

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. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Stock Exchange Code 1847)
June 4, 2021

To Shareholders with Voting Rights:

Hiroyuki Hasegawa
President and Representative Director
ICHIKEN Co., Ltd.
1-1-1, Shibaura, Minato-ku, Tokyo, Japan

**NOTICE OF
THE 95TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

It is our pleasure to inform you that the 95th Annual General Meeting of Shareholders of ICHIKEN Co., Ltd. (the “Company”) will be held for the purposes as described below.

You may exercise your voting rights in advance by either of the methods described below, instead of attending the meeting in person. Please kindly review the Reference Documents for the General Meeting of Shareholders described below and exercise your voting rights in advance.

[Exercising your voting rights by mail (in writing)]

Please review “Exercising your voting rights by mail” on page 4 of the Japanese version of this document and indicate your vote for or against each proposal on the enclosed Voting Rights Exercise Form, and have it delivered to the Company by 6:00 p.m. Japan time on Thursday, June 24, 2021.

[Exercising your voting rights by electromagnetic means (via the Internet)]

Please review “Exercising your voting rights via the Internet” on page 5 of the Japanese version of this document and exercise your voting rights by 6:00 p.m. Japan time on Thursday, June 24, 2021.

- 1. Date and Time:** Friday, June 25, 2021 at 10:00 a.m. Japan time (Reception begins at 9:00 a.m.)
- 2. Place:** “Rose Room,” 2F, Annex Building of Shiba Park Hotel
1-5-10, Shibakoen, Minato-ku, Tokyo, Japan
- 3. Meeting Agenda:**
Matters to be reported: The Business Report and Non-consolidated Financial Statements for the Company’s 95th Fiscal Year (April 1, 2020 - March 31, 2021)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 4:** Election of Three (3) Directors who are Audit and Supervisory Committee Members
- Proposal 5:** Determination of the Amount of Remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 6:** Determination of the Amount of Remuneration for Directors who are Audit and Supervisory Committee Members
- Proposal 7:** Election of Accounting Auditor

4. Matters Determined on the Exercise of Voting Rights:

- (1) If there is no indication of a vote for or against any proposal on the Voting Rights Exercise Form mailed to the Company, it shall be treated as an indication of consent for the proposal.
- (2) If voting rights are exercised both by mail and via the Internet, the vote exercised via the Internet shall be treated as the valid exercise of voting rights.
- (3) If voting rights are exercised multiple times via the Internet, the final vote exercised during the exercise period shall be treated as the valid exercise of voting rights. In addition, if voting rights are exercised in duplicate using a PC, smartphone or mobile phone, the final vote exercised during the exercise period shall be treated as the valid exercise of voting rights.

<To Shareholders>

- ◎ When attending the meeting, please bring the enclosed Voting Rights Exercise Form and submit it at the reception desk.
- ◎ Of the documents to be attached to this Notice, System and Policy of the Company of the Business Report, Non-consolidated Statements of Changes in Equity and Notes to Non-consolidated Financial Statements are posted on the Company's website (<http://www.ichiken.co.jp>) in accordance with provisions of laws and regulations as well as Article 18 of the Company's Articles of Incorporation and therefore are not included in the attached document of this Notice. Accordingly, the Non-consolidated Financial Statements included in this Notice are part of the Non-consolidated Financial Statements audited by the Accounting Auditor and the Audit & Supervisory Board Members when preparing the respective audit report.
- ◎ Should the Reference Documents for the General Meeting of Shareholders, Business Report, and Non-consolidated Financial Statements require revisions, the details of revisions will be posted on the Company's website (<http://www.ichiken.co.jp>).

<Request for Countermeasures Against the Novel Coronavirus (COVID-19)>

- ◎ Shareholders who are considering attending the Annual General Meeting of Shareholders are requested to carefully consider the status of the COVID-19 pandemic up to the date of the meeting in deciding whether or not to attend.
- ◎ We request all shareholders to exercise their voting rights in advance either in writing (enclosed Voting Rights Exercise Form) or by electromagnetic means (via the Internet) as much as possible. For the details, please review the pages 4 and 5 of the Japanese version of this document.
- ◎ Shareholders who attend the Annual General Meeting of Shareholders are requested to bring and wear masks, disinfect hands with hand sanitizer and submit to a body temperature check.
- ◎ Please understand in advance that if you have a fever or otherwise appear to be in ill health or if you do not cooperate with these countermeasures, you may be refused entry to the venue.
- ◎ There may be insufficient seating at the Annual General Meeting of Shareholders venue, due to the need to space seats widely, and attendees may be refused entry. We request your understanding in this matter.
- ◎ The Company's officers and Annual General Meeting of Shareholders management staff will confirm their own health before attending, including checking their own temperatures, and wear a face mask while participating.
- ◎ Should any major corrections be made to the management of the Annual General Meeting of Shareholders including the above, such corrections will be announced on the Company's website (<http://www.ichiken.co.jp>).

Video on Demand Distribution
For shareholders who do not attend the Annual General Meeting of Shareholders in person on the day, we will distribute an on-demand video of a part of the meeting proceedings on the Company's website (http://www.ichiken.co.jp) at a later date. The on-demand video is scheduled to be distributed in early July 2021.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company focuses on enhancing corporate value through business growth and expansion and more stabilized financial position as well as stable distribution of dividends as a direct profit return to shareholders, and as its basic policy on shareholder returns, the Company will decide on profit distribution by considering enhancement of internal reserves in preparation for future growth and expansion.

Specifically, under the medium-term business plan (FY2020-2022), we will target a dividend payout ratio of 20% or more to strike a balance between investments and dividend payouts through proactive investments aimed at establishing the business foundation as well as stable profit returns to shareholders.

The year-end dividend for this fiscal year shall be as follows, based on the above basic policy and business results of the year.

- (1) Type of dividend property
Cash
- (2) Items related to the allocation of dividend property to shareholders and its total amount
90 yen per share of common stock of the Company
Total amount: 652,866,300 yen
- (3) Effective date for distribution of dividends from surplus:
June 28, 2021

Reference Matters Applying to Proposal 2 to Proposal 6

It is proposed that the Company transitions from a Company with an Audit & Supervisory Board to a Company with an Audit and Supervisory Committee with the aim of further enhancing corporate governance. Proposal 2 to Proposal 6 described in pages 7 to 23 of the Reference Documents for the General Meeting of Shareholders contained herein are all related to the transition to a Company with an Audit and Supervisory Committee. In submitting this Proposal, an outline of a Company with an Audit and Supervisory Committee, the reasons for the transition to a Company with an Audit and Supervisory Committee, and an outline of Proposal 2 through Proposal 6 are explained below.

1. Outline of a Company with an Audit and Supervisory Committee

- (1) In a Company with an Audit and Supervisory Committee, an Audit and Supervisory Committee consisting of three (3) or more members, the majority of whom are Outside Directors, replace Audit & Supervisory Board Members in taking responsibility for audits. Accordingly, the Company does not have Audit & Supervisory Board Members or an Audit & Supervisory Board.
- (2) Directors who are Audit and Supervisory Committee members are elected by the General Meeting of Shareholders, differentiating them from Directors other than Audit and Supervisory Committee members.
- (3) In a Company with an Audit and Supervisory Committee, Audit and Supervisory Committee members have voting rights as Directors at Board of Directors meetings. Additionally, Audit and Supervisory Committee members who are elected by the Audit and Supervisory Committee have the authority to express the opinions of the Audit and Supervisory Committee at general meetings of shareholders regarding the election, dismissal, and remuneration, etc. of Directors other than Audit and Supervisory Committee members. This authority (the authority relating to supervision) is not possessed by Audit & Supervisory Board Members.
- (4) In a Company with an Audit and Supervisory Committee, in addition to cases where the majority of Directors are Outside Directors, in the event that it is stipulated in the Articles of Incorporation that the execution of important business matters may be delegated to Directors by resolution of the Board of Directors, all or part of decisions on important business execution (excluding the matters listed in each item of Article 399-13, Paragraph 5 of the Companies Act) may be delegated to Directors. Such delegation makes it possible to accelerate management-related decisions and increase the effectiveness of the supervisory functions.

2. Reasons for transitioning to a Company with an Audit and Supervisory Committee

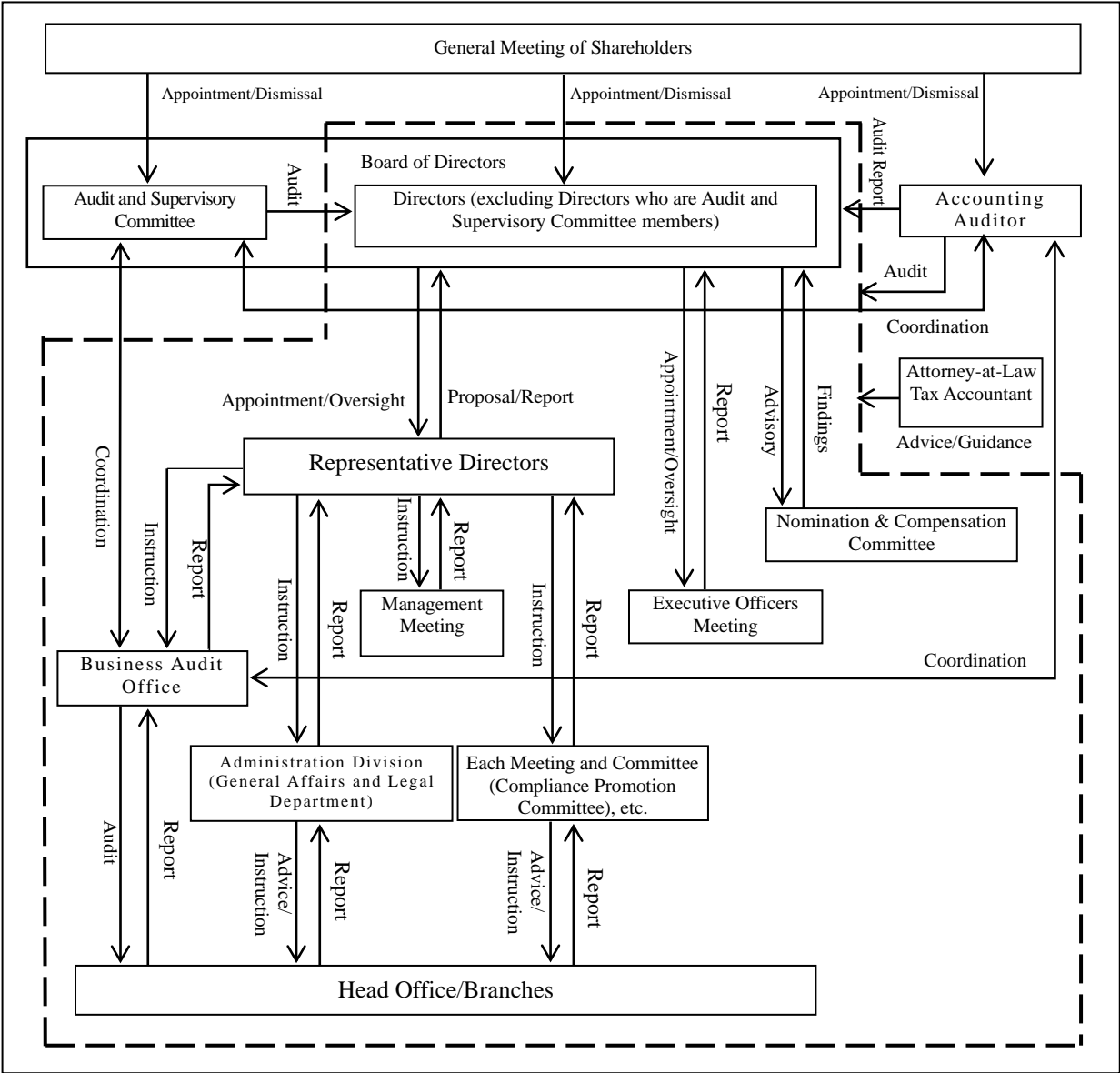
The Company has positioned the further enhancement of our corporate governance system as an important management issue and has worked to improve management transparency and realize swift decision making. Going forward, by transitioning to a Company with an Audit and Supervisory Committee, we believe that we will be able to strengthen the supervisory functions of the Board of Directors and further improve the soundness and transparency of management by giving voting rights to Audit and Supervisory Committee members as Directors at Board of Directors meetings. In addition, by transferring decisions on important business execution from the Board of Directors to Directors, we believe we will realize swift decision making and flexible business execution, and aim to further enhance corporate value.

3. Proposal 2 to Proposal 6

- (1) Transitioning to a Company with an Audit and Supervisory Committee requires amendments to the Articles of Incorporation, including the deletion of provisions pertaining to Audit & Supervisory Board Members and the Audit & Supervisory Board, and the establishment of provisions pertaining to Audit and Supervisory Committee members and the Audit and Supervisory Committee. Therefore, Proposal 2: Partial Amendments to the Articles of Incorporation proposes that amendments be made to the Articles of Incorporation to enable the Company to transition to a Company with an Audit and Supervisory Committee.
- (2) In a Company with an Audit and Supervisory Committee, the election of Directors must differentiate between Directors (excluding Directors who are Audit and Supervisory Committee members) and Directors who are Audit and Supervisory Committee members; therefore, the election of Directors (excluding Directors who are Audit and Supervisory Committee members) and the election of Directors who are Audit and Supervisory Committee members are proposed respectively in Proposal 3 and Proposal 4.
- (3) In a Company with an Audit and Supervisory Committee, the remuneration of Directors must be

determined by resolution of a general meeting of shareholders, differentiating between Directors (excluding Directors who are Audit and Supervisory Committee members) and Directors who are Audit and Supervisory Committee members in order to ensure the independent status of Audit and Supervisory Committee members; therefore remuneration for Directors (excluding Directors who are Audit and Supervisory Committee members) and remuneration for Directors who are Audit and Supervisory Committee members are proposed respectively in Proposal 5 and Proposal 6.

4. Corporate Governance Structure following the Transition to a Company with an Audit and Supervisory Committee (conceptual diagram)



Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reason for the amendments

- (1) Positioning Audit and Supervisory Committee members, who are responsible for the supervision of business execution by Directors, as members of the Board of Directors, serves to strengthen the supervisory function over management and further enhance the corporate governance system, as well as create a system whereby a considerable portion of decisions on important business execution by the Board of Directors can be delegated to Executive Directors. Therefore, with the objective of accelerating decision making, realizing flexible business execution, and further enhancing corporate value, the following amendments will be made in order to transition from a Company with an Audit & Supervisory Board to a Company with an Audit and Supervisory Committee.
- a) Deletion of the provisions pertaining to Audit & Supervisory Board Members and the Audit & Supervisory Board (from the current Article 30 to the current Article 38 of Chapter 5 of the current Articles of Incorporation)
 - b) Establishment of provisions pertaining to an Audit and Supervisory Committee and Audit and Supervisory Committee members (amended Article 4, and amended Article 31 to Article 34 of amended Chapter 5)
 - c) Establishment of a provision (amended Article 27) enabling the delegation of all or part of decisions on important business execution (excluding the matters listed in each item of Article 399-13, Paragraph 5 of the Companies Act) to Directors by resolution of the Board of Directors
 - d) Establishment of a supplementary provision as a transitional measure in accordance with the deletion of the provision pertaining to limiting the liability of Audit & Supervisory Board Members (amended supplementary provision)
 - e) Other necessary amendments (from amended Article 19 to Article 23, Article 25, and Article 28)
- (2) Amendments to the Articles of Incorporation pertaining to this Proposal shall become effective at the conclusion of this Annual General Meeting of Shareholders.

2. Details of the amendments

Details of the amendments are as follows.

(Proposed amendments are underlined.)

Current Articles of Incorporation	Proposed Amendments
CHAPTER I. GENERAL PROVISIONS Article 1 to Article 3 <Omitted>	CHAPTER I. GENERAL PROVISIONS Article 1 to Article 3 <Unchanged>
Article 4. (Organs) The Company shall have the following organs in addition to general meetings of shareholders and directors:	Article 4. (Organs) The Company shall have the following organs in addition to general meetings of shareholders and directors:

Current Articles of Incorporation	Proposed Amendments
<p>(1) Board of Directors (2) <u>Audit & Supervisory Board Members</u> (3) <u>Audit & Supervisory Board</u> (4) Accounting Auditors</p> <p>Article 5 <Omitted></p> <p style="text-align: center;">Chapter II. SHARES</p> <p>Article 6 to Article 11 <Omitted></p> <p style="text-align: center;">CHAPTER III. GENERAL MEETING OF SHAREHOLDERS</p> <p>Article 12 to Article 18 <Omitted></p> <p style="text-align: center;">CHAPTER IV. DIRECTORS AND THE BOARD OF DIRECTORS</p> <p>Article 19. (Number of Directors) The Company shall have nine (9) or less directors.</p> <p style="text-align: center;"><Newly established></p> <p>Article 20. (Election of Directors) The election of Directors shall be implemented at a general meeting of shareholders.</p> <p>2. The resolution for the election of directors shall be adopted by a majority vote at meetings attended by shareholders representing at least a third of the voting rights of the shareholders entitled to vote.</p> <p>3. No cumulative voting shall be used for the election of directors.</p>	<p>(1) Board of Directors (2) <u>Audit and Supervisory Committee</u> <Deleted> (3) Accounting Auditors</p> <p>Article 5 <Unchanged></p> <p style="text-align: center;">Chapter II. SHARES</p> <p>Article 6 to Article 11 <Unchanged></p> <p style="text-align: center;">CHAPTER III. GENERAL MEETING OF SHAREHOLDERS</p> <p>Article 12 to Article 18 <Unchanged></p> <p style="text-align: center;">CHAPTER IV. DIRECTORS AND THE BOARD OF DIRECTORS</p> <p>Article 19. (Number of Directors) The Company shall have nine (9) or less directors <u>(excluding those who are Audit and Supervisory Committee members)</u>.</p> <p><u>2. The number of directors who are Audit and Supervisory Committee members of the Company shall not exceed four (4).</u></p> <p>Article 20. (Election of Directors) The election of directors shall be implemented at a general meeting of shareholders <u>by distinguishing directors who are Audit and Supervisory Committee members and other directors.</u></p> <p>2. The resolution for the election of directors shall be adopted by a majority vote at meetings attended by shareholders representing at least a third of the voting rights of the shareholders entitled to vote.</p> <p>3. No cumulative voting shall be used for the election of directors.</p>

Current Articles of Incorporation	Proposed Amendments
<p>Article 21. (Term of Office of Directors)</p> <p>The term of office of Directors shall be until the close of the annual general meeting of shareholders for the last fiscal year that ends within one (1) year from the time of their election.</p> <p style="text-align: center;"><Newly established></p> <p>2. The term of office of any director elected as substitute for a director who retired before the expiration of their term of office shall be until the expiration of the term of office of the retired director.</p> <p>3. The term of office of any additional director shall be until the expiration of the term of office of other directors then in office.</p> <p style="text-align: center;"><Newly established></p>	<p>Article 21. (Term of Office of Directors)</p> <p>The term of office of directors <u>(excluding those who are Audit and Supervisory Committee members)</u> shall be until the close of the annual general meeting of shareholders for the last fiscal year that ends within one (1) year from the time of their election.</p> <p>2. <u>The term of office of directors who are Audit and Supervisory Committee members shall be until the close of the annual general meeting of shareholders for the last fiscal year that ends within two (2) years from the time of their election.</u></p> <p>3. The term of office of any director <u>(excluding any director who is an Audit and Supervisory Committee member)</u> elected as substitute for a director <u>(excluding any director who is an Audit and Supervisory Committee member)</u> who retired before the expiration of their term of office shall be until the expiration of the term of office of the retired director <u>(excluding any director who is an Audit and Supervisory Committee member)</u>.</p> <p>4. The term of office of any additional director <u>(excluding any director who is an Audit and Supervisory Committee member)</u> shall be until the expiration of the term of office of other directors then in office <u>(excluding any director who is an Audit and Supervisory Committee member)</u>.</p> <p>5. <u>The term of office of any director who is an Audit and Supervisory Committee member elected as substitute for a director who is an Audit and Supervisory Committee member and retired before the expiration of their term of office shall be until the expiration of the term of office of the director who is an Audit and Supervisory Committee member and retired before the expiration of their term of office.</u></p>
<p>Article 22. (Representative Director)</p> <p>The Company’s representative director shall be appointed by resolution of the Board of Directors.</p>	<p>Article 22. (Representative Director)</p> <p>The Company’s representative director shall be appointed <u>from among the directors who are not Audit and Supervisory Committee members</u> by resolution of the Board of Directors.</p>
<p>Article 23. (Executive Directors)</p> <p>The Board of Directors may appoint a chairperson of the Board, a president, vice-chairperson(s) of the Board, executive vice president(s) and supreme advisor(s) of the Board by resolution of the Board of Directors.</p>	<p>Article 23. (Executive Directors)</p> <p>The Board of Directors may appoint a chairperson of the Board, a president, vice-chairperson(s) of the Board, executive vice president(s) and supreme advisor(s) of the Board <u>from among directors who are not Audit and Supervisory Committee members</u> by resolution of the Board of Directors.</p>

Current Articles of Incorporation	Proposed Amendments
<p>Article 24 <Omitted></p> <p>Article 25. (Notices for Convening Board of Directors) Notices for convening the Board of Directors shall be given to each director and <u>each Audit & Supervisory Board Member</u> no later than three (3) days prior to the day of the Board meeting; provided, however, that, in case of urgency, such period may be shortened.</p> <p>Article 26 <Omitted></p> <p style="text-align: center;"><Newly established></p> <p>Article <u>27</u>. (Remunerations for Directors) Directors' remunerations, bonuses and other financial benefits to be received from the Company as consideration for the performance of duties of Directors shall be determined by resolutions at general meetings of shareholders.</p> <p>Article <u>28</u> to Article <u>29</u> <Omitted></p> <p>CHAPTER V. <u>AUDIT & SUPERVISORY BOARD MEMBERS AND AUDIT & SUPERVISORY BOARD</u> <u>Article 30. (Number of Audit & Supervisory Board Members)</u> <u>The number of Audit & Supervisory Board Members shall not exceed four (4).</u></p> <p><u>Article 31. (Election of Audit & Supervisory Board Members)</u> <u>Audit & Supervisory Board Members shall be elected at a general meeting of shareholders.</u></p>	<p>Article 24 <Unchanged></p> <p>Article 25. (Notices for Convening Board of Directors) Notices for convening the Board of Directors shall be given to each director no later than three (3) days prior to the day of the Board meeting; provided, however, that, in case of urgency, such period may be shortened.</p> <p>Article 26 <Unchanged></p> <p><u>Article 27. (Delegation of Decisions on Business Operations)</u> <u>The Company may delegate to the directors all or part of decisions on important business operations (excluding the matters under the items of Article 399-13, paragraph (5) of the Companies Act) by resolution of the Board of Directors pursuant to the provisions of Article 399-13, paragraph (6) of the same Act.</u></p> <p>Article <u>28</u>. (Remunerations for Directors) Directors' remunerations, bonuses and other financial benefits to be received from the Company as consideration for the performance of duties of directors shall be determined by resolutions at general meetings of shareholders <u>according to the distinction between directors who are Audit and Supervisory Committee members and other directors.</u></p> <p>Article <u>29</u> to Article <u>30</u> <Unchanged></p> <p>CHAPTER V. <u>AUDIT AND SUPERVISORY COMMITTEE</u> <Deleted></p> <p style="text-align: right;"><Deleted></p>

Current Articles of Incorporation	Proposed Amendments
<p><u>2. The resolution for the election of Audit & Supervisory Board Members shall be adopted by a majority vote at meetings attended by shareholders representing at least a third of the voting rights of the shareholders entitled to vote.</u></p>	<p><Deleted></p>
<p><u>Article 32. (Term of Office of Audit & Supervisory Board Members)</u></p> <p><u>The term of office of Audit & Supervisory Board Members shall be until the close of the annual general meeting of shareholders for the last fiscal year that ends within four (4) years from the time of their election.</u></p> <p><u>2. The term of office of any Audit & Supervisory Board Member elected as substitute for an Audit & Supervisory Board Member who retired before the expiration of their terms of office shall be until the expiration of the term of office of the retired Audit & Supervisory Board Member.</u></p>	<p><Deleted></p>
<p><u>Article 33. (Full-time Audit & Supervisory Board Members)</u></p> <p><u>The Audit & Supervisory Board shall by its resolution appoint full-time Audit & Supervisory Board Members.</u></p>	<p><Deleted></p>
<p><u>Article 34. (Audit & Supervisory Board Rules)</u></p> <p><u>Matters with respect to the Audit & Supervisory Board shall be subject to applicable provisions of laws and regulations and this Articles of Incorporation, as well as to the Audit & Supervisory Board Rules adopted by the Audit & Supervisory Board.</u></p>	<p><Deleted></p>
<p><u>Article 35. (Notices of Convening Audit & Supervisory Board)</u></p> <p><u>Notices for convening Audit & Supervisory Board Meetings shall be given to each Audit & Supervisory Board Member at least three (3) days prior to the day of the Board meeting; provided, however, that, in case of urgency, such period may be shortened.</u></p>	<p><Deleted></p>
<p><u>Article 36. (Method of Resolutions of Audit & Supervisory Board)</u></p> <p><u>Unless otherwise provided for by laws and regulations, resolutions of the Audit & Supervisory Board shall be adopted by a majority of Audit & Supervisory Board Members.</u></p>	<p><Deleted></p>

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 37. (Remunerations for Audit & Supervisory Board Members)</u> <u>Remunerations for Audit & Supervisory Board Members shall be determined by resolutions at general meetings of shareholders.</u></p>	<p><Deleted></p>
<p><u>Article 38. (Exemption of Liability of Audit & Supervisory Board Members)</u> <u>Pursuant to the provisions of Article 426, paragraph (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Audit & Supervisory Board Members (including persons who were Audit & Supervisory Board Members) from their liabilities with respect to the acts under Article 423, paragraph (1) of the same Act to the extent stipulated by laws and regulations.</u> <u>2. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company may conclude contracts with Audit & Supervisory Board Members to limit liability for damages caused by any act under Article 423, paragraph (1) of the same Act. Provided, however, that the limit of liability under such contracts shall be the higher of the predetermined amount not less than three million (3,000,000) yen or more or the amount specified by laws and regulations.</u></p>	<p><Deleted></p>
<p><Newly established></p>	<p><u>Article 31. (Full-time Company Audit and Supervisory Committee Members)</u> <u>The Audit and Supervisory Committee shall by its resolution appoint full-time Audit and Supervisory Committee members.</u></p>
<p><Newly established></p>	<p><u>Article 32. (Audit and Supervisory Committee Rules)</u> <u>Matters with respect to the Audit and Supervisory Committee shall be subject to applicable provisions of laws and regulations and this Articles of Incorporation, as well as to the Audit and Supervisory Committee Rules adopted by the Audit and Supervisory Committee.</u></p>
<p><Newly established></p>	<p><u>Article 33. (Notices of for Convening Audit and Supervisory Committee)</u> <u>Notices for convening Audit and Supervisory Committee shall be given to each Audit and Supervisory Committee member at least three (3) days prior to the day of the Committee meeting; provided, however, that, in case of urgency, such period may be shortened.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p data-bbox="363 237 587 271" style="text-align: center;"><Newly established></p> <p data-bbox="185 488 746 562">CHAPTER VI. ACCOUNTING AUDITORS Article <u>39</u> to Article <u>40</u> <Omitted></p> <p data-bbox="185 600 730 674">CHAPTER VII. EXECUTIVE OFFICERS Article <u>41</u> to Article <u>43</u> <Omitted></p> <p data-bbox="185 719 667 792">CHAPTER VIII. ACCOUNTS Article <u>44</u> to Article <u>47</u> <Omitted></p> <p data-bbox="363 831 587 864" style="text-align: center;"><Newly established></p>	<p data-bbox="791 237 1374 304"><u>Article 34. (Method of Resolutions of Audit and Supervisory Committee)</u></p> <p data-bbox="810 309 1358 439"><u>Resolutions of the Audit and Supervisory Committee shall be adopted by a majority vote at meetings attended by a majority of the Audit and Supervisory Committee members entitled to vote.</u></p> <p data-bbox="791 488 1350 562">CHAPTER VI. ACCOUNTING AUDITORS Article <u>35</u> to Article <u>36</u> <Unchanged></p> <p data-bbox="791 600 1334 674">CHAPTER VII. EXECUTIVE OFFICERS Article <u>37</u> to Article <u>39</u> <Unchanged></p> <p data-bbox="791 719 1270 792">CHAPTER VIII. ACCOUNTS Article <u>40</u> to Article <u>43</u> <Unchanged></p> <p data-bbox="791 831 1374 931"><u>Supplementary Provisions</u> <u>(Transitional Measures for Exemption from Liability of Audit & Supervisory Board Members)</u></p> <p data-bbox="791 936 1374 1240"><u>1. The exemption by resolution of the Board of Directors from liability for damages under Article 423, paragraph (1) of the Companies Act with respect to acts carried out by the company Audit & Supervisory Board Members (including those who were Audit & Supervisory Board Members) prior to the close of the 95th annual general meeting of shareholders to be held in June 2021 shall follow precedents.</u></p> <p data-bbox="791 1245 1374 1514"><u>2. The contract which limits liability for damages under Article 423, paragraph (1) of the Companies Act with respect to acts carried out by the Audit & Supervisory Board Members (including those who were Audit & Supervisory Board Members) prior to the close of the 95th annual general meeting of shareholders to be held in June 2021 shall follow precedents.</u></p>

Proposal 3: Election of Seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)

If Proposal 2 “Partial Amendments to the Articles of Incorporation” is approved as proposed, the Company shall become a “Company with an Audit and Supervisory Committee” and the terms of office of all seven (7) Directors will expire at the effective date of the Amendments to the Articles of Incorporation. Accordingly, the Company proposes the election of seven (7) Directors (excluding Directors who are Audit and Supervisory Committee members. The same shall apply through this Proposal).

This Proposal shall take effect, provided that the Amendments to the Articles of Incorporation stipulated in the Proposal 2 “Partial Amendments to the Articles of Incorporation” takes effect.

The selection of candidates for Directors has been made in accordance with the “Policy on Selection of Candidates for Directors and Audit & Supervisory Board Members, and Overview of its Procedure” stipulated in pages 25 and 26 and determined by the Board of Directors based on a report to the effect that such selection has been deemed appropriate from the Nomination & Compensation Committee.

The candidates for Directors are as follows.

[Reference] List of candidates

No.		Name	Date of birth	Current positions and responsibilities at the Company	Attendance at the Board of Directors meetings (Attendance rate)
1	<u>Reelection</u>	Hiroyuki Hasegawa	February 4, 1960	President and Representative Director, Executive Officer	12 out of 12 meetings (100%)
2	<u>Reelection</u>	Tomoharu Yunokuchi	December 16, 1957	Director and Managing Executive Officer General Manager of Business Division	12 out of 12 meetings (100%)
3	<u>New election</u>	Keiji Isono	May 18, 1961	Managing Executive Officer Acting General Manager of Business Division	—
4	<u>New election</u>	Mitsuru Kotani	April 6, 1964	Executive Officer Deputy General Manager of Administration Division	—
5	<u>Reelection</u> <u>Outside</u>	Susumu Fujita	December 23, 1956	Outside Director	12 out of 12 meetings (100%)
6	<u>Reelection</u> <u>Outside</u> <u>Independent</u>	Hideaki Takeuchi	May 11, 1959	Outside Director	11 out of 12 meetings (91%)
7	<u>Reelection</u> <u>Outside</u> <u>Independent</u>	Shunji Ichiji	July 29, 1963	Outside Director	12 out of 12 meetings (100%)

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
1	Hiroyuki Hasegawa (February 4, 1960) [Reelection] [Attendance at the Board of Directors meetings] 12 out of 12 meetings (100%)	April 1982	Joined the Company	6,800
		June 2001	Director, Acting General Manager of Kansai Branch	
		June 2002	Director, General Manager of Kansai Headquarters and Kobe Head Office	
		April 2005	Managing Director, General Manager of Kansai Headquarters and Kobe Head Office	
		April 2007	Director and Managing Executive Officer, Deputy General Manager of Business Headquarters and General Manager of Kanto Headquarters	
		April 2011	Director and Managing Executive Officer, General Manager of Tokyo Branch	
		June 2014	Director and Senior Managing Executive Officer, General Manager of Business Promotion Division	
		June 2015	President and Representative Director, Executive Officer (to present)	
[Reason for nomination as candidate for Director] The candidate has served as a Director of the Company for many years, holding positions including a person responsible for supervising each branch, and has served as President and Representative Director since June 2015. He has a wide range of knowledge and experience in overall business operations of the Company as well as deep insight and track records in business management and therefore, the Company nominated him as a candidate for Director because we believe that he is qualified to decide important business execution and supervise execution of duties of Directors.				
2	Tomoharu Yunokuchi (December 16, 1957) [Reelection] [Attendance at the Board of Directors meetings] 12 out of 12 meetings (100%)	July 2003	Joined the Company	1,400
		January 2006	General Manager of Fukuoka Branch	
		April 2008	Executive Officer, General Manager of Fukuoka Branch	
		June 2013	Managing Executive Officer, General Manager of Fukuoka Branch	
		April 2016	Managing Executive Officer, General Manager of Kansai Branch	
		April 2019	Managing Executive Officer, Acting General Manager of Business Division	
		June 2019	Director and Managing Executive Officer, General Manager of Business Division (to present)	
[Reason for nomination as candidate for Director] The candidate has served as General Manager of Fukuoka Branch and other positions in the Company since January 2006. He has abundant knowledge and experience in overall branch operations and deep insight about both sales strategies and construction technologies and therefore, the Company nominated him as a candidate for Director because we believe that he is qualified to decide important business execution and supervise execution of duties of Directors.				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	
3	Keiji Isono (May 18, 1961) [New election]	March 1989 September 1991 April 2005 April 2013 June 2013 April 2016 April 2019 June 2019 April 2021	Joined Daiei Housing Co., Ltd. Joined the Company General Manager of Sales Department II of Tokyo Branch Deputy General Manager of Tokyo Branch Executive Officer, Deputy General Manager of Tokyo Branch Executive Officer, General Manager of Fukuoka Branch Executive Officer, General Manager of Kansai Branch Managing Executive Officer, General Manager of Kansai Branch Managing Executive Officer, Acting General Manager of Business Division (to present)	2,700
		<p>[Reason for nomination as candidate for Director]</p> <p>The candidate has engaged in branch operations of the Company for many years, holding positions including General Manager of Fukuoka Branch. He has abundant knowledge, experience and track records in overall branch operations and particularly, deep insight about sales strategies. Therefore, the Company nominated him as a candidate for Director because we believe that he is qualified to decide important business execution and supervise execution of duties of Directors.</p>		
4	Mitsuru Kotani (April 6, 1964) [New election]	April 1988 April 2007 April 2008 April 2011 October 2013 June 2015 April 2017 June 2019	Joined the Company General Manager of Administration Department of Business Headquarters (stationed in Tokyo) General Manager of Administration Department of Business Headquarters General Manager of Administration Department of Tokyo Branch General Manager of Business Management Department of Administration Division General Manager of Business Division, General Manager of Business Management Department Deputy General Manager of Administration Division Executive Officer, Deputy General Manager of Administration Division (to present)	1,400
		<p>[Reason for nomination as candidate for Director]</p> <p>The candidate has served as a general manager of the administration division for many years since joining the Company. He has abundant knowledge, experience and track records in finance and accounting as well as deep insight about the overall administration division. Therefore, the Company nominated him as a candidate for Director because we believe that he is qualified to decide important business execution and supervise execution of duties of Directors.</p>		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	<p>Susumu Fujita (December 23, 1956)</p> <p>[Reelection] [Outside]</p> <p>[Attendance at the Board of Directors meetings] 12 out of 12 meetings (100%)</p> <p>[Years of service] 6 years</p>	<p>July 2002 Assistant General Manager of President's Office, MARUHAN Corporation</p> <p>October 2005 General Manager of Corporate Planning Division</p> <p>October 2006 Executive Officer, General Manager of Corporate Planning Division</p> <p>June 2015 Director and Executive Officer, General Manager of Corporate Planning Division</p> <p>June 2015 Outside Director, the Company (to present)</p> <p>July 2015 Director and Executive Officer, General Manager of Corporate Planning Headquarters, MARUHAN Corporation</p> <p>April 2018 Director and Senior Executive Officer, General Manager of Corporate Planning Headquarters</p> <p>July 2020 Senior Executive Officer, General Manager of Corporate Planning Headquarters</p> <p>April 2021 Senior Executive Officer in charge of Group Unit Corporate Planning (to present)</p> <p>[Significant concurrent positions and expected roles, etc.] Senior Executive Officer in charge of Group Unit Corporate Planning, MARUHAN Corporation</p>	—
<p>[Reason for nomination as candidate for Outside Director and expected roles] The Company nominated him as a candidate for Outside Director to reflect in the Company's management his many years of experience and deep insight in planning and execution of business strategies as well as experience in corporate management at another company. After his election, the Company expects him to contribute to enhancing the decision-making function of the Board of Directors by expressing opinions regarding planning of business strategies, etc. mainly from a managerial viewpoint, leveraging his professional knowledge as a person with experience of corporate management.</p>			
6	<p>Hideaki Takeuchi (May 11, 1959)</p> <p>[Reelection] [Outside] [Independent]</p> <p>[Attendance at the Board of Directors meetings] 11 out of 12 meetings (91%)</p> <p>[Years of service] 6 years</p>	<p>April 1984 Joined JGC CORPORATION</p> <p>April 1994 Registered at TOKYO BAR ASSOCIATION Joined Tadashi Shimizu Law Office</p> <p>October 2001 Established Matsui and Takeuchi Law Office Partner, Matsui and Takeuchi Law Office</p> <p>August 2005 Established Takeuchi Law Office Chief Attorney, Takeuchi Law Office (to present)</p> <p>September 2012 Outside Audit & Supervisory Board Member, MEDIUS HOLDINGS Co., Ltd. (to present)</p> <p>June 2015 Outside Director, the Company (to present)</p> <p>September 2020 Outside Audit & Supervisory Board Member, Zeal Communications Inc. (to present)</p> <p>[Significant concurrent positions] Chief Attorney, Takeuchi Law Office Outside Audit & Supervisory Board Member, MEDIUS HOLDINGS Co., Ltd. Outside Audit & Supervisory Board Member, Zeal Communications Inc.</p>	—
<p>[Reason for nomination as candidate for Outside Director and expected roles] The Company nominated him as a candidate for Outside Director to reflect his abundant experience and deep insight as a legal professional in the Company's management, though he has not been involved in corporate management other than as an outside officer. After his election, the Company expects him to contribute to enhancing the decision-making function of the Board of Directors by providing advice and expressing opinions mainly from a legal standpoint leveraging his knowledge as a legal professional.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
7	Shunji Ichiji (July 29, 1963) [Reelection] [Outside] [Independent] [Attendance at the Board of Directors meetings] 12 out of 12 meetings (100%) [Years of service] 4 years	February 1988 Joined Tokyu Land Area Service Co. (current Tokyu Livable, Inc.) February 1989 Joined Taketsu Estate Co., Ltd. October 1993 Founded Will Real Estate Sales (current Will Co., Ltd.) November 1993 Director, Asahi House Co., Ltd. June 1995 Established Will Real Estate Sales Co., Ltd. (current Will Co., Ltd.) President and Representative Director, Will Real Estate Sales Co., Ltd. January 2008 Director, Reno West Co., Ltd. (to present) January 2008 Director, Will Financial Communications Co., Ltd. March 2011 Representative Director, Will Kukan Design Co., Ltd. November 2013 Director, You Co., Ltd. April 2014 Chairman and Director, Will Co., Ltd. (to present) July 2014 Director, WILL STUDIO Co., Ltd. June 2017 Outside Director, the Company (to present) [Significant concurrent positions and expected roles, etc.] Chairman and Director, Will Co., Ltd.	—
[Reason for nomination as candidate for Outside Director and expected roles] The Company nominated him as a candidate for Outside Director to reflect his experience in corporate management at other companies as well as many years of experience and deep insight in practical business related to real estate in the Company's management. After his election, the Company expects him to contribute to enhancing the decision-making function of the Board of Directors by providing advice and expressing opinions on planning of business strategies, etc. mainly from a managerial viewpoint, leveraging his professional knowledge as a person with experience of corporate management.			

- (Notes)
1. There are no special interests between each candidate for Director and the Company.
 2. Messrs. Susumu Fujita, Hideaki Takeuchi and Shunji Ichiji are candidates for Outside Directors.
 3. The Company has entered into an agreement with Messrs. Susumu Fujita, Hideaki Takeuchi and Shunji Ichiji in accordance with provisions of Article 427, Paragraph 1 of the Companies Act to limit their liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act to three (3) million yen or the amount stipulated in Article 425, Paragraph 1 of the Companies Act, whichever is higher. In the event that each candidate is reelected as Outside Director, the Company will enter into an agreement with the same contents as the said agreement with each candidate.
 4. The Company has designated Messrs. Hideaki Takeuchi and Shunji Ichiji who meet the Independence Criteria for Outside Officers stipulated by the Company (see page 26) as independent officers and filed notifications with Tokyo Stock Exchange, Inc. In the event that both candidates are reelected as Outside Directors, the Company will continue to designate them as independent officers.
 5. The Company has entered into a directors and officers liability insurance (D&O Insurance) contract with an insurance company to insure all Directors and Executive Officers. The insurance covers any damages and litigation expenses, etc. that may arise from the insured parties being liable for the performance of their duties or being subject to a claim for the pursuit of such liability. However, the above insurance contract does not cover claims for damages caused by intent or gross negligence of the insured parties. The insurance premiums are fully borne by the Company. If the candidates are appointed as Directors, they will be insured under the insurance contract, which is to be renewed with the same contents during their terms of office.

Proposal 4: Election of Three (3) Directors who are Audit and Supervisory Committee Members

If Proposal 2 “Partial Amendments to the Articles of Incorporation” is approved as proposed, the Company shall become a “Company with an Audit and Supervisory Committee.” Accordingly, the Company proposes the election of three (3) Directors who are Audit and Supervisory Committee members.

The Audit & Supervisory Board has agreed to this proposal. In line with the transition to a “Company with an Audit and Supervisory Committee,” the selection of candidates for Directors who are Audit and Supervisory Committee members has been made in accordance with the “Policy on Selection of Candidates for Directors and Audit & Supervisory Board Members, and Overview of its Procedure” stipulated in pages 25 and 26 and determined by the Board of Directors based on a report to the effect that such selection has been deemed appropriate from the Nomination & Compensation Committee.

The candidates for Directors who are Audit and Supervisory Committee members are as follows.

[Reference] List of candidates

No.	Name	Date of birth	Current positions and responsibilities at the Company	Attendance at the Board of Directors meetings (Attendance rate)			
1	<table border="1"><tr><td>New election</td></tr></table> Shiro Yuasa	New election	October 3, 1961	General Manager of Finance and Accounting Department, Administration Division	—		
New election							
2	<table border="1"><tr><td>New election</td></tr><tr><td>Outside</td></tr><tr><td>Independent</td></tr></table> Takashi Hatsuse	New election	Outside	Independent	January 9, 1977	Outside Audit & Supervisory Board Member	10 out of 10 meetings (100%)
New election							
Outside							
Independent							
3	<table border="1"><tr><td>New election</td></tr><tr><td>Outside</td></tr><tr><td>Independent</td></tr></table> Akiko Inoue	New election	Outside	Independent	January 21, 1976	—	—
New election							
Outside							
Independent							

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Shiro Yuasa (October 3, 1961) [New election]	April 1984 Joined Daiei Shinyokumiai April 1990 Joined Japan Distribution Leasing Corporation April 1995 Manager of Finance Department of Finance Division April 2000 Deputy General Manager of Finance Division February 2007 Joined the Company April 2016 General Manager in charge of Finance and Accounting Department of Administration Division June 2017 General Manager of Finance and Accounting Department of Administration Division (to present)	—
[Reason for nomination as candidate for Director] The candidate has many years of experience in finance and accounting fields and extensive knowledge in these fields gained through his track records as well as deep insight about the general administrative division obtained through his many years of experience as a manager of an administrative division. The Company nominated him as a candidate for Director who is an Audit and Supervisory Committee member because we believe that he is able to supervise execution of duties of Directors from a neutral and objective standpoint, contribute to sound management of the Company as well as the maintenance and enhancement of its social trust.			
2	Takashi Hatsuse (January 9, 1977) [New election] [Outside] [Independent] [Attendance at the Board of Directors meetings] 10 out of 10 meetings (100%) [Attendance at the Audit & Supervisory Board meetings] 10 out of 10 meetings (100%)	October 2002 Registered as an attorney-at-law in Japan (Tokyo Bar Association) Joined Toranomom Chuo Law Firm May 2015 Master of Laws, Georgetown University Law Center August 2015 Worked at Washington, D.C. Office of Sheppard Mullin Richter & Hampton LLP June 2016 Registered as an attorney-at-law in New York State November 2017 Joined Uruma Law Offices Legal Professional Corporation September 2018 Registered as a Certified Fraud Examiner January 2019 Partner, Uruma Law Offices Legal Professional Corporation (to present) June 2020 Outside Audit & Supervisory Board Member, the Company (to present) [Significant concurrent positions] Partner, Uruma Law Offices Legal Professional Corporation	—
[Reason for nomination as candidate for Outside Director and expected roles] The Company nominated him as a candidate for Outside Director who is an Audit and Supervisory Committee member to reflect his extensive experience including overseas business experience and deep insight regarding corporate ethics, finance and accounting obtained through corporate legal affairs as a legal professional in the Company's management, though he has not been involved in corporate management other than as an outside officer. After his election, the Company expects him to enhance the functions of decision-making, auditing and supervision of the Board of Directors by providing advice and expressing opinions from a neutral and objective standpoint.			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Akiko Inoue (January 21, 1976) [New election] [Outside] [Independent]	<p>October 2006 Registered as an attorney-at-law (Dai-Ichi Tokyo Bar Association) Joined Tokyo Sanno Law Office</p> <p>December 2009 Director of Minna no chikara (General Incorporated Association) (to present)</p> <p>April 2017 Councilor of Musashinokai (Social Welfare Corporation) (to present)</p> <p>July 2019 Established Nishitokyo Ikoi Law Office Representative attorney, Nishitokyo Ikoi Law Office (to present)</p> <p>September 2019 Outside Audit & Supervisory Board Member, Nihon Form Service Co., Ltd. (to present)</p> <p>July 2020 Councilor of (Public Interest Foundation) International Manpower Development Organization, Japan (to present)</p> <p>[Significant concurrent positions] Representative attorney, Nishitokyo Ikoi Law Office Outside Audit & Supervisory Board Member, Nihon Form Service Co., Ltd.</p>	—
<p>[Reason for nomination as candidate for Outside Director and expected roles] The Company nominated her as a candidate for Outside Director who is an Audit and Supervisory Committee member to reflect her extensive experience as a legal professional and deep insight regarding social welfare and international exchange in the Company's management, though she has not been involved in corporate management other than as an outside officer. After her election, the Company expects her to enhance the functions of decision-making, auditing and supervision of the Board of Directors by providing advice and expressing opinions from a neutral and objective standpoint.</p>			

- (Notes)
- There are no special interests between each candidate for Director who is an Audit and Supervisory Committee member and the Company.
 - Mr. Takashi Hatsuse and Ms. Akiko Inoue are candidates for Outside Directors.
 - The Company has already entered into an agreement with Mr. Takashi Hatsuse in accordance with provisions of Article 427, Paragraph 1 of the Companies Act to limit his liability for damages. In the event that Mr. Shiro Yuasa, Mr. Takashi Hatsuse and Ms. Akiko Inoue are elected as Directors who are Audit and Supervisory Committee members, the Company will enter into an agreement with them in accordance with provisions of Article 427, Paragraph 1 of the Companies Act to limit their liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act to three (3) million yen or the amount stipulated in Article 425, Paragraph 1 of the Companies Act, whichever is higher.
 - In the event that Mr. Takashi Hatsuse and Ms. Akiko Inoue are elected as Outside Directors who are Audit and Supervisory Committee members, the Company will designate them, persons who meet the Independence Criteria for Outside Officers stipulated by the Company (see page 26), as independent officers and file a notification with Tokyo Stock Exchange, Inc.
 - The Company has entered into a directors and officers liability insurance (D&O Insurance) contract with an insurance company to insure all Directors and Executive Officers. The insurance covers any damages and litigation expenses, etc. that may arise from the insured parties being liable for the performance of their duties or being subject to a claim for the pursuit of such liability. However, the above insurance contract does not cover claims for damages caused by intent or gross negligence of the insured parties. The insurance premiums are fully borne by the Company. If the candidates are appointed as Directors who are Audit and Supervisory Committee members, they will be insured under the insurance contract, which is to be renewed with the same contents during their terms of office.

Proposal 5: Determination of the Amount of Remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members)

If Proposal 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will transition to a Company with an Audit and Supervisory Committee.

The amount of remuneration for Directors of the Company was approved at the 82nd Annual General Meeting of Shareholders to be within 270 million yen per annum (however, this does not include the salary portion for Directors concurrently serving as employees), effective to the present. However, in accordance with the transition to a Company with an Audit and Supervisory Committee, the Company once again requests that, pursuant to Article 361, Paragraph 1 and Paragraph 2 of the Companies Act, remuneration for Directors (excluding Directors who are Audit and Supervisory Committee members) be set within 270 million yen per annum (including 60 million yen per annum for Outside Directors).

In addition, it is proposed that, as is currently the case, the amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee members) shall not include the salary portion for Directors concurrently serving as employees.

If Proposal 2 and Proposal 3 are approved as originally proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee members) who will be eligible for remuneration as it relates to this Proposal will be 7 (including 3 Outside Directors).

This Proposal shall take effect provided that the amendments to the Articles of Incorporation in Proposal 2 “Partial Amendments to the Articles of Incorporation” become effective.

The setting of the amount of remuneration on this occasion is a review in consideration of the above circumstances, and the Nomination & Compensation Committee has submitted a report confirming that the amount of remuneration is in accordance with the policy for determining individual remuneration, etc. for Directors (excluding Directors who are Audit and Supervisory Committee members) (refer to page 41 to 42 of the Japanese version of this document for an outline) resolved by the Board of Directors, and is appropriate. In addition, if this Proposal is approved, there are no plans to amend the decision policy. Based on the above, the Company deems that the details of the Proposal are appropriate.

Proposal 6: Determination of the Amount of Remuneration for Directors who are Audit and Supervisory Committee Members

If Proposal 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will transition to a Company with an Audit and Supervisory Committee.

Accordingly, pursuant to Article 361, Paragraph 1 and Paragraph 2 of the Companies Act, it is proposed that the amount of remuneration for Directors who are Audit and Supervisory Committee members be set within 60 million per annum, taking into consideration various circumstances such as their responsibilities as Audit and Supervisory Committee members and the economic situation.

If Proposal 2 and Proposal 4 are approved as originally proposed, the number of Directors who are Audit and Supervisory Committee members who will be eligible for remuneration as it relates to this Proposal will be 3.

This Proposal shall take effect provided that the amendments to the Articles of Incorporation in Proposal 2 “Partial Amendments to the Articles of Incorporation” become effective.

The setting of the amount of remuneration on this occasion takes into consideration the above circumstances, and the Nomination & Compensation Committee has submitted a report to the effect that the amount is appropriate. For these reasons, the Company deems that the details of this Proposal are appropriate.

Proposal 7: Election of Accounting Auditor

The term of office of the Accounting Auditor of the Company, Deloitte Touche Tohmatsu LLC, will expire and it will retire from the position of Accounting Auditor at the conclusion of this Annual General Meeting of Shareholders. Accordingly, based on the resolution of the Audit & Supervisory Board, the election of a new Accounting Auditor, Grant Thornton Taiyo LLC, is proposed.

Grant Thornton Taiyo LLC has been selected as a candidate for Accounting Auditor by the Audit & Supervisory Board because the Company judged that it is adequate to serve as Accounting Auditor, upon comprehensively evaluating the fact that it has a system to ensure appropriate auditing of the Company based on its expertise, independence, quality management structure and level of audit fees, etc. as an Accounting Auditor and that auditing in a new perspective can be expected.

The name, location of the main office and corporate history of the candidate for Accounting Auditor are as follows:

(As of March 31, 2021)

Name	Grant Thornton Taiyo LLC		
Office	Main office: 1-2-7 Motoakasaka Minato-ku, Tokyo Other offices: Osaka Office and other 11 offices		
Corporate History	September 1971	Established Taiyo Audit Corporation	
	October 1994	Joined Grant Thornton International Ltd	
	January 2006	Taiyo Audit Corporation merged with ASG Audit Corporation and changed name to Grant Thornton Taiyo ASG Audit Corporation	
	July 2008	Became a limited liability audit corporation and changed name to Grant Thornton Taiyo ASG LLC	
	July 2012	Merged with Eisho Audit Corporation	
	October 2013	Merged with Kasumigaseki Audit Corporation	
	October 2014	Changed name to Grant Thornton Taiyo LLC	
	July 2018	Merged with Yusei Audit Co.	
Corporate Profile	Capital		¥508 million
	Members	Partners/ employees	84 persons
		Specified partners	4 persons
		Certified Public Accountants	308 persons
		Successful CPA exam candidates, etc.	227 persons
		Other staff	487 persons
		Total	1,110 persons
Number of audit clients		984 companies	

Reference

1. Policy on Selection of Candidates for Directors and Audit & Supervisory Board Members, and Overview of its Procedure

The Company has established a Nomination & Compensation Committee as an advisory body to the Board of Directors, for the purpose of further enhancing the corporate governance structure, by strengthening the fairness, transparency and objectivity of the procedures concerning the nomination and compensation of Directors, Audit & Supervisory Board Members and Executive Officers.

The Nomination & Compensation Committee is composed of at least three (3) members, of which no less than half are Outside Directors who satisfy the Independence Criteria for Outside Officers stipulated by the Company, shown below.

When selecting candidates for the position of Director or Audit & Supervisory Board Member, the Nomination & Compensation Committee engages in deliberation based on the following matters, before reporting back to the Board of Directors.

<Directors>

- (1) The Company shall have no more than nine (9) Directors, of which at least three (3) shall be Outside Directors, in principle. At least two (2) of the Outside Directors shall be independent Outside Directors.
- (2) The Company shall select candidates for Directors by taking into account the following items in order to ensure a good balance and diversity of knowledge, experience and capabilities of the Board of Directors as a whole, with a view to new businesses and overseas expansion.

1) Candidates for Executive Directors

Candidates for Executive Directors shall have personal integrity, well-versed knowledge about operations of the departments he/she is in charge of as an Executive Director, ability to communicate with other officers and employees, insights for thorough compliance with laws and regulations and corporate ethics, etc.

2) Candidates for Outside Directors

Candidates for Outside Directors shall have personal integrity and abundant experience in corporate management at other companies for bringing in diverse viewpoints to the Company's Board of Directors, or a wide range of experience and knowledge including expertise in legal, finance, accounting and other fields, and shall be capable of expressing appropriate opinions and providing instructions and supervision based on such experience and knowledge.

<Audit & Supervisory Board Members>

- (1) The Company shall have no more than four (4) Audit & Supervisory Board Members, a majority of which shall be Outside Audit & Supervisory Board Members. At least one (1) of the Outside Audit & Supervisory Board Members shall be an independent Outside Audit & Supervisory Board Member.
- (2) The Company's Audit & Supervisory Board, as a body independent of the Board of Directors, shall request the Board of Directors to consider the following items in the selection of candidates for Audit & Supervisory Board Members, and consider these items in determining whether to approve of candidates selected for Audit & Supervisory Board Member when requested for such approval by the Board of Directors, in order to ensure a good balance and diversity of knowledge, experience and capabilities of the Audit & Supervisory Board as a whole.

1) Candidates for Full-time Audit & Supervisory Board Members

Candidates for Full-time Audit & Supervisory Board Members shall have personal integrity, penetrating insight into compliance with laws, regulations and corporate ethics, as well as the ability to audit the execution of duties by Directors from a neutral and objective standpoint, prevent the violation of laws, regulations and the Articles of Incorporation, and contribute to sound management of the Company and the maintenance and enhancement of social trust.

2) Candidates for Outside Audit & Supervisory Board Members

Candidates for Outside Audit & Supervisory Board Members shall have personal integrity, abundant experience in corporate management at other companies or penetrating insight into compliance with corporate ethics based on expertise in legal, finance, accounting and other fields, and shall be

capable of auditing the execution of duties by Directors from a neutral and objective standpoint.

2. Independence Criteria for Outside Officers

The Company has established the “Independence Criteria for Outside Officers” as follows to clarify our views on independence of Outside Directors and Outside Audit & Supervisory Board Members.

If an outside officer does not fall under any of the following items, the outside officer shall be deemed to be independent from the Company and have no risk of causing a conflict of interest with general shareholders.

- (1) A person who currently serves or previously served even once as a Director, Executive Officer or other equivalent position or an employee of the Company or the Company’s subsidiary
- (2) A person whose major business partner is the Company (the Company’s business partner to which, during the most recent fiscal year, the Company paid an amount exceeding 2% of the annual revenue of the business partner pertaining to the most recent fiscal year) or an executive person thereof (Executive Director, Corporate Executive, Executive Officer or other equivalent position and an employee. The same shall apply hereinafter.)
- (3) A major business partner of the Company (a person who paid an amount exceeding 2% of the annual sales of the Company for the most recent fiscal year to the Company) or an executive person thereof
- (4) A major lender of the Company (a person whose name is listed as a major lender in the business report for the most recent fiscal year) or an executive person thereof
- (5) A consultant, certified public accountant, licensed tax accountant, attorney-at-law, judicial scrivener, patent attorney or other professional person who received monetary or other property benefits worth more than 10 million yen annually from the Company in the most recent fiscal year other than executive remuneration (however, if a person who received those property benefits is an organization such as a corporation and partnership, a person belonging to the organization only if the organization received property benefits worth more than 2% of the annual revenue of the organization from the Company in the most recent fiscal year)
- (6) A person who is in charge of audit operations for the Company as a partner, etc. of an audit firm which is the Accounting Auditor of the Company
- (7) A person who received donations exceeding 10 million yen annually from the Company in the most recent fiscal year (however, if a person who received those donations is an organization such as a corporation and partnership, a person belonging to the organization)
- (8) An executive person of another company, whose position constitutes an interlocking outside officer position in relation to his/her position as an outside officer of the Company
- (9) A major shareholder of the Company (a person who holds 10% or more of the voting rights of all the shareholders of the Company under its name or the name of any other person as of the end of the most recent fiscal year) or an executive person thereof
- (10) An executive person of a party with respect to which the Company holds 10% or more of the voting rights of all the shareholders of the party
- (11) A person who was an executive person of a corporation or any other party that falls under any of items (2) to (10) above at any point in the past three years
- (12) A spouse or a relative within the second degree of kinship of a person that falls under any of items (1) to (11) above (however, limited to an important person)
- (13) In addition to the provisions of each preceding item, a person who is deemed to have special reasons that would cause a conflict of interest with the Company