on the length of time from the start date of the transfer restriction period through to the approval date of the applicable organizational restructuring, etc., prior to the effective date of the applicable organizational restructuring, etc. In addition, in the case prescribed above, the Company shall acquire the Allocated Stocks for which the transfer restrictions have not been released free of charge as a matter of course immediately after the release of transfer restrictions.

(5) Other matters

Other matters relating to this Allocation Agreement shall be prescribed at the Company's Board of Directors.

[Reference] Overview of the content on the policy for determining the content of individual Director remuneration, etc.

1. Policy for determining the composition of officer remuneration and the individual amount of remuneration, etc. Officer remuneration of the Company shall comprise basic remuneration, performance-linked remuneration, and restricted stock remuneration, and the decision-making policy for this shall be as described below.

(i) Basic remuneration

(As stated in the Business Report “II. Current Status of the Company, 3. Status of Company Officers, (iv) Directors’ Remuneration, etc., 5) Policies for Determining the Content of Officer Remuneration, etc., b.”) (in Japanese only)

(ii) Performance-linked remuneration

(As stated in the Business Report “II. Current Status of the Company, 3. Status of Company Officers, (iv) Directors’ Remuneration, etc., 5) Policies for Determining the Content of Officer Remuneration, etc., d.”) (in Japanese only)

(iii) Restricted stock remuneration

- With the objective of providing an incentive to aim for the sustainable improvement of the corporate value of the Company as well as to promote the further sharing of value with shareholders, Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter referred to as “Eligible Recipients”) shall be granted restricted stock remuneration.
- Restricted stock remuneration involves the granting of common stocks of the Company upon the setting of a fixed transfer restriction period, and, in principle, a restricted stock allocation agreement shall be executed between the Company and the Eligible Recipients, based on the resolution of the Board of Directors, on an annual basis.
- The common stocks of the Company that are to be granted to Eligible Recipients each year, in principle, shall be based on the monthly remuneration of each Eligible Recipient.

2. Policy for determining the ratio for the amount of basic remuneration, the amount of performance-linked remuneration or the amount of non-monetary remuneration, and the amount of remuneration, etc. for each individual Director

The remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members) shall comprise basic remuneration, performance-linked remuneration, and restricted stock remuneration, and the payment ratio of each form of remuneration against the annual amount of remuneration, etc. for each Director shall be approximately 81 to 93% basic remuneration (incentive remuneration that is included in basic remuneration shall be based on the standard number of months), approximately 13 to 0% performance-linked remuneration (in the event of the “rate of change against results forecast” being in excess of 90% in relation to the determination of “point value” in the calculation method), and approximately 6 to 7% restricted stock remuneration.

3. Matters relating to the determination of the content of remuneration, etc. for individual Directors

The amount of basic remuneration and the number of allocated stocks in restricted stock remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be determined by the Board of Directors, within the range of the remuneration limits resolved at the General Meeting of Shareholders, and the calculation method, etc. for the amount of performance-linked remuneration shall be determined at a General Meeting of Shareholders. Proposals for remuneration that are submitted to the Board of Directors (in the case of performance-linked remuneration, the calculation method, etc. of this shall be proposed by the Board of Directors as a proposal that is to be submitted to a General Meeting of Shareholders) shall be formulated upon consulting with and receiving a report from the Remuneration Advisory Committee. The amount of performance-linked remuneration shall be automatically calculated for each individual Director by objectively determining the indicators, etc., used in the calculation method, etc.

The specific amount of remuneration, etc. for Directors who are Audit and Supervisory Committee Members shall be determined by discussions among the Audit and Supervisory Committee Members, within the range of the remuneration limit resolved at the General Meeting of Shareholders.