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(Stock Exchange Code 9044)

June 4, 2021

**To Shareholders with Voting Rights:**

Achikita Teruhiko  
President and CEO  
Nankai Electric Railway Co., Ltd.  
5-1-60 Namba, Chuo-ku, Osaka,  
Japan  
(Head office: 2-1-41 Shikitsu-higashi,  
Naniwa-ku, Osaka, Japan)

## **NOTICE OF CONVOCATION OF THE 104TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

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

We hereby notify you about the 104th Annual General Meeting of Shareholders of Nankai Electric Railway Co., Ltd. (the “Company,” together with its subsidiaries, the “Group”). The meeting will be held for the purposes described below.

The meeting will be held with appropriate measures in place to prevent the spread of the novel coronavirus (COVID-19). Even if you do not attend the meeting, shareholders can review the attached Reference Documents for the General Meeting of Shareholders and **exercise your voting rights in writing or via the Internet, etc.** **We therefore respectfully request that you give careful consideration to your decision to attend, placing the highest priority on the health and safety of all shareholders.**

- 1. Date and Time:** Friday, June 25, 2021 at 10:00 a.m. Japan time (Reception starts at 9:00 a.m.)
- 2. Place:** Osaka Prefectural Gymnasium 2F No. 1 Stadium (EDION Arena Osaka)  
3-4-36 Nambanaka, Naniwa-ku, Osaka, Japan  
(Please refer to the attached Access Map for the General Meeting of Shareholders [attached only to Japanese version].)  
[The venue has been changed from that of the previous year.]  
We recommend that you place the highest priority on the health and safety of shareholders, and exercise your voting rights in advance in writing or via the Internet, etc.  
Exercise deadline: Thursday, June 24, 2021 at 5:50 p.m.  
Please refer to “Measures to Prevent the Spread of COVID-19” (presented only in Japanese version).

### 3. Meeting Agenda:

- Matters to be reported:**
1. Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements for the Company's 104th Fiscal Year (April 1, 2020 – March 31, 2021)
  2. Results of Audits of the Consolidated Financial Statements for the Company's 104th Fiscal Year by the Accounting Auditor and the Board of Auditors

**Proposals to be resolved:**

- Proposal 1:** Dividends of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of 9 Directors (excluding Directors Serving as Audit & Supervisory Committee Members)
- Proposal 4:** Election of 6 Directors Serving as Audit & Supervisory Committee Members
- Proposal 5:** Determination of Compensation for Directors (excluding Directors Serving as Audit & Supervisory Committee Members)
- Proposal 6:** Determination of Compensation for Directors Serving as Audit & Supervisory Committee Members
- Proposal 7:** Determination of Amount and Details of the Stock Compensation, etc. for Directors (excluding Directors Serving as Audit & Supervisory Committee Members and Outside Directors)

- In accordance with laws, regulations and Article 16 of the Company's Articles of Incorporation, the following items are published on the Company's website (<http://www.nankai.co.jp/ir/soukai/>), and are not included in this notice.

Business Report:

“Outline of System for Ensuring the Compliance of the Execution of Directors' Duties with Laws, Regulations, and the Articles of Incorporation, System for Ensuring the Appropriateness of Other Operations of the Company and the Group, and Application of Said Systems,” “Basic Policy Regarding Persons Controlling Decisions on Financial and Business Policies of the Company”

Consolidated Financial Statements:

“Consolidated Statement of Changes in Equity,” “Notes to Consolidated Financial Statements”

Non-Consolidated Financial Statements:

“Non-Consolidated Statement of Changes in Equity,” “Notes to Non-Consolidated Financial Statements”

The Business Report audited by the Company's Auditors and Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Company's Auditors and the Accounting Auditor include documents attached to this notice, as well as the aforementioned items published on the Company's website.

- Should the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements or Non-Consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website.

Please exercise your voting rights in one of the following ways.

Exercising your voting rights in writing

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that we will receive it by the deadline below.

Voting deadline: Thursday, June 24, 2021 at 5:50 p.m.

Exercising your voting rights via the Internet

Please refer to the “Guide on Exercising Voting Rights via the Internet” on page 5 (in Japanese), access the website for exercising voting rights (<https://www.web54.net/>) and indicate your vote for or against the proposals.

Voting deadline: Thursday, June 24, 2021 at 5:50 p.m.

Attending the general meeting of shareholders (Please carefully consider whether to attend.)

When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception. To save resources, please bring this Notice to the meeting.

Date and time of the meeting: Friday, June 25, 2021 at 10:00 a.m. (Reception starts at 9:00 a.m.)

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Dividends of Surplus

The Company's fundamental policy is to pay stable dividends to shareholders, by continuously improving profitability while striving to secure a stable management base over the long term and reinforcement of its financial standing.

Due to the impact of the spread of COVID-19, the business performance for the current fiscal year has deteriorated significantly and the outlook for future recovery is also uncertain. However, the Company proposes the following for the year-end dividend for the fiscal year under review, in order to sustain stable dividend payments to shareholders based on the fundamental policy.

1. Type of dividend property  
Cash
2. Matters concerning the allotment of dividend property to shareholders and the total amount thereof  
25.00 yen per share of the Company's common shares  
(Annual dividend of 25.00 yen per share due to the deferment of the interim dividend)  
Total amount: 2,833,406,250 yen
3. Effective date of dividends of surplus  
June 28, 2021

## **Reference Matters Applying to Proposal 2 to Proposal 7**

It is proposed that the Company transitions to a Company with an Audit & Supervisory Committee in order to further strengthen corporate governance. Proposal 2 to Proposal 7 submitted to this General Meeting of Shareholders are all related to the transition to a Company with an Audit & Supervisory Committee; therefore, in accordance with this proposal, the characteristics of a Company with an Audit & Supervisory Committee, the reasons for the transition to a Company with an Audit & Supervisory Committee, and the post-transition structure are explained below.

### **1. Characteristics of a Company with an Audit & Supervisory Committee**

- (1) A Company with an Audit & Supervisory Committee does not have Audit & Supervisory Board Members and an Audit & Supervisory Board but instead has an Audit & Supervisory Committee consisting of three or more Directors serving as Audit & Supervisory Committee Members, the majority of whom are Outside Directors.
- (2) Directors serving as Audit & Supervisory Committee Members are elected at the General Meeting of Shareholders, separately from Directors not serving as Audit & Supervisory Committee Members; have voting rights at Board of Directors meetings; decide on proposals for the election and dismissal of Directors not serving as Audit & Supervisory Committee Members and the election and dismissal of Representative Directors; and are involved in decision making regarding other business execution. Furthermore, in addition to auditing the execution of duties by Directors, the Audit & Supervisory Committee has the authority to express opinions at the General Meeting of Shareholders regarding the election, dismissal and compensation of Directors not serving as Audit & Supervisory Committee Members. In these respects, Audit & Supervisory Committee Members and an Audit & Supervisory Committee have a stronger supervisory function than Audit & Supervisory Board Members and an Audit & Supervisory Board.
- (3) In a Company with an Audit & Supervisory Committee, if the majority of Directors are Outside Directors or if stipulated by the Articles of Incorporation, all or part of important business execution decisions may be delegated to Directors by resolution of the Board of Directors. This enables rapid decision-making with regard to business execution while also enabling the operation of a Board of Directors that is focused on the supervision of business execution (Monitoring Board).

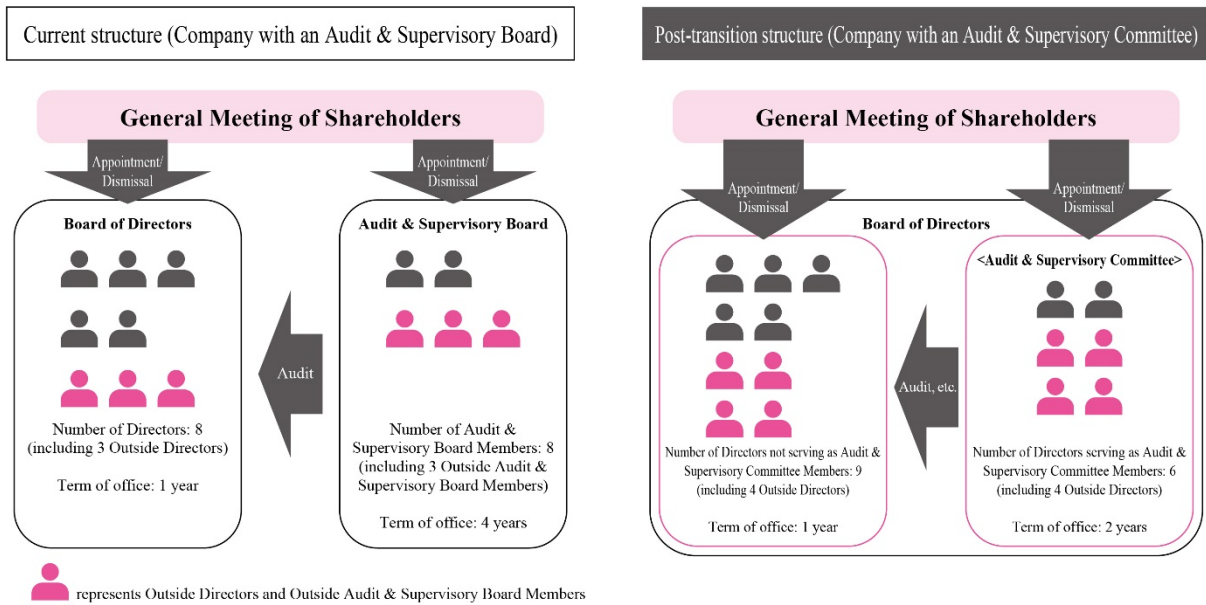
### **2. Reasons for the Transition**

The Company has been working for some time to strengthen and enhance corporate governance with the aim of achieving sustainable growth and the enhancement of corporate value over the medium and long term.

Now, by transitioning to a Company with an Audit & Supervisory Committee, we will increase the number and ratio of Outside Directors who have voting rights at Board of Directors meetings; strengthen the supervisory functions of the Board of Directors and improve management transparency; and, by delegating part of the decision-making authority over business execution held by the Board of Directors to Directors and improving the flexibility of business execution, we aim to transition to a Monitoring Board.

### 3. Post-transition Structure

The majority of the Board of Directors (8 of 15 members) shall be Outside Directors.



**Proposal 2:** Partial Amendments to the Articles of Incorporation

**1. Reasons for the Amendments**

As explained above, in order for the Company to transition to a Company with an Audit & Supervisory Committee, it is necessary to make required changes that include the establishment of provisions pertaining to Directors serving as Audit & Supervisory Committee Members and the Audit & Supervisory Committee, and the deletion of provisions pertaining to Audit & Supervisory Board Members and the Audit & Supervisory Board.

The amendments to the Articles of Incorporation pertaining to this Proposal shall become effective at the conclusion of this General Meeting of Shareholders.

**2. Details of the Amendments**

Details of the amendments are as follows:

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>(Entities)                      Article 4 In addition to the General Meeting of Shareholders and Directors, the Company shall establish the following entities:                      (1) Board of Directors                      (2) <u>Audit &amp; Supervisory Board Members</u>                      (3) <u>Audit &amp; Supervisory Board</u>                      (4) Accounting Auditor</p>	<p>(Entities)                      Article 4 In addition to the General Meeting of Shareholders and Directors, the Company shall establish the following entities:                      (1) Board of Directors                      (2) <u>Audit &amp; Supervisory Committee</u>                      (Deleted)                      (3) Accounting Auditor</p>
<p>(Number of Directors)                      Article 19 The number of Directors of the Company shall not exceed 15.                      (Newly established)</p>	<p>(Number of Directors)                      Article 19 The number of Directors of the Company shall not exceed 15.  <u>Of the Directors of the Company, the number of Directors serving as Audit &amp; Supervisory Committee Members shall not exceed 6.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Method of Election)  Article 20 Directors shall be elected by the General Meeting of Shareholders.</p> <p>Resolutions for the election of Directors require the attendance of shareholders holding one-third or more of voting rights of shareholders who may exercise voting rights, and shall be adopted by a majority thereof.</p> <p>Resolutions for the election of Directors shall not be by cumulative voting.</p>	<p>(Method of Election)  Article 20 Directors shall be elected by the General Meeting of Shareholders, <u>differentiating Directors serving as Audit &amp; Supervisory Committee Members from other Directors.</u></p> <p>(Unchanged)</p> <p>(Unchanged)</p>
<p>(Term of Office)  Article 21 The term of office of a Director shall expire at the conclusion of a General Meeting of Shareholders pertaining to the last fiscal year ending within one year from his or her election.</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p>(Term of Office)  Article 21 The term of office of a Director <u>(excluding Directors serving as Audit &amp; Supervisory Committee Members)</u> shall expire at the conclusion of a General Meeting of Shareholders pertaining to the last fiscal year ending within one year from his or her election.</p> <p><u>The term of office of a Director serving as Audit &amp; Supervisory Committee Member shall expire at the conclusion of a General Meeting of Shareholders pertaining to the last fiscal year ending within two years from his or her election.</u></p> <p><u>The term of office of a Director serving as Audit &amp; Supervisory Committee Member who has been elected as a substitute for a Director serving as an Audit &amp; Supervisory Committee Member who retired prior to the expiration of their term of office shall be the remainder of the term of office of the Director serving as Audit &amp; Supervisory Committee Member who retired.</u></p>
<p>(Representative Directors, etc.)  Article 22 The Board of Directors, by its resolution, elects Representative Directors.</p> <p>The Board of Directors may, by its resolution, elect a Chairman from among Directors.</p>	<p>(Representative Directors, etc.)  Article 22 The Board of Directors, by its resolution, elects Representative Directors.</p> <p>The Board of Directors may, by its resolution, elect a Chairman from among Directors <u>(excluding Directors serving as Audit &amp; Supervisory Committee Members).</u></p>



Current Articles of Incorporation	Proposed Amendments
<p>(Notices of Convocation of Meetings of the Board of Directors)</p> <p>Article 23 Notices of convocation of meetings of the Board of Directors shall be issued to each Director <u>and each Audit &amp; Supervisory Board Member</u> no later than three (3) days prior to the meeting. However, in cases of urgent necessity, this period may be shortened.</p> <p style="text-align: center;">(Newly established)</p> <p>Article <u>25</u> to Article <u>27</u> (Omitted)</p> <p>Chapter V <u>Audit &amp; Supervisory Board Members and Audit &amp; Supervisory Board</u></p> <p><u>(Number of Audit &amp; Supervisory Board Members)</u> Article 28 The number of Audit &amp; Supervisory Board Members of the Company shall not exceed 5.</p> <p><u>(Method of Election)</u> Article 29 <u>Audit &amp; Supervisory Board Members shall be elected by the General Meeting of Shareholders. Resolutions for the election of Audit &amp; Supervisory Board Members require the attendance of shareholders holding one-third or more of voting rights of shareholders who may exercise voting rights, and shall be adopted by a majority thereof.</u></p> <p><u>(Term of Office)</u> Article 30 <u>The term of office of Audit &amp; Supervisory Board Members shall expire at the conclusion of the Annual General Meeting of Shareholders pertaining to the last fiscal year ending within four years following their election to office.</u> <u>The term of office of Audit &amp; Supervisory Board Members who have been elected as substitutes shall be the remainder of the term of office of the Audit &amp; Supervisory Board Members who retired.</u></p>	<p>(Notices of Convocation of Meetings of the Board of Directors)</p> <p>Article 23 Notices of convocation of meetings of the Board of Directors shall be issued to each Director no later than three (3) days prior to the meeting. However, in cases of urgent necessity, this period may be shortened.</p> <p><u>(Delegation of decisions regarding important business execution)</u> Article 25 Pursuant to the provisions stipulated in <u>Article 399-13, Paragraph 6 of the Companies Act, the Company may, by resolution of the Board of Directors, delegate all or part of decisions regarding important business execution (excluding matters prescribed in items of Article 399-13, Paragraph 5 of the Companies Act) to Directors.</u></p> <p>Article <u>26</u> to Article <u>28</u> (Unchanged)</p> <p>Chapter V <u>Audit &amp; Supervisory Committee</u></p> <p style="text-align: right;">(Deleted)</p> <p style="text-align: right;">(Deleted)</p> <p style="text-align: right;">(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>(Full-time Audit &amp; Supervisory Board Members)</u>  Article <u>31</u> The <u>Audit &amp; Supervisory Board</u> shall, by resolution, elect <u>full-time Audit &amp; Supervisory Board Members</u>. <u>Full-time Audit &amp; Supervisory Board Members shall be full time.</u></p> <p>(Notices of Convocation of Meetings of the <u>Audit &amp; Supervisory Board</u>)  Article <u>32</u> Notices of convocation of meetings of the <u>Audit &amp; Supervisory Board</u> shall be issued to each <u>Audit &amp; Supervisory Board Member</u> no later than three (3) days prior to the meeting. However, in cases of urgent necessity, this period may be shortened.</p> <p><u>(Limited Liability Agreements with Audit &amp; Supervisory Board Members)</u>  Article <u>33</u> Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into limited liability agreements with <u>Audit &amp; Supervisory Board Members with regard to the liability set forth in Article 423, Paragraph 1 of the Companies Act within an amount provided for by laws and regulations, where there is good faith and no gross negligence.</u></p> <p><u>(Audit &amp; Supervisory Board Rules)</u>  Article <u>34</u> Matters relating to the <u>Audit &amp; Supervisory Board</u> shall, unless otherwise provided for by laws and regulations or the Articles of Incorporation, be subject to the <u>Audit &amp; Supervisory Board Rules</u> established by the <u>Audit &amp; Supervisory Board</u>.</p> <p>Article <u>35</u> to Article <u>38</u>  (Omitted)</p>	<p><u>(Full-time Audit &amp; Supervisory Committee Members)</u>  Article <u>29</u> The <u>Audit &amp; Supervisory Committee</u> may, by resolution, elect <u>full-time Audit &amp; Supervisory Committee Members</u>.</p> <p>(Notices of Convocation of Meetings of the <u>Audit &amp; Supervisory Committee</u>)  Article <u>30</u> Notices of convocation of meetings of the <u>Audit &amp; Supervisory Committee</u> shall be issued to each <u>Audit &amp; Supervisory Committee Member</u> no later than three (3) days prior to the meeting. However, in cases of urgent necessity, this period may be shortened.</p> <p>(Deleted)</p> <p><u>(Audit &amp; Supervisory Committee Rules)</u>  Article <u>31</u> Matters relating to the <u>Audit &amp; Supervisory Committee</u> shall, unless otherwise provided for by laws and regulations or the Articles of Incorporation, be subject to the <u>Audit &amp; Supervisory Committee Rules</u> established by the <u>Audit &amp; Supervisory Committee</u>.</p> <p>Article <u>32</u> to Article <u>35</u>  (Unchanged)</p>

**Proposal 3:** Election of 9 Directors (excluding Directors Serving as Audit & Supervisory Committee Members)

The terms of office of all Directors will expire at the conclusion of this General Meeting of Shareholders. In addition, provided that Proposal 2: Partial Amendments to the Articles of Incorporation is approved as originally proposed, the Company will transition to a Company with an Audit & Supervisory Committee. Accordingly, the election of 9 Directors (excluding Directors Serving as Audit & Supervisory Committee Members; hereinafter the same shall apply in this Proposal) is proposed.

The resolution pertaining to this Proposal shall become effective provided that Proposal 2: Partial Amendments to the Articles of Incorporation is approved as originally proposed.

The candidates for Directors are as follows.

They have been approved via deliberation by the Nomination Committee (composed of the President and Outside Directors and chaired by an Outside Director).

No.	Name	Current positions and responsibilities at the Company	Board of Directors attendance
1	Achikita Teruhiko (Male) Reappointment	President and CEO General Manager of Digital Strategy Division Head of Risk Management Division	12/12
2	Takagi Toshiyuki (Male) Reappointment	Representative Director Senior Managing Corporate Officer Head of Community Development and Creation Division and Urban Creation Division	12/12
3	Ashibe Naoto (Male) Reappointment	Director Managing Corporate Officer Head of Group Management Division, General Affairs Department and Personnel Department General Manager, Wakayama Regional Office	12/12
4	Kajitani Satoshi (Male) Reappointment	Director Managing Corporate Officer General Manager, Railway Business Division	12/12
5	Otsuka Takahiro (Male) New appointment	Senior Corporate Officer Chief Manager of Accounting & Finance Department	-
6	Sono Kiyoshi (Male) Reappointment Outside Director Independent	Director	11/12
7	Tsunekage Hitoshi (Male) Reappointment Outside Director Independent	Director	11/12
8	Koezuka Miharuru (Female) Reappointment Outside Director Independent	Director	12/12
9	Mochizuki Aiko (Female) New appointment Outside Director Independent	-	-

- Matters concerning directors' and officers' liability insurance agreement

The Company has entered into a directors' and officers' liability insurance agreement with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act, under which all officers of the company are insured. The agreement covers damages that may arise when assuming liability for the execution of duties, or damages to be borne due to receiving a claim related to the pursuit of such liability, and all insurance premiums for the insured will be paid by the Company. If each candidate is appointed Director, he or she will be included as the insured in said insurance agreement. The Company plans to renew the agreement with the same contents at the next renewal period.

No.	Name (Date of birth)	Past experience, positions and responsibilities in the Company	Number of stocks of the Company held
1	Achikita Teruhiko (September 9, 1954) (Male) Reappointment	April 1978 Joined the Company June 2013 Director, the Company June 2015 President and CEO, the Company (current) June 2015 Director and President, the Company June 2019 President, the Company (current) June 2019 Head of Risk Management Division, the Company (current) June 2020 General Manager of Digital Strategy Division, the Company (current) [Special interest between the candidate and the Company] None	11,100
[Reason for selection as a candidate] Mr. Achikita Teruhiko has conceptual power to formulate management strategies along with leadership and execution ability to achieve them as he has strived for the growth of the Group and improvement of its financial standing as the President of the Company. The Company therefore proposes his reappointment as a candidate for Director so that he will continue to fulfill his responsibilities as a Director in an appropriate manner.			
[Board of Directors attendance (from April 1, 2020 to March 31, 2021)] 12/12			

No.	Name (Date of birth)	Past experience, positions and responsibilities in the Company	Number of stocks of the Company held
2	Takagi Toshiyuki (June 5, 1960) (Male) Reappointment	April 1983 Joined the Company June 2011 Director, the Company June 2013 Managing Director, the Company June 2017 Representative Director, the Company (current) June 2017 Senior Managing Director, the Company June 2019 Senior Managing Corporate Officer, the Company (current) June 2019 Head of Urban Creation Division, the Company (current) June 2020 Head of Community Development and Creation Division, the Company (current) [Special interest between the candidate and the Company] None	9,700
[Reason for selection as a candidate] Mr. Takagi Toshiyuki has been engaged in the field of administrative planning for many years and has ample knowledge on the management of the Group and sufficient achievements as a manager. The Company therefore proposes his reappointment as a candidate for Director so that he will continue to fulfill his responsibilities as a Director in an appropriate manner.			
[Board of Directors attendance (from April 1, 2020 to March 31, 2021)] 12/12			

No.	Name (Date of birth)	Past experience, positions and responsibilities in the Company	Number of stocks of the Company held
3	Ashibe Naoto (January 23, 1962) (Male) Reappointment	April 1984 Joined the Company June 2006 Chief Manager, Subsidiary Affairs Department, the Company June 2011 President, Nankai Ferry Co., Ltd. June 2013 Corporate Officer, the Company June 2015 Director, the Company June 2017 Managing Director, the Company June 2019 Director, the Company (current) June 2019 Managing Corporate Officer, the Company (current) June 2019 Head of General Affairs Department and Personnel Department, General Manager, Wakayama Regional Office, the Company (current) June 2020 Head of Group Management Division, the Company (current) [Special interest between the candidate and the Company] None	4,500
[Reason for selection as a candidate] As Mr. Ashibe Naoto has ample knowledge on the business of the Group and sufficient achievements as a manager, the Company proposes his reappointment as a candidate for Director so that he will continue to fulfill his responsibilities as a Director in an appropriate manner from the perspective of the Group management as a whole.			
[Board of Directors attendance (from April 1, 2020 to March 31, 2021)] 12/12			

No.	Name (Date of birth)	Past experience, positions and responsibilities in the Company	Number of stocks of the Company held
4	Kajitani Satoshi (March 11, 1964) (Male) Reappointment	April 1987 Joined the Company June 2016 Chief Manager, Administrative Planning Department, the Company June 2017 Director, the Company (current) June 2019 Senior Corporate Officer, the Company June 2019 General Manager, Railway Business Division, the Company (current) June 2020 Managing Corporate Officer, the Company (current) [Special interest between the candidate and the Company] None	3,600
[Reason for selection as a candidate] Mr. Kajitani Satoshi has been engaged in the establishment of railway line facilities as well as their maintenance and management for many years and as he currently serves as the Comprehensive Safety Administration Manager. As he has ample knowledge on ensuring safety and reliability in the railway business, the Company proposes his reappointment as a candidate for Director so that he will continue to fulfill his responsibilities as a Director in an appropriate manner.			
[Board of Directors attendance (from April 1, 2020 to March 31, 2021)] 12/12			

No.	Name (Date of birth)	Past experience, positions and responsibilities in the Company	Number of stocks of the Company held	
5	Otsuka Takahiro (January 5, 1969) (Male) New appointment	April 1992	Joined the Company	700
		June 2017	Chief Manager, Administrative Planning Department, the Company	
		June 2018	Chief Manager, Accounting & Finance Department, the Company (current)	
		June 2019	Corporate Officer, the Company	
		June 2020	Senior Corporate Officer, the Company (current)	
		[Special interest between the candidate and the Company] None		
	[Reason for selection as a candidate] As Mr. Otsuka Takahiro has been engaged in the field of administrative planning for many years and has ample knowledge on the financial affairs of the Group. The Company proposes his appointment as a candidate for Director so that he will fulfill his responsibilities as a Director in an appropriate manner.			

No.	Name (Date of birth)	Past experience, positions and responsibilities in the Company	Number of stocks of the Company held
	Sono Kiyoshi (April 18, 1953) (Male) Reappointment Outside Director Independent	<p>April 1976 Joined the Sanwa Bank, Ltd.</p> <p>June 2015 Director, Representative Corporate Executive Officer and Chairman of Mitsubishi UFJ Financial Group, Inc.</p> <p>June 2017 Director, the Company (current)</p> <p>April 2019 Member of the Board of Directors and Managing Corporate Executive, Mitsubishi UFJ Financial Group, Inc.</p> <p>April 2019 Chairman of the Board of Directors, MUFG Bank, Ltd. (resigned in April 2021)</p> <p>June 2019 Managing Executive Officer, Mitsubishi UFJ Financial Group, Inc. (resigned in April 2021)</p> <p>April 2021 Special Advisor, MUFG Bank, Ltd. (current)</p> <p>[Significant concurrent positions]</p> <p>Special Advisor, MUFG Bank, Ltd.</p> <p>Director, Mitsubishi UFJ NICOS Co., Ltd.</p> <p>Outside Director, MITSUBISHI MOTORS CORPORATION</p> <p>[Special interest between the candidate and the Company]</p> <p>None</p>	0
6		<p>[Reason for selection as a candidate and expected role]</p> <p>Mr. Sono Kiyoshi is a candidate for Outside Director. The Company proposes his reappointment as a candidate for Outside Director so that he will continue to give appropriate advice and supervision on the overall management of the Group by harnessing his profound insight cultivated through his experience as the manager of a bank from an independent standpoint without any mutual relationship which may impose significant control over the management of the Company. In addition, as Chairperson of the Nomination Committee and a member of the Compensation Committee, he is expected to provide participation and advice when considering nominations and compensation for the Company's management team from the perspective of that profound insight.</p>	
		<p>[Matter related to the candidate for Outside Director]</p> <p>Mr. Sono Kiyoshi is currently an Outside Director of the Company and will have been in office for 4 years as of the conclusion of this general meeting of shareholders.</p> <p>The Company has designated him as an independent director as stipulated by the Tokyo Stock Exchange and plans to extend the designation on condition that he is reelected as Outside Director.</p> <p>MUFG Bank, Ltd., where Mr. Sono Kiyoshi serves as Director, has entered into a Consent Order in February 2019 with the U.S. Office of the Comptroller of the Currency (OCC) relating to deficiencies identified by the OCC in the Bank Secrecy Act/Anti-Money Laundering (BSA/AML) compliance program of its U.S. branches.</p>	
		<p>[Agreement for limitation of liability]</p> <p>The Company has concluded an agreement with Mr. Sono Kiyoshi to limit his liability described in Article 423, Paragraph 1 of the Companies Act, as stipulated in Article 427, Paragraph 1 of the Companies Act and Article 25 of the existing Articles of Incorporation. The maximum amount of liability described in the agreement will be the amount stipulated by laws and regulations. If Mr. Sono is reelected, the Company intends to continue the said agreement.</p>	
		<p>[Board of Directors attendance (from April 1, 2020 to March 31, 2021)]</p> <p>11/12</p>	



No.	Name (Date of birth)	Past experience, positions and responsibilities in the Company	Number of stocks of the Company held
	<p>Tsunekage Hitoshi (August 6, 1954) (Male) Reappointment Outside Director Independent</p>	<p>April 1977    Joined Sumitomo Trust and Banking Co., Ltd.  April 2011    Representative Director and Chairman,  SUMITOMO MITSUI TRUST HOLDINGS,  INC.  April 2012    President, Sumitomo Mitsui Trust Bank,  Limited  April 2017    Director, Sumitomo Mitsui Trust Bank,  Limited  June 2017    Chairman, Sumitomo Mitsui Trust Bank,  Limited (resigned in March 2021)  June 2017    Director, SUMITOMO MITSUI TRUST  HOLDINGS, INC. (current)  June 2019    Director, the Company (current)  April 2021    Special Advisor, Sumitomo Mitsui Trust Bank,  Limited (current)  [Significant concurrent positions]  Special Advisor, Sumitomo Mitsui Trust Bank, Limited  Director, SUMITOMO MITSUI TRUST HOLDINGS, INC.  Outside Audit &amp; Supervisory Board Member, Rengo Co., Ltd.  [Special interest between the candidate and the Company]  None</p>	<p>0</p>
7		<p>[Reason for selection as a candidate and expected role]  Mr. Tsunekage Hitoshi is a candidate for Outside Director. The Company proposes his reappointment as a candidate for Outside Director so that he will continue to give appropriate advice and supervision on the overall management of the Group by harnessing his profound insight cultivated through his experience as the manager of a bank from an independent standpoint without any mutual relationship which may impose significant control over the management of the Company. In addition, as a member of the Nomination Committee and a Chairperson of the Compensation Committee, he is expected to provide participation and advice when considering nominations and compensation for the Company's management team from the perspective of that profound insight.</p> <p>[Matter related to the candidate for Outside Director]  Mr. Tsunekage Hitoshi is currently an Outside Director of the Company and will have been in office for 2 years as of the conclusion of this general meeting of shareholders.  The Company has designated him as an independent director as stipulated by the Tokyo Stock Exchange and plans to extend the designation on condition that he is reelected as Outside Director.</p> <p>[Agreement for limitation of liability]  The Company has concluded an agreement with Mr. Tsunekage Hitoshi to limit his liability described in Article 423, Paragraph 1 of the Companies Act, as stipulated in Article 427, Paragraph 1 of the Companies Act and Article 25 of the existing Articles of Incorporation. The maximum amount of liability described in the agreement will be the amount stipulated by laws and regulations. If Mr. Tsunekage is reelected, the Company intends to continue the said agreement.</p> <p>[Board of Directors attendance (from April 1, 2020 to March 31, 2021)]  11/12</p>	

No.	Name (Date of birth)	Past experience, positions and responsibilities in the Company	Number of stocks of the Company held
	Koezuka Miharuru (September 2, 1955) (Female) Reappointment Outside Director Independent	<p>April 1979      Joined Takashimaya Company, Limited</p> <p>September 2013      Senior Managing Director, Takashimaya Company, Limited</p> <p>March 2016      Director, Takashimaya Company, Limited (resigned in May 2016)</p> <p>June 2019      Director, the Company (current)</p> <p>[Significant concurrent positions]</p> <p>Outside Director of the Board, Nippon Paint Holdings Co., Ltd.</p> <p>Outside Director, JAPAN POST HOLDINGS Co., Ltd.</p> <p>[Special interest between the candidate and the Company]</p> <p>None</p>	300
	<p>[Reason for selection as a candidate and expected role]</p> <p>Ms. Koezuka Miharuru is a candidate for Outside Director. The Company proposes her reappointment as a candidate for Outside Director so that she will continue to give appropriate advice and supervision on the overall management of the Group by harnessing her profound insight cultivated through her experience as the manager of a department store from an independent standpoint without any mutual relationship which may impose significant control over the management of the Company. In addition, as a member of the Nomination Committee, she is expected to provide participation and advice when considering nominations for the Company's management team from the perspective of that profound insight.</p>		
8	<p>[Matter related to the candidate for Outside Director]</p> <p>Ms. Koezuka Miharuru is currently an Outside Director of the Company and will have been in office for 2 years as of the conclusion of this general meeting of shareholders.</p> <p>The Company has designated her as an independent director as stipulated by the Tokyo Stock Exchange and plans to extend the designation on condition that she is reelected as Outside Director.</p> <p>Takashimaya Company, Limited, where Ms. Koezuka Miharuru served as Director, received a cease and desist order in July 2018, and a payment order in October 2018 from the Japan Fair Trade Commission for violations of Article 3 (Prohibition of unreasonable restraint of trade) of the Antimonopoly Act in connection with the order of uniforms placed by ALL NIPPON AIRWAYS CO., LTD., shipping fee for a department store that has retail premises in the Kinki region, and with the uniforms procured by NTT DOCOMO, INC.</p> <p>Additionally, JAPAN POST HOLDINGS Co., Ltd., where Ms. Koezuka Miharuru serves as Outside Director, received business improvement orders from both the Ministry of Internal Affairs and Communications and the Financial Services Agency in December 2019 regarding a number of cases of improper solicitation of insurance products by the company's subsidiary, JAPAN POST INSURANCE Co., Ltd. While she was not aware of the fact until it was revealed, she consistently fulfilled her duties and responsibilities through the board of directors, etc. and sought to ensure that business operations were not conducted against laws, from the standpoint of compliance. After the fact came to light, she confirmed the contents of the measures taken by the company to prevent recurrence.</p>		
	<p>[Agreement for limitation of liability]</p> <p>The Company has concluded an agreement with Ms. Koezuka Miharuru to limit her liability described in Article 423, Paragraph 1 of the Companies Act, as stipulated in Article 427, Paragraph 1 of the Companies Act and Article 25 of the existing Articles of Incorporation. The maximum amount of liability described in the agreement will be the amount stipulated by laws and regulations. If Ms. Koezuka is reelected, the Company intends to continue the said agreement.</p>		
	<p>[Board of Directors attendance (from April 1, 2020 to March 31, 2021)]</p> <p>12/12</p>		

No.	Name (Date of birth)	Past experience, positions and responsibilities in the Company	Number of stocks of the Company held
	Mochizuki Aiko (May 22, 1979) (Female) New appointment Outside Director Independent	April 2002 Joined ChuoAoyama Audit Corporation April 2005 Registered as a certified public accountant August 2007 Joined Industrial Growth Platform, Inc. October 2016 Partner and Managing Director, Industrial Growth Platform, Inc. (current) July 2018 CEO, IGPI Technology, Inc. (current) [Significant concurrent positions] Partner and Managing Director, Industrial Growth Platform, Inc. CEO, IGPI Technology, Inc. External Director and Audit and Supervisory Committee Member, euglena Co., Ltd. [Special interest between the candidate and the Company] None	0
9	[Reason for selection as a candidate and expected role] Ms. Mochizuki Aiko is a candidate for Outside Director. The Company proposes her appointment as a candidate for Outside Director so that she will give appropriate advice and supervision on the overall management of the Group by harnessing her experience as a certified public accountant and her profound insight cultivated as a consultant from an independent standpoint without any mutual relationship which may impose significant control over the management of the Company. In addition, as a member of the Compensation Committee, she is expected to provide participation and advice when considering compensation for the Company's management team from the perspective of that profound insight.		
	[Matter related to the candidate for Outside Director] The Company plans to designate her as an independent director as stipulated by the Tokyo Stock Exchange and notify the Exchange to that effect on condition that she is elected as Outside Director.		
	[Agreement for limitation of liability] The Company intends to conclude an agreement with Ms. Mochizuki Aiko to limit her liability described in Article 423, Paragraph 1 of the Companies Act, as stipulated in Article 427, Paragraph 1 of the Companies Act and Article 25 of the existing Articles of Incorporation. The maximum amount of liability described in the agreement will be the amount stipulated by laws and regulations.		

**Proposal 4:** Election of 6 Directors Serving as Audit & Supervisory Committee Members

Provided that Proposal 2: Partial Amendments to the Articles of Incorporation is approved as originally proposed, the Company will transition to a Company with an Audit & Supervisory Committee. Accordingly, the election of 6 Audit & Supervisory Committee Members is proposed.

The resolution pertaining to this Proposal shall become effective provided that Proposal 2: Partial Amendments to the Articles of Incorporation is approved as originally proposed.

The candidates for Directors Serving as Audit & Supervisory Committee Members are as follows.

They have been approved via deliberation by the Nomination Committee (composed of the President and Outside Directors and chaired by an Outside Director).

The Board of Auditors has given its consent to this proposal.

No.	Name	Current positions and responsibilities at the Company	Board of Directors attendance	Board of Auditors attendance
1	Iwai Keiichi (Male) New appointment	Senior Corporate Auditor	12/12	13/13
2	Urai Keiji (Male) New appointment	Senior Corporate Auditor	10/10	10/10
3	Arao Kozo (Male) New appointment Outside Director Independent	Auditor	12/12	13/13
4	Kunibe Takeshi (Male) New appointment Outside Director Independent	Auditor	8/10	8/10
5	Miki Shohei (Male) New appointment Outside Director Independent	—	—	—
6	Igoshi Tomoko (Female) New appointment Outside Director Independent	—	—	—

- Matters concerning directors' and officers' liability insurance agreement

The Company has entered into a directors' and officers' liability insurance agreement with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act, under which all officers of the company are insured. The agreement covers damages that may arise when assuming liability for the execution of duties, or damages to be borne due to receiving a claim related to the pursuit of such liability, and all insurance premiums for the insured will be paid by the Company. If each candidate is appointed Director, he or she will be included as the insured in said insurance agreement. The Company plans to renew the agreement with the same contents at the next renewal period.

No.	Name (Date of birth)	Past experience and positions in the Company		Number of stocks of the Company held
1	Iwai Keiichi (April 2, 1960) (Male) New appointment	April 1983	Joined the Company	10,500
		June 2009	Chief Manager, Accounting & Finance Department, the Company	
		June 2011	Director, the Company	
		June 2013	Managing Director, the Company	
		June 2019	Senior Corporate Auditor, the Company (current)	
		[Special interest between the candidate and the Company] None		
	[Reason for selection as a candidate] Mr. Iwai Keiichi has ample knowledge on the financial affairs and internal audit of the Group, and as he is qualified to fulfill his respective responsibilities to date as Director and Senior Corporate Auditor (Full-time) in an appropriate manner, the Company proposes his appointment as a candidate for Director serving as Audit & Supervisory Committee Member.			
	[Board of Directors and Board of Auditors attendance (from April 1, 2020 to March 31, 2021)] Board of Directors: 12/12      Board of Auditors: 13/13			

No.	Name (Date of birth)	Past experience and positions in the Company		Number of stocks of the Company held
2	Urai Keiji (July 18, 1963) (Male) New appointment	April 1986	Joined the Company	2,100
		June 2018	Chief Manager, Plan Management Department and Chief Manager, IT Planning & Management Department, the Company	
		June 2019	Corporate Officer, the Company	
		June 2019	General Manager, Risk Management Division, the Company	
		June 2020	Senior Corporate Auditor (Full-time), the Company (current)	
		[Special interest between the candidate and the Company] None		
	[Reason for selection as a candidate] Mr. Urai Keiji has ample knowledge on the business and internal audit of the Group, and as he is qualified to fulfill his current responsibilities as a Senior Corporate Auditor (Full-time) in an appropriate manner, the Company proposes his appointment as a candidate for Director serving as Audit & Supervisory Committee Member.			
	[Board of Directors and Board of Auditors attendance (from June 18, 2020 to March 31, 2021)] Board of Directors: 10/10      Board of Auditors: 10/10			

No.	Name (Date of birth)	Past experience and positions in the Company	Number of stocks of the Company held
	<p>Arao Kozo (January 20, 1946) (Male) New appointment Outside Director Independent</p>	<p>July 1971 Admitted to the bar April 1996 Vice President, Osaka Bar Association (resigned in March 1997) June 2010 Auditor, the Company (current) [Significant concurrent positions] Attorney-at-law External Director, Japan Wool Textile Co., Ltd. Outside Audit &amp; Supervisory Board Member, HOSOKAWA MICRON CORPORATION [Special interest between the candidate and the Company] None</p>	252
3	<p>[Reason for selection as a candidate and expected role] Mr. Arao Kozo is a candidate for Outside Director serving as Audit &amp; Supervisory Committee Member. He has expertise as an attorney-at-law and extensive experience through years of engagement in corporate legal affairs, with an independent standpoint without any relationship with the Company's management team which may mutually exert significant control over the other party. Therefore, the Company proposes his appointment as a candidate for Director serving as Audit &amp; Supervisory Committee Member, so that he will enhance the effectiveness of the Company's audits and supervision. In addition, as Chairperson of the Audit &amp; Supervisory Committee, he is expected to ensure the fairness and objectivity of the Committee and contribute to its improved effectiveness. Although he has not been involved in corporate management other than as an outside officer, he is deemed capable of fulfilling his responsibilities as an Outside Director serving as Audit &amp; Supervisory Committee Member in an appropriate manner for the above reasons.</p>		
<p>[Matter related to the candidate for Outside Director] Mr. Arao Kozo is currently an Outside Auditor of the Company and will have been in office for 11 years as of the conclusion of this general meeting of shareholders. The Company has designated him as an independent officer as stipulated by the Tokyo Stock Exchange and plans to extend the designation on condition that he is elected as an Outside Director serving as Audit &amp; Supervisory Committee Member. He has served as an Auditor of the Company's subsidiary (specified associated company) Suminoe Enterprise Co., Ltd. since June 2010.</p>			
<p>[Agreement for limitation of liability] The Company has concluded an agreement with Mr. Arao Kozo to limit his liability described in Article 423, Paragraph 1 of the Companies Act, as stipulated in Article 427, Paragraph 1 of the Companies Act and Article 33 of the existing Articles of Incorporation. The maximum amount of liability described in the agreement will be the amount stipulated by laws and regulations. If Mr. Arao is elected, the Company intends to continue the said agreement.</p>			
<p>[Board of Directors and Board of Auditors attendance (from April 1, 2020 to March 31, 2021)] Board of Directors: 12/12 Board of Auditors: 13/13</p>			

No.	Name (Date of birth)	Past experience and positions in the Company	Number of stocks of the Company held
4	Kunibe Takeshi (March 8, 1954) (Male) New appointment Outside Director Independent	<p>April 1976 Joined The Sumitomo Bank, Limited</p> <p>June 2003 Executive Officer, Sumitomo Mitsui Banking Corporation</p> <p>October 2006 Managing Executive Officer, Sumitomo Mitsui Banking Corporation</p> <p>April 2007 Managing Executive Officer, Sumitomo Mitsui Financial Group, Inc.</p> <p>June 2007 Director, Sumitomo Mitsui Financial Group, Inc.</p> <p>April 2009 Director and Senior Managing Executive Officer, Sumitomo Mitsui Banking Corporation</p> <p>April 2011 President and Chief Executive Officer, Sumitomo Mitsui Banking Corporation (resigned in April 2017)</p> <p>April 2017 President, Sumitomo Mitsui Financial Group, Inc.</p> <p>June 2017 Director President, Sumitomo Mitsui Financial Group, Inc.</p> <p>April 2019 Chairman of the Board, Sumitomo Mitsui Financial Group, Inc. (current)</p> <p>June 2020 Auditor, the Company (current)</p> <p>[Significant concurrent positions] Chairman of the Board, Sumitomo Mitsui Financial Group, Inc. Member of the Board (outside), Taisho Pharmaceutical Holdings Co., Ltd. Outside Director, Komatsu Ltd.</p> <p>[Special interest between the candidate and the Company] None</p>	0
[Reason for selection as a candidate and expected role]			
<p>Mr. Kunibe Takeshi is a candidate for Outside Director serving as Audit &amp; Supervisory Committee Member. The Company proposes his appointment as a candidate for Outside Director serving as Audit &amp; Supervisory Committee Member so that he will enhance the effectiveness of the Company's audits and supervision by harnessing his profound insight cultivated through his experience as the manager of a bank from an independent standpoint without any relationship with the Company's management team which may mutually exert significant control over the other party. In addition, as a member of the Nomination Committee, he is expected to provide participation and advice when considering nominations for the Company's management team from the perspective of that profound insight.</p>			
[Matter related to the candidate for Outside Director]			
<p>Mr. Kunibe Takeshi is currently an Outside Auditor of the Company and will have been in office for 1 year as of the conclusion of this general meeting of shareholders.</p> <p>The Company has designated him as an independent officer as stipulated by the Tokyo Stock Exchange and plans to extend the designation on condition that he is elected as an Outside Director serving as Audit &amp; Supervisory Committee Member.</p> <p>In July 2019, the Consumer Affairs Agency issued an order for action due to a labelling issue regarding the photocatalyst effect of "Pavlon Mask 365" sold by Taisho Pharmaceutical Co., Ltd., a subsidiary of Taisho Pharmaceutical Holdings Co., Ltd. where Mr. Kunibe Takeshi was serving as a Member of the Board (outside), and the case is currently in litigation.</p>			

[Agreement for limitation of liability]

The Company intends to conclude an agreement with Mr. Kunibe Takeshi to limit his liability described in Article 423, Paragraph 1 of the Companies Act, as stipulated in Article 427, Paragraph 1 of the Companies Act and Article 33 of the existing Articles of Incorporation. The maximum amount of liability described in the agreement will be the amount stipulated by laws and regulations. If Mr. Kunibe is elected, the Company intends to continue the said agreement.

[Board of Directors and Board of Auditors attendance (from June 18, 2020 to March 31, 2021)]

Board of Directors: 8/10      Board of Auditors: 8/10



No.	Name (Date of birth)	Past experience and positions in the Company	Number of stocks of the Company held
5	<p>Miki Shohei (March 30, 1960) (Male) New appointment Outside Director Independent</p>	<p>April 1982 Joined Nippon Life Insurance Company  March 2015 Director and Senior Managing Executive Officer, Nippon Life Insurance Company  March 2016 Director, Nippon Life Insurance Company (resigned in July 2016)  April 2016 Representative Director, Vice President and Executive Officer, Mitsui Life Insurance Co. Ltd. (currently TAIJU LIFE INSURANCE COMPANY LIMITED) (resigned in March 2018)  June 2018 Chairman of the Board, Public Interest Incorporated Foundation Nippon Life Saiseikai (current)</p> <p>[Significant concurrent positions]  Chairman of the Board, Public Interest Incorporated Foundation Nippon Life Saiseikai  Outside Audit &amp; Supervisory Board Member, Sotetsu Holdings, Inc.</p> <p>[Special interest between the candidate and the Company]  None</p>	0
[Reason for selection as a candidate and expected role]			
<p>Mr. Miki Shohei is a candidate for Outside Director serving as Audit &amp; Supervisory Committee Member. The Company proposes his appointment as a candidate for Outside Director serving as Audit &amp; Supervisory Committee Member so that he will enhance the effectiveness of the Company's audits and supervision by harnessing his profound insight cultivated through his experience as an executive director of a life insurance company from an independent standpoint without any relationship with the Company's management team which may mutually exert significant control over the other party. In addition, as a member of the Compensation Committee, he is expected to provide participation and advice when considering compensation for the Company's management team from the perspective of that profound insight.</p>			
[Matter related to the candidate for Outside Director]			
<p>The Company plans to designate him as an independent officer as stipulated by the Tokyo Stock Exchange and notify the Exchange to that effect on condition that he is elected as an Outside Director serving as Audit &amp; Supervisory Committee Member.</p>			
[Agreement for limitation of liability]			
<p>The Company intends to conclude an agreement with Mr. Miki Shohei to limit his liability described in Article 423, Paragraph 1 of the Companies Act, as stipulated in Article 427, Paragraph 1 of the Companies Act and Article 25 of the existing Articles of Incorporation. The maximum amount of liability described in the agreement will be the amount stipulated by laws and regulations.</p>			

No.	Name (Date of birth)	Past experience and positions in the Company	Number of stocks of the Company held
6	Igoshi Tomoko (December 12, 1953) (Female) New appointment Outside Director Independent	April 1980 Appointed as Public Prosecutor	0
		January 2009 Chief Public Prosecutor, Matsue District Public Prosecutors Office	
		April 2011 Public Prosecutor, Supreme Public Prosecutors Office	
		November 2011 Chief Public Prosecutor, Tsu District Public Prosecutors Office (resigned as Prosecutor in November 2012)	
		February 2013 Admitted to the bar (registration as attorney- at-law cancelled in March 2020)	
		[Special interest between the candidate and the Company] None	
[Reason for selection as a candidate and expected role] Ms. Igoshi Tomoko is a candidate for Outside Director serving as Audit & Supervisory Committee Member. The Company proposes her appointment as a candidate for Outside Director serving as Audit & Supervisory Committee Member so that she will enhance the effectiveness of the Company's audits and supervision by harnessing her extensive experience and expertise cultivated in the legal world from an independent standpoint without any relationship with the Company's management team which may mutually exert significant control over the other party. In addition, she is expected to provide advice and recommendations mainly from the perspective of compliance. Although she has not been involved in corporate management, she is deemed capable of fulfilling her responsibilities as an Outside Director serving as Audit & Supervisory Committee Member in an appropriate manner for the above reasons.			
[Matter related to the candidate for Outside Director] The Company plans to designate her as an independent officer as stipulated by the Tokyo Stock Exchange and notify the Exchange to that effect on condition that she is elected as an Outside Director serving as Audit & Supervisory Committee Member.			
[Agreement for limitation of liability] The Company intends to conclude an agreement with Ms. Igoshi Tomoko to limit her liability described in Article 423, Paragraph 1 of the Companies Act, as stipulated in Article 427, Paragraph 1 of the Companies Act and Article 25 of the existing Articles of Incorporation. The maximum amount of liability described in the agreement will be the amount stipulated by laws and regulations.			

[Reference]

The composition of the Board of Directors and the Company's particular areas of expectations if Proposal 2, Proposal 3 and Proposal 4 are approved as originally proposed are as follows.

Name	Positions and responsibilities in the Company	Number of years in office	Areas where the Company has particular expectations of Directors				
			Corporate management/ Management strategy	Finance & Accounting	Legal compliance/ Risk management	Marketing	Nomination & compensation systems
Sono Kiyoshi	Nomination Committee Chairperson Compensation Committee Member	4	●	●			●
Tsunekage Hitoshi	Nomination Committee Member Compensation Committee Chairperson	2	●	●			●
Koezuka Miharu	Nomination Committee Member	2	●			●	
Mochizuki Aiko	Compensation Committee Member	New appointment	●	●		●	
Arao Kozo	Audit & Supervisory Committee Chairperson	11			●		
Kunibe Takeshi	Audit & Supervisory Committee Member Nomination Committee Member	1	●	●			●
Miki Shohei	Audit & Supervisory Committee Member Compensation Committee Member	New appointment	●		●		
Igoshi Tomoko	Audit & Supervisory Committee Member	New appointment			●		

(Notes) 1. Table above doesn't represent all of skills or insights possessed by candidates.

2. Number of years in office includes years served as Director or Auditor before the transition to a Company with an Audit & Supervisory Committee.

**Proposal 5:** Determination of Compensation for Directors (excluding Directors serving as Audit & 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 & Supervisory Committee.

At the 102nd Annual General Meeting of Shareholders held on June 21, 2019, approval was granted for the amount of compensation for Directors of the Company to be set within 514 million yen per annum (including within 50 million yen for Outside Directors), effective to the present. In accordance with the transition to a Company with an Audit & Supervisory Committee, it is proposed that this be abolished and a new amount of compensation for Directors (excluding Directors serving as Audit & Supervisory Committee Members; hereinafter the same shall apply in this Proposal) be set, with that amount being within 514 million yen per annum (including within 50 million yen for Outside Directors).

The resolution pertaining to this Proposal shall become effective provided that Proposal 2: Partial Amendments to the Articles of Incorporation is approved as originally proposed.

An outline of details of the decision policy pertaining to individual compensation, etc. for Directors with respect to the Company's 104th fiscal year is described on page 54 and the pages that follow of the Business Report. If this Proposal is approved, the Company intends to amend the policy so that it applies to Directors (excluding Directors serving as Audit & Supervisory Committee Members), and the fixed amount (supervisory salary) paid to Directors is not a uniform fixed amount but a fixed amount in accordance with their responsibilities.

The Company believes that the details of this Proposal are necessary and rational in order to grant individual compensation, etc. to Directors in accordance with said policy, and are appropriate since they were determined taking into account various circumstances such as the current compensation for Directors, the compensation levels of companies of a similar scale, and the recent economic situation.

Furthermore, as in the past the Amount of Compensation will not include the salary for the employee status of Directors, who have duties in their capacity as employee.

The current number of Directors is 8 (including 3 Outside Directors). If Proposal 2: Partial Amendments to the Articles of Incorporation, and Proposal 3: Election of 9 Directors (excluding Directors serving as Audit & Supervisory Committee Members) are approved as originally proposed, the number of Directors will be 9 (including 4 Outside Directors).

**Proposal 6:** Determination of Compensation for Directors Serving as Audit & 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 & Supervisory Committee.

Accordingly, it is proposed that the amount of compensation for Directors serving as Audit & Supervisory Committee Members be set within 90 million yen per annum.

The Company believes that the details of this Proposal are appropriate since they were determined taking into account various circumstances such as the responsibilities and system for Directors serving as Audit & Supervisory Committee Members and the recent economic situation.

The resolution pertaining to this Proposal shall become effective provided that Proposal 2: Partial Amendments to the Articles of Incorporation is approved as originally proposed.

If Proposal 2: Partial Amendments to the Articles of Incorporation, and Proposal 4: Election of 6 Directors serving as Audit & Supervisory Committee Members are approved as originally proposed, the number of Directors serving as Audit & Supervisory Committee Members will be 6.

**Proposal 7:** Determination of Amount and Details of the Stock Compensation, etc. for Directors (excluding Directors Serving as Audit & Supervisory Committee Members and Outside Directors)

**1. Reasons for the proposal and grounds that make the Plan rationale**

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 & Supervisory Committee.

In order to further clarify the linkage of Directors' compensation to the Company's share value, and by having Directors share with shareholders both the benefits and risks of fluctuation in share prices, raise Directors' motivation to contribute to enhancing the Company's performance and corporate value over the medium- to long-term, approval was granted at the 102nd Annual General Meeting of Shareholders held on June 21, 2019 to introduce a "Stock Compensation Plan" (hereinafter, the "Plan") for Directors (excluding Outside Directors), effective to the present. In accordance with the transition to a Company with an Audit & Supervisory Committee, it is proposed that approval once again be granted for the introduction (continuation) of the Plan for Directors (excluding Directors serving as Audit & Supervisory Committee Members and Outside Directors; hereinafter the same shall apply in this Proposal).

The resolution pertaining to this Proposal shall become effective provided that Proposal 2: Partial Amendments to the Articles of Incorporation is approved as originally proposed. The Company requests approval for delegation of determination of the details of the Plan to the Board of Directors, within the scope described in 2 below.

An outline of details of the decision policy pertaining to individual compensation, etc. for Directors with respect to the Company's 104th fiscal year is described on page 54 and the pages that follow of the Business Report. If this Proposal is approved, the Company intends to amend the policy so that it applies to Directors (excluding Directors serving as Audit & Supervisory Committee Members), and the fixed amount (supervisory salary) paid to Directors is not a uniform fixed amount but a fixed amount in accordance with their responsibilities. The details of this Proposal are necessary and rational in order to grant individual compensation, etc. to Directors in accordance with said policy. In addition, the Company believes that this Proposal is appropriate since approval is requested once again in accordance with the transition to a Company with an Audit & Supervisory Committee, and the details of the Plan are effectively the same as those already approved.

This Proposal is separate from the maximum amount of compensation requested for approval in Proposal 5: Determination of Compensation for Directors (excluding Directors serving as Audit & Supervisory Committee Members).

The current number of Directors subject to the Plan is 5. If Proposal 2: Partial Amendments to the Articles of Incorporation, and Proposal 3: Election of 9 Directors (excluding Directors serving as Audit & Supervisory Committee Members) are approved as originally proposed, the number of Directors subject to the Plan will be 5.

**2. Amount of compensation under the Plan and its details, etc.**

(1) Outline of the Plan

The Plan is a stock compensation plan under which the Company's shares will be acquired through a trust (hereinafter, the "Trust") using cash contributed by the Company, and a number of the Company's shares will be delivered through the Trust to each Director corresponding to the number of points they have been awarded.

In principle, Directors will receive delivery of the Company's shares upon their retirement from office as Director or Executive Officer of the Company.

a. Individuals subject to the Plan	Directors (excluding Directors serving as Audit & Supervisory Committee Members and Outside Directors)
b. Applicable period	From the conclusion of the 102nd Annual General Meeting of Shareholders held on June 21, 2019 through the conclusion of an Annual General Meeting of Shareholders pertaining to the last fiscal year ending within 3 years from the conclusion of the 102nd Annual General Meeting of Shareholders
c. Maximum amount of funds to be contributed by the Company to acquire the Company's shares necessary for delivery to individuals	Cash of up to 150 million yen in total (equivalent to 50 million yen per annum)

subject to the Plan referred to in a. during the period in b.	
d. Acquisition method of the Company's shares	Through disposal of treasury stock or through the stock market (including off-auction trading)
e. Maximum number of points to be awarded to the individuals referred to in a.	Up to 20,000 points per annum
f. Point awarding criteria	Points are awarded according to their position
g. Time for delivery of the Company's shares to the individuals referred to in a.	In principle, upon their retirement from office

(2) Maximum amount of funds to be contributed by the Company

The initial trust period of the Trust shall be approximately three years. The Company will establish the Trust (already established) with Directors who satisfy certain requirements as its beneficiaries and contribute funds to acquire the Company's shares necessary for delivery to Directors under the Plan during the Applicable Period in cash of up to 150 million yen as compensation for Directors serving during the Applicable Period. The Trust will acquire (already acquired) the Company's shares using cash entrusted by the Company through the disposal of treasury stock or through the stock market (including off-auction trading).

Note: The actual amount of cash entrusted to the Trust by the Company includes an amount to cover expenses such as trust fees, trust administrator fees, etc., in addition to the funds to acquire the Company's shares detailed above.

In addition, the Board of Directors may decide to extend the Applicable Period within a period of five years, upon which the Plan may be continued by extending the period of the Trust (including the virtual extension of the trust period by transferring the assets in the said Trust to another trust established for the same purpose. The same applies hereinafter.). In this case, the Company will make an additional contribution to the Trust of cash obtained by multiplying the number of years in the extended period by an amount of up to 50 million yen as additional funds to acquire the Company's shares for delivery to the Directors under the Plan during the Applicable Period of this extension, and continue to award points and deliver the Company's shares as detailed in (3) below.

Furthermore, even if the Plan is discontinued without extension as detailed above, if there are any unretired Directors with awarded points at the completion of the trust period, the period of the Trust may be extended until these Directors retire and the Company's shares are delivered to them.

(3) Calculation method of the Company's shares to be delivered to Directors and their maximum number

a. Method for awarding points to Directors, etc.

Based on the Share Delivery Regulations established by the Board of Directors of the Company, the Company awards points to each Director on the dates stipulated in the Share Delivery Regulations during the trust period according to their position.

However, the total number of points the Company awards the Directors shall be up to 20,000 points per year.

b. Delivering the Company's shares according to the number of points awarded

Directors shall receive the delivery of the Company's shares according to the number of points awarded, following the process detailed in c. below.

One point is equal to one share of the Company. Accordingly, the number of shares equivalent to the maximum number of points awarded to Directors in a single year is 20,000 shares. However, in the event of a stock split or a reverse stock split of the Company's shares or other events that justify an adjustment to the number of the Company's shares to be delivered, the Company shall make reasonable adjustments mainly according to the ratio of the split or reverse split.

c. Methods and conditions, etc. for delivering the Company's shares to Directors

The Trust will, in principle, deliver the Company's shares referred to in b. to each Director upon retirement from his or her position as Director or Executive Officer of the Company by taking the prescribed procedures to confirm the beneficiary.

However, the Company may liquidate a certain portion of the Company's shares by selling them within the Trust mainly for withholding income taxes, and deliver cash instead of the Company's shares. The Company may deliver cash instead of the Company's shares if those in the Trust are liquidated due to a settlement for subscription to a tender offer, or other events.

(4) Exercise of voting rights

Voting instructions for the Company's shares in the Trust shall not be exercised without exception pursuant to the instructions of the trust administrator, who is independent from the Company and its Officers. This is intended to ensure that the exercise of voting rights for the Company's shares in the Trust is neutral to the Company's management.

(5) Treatment of dividends

Dividends for the Company's shares in the Trust shall be received by the Trust mainly to fund the acquisition of the Company's shares or for the payment of trust fees to the trustees.

END