

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

Securities code: 3946

June 6, 2022

To our shareholders:

Mitsuo Nakahashi  
President & Chief Operating Officer  
**Tomoku Co., Ltd.**  
2-2-2 Marunouchi, Chiyoda-ku, Tokyo

## NOTICE OF THE 83RD ANNUAL GENERAL MEETING OF SHAREHOLDERS

Tomoku Co., Ltd. (the “Company”) hereby announces that the 83rd Annual General Meeting of Shareholders will be held as described below.

The Company has decided to have greater spacing than usual between seats at this year’s shareholders meeting as part of its efforts to prevent the spread of COVID-19. As a result, there may not be enough seats for all shareholders to attend. The Company asks for your understanding in advance and apologizes in the event there are not enough seats.

**From the standpoint of preventing the spread of COVID-19, we ask that shareholders exercise their voting rights for this Annual General Meeting of Shareholders in advance in writing or online to every extent possible, and refrain from attending the meeting in person.**

**You are kindly requested to exercise your voting rights by no later than Wednesday, 6:00 p.m. June 22, 2022 (Japan Standard Time).**

- 1 Date and Time:** Thursday, June 23, 2022 at 10:00 a.m. (Japan Standard Time)  
**2 Venue:** **Marunouchi Mitsui Building 4F, Company’s Conference Room**  
2-2-2 Marunouchi, Chiyoda-ku, Tokyo

### **3 Purposes:**

#### **Items to be reported:**

1. Business Report and Consolidated Financial Statements for the 83rd fiscal year (from April 1, 2021 to March 31, 2022), as well as the results of audit of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board
2. Non-Consolidated Financial Statements for the 83rd fiscal year (from April 1, 2021 to March 31, 2022)

#### **Items to be resolved:**

- Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Partial Amendment to the Articles of Incorporation  
**Proposal 3:** Election of Nine Directors  
**Proposal 4:** Election of One Audit & Supervisory Board Member  
**Proposal 5:** Election of One Substitute Audit & Supervisory Board Member  
**Proposal 6:** Determination of Remuneration for Directors (Excluding External Directors) by Allotment of Restricted Shares

Of the documents that should be attached to this Notice, the following items are posted on the Company’s website according to the laws and regulations and Article 13 of the Company’s Articles of Incorporation.  
(1) Notes to the Consolidated Financial Statements (2) Notes to the Non-Consolidated Financial Statements  
These items are included in the Consolidated Financial Statements, and Non-Consolidated Financial Statements audited by the Financial Auditor or the Audit & Supervisory Board Members in preparing their Audit Reports.

If any amendments are made to the Reference Documents for General Meeting of Shareholders, the Business Report, Consolidated Financial Statements, and/or Non-Consolidated Financial Statements, such amendments will be posted on the Company website.

The Company’s website: <https://www.tomoku.co.jp/>

## **Reference Documents for the General Meeting of Shareholders**

### **Proposal 1: Appropriation of Surplus**

The Company proposes the appropriation of surplus as follows:

#### **Year-end dividends**

Regarding year-end dividends for the 83rd fiscal year, after giving comprehensive consideration to factors such as the Company's business results, profit levels, financial conditions, the required internal reserves for future business development, and the dividend payout ratio, we would like to offer the following year-end dividends.

Furthermore, the Company will allocate funds from internal reserves for investment, etc. to maximize the Company's future corporate value.

#### **Type of dividend property**

Cash

#### **Allotment of dividend property and their aggregate amount**

27 yen per common share of the Company

Total payment: 443,310,759 yen

#### **Effective date of dividends of surplus**

June 24, 2022

## **Proposal 2: Partial Amendment to the Articles of Incorporation**

The Company proposes to amend part of the current Articles of Incorporation as follows.

### 1. Reasons for the Amendments

- (1) The Company proposes making some additions to the business purposes in Article 2 for further clarification in preparation for the Company working together with our group companies to expand business and to diversify our business areas in the future.
- (2) The Company proposes to revise our executive officer system and to organize the functions of Directors and Executive Officers. We propose to change to a structure in which Executive Officers are responsible for business execution functions with the aim of speeding up and streamlining management decision-making and business execution. In line with this, the Company proposes to make a change to grant Executive Officers with the positions of President, Senior Managing Director and Managing Director that have been granted to Directors in Article 21 (Representative Directors and Executive Directors) of the current Articles of Incorporation up to now. At the same time, the Company proposes to change the number of Directors in Article 18 (Number of Directors) of the current Articles of Incorporation from a maximum of 14 to a maximum of 12. We also propose to shorten the term of office of Directors in Article 20 (Term of Office) of the current Articles of Incorporation from two years to one year to increase opportunities to earn trust from shareholders. Against this background, we will look to increase the number of external Directors to increase the transparency of the Board of Directors and to strengthen fair and prompt decision making and supervisory functions.

The Company proposes to change the convener and chair of General Meetings of Shareholders in Article 11 (Convocation and Article) and 12 (Chair) of the current Articles of Incorporation from the President to a Representative Director. The Company proposes that the convener and chair of meetings of the Board of Directors shall be the Director determined in advance by the Board of Directors in Article 22 (Convener and Chair of Meetings of the Board of Directors) of the current Articles of Incorporation instead of automatically being the President as it is in Article 23 (Convocation of Meetings of the Board of Directors). The purpose of this is to ensure the flexibility of the management of the Board of Directors and to enable transparent and fair management.

The Company now proposes to newly establish Article 23 (Resolutions by the Board of Directors) to introduce resolutions based on Article 370 of the Companies Act (deemed resolutions). The aim of this is to clarify the method by which the Board of Directors makes resolutions and to further improve efficiency in the operation of the Board of Directors such as by allowing it to hold meetings under diverse environments that include remote meetings on the impetus of the spread of COVID-19 in recent years. Moreover, the Company proposes to newly establish Article 33 (Resolutions by the Audit & Supervisory Board) to clarify the method by which the Audit & Supervisory Board makes resolutions.

- (3) Introduction of measures for providing reference documents for the general meeting of shareholders, etc. in electronic format:

The Company proposes amending our Articles of Incorporation as needed to prepare for the introduction of a system for providing general shareholder meeting materials in the electronic format in line with the enforcement on September 1, 2022 of the amended provisions in the proviso of Article 1 of the Supplementary Provisions to the Act Partially Amending the Companies Act (Act No. 70 of 2019).

- (i) Article 12 (Measures to Provide Information in Electronic Format), Paragraph 1 of the proposed amendment stipulates that information contained within the reference documents and other documents for general meetings of shareholders shall be provided by electronic means.
- (ii) Article 12 (Measures to Provide Information in Electronic Format), Paragraph 2 of the proposed amendment establishes the scope of documents to be delivered to shareholders who have requested hardcopies of documents.
- (iii) Upon the introduction of the system for providing general shareholder meeting materials, etc. in electronic format, Article 13 (Disclosure on Internet and Deemed Provision of Reference Documents for General Meetings of Shareholders and Related Documents) in the current Articles of Incorporation will not be needed. Therefore, the Company proposes deleting those provisions.

(iv) Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established. The Company proposes deleting these supplementary provisions after the deadline has elapsed.

(4) The Company proposes to establish a new planned Article 42 (Dividends of Surplus, Etc.) and Article 43 (Record Date for Dividends) to enable the payment of dividends of surplus, etc. with a resolution by the Board of Directors based on the provisions in Article 459, Paragraph 1 of the Companies Act. The purpose of this is to enable the Company to flexibly implement capital and dividend policies. Together with this, the Company proposes to delete Article 6 (Acquisition of Treasury Stock), Article 41 (End-of-year Dividends) and Article 42 (Interim Dividends) of the current Articles of Incorporation whose contents will be duplicated by that.

(5) Other

The Company proposes to amend the article numbers and wording and to make the changes necessary due to the above changes.

## 2. Details of the Amendments to the Articles of Incorporation

Details of the changes are as follows.

(Revised texts are underlined.)

Current Articles of Incorporation	Planned Amendments
Article 1: (Omitted)	Article 1: (No change)
Article 2: Purpose	Article 2: Purpose
The purpose of the Company shall be to engage in the following businesses.	The purpose of the Company shall be to engage in the following businesses.
1.-7. (Omitted)	1.-7. (No change)
8. Business relating to the design and construction of architecture, civil engineering projects and landscape gardens, and the supervision and contracting of that	8. Business relating to the design and construction of architecture, <u>renovation projects</u> , civil engineering projects and landscape gardens, and the supervision and contracting of that
9. (Omitted)	9. (No change)
10. Business relating to entertainment, sports and tourism, etc., and business relating to other services	10. Business relating to entertainment, sports, <u>accommodation</u> and tourism, etc., and business relating to other services
(Newly established)	<u>11. Damage insurance agency operations and insurance agency operations based on the Automobile Accident Compensation Security Act</u>
(Newly established)	<u>12. Operations relating to the solicitation of life insurance</u>
(Newly established)	<u>13. General leasing business and old articles sales business</u>
(Newly established)	<u>14. General waste and industrial waste collection, transportation and treatment business</u>
(Newly established)	<u>15. Truck transportation business and warehousing business</u>
<u>11.</u> All business relating to the preceding items, and joint management and investment with others in relation to those, etc.	<u>16.</u> All business relating to the preceding items, and joint management and investment with others in relation to those, etc.
Articles 3 to 5: (Omitted)	Articles 3 to 5: (No change)
<u>Article 6: Acquisition of Treasury Stock</u>	Deleted
<u>The Company may acquire treasury stock through trading on the market with a resolution by the Board of Directors.</u>	
<u>Articles 7 to 10:</u> (Omitted)	<u>Articles 6 to 9:</u> (No change to the current Articles 7 to 10)

Current Articles of Incorporation	Planned Amendments
<p><u>Article 11: Convocation</u></p> <p>The Company’s Annual General Meetings of Shareholders <u>shall be convened by the President with a resolution by the Board of Directors</u> within three months from the day following the final day of each fiscal year or in the event necessary for Extraordinary General Meetings of Shareholders.</p> <p>If the <u>President</u> is involved in an incident, another Director shall convene the General Meeting of Shareholders in the order determined with a resolution by the Board of Directors in advance.</p>	<p><u>Article 10: Convocation</u></p> <p>The Company’s Annual General Meetings of Shareholders <u>shall be convened by a Representative Director</u> within three months from the day following the final day of each fiscal year or in the event necessary for Extraordinary General Meetings of Shareholders. <u>If multiple Representative Directors have been elected, the order determined with a resolution by the Board of Directors in advance shall be followed.</u></p> <p>If the <u>Representative Director</u> is involved in an incident, another Director shall convene the General Meeting of Shareholders in the order determined with a resolution by the Board of Directors in advance.</p>
<p><u>Article 12: Chair</u></p> <p>The <u>President</u> shall serve as the chair of General Meetings of Shareholders.</p> <p><u>If the President is involved in an incident, another Director shall serve as the chair in the order determined with a resolution by the Board of Directors in advance.</u></p>	<p><u>Article 11: Chair</u></p> <p>The <u>convener in the preceding article</u> shall serve as the chair of General Meetings of Shareholders.</p>
<p><u>Article 13: Disclosure on Internet and Deemed Provision of Reference Documents for General Meetings of Shareholders and Related Documents</u></p> <p><u>As for the convocation notice of the general meeting of shareholders, the Company is considered to have provided the information to be stated or indicated in the reference documents for the general meeting of shareholders, business reports, financial statements and consolidated financial statements to the shareholders by disclosing such information via the internet in accordance with the Ordinance of the Ministry of Justice.</u></p> <p>(Newly established)</p>	<p>Deleted</p>
<p><u>Articles 14 to 17: (Omitted)</u></p>	<p><u>Article 12: Measures to Provide Information in Electronic Format</u></p> <ol style="list-style-type: none"> <li><u>1. The Company shall electronically provide information contained in reference documents and other documents for the general meeting of shareholders in convening the general meeting of shareholders.</u></li> <li><u>2. Among information to be provided electronically, the Company may, but shall not be required to exclude, in whole or in part, any or all of the information set forth by the Ordinance of the Ministry of Justice in the documents to be delivered to shareholders who have requested delivery of hardcopies of documents by the record date for voting rights.</u></li> </ol>
<p><u>Article 18: Number of Directors</u></p> <p>The number of Directors of the Company shall be <u>14 or less.</u></p> <p><u>Article 19: (Omitted)</u></p>	<p><u>Articles 13 to 16: (No change to the current Articles 14 to 17)</u></p> <p><u>Article 17: Number of Directors</u></p> <p>The number of Directors of the Company shall be <u>12 or less.</u></p> <p><u>Article 18: (No change to the current Article 19)</u></p>

Current Articles of Incorporation	Planned Amendments
<p><u>Article 20:</u> Term of Office</p> <p>The term of office of Directors shall run until the conclusion of the last Annual General Meeting of Shareholders in the fiscal year ending <u>within two years</u> after election.</p>	<p><u>Article 19:</u> Term of Office</p> <p>The term of office of Directors shall run until the conclusion of the last Annual General Meeting of Shareholders in the fiscal year ending <u>within one year</u> after election.</p>
<p><u>Article 21:</u> Representative Directors and Executive Directors</p> <ol style="list-style-type: none"> <li>1. The Company shall select Representative Directors with a resolution by the Board of Directors.</li> <li>2. Representative Directors shall represent the Company and execute the business of the Company.</li> <li>3. The Board of Directors <u>may select a President and several other Executive Directors as necessary</u> with a resolution.</li> </ol>	<p><u>Article 20:</u> Representative Directors</p> <ol style="list-style-type: none"> <li>1. The Company shall select Representative Directors with a resolution by the Board of Directors.</li> <li>2. Representative Directors shall represent the Company and execute the business of the Company.</li> <li>3. The Board of Directors <u>shall select a President &amp; Executive Officer who also serves as a Representative Director</u> with a resolution.</li> </ol>
<p><u>Article 22:</u> (Omitted)</p>	<p><u>Article 21:</u> (No change to the current Article 22)</p>
<p><u>Article 23:</u> Convocation of Meetings of the Board of Directors</p> <ol style="list-style-type: none"> <li>1. <u>The President shall convene and serve as the chair of meetings of the Board of Directors except in the event otherwise stipulated by laws and ordinances. If the President is involved in an incident, another Director shall convene and serve as the chair of meetings of the Board of Directors in the order determined by the Board of Directors in advance.</u></li> <li>2. (Omitted)</li> </ol> <p>(Newly established)</p>	<p><u>Article 22:</u> Convener and Chair of Meetings of the Board of Directors</p> <ol style="list-style-type: none"> <li>1. <u>The Director determined with a resolution by the Board of Directors in advance shall convene and serve as the chair of meetings of the Board of Directors except in the event otherwise stipulated by laws and ordinances. If that Director is involved in an incident, another Director shall convene and serve as the chair of meetings of the Board of Directors in the order determined by the Board of Directors in advance.</u></li> <li>2. (No change to the current Article 23 (2))</li> </ol>
<p>Articles 24 to 32: (Omitted)</p> <p>(Newly established)</p>	<p><u>Article 23:</u> Resolutions by the Board of Directors</p> <ol style="list-style-type: none"> <li>1. <u>Resolutions by the Board of Directors shall be made with a majority of the Directors who can participate in the resolution in attendance and a majority of those then voting for it.</u></li> <li>2. <u>Notwithstanding the provisions in the preceding paragraph, the Company shall deem there has been a resolution by the Board of Directors for matters that are the purpose of resolutions by the Board of Directors when the requirements in Article 370 of the Companies Act have been satisfied.</u></li> </ol>
<p>Articles 24 to 32: (Omitted)</p> <p>(Newly established)</p>	<p>Articles 24 to 32: (No change)</p> <p><u>Article 33:</u> Resolutions by the Audit &amp; Supervisory Board</p> <p><u>Resolutions by the Audit &amp; Supervisory Board shall be made with a majority of the Audit &amp; Supervisory Board members except in the event otherwise stipulated by laws and ordinances.</u></p>
<p><u>Articles 33 to 38:</u> (Omitted)</p>	<p><u>Articles 34 to 39:</u> (No change to the current Articles 33 to 38)</p>
<p><u>Article 39:</u> Election of Executive Officers</p> <ol style="list-style-type: none"> <li>1. The Company may elect the necessary Executive Officers and entrust them to execute the business of the Company with a resolution by the Board of Directors.</li> </ol>	<p><u>Article 40:</u> Election of Executive Officers</p> <ol style="list-style-type: none"> <li>1. The Company may elect the necessary Executive Officers and entrust them to execute the business of the Company with a resolution by the Board of Directors.</li> </ol>

Current Articles of Incorporation	Planned Amendments
<p>2. The Executive Officer Rules stipulated by the Board of Directors shall apply <u>in relation</u> to Executive Officers.</p> <p><u>Article 40: (Omitted)</u></p> <p><u>Article 41: End-of-year Dividends</u></p> <p><u>The Company shall pay a dividend of surplus in cash to shareholders and registered share pledgees recorded or registered in the shareholder registry at the end of each fiscal year according to a resolution by the General Meeting of Shareholders (hereinafter End-of-year Dividend).</u></p> <p><u>Article 42: Interim Dividends</u></p> <p><u>The Company shall pay a dividend of surplus stipulated in Article 454, Paragraph 5 of the Companies Act to shareholders and registered share pledgees recorded or registered in the shareholder registry at the end of September 30 every year according to a resolution by the Board of Directors (hereinafter “Interim Dividend”).</u></p> <p style="text-align: center;">(Newly established)</p> <p style="text-align: center;">(Newly established)</p> <p><u>Article 43: Statute of Limitations for End-of-year Dividends, Etc.</u></p> <p>1. If <u>End-of-year Dividends and Interim Dividends</u> are not accepted after three full years have passed from the day on which their payment starts, the Company shall be exempted from the obligation to pay them.</p> <p>2. No interest shall be paid on unpaid <u>End-of-year Dividends and Interim Dividends</u>.</p>	<p>2. The Executive Officer Rules stipulated by the Board of Directors shall apply <u>for matters relating to</u> Executive Officers.</p> <p><u>Article 41: (No change to the current Article 40)</u></p> <p style="text-align: center;">Deleted</p> <p style="text-align: center;">Deleted</p> <p><u>Article 42: Dividends of Surplus, Etc.</u></p> <p><u>The Company may determine the matters listed in each item of Article 459, Paragraph 1 of the Companies Act according to a resolution by the Board of Directors without a resolution at a General Meeting of Shareholders.</u></p> <p><u>Article 43: Record Date for Dividends</u></p> <p><u>The Company may pay a dividend of surplus in cash (hereinafter Dividend) to shareholders and registered share pledgees recorded or registered in the shareholder registry at the end of March 31 and September 30 each year.</u></p> <p><u>Article 44: Statute of Limitations for Dividends</u></p> <p>1. If Dividends are not received after three full years have passed from the day on which payment starts, the Company shall be exempted from the obligation to pay them.</p> <p>2. No interest shall be paid on unpaid Dividends.</p>

Current Articles of Incorporation	Planned Amendments
(Newly established)	<p data-bbox="804 212 1061 241"><u>Supplementary Provisions</u></p> <p data-bbox="804 253 1350 282"><u>(Measures to Provide Information in Electronic Format)</u></p> <ol style="list-style-type: none"> <li data-bbox="836 297 1402 719">1. <u>The deletion of Article 13: Documents for the General Meeting of Shareholders and Other Information to Be Deemed Provided with Internet Disclosure in the Articles of Incorporation and the establishment of Article 12: Measures to Provide Electronically Provide Information in the Articles of Incorporation shall take effect from September 1, 2022 that shall serve as the date of the enforcement (hereinafter the “Enforcement Date”) of the amended provisions stipulated in the Article 1 proviso of the supplementary provisions to the Act Partially Amending the Companies Act (Act No. 70 of 2019).</u></li> <li data-bbox="836 734 1402 909">2. <u>Notwithstanding the provisions in the preceding paragraph, the current Article 15 in the Articles of Incorporation shall have effect for a General Meeting of Shareholders held within six months of the Enforcement Date.</u></li> <li data-bbox="836 925 1402 1097">3. <u>These Supplementary Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the General Shareholders’ Meeting in the preceding paragraph, whichever is later.</u></li> </ol>



### Proposal 3: Election of Nine Directors

At the conclusion of this meeting, the terms of office of the thirteen Directors, Hideo Saito, Mitsuo Nakahashi, Mitsugu Uchino, Shoji Hirose, Yoshiyuki Kurihara, Takashi Arai, Takeshi Ariga, Tomozumi Miyasaka, Terutaka Fukazawa, Yoshito Yamaguchi, Hidetoshi Murai, Toshihiko Nagayasu and Mito Shimonaka will expire. Therefore, the Company proposes the election of nine Directors.

The candidates for Director are as follows:

Candidate No.	Name	Current position	Responsibility in the Company, and significant concurrent positions	Attributes
1	Mitsuo Nakahashi	President & Chief Operating Officer		Reelection
2	Shoji Hirose	Managing Director	General Manager of Sales Div. General Director of Tomoku Vietnam Co., Ltd.	Reelection
3	Yoshiyuki Kurihara	Managing Director	General Manager of Administration Div. General Manager of Logistics & Procurement Dept. and General Manager of Housing Material Dept.	Reelection
4	Terutaka Fukazawa	Director	Deputy General Manager of the Sales Div., Manager of Tokyo Sales Dept. and General Manager of Sales Development Dept.	Reelection
5	Yoshito Yamaguchi	Director	General Manager of Accounting Dept.	Reelection
6	Hidetoshi Murai	Director	President of Sweden House Co., Ltd.	Reelection
7	Toshihiko Nagayasu	External Director	Chairman of NTS Holdings Company, Limited	Reelection External Independent
8	Mito Shimonaka	External Director	Representative Director and President of Heibonsha Ltd.	Reelection External Independent
9	Tetsuya Kobayashi		Executive Advisor to Imperial Hotel, Ltd.	New election External Independent

<u>New election</u>	Director candidate up for new election
<u>Reelection</u>	Director candidate up for reelection
<u>External</u>	External Director candidate
<u>Independent</u>	Independent Officer as provided for by the Tokyo Stock Exchange's regulations

Candidate No.	Name (Date of birth)	Tenure as Director 12 years	Attendance at Board of Directors meetings 12/12	Number of the Company's shares owned 22,800 shares
1	<p style="text-align: center;">[Reelection] Mitsuo Nakahashi (May 25, 1952)</p>	<p>Career summary, and position and responsibility in the Company (Significant concurrent positions)</p> <p>Apr. 1975      Joined the Company</p> <p>Apr. 2000      General Manager of Sendai Works of the Company</p> <p>Jun. 2008      Executive Officer and General Manager of Minami-Kanto Sales Dept. of the Company</p> <p>Jun. 2010      Director, Manager of Tokyo Sales Dept. and General Manager of Sales Development Dept. of the Company</p> <p>Jun. 2012      Managing Director and General Manager of Sales Div. of the Company</p> <p>Jun. 2018      President &amp; Chief Operating Officer of the Company (current position)</p>		
<p>[Reasons for nomination as candidate for Director]</p> <p>Since joining the Company, Mitsuo Nakahashi has served in the corrugated packaging sales department, and after beginning to participate in the Company's management as a Director in 2010, from 2018 as Representative Director, he has exercised strong leadership and contributed to business expansion. Based on his expert abilities and insight, as well as abundant experience, we expect he will contribute to increasing the group's sustainable corporate value and have renominated him as a candidate for Director.</p>				
Candidate No.	Name (Date of birth)	Tenure as Director 20 years	Attendance at Board of Directors meetings 12/12	Number of the Company's shares owned 30,800 shares
2	<p style="text-align: center;">[Reelection] Shoji Hirose (January 8, 1957)</p>	<p>Career summary, and position and responsibility in the Company (Significant concurrent positions)</p> <p>Mar. 1975      Joined the Company</p> <p>Oct. 1997      General Manager of Engineering Dept. of the Company</p> <p>Jun. 2000      Executive Officer and General Manager of Tatebayashi Works of the Company</p> <p>Jun. 2002      Director and General Manager of Tatebayashi Works of the Company</p> <p>Jun. 2012      Managing Director, General Manager of Production Div. and General Manager of Engineering Development Dept. of the Company</p> <p>Apr. 2016      Managing Director and General Manager of Production Div. of the Company</p> <p>Apr. 2016      General Director of Tomoku Vietnam Co., Ltd. (current position)</p> <p>Jun. 2018      Managing Director and General Manager of Sales Div. of the Company (current position)</p>		
<p>[Reasons for nomination as candidate for Director]</p> <p>Since joining the Company, Shoji Hirose has served in the corrugated packaging management and production department, and since being appointed Director in 2002, has made large contributions to improved transactional conditions and expanding the scope of business as General Manager of Production Div. and since 2018, as General Manager of the Sales Div. From 2016, he has concurrently served as General Director of an overseas subsidiary, and from his abundant experience and results, we deem he is essential to the Company's management and have renominated him as a candidate for Director.</p>				

Candidate No.	Name (Date of birth)	Tenure as Director 18 years	Attendance at Board of Directors meetings 12/12	Number of the Company's shares owned 31,600 shares
3	<p style="text-align: center;"><u>Reelection</u> Yoshiyuki Kurihara (January 20, 1954)</p>	<p>Career summary, and position and responsibility in the Company (Significant concurrent positions)</p> <p>Apr. 1974      Joined the Company</p> <p>Apr. 1995      General Manager of Yamagata Works of the Company</p> <p>Oct. 1999      General Manager of General Affairs Dept. of the Company</p> <p>Jun. 2002      Executive Officer and General Manager of General Affairs Dept. of the Company</p> <p>Jun. 2004      Director and General Manager of General Affairs Dept. of the Company</p> <p>Apr. 2016      Director and in charge of General Affairs Dept. of the Company General Manager of Logistics &amp; Procurement Dept. and General Manager of Housing Material Dept. of the Company (current position)</p> <p>Jun. 2018      Managing Director and General Manager of Administration Div. of the Company (current position)</p>		
<p>[Reasons for nomination as candidate for Director]</p> <p>Since joining the Company, Yoshiyuki Kurihara has served in the corrugated packaging management department, and utilizing his broad knowledge cultivated at Yamagata Works and the General Affairs Dept., since 2016 he has worked diligently to improve materials purchasing and logistics as General Manager of Logistics &amp; Procurement Dept. and from 2018 he has contributed to enhanced corporate value as the General Manager of the Administration Div. We deem that his experience and knowledge will continue to be essential to the Company's management and have renominated him as a candidate for Director.</p>				
Candidate No.	Name (Date of birth)	Tenure as Director 2 years	Attendance at Board of Directors meetings 12/12	Number of the Company's shares owned 7,200 shares
4	<p style="text-align: center;"><u>Reelection</u> Terutaka Fukazawa (February 7, 1964)</p>	<p>Career summary, and position and responsibility in the Company (Significant concurrent positions)</p> <p>Apr. 1987      Joined the Company</p> <p>Feb. 2006      General Manager of Sales Dept. II of the Company</p> <p>Jun. 2012      Executive Officer and General Manager of Sales Dept. II of the Company</p> <p>Jun. 2017      Executive Officer, Deputy General Manager of Sales Div. of the Company</p> <p>Jun. 2020      Director, Deputy General Manager of Sales Div. and Manager of Tokyo Sales Dept. &amp; General Manager of Sales Development Dept. of the Company (current position)</p>		
<p>[Reasons for nomination as candidate for Director]</p> <p>Terutaka Fukazawa has abundant experience and knowledge in the corrugated packaging sales department. He is in charge of the product development department and, since he was appointed as Director in 2020, he has managing the Tokyo sales department. Through his numerous achievements and experience of accurately understanding the needs of customers and turning these into commercial products, we expect that he will contribute to the development of new business opportunities, and we deem that he will be essential to increasing the group's sustainable corporate value and have renominated him as a candidate for Director.</p>				

Candidate No.	Name (Date of birth)	Tenure as Director 2 years	Attendance at Board of Directors meetings 12/12	Number of the Company's shares owned 7,900 shares
5	<div style="text-align: center;"> <span style="border: 1px solid black; padding: 2px;">Reelection</span>            Yoshito Yamaguchi            (November 27, 1964)         </div>	Career summary, and position and responsibility in the Company (Significant concurrent positions) Mar. 1985      Joined Toyo Unyu Sohko Co., LTD. (currently Tohun Co., Ltd.) Jul. 2001      General Manager of Accounting Dept. of Tohun Service Co., Ltd. (currently Tohun Co., Ltd.) Jun. 2005      Executive Officer and General Manager of Accounting Dept. of Tohun Service Co., Ltd. Aug. 2008      Seconded to the Company as General Manager of Accounting Dept. Jun. 2012      Executive Officer and General Manager of Accounting Dept. of the Company Jun. 2020      Director and General Manager of Accounting Dept. of the Company (current position)		
		[Reasons for nomination as candidate for Director] Yoshito Yamaguchi has been the General Manager of the accounting department of the Company since 2008, and he has abundant business experience and a wide range of knowledge related to accounting and finance. With that experience and knowledge, he has been working to improve the Company's IR system. He is well versed in the business of the group and we deem that his swift and agile business execution that utilizes his experience since being appointed as Director in 2020 will be essential for further enhancement of the management system of the Company and the group and have renominated him as a candidate for Director.		
Candidate No.	Name (Date of birth)	Tenure as Director 12 years	Attendance at Board of Directors meetings 11/12	Number of the Company's shares owned 19,100 shares
6	<div style="text-align: center;"> <span style="border: 1px solid black; padding: 2px;">Reelection</span>            Hidetoshi Murai            (November 17, 1954)         </div>	Career summary, and position and responsibility in the Company (Significant concurrent positions) Apr. 1979      Joined the Company Apr. 1998      General Manager of Shimizu Works of the Company Jun. 2000      Executive Officer and General Manager of Shimizu Works of the Company Jun. 2010      Director (current position) and General Manager of Osaka Works of the Company Apr. 2016      Director and General Manager of Kobe Works of the Company Jun. 2018      Director, General Manager of Kobe Works, and responsible for Kansai Sales Dept. of the Company Jan. 2020      President of Sweden House Co., Ltd. (current position)		
		[Reasons for nomination as candidate for Director] Hidetoshi Murai has abundant experience and knowledge mainly in the sales department. After being appointed Director in 2010, he has exhibited leadership in the optimization of works operations from his broad insight. Furthermore, since 2020, he has served as President of the Company's consolidated subsidiary Sweden House Co., Ltd. We deem that his experience and knowledge will continue to be essential to the Company's management and have renominated him as a candidate for Director.		

Candidate No.	Name (Date of birth)	Tenure as Director 6 years	Attendance at Board of Directors meetings 11/12	Number of the Company's shares owned 9,800 shares
7	<div style="text-align: center;"> <span style="border: 1px solid black; padding: 2px;">Reelection</span>  <span style="border: 1px solid black; padding: 2px;">External</span>  <span style="border: 1px solid black; padding: 2px;">Independent</span> </div> Toshihiko Nagayasu (July 18, 1957)	Career summary, and position and responsibility in the Company (Significant concurrent positions) Apr. 1981      Joined The Hokkaido Takushoku Bank, Ltd. Nov. 1998      Joined The Chuo Trust & Banking Co., Ltd. Oct. 2002      Joined Nittele Credit Collection Co., Ltd. Jun. 2012      President of Nittele Credit Collection Co., Ltd. Jan. 2014      President of NTS Holdings Company, Limited Jun. 2016      External Director of the Company (current position) Jun. 2021      Chairman of NTS Holdings Company, Limited (current position)		
[Reason for proposing as candidate for external Director and expected roles] Toshihiko Nagayasu has fully exercised his role as external Director such as by providing valuable advice from the perspective of an independent and objective manager in meetings of the Board of Directors based on his abundant experience and knowledge in corporate management. We expect that he will contribute to the increase in the Company's long-term stable corporate value and have renominated him as candidate for external Director.				
Candidate No.	Name (Date of birth)	Tenure as Director 2 years	Attendance at Board of Directors meetings 12/12	Number of the Company's shares owned 200 shares
8	<div style="text-align: center;"> <span style="border: 1px solid black; padding: 2px;">Reelection</span>  <span style="border: 1px solid black; padding: 2px;">External</span>  <span style="border: 1px solid black; padding: 2px;">Independent</span> </div> Mito Shimonaka (February 4, 1956)	Career summary, and position and responsibility in the Company (Significant concurrent positions) Apr. 1978      Joined Bunka Gakuen Bunka Publishing Bureau Oct. 1995      Joined Heibonsha Ltd. Jun. 2003      Chief Editor of Heibonsha Ltd. Jun. 2014      Representative Director and President of Heibonsha Ltd. (current position) Jun. 2020      External Director of the Company (current position) Jun. 2021      External Director of AGS Corporation (current position)		
[Reason for proposing as candidate for external Director and expected roles] Mito Shimonaka has an abundant experience and broad insight as a business owner in the publishing industry. Through her useful remarks in meetings of the Board of Directors on the Company's overall management from an objective and neutral standpoint and based on a multifaceted, women's perspective, we expect that she will contribute to increasing the group's sustainable corporate value and to further enhancing the management system of the Company and have renominated her as a candidate for external Director.				
Candidate No.	Name (Date of birth)	Tenure as Director – years	Attendance at Board of Directors meetings –/–	Number of the Company's shares owned 0 shares
9	<div style="text-align: center;"> <span style="border: 1px solid black; padding: 2px;">New election</span>  <span style="border: 1px solid black; padding: 2px;">External</span>  <span style="border: 1px solid black; padding: 2px;">Independent</span> </div> Tetsuya Kobayashi (June 21, 1945)	Career summary, and position and responsibility in the Company (Significant concurrent positions) Mar. 1969      Joined Imperial Hotel, Ltd. Jun. 1998      Director of Imperial Hotel, Ltd. Jun. 2001      Vice-President of Imperial Hotel, Ltd. Jun. 2004      President of Imperial Hotel, Ltd. Apr. 2013      Chairman of Imperial Hotel, Ltd. Apr. 2020      Director of Imperial Hotel, Ltd. Jun. 2020      Executive Advisor to Imperial Hotel, Ltd. (current position)		
[Reason for proposing as candidate for external Director and expected roles] Tetsuya Kobayashi has global knowledge, a wealth of experience and wide-ranging insights from his successive positions, such as President and Chairman, at Imperial Hotel, Ltd. Through his useful opinions and identifications on the Company's overall management from an objective an neutral standpoint and based on a multifaceted perspective and perspective from the different industry of the service industry, we expect that he will contribute to deepening and broadening further enhancements to the management system of the Company and improvements to sustainable corporate value and have nominated him as a candidate for external Director.				

- Notes: 1. There is no special interest between the candidates and the Company.  
 2. Tenure of each candidate refers to the number of years served as of the date of the conclusion of this Annual General Meeting of Shareholders.

3. The number listed for Attendance at Board of Directors meetings for each candidate refers to the result during the period of fiscal 2021 for which that Director's tenure was current.
4. The Company has submitted notification to the Tokyo Stock Exchange that Toshihiko Nagayasu and Mito Shimonaka have been appointed as independent officers as provided for by the aforementioned exchange. Furthermore, Tetsuya Kobayashi satisfies the requirements for an independent officer as provided for by the aforementioned exchange. If their election as Directors is approved, the Company plans to submit notification to the exchange concerning their appointment as independent officers.
5. Based on the Company's Articles of Incorporation, the Company has entered into agreements with Toshihiko Nagayasu and Mito Shimonaka limiting their liability for damages under Article 427, Paragraph 1 of the Companies Act to the extent allowed by laws and regulations. If their reelection is approved, the Company plans to renew this agreement with them. If the election of Tetsuya Kobayashi is approved and adopted, the Company plans to enter into a similar agreement with him.
6. The Company has entered into a directors and officers liability insurance policy based on Article 430-3, Paragraph 1 of the Companies Act with an insurance company. This policy will compensate for damages arising due to the Directors of the Company and other insured persons bearing responsibility in relation to the performance of their duties or receiving a claim relating to the pursuit of such responsibility. However, there are certain exemption clauses such as when an insured person commits an act while recognizing it is an act in violation of laws and ordinances. If the candidates are elected and assume office as Directors, they will become insured persons under that insurance policy. In addition, the Company plans to renew this insurance policy under the same conditions at the next renewal.

**(Reference) Composition of the Board of Directors**

The following are the fields in which each candidate for Director is expected to contribute.

The main fields among the fields of expertise expected to be contributed by each Director are marked with a ●.

Candidate for Director	Fields in Which Each Candidate for Director is Especially Expected to Contribute to the Company						
	Corporate Management	Legal / Risk Management	Finance / Accounting	Sales / Marketing	Manufacturing Technology and Quality Control	ESG	Personnel / Labor Affairs
Mitsuo Nakahashi Reelection	●	●		●		●	
Shoji Hirose Reelection	●			●	●		
Yoshiyuki Kurihara Reelection	●	●				●	●
Terutaka Fukazawa Reelection				●	●	●	
Yoshito Yamaguchi Reelection			●			●	●
Hidetoshi Murai Reelection	●			●		●	●
Toshihiko Nagayasu Reelection External Independent	●	●	●				
Mito Shimonaka Reelection External Independent	●	●		●			
Tetsuya Kobayashi New election External Independent	●			●		●	

\*The above skills matrix does not represent all the knowledge possessed by each candidate.

**Proposal 4: Election of One Audit & Supervisory Board Member**

At the conclusion of this meeting, Audit & Supervisory Board Member Kyu Iida will resign. Therefore, the Company proposes the election of one substitute Audit & Supervisory Board member.

Furthermore, the consent of the Audit & Supervisory Board has been obtained for this proposal.

In addition, as provided for in the Company’s Articles of Incorporation, if Kayoko Kitade is elected, her term of office will be until the conclusion of the Annual General Meeting of Shareholders planned to be held in June 2024.

The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Tenure as Audit & Supervisory Board Member – years	Attendance at Audit & Supervisory Board meetings –/–	Number of the Company’s shares owned 0 shares
<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 2px;">New election</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 2px;">External</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 2px;">Independent</div> Kayoko Kitade (June 8, 1978)	Career summary and position in the Company (Significant concurrent positions) Sep. 2007          Registered as attorney-at-law Sep. 2007          Joined Ginza Law Office (current position)		
[Reasons for nomination as candidate for external Audit & Supervisory Board Member] Kayoko Kitade has never in the past been involved in the management of a company. However, she has a wide range of insights due to her broad experience and expert knowledge as an attorney-at-law. We deem that she will provide beneficial opinions and identifications to the Company’s management based on an objective and neutral standing and a point of view unique to women from a multifaceted perspective that will include the further strengthening of the Company’s corporate governance and legal opinions. As a result, we have nominated her as a candidate for external Audit & Supervisory Board member.			

- Notes:
1. There is no special interest between the candidate and the Company.
  2. If the election of Kayoko Kitade is approved, based on the Company’s Articles of Incorporation, the Company plans to enter into an agreement with her limiting her liability for damages under Article 427, Paragraph 1 of the Companies Act to the extent allowed by laws and regulations.
  3. Furthermore, Kayoko Kitade satisfies the requirements for an independent officer as provided for by the Tokyo Stock Exchange. If her appointment as Audit & Supervisory Board member is approved, the Company plans to submit a notification to the exchange concerning her appointment as an independent officer.
  4. The Company has entered into a directors and officers liability insurance policy based on Article 430-3, Paragraph 1 of the Companies Act with an insurance company. This policy will compensate for damages arising due to the Audit & Supervisory Board members of the Company and other insured persons bearing responsibility in relation to the performance of their duties or receiving a claim relating to the pursuit of such responsibility. However, there are certain exemption clauses such as when an insured person commits an act while recognizing it is an act in violation of laws and ordinances. If Ms. Kitade is elected as an Audit & Supervisory Board member, she will become an insured person under that insurance policy. In addition, the Company plans to renew this insurance policy under the same conditions at the next renewal.



**Proposal 5: Election of One Substitute Audit & Supervisory Board Member**

To be ready to fill a vacant position should the number of Audit & Supervisory Board Members fall below the number required by laws and regulations, the Company requests approval for the election of Toshiaki Kanazawa as a substitute Audit & Supervisory Board Member.

The validity of the election can be nullified by resolution of the Board of Directors if the consent of the Audit & Supervisory Board has been obtained; provided, however, that it is only in a time before assuming office as Audit & Supervisory Board Member.

The consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidate for substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Number of the Company's shares owned 0 shares
<div style="text-align: center;"> <div style="border: 1px solid black; padding: 2px; display: inline-block;">External</div>  <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div>                      Toshiaki Kanazawa                      (November 23, 1955)                 </div>	Career summary (Significant concurrent positions) Oct. 1985 Registered as a certified public tax accountant May 1986 Joined Shinko Audit Corporation June 1999 Established Chiyoda Management Service Ltd. Director of Chiyoda Management Service Ltd. Director of Toshiaki Kanazawa Certified Public Tax Accountant Office (current position) Jul. 2011 Representative Director of Chiyoda Management Service Ltd. (current position)
[Reasons for nomination as candidate for substitute external Audit & Supervisory Board Member] The reason Toshiaki Kanazawa has been nominated as a candidate for substitute external Audit & Supervisory Board Member is that he has expert knowledge and practical experience as a certified public tax accountant which we would like him to reflect in the audits of the Company.	

- Notes:
1. There is no special interest between the candidate for substitute Audit & Supervisory Board Member and the Company.
  2. Toshiaki Kanazawa is a candidate for substitute external Audit & Supervisory Board Member.
  3. In the event Mr. Kanazawa assumes the office of Audit & Supervisory Board Member, based on the Company's Articles of Incorporation, the Company plans to enter into a limited liability agreement with him to the extent allowed by laws and regulations as provided for in Article 427, paragraph 1 of the Companies Act. In addition, in the event Mr. Kanazawa assumes the office of Audit & Supervisory Board Member, the Company will include him as an insured in the directors and officers liability insurance policy as provided for in Article 430-3, paragraph 1 of the Companies Act. The details of the directors and officers liability insurance policy are described on page 16 of the 83rd Business Report (Japanese only).
  4. Mr. Kanazawa satisfies the requirements for an independent officer as provided for by the Tokyo Stock Exchange.
  5. The Company has entered into a directors and officers liability insurance policy based on Article 430-3, Paragraph 1 of the Companies Act with an insurance company. This policy will compensate for damages arising due to the Audit & Supervisory Board members of the Company and other insured persons bearing responsibility in relation to the performance of their duties or receiving a claim relating to the pursuit of such responsibility. However, there are certain exemption clauses such as when an insured person commits an act while recognizing it is an act in violation of laws and ordinances. If Mr. Kanazawa is elected as an Audit & Supervisory Board member, he will become an insured person under that insurance policy. In addition, the Company plans to renew this insurance policy under the same conditions at the next renewal.

## **Proposal 6: Determination of Remuneration for Directors (Excluding External Directors) by Allotment of Restricted Shares**

We received approval for the amount of remuneration for Directors of the Company to be 360 million yen or less a year at the 69th Annual General Meeting of Shareholders held on June 27, 2008. (However, this does not include employee salaries and bonuses for Directors who also serve as employees.)

The Company now proposes as follows to allot common shares in the Company subject to a certain transfer restriction period and provisions concerning the grounds for acquisition for no consideration by the Company (hereinafter Restricted Shares) for Directors (excluding external Directors) of the Company. The aim of this is for Directors (excluding external Directors) of the Company to share the benefits and risks of stock price fluctuations with shareholders and to elevate their desire to contribute to an increase in the stock price and corporate value more than ever before.

Accordingly, the Company proposes to set the total amount of monetary remuneration credits to be paid as remuneration relating to Restricted Shares to 80 million yen a year or less for Directors of the Company (excluding external Directors) comprehensively taking into account various matters such as the level of contribution of Directors to the Company. This will be separate to the aforementioned amount of remuneration for Directors. The allotment of Restricted shares is determined by comprehensively taking into account various matters such as the level of contribution by Directors to the Company. We believe that is appropriate. The reason why it is appropriate is because the dilution rate is insignificant with the maximum number of Restricted Shares to be allotted in each fiscal year as stipulated in 2 below to be about 0.2% of the total number of outstanding shares (about 2.0% of the total number of outstanding shares when the maximum number of Restricted Shares are issued over 10 years).

The Company revised part of the Policy on Determining the Remuneration of Directors in a meeting of the Board of Directors held on May 17, 2022 on the condition that this proposal is approved at this meeting. We give an overview of that policy in the (Reference) of this proposal. The allotment of Restricted Shares based on this proposal is in line with this policy.

The Company currently has thirteen Directors (two of whom are external Directors). If Proposal 3 is approved, there will be nine Directors (three of whom will be external Directors).

### **Specific Content and Maximum Number of Restricted Shares for Directors of the Company (Excluding External Directors)**

#### **1. Allotment and Payment of Restricted Shares**

In accordance with a resolution by the Company's Board of Directors, Directors (excluding external Directors) of the Company shall receive monetary remuneration claims within the aforementioned annual amount as Restricted Share-based remuneration, etc., and each Director will be allotted the Restricted Shares by contributing all of the monetary remuneration claims in the form of property contributed in kind.

The amount to be paid in for the Restricted Shares shall be based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day preceding the date of resolution of the Company's Board of Directors for the issuance or disposal of such shares (if no trade is made on this day, the closing price on the most recent day of trading before that), and shall be determined by the Board of Directors to the extent that the amount will not be particularly advantageous for Directors receiving the Restricted Shares.

Furthermore, the aforementioned monetary remuneration claims shall be provided to Directors (excluding external Directors) on the condition that they have agreed to the above payment of property contributed in kind, and have concluded a Restricted Shares Allotment Agreement which includes the provisions stipulated in 3. below.

#### **2. Total Number of Restricted Shares**

The maximum number of Restricted Shares to be allotted to the Company's Directors (excluding external Directors) in each fiscal year shall be no more than 40,000.

However, after the day that this proposal is resolved, if there is a split of the Company's common shares (including an allotment without contribution of the Company's common shares) or a reverse stock split or another similar event which makes it necessary to adjust the total number of Restricted Shares allotted, the total number of Restricted Shares may be reasonably adjusted.

### 3. Provisions of the Restricted Shares Allotment Agreement

In accordance with a resolution by the Company's Board of Directors, the Restricted Shares Allotment Agreement to be concluded between the Company and Directors receiving the Restricted Shares shall include the following provisions.

#### (1) Definitions of Transfer Restrictions

Directors who have received an allotment of Restricted Shares may not transfer, establish a pledge, establish transfer security interest, make a gift before death, bequeath or otherwise dispose of the Restricted Shares allotted to the Director (hereinafter the Allotted Shares) to any third party during a period between the date on which they are granted the Restricted Shares and the date on which they retire from all of their positions of Director, Executive Officer and Advisor of the Company and the subsidiaries of the Company (hereinafter the Transfer Restriction Period).

#### (2) Acquisition of Restricted without Consideration

If a Director who has received an allotment of Restricted Shares retires from all their positions of Director, Executive Officer and Advisor of the Company and the subsidiaries of the Company between the date on which the Transfer Restriction Period starts and the day before the day on which the first upcoming Annual General Meeting of Shareholders of the Company is held, the Company may acquire the Allotted Shares without consideration except if there are reasons deemed appropriate by the Company's Board of Directors. In addition, if there are any Allotted Shares for which the Transfer Restrictions have not been lifted in accordance with the provisions for the lifting of the Transfer Restrictions as discussed in (3) below at the time when the Transfer Restriction Period discussed in (1) above has ended, the Company shall automatically acquire those Allotted Shares without consideration.

#### (3) Lifting of the Transfer Restrictions

The Company will lift the Transfer Restrictions on all the Allotted Shares when the Transfer Restriction Period ends on condition that the Directors who have received an allotment of Restricted Shares continue to hold their positions as Director, Executive Officer or Advisor of the Company or the subsidiaries of the Company between the date on which the Transfer Restriction Period starts and the date on which the first upcoming Annual General Meeting of Shareholders of the Company is held.

However, if a Director resigns from all their positions of Director, Executive Officer and Advisor of the Company and the subsidiaries of the Company between the date on which the Transfer Restriction Period starts and the day before the day on which the first upcoming Annual General Meeting of Shareholders of the Company is held due to reasons deemed appropriate by the Company's Board of Directors, the Company will reasonably adjust as necessary the number of the Allotted Shares for which the Transfer Restrictions are to be lifted and the timing at which the Transfer Restrictions are to be lifted.

#### (4) Treatment in the Case of the Company's Reorganization, Etc.

If, during the Transfer Restriction Period, proposals relating to a merger agreement in which the Company is the merged company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary or other reorganization, etc. are approved at the Company's General Meeting of Shareholders (or at a meeting of the Company's Board of Directors where approval at the Company's General Meeting of Shareholders is not required for the reorganization, etc.) and if a Director who has received an allotment of the Restricted Shares will retire from all their positions of Director, Executive Officer or Advisor of the Company and the subsidiaries of the Company due to the reorganization, etc., the Company shall lift the Transfer Restrictions on the Allotted Shares with the number of shares to be reasonably determined in consideration of the period from the beginning of the Transfer Restriction Period to the date of approval of the reorganization, etc. prior to the effective date of such reorganization, etc. by resolution of the Company's Board of Directors.

In this case, the Company will acquire as a matter of course the Allotted Shares for which the Transfer Restrictions have not been lifted for no consideration directly after the Transfer Restrictions are lifted based on the above provisions (at the time prior to the effective date of the reorganization, etc. reasonably stipulated by the Company's Board of Directors if the Transfer Restrictions are not lifted based on the above provisions).

**(Reference)** Overview of the Officer Remuneration System

We plan to change as follows the Policy on Determining the Remuneration of Officers of the Company on condition that Proposal 6 is approved at this meeting. (We plan to revise this policy on June 23, 2022.)

The Basic Policy on the Remuneration of Directors is comprised of monetary fixed remuneration and officers' bonuses and non-monetary stock remuneration as performance-linked remuneration paid according to the performance in a single fiscal year to function as a sound incentive for sustainable growth. This remuneration is paid at an appropriate level according to the positions and roles of each Director and the Company's performance.

In regards to the calculation method and determination procedures of the fixed remuneration for Directors, remuneration is calculated using the guidelines that determine the standards according to the positions and roles of the Directors. The Board of Directors will pass a resolution based on the report of the Remuneration Advisory Committee chaired by an external Director to ensure objectivity and transparency relating to the determination of remuneration. We will change to a method to also adjust the amount of remuneration in regards to officer's bonuses for Directors according to the degree of achieving the SDGs as a specific ESG issue. This will be a non-financial indicator that strengthens the Group's efforts with a long-term perspective in addition to financial indicators. The Board of Directors will determine the method of calculating that and its results in consultation with the Remuneration Advisory Committee.

Moreover, we are working to enhance our business execution structure and to strengthen the supervisory functions of the Board of Directors. Against that background, the purpose of the stock remuneration is for Directors to share the benefits and risks of stock price fluctuations in the mid- to long-term with shareholders and to elevate their desire to contribute to an increase in the stock price and corporate value more than ever before. Under that aim, we have decided to allot Restricted Shares within the allotment limit determined in advance according to positions and roles as non-monetary stock remuneration for Directors excluding external Directors. The Board of Directors will determine the number of shares to be allotted to each individual in consultation with the Remuneration Advisory Committee. In principle, the Company will lift the Transfer Restrictions on allotted Restricted Shares with a resolution by the Board of Directors when officers retire.

The basic policy of the Company is that the remuneration for Audit & Supervisory Board members shall be paid at an appropriate level as compensation for the duties of each Audit & Supervisory Board member. The remuneration for Audit & Supervisory Board members is determined through discussions with the Audit & Supervisory Board members within the range of the amount of remuneration based on the resolution at the General Meeting of Shareholders.