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Securities Code: 9948
May 8, 2024

To our shareholders:

Kiyoshi Yokoyama,
Representative Director and President
ARCS COMPANY, LIMITED
11-2-32 Minami 13-jo Nishi, Chuo-ku, Sapporo

Notice of the 63rd Annual General Meeting of Shareholders

It is my pleasure to inform you that the 63rd Annual General Meeting of Shareholders of ARCS COMPANY, LIMITED (the “Company”) will be held as follows.

When convening this general meeting of shareholders, the Company takes measures for providing information that constitutes the content of Reference Documents for the General Meeting of Shareholders, etc. (measures for providing information in electronic format are to be taken) in electronic format, and posts this information as “Notice of the 63rd Annual General Meeting of Shareholders” and “Matters Concerning the 63rd Annual General Meeting of Shareholders and Other Measures to be Provided in Electronic Format (Matters Omitted from the Document to be Delivered)” on each of the following Internet websites, so please access either of these websites to confirm the contents.

The Company’s website:

<https://www.arcs-g.co.jp/ir/meeting/index.html> (in Japanese)

General Meeting of Shareholders Reference Documents Website:

<https://d.sokai.jp/9948/teiji/> (in Japanese)

Tokyo Stock Exchange website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(On the TSE website, enter “ARCS” in “Issue name (company name)” or the Company’s securities code “9948” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

If you are unable to attend the meeting in person, you may exercise your voting rights via the internet or in writing, in advance. Please review the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 6:00 p.m. on Monday, May 27, 2024 (JST).

1. Date and Time: Tuesday, May 28, 2024, at 10:00 a.m. (JST) (Reception starts at 9:00 a.m.)

2. Venue: Park Hall, 3rd Floor, Sapporo Park Hotel
3-1-1 Minami 10-jo Nishi, Chuo-ku, Sapporo

3. Purpose of the Meeting

Matters to be reported

1. The Business Report, Consolidated Financial Statements and audit results of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board for the 63rd fiscal year (from March 1, 2023 to February 29, 2024)
2. Non-consolidated Financial Statements for the 63rd fiscal year (from March 1, 2023 to February 29, 2024)

Matters to be resolved

- Proposal No. 1:** Appropriation of Surplus
Proposal No. 2: Amendments to the Articles of Incorporation
Proposal No. 3: Election of Nine (9) Directors
Proposal No. 4: Payment of Bonuses to Officers
Proposal No. 5: Payment of Retirement Benefits to Retiring Directors

Among the items to be provided in electronic format, in accordance with laws and regulations and the provisions of the Company's Articles of Incorporation, the following items are not included in the paper-based documents delivered to shareholders who have made a request for delivery of such documents. Audit & Supervisory Board Members and the Independent Auditor have audited the documents subject to audit, including the following items.

- (i) Business Report: Systems to ensure appropriate business operations and the operational status of these systems and Basic policy on persons who control decisions on financial and business policies of the Company
- (ii) Consolidated Financial Statements:
Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements
- (iii) Non-consolidated Financial Statements:
Non-consolidated Statement of Changes in Equity and Notes to Non-consolidated Financial Statements

Information Concerning the General Meeting of Shareholders

- If attending the meeting in person, please submit the voting rights exercise form at the venue reception.
- If attending via proxy, the nominated proxy must be another shareholder of the Company with voting rights, in accordance with the Company's Articles of Incorporation. The nominated proxy should submit the proxy's own voting rights exercise form together with the nominating shareholder's voting rights exercise form and written proof of the right of proxy (authorization letter) at the venue reception.
- Any modifications to measures for providing information in electronic format will be posted on each of websites shown on page 1 of this Notice.
- The reference documents for this Annual General Meeting of Shareholders of the Company will uniformly be delivered in printed format as before, regardless of whether or not they have requested them. With respect to the reference documents for the next and subsequent general meetings of shareholders, with the exception of certain details, will be only delivered to shareholders who have requested the paper-based documents. We appreciate your understanding.

[Contact for inquiries regarding the system for provision in electronic format]

Mizuho Trust & Banking Co., Ltd.

Stock Transfer Agency Department

Dedicated number for the system for provision in electronic format 0120-524-324

(Inquiries are accepted from 9:00 to 17:00 excluding Saturdays, Sundays and public holidays)

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

The Company regards the return of profits to shareholders as one of its most important management objectives. Its basic policy is to increase earnings per share and actively distribute profits, while enhancing its business foundation and strengthening its corporate condition.

Based on this policy, on consideration of the results for the fiscal year under review, etc., the Company proposes to pay a year-end dividend of surplus as follows:

Year-end dividend

- (1) Type of dividend property
Cash
- (2) Allotment of dividend property, and the total amount thereof
¥39 per common share of the Company
Total dividend: ¥2,105,318,826
- (3) Effective date of dividend of surplus
May 29, 2024

Proposal No. 2: Amendments to the Articles of Incorporation

1. Reasons for proposal

The Company proposes to make necessary amendments to Article 16 and Article 25 of the current Articles of Incorporation in order to provide flexibility in the operation of the general meetings of shareholders and meetings of the Board of Directors by changing the convener and chairmanship of general meetings of shareholders and meetings of the Board of Directors to the Representative Director determined by resolution of the Board of Directors.

2. Details of the amendments

Details of the amendments are as follows:

(The amended portions are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>Article 16. (Convener and Chairmanship of General Meeting of Shareholders)</p> <p>1. <u>The Director and President</u> shall convene general meetings of shareholders and chair the meetings.</p> <p>2. In cases where the <u>Director and President</u> is prevented from so acting, another Director who is designated in accordance with an order of priority determined in advance by the Board of Directors shall convene a general meeting of shareholders and chair the meeting.</p>	<p>Article 16. (Convener and Chairmanship of General Meeting of Shareholders)</p> <p>1. <u>Unless otherwise provided for by laws and regulations, the Representative Director determined by resolution of the Board of Directors</u> shall convene general meetings of shareholders and chair the meetings.</p> <p>2. In cases where the <u>Representative Director set forth in the preceding paragraph</u> is prevented from so acting, another Director who is designated in accordance with an order of priority determined in advance by <u>resolution of</u> the Board of Directors shall convene a general meeting of shareholders and chair the meeting.</p>
<p>Article 25. (Convener and Chairmanship of Meeting of the Board of Directors)</p> <p>1. Unless otherwise provided for by laws and regulations, the <u>Director and President</u> shall convene meetings of the Board of Directors and chair the meetings.</p> <p>2. In cases where the <u>Director and President</u> is prevented from so acting, another Director who is designated in accordance with an order of priority determined in advance by the Board of Directors shall convene a meeting of the Board of Directors and chair the meeting.</p>	<p>Article 25. (Convener and Chairmanship of Meeting of the Board of Directors)</p> <p>1. Unless otherwise provided for by laws and regulations, the <u>Representative Director determined by resolution of the Board of Directors</u> shall convene meetings of the Board of Directors and chair the meetings.</p> <p>2. In cases where the <u>Representative Director set forth in the preceding paragraph</u> is prevented from so acting, another Director who is designated in accordance with an order of priority determined in advance by <u>resolution of</u> the Board of Directors shall convene a meeting of the Board of Directors and chair the meeting.</p>

Proposal No. 3: Election of Nine (9) Directors

The terms of office of nine Directors will expire at the conclusion of this General Meeting of Shareholders. Therefore, the Company proposes the election of nine (9) Directors.

The candidates for Director are as follows:

Candidate No.	Name	Position and responsibilities	Significant concurrent positions outside the Company	
1	Kiyoshi Yokoyama	Representative Director and President	Representative Director, Chairman and CEO of RALSE COMPANY, LIMITED Chairman of National Supermarket Association of Japan Representative Director and President of Hokkaido CGC Co., Ltd. Director and Vice Chairman of CGC JAPAN Co., Ltd. Director and Honorary Chairman of NISSENREN S-CORT Co., Ltd.	Reelection
2	Koichi Furukawa	Director and Executive Vice President In charge of Administration Division and Corporate Division, and in charge of Legal and Compliance Group	Director of RALSE COMPANY, LIMITED Director of Dounan Ralse Co., Ltd. Director of ELDy Co., Ltd.	Reelection
3	Kazuhisa Nekomiya	Director and Executive Officer	Representative Director, President and COO, and General Manager of Sales Division of RALSE COMPANY, LIMITED	Reelection
4	Takehiko Miura	Director and Executive Officer	Representative Director and President of Universe Co., Ltd.	Reelection
5	Ikuharu Fukuhara	Director and Executive Officer	Representative Director and President of FUKUHARA CO., LTD. Representative Director and President of Happiness Delica Co., Ltd. Representative Director and President of Kajio Flower Co., Ltd.	Reelection
6	Akira Muguruma	Director and Executive Officer	Representative Director and President of Douhoku Arcs Co., Ltd.	Reelection
7	Ryoko Sasaki	Director	Councilor of Hokkaido Environment Foundation	Reelection Outside Independent
8	Toyoko Togashi	Director	Representative Director, Chairman and President of Hokkaido Human Resources Bank, Co., Ltd.	Reelection Outside Independent
9	Akio Koike	–	Outside Director of Medical System Network Co., Ltd.	New election Outside Independent

Reelection: Candidate for Director to be reelected

New election: Candidate for Director to be newly elected

Outside: Candidate for outside Director

Independent: Independent officer as defined by the securities exchange

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company [Significant concurrent positions outside the Company]	Number of the Company's shares owned
1	Kiyoshi Yokoyama (May 15, 1935) Reelection Attendance at Board of Directors meetings 25/25	Dec. 1961 Joined the Company Dec. 1964 Managing Director Apr. 1970 Representative Director and Senior Managing Officer Apr. 1985 Representative Director and President (current position) [Significant concurrent positions outside the Company] Representative Director, Chairman and CEO of RALSE COMPANY, LIMITED Chairman of National Supermarket Association of Japan Representative Director and President of Hokkaido CGC Co., Ltd. Director and Vice Chairman of CGC JAPAN Co., Ltd. Director and Honorary Chairman of NISSENREN S-CORT Co., Ltd.	3,042,854
Reasons for nomination as candidate for Director Kiyoshi Yokoyama has been responsible for management as Representative Director of the Company (then Daimaru Supermarkets Co., Ltd.) since 1970, demonstrating his skill in business development. He possesses abundant experience and achievements related to supermarkets and their peripheral businesses. He has assumed office as Chairman of the National Supermarket Association of Japan, a nation-wide supermarket industry organization, in recognition of his contribution to business development throughout the Company group (the "Group"), utilizing his abundant management experience, as well as his management skill. He is deeply familiar with industry matters across Japan. The Company has again nominated him as a candidate for Director, judging that he is suitable to appropriately supervise Group management and promote its medium- to long-term growth strategy as Director of the Company because of these achievements.			
2	Koichi Furukawa (May 7, 1956) Reelection Attendance at Board of Directors meetings 24/25	Apr. 1980 Joined The Hokkaido Bank, Ltd. Oct. 1998 Joined the Company Nov. 2002 Executive Officer May 2006 Director of RALSE COMPANY, LIMITED (current position) May 2013 Director and Managing Executive Officer of the Company May 2019 Director and Senior Managing Executive Officer May 2021 Director and Executive Vice President (current position) [Significant concurrent positions outside the Company] Director of RALSE COMPANY, LIMITED Director of Dounan Ralse Co., Ltd. Director of ELDy Co., Ltd.	12,135
Reasons for nomination as candidate for Director In addition to his operational experience at The Hokkaido Bank, Ltd., Koichi Furukawa served as General Manager of Corporate Planning Office of the Company (then RALSE COMPANY, LIMITED) from 1998, Executive Officer of the Company from 2002, Director and Managing Executive Officer from 2013, Director and Senior Managing Executive Officer from 2019, and Director and Executive Vice President from 2021. Moreover, as Director of RALSE COMPANY, LIMITED, the Company's core subsidiary, since 2006, he has utilized his extensive management experience to contribute to business development throughout the Group. Therefore, the Company has again nominated him as a candidate for Director, judging that he is suitable to promote Group management and strengthen corporate governance as Director of the Company.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company [Significant concurrent positions outside the Company]	Number of the Company's shares owned
3	<p>Kazuhisa Nekomiya (August 11, 1960)</p> <p>Reelection</p> <p>Attendance at Board of Directors meetings 23/25</p>	<p>Mar. 1983 Joined the Company</p> <p>Mar. 1997 General Manager of Foods, SV Group (responsible for Big House)</p> <p>May 2005 Executive Officer and General Manager of No. 2 Operations Department of RALSE COMPANY, LIMITED</p> <p>May 2006 Director and General Manager of No. 2 Operations Department</p> <p>Sept. 2007 Director, Deputy General Manager of Sales Division and General Manager responsible for Retail Management Department</p> <p>May 2010 Managing Director</p> <p>May 2016 Representative Director, President and COO, and General Manager of Sales Division (current position)</p> <p>Director and Executive Officer of the Company (current position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>Representative Director, President and COO, and General Manager of Sales Division of RALSE COMPANY, LIMITED</p>	15,314
<p>Reasons for nomination as candidate for Director</p> <p>Kazuhisa Nekomiya has been responsible for the management of RALSE COMPANY, LIMITED as its Director since 2006 and as its Representative Director and President since 2016, demonstrating his skill in business development. He possesses abundant experience and achievements related to the supermarket business. Since 2016, he has served as Director and Executive Officer of the Company, utilizing his abundant management experience to contribute to business development throughout the Group. Therefore, the Company has again nominated him as a candidate for Director, judging that he is suitable to promote Group management and strengthen corporate governance as Director of the Company.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company [Significant concurrent positions outside the Company]	Number of the Company's shares owned
4	Takehiko Miura (August 28, 1971) Reelection Attendance at Board of Directors meetings 24/25	<p>June 2005 Joined Universe Co., Ltd.</p> <p>July 2011 Director and General Manager of Sales Planning Department</p> <p>May 2018 Director and General Manager of Store Support Department, Store Operations Division</p> <p>Oct. 2018 Director, General Manager of Administration Division and General Manager of Store Support Department, Store Operations Division</p> <p>Mar. 2019 Director, General Manager of Merchandise Division and General Manager of Administration Division</p> <p>May 2020 Representative Director, COO and General Manager of Administration Division Director and Executive Officer of the Company (current position)</p> <p>May 2021 Representative Director and President of Universe Co., Ltd. (current position)</p> <p>[Significant concurrent positions outside the Company] Representative Director and President of Universe Co., Ltd.</p>	1,026,847
		<p>Reasons for nomination as candidate for Director</p> <p>Takehiko Miura has been responsible for the management of Universe Co., Ltd. as its Director since 2011 and as its Representative Director since 2020, demonstrating his skill in business development. He possesses abundant experience and achievements related to the supermarket business. Since 2020, he has served as Director and Executive Officer of the Company, utilizing his abundant management experience to contribute to business development throughout the Group. Therefore, the Company has again nominated him as a candidate for Director, judging that he is suitable to promote Group management and strengthen corporate governance as Director of the Company.</p>	
5	Ikuharu Fukuhara (September 30, 1967) Reelection Attendance at Board of Directors meetings 25/25	<p>Sept. 1995 Joined FUKUHARA CO., LTD.</p> <p>May 2006 Director</p> <p>May 2009 Managing Director and General Manager of Merchandise Department</p> <p>Sept. 2009 Managing Director in charge of Store Operations Department</p> <p>May 2013 Representative Director and President (current position) Director and Executive Officer of the Company (current position)</p> <p>[Significant concurrent positions outside the Company] Representative Director and President of FUKUHARA CO., LTD. Representative Director and President of Happiness Delica Co., Ltd. Representative Director and President of Kajio Flower Co., Ltd.</p>	760,915
		<p>Reasons for nomination as candidate for Director</p> <p>Ikuharu Fukuhara has been responsible for the management of FUKUHARA CO., LTD. as its Director since 2006 and as its Representative Director and President since 2013, demonstrating his skill in business development. He possesses abundant experience and achievements related to the supermarket business. Since 2013, he has served as Director and Executive Officer of the Company, utilizing his abundant management experience to contribute to business development throughout the Group. Therefore, the Company has again nominated him as a candidate for Director, judging that he is suitable to promote Group management and strengthen corporate governance as Director of the Company.</p>	

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company [Significant concurrent positions outside the Company]	Number of the Company's shares owned
6	Akira Muguruma (October 16, 1953) Reelection Attendance at Board of Directors meetings 19/19	Feb. 1981 Joined Fuji Co., Ltd. (currently Douhoku Arcs Co., Ltd.)	379,471
		Dec. 1987 Director	
		July 1991 Managing Director	
		July 1992 Senior Managing Director	
		July 1998 Representative Director and President (current position)	
		Oct. 2004 Director and Executive Officer of the Company	
		June 2022 Executive Officer	
		May 2023 Director and Executive Officer (current position)	
		[Significant concurrent positions outside the Company] Representative Director and President of Douhoku Arcs Co., Ltd.	
	Reasons for nomination as candidate for Director Akira Muguruma has been responsible for the management of Fuji Co., Ltd. (currently Douhoku Arcs Co., Ltd.) as its Representative Director and President since 1998, demonstrating his skill in business development. He possesses abundant experience and achievements related to the supermarket business. In addition, as a Director and Executive Officer of the Company from 2004 to 2022, and from 2023 onward, he has contributed to business development throughout the Group by utilizing his abundant management experience. Therefore, the Company has nominated him as a candidate for Director, judging that he is suitable to promote Group management and strengthen corporate governance as Director of the Company.		
7	Ryoko Sasaki (July 6, 1946) Reelection Outside Independent Attendance at Board of Directors meetings 25/25	June 1992 Managing Director of Survey and Development Center Co., Ltd.	200
		July 1995 Representative Director of R's Seminar LLC	
		July 2002 Deputy Governor of Hokkaido Government	
		July 2007 Chairperson of Hokkaido Prefectural Public Safety Commission	
		Apr. 2012 Councilor of Hokkaido Environment Foundation (current position)	
		June 2013 Outside Director of Hokkaido Electric Power Co., Inc.	
		May 2015 Outside Director of the Company (current position)	
		Apr. 2018 Fellow at Nitobe College of Hokkaido University	
		[Significant concurrent positions outside the Company] Councilor of Hokkaido Environment Foundation	
	Reasons for nomination as candidate for outside Director, and summary of expected roles Ryoko Sasaki possesses experience in official administrative roles in addition to corporate management. The Company has nominated her as a candidate for outside Director, judging that she can be expected to utilize the experience and insight gained from these extensive activities to supervise the Group's overall management and provide effective suggestions, and is therefore able to appropriately perform the duties of an outside Director of the Company.		

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company [Significant concurrent positions outside the Company]	Number of the Company's shares owned
8	<p>Toyoko Togashi (June 11, 1955)</p> <p>Reelection Outside Independent</p> <p>Attendance at Board of Directors meetings 25/25</p>	<p>Apr. 1985 Director of B4 Corporation</p> <p>Aug. 1996 Representative Director and President of Hokkaido Human Resources Bank, Limited</p> <p>Aug. 2012 Representative Director and Chairman of Hokkaido Human Resources Bank, Co., Ltd.</p> <p>May 2022 Outside Director of the Company (current position)</p> <p>Apr. 2024 Representative Director, Chairman and President of Hokkaido Human Resources Bank, Co., Ltd. (current position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>Representative Director, Chairman and President of Hokkaido Human Resources Bank, Co., Ltd.</p>	—
		<p>Reasons for nomination as candidate for outside Director, and summary of expected roles</p> <p>Toyoko Togashi possesses abundant experience and achievements related to headhunting as a manager of a human resources company. The Company has nominated her as a candidate for outside Director, judging that she can be expected to utilize her experience and insight gained through broad activities to supervise the Group's overall management and provide effective suggestions, and is therefore able to appropriately perform the duties of an outside Director of the Company.</p>	
9	<p>Akio Koike (July 28, 1946)</p> <p>New election Outside Independent</p> <p>Attendance at Board of Directors meetings —</p>	<p>July 1969 Joined Japanese National Railways</p> <p>Apr. 1987 Joined Hokkaido Railway Company General Manager of Business Management Office, General Planning Division</p> <p>June 1994 Director and Deputy Head of General Planning Division</p> <p>June 2000 Representative Director, Senior Managing Director, and General Manager of Development Division</p> <p>June 2003 Representative Director and President</p> <p>June 2007 Representative Director and Chairman</p> <p>Nov. 2011 Representative Director and President</p> <p>June 2013 Representative Director and Chairman</p> <p>June 2015 Outside Director of Medical System Network Co., Ltd. (current position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>Outside Director of Medical System Network Co., Ltd.</p>	—
		<p>Reasons for nomination as candidate for outside Director, and summary of expected roles</p> <p>Akio Koike possesses extensive insight as a senior corporate manager and abundant experience and achievements related to organizational management. The Company has nominated him as a candidate for outside Director, judging that he can be expected to utilize his experience and insight gained through broad activities to supervise the Group's overall management and provide effective suggestions, and is therefore able to appropriately perform the duties of an outside Director of the Company.</p>	

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Akira Muguruma was newly elected and assumed the position of Director at the 62nd Annual General Meeting of Shareholders held on May 23, 2023, and his attendance at Board of Directors meetings held after his assumption of office on May 23, 2023 is shown.
 3. Ryoko Sasaki, Toyoko Togashi and Akio Koike are candidates for outside Director, and the Company has notified the securities exchanges in Japan where the Company is listed of their designation as independent officers, as prescribed by each exchange.
 4. (1) Ryoko Sasaki will have served as outside Director of the Company for nine years as of the conclusion of this General Meeting of Shareholders.

- (2) Toyoko Togashi will have served as outside Director of the Company for two years as of the conclusion of this General Meeting of Shareholders.
5. The Company has concluded liability limitation agreements in accordance with the provisions of Article 427, paragraph (1) of the Companies Act with Ryoko Sasaki and Toyoko Togashi to enable them to fulfill the roles expected of an outside Director. Under these agreements, their liability for damages under Article 423, paragraph (1) of the aforementioned Act is limited to the minimum amount provided for in laws and regulations. If this proposal is approved, the Company intends to continue these liability limitation agreements with them under the same terms, and also conclude the agreement with Akio Koike under the same terms.

[Reference] Skill Matrix

Name	Managerial & operational experience			Management skills & knowledge						
	(i) Corporate management	(ii) Industry insight	(iii) Group Philosophy & implementa- tion of management policy	(iv) Finance & accounting	(v) Compliance & risk management	(vi) DX, IT & security	(vii) Sales & marketing	(viii) Governance	(ix) Sustain- ability	
Director	Kiyoshi Yokoyama	○	○	○		○		○	○	○
	Koichi Furukawa		○	○	○	○	○		○	○
	Kazuhisa Nekomiya	○	○	○				○	○	
	Takehiko Miura	○	○	○	○			○		
	Ikuharu Fukuhara	○	○	○				○		
	Akira Muguruma	○	○	○				○	○	
	Ryoko Sasaki	○				○			○	○
	Toyoko Togashi	○				○			○	
	Akio Koike	○				○			○	○
Executive Officer	Hideki Kogarimai	○	○	○				○		
	Tsukasa Sawada	○	○	○				○		
	Koichi Inoue			○			○			
	Naoto Matsuo	○	○	○				○		

* The above list does not represent all the knowledge and experience of Directors and Executive Officers.

Proposal No. 4: Payment of Bonuses to Officers

The Company proposes to pay an officers' bonus totaling ¥17,464,000 to nine Directors (including three outside Directors) and four Audit & Supervisory Board Members in office as of the end of the fiscal year under review (The aforementioned amount includes ¥12,614,000 for Directors who are not outside Directors, ¥2,100,000 for outside Directors, and ¥2,750,000 for Audit & Supervisory Board Members.) on consideration of the results for the fiscal year under review, etc.

The proposed portion is based on a consideration of factors such as the degree of achievement of management indicators, including net sales and ordinary profit of the Company and its business subsidiaries, and the performance assessment according to each officer's rank and duties. After deliberation by the Nomination and Compensation Committees, it was determined by the Board of Directors, and which is deemed to be appropriate.

The Company proposes that decisions on the specific amount paid to each Director, the timing and method of payment, etc., will be delegated to the Board of Directors, and that decisions on the specific amount paid to each Audit & Supervisory Board Member, the timing and method of payment, etc., will be delegated to discussion among the Audit & Supervisory Board Members.

Proposal No. 5: Payment of Retirement Benefits to Retiring Directors

In order to reward Hiroshi Saeki, who will retire as Director due to expiration of his terms at the conclusion of this General Meeting of Shareholders, for his services during his terms, we would like to pay him a reasonable amount of retirement benefits in accordance with the Company's internal rules.

After deliberation by the Nomination and Compensation Committees, this proposal has been determined by the Board of Directors in accordance with the Company's policy for determining the content of remuneration, etc. for individual Directors determined in advance by the Board of Directors and with the internal rules of the Company, and the Company deems the proposal to be appropriate.

The Company proposes that the specific amount of the gift and its timing and method of presentation, etc. will be delegated to the Board of Directors.

The career summary of the retiring Director is as follows.

Name	Career summary
Hiroshi Saeki	May 2014 Outside Director of the Company (current position)