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(Commencement date for electronic provision measures: September 5, 2024)

To shareholders:

Daisuke Sasaki
Representative Director
freee K.K.
2-2, Osaki 1-chome,
Shinagawa-ku, Tokyo, Japan

Notice of 12th Ordinary General Meeting of Shareholders

It is our pleasure to inform you that the 12th Ordinary General Meeting of Shareholders of freee K.K. (the “Company”) will be held as described below.

Pursuant to the Company’s Articles of Incorporation, this General Meeting of Shareholders shall be a General Meeting of Shareholders without a designated location and held only on the Internet (a “Virtual-only General Meeting of Shareholders”).

The Company has implemented electronic provision measures for the convocation of this General Meeting of Shareholders, with matters concerning electronic provision measures provided on the websites below.

[The Company’s website]
<https://corp.freee.co.jp/en/ir/stock/>

Aside from the above, information is also provided on the website below.

[Tokyo Stock Exchange website]
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the above Tokyo Stock Exchange website, enter and search for the Company’s name or securities code (4478), select “Basic information” and “Documents for public inspection/PR information” in that order, and view the information.

If not attending the Virtual-only General Meeting of Shareholders, you may exercise voting rights in writing or via the Internet. Please review the Reference Materials for the General Meeting of Shareholders provided in the matters concerning electronic provision measures, indicate approval or disapproval on the Voting Rights Exercise Form, and post the form to arrive no later than 6:30 p.m. on Thursday, September 26, 2024 (JST), or exercise your voting rights via the Internet, etc.

- 1. Date and time:** 10:00 a.m. on Friday, September 27, 2024 (JST)
 - * If holding the Virtual-only General Meeting of Shareholders on the above date is difficult due to network failures, etc., it will be held on the alternate date of Monday, September 30, 2024 at 10:00 a.m. (JST).
 - * Login is scheduled to open from 9:30 a.m. in either case.
 - * If the Company elects to hold the meeting on the alternate date, a notice will be provided on the Company’s website (<https://corp.freee.co.jp/ir/stock/>) by 11:00 a.m. on Friday, September 27, 2024.
- 2. Method of holding meeting:** Virtual-only General Meeting of Shareholders. Please access the website below to attend with viewing the “Guide to Virtual-only General Meeting of Shareholders” on page 4 of the Japanese version of this document.
General Meeting of Shareholders website:
<https://web.sharely.app/login/freee-12>
- 3. Meeting agenda:**

- Matters to be reported:**
1. The business report and consolidated financial statements for the Company's 12th fiscal year (from July 1, 2023 to June 30, 2024), and the results of audits of the consolidated financial statements by the Accounting Auditor and the Audit & Supervisory Committee
 2. Non-consolidated financial statements for the Company's 12th fiscal year (from July 1, 2023 to June 30, 2024)

Matters to be resolved:

- Proposal 1:** Partial Amendment to the Articles of Incorporation
- Proposal 2:** Election of Three (3) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal 3:** Partial Amendment to Performance Share Unit Plan for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors)

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- To ensure that the chairperson has the authority to delay or continue this General Meeting of Shareholders if there is significant difficulty in advancing the agenda for this General Meeting of Shareholders due to network failures, etc., a resolution to this effect shall be presented at the beginning of this General Meeting of Shareholders. Based on said resolution, if the chairperson decides to delay or continue the meeting, the delayed meeting or continuance for this General Meeting of Shareholders shall be held on the alternate date indicated above, from 10:00 a.m. on Monday, September 30, 2024. In this case, a notice (Japanese only) shall be provided promptly on the Company's website (<https://corp.freee.co.jp/ir/stock/>).
- The Internet shall be the transmission method to be used to transmit and receive information for the agenda for this General Meeting of Shareholders.
- If a vote for or against a proposal is not indicated on the Voting Rights Exercise Form, it shall be treated as a vote for the proposal.
- If a shareholder who has exercised voting rights in advance either in writing or via the Internet exercises voting rights in duplicate by attending the General Meeting of Shareholders, the content of the exercise at the General Meeting of Shareholders shall be deemed valid. If voting rights are not exercised at the General Meeting of Shareholders, the content of the exercise made in advance either in writing or via the Internet shall be deemed valid.
- Shareholders who wish to attend via proxy are requested to designate another shareholder who holds voting rights, in accordance with the provisions of laws and regulations and the Articles of Incorporation. For details on procedures, please see the "Guide to Virtual-only General Meeting of Shareholders" on page 4 of the Japanese version of this document.
- Pursuant to the relevant laws and regulations and Article 15, Paragraph 2 of the Company's Articles of Incorporation, the materials below are not included in the documents provided to shareholders who have requested paper copies. As a result, the documents audited by the Audit & Supervisory Committee Members and Accounting Auditor include not only said documents, but the matters below that are provided on the various websites.
 - Business report
 - Matters concerning the company group
 - Business progress and results
 - Issues to be addressed
 - Financial position and results
 - Main businesses
 - Main offices
 - Employees
 - Main lenders
 - Matters concerning stock
 - Matters concerning stock acquisition rights, etc.
 - Matters concerning corporate officers
 - Matters concerning outside officers
 - Matters concerning the Accounting Auditor
 - Systems to ensure appropriate execution of business, and an outline of their operational status
 - Policy concerning decisions on distribution of surplus, etc.
 - Consolidated financial statements
 - Non-consolidated financial statements

•Audit report

- If any revisions are made to the matters for electronic provision measures, such revisions will be posted on the respective websites where they are available.
- The results of voting at this General Meeting of Shareholders (Japanese only) will be posted on the Company's website (<https://corp.freee.co.jp/ir/stock/>), in lieu of the delivery of a written notice of resolutions by mail.

Proposals and References

Proposal 1: Partial Amendment to the Articles of Incorporation

The Company proposes an amendment to its Articles of Incorporation as follows.

- (1) Reason for the proposal
The Company proposes to add new business purposes in the provision of Article 2 (Purposes) of the current Articles of Incorporation to accommodate the expansion of our business activities.
- (2) Details of the amendment
The proposed amendments are shown below.
This amendment to the Articles of Incorporation will take effect upon the conclusion of this Ordinary General Meeting of Shareholders.

(Underline indicates amended parts.)

Current Articles of Incorporation	Proposed Articles of Incorporation
CHAPTER 1. GENERAL PROVISIONS	CHAPTER 1. GENERAL PROVISIONS
(Purposes) Article 2. (Items omitted)	(Purposes) Article 2. (Unchanged)
(1) - (13) (Items omitted)	(1) - (13) (Unchanged)
(Newly established)	<u>(14) Financial service intermediary business</u>
<u>(14) - (16)</u> (Items omitted)	<u>(15) - (17)</u> (Unchanged)

Proposal 2: Election of Three (3) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

The terms of office of four (4) Directors (excluding Directors who are Audit & Supervisory Committee Members; the same shall apply hereinafter in this proposal) will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, the Company proposes the election of three (3) Directors.

The Audit & Supervisory Committee considered this proposal and did not express any particular opinion.

The candidates for the office of Director are shown below.

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
1	Daisuke Sasaki (September 18, 1980) [Reappointment] [Male] Attendance at Board of Directors meetings: 15/15	<p>April 2004 Joined Hakuodo Inc. July 2006 Joined CLSA Capital Partners Japan May 2007 Joined ALBERT Inc. May 2008 Joined Google Inc. (currently Google Japan LLC) July 2012 Established the Company, Representative Director and CEO (to present) October 2018 Director of free finance lab K.K. April 2020 Management Council Member of Hitotsubashi University April 2021 Director of free sign Inc.</p> <p>Significant concurrent positions None</p> <p>Reason for nomination as candidate for Director and summary of expected roles Daisuke Sasaki has directed management of the Company as Representative Director since it was established in 2012, contributing to its sustained growth. The Company recommends his reappointment as a Director because the Company judges that he contributes to enhancing the corporate value of the Group through his philosophy and strong leadership as the Company's founder.</p>	11,018,100

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
2	Ryu Yokoji (August 24, 1984) [Reappointment] [Male] Attendance at Board of Directors meetings: 15/15	<p>April 2010 Joined Sony Corporation (currently Sony Group Corporation) July 2012 Co-founder and Director of the Company September 2015 Operating Executive Officer and CTO September 2021 Director and CTO (to present)</p> <p>Significant concurrent positions None</p> <p>Reason for nomination as candidate for Director and summary of expected roles As co-founder of the Company, Ryu Yokoji has led product development since its establishment in 2012, contributing to its sustained growth. The Company recommends his reappointment as a Director because he can be expected to leverage his achievements and experience to realize the further enhancement of corporate value.</p>	2,046,100

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
3	Yumi Hosaka Clark (December 29, 1969) [Reappointment] [Outside] [Independent] [Female] Attendance at Board of Directors meetings: 15/15	<p>May 1995 Account Manager of Navteq</p> <p>January 2003 Director, Business Operations eBay Ventures and International Expansion Product Director of eBay, Incorporated (PayPal, Inc.)</p> <p>November 2007 Director, Payments and Commerce Solutions/Commerce Network Solutions; Product Management Director, Employee Management Solutions; and Director, Strategic Payments Initiatives of Intuit, Incorporated</p> <p>January 2015 Vice President, Small Business New Product Development and Vice President, Payments and Money Movement of Capital One, Incorporated</p> <p>June 2018 Vice President, Head of Products and Solutions Japan of Visa Worldwide (Japan), Co., Ltd.</p> <p>September 2018 Outside Director of Paidy Incorporated</p> <p>March 2021 Vice President, Integrated Financial Services of Quicken Incorporated</p> <p>September 2021 Outside Director of the Company (to present)</p> <p>June 2023 Chief Transformation Officer of OPN Holdings Co., Ltd.</p> <p>May 2024 Executive Advisor of Verdigris Technologies Inc. (to present)</p> <p>May 2024 Board Advisor of Kueski Inc. (to present)</p> <p>Significant concurrent positions Executive Advisor of Verdigris Technologies Inc.</p> <p>Reason for nomination as candidate for Outside Director and summary of expected roles Yumi Hosaka Clark has served in key positions at international fintech companies, and has abundant experience in development linking traditional financial networks with the latest apps, as well as post-development scale-up. She also has extensive experience servicing the small business segment, and in investment and corporate acquisitions, actively providing a wide range of advice concerning the Company's products, businesses, and investments, etc., to the Board of Directors. The Company recommends her reappointment as an Outside Director because she can be expected to provide appropriate advice on the management of the Company from an objective and global perspective.</p>	0

- (Notes)
1. No special interests exist between any of the candidates and the Company.
 2. Yumi Hosaka Clark is a candidate for the office of Outside Director. The Company has registered her as an independent director with the Tokyo Stock Exchange. If this proposal is approved, the Company intends to maintain the registration.
 3. The Company has concluded an agreement with Yumi Hosaka Clark in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, to limit her liability for damages under Article 423, Paragraph 1 of said Act to one million yen, or the amount stipulated in Article 425, Paragraph 1 of said Act, whichever is greater. If her reappointment is approved, the Company intends to maintain the agreement with her. The limitation of liability under the agreement applies only in cases where the Outside Director acted in good faith and without gross negligence in the performance of the duties giving rise to the liability.
 4. The Company has concluded a directors and officers liability insurance agreement with an insurance company, in accordance with the provisions of Article 430-3, Paragraph 1 of the Companies Act. The insurance policy covers damages that may arise when an insured Director or other insured officer assumes liability for the execution of his or her duties or is subject to a claim related to the pursuit of such liability. All candidates will be insured under the insurance contract. The Company plans to renew the insurance policy under the same terms when it comes due for renewal.
 5. Yumi Hosaka Clark has never engaged in corporate management except in the capacity of Outside Director. However, the Company has judged her capable of appropriately fulfilling her duties as Outside Director for the reasons given above.
 6. Yumi Hosaka Clark is currently an Outside Director of the Company, and will have served as an Outside Director for three (3) years at the conclusion of this Ordinary General Meeting of Shareholders.

Proposal 3: Partial Amendment to Performance Share Unit Plan for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors)

1. Details and reason for the proposal

At the 9th Ordinary General Meeting of Shareholders held on September 29, 2021, the Company received approval to introduce a performance share unit plan (the “Plan”) for the Company’s Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors: the “Eligible Directors”).

Given that the environment surrounding the Company has changed since the introduction of the Plan in 2021, the Company has revised the Plan in order to sustainably improve its corporate value and create clearer incentives for achieving performance targets.

The performance share unit provided to the Eligible Directors in 2022 and 2023 is based on the pre-revision Plan, which grants shares of the Company based on the degree of achievement of stock price evaluation indicators over three years, from October 1, 2022 to September 30, 2025 and from October 1, 2023 to September 30, 2026, respectively. Therefore, the pre-revision and post-revision Plans will coexist until 2026.

The total amount of monetary compensation rights to be allocated to Eligible Directors and the total number of common shares of the Company to be received by Eligible Directors through issuance or disposal under the revised Plan shall not exceed 60 million yen or 12,000 shares per annum, respectively. These limits are the same as what was approved at the 9th Ordinary General Meeting of Shareholders held on September 29, 2021, and separate from the limits set for basic salary and restricted stock compensation. (As mentioned above, the pre-revision and post-revision Plans will coexist until 2026, but the annual limits will be 60 million yen and 12,000 common shares in total.) The specific timing and allocation of payments to each Eligible Director will be determined by the Board of Directors.

Currently, there are three Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors). If Proposal 2 is approved as originally proposed at this Ordinary General Meeting of Shareholders, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) will be two.

2. Reason for judging the compensation plan as appropriate

This proposal was submitted to the Company’s Compensation Committee and determined by the Board of Directors based on the deliberations of this committee. Additionally, the decision aligns with the content of the revised decision policy, which is why the Company deems this plan appropriate.

Furthermore, the Audit & Supervisory Committee has also expressed its opinion, following deliberation, that this plan is appropriate.

3. Content of the post-revision Plan

(1) Overview of the Plan

The Plan is designed to achieve the Group’s performance targets and further promote value sharing with shareholders by granting common shares of the Company to the Eligible Directors, depending on whether the performance targets are met during the period of the applicable fiscal year spanning July 1st to June 30th of the following year (the “Evaluation Period”). The number of shares to be granted will be calculated as outlined in (2) below and will be awarded after the end of the Evaluation Period. To provide a clearer incentive for the sustainable enhancement of corporate value, a restriction on the transfer of the granted shares will be imposed until the day on which three years have passed from the end date of the Evaluation Period in principle. The Company will enter into a restricted share allotment agreement (the “Allotment Agreement”) with each of the Eligible Directors, as outlined in (3) below.

Under the Plan, common shares of the Company will be granted based on the achievement of performance targets. Therefore, at the time of the Plan’s introduction, it has not yet been determined whether or not the shares will be granted to each Eligible Director.

(2) Calculation method for performance share unit

The number of restricted shares (RS) to be granted to each Eligible Director will be calculated according to the following formula:

[Calculation formula]

Number of restricted shares (RS) to be granted to each Eligible Director = Standard number of shares to be granted (i) × Payout ratio (ii)

(i) The “standard number of shares to be granted” shall be determined by the Board of Directors based on the Eligible Director’s position, responsibilities, and other factors.

(ii) The “payout ratio” is either 0% or 100% depending on whether the evaluation indicators set by the

Board of Directors for the Evaluation Period are met (if the specified evaluation indicators are not achieved, no shares will be granted).

(Reference Information)

The evaluation indicators for the performance share unit with the Evaluation Period from July 1, 2024 to June 30, 2025 will be internal target figures related to revenue sales and adjusted operating profit for the fiscal year ending June 30, 2025. The Company plans to determine whether the performance share unit will be awarded based on the achievement of these target figures.

Additionally, common shares of the Company (the “Allotted Shares”) will be granted to an Eligible Director only if he/she:

- (i) has not committed certain misconduct;
- (ii) has continuously held the position of Director of the Company throughout the Evaluation Period; and
- (iii) meets other necessary requirements as determined by the Board of Directors.

(3) Content of the restricted share allotment agreement

When issuing or disposing of the Allotted Shares, the Company will enter into an Allotment Agreement with each of the Eligible Directors (limited to those who hold the position of Director of the Company or other positions determined by the Board of Directors as of the date of the Board resolution concerning the issuance or disposal of the Allotted Shares). The following terms will be included in the agreement:

(i) Transfer restriction period

The transfer restriction period will, in principle, be until the day on which three years have passed from the end date of the Evaluation Period. During the transfer restriction period, the Eligible Director is prohibited from transferring, pledging, or otherwise disposing of the Allotted Shares.

(ii) Lifting of transfer restrictions

Transfer restrictions on the following portions of the Allotted Shares will be lifted at the expiration of the transfer restriction period under the following conditions.

- (a) One-third of the Allotted Shares (“Portion (i)”): the Eligible Director has continuously held the position of Director or another position determined by the Board of Directors (the “Position”) during the period from the date in which the allotment was received under the Allotment Agreement until the end of the fiscal year to which the allotment date belongs (“Target Period (i)”)
- (b) Half of the remaining Allotted Shares, excluding Portion (i) (“Portion (ii)”): the Eligible Director has continuously held the Position during the period from the date in which the allotment was received under the Allotment Agreement until the end of the fiscal year following the fiscal year to which the allotment date belongs (“Target Period (ii)”)
- (c) The remaining Allocated Shares, excluding Portions (i) and (ii): the Eligible Director has continuously held the Position during the period from the date in which the allotment was received under the Allotment Agreement until the end of the second fiscal year following the fiscal year to which the allotment date belongs (“Target Period (iii)”)

The Company will automatically acquire without compensation any Allotted Shares that remain under transfer restrictions at the expiration of the transfer restriction period. Notwithstanding the above, if the Board of Directors resolves that it is appropriate for the Company to acquire the Allotted Shares without compensation due to violations of laws, internal regulations, or the Allotment Agreement by the Eligible Director, or for other reasons, the Company will acquire the Allocated Shares without compensation.

(iii) Handling of retirement during the transfer restriction period

If the Eligible Director loses the Position before the end of Target Period (i), the Company will automatically acquire all of the Allocated Shares without compensation at that time. If the Eligible Director loses the Position after the end of Target Period (i) but before the end of Target Period (ii), the Company will automatically acquire the remaining Allocated Shares, excluding Portion (i), without compensation at that time. If the Eligible Director loses the Position after the end of Target Period (ii) but before the end of Target Period (iii), the Company will automatically acquire the remaining Allocated Shares, excluding Portions (i) and (ii), without compensation at that time.

(iv) Handling in the event of organizational restructuring

If, during the transfer restriction period, a matter related to a merger agreement in which the Company will become the disappearing company, a share exchange agreement in which the Company will become

a wholly-owned subsidiary, a share transfer plan, or other organizational restructuring is approved at a General Meeting of Shareholders of the Company (or by the Company's Board of Directors if shareholder approval is not required), or if there are other reasons deemed justifiable by the Board of Directors, the transfer restrictions on a reasonably adjusted number of Allotted Shares may be lifted at a reasonable time as determined by the Board of Directors before the effective date of the organizational restructuring. The Company will automatically acquire without compensation any Allotted Shares that remain under transfer restrictions immediately after the restrictions are lifted.

(v) Other matters determined by the Board of Directors

Other details related to the Plan will be determined by the Board of Directors and incorporated into the content of the Allotment Agreement.

(4) Maximum total amount of monetary compensation rights and maximum total number of shares under the Plan

The total amount of monetary compensation rights to be paid to the Eligible Directors under the Plan will be up to 60 million yen per year, and the total number of common shares of the Company to be issued or disposed of to the Eligible Directors will be up to 12,000 shares per year. Provided that, if there is a risk of exceeding these limits, the number of shares to be granted to the Eligible Directors will be reduced according to a reasonable method determined by a resolution of the Board of Directors to ensure the limits are not exceeded. Additionally, if a stock split (including allotment of shares without contribution) or a stock consolidation of the Company's common shares is conducted after the approval of this proposal, or if other reasons necessitate an adjustment to the total number of the Company's common shares to be issued or disposed of as performance-linked stock, the total number will be adjusted within a reasonable range.

The maximum number of shares that may be granted to the Eligible Directors by the Company is 24,000 shares per year, which consist of shares to be granted under the Plan (up to 12,000 shares) and those to be granted under the restricted stock compensation plan approved at the 9th Ordinary General Meeting of Shareholders held on September 29, 2021 (up to 12,000 shares). However, the proportion of these shares to the total number of issued shares (as of the end of June 2024) is approximately 0.04%, and the Company considers the dilution rate to be minimal.

(5) Payment amount per share

The payment amount per share of the Company's common stock to be allotted under the Plan will be determined by the Board of Directors based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board resolution regarding the allotment of shares (or the closing price on the closest preceding trading day if no transaction occurs on that day). The amount will be set at a level that is not particularly advantageous to the Eligible Directors.

(6) Handling in the event of organizational restructuring

If, after the start of the Evaluation Period, a matter related to a merger agreement in which the Company will become the disappearing company, a share exchange agreement in which the Company will become a wholly-owned subsidiary, a share transfer plan, or other organizational restructuring is approved at a General Meeting of Shareholders of the Company (or by the Company's Board of Directors if shareholder approval is not required), the Board of Directors may, by resolution, decide to grant an amount of money reasonably calculated by the Board of Directors as equivalent to the value of common shares of the Company whose number is reasonably determined based on the period from the start of the Evaluation Period to the date of approval of the organizational restructuring, instead of such common shares, within the scope of the above-mentioned compensation limits under the Plan.

(7) Future revisions to the Plan

The content of this Plan, including evaluation indicators and calculation methods, may be revised as necessary by a resolution of the Board of Directors in response to changes in management objectives or other factors.

(Reference)

(1) The Plan is intended to revise part of the current compensation system to align with the management strategy of the Group and support its sustainable growth. The Company also plans to introduce a similar performance share unit plan for certain Operating Executive Officers.

(2) The content of the Policy for Determining the Details of Individual Compensation, etc. for Directors, which is planned to be revised if Proposal 3 is approved as originally proposed, is as follows.

<Policy for Determining the Details of Individual Compensation, etc. for Directors>

1. Basic Policy

(1) The compensation for the Company's Directors (excluding Directors who are Audit & Supervisory Committee Members) will be determined based on the following fundamental principles:

- The compensation system should function effectively as an incentive for strong commitment to achieving the Company's annual and medium- to long-term management plans and financial goals, as well as the sustainable enhancement of corporate value.
- The compensation level should be determined in consideration of surveys and other assessments of the status of domestic and international companies in the same industry conducted by external organizations.

(2) The compensation for the Inside Directors will consist of basic compensation (monetary compensation) and stock compensation (performance share unit and restricted stock compensation) based on the principles outlined in (1) above (provided that stock compensation will be granted only to those residing in Japan).

(3) The compensation for Outside Directors (excluding Directors who are Audit & Supervisory Committee Members) will consist of basic compensation (monetary compensation) and stock compensation (restricted stock compensation) based on the principles outlined in (1) above (provided that stock compensation will be granted only to those residing in Japan).

(4) The compensation for Company's Directors who are Audit & Supervisory Committee Members will consist of basic compensation (monetary compensation) and stock compensation (restricted stock compensation). This compensation will be determined through consultation among all Audit & Supervisory Committee Members, taking into account their responsibilities, economic conditions, and other relevant factors (provided that stock compensation will be granted only to those residing in Japan).

2. Policy for Determining the Amount of Compensation, etc. for Directors or its Calculation Method

(1) Policy for determining the amount of individual compensation, etc. related to basic compensation (monetary compensation) (including the policy for determining the timing or conditions for providing a compensation, etc.)

Basic compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members):

The basic compensation will be a fixed monthly payment, determined by considering industry standards, the Company's performance, employee salaries, and other relevant factors. Provided that the total annual compensation amount will be capped at 150 million yen, including a maximum of 20 million yen allocated for Outside Directors.

Basic compensation for Directors who are Audit & Supervisory Committee Members:

The basic compensation will be a fixed monthly payment, determined through consultation among all Audit & Supervisory Committee Members, considering their responsibilities, economic conditions, and other relevant factors. Provided that the total annual compensation amount, including that for Outside Directors, will be capped at 20 million yen.

(2) Policy for determining the details and calculation method of the amount or number of performance-linked compensation and non-monetary compensation (including the policy for determining the timing or conditions for providing compensation, etc.)

Performance share unit plan

This plan targets Directors, excluding Directors who are Audit & Supervisory Committee Members and Outside Directors. It aims to provide incentives for achieving annual and medium- to long-term performance targets, as well as enhancing corporate value, while also further promoting value sharing with shareholders. In addition to requiring continuous service as a Director, etc. of the Company for a certain period, this plan introduces a performance share unit plan that incorporates performance-linked conditions (calculated based on financial indicators) (performance share unit plan; the "PSU Plan"). Provided that, in accordance with the resolution of the General Meeting of Shareholders, the total annual compensation will be capped at 60 million

yen, and the total annual number of common shares of the Company to be issued or disposed of to the eligible Directors will be capped at 12,000 shares.

Under the PSU Plan, the evaluation period will be determined by the Company's Board of Directors. The Company will grant common shares of the Company whose number will be calculated according to the payout ratio that is based on the achievement or degree of achievement of financial indicators determined by the Board of Directors during the evaluation period (with possible restrictions on transfers for a certain period).

In principle, after the evaluation period ends, the Company will grant monetary compensation rights to the eligible Directors and have them contribute all of these rights as in-kind contributions, thereby issuing or disposing of common shares of the Company to the eligible Directors. The specific calculation and issuance or disposal of shares will be determined based on the Company's Performance Share Unit Grant Regulations. Furthermore, to encourage proper performance of duties, this plan is designed to revoke eligibility for compensation if there is a significant violation of duties during the evaluation period.

Restricted stock compensation plan

This plan targets Directors, excluding Directors who are Audit & Supervisory Committee Members and Outside Directors, as well as Directors who are Audit & Supervisory Committee Members. It aims to strengthen the link between compensation and the medium- to long-term enhancement of corporate value by granting restricted stock, conditioned on continuous service as a Director of the Company for a certain period. In principle, after the conclusion of the Ordinary General Meeting of Shareholders for each year, the Company will grant monetary compensation rights to the eligible Directors and have them contribute all of these rights as in-kind contributions, thereby issuing or disposing of common shares of the Company to the eligible Directors. The specific issuance or disposal of shares will be determined based on the Company's performance and the contribution of each officer to that performance, in accordance with the Company's Restricted Stock Compensation Regulations. Provided that the grant must be made within the following monetary and numerical limits, in accordance with the resolution of the General Meeting of Shareholders:

(i) Directors, excluding Directors who are Audit & Supervisory Committee Members and Outside Directors:

The total annual compensation will be capped at 60 million yen, and the total annual number of common shares of the Company to be issued or disposed of to the eligible Directors will be capped at 12,000 shares.

Restricted stock compensation will, in principle, be granted annually, with a transfer restriction period of three years. If an eligible Director commits a significant breach of duties, the Company will automatically acquire the granted shares without compensation. The Company will lift the transfer restrictions on a portion of the allotted shares at the expiration of the transfer restriction period, provided that the eligible Director has continuously held the position of Director or another position determined by the Company's Board of Directors from the payment date of the restricted stock until the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year in which the payment date falls (the "First Term"). Additionally, the transfer restrictions will be lifted on another portion of the allotted shares at the expiration of the transfer restriction period, provided that the eligible Director has continuously held such position from the payment date of the restricted stock until the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year following the First Term (the "Second Term"). Similarly, the transfer restrictions will be lifted on the other portion of the allotted shares at the expiration of the transfer restriction period, provided that the eligible Director has continuously held such position from the payment date of the restricted stock until the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year following the Second Term (the "Third Term"). (*If the eligible Director has continuously held such position until the conclusion of the Ordinary General Meeting of Shareholders for the Third Term, the transfer restrictions on all allotted shares will be lifted at the expiration of the transfer restriction period.)

(ii) Directors who are Audit & Supervisory Committee Members:

The total annual compensation will be capped at 15 million yen, separate from the above-mentioned basic compensation, and the total annual number of common shares of the Company to be issued or disposed of to the eligible Directors will be capped at 3,000 shares.

Restricted stock compensation will, in principle, be granted annually, with a transfer restriction period of three years. If an eligible Director commits a significant breach of duties, the Company will automatically acquire the granted shares without compensation. The Company will lift the transfer restrictions on all of the allotted shares at the expiration of the transfer restriction period, provided that the eligible Director has continuously held the position of Director or another position determined by the Company's Board of Directors from the payment date of the restricted stock until the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year in which the payment date falls.

Other Non-monetary compensation

If additional stock options or other non-monetary compensation are to be granted, a new policy will be established.

(3) Policy for determining the ratios of the amounts of monetary compensation, performance share unit , and non-monetary compensation to the total amount of individual compensation, etc. for Directors

The composition of the compensation ratios for Directors (excluding Directors who are Audit & Supervisory Committee Members) will be designed based on the compensation levels of domestic and international companies of a similar business scale and in related industries or sectors to function as an appropriate incentive for the Company's sustainable growth.

The composition of the compensation ratios for Directors who are Audit & Supervisory Committee Members will be designed based on the compensation levels of domestic and international companies of a similar business scale and in related industries or sectors, taking into account responsibilities, economic conditions, and other relevant factors, to ensure an appropriate structure in line with the responsibilities of the Directors who are Audit & Supervisory Committee Members.

3. Matters Concerning the Decision on the Details of Individual Compensation, etc. for Directors

The compensation, etc. for the Company's Directors is determined by a resolution of the Board of Directors, considering the results of deliberations conducted by the Compensation Committee, which was voluntarily established to ensure transparency, objectivity, and efficient discussions. This determination will include individual amounts and other details within the total compensation amounts approved at the General Meeting of Shareholders for each type of compensation. Additionally, more than half of the members of the Compensation Committee will be Outside Directors.

The individual compensation, etc. for Directors who are Audit & Supervisory Committee Members will be determined through consultation among the Audit & Supervisory Committee Members within the compensation limits approved by the General Meeting of Shareholders.