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Securities code: 4478
September 14, 2021

To shareholders with voting rights:

Daisuke Sasaki
Representative Director
freee K.K.
8-1, Nishi Gotanda 2-chome,
Shinagawa-ku, Tokyo, Japan

Notice of Convocation of 9th Ordinary General Meeting of Shareholders

It is our pleasure to inform you that the 9th Ordinary General Meeting of Shareholders of freee K.K. (the “Company”) will be held as described below.

We have decided to hold this year’s meeting as a Virtual-only General Meeting of Shareholders, a form that has become possible from this year. With no prospect of the COVID-19 pandemic abating, this decision was made upon consideration of the form of the Ordinary General Meeting of Shareholders that will enable all our shareholders to participate with a sense of security.

This General Meeting of Shareholders will therefore be held as a general meeting of shareholders with no designated venue (hereinafter referred to as the “Virtual-only General Meeting of Shareholders”), in accordance with Article 3, Paragraph 1 of the Supplementary Provisions to the Act for Partially Amending the Industrial Competitiveness Enhancement Act and Other Related Acts (Act No. 70 of 2021). There will be no physical venue for shareholders to attend for this General Meeting of Shareholders. You are therefore requested to attend online.

For those unable to attend the Virtual-only General Meeting of Shareholders, voting rights can be exercised beforehand in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders, and exercise voting rights no later than 6:30 p.m. on Tuesday, September 28, 2021.

- 1. Date and time:** Wednesday, September 29, 2021 at 10:00 a.m.
Notes: It is planned to allow attendees to login from around 9:30 a.m.
If it is not possible to hold the Virtual-only General Meeting of Shareholders at the scheduled date and time due to problems with network communications, etc. then the meeting will be held on the standby date of Thursday, September 30, 2021 at 10:00 a.m. If the Company holds the meeting on the standby date, then a notice will be posted on the Company’s website (<https://corp.freee.co.jp/ir/stock/> *In Japanese) by 11:00 a.m. on September 29, 2021.
- 2. Place:** This meeting will be held as a general meeting of shareholders with no designated venue.
- 3. URL** <https://web.sharely.app/login/freee-9>
- 4. Meeting agenda:**
 - Matters to be reported:**
 - 1 The business report and consolidated financial statements for the Company’s 9th fiscal year (from July 1, 2020 to June 30, 2021), and the results of audits of the consolidated financial statements by the independent auditor and the Audit & Supervisory Board
 - 2 Non-consolidated financial statements for the Company’s 9th fiscal year (from July 1, 2020 to June 30, 2021)
 - Matters to be resolved:**
 - Proposal 1:** Partial Amendments to the Articles of Incorporation

- Proposal 2:** Election of Four (4) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal 3:** Election of Three (3) Directors Who Are Audit & Supervisory Committee Members
- Proposal 4:** Decision on the Amount of Compensation for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal 5:** Decision on the Amount of Compensation for Directors Who Are Audit & Supervisory Committee Members
- Proposal 6:** Decision on Compensation for a Restricted Stock Plan and Performance Share Unit Plan for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members or Outside Directors)
- Proposal 7:** Decision on Compensation for a Restricted Stock Plan for Directors Who Are Audit & Supervisory Committee Members

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- A resolution will be made at the commencement of this General Meeting of Shareholders enabling the Chairperson to decide whether to postpone or adjourn the meeting if a considerable impediment arises with respect to the proceedings due to problems with network communications, etc. If the Chairperson decides to postpone or adjourn the meeting based on this resolution, then this General Meeting of Shareholders will be reconvened or resumed on the above-mentioned standby date of Thursday, September 30, 2021 at 10:00 am. In this event, a notification will be posted promptly via the Internet, on the Company's website (<https://corp.freee.co.jp/ir/stock/> *In Japanese). Please attend the reconvened or resumed meeting.
 - The Internet will be used to send and receive information concerning the proceedings for this General Meeting of Shareholders.
 - Should a shareholder who has already exercised voting rights by post or via the Internet attend the General Meeting of Shareholders, and proceed to exercise these voting rights again at the meeting, then the content of the voting rights exercised at the meeting will be treated as valid. If the shareholder does not exercise voting rights at the meeting, then the content of the voting rights exercised by post or via the Internet will be treated as valid.
 - Shareholders who wish to be represented by a proxy at the General Meeting of Shareholders should delegate their voting rights to another shareholder with voting rights, in accordance with the provisions of law, regulation and the Company's Articles of Incorporation.
 - If any revisions are made to the Reference Documents for the General Meeting of Shareholders, such revisions will be posted on the Company's website (<https://corp.freee.co.jp/en/ir/stock/>).
 - Pursuant to the relevant laws and regulations and Article 15 of the Company's Articles of Incorporation, the documents listed below that are required to be provided together with this notice are posted on the Company's website (<https://corp.freee.co.jp/ir/stock/> *In Japanese), and not attached to this notice. The Reference Documents attached to this notice therefore consist of part of the business report, audited by the Audit & Supervisory Board Members, and parts of the consolidated financial statements and the non-consolidated financial statements, audited by the Audit & Supervisory Board Members and independent auditor in the preparation of the audit reports.

•Business report

Matters concerning the company group

Financial position and results

Main businesses

Main offices

Employees

Main lenders

Matters concerning shares

Matters concerning stock acquisition rights, etc.

Matters concerning corporate officers

Matters concerning outside officers

Matters concerning the independent auditor

Systems to ensure appropriate execution of business, and an outline of their operational status

Policy concerning decisions on distribution of surplus, etc.

•Consolidated financial statements

Consolidated balance sheets

Consolidated statement of income
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
•Audit report
Independent auditor's report on audit of the consolidated financial statements

- The results of voting at this General Meeting of Shareholders will be posted on the Company's website (<https://corp.freee.co.jp/ir/stock/> *In Japanese), in lieu of the delivery of a written notice of resolutions by mail.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Partial Amendments to the Articles of Incorporation

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

(1) Reason for the proposal

The Company recognizes that the enhancement and strengthening of the corporate governance system is a material management issue, and initiatives have been continuously promoted until now. While the business environment is becoming increasingly globalized and complex, the Company is working to achieve the sustainable improvement of corporate value. To realize this, the Company has decided to transition to a company with an Audit & Supervisory Committee, which will enable the delegation of a substantial part of the Board of Directors' decision-making authority over the execution of business to Executive Directors. In this way, the Company proposes to further enhance deliberations by the Board of Directors on matters such as business strategy, and further strengthen the supervisory functions of the Board of Directors. To this end, approval is requested to amend the Company's Articles of Incorporation as follows, including other necessary amendments.

(2) Details of the amendments

Details of the amendments are as follows.

These amendments will come into effect at the conclusion of this Ordinary General Meeting of Shareholders.

(Changes are underlined.)

Present Articles of Incorporation	Proposed Revisions
CHAPTER 1. GENERAL PROVISIONS	CHAPTER 1. GENERAL PROVISIONS
Article 1 through Article 4 (texts omitted)	Article 1 through Article 4 (unchanged)
Establishment of Bodies	Establishment of Bodies
Article 5. The Company shall have the following bodies besides the General Meeting of Shareholders and the Directors:	Article 5. The Company shall have the following bodies besides the General Meeting of Shareholders and the Directors:
(1) Board of Directors	(1) Board of Directors
(2) <u>Auditors</u>	(2) <u>Audit and Supervisory Committee</u>
(3) <u>Board of Auditors</u>	(deleted)
(4) Accounting Auditor	(3) Accounting Auditor
CHAPTER 2. SHARES	CHAPTER 2. SHARES
Article 6 through Article 12 (texts omitted)	Article 6 through Article 12 (unchanged)
CHAPTER 3. GENERAL MEETINGS OF SHAREHOLDERS	CHAPTER 3. GENERAL MEETINGS OF SHAREHOLDERS
Article 13. (texts omitted)	Article 13. (unchanged)

Present Articles of Incorporation	Proposed Revisions
<p data-bbox="272 219 839 286">Person Authorized to Convene Meetings and the Chairperson</p> <p data-bbox="272 286 839 656">Article 14. Unless otherwise provided for by laws and regulations, a General Meeting of Shareholders shall be convened by the <u>President</u> and Director with a resolution of the Board of Directors. When the <u>President</u> and Director is unable to act so, one of the other Directors shall take his/her place in accordance with the order of priority previously fixed by the Board of Directors.</p> <p data-bbox="272 656 839 965">2. General Meetings of Shareholders shall have the <u>President</u> and Director of the Company as the chairperson. When the <u>President</u> and Director is unable to act so, one of the other Directors shall take his/her place in accordance with the order of priority previously fixed by the Board of Directors.</p> <p data-bbox="272 999 839 1032">Article 15 through Article 18 (texts omitted)</p> <p data-bbox="272 1066 839 1133">CHAPTER 4. DIRECTORS AND BOARD OF DIRECTORS</p> <p data-bbox="272 1167 839 1200">Number of Directors</p> <p data-bbox="272 1200 839 1267">Article 19. The number of Directors of the Company shall not be more than 10.</p> <p data-bbox="272 1335 839 1368">(new)</p>	<p data-bbox="839 219 1399 286">Person Authorized to Convene Meetings and the Chairperson</p> <p data-bbox="839 286 1399 656">Article 14. Unless otherwise provided for by laws and regulations, a General Meeting of Shareholders shall be convened by the <u>CEO</u> and Director with a resolution of the Board of Directors. When the <u>CEO</u> and Director is unable to act so, one of the other Directors shall take his/her place in accordance with the order of priority previously fixed by the Board of Directors.</p> <p data-bbox="839 656 1399 965">2. General Meetings of Shareholders shall have the <u>CEO</u> and Director of the Company as the chairperson. When the <u>CEO</u> and Director is unable to act so, one of the other Directors shall take his/her place in accordance with the order of priority previously fixed by the Board of Directors.</p> <p data-bbox="839 999 1399 1032">Article 15 through Article 18 (unchanged)</p> <p data-bbox="839 1066 1399 1133">CHAPTER 4. DIRECTORS AND BOARD OF DIRECTORS</p> <p data-bbox="839 1167 1399 1200">Number of Directors</p> <p data-bbox="839 1200 1399 1335">Article 19. The number of Directors of the Company (<u>excluding members of the Audit and Supervisory Committee</u>) shall not be more than 10.</p> <p data-bbox="839 1335 1399 1469">2. <u>The number of Directors serving as members of the Audit and Supervisory Committee shall not be more than 4.</u></p>

Present Articles of Incorporation	Proposed Revisions
<p data-bbox="284 226 523 286">Election of Directors Article 20. (new)</p> <p data-bbox="400 461 823 725">A resolution for election of <u>Directors of the Company shall be made at a General Meeting of Shareholders</u> by a majority of the voting rights held by shareholders present at the meeting who collectively hold not less than one-third of the voting rights of all shareholders.</p> <p data-bbox="363 730 571 763"><u>2.</u> (texts omitted)</p> <p data-bbox="284 797 456 831">Term of Office</p> <p data-bbox="284 835 804 1066">Article 21. The term of office of a Director shall expire at the conclusion of the Ordinary General Meeting of Shareholders held for the last accounting year ended within one year after <u>his/her</u> assumption of office.</p> <p data-bbox="363 1137 432 1171">(new)</p> <p data-bbox="363 1406 815 1641"><u>2.</u> The term of office of a Director who is elected to increase the number of Directors or to fill a vacancy for a Director shall expire at the conclusion of the remaining period of the term of office of other incumbent Directors.</p> <p data-bbox="363 1646 432 1680">(new)</p>	<p data-bbox="853 226 1093 259">Election of Directors</p> <p data-bbox="853 264 1366 456">Article 20. <u>Directors of the Company who serve as members of the Audit and Supervisory Committee and those who do not shall be appointed separately by a resolution of the General Meeting of Shareholders.</u></p> <p data-bbox="930 461 1398 725"><u>2.</u> For the election of Directors of the Company, a resolution shall be made at a General Meeting of Shareholders by a majority of the voting rights held by shareholders present at the meeting who collectively hold not less than one-third of the voting rights of all shareholders.</p> <p data-bbox="930 730 1114 763"><u>3.</u> (unchanged)</p> <p data-bbox="853 797 1026 831">Term of Office</p> <p data-bbox="853 835 1393 1133">Article 21. The term of office of a Director <u>(except Directors serving as members of the Audit and Supervisory Committee)</u> shall expire at the conclusion of the Annual Meeting of Shareholders held for the last accounting year ended within one year after his/her assumption of office.</p> <p data-bbox="930 1137 1382 1406"><u>2.</u> <u>The term of office of a Director serving as a member of the Audit and Supervisory Committee shall expire at the conclusion of the Annual Meeting of Shareholders held for the last accounting year ended within two years after his/her assumption of office.</u></p> <p data-bbox="930 1411 1034 1444">(deleted)</p> <p data-bbox="930 1646 1382 1951"><u>3.</u> <u>The term of office of a Director serving as a member of the Audit and Supervisory Committee who is elected to fill a vacancy for a Director serving as a member of the Audit and Supervisory Committee shall expire at the conclusion of the remaining period of the term of office of his/her predecessor.</u></p>

Present Articles of Incorporation	Proposed Revisions
<p>Representative Director and Directors with Executive Power</p> <p>Article 22. (texts omitted)</p> <ol style="list-style-type: none"> 2. (texts omitted) 3. The Board of Directors may, by its resolution, appoint a <u>President</u> and Director, <u>a Chairperson and Director, Director and Vice President(s), Senior Managing Director(s), and Managing Director(s).</u> <p>Person Authorized to Convene Meetings of the Board of Directors and the Chairperson</p> <p>Article 23. A meeting of the Board of Directors shall, except otherwise provided for by laws and regulations, be convened by the <u>President</u> and Director, who shall act as chairperson.</p> <ol style="list-style-type: none"> 2. When the <u>President</u> and Director is unable to act so, one of the other Directors shall take his/her place in accordance with the order of priority previously fixed by the Board of Directors. <p>Notice to Convene Meetings of the Board of Directors</p> <p>Article 24. Notice to convene a meeting of the Board of Directors shall be given to each Director and <u>Auditor</u> at least 3 days prior to the day of the meeting. However, in the case of emergency, such period of notice may be shortened.</p> <p>Article 25. (texts omitted)</p> <p>Omission of Resolutions in the Meetings of Board of Directors</p> <p>Article 26. Any resolution matter at a meeting of the Board of Directors shall be deemed accepted by a resolution of the Board of Directors with written or electronic consent of all Directors (limited to those who have valid voting power with respect to the subject matter) <u>unless an Auditor raises an objection.</u></p>	<p>Representative Director and Directors with Executive Power</p> <p>Article 22. (unchanged)</p> <ol style="list-style-type: none"> 2. (unchanged) 3. The Board of Directors shall, by its resolution, appoint a <u>CEO</u> and Director. <p>Person Authorized to Convene Meetings of the Board of Directors and the Chairperson</p> <p>Article 23. A meeting of the Board of Directors shall, except otherwise provided for by laws and regulations, be convened by the <u>CEO</u> and Director, who shall act as chairperson.</p> <ol style="list-style-type: none"> 2. When the <u>CEO</u> and Director is unable to act so, one of the other Directors shall take his/her place in accordance with the order of priority previously fixed by the Board of Directors. <p>Notice to Convene Meetings of the Board of Directors</p> <p>Article 24. Notice to convene a meeting of the Board of Directors shall be given to each Director at least 3 days prior to the day of the meeting. However, in the case of emergency, such period of notice may be shortened.</p> <p>Article 25. (unchanged)</p> <p>Omission of Resolutions in the Meetings of Board of Directors</p> <p>Article 26. Any resolution matter at a meeting of the Board of Directors shall be deemed accepted by a resolution of the Board of Directors with written or electronic consent of all Directors (limited to those who have valid voting power with respect to the subject matter).</p>

Present Articles of Incorporation	Proposed Revisions
<p>(new)</p> <p>Minutes of Meetings of the Board of Directors Article <u>27</u>. A summary and results of the course of a meeting of the Board of Directors, as well as items required by laws and regulations, shall be indicated or recorded in a minute, and the minute shall be certified by signature and seal or electronic signature of each participating Director <u>and Auditor</u>.</p> <p>Article <u>28</u>. (texts omitted)</p> <p>Remuneration of Directors Article <u>29</u>. The remuneration, bonus and other financial benefits that Directors receive from the Company as consideration for execution of their duties (hereinafter referred to as the “Remuneration”) shall be determined by a resolution of the General Meeting of Shareholders.</p> <p>Article <u>30</u>. (texts omitted)</p> <p><u>CHAPTER 5. AUDITORS AND BOARD OF AUDITORS</u></p> <p><u>Number of Directors</u> Article <u>31</u>. <u>The number of Auditors of the Company shall be more than three.</u></p>	<p><u>Delegation of Decisions on Important Business Affairs</u> Article <u>27</u>. <u>The Company may, pursuant to Article 399, Paragraph 13, Item 6 of the Companies Act and by a resolution of the Board of Directors, delegate the decisions on important business affairs (excluding matters listed in Item 5 of the same Article) as a whole or in part to the Directors.</u></p> <p>Minutes of Meetings of the Board of Directors Article <u>28</u>. A summary and results of the course of a meeting of the Board of Directors, as well as items required by laws and regulations, shall be indicated or recorded in a minute, and the minute shall be certified by signature and seal or electronic signature of each participating Director.</p> <p>Article <u>29</u>. (unchanged)</p> <p>Remuneration of Directors Article <u>30</u>. The remuneration, bonus and other financial benefits that Directors receive from the Company as consideration for execution of their duties (hereinafter referred to as the “Remuneration”) shall be separately determined <u>for Directors serving as members of the Audit and Supervisory Committee and the other Directors</u> by means of a resolution of the General Meeting of Shareholders.</p> <p>Article <u>31</u>. (unchanged)</p> <p>(deleted)</p> <p>(deleted)</p>

Present Articles of Incorporation	Proposed Revisions
<p><u>Election</u> <u>Article 32. A resolution for election of Auditors of the Company shall be made at a General Meeting of Shareholders by a majority of the voting rights held by shareholders present at the meeting who collectively hold not less than one-third of the voting rights of all shareholders.</u></p>	(deleted)
<p><u>Term of Auditors</u> <u>Article 33. The term of office of an Auditor shall expire at the conclusion of the Ordinary General Meeting of Shareholders held for the last accounting year ended within four years after his/her assumption of office.</u></p>	(deleted)
<p>2. <u>The term of office of an Auditor who is elected to fill a vacancy shall expire when the remaining period of the term of office of his/her predecessor would expire.</u></p>	(deleted)
<p><u>Full-time Auditor</u> <u>Article 34. The Board of Auditors shall appoint a full-time auditor from among the Auditors.</u></p>	(deleted)
<p><u>Notice to Convene Meetings of the Board of Auditors</u> <u>Article 35. Notice to convene a meeting of the Board of Auditors shall be given to each Auditor at least 3 days prior to the day of the meeting. However, in the case of emergency, such period of notice may be shortened.</u></p>	(deleted)
<p><u>Method of Adopting Resolution of the Board of Auditors</u> <u>Article 36. Except otherwise provided for by laws and regulations, resolutions at a meeting of the Board of Auditors shall be adopted by a majority of the votes of the Auditors.</u></p>	(deleted)

Present Articles of Incorporation	Proposed Revisions
<p><u>Minutes of Meetings of the Board of Auditors</u> <u>Article 37. A summary and results of the course of a meeting of the Board of Auditors, as well as items required by laws and regulations, shall be indicated or recorded in a minute, and the minute shall be certified by signature and seal or electronic signature of each participating Auditor.</u></p>	(deleted)
<p><u>Regulations of the Board of Auditors</u> <u>Article 38. Except as otherwise provided for by laws and regulations or these Articles of Incorporation, matters relating to the Board of Auditors shall be governed by the Regulations of the Board of Auditors prescribed by the Board of Auditors of the Company.</u></p>	(deleted)
<p><u>Remuneration of Auditors</u> <u>Article 39. The remuneration, etc. of Auditors shall be determined by a resolution of the General Meeting of Shareholders.</u></p>	(deleted)
<p><u>Partial Exemption of Auditors' Liabilities</u> <u>Article 40. Subject to Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt the Auditors (including ex-Auditors) from liabilities set forth in Article 423, Paragraph 1 of the Companies Act, with a limit of the relevant liabilities minus the minimum responsible amount provided for by laws and regulations, as long as eligibility requirements for the exemption under laws and regulations are met.</u> <u>2. Subject to Article 427 of the Companies Act, the Company may conclude an agreement with the Auditors with regard to limitation of their liabilities under Article 423, Paragraph 1 of the same Act, as long as requirements for the limitation under laws and regulations are met. However, the amount of limitation of liabilities under such agreement shall be 1 million JPY or the amount provided for by laws and regulations, whichever is higher</u></p>	(deleted)

Present Articles of Incorporation	Proposed Revisions
(new)	<u>CHAPTER 5. Audit and Supervisory Committee</u>
(new)	<u>Full-time Member of the Audit and Supervisory Committee</u>
(new)	<u>Article 32. The Audit and Supervisory Committee shall, by its resolution, appoint a full-time member from among the members of the committee.</u>
(new)	<u>Notice to Convene Meetings of the Audit and Supervisory Committee</u>
(new)	<u>Article 33. Notification to convene a meeting of the Audit and Supervisory Committee shall be given to each member of the committee at least 3 days prior to the day of the meeting. However, in the case of emergency, such a period of notice may be shortened.</u>
(new)	<u>Method of Adopting a Resolution of the Audit and Supervisory Committee</u>
(new)	<u>Article 34. A resolution at a meeting of the Audit and Supervisory Committee shall be adopted by a majority of the votes cast of the members of the committee with voting power who are present at the respective meeting, provided more than half of all the members with voting power are present at the respective meeting.</u>
(new)	<u>Minutes of Meetings of the Audit and Supervisory Committee</u>
(new)	<u>Article 35. A summary and the results of the course of a meeting of the Audit and Supervisory Committee, as well as items required by laws and regulations, shall be indicated or recorded in the minutes, and the minutes shall be certified by signature and seal or the electronic signature of each participating member of the committee.</u>

Present Articles of Incorporation	Proposed Revisions
<p>(new)</p> <p>CHAPTER 6. ACCOUNTING AUDITOR</p> <p>Article <u>41</u> through Article <u>42</u> (texts omitted)</p> <p>Remuneration of Accounting Auditor Article <u>43</u>. The remuneration, etc. of the Accounting Auditor shall be determined by the Representative Director with the consent of the <u>Board of Auditors</u>.</p> <p>CHAPTER 7. ACCOUNTS</p> <p>Article <u>44</u> through Article <u>46</u> (texts omitted)</p> <p>CHAPTER 8. SUPPLEMENTARY PROVISIONS</p> <p>Article <u>47</u>. (texts omitted) (new)</p>	<p><u>Regulations of the Audit and Supervisory Committee</u></p> <p>Article <u>36</u>. Unless otherwise provided for by <u>laws and regulations or these Articles of Incorporation</u>, matters relating to the Audit and Supervisory Committee shall be governed by the <u>Regulations of the Audit and Supervisory Committee prescribed by the Audit and Supervisory Committee of the Company</u>.</p> <p>CHAPTER 6. ACCOUNTING AUDITOR</p> <p>Article <u>37</u> through Article <u>38</u> (unchanged)</p> <p>Remuneration of Accounting Auditor Article <u>39</u>. The remuneration, etc. of the Accounting Auditor shall be determined by the Representative Director with the consent of the <u>Audit and Supervisory Committee</u>.</p> <p>CHAPTER 7. ACCOUNTS</p> <p>Article <u>40</u> through Article <u>42</u> (unchanged)</p> <p>CHAPTER 8. SUPPLEMENTARY PROVISIONS</p> <p>Article <u>43</u>. (unchanged) <u>Transitional Measures for Exemption of Liability of Auditors</u></p> <p>Article <u>44</u>. <u>The Company may, by a resolution of the Board of Directors, indemnify Auditors (including ex-Auditors) for liability for any act committed before the conclusion of the 9th Term Annual Meeting of Shareholders of the Company as defined in Article 423, Paragraph 1 of the Companies Act, to the extent permitted by laws and regulations.</u></p>

Present Articles of Incorporation	Proposed Revisions
(new)	<p><u>2. The provision of Article 40, Paragraph 2 of the original Articles of Incorporation effective before the resolution of the 9th Term Annual Meeting of Shareholders of the Company shall apply to an agreement regarding the limitation of liability of Auditors (including ex-Auditors) for any act committed before the conclusion of the 9th Term Annual Meeting of Shareholders of the Company as defined in Article 423, Paragraph 1 of the Companies Act.</u></p>

Proposal 2: Election of Four (4) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

The terms of office of six (6) Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. Moreover, if “Proposal 1: Partial Amendments to the Articles of Incorporation” is approved and passed as proposed, then the Company will transition to a company with an Audit & Supervisory Committee at the conclusion of this Ordinary General Meeting of Shareholders.

Accordingly, the Company proposes the election of four (4) Directors (excluding Directors who are Audit & Supervisory Committee Members).

A resolution on this proposal will come into effect conditional upon the amendments to the Articles of Incorporation set forth in “Proposal 1: Partial Amendments to the Articles of Incorporation” taking effect.

The candidates for the office of Director (excluding Director who is an Audit & Supervisory Committee Member) are shown below.

No	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
1	Daisuke Sasaki (September 18, 1980) [Reappointment]	<p>April 2004 Joined Hakuodo Inc. July 2006 Joined CLSA Capital Partners Japan May 2007 Joined ALBERT Inc. May 2008 Joined Google Inc. (currently Google Japan LLC) July 2012 Established the Company, Representative Director and CEO (to present) October 2018 Director of freee finance lab K.K. (to present) April 2020 Management Council Member, Hitotsubashi University (to present) April 2021 Director of Sight Visit Inc. (to present)</p> <p>Significant concurrent positions Director of freee finance lab K.K. Director of Sight Visit Inc. Management Council Member, Hitotsubashi University</p> <p>Reason for nomination as candidate for Director and summary of expected roles Daisuke Sasaki has directed management of the Company as Representative Director since it was established in 2012, contributing to its sustained growth. The Company recommends his reappointment as a Director because the Company judges that he contributes to enhancing the corporate value of the Group through his philosophy and strong leadership as the Company’s founder.</p>	11,246,700

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
2	Sumito Togo (March 19, 1981) [Reappointment]	<p>April 2005 Joined McKinsey & Company Inc. Japan February 2010 Joined Google Inc. (currently Google Japan LLC) July 2013 Joined the Company September 2013 Director of the Company June 2018 Director and CFO of the Company (to present) March 2020 Representative Director of freee biz K.K. (to present) April 2020 Outside Director of WealthNavi Inc. (to present)</p> <p>Significant concurrent positions Representative Director of freee biz K.K. Outside Director of WealthNavi Inc.</p> <p>Reason for nomination as candidate for Director and summary of expected roles Sumito Togo has engaged in management of the Company since being appointed as a Director in 2013. After his appointment as CFO, he has overseen the Company's financial strategy, contributing to its sustained growth. The Company recommends his reappointment as a candidate for Director because he can be expected to leverage his achievements and experience to realize the further enhancement of corporate value.</p>	665,602

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
3	Ryu Yokoji (August 24, 1984) [New appointment]	<p>April 2010 Joined Sony Corporation (currently Sony Group Corporation) July 2012 Co-founder and Director of the Company September 2015 Operating Executive Officer and CTO (to present)</p> <p>Reason for nomination as candidate for Director and summary of expected roles As co-founder of the Company, Ryu Yokoji has led product development since its establishment in 2012, contributing to its sustained growth. The Company recommends his appointment as a candidate for Director because he can be expected to leverage his achievements and experience to realize the further enhancement of corporate value.</p>	2,137,500

No	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
4	Yumi Hosaka Clark (December 29, 1969) [New appointment]	<p>May 1995 Account Manager, Navteq June 1997 Program Manager, Autodesk, Inc. August 1999 Product Marketing Manager, eCIRCLES.com September 2000 Senior Manager, Strategic Development, Adobe Systems, Inc. January 2003 Group Product Manager, Country Solutions, PayPal, Inc. March 2005 Director, Business Operations eBay Ventures, eBay, Incorporated November 2007 Director, Payments and Commerce Solutions/Commerce Network Solutions; Product Management Director, Employee Management Solutions; and Director, Strategic Payments Initiatives, Intuit, Incorporated</p> <p>January 2015 Vice President, Small Business New Product Development and Vice President, Payments and Money Movement, Capital One, Incorporated</p> <p>June 2018 Vice President, Head of Products and Solutions Japan, Visa Worldwide (Japan), Co., Ltd.</p> <p>September 2018 Outside Director of Paidy Incorporated March 2021 Vice President, Integrated Financial Services, Quicken Incorporated (to present)</p> <p>Significant concurrent positions Vice President, Integrated Financial Services, Quicken Incorporated</p> <p>Reason for nomination as candidate for Outside Director and summary of expected roles Yumi Hosaka Clark has served in key positions at international fintech companies, and has abundant experience in development linking traditional financial networks with the latest apps, as well as post-development scale-up. She also has extensive experience servicing the small business segment, and in investment and corporate acquisitions. The Company recommends her appointment as a candidate for Outside Director because she can be expected to provide appropriate advice on the management of the Company from an objective and global perspective.</p>	0

(Notes)

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

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

If “Proposal 1: Partial Amendments to the Articles of Incorporation” is approved and passed as proposed, then the Company will transition to a company with an Audit & Supervisory Committee at the conclusion of this Ordinary General Meeting of Shareholders.

Accordingly, the Company proposes the election of three (3) Directors who are Audit & Supervisory Committee Members. The agreement of the Audit & Supervisory Board has been obtained for this proposal.

A resolution on this proposal will come into effect conditional upon the amendments to the Articles of Incorporation set forth in “Proposal 1: Partial Amendments to the Articles of Incorporation” taking effect.

The candidates for the office of Director who is an Audit & Supervisory Committee Member are shown below.

No	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
1	Yoko Naito (October 31, 1978) [New appointment]	<p>April 2001 Joined Meiko National Securities Co., Ltd. (currently SMBC Nikko Securities Inc.)</p> <p>December 2004 Joined Ernst & Young ShinNihon (currently Ernst & Young ShinNihon LLC)</p> <p>September 2018 Outside Audit & Supervisory Board Member of the Company (to present)</p> <p>October 2018 Audit & Supervisory Board Member of freee finance lab K.K. (to present)</p> <p>April 2021 Audit & Supervisory Board Member of Sight Visit Inc. (to present)</p> <p>Significant concurrent positions</p> <p>Audit & Supervisory Board Member of freee finance lab K.K.</p> <p>Audit & Supervisory Board Member of Sight Visit Inc.</p> <p>Reason for nomination as candidate for Outside Director who is an Audit & Supervisory Committee Member and summary of expected roles</p> <p>Yoko Naito has profound insight as a certified public accountant. She is active as a full-time Audit & Supervisory Board Member, receiving regular reports from the internal audit division, as well as attending important meetings such as those of the Risk Management Committee. The Company recommends her appointment as a candidate for Outside Director who is an Audit & Supervisory Committee Member because the Company judges that she can be expected to fulfill her role, including providing highly effective supervision of the management of the Company, from an independent and objective standpoint.</p>	100

No	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
2	Junichi Kawai (August 19, 1965) [New appointment]	<p>April 1990 Joined International Consulting of Japan April 1994 Joined Recruit Co., Ltd. March 2007 Resigned from Recruit Co., Ltd. April 2007 Joined McKinsey & Company Inc. Japan April 2009 Joined IMJ Corporation July 2012 Joined Google Inc. (currently Google Japan LLC) October 2014 Executive Officer of Google Japan LLC January 2016 Outside Director of the Company (to present) November 2017 Senior Executive Officer of Google Japan LLC (to present)</p> <p>Significant concurrent positions Senior Executive Officer of Google Japan LLC</p> <p>Reason for nomination as candidate for Outside Director who is an Audit & Supervisory Committee Member and summary of expected roles Junichi Kawai has profound knowledge in the Internet industry, acquired over many years. As an Outside Director of the Company, he actively provides advice on a broad range of matters such as management strategy, investment and governance. The Company recommends his appointment as a candidate for Outside Director who is an Audit & Supervisory Committee Member because the Company judges that he can be expected to fulfill his role, including providing highly effective supervision of the management of the Company, from an independent and objective standpoint. Junichi Kawai was employed at Recruit Co., Ltd., a shareholder of the Company, until March 2007. However, he did not serve as an executive, but as an ordinary employee. Moreover, he had already left Recruit Co., Ltd. before it invested in the Company. The Company is aware of the opinion held by some, that it is not possible to ensure independence even after leaving the company because it is usual in Japan to work at the same company from graduation until retirement. However, Junichi Kawai did not join Recruit Co., Ltd. as a fresh graduate, and 14 years have elapsed since he left Recruit Co., Ltd. The Company therefore judges that he is independent, with no risk of a conflict of interest arising with ordinary shareholders. Moreover, the total amount of the Company's transactions with Google Japan LLC is only 1.05% of the Company's consolidated net sales (and less than 1% of the consolidated net sales of Google Japan LLC). In view of the fact that Google forms part of the infrastructure of the Internet industry, these transactions are insignificant. The Company therefore judges that he is independent, with no risk of a conflict of interest arising with ordinary shareholders.</p>	0

No	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
3	Shinji Asada (July 7, 1977) [New appointment]	<p>April 2000 Joined ITOCHU Corporation March 2015 Joined salesforce.com Co., Ltd February 2018 Operating Officer of salesforce.com Co., Ltd. February 2019 Managing Executive Officer of salesforce.com Co., Ltd. April 2020 Representative Director and CEO of One Capital, Inc. (to present) July 2020 Outside Director of Smaregi, Inc. (to present) September 2020 Outside Director of the Company (to present)</p> <p>Significant concurrent positions Representative Director and CEO of One Capital, Inc. Outside Director of Smaregi, Inc.</p> <p>Reason for nomination as candidate for Outside Director who is an Audit & Supervisory Committee Member and summary of expected roles Shinji Asada has extensive insight into the SaaS industry, acquired over many years. As an Outside Director of the Company, he actively provides advice on a broad range of matters such as management strategy, investment and governance. The Company recommends his appointment as a candidate for Outside Director who is an Audit & Supervisory Committee Member because the Company judges that he can be expected to fulfill his role, including providing highly effective supervision of the management of the Company, from an independent and objective standpoint.</p>	1,634

(Notes)

1. No special interests exist between any of the candidates and the Company.
2. Yoko Naito, Junichi Kawai and Shinji Asada are candidates for the office of Outside Director. The Company has registered them as independent directors as prescribed by the Tokyo Stock Exchange, Inc. If their reappointment is approved, the Company intends to maintain this registration.
3. The Company has concluded agreements with Yoko Naito, Junichi Kawai and Shinji Asada in accordance with the provisions of Article 427-1 of the Companies Act, to limit their liability for damages under Article 423-1 of the said Act. The maximum liability for damages under the agreement is equal to one million yen, or the amount stipulated in Article 425-1 of the said Act, whichever is greater. The limitation of liability under the agreement applies only in cases where the Outside Director acted in good faith and without gross negligence in the performance of the duties giving rise to the liability. If their reappointment is approved, the Company intends to maintain the agreements with them.
4. The Company has concluded a directors and officers liability insurance agreement with an insurance company, in accordance with the provisions of Article 430-3, Paragraph 1 of the Companies Act. The insurance policy covers damages that may arise when an insured Director or other insured officer assumes liability for the execution of his or her duties or is subject to a claim related to the pursuit of such liability. All candidates will be insured under this insurance contract. The Company plans to renew the insurance policy under the same terms when it comes due for renewal.
5. Junichi Kawai is currently an Outside Director of the Company, and will have served as an Outside Director for five (5) years and eight (8) months at the conclusion of this Ordinary General Meeting of Shareholders.
6. Shinji Asada is currently an Outside Director of the Company, and will have served as an Outside Director for one (1) year at the conclusion of this Ordinary General Meeting of Shareholders.
7. Yoko Naito and Junichi Kawai have never engaged in corporate management except in the capacity of Outside Director or Outside Audit & Supervisory Board Member. However, the Company has judged them capable of appropriately fulfilling their duties as Outside Directors for the reasons given above.

Proposal 4: Decision on the Amount of Compensation for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

A total compensation amount of up to 300 million yen per annum for Directors of the Company (including up to 40 million yen per annum for Outside Directors) was approved by resolution of the 7th Ordinary General Meeting of Shareholders held on September 24, 2019. This limit still stands.

If “Proposal 1: Partial Amendments to the Articles of Incorporation” is approved and passed as proposed, then the Company will transition to a company with an Audit & Supervisory Committee at the conclusion of this Ordinary General Meeting of Shareholders.

Accordingly, upon consideration of various factors such as duties of Directors and economic conditions, the Company proposes to abolish the present compensation limit for Directors, and establish a compensation limit of 150 million yen per annum for Directors (excluding Directors who are Audit & Supervisory Committee Members), including up to 20 million yen per annum for Outside Directors.

These amounts do not include salaries received in the capacity of employee, for Directors (excluding Directors who are Audit & Supervisory Committee Members) concurrently serving as employees.

The Company currently has six (6) Directors, including two (2) Outside Directors. If “Proposal 2: Election of Four (4) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)” is approved and passed as proposed, then the Company will have four (4) Directors (excluding Directors who are Audit & Supervisory Committee Members), including one (1) Outside Director.

A resolution on this proposal will come into effect conditional upon the amendments to the Articles of Incorporation set forth in “Proposal 1: Partial Amendments to the Articles of Incorporation” taking effect.

Subsequent to the transition to a company with an Audit & Supervisory Committee, compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) will be composed of a basic salary, based on the details in this proposal, and stock-based compensation, as described in “Proposal 6: Decision on Compensation for a Restricted Stock Plan and Performance Share Unit Plan for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members or Outside Directors)”.

This proposal is in accordance with the Company’s Decision Policy on the Details of Compensation, etc. for Individual Directors, and is deemed appropriate in view of factors including the Company’s business scale, the level of executive compensation and the duties of Directors (excluding Directors who are Audit & Supervisory Committee Members).

If this proposal is approved, then the Company intends to amend the scope of “Directors” in the above policy to “Directors (excluding Directors who are Audit & Supervisory Committee Members),” to correspond to the content of the proposal.

Proposal 5: Decision on the Amount of Compensation for Directors Who Are Audit & Supervisory Committee Members

If “Proposal 1: Partial Amendments to the Articles of Incorporation” is approved and passed as proposed, then the Company will transition to a company with an Audit & Supervisory Committee at the conclusion of this Ordinary General Meeting of Shareholders.

Accordingly, upon consideration of various factors such as duties of Directors and economic conditions, the Company proposes to establish a compensation limit of 20 million yen per annum for Directors who are Audit & Supervisory Committee Members, including the portion for Outside Directors. The amount of compensation in this proposal is deemed appropriate in view of factors including the Company’s business scale, the level of executive compensation and the duties of Directors who are Audit & Supervisory Committee Members.

If “Proposal 3: Election of Three (3) Directors Who Are Audit & Supervisory Committee Members” is approved and passed as proposed, then the Company will have three (3) Directors who are Audit & Supervisory Committee Members, including three (3) Outside Directors.

A resolution on this proposal will come into effect conditional upon the amendments to the Articles of Incorporation set forth in “Proposal 1: Partial Amendments to the Articles of Incorporation” taking effect.

Compensation for Directors who are Audit & Supervisory Committee Members will be composed of a basic salary, based on the details in this proposal, and stock-based compensation, as described in “Proposal 7: Decision on Compensation for a Restricted Stock Plan for Directors Who Are Audit & Supervisory Committee Members”.

Proposal 6: Decision on Compensation for a Restricted Stock Plan and Performance Share Unit Plan for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members or Outside Directors)

If Proposal 4 is approved and passed as proposed, then the compensation limit for the Company's Directors (excluding Directors who are Audit & Supervisory Committee Members) will be 150 million yen per annum, including up to 20 million yen per annum for Outside Directors. It is intended that this compensation will consist only of a monthly salary.

The Company has decided to implement a review of the executive compensation system, and proposes to introduce a restricted stock plan (hereinafter "Plan I") for Directors (excluding Directors who are Audit & Supervisory Committee Members or Outside Directors; hereinafter "Eligible Directors") as described below, for the purpose of providing incentives to sustainably increase the Company's enterprise value and further strengthen the sense of values shared with shareholders. Furthermore, the Company proposes to introduce a performance share unit plan (hereinafter "Plan II") for Eligible Directors, for the purpose of structuring executive compensation to encourage even greater commitment to business performance, in addition to the purposes described above (Plan I and Plan II are collectively referred to as the "Plans").

Accordingly, the Company proposes to begin granting monetary compensation rights to Eligible Directors for the delivery of restricted stock compensation and performance-linked stock compensation. The amounts of monetary compensation rights shall not exceed 60 million yen per annum for Plan I and 60 million yen per annum for Plan II (120 million yen per annum in total), in addition to the aforementioned compensation limit. These are considered appropriate amounts in view of the aim described above. The Board of Directors shall determine the specific timing and allocation of this compensation to each Eligible Director.

The Company currently has six (6) Directors, including two (2) Outside Directors. If Proposals 1 and 2 are approved and passed as proposed, then the Company will have three (3) Directors (excluding Directors who are Audit & Supervisory Committee Members or Outside Directors).

The Plans further promote the enhancement of corporate value in the medium and long term and strengthen the sense of values shared with shareholders, and the content is considered appropriate.

Details of Plan I

(1) Overview of Plan I

Eligible Directors shall receive common shares of the Company through issuance or disposal, in return for contribution in kind of all monetary compensation rights provided under this proposal, based on a resolution of the Board of Directors, annually in principle.

When the Company issues or disposes of common shares to Eligible Directors, the Company shall conclude a restricted share allotment agreement (hereinafter the "Allotment Agreement") with each Eligible Director. Eligible Directors must not transfer, pledge or otherwise dispose of common shares of the Company allotted under the Allotment Agreement (hereinafter the "Allotted Shares") for a predesignated period of time commencing from the day when the shares were allotted (hereinafter the "Transfer Restriction Period"). An overview of the content of the Allotment Agreement is presented in (4) below.

(2) Maximum total amount of monetary compensation rights and maximum total number of shares under Plan I

The total amount of monetary compensation rights to be allocated to Eligible Directors under Plan I shall not exceed 60 million yen per annum. The total number of common shares of the Company to be received by Eligible Directors through issuance or disposal shall not exceed 12,000 shares per annum. Where there is a risk that these limits may be exceeded, the Company shall reduce the number of shares to be allotted to each Eligible Directors using a reasonable method such as proportional reduction, so that these limits are not exceeded. Should the Company's common shares undergo a stock split (including a gratis allotment of the Company's common shares), a reverse share split, or other cause necessitating adjustment to the total number of common shares to be issued or disposed of as restricted shares, with an effective date on or after the date of the approval and passing of this proposal by the General Meeting of Shareholders, the total number of common shares shall be adjusted as necessary within a reasonable range.

(3) Amount to be paid-in per share

The amount to be paid-in per share shall be determined by the Board of Directors, based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the last business day before the date of the resolution of the Board of Directors regarding allotment of shares (if the Company's share is not traded on that date, the closing price on the last trading day of the Company's shares preceding the resolution), etc., within a range that does not unfairly advantage the Eligible Directors.

(4) Overview of the provisions of the Allotment Agreement

1) Transfer Restriction Period

The Transfer Restriction Period shall be three (3) years.

Eligible Directors must not transfer, pledge or otherwise dispose of the Allotted Shares during the Transfer Restriction Period.

2) Removal of the transfer restrictions

The Company shall remove transfer restrictions from Allotted Shares in the following manner: (a) from one third (1/3) of the Allotted Shares (hereinafter "Derestricted Portion 1") conditional upon the Eligible Director having served continuously as a Director or in another position designated by the Company's Board of Directors during the period commencing from the date of the allotment of shares under the Allotment Agreement and ending at the conclusion of the Ordinary General Meeting of Shareholders pertaining to the fiscal year during which the allotment took place (hereinafter "Service Period 1"); (b) from one half (1/2) of the Allotted Shares excluding Derestricted Portion 1 (hereinafter "Derestricted Portion 2") conditional upon the Eligible Director having served continuously as a Director or in another position designated by the Company's Board of Directors during the period commencing from the date of the allotment of shares under the Allotment Agreement and ending at the conclusion of the Ordinary General Meeting of Shareholders pertaining to the fiscal year following the fiscal year during which the allotment took place (hereinafter "Service Period 2"); (c) from the remainder of the Allotted Shares, excluding Derestricted Portion 1 and Derestricted Portion 2, conditional upon the Eligible Director having served continuously as a Director or in another position designated by the Company's Board of Directors during the period commencing from the date of the allotment of shares under the Allotment Agreement and ending at the conclusion of the Ordinary General Meeting of Shareholders pertaining to the fiscal year two (2) years after the fiscal year during which the allotment took place (hereinafter "Service Period 3"). The Company shall rightfully acquire, for no consideration, any remaining Allotted Shares for which transfer restrictions have not been removed at the conclusion of the Transfer Restriction Period.

3) Treatment in the case of retirement, etc. during the Transfer Restriction Period

Where an Eligible Director ceases to serve as Director or any other position designated by the Board of Directors prior to the expiration of Service Period 1, the Company shall rightfully acquire all of the Allotted Shares for no consideration. Where an Eligible Director ceases to serve in the above positions after the expiration of Service Period 1 and prior to the expiration of Service Period 2, the Company shall rightfully acquire all of the Allotted Shares, excluding Derestricted Portion 1, for no consideration. Where an Eligible Director ceases to serve in the above positions after the expiration of Service Period 2 and prior to the expiration of Service Period 3, the Company shall rightfully acquire all of the Allotted Shares, excluding Derestricted Portion 1 and Derestricted Portion 2, for no consideration.

4) Treatment in the case of organizational restructuring, etc.

Where a merger agreement with the Company as the non-surviving company, a share exchange agreement where the Company becomes a wholly-owned subsidiary, a share transfer plan or another matter concerning an organizational restructuring, etc. is approved by the Company's General Meeting of Shareholders (or the Company's Board of Directors, for organizational restructuring, etc. that does not require the approval of the General Meeting of Shareholders) during the Transfer Restriction Period, the transfer restrictions may be removed before the effective date of the organizational restructuring, etc. for a number of the Allotted Shares reasonably determined based

on the time elapsed from the commencement of the Transfer Restriction Period until the date when the relevant organizational restructuring, etc. is approved, by resolution of the Board of Directors. The Company shall rightfully acquire for no consideration the Allotted Shares for which transfer restrictions have not been removed, immediately after the lifting of transfer restrictions.

5) Other matters to be determined by the Board of Directors

Other matters concerning Plan I shall be determined by the Board of Directors, and included in the Allotment Agreement.

Details of Plan II

(1) Overview of Plan II

Plan II is a performance-linked stock compensation plan. Eligible Directors shall receive a number of the Company's common shares determined through a comparison between the total shareholder return (hereinafter "TSR") for the Company's shares and the TSR for all stocks in the Tokyo Stock Price Index (TOPIX) (hereinafter "All Stocks in TOPIX"), for an evaluation period of three (3) years commencing from the month after the month when the Ordinary General Meeting of Shareholders is held each year (hereinafter the "Evaluation Period").

In view of the purpose of Plan II as a performance-linked compensation plan, All Stocks in TOPIX shall refer to stocks that: 1) were components of TOPIX as of the first day of the Evaluation Period; and 2) continued to be components of TOPIX until the final day of the Evaluation Period.

After the expiration of the Evaluation Period, the Company shall grant monetary compensation rights to Eligible Directors for the allotment of performance-linked shares. Eligible Directors shall receive common shares of the Company through issuance or disposal, in return for contribution in kind of all of the said monetary compensation rights.

The initial Evaluation Period shall be from October 2021 to September 2024. Subsequent Evaluation Periods shall commence from October each year and conclude in September three years later.

Because the payment of monetary compensation rights and the allotment of the Company's common shares to Eligible Directors shall occur after the expiration of the Evaluation Period, it will be undetermined at the time of the introduction of Plan II whether the Company will grant monetary compensation rights and allot its common shares to Eligible Directors, and if such rights and shares are to be paid and allotted, in what amount and number.

(2) Maximum total amount of monetary compensation rights and maximum total number of shares under Plan II

The total amount of monetary compensation rights to be allocated to Eligible Directors under Plan II shall not exceed 60 million yen per annum. The total number of common shares of the Company to be received by Eligible Directors through issuance or disposal shall not exceed 12,000 shares per annum. Where there is a risk that these limits may be exceeded, the Company shall reduce the number of shares to be allotted to each Eligible Directors using a reasonable method such as proportional reduction, so that these limits are not exceeded. Should the Company's common shares undergo a stock split (including a gratis allotment of the Company's common shares), consolidation of shares, or other cause necessitating adjustment to the total number of common shares to be issued or disposed of as performance-linked shares, with an effective date on or after the date of the approval and passing of this proposal by the General Meeting of Shareholders, the total number of common shares shall be adjusted as necessary within a reasonable range.

(3) Amount to be paid-in per share

The amount to be paid-in per share for common shares of the Company allotted based on Plan II shall be determined by the Board of Directors, based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the last business day before the date of the resolution of the Board of Directors regarding allotment of shares (if the Company's share is not traded on that date, the closing price on the last trading day of the Company's shares preceding the resolution) within a range that does not unfairly advantage the Eligible Directors.

(4) Method used to calculate the number of the Company's shares to be granted to Directors

Under Plan II, the number of common shares of the Company to be granted to Eligible Directors after the expiration of the Evaluation Period (hereinafter "Number of Shares Granted") shall be calculated by multiplying 1) a number of shares determined by the Company's Board of Directors based on each Eligible Director's position (hereinafter "Basic Number of Shares Granted") and 2) the degree of achievement of performance targets, determined based on a comparison between the Company's TSR and the TSR of All Stocks in TOPIX (hereinafter the "Degree of Achievement of Performance Targets").

The basis for comparing the Company's TSR and the TSR of All Stocks in TOPIX shall be the percentile rank of the Company's TSR during the Evaluation Period, among the TSR measures of All Stocks in TOPIX arranged in ascending order.

Specifically, the following method shall be used for this calculation. However, this may be reasonably adjusted in accordance with the proportion of the Evaluation Period for which the Eligible Director was in office.

- Number of Shares Granted = Basic Number of Shares Granted × Degree of Achievement of Performance Targets
- Basic Number of Shares Granted: Determined by the Company's Board of Directors based on each Eligible Director's position, etc.
- Degree of Achievement of Performance Targets:
 - 1) Where the Company's TSR is below the 50th percentile of the TSR of All Stocks in TOPIX: 0%
 - 2) Where the Company's TSR is greater or equal to the 50th percentile of the TSR of All Stocks in TOPIX and below the 75th percentile: 50%
 - 3) Where the Company's TSR is greater or equal to the 75th percentile of the TSR of All Stocks in TOPIX and below the 95th percentile: 100%
 - 4) Where the Company's TSR is greater or equal to the 95th percentile of the TSR of All Stocks in TOPIX: 150%

Common shares of the Company shall only be granted to Eligible Directors who have satisfied the following requirements for the grant of common shares.

- 1) The Eligible Director did not engage in certain illegal or improper conduct
- 2) Other requirements considered necessary, to be determined by the Board of Directors

(5) Treatment in the event that an Eligible Director leaves office prior to the conclusion of the Ordinary General Meeting of Shareholders pertaining to the third fiscal year

Where an Eligible Director ceases to serve as Director or any other position designated by the Board of Directors prior to the conclusion of the Ordinary General Meeting of Shareholders pertaining to the third fiscal year (defined below), the Number of Shares Granted shall be adjusted in accordance with the following criteria.

- 1) Where the Eligible Director ceases to serve in the position above during the period beginning from the commencement of the Evaluation Period and ending at the conclusion of the Ordinary General Meeting of Shareholders pertaining to the fiscal year during which the Evaluation Period commenced (hereinafter "Period 1"), excluding cases where the Eligible Director leaves office at the conclusion of the Ordinary General Meeting of Shareholders pertaining to Period 1:

The number of shares granted shall be 0 (zero; no shares shall be granted).
- 2) Where the Eligible Director ceases to serve in the position above during the period beginning from the conclusion of the Ordinary General Meeting of Shareholders pertaining to Period 1 and ending at the conclusion of the Ordinary General Meeting of Shareholders pertaining to the fiscal year following Period 1 (hereinafter "Period 2"), including cases where the Eligible Director leaves office at the conclusion of the Ordinary General Meeting of Shareholders pertaining to Period 1 because of the expiration of his or her term of office, but excluding cases where the Eligible Director leaves office at the conclusion of the Ordinary General Meeting of Shareholders pertaining to Period 2:

One third (1/3) of the Number of Shares Granted shall be granted.

- 3) Where the Eligible Director ceases to serve in the position above during the period beginning from the conclusion of the Ordinary General Meeting of Shareholders pertaining to Period 2 and ending at the conclusion of the Ordinary General Meeting of Shareholders pertaining to the fiscal year following Period 2 (hereinafter “Period 3”), including cases where the Eligible Director leaves office at the conclusion of the Ordinary General Meeting of Shareholders pertaining to Period 2, but excluding cases where the Eligible Director leaves office at the conclusion of the Ordinary General Meeting of Shareholders pertaining to Period 3:

Two thirds (2/3) of the Number of Shares Granted shall be granted.

- (6) Treatment in the case of organizational restructuring, etc.

Notwithstanding the provisions in (5) above, where a merger agreement with the Company as the non-surviving company, a share exchange agreement where the Company becomes a wholly-owned subsidiary, a share transfer plan or another matter concerning an organizational restructuring, etc. is approved by the Company’s General Meeting of Shareholders (or the Company’s Board of Directors, for organizational restructuring, etc. that does not require the approval of the General Meeting of Shareholders) after the commencement of the Evaluation Period, an amount of cash may be paid to Eligible Directors in lieu of the grant of common shares, by resolution of the Board of Directors, for a number of the Company’s common shares to be determined reasonably based upon the length of the period from the day when the Evaluation Period commenced to the day when the organizational restructuring, etc. was approved. The amount of this cash payment shall be based on a reasonable calculation by the Company’s Board of Directors of the value of the said shares, within the compensation limit pertaining to Plan II shown above.

Reason why the introduction of the Plans is considered appropriate

The Company established the Decision Policy on the Details of Compensation, etc. for Individual Directors at the meeting of the Board of Directors held on February 10, 2021. Subject to the approval of this proposal, the Company intends to amend this policy to correspond to the content of the proposal. As stated above, the Plans promote the enhancement of corporate value over the medium and long term, and further strengthen the sense of values shared with shareholders. The paid-in amount for restricted shares under this proposal will not unfairly advantage the Eligible Directors. Moreover, the maximum total number of common shares of the Company that Eligible Directors will receive through issuance or disposal under the Plans (24,000 shares per annum) is equivalent to approximately 0.04% of the Company’s issued and outstanding common stock of 54,778,125 shares (as of June 30, 2021), and will have a negligible dilution effect. The Company therefore considers the introduction of the Plans to be appropriate.

Reference

- (1) The Plans will be introduced as part of a new compensation system for Directors of the Company who are not Audit & Supervisory Committee Members. The aim of the new compensation system is to strengthen governance of the Group and enhance corporate value over the medium and long term. It is linked to management strategy and will boost sustainable growth. The Company also intends to introduce a restricted stock plan and performance share unit plan similar to the Plans for its employees in senior management.
- (2) If Proposals 4 and 5, this proposal, and Proposal 7 are all approved and passed as proposed, then the content of the Decision Policy on the Details of Compensation, etc. for Individual Directors, after the amendments planned by the Company, will be as summarized below.

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

1. Basic policy

- (1) The Company’s basic policy regarding compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) is to establish a compensation system that functions adequately as an incentive to strive for the sustainable enhancement of corporate value, and ensures the determination of a suitable level of compensation for individual Directors, in accordance on their duties. The system shall be established after a comparative examination of compensation systems and compensation levels at companies in Japan and overseas of a similar scale, industry sector and business to the Company, based on surveys by external institutions. Specifically, the compensation system shall comprise basic

salary (cash compensation) and stock-based compensation (performance-linked stock compensation and restricted stock compensation). However, compensation for Outside Directors (excluding Directors who are Audit & Supervisory Committee Members) shall comprise basic salary (cash compensation) only.

- (2) Compensation for Directors who are Audit & Supervisory Committee Members shall comprise basic salary and restricted stock compensation only, and shall be determined through discussion between all Directors who are Audit & Supervisory Committee Members, upon consideration of various factors such as their duties and economic conditions.

2. Policy on the determination of the amount and calculation method of compensation, etc. for Directors

- (1) Policy on the determination of amounts of compensation, etc. for the payment of basic salary (cash compensation) to individuals (including policy on the determination of timing and conditions for the payment of compensation, etc.)

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

This shall be a fixed monthly salary, determined upon consideration of various factors such as normal levels in the industry, the Company's business performance and levels of employee salary, etc. However, the total amount of compensation shall not exceed 150 million yen per annum (including up to 20 million yen per annum for Outside Directors).

Basic salary for Directors who are Audit & Supervisory Committee Members

This shall be a fixed monthly salary, determined through discussion between all Directors who are Audit & Supervisory Committee Members, upon consideration of various factors such as their duties and economic conditions. However, the total amount of compensation shall not exceed 20 million yen per annum, including the portion for Outside Directors.

- (2) Policy on the determination of details and methods used to calculate amounts and numbers for performance-linked stock compensation and non-cash compensation, etc. (including policy on the determination of timing and conditions for the payment of compensation, etc.)

Performance share unit plan

The Company shall introduce a performance share unit plan (hereinafter "PSU") with performance-linked conditions (share price evaluation), which will also be conditional upon continuous service as a Director, etc. of the Company for a predesignated period of time. The purpose of the plan shall be to promote initiatives to enhance corporate value in the medium and long term, and further strengthen the sense of values shared with shareholders. Directors who are not Audit & Supervisory Committee Members or Outside Directors shall be eligible for this plan. In principle, the Company shall establish this plan separately from basic salary and the restricted stock compensation provided for in the next section. However, in accordance with the resolution of the General Meeting of Shareholders, the total amount of compensation shall not exceed 60 million yen per annum. The total number of the Company's common shares to be received by eligible Directors through issuance or disposal during each service period shall not exceed 12,000 shares per annum.

Under the PSU, eligible Directors shall receive a number of the Company's common shares determined based on a comparison between the growth rate of the Company's share price and that of stocks comprising the Tokyo Stock Price Index (TOPIX), for an evaluation period of three (3) years commencing from the month after the month when the Ordinary General Meeting of Shareholders is held each year (hereinafter the "Evaluation Period").

After the expiration of the Evaluation Period, the Company shall, in principle, grant monetary compensation rights to eligible Directors. Eligible Directors shall receive common shares of the Company through issuance or disposal, in return for contribution in kind of all of the said monetary compensation rights. Specific calculation methods and details of share issuance or disposal shall be determined based on the Company's Regulations on the Grant of Performance Share Units. In order to promote the appropriate execution of duties, the Company shall also establish a system whereby Directors cease to be eligible for the PSU in cases where they have committed a serious violation of duties, etc. during the Evaluation Period.

Restricted stock plan

In order to structure compensation to strengthen the linkage with the medium- and long-term enhancement of corporate value, the Company shall deliver shares of restricted stock, etc. to eligible Directors, being Directors who are not Audit & Supervisory Committee Members or Outside Directors,

and Directors who are Audit & Supervisory Committee Members, conditional upon continuous service as a Director, etc. of the Company for a predesignated period of time. In principle, the Company shall establish this plan separately from basic salary and performance-linked stock compensation. Compensation shall be based on a consideration of the Company's business performance and the contribution that each officer made to this performance, and shares shall be delivered after the Company's Ordinary General Meeting of Shareholders each year, in accordance with the Company's Regulations on Restricted Stock Compensation. However, shares shall only be delivered within the following limits on amount and number, in accordance with the resolution of the General Meeting of Shareholders.

1) Directors who are not Audit & Supervisory Committee Members or Outside Directors

The total amount of compensation shall not exceed 60 million yen per annum. The total number of common shares of the Company to be received by eligible Directors through issuance or disposal shall not exceed 12,000 shares per annum.

2) Directors who are Audit & Supervisory Committee Members

The total amount of compensation shall not exceed 15 million yen per annum. The total number of common shares of the Company to be received by eligible Directors through issuance or disposal shall not exceed 3,000 shares per annum.

Restricted stock compensation shall be delivered annually, in principle, with a transfer restriction period of three (3) years. Where an eligible Director has committed a serious violation of duties, etc., then the Company shall rightfully acquire the delivered shares for no consideration. Where an eligible Director has served continuously in the office of Director or any other position designated by the Board of Directors for the period beginning from the paid-in date of the restricted shares and ending at the conclusion of the Ordinary General Meeting of Shareholders pertaining to the fiscal year containing the paid-in date (hereinafter "Period 1"), then the Company shall remove the transfer restrictions pertaining to a portion of the allotted shares held by the eligible Director at the conclusion of the transfer restriction period. Where an eligible Director has served continuously in the office of Director or any other position designated by the Board of Directors for the period beginning from the paid-in date of the restricted shares and ending at the conclusion of the Ordinary General Meeting of Shareholders pertaining to the fiscal year following Period 1 (hereinafter "Period 2"), then the Company shall remove the transfer restrictions pertaining to a further portion of the allotted shares held by the eligible Director at the conclusion of the transfer restriction period. Where an eligible Director has served continuously in the office of Director or any other position designated by the Board of Directors for the period beginning from the paid-in date of the restricted shares and ending at the conclusion of the Ordinary General Meeting of Shareholders pertaining to the fiscal year following Period 2 (hereinafter "Period 3"), then the Company shall remove the transfer restrictions pertaining to a portion of the allotted shares held by the eligible Director at the conclusion of the transfer restriction period. (Note: where an eligible Director has served continuously in the office of Director or any other position designated by the Board of Directors until the conclusion of the Ordinary General Meeting of Shareholders pertaining to Period 3, then the Company shall remove the transfer restrictions pertaining to all of the allotted shares held by the eligible Director at the conclusion of the transfer restriction period.)

Other non-cash compensation, etc.

A policy shall be established separately in the case of the additional delivery of stock options or other non-cash compensation.

(3) Policy on deciding the proportionate amounts of cash compensation, performance-linked compensation, etc., and non-cash compensation for individual Directors

The Company shall determine the relative proportions of each type of compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) based on the benchmark compensation levels at companies with a similar business scale, of a relevant industry sector and business type in Japan and overseas. The proportions shall be established to function as an appropriate incentive to strive for the Company's sustainable growth.

The Company shall determine the relative proportions of each type of compensation for Directors who are Audit & Supervisory Committee Members based on the benchmark compensation levels at companies with a similar business scale, of a relevant industry sector and business type in Japan and overseas. The proportions shall be established appropriately upon consideration of various factors such as duties and economic conditions, with reference to the duties of each Director who is an Audit &

Supervisory Committee Member.

3. Determination of compensation, etc. for individual Directors

Compensation, etc. for individual Directors (excluding Directors who are Audit & Supervisory Committee Members) is determined by resolution of the Board of Directors, within the limits established by resolution of the General Meeting of Shareholders. Compensation for individual Directors shall be determined by resolution of the Board of Directors after disclosure of individual amounts. Relevant proposals must only be submitted to the Board of Directors after prior consultation with Outside Directors.

Compensation for individual Directors who are Audit & Supervisory Committee Members shall be determined through discussion between Directors who are Audit & Supervisory Committee Members, within the limits established by resolution of the General Meeting of Shareholders.

Proposal 7: Decision on Compensation for a Restricted Stock Plan for Directors Who Are Audit & Supervisory Committee Members

If Proposal 5 is approved and passed as proposed, then the maximum amount of compensation for Directors of the Company who are Audit & Supervisory Committee Members will be 20 million yen per annum. It is intended that this compensation will consist only of a monthly salary.

The Company has decided to implement a review of the executive compensation system, and proposes to introduce a restricted stock plan (hereinafter “the Plan”) for Directors who are Audit & Supervisory Committee Members (hereinafter referred to as “Eligible Directors”) as described below, for the purpose of providing incentives to prevent impairment of the Company’s enterprise value and maintain its credit, by strengthening the sense of values shared with shareholders.

Accordingly, the Company proposes to begin granting monetary compensation rights to Eligible Directors for the delivery of restricted stock compensation. The amounts of monetary compensation rights to be granted to Eligible Directors shall not exceed 15 million yen per annum, in addition to the compensation limit above. This amount is deemed appropriate given the aims described above. The specific timing and allocation of this compensation to each Eligible Director shall be determined through discussion between Directors who are Audit & Supervisory Committee Members.

If Proposals 1 and 3 are approved and passed as proposed, then the Company will have three (3) Directors who are Audit & Supervisory Committee Members, including three (3) Outside Directors.

Details of the Plan

(1) Overview of the Plan

Eligible Directors shall receive common shares of the Company through issuance or disposal, in return for contribution in kind of all monetary compensation rights provided under this proposal, based on a resolution of the Board of Directors, annually in principle.

When the Company issues or disposes of common shares to Eligible Directors, the Company shall conclude a restricted share allotment agreement (hereinafter the “Allotment Agreement”) with each Eligible Director. Eligible Directors must not transfer, pledge or otherwise dispose of common shares of the Company allotted under the Allotment Agreement (hereinafter the “Allotted Shares”) for a predesignated period of time commencing from the day when the shares were allotted (hereinafter the “Transfer Restriction Period”). An overview of the content of the Allotment Agreement is presented in (4) below.

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

The total amount of monetary compensation rights to be allocated to Eligible Directors under the Plan shall not exceed 15 million yen per annum. The total number of common shares of the Company to be received by Eligible Directors through issuance or disposal shall not exceed 3,000 shares per annum. Where there is a risk that these limits may be exceeded, the Company shall reduce the number of shares to be allotted to each Eligible Directors using a reasonable method such as proportional reduction, so that these limits are not exceeded. Should the Company’s common shares undergo a stock split (including a gratis allotment of the Company’s common shares), a reverse share split, or other cause necessitating adjustment to the total number of common shares to be issued or disposed of as restricted shares, with an effective date on or after the date of the approval and passing of this proposal by the General Meeting of Shareholders, the total number of common shares shall be adjusted as necessary within a reasonable range.

(3) Amount to be paid-in per share

The amount to be paid-in per share shall be determined by the Board of Directors, based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the last business day before the date of the resolution of the Board of Directors regarding allotment of shares (if the Company’s share is not traded on that date, the closing price on the last trading day of the Company’s shares preceding the resolution), etc., within a range that does not unfairly advantage the Eligible Directors.

(4) Overview of the provisions of the Allotment Agreement

1) Transfer Restriction Period

The Transfer Restriction Period shall be three (3) years.

Eligible Directors must not transfer, pledge or otherwise dispose of the Allotted Shares during the Transfer Restriction Period.

2) Treatment in the case of retirement, etc. during the Transfer Restriction Period

The Company shall remove transfer restrictions from Allotted Shares in the following manner: (a) from one third (1/3) of the Allotted Shares (hereinafter “Derestricted Portion 1”) conditional upon the Eligible Director having served continuously as a Director or in another position designated by the Company’s Board of Directors during the period commencing from the date of the allotment of shares under the Allotment Agreement and ending at the conclusion of the Ordinary General Meeting of Shareholders pertaining to the fiscal year during which the allotment took place (hereinafter “Service Period 1”); (b) from one half (1/2) of the Allotted Shares excluding Derestricted Portion 1 (hereinafter “Derestricted Portion 2”) conditional upon the Eligible Director having served continuously as a Director or in another position designated by the Company’s Board of Directors during the period commencing from the date of the allotment of shares under the Allotment Agreement and ending at the conclusion of the Ordinary General Meeting of Shareholders pertaining to the fiscal year following the fiscal year during which the allotment took place (hereinafter “Service Period 2”); (c) from the remainder of the Allotted Shares, excluding Derestricted Portion 1 and Derestricted Portion 2, conditional upon the Eligible Director having served continuously as a Director or in another position designated by the Company’s Board of Directors during the period commencing from the date of the allotment of shares under the Allotment Agreement and ending at the conclusion of the Ordinary General Meeting of Shareholders pertaining to the fiscal year two (2) years after the fiscal year during which the allotment took place (hereinafter “Service Period 3”). The Company shall rightfully acquire, for no consideration, any remaining Allotted Shares for which transfer restrictions have not been removed at the conclusion of the Transfer Restriction Period.

3) Removal of the transfer restrictions

Where an Eligible Director ceases to serve as Director or any other position designated by the Board of Directors prior to the expiration of Service Period 1, the Company shall rightfully acquire all of the Allotted Shares for no consideration. Where an Eligible Director ceases to serve in the above positions after the expiration of Service Period 1 and prior to the expiration of Service Period 2, the Company shall rightfully acquire all of the Allotted Shares, excluding Derestricted Portion 1, for no consideration. Where an Eligible Director ceases to serve in the above positions after the expiration of Service Period 2 and prior to the expiration of Service Period 3, the Company shall rightfully acquire all of the Allotted Shares, excluding Derestricted Portion 1 and Derestricted Portion 2, for no consideration.

4) Treatment in the case of organizational restructuring, etc.

Where a merger agreement with the Company as the non-surviving company, a share exchange agreement where the Company becomes a wholly-owned subsidiary, a share transfer plan or another matter concerning an organizational restructuring, etc. is approved by the Company’s General Meeting of Shareholders (or the Company’s Board of Directors, for organizational restructuring, etc. that does not require the approval of the General Meeting of Shareholders) during the Transfer Restriction Period, the transfer restrictions pertaining to a reasonably determined number of the Allotted Shares may be removed before the effective date of the organizational restructuring, etc. by resolution of the Board of Directors. The Company shall rightfully acquire for no consideration the Allotted Shares for which transfer restrictions have not been removed, immediately after the lifting of transfer restrictions.

5) Other matters to be determined by the Board of Directors

Other matters concerning the Plan shall be determined by the Board of Directors, and included in the Allotment Agreement.

Reason why the introduction of the Plan is considered appropriate

The Company established the Decision Policy on the Details of Compensation, etc. for Individual Directors at the meeting of the Board of Directors held on February 10, 2021. Subject to the approval of this

proposal, the Company intends to amend this policy to correspond to the content of the proposal.

The Company considers that compensation using the Company's own stock will act as an effective incentive, including from the perspective of aligning Directors' interests with those of the Company's shareholders. The duties of the Company's Audit & Supervisory Committee Members are not limited to auditing work. Audit & Supervisory Committee Members are also expected to make management decisions as Directors. The Company therefore considers it appropriate to grant compensation using the Company's own stock that is not subject to performance conditions, to Directors who are Audit & Supervisory Committee Members, as long as the ratio of this stock compensation to cash compensation is not excessively high.

The paid-in amount for restricted shares under this proposal will not unfairly advantage the Eligible Directors. Moreover, the maximum total number of common shares of the Company that Eligible Directors will receive through issuance or disposal under the Plan (3,000 shares per annum) is equivalent to approximately 0.005% of the Company's issued and outstanding common stock of 54,778,125 shares (as of June 30, 2021), and will have a negligible dilution effect. The Company therefore considers the introduction of the Plan to be appropriate.