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Securities identification code: 3454

February 4, 2022

To our shareholders:

Tomoki Yoshihara

President

**First Brothers Co., Ltd.**

2-4-1 Marunouchi, Chiyoda-ku, Tokyo

## **NOTICE OF THE 18TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

We hereby inform you that the 18th Ordinary General Meeting of Shareholders of First Brothers Co., Ltd. (the “Company”) will be held as described below.

To ensure safety and security and prevent the spread of COVID-19, the venue for this year’s meeting will be arranged to ensure sufficient distance between seats. Seating will therefore be limited, and entry may be denied once the available seats are filled.

We request that, to the extent possible, you exercise your voting rights in writing such as by postal mail or online and avoid attending the meeting venue in person.

It is possible to exercise your voting rights by mail or online for this meeting. Therefore, please review the attached Reference Documents for the General Meeting of Shareholders, and reply no later than 6:00 p.m., Thursday, February 24, 2022 (Japan Standard Time).

### **Meeting Details**

- 1. Date and time:** Friday, February 25, 2022 at 10:00 a.m. (Japan Standard Time)  
(Reception desk opens at 9:30 a.m.)
- 2. Venue:** JP TOWER Hall & Conference, Hall 1  
JP TOWER KITTE 4F, 2-7-2 Marunouchi, Chiyoda-ku, Tokyo

**3. Purposes:**

**Items to be reported:**

1. Business Report and Consolidated Financial Statements for the 18th Term (from December 1, 2020 to November 30, 2021), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board.
2. Non-Consolidated Financial Statements for the 18th Term (from December 1, 2020 to November 30, 2021)

**Item to be resolved:**

- Proposal 1:** Election of Six (6) Directors
- Proposal 2:** Election of Three (3) Auditors
- Proposal 3:** Election of One (1) Alternate Auditor
- Proposal 4:** Reduction of the Amount of Capital

If you attend the meeting, please present the enclosed Voting Right Exercise Form at the reception desk. Please kindly note that we will not present souvenirs to shareholders who attend the meeting.

Any modifications to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements or Non-Consolidated Financial Statements will be posted on our website (the URL is shown below).

<https://www.firstbrothers.com/en/ir/meeting.html>

## Reference Documents for the General Meeting of Shareholders

### Proposal 1: Election of Six (6) Directors

The terms of office of all five (5) Directors will expire at the close of this General Meeting of Shareholders.

Accordingly, and to further strengthen the management framework, the Company proposes that the number of Outside Directors be increased by one and proposes that six (6) Directors be elected.

The candidates for Directors are as follows:

No.	Name	Current position at the Company	Attendance at meetings of the Board of Directors	
1	Tomoki Yoshihara	President	19 of 19 times	Reappointment
2	Kazutaka Tsujino	Director	19 of 19 times	Reappointment
3	Yoshinobu Hotta	Director	19 of 19 times	Reappointment
4	Kohtaro Tamura	Director	19 of 19 times	Reappointment
5	Tatsuo Watanabe	Outside Director	19 of 19 times	Reappointment, Outside, Independent
6	Mitsuhiro Usui	Advisor	-	New, Outside, Independent

Reappointment

Candidate for reappointment as Director

New

Candidate for new appointment as Director

Outside

Candidate for Outside Director

Independent

Independent Officer as stipulated by the Tokyo Stock Exchange

Note: In addition to the above attendance at Board of Directors meetings, there were thirteen (13) resolutions carried out in written form deemed to have been resolved by the Board of Directors based on the provisions of Article 370 of the Companies Act and Article 24, Paragraph 2 of the Company's Articles of Incorporation.

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
1	<p>Tomoki Yoshihara (May 18, 1970)</p> <p>[Reappointment] [Candidate has served 18 years as Executive Director]</p>	<p>Apr. 1993      Joined The Mitsui Trust Company, Limited (now Sumitomo Mitsui Trust Bank, Limited)</p> <p>May 2001      Joined Morgan Stanley Properties Japan, K.K. (now Morgan Stanley Capital K.K.)</p> <p>Feb. 2004      President of the Company (present position)</p> <p>Nov. 2008      President of FB Properties Co., Ltd. (now First Brothers Capital Co., Ltd.)</p> <p>Jun. 2011      President of FBAM Preparatory Company Inc. (now First Brothers Asset Management Co., Ltd.) (present position)</p> <p>[Significant concurrent positions outside the Company] President of First Brothers Asset Management Co., Ltd.</p>	7,316,000
	(Reasons for nominating candidate as Executive Director)	<p>Since founding the Group, Mr. Yoshihara has supervised the Company's business as its president. In view of his extensive experience and insights, as well as his strong leadership, we believe that he will promote the Company's business and help enhance its corporate value. Accordingly, we have nominated him once again as candidate for executive director.</p>	

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
2	<p>Kazutaka Tsujino (December 5, 1968)</p> <p>[Reappointment] [Candidate has served 13 years, 9 months as Executive Director]</p>	<p>Apr. 1991    Joined The Mitsui Trust Company, Limited (now Sumitomo Mitsui Trust Bank, Limited)</p> <p>May 2001    Joined Morgan Stanley Properties Japan, K.K. (now Morgan Stanley Capital K.K.)</p> <p>Sep. 2003    Director of Aoyama Realty Advisors Inc.</p> <p>Feb. 2006    Joined the Company</p> <p>May 2008    Executive Director of the Company, Acting Manager of Risk Management Department</p> <p>Dec. 2009    Executive Director of the Company, General Manager of Risk Management Department</p> <p>Dec. 2011    Executive Director of the Company, General Manager of Business Management Department</p> <p>Jun. 2015    Executive Director of the Company, General Manager of Business Management Department and General Manager of Corporate Strategic Business Development Department (present position)</p> <p>Mar. 2020    President of First Brothers Development Co., Ltd. (present position)</p> <p>[Significant concurrent positions outside the Company] President of First Brothers Development Co., Ltd.</p>	136,000
	(Reasons for nominating candidate as Executive Director)	<p>Mr. Tsujino has extensive experience in the real estate investment market. Additionally, he has developed extensive experience in the Group's business administration, having served many years as executive director with responsibility for the Company's risk management and general affairs operations. In view of his experience, we believe that he will help enhance the Group's sustainable corporate value. Accordingly, we have nominated him once again as candidate for executive director.</p>	

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Yoshinobu Hotta (November 22, 1969)  [Reappointment] [Candidate has served 16 years, 5 months as Executive Director]	<p>Apr. 1993      Joined The Mitsui Trust Company, Limited (now Sumitomo Mitsui Trust Bank, Limited)</p> <p>Oct. 2001      Joined Tohmatsu &amp; Co. (now Deloitte Touche Tohmatsu LLC)</p> <p>Aug. 2003      Joined Sakura Horwath &amp; Co.</p> <p>Nov. 2004      Joined the Company. General Manager of Business Administration Department</p> <p>Sep. 2005      Executive Director of the Company, General Manager of Business Administration Department</p> <p>Oct. 2006      Executive Director of the Company, General Manager of Corporate Planning Department (present position)</p>	500,000
	(Reasons for nominating candidate as Executive Director)	Mr. Hotta has specialized knowhow as a certified public accountant. Additionally, he has developed extensive experience in the Group's business affairs, having served many years as executive director with responsibility for the Company's corporate planning and financial operations. In view of his experience, we believe that he will help enhance the Group's sustainable corporate value. Accordingly, we have nominated him once again as candidate for executive director.	
4	Kohtaro Tamura (January 31, 1957)  [Reappointment] [Candidate has served 16 years, 5 months as Director]	<p>Apr. 1983      Registered as attorney</p> <p>Apr. 1985      Joined Ushijima &amp; Partners (now Ushijima &amp; Partners, Attorneys at Law)</p> <p>Jan. 1990      Partner of Ushijima &amp; Partners, Attorneys at Law (present position)</p> <p>Sep. 2005      Director of the Company (present position)</p> <p>Sep. 2008      Auditor of Prudential Real Estate Investors (Japan) K.K. (now PGIM Real Estate (Japan) Ltd.) (present position)</p> <p>Oct. 2018      Auditor of Center Point Development Inc. (present position)</p> <p>[Significant concurrent positions outside the Company] Partner attorney at Ushijima &amp; Partners, Attorneys at Law Auditor of PGIM Real Estate (Japan) Ltd.</p>	40,000
	(Reasons for nominating candidate as Director)	Mr. Tamura has specialized knowhow as an attorney. Additionally, he has developed formidable insights and extensive experience in real estate investment, having served as MLIT Real Estate Investment Market Policy Workgroup Chairman. In view of his experience, we believe that he will help the Group conduct its business soundly and efficiently. Accordingly, we have nominated him once again as candidate for director.	

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
5	<p>Tatsuo Watanabe (April 3, 1948)</p> <p>[Reappointment] [Outside] [Independent] [Candidate has served 8 years as Outside Director]</p>	<p>Apr. 1972      Joined the Ministry of Finance</p> <p>Jul. 2001      Financial Services Agency Director of FSA Securities and Exchange Audit Committee Office</p> <p>Jun. 2002      Deputy Governor of Deposit Insurance Corporation of Japan</p> <p>Jun. 2004      Senior Managing Director of Japan Securities Dealers Association</p> <p>Jun. 2005      Outside Director of JASDAQ Securities Exchange, Inc. (now Osaka Exchange, Inc.)</p> <p>Jul. 2005      Vice-Chairman of Japan Securities Dealers Association</p> <p>Feb. 2009      Ambassador to the United Arab Emirates</p> <p>Oct. 2012      Executive Director of The Center for Financial Industry Information Systems</p> <p>Feb. 2014      Outside Director of the Company (present position)</p> <p>Jun. 2014      President of The Center for Financial Industry Information Systems</p>	-
	<p>(Summary of reasons for nominating candidate as Outside Director and expected role)</p>	<p>Although Mr. Watanabe has not engaged in the Company's business other than in his role as outside director, in view of his extensive experience and broad insights in financial administration and the financial sector in general, we believe that he will aptly discharge his duties as outside director. Accordingly, we have nominated him once again as candidate for outside director. It is expected that he will draw on his experience in financial administration and the financial industry in the management of the Company, and offer advice and suggestions from an objective point of view independent of the management team that executes business to ensure the reasonableness and appropriateness of management.</p>	

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
6	Mitsuhiro Usui (June 6, 1953)  [New] [Outside] [Independent]	<p>Apr. 1977    Joined Japan Development Bank (now Development Bank of Japan Inc.)</p> <p>Oct. 2008    Managing Executive Officer of the Bank</p> <p>Jun. 2009    Executive Director in charge of Corporate Planning of the Bank</p> <p>Jun. 2012    Director of Research Institute of Capital Formation, Development Bank of Japan</p> <p>Sep. 2014    Visiting Professor on the Faculty of Policy Studies at Chuo University (present position)</p> <p>Jun. 2015    President of Shin-Mutsu-Ogawara Inc.</p> <p>Jun. 2015    Outside Director of The Higashi-Nippon Bank, Limited</p> <p>Jul. 2016    Co-Chairman of Creative Town Promotion Hub (present position)</p> <p>Sep. 2021    Advisor of the Company (present position)</p> <p>[Significant concurrent positions outside the Company] Co-Chairman of Creative Town Promotion Hub Visiting Professor on the Faculty of Policy Studies at Chuo University</p>	-
	(Summary of reasons for nominating candidate as Outside Director and expected role)	In view of Mr. Usui's many years of experience in finance and large-scale projects, we believe he will be able to further strengthen the management and governance framework of the Group. Accordingly, we have nominated him as candidate for outside director. Based on his abundant experience and deep insights in areas such as corporate management, finance, and regional revitalization, we expect that he will offer advice and suggestions for ensuring the reasonableness and appropriateness of management from a wide range of perspectives.	

Notes:

1. The Company has no special interest relationships with the candidates for director shown above.
2. Mr. Yoshihara falls under the category "parent company, etc." He holds the position of president of ACI Co., Ltd., which is classified as his "subsidiary, etc." In addition, the status and responsibilities of the candidate for director as a business executor at present or in the past 10 years of the parent company, etc. (Mr. Yoshihara) or its subsidiaries, etc., are included under "Career summary, position and responsibilities (significant concurrent positions outside the Company)" in the table above.

Details not provided in the table above are as follows: Mr. Yoshihara serves concurrently as director of First Brothers Capital Co., Ltd. and Higashinohon Fudosan Co., Ltd. Moreover, in the past 10 years, he has been president of FB Corporate Investment Co., Ltd. and Alley Co., Ltd., director of FB Servicer Co., Ltd., Cosmos Scientific Systems, Inc. (now Axas Co., Ltd.), and director and chairman of Higashinohon Fudosan Co., Ltd.

Mr. Tsujino serves concurrently as director of the Internal Audit Office of First Brothers Asset Management Co., Ltd., director of First Brothers Capital Co., Ltd. and THE FUJI FACILITY SERVICE, INC., and director of the Business Administration Department of Higashinohon Fudosan Co., Ltd. In addition, in the past 10 years, he has been director of the Risk Management Department and Investment Management Department of First Brothers Asset Management Co., Ltd., director of the Risk Management Department of First Brothers Capital Co., Ltd. and Higashinohon Fudosan Co., Ltd., and director of FB Corporate Investment Co., Ltd., FB Servicer Co., Ltd., and Alley Co., Ltd.

Mr. Hotta is also a director of First Brothers Capital Co., Ltd., First Brothers Asset Management Co., Ltd., and Fujinokuni Aquaignis Oyama Co., Ltd. In the past 10 years, he has also served as president of FB Capital

Investment Co., Ltd., First Standard Asset Management Co., Ltd., and FB Servicer Co., Ltd., and director of FB Corporate Investment Co., Ltd.

In the past 10

years, Mr. Tamura has served as a director of FB Servicer Co., Ltd.

3. Mr. Watanabe and Mr. Usui are candidates for outside directors.
4. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has concluded agreements with Mr. Tamura and Mr. Watanabe limiting their liabilities as provided in Article 423, Paragraph 1 of the Act. Under these agreements, the candidates' liabilities are limited to the minimum amount set forth in Article 425, Paragraph 1 of the Act. The Company intends to continue the agreements with each candidate once their reappointments have been confirmed. In addition, if the election of Mr. Usui is approved, we will conclude a similar liability limitation agreement with him.
5. The Company has entered into a directors and officers liability insurance agreement with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The agreement covers any damages incurred in case of a claim against the insured, including directors of the Company, due to actions (or omissions) performed in their capacity as officers of the Company. (However, to ensure that the insured's execution of duties is not compromised, the agreement excludes cases of damages incurred by directors or officers who commit bribery or other criminal acts or while being aware that they violate laws and regulations.) If a candidate is elected and appointed as director, he or she will be insured under the insurance agreement. Moreover, the Company intends to renew the agreement with the same scope of coverage at the time of the next renewal.
6. The Company has declared Mr. Watanabe as an independent officer pursuant to the Securities Listing Regulations of the Tokyo Stock Exchange, Inc. The Company intends to designate him as an independent officer once his reappointment has been confirmed. The Company also intends to designate Mr. Usui as an independent officer once his appointment has been confirmed.



Reference: Skill matrix of candidates for directors (subsequent to the Ordinary General Meeting of Shareholders)

If Proposal 1 is approved, the expertise and experience of each director will be as shown in the skill matrix below.

Name	Position	Experience and expertise						
		Corporate management	Sales/ Marketing	Financial strategy/ Accounting	HR/ Organizational development	Legal affairs/Risk management	IT/Digital technology	ESG/ Sustainability
Tomoki Yoshihara	President	●	●		●		●	●
Kazutaka Tsujino	Director	●			●	●	●	●
Yoshinobu Hotta	Director	●	●	●				
Kohtaro Tamura	Director					●		●
Tatsuo Watanabe	Outside Director			●		●	●	
Mitsuhiro Usui	Outside Director	●				●		●

Note: The above matrix does not represent the entirety of each candidate's knowledge.

**Proposal 2: Election of Three (3) Auditors**

The terms of office of all three (3) Auditors will expire at the close of this General Meeting of Shareholders.

Accordingly, the Company proposes that three (3) Auditors be elected.

The Audit & Supervisory Board has approved this proposal.

The candidates for Auditors are as follows:

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
1	<p>Takeshi Tsuchita (November 17, 1947)</p> <p>[Reappointment] [Candidate has served 8 years, 10 months as Auditor]</p>	<p>May 1966      Joined Metropolitan Police Department</p> <p>Oct. 2005      Chief of Seijo Police Department, Metropolitan Police Department</p> <p>Apr. 2007      Counselor of Nomura Securities Co., Ltd.</p> <p>Apr. 2012      Advisor of NIKKEN CORPORATION</p> <p>Apr. 2013      Full-time Auditor (Outside Auditor) of the Company (present position)</p> <p>Apr. 2013      Auditor of First Brothers Asset Management Co., Ltd. (present position)</p> <p>Apr. 2013      Auditor of FB Properties Co., Ltd. (now First Brothers Capital Co., Ltd.) (present position)</p> <p>[Significant concurrent positions outside the Company] Auditor of First Brothers Asset Management Co., Ltd. Auditor of First Brothers Capital Co., Ltd.</p>	-
	(Reasons for nominating candidate as Outside Auditor)	<p>Although Mr. Tsuchita has not engaged in the Company's business other than in his role as outside auditor, in view of his many years of experience the Metropolitan Police Department and broad insights, we believe that he will aptly discharge his duties as outside auditor. Accordingly, we have nominated him once again as candidate for outside auditor.</p>	

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
2	Tsuyoshi Saito (August 24, 1945)  [Reappointment] [Candidate has served 14 years, 3 months as Auditor]	Apr. 1964      Joined Hiroshima Regional Taxation Bureau  Jul. 1990      Manager of General Affairs Division, Kofu Taxation Office  Jul. 1993      Deputy Chief of Asakusa Tax Office  Jul. 1999      Chief of Mihara Tax Office  Jul. 2003      Chief of Kanda Tax Office  Aug. 2004      Opened Tsuyoshi Saito Tax Accountant Office (present position)  Nov. 2007      Outside Auditor of the Company (present position)  Jun. 2008      Outside Auditor of MITSUMURA PRINTING CO.,LTD. (present position)  [Significant concurrent positions outside the Company] Director of Takeshi Saito Tax Accountant Office Outside Auditor of MITSUMURA PRINTING CO.,LTD.	-
	(Reasons for nominating candidate as Outside Auditor)	Although Mr. Saito has not engaged in the Company's business other than in his role as outside auditor, we expect him to reinforce the corporate governance of the Company by making recommendations and advice from a professional standpoint based on his experience and knowledge as a tax accountant. Accordingly, we have nominated him once again as candidate for outside auditor.	
3	Jo Usui (September 23, 1971)  [Reappointment] [Candidate has served 16 years, 5 months as Auditor]	Apr. 1994      Joined Kanto Nippon Food, Inc.  Oct. 1995      Joined Judicial Scrivener Nakagawa Office (now Shinagawa Judicial Affairs Office)  Sep. 1998      Joined Judicial Scrivener Tamai Office  Nov. 1999      Joined Judicial Scrivener Funazaki Office (now Funazaki Synthetic Office)  Mar. 2005      Opened Judicial Scrivener Usui Office (present position)  Sep. 2005      Auditor of the Company  Feb. 2007      Outside Auditor of the Company (present position)  [Significant concurrent positions outside the Company] Director of Judicial Scrivener Usui Office	-
	(Reasons for nominating candidate as Outside Auditor)	Although Mr. Usui has not engaged in the Company's business other than in his role as outside auditor, in view of his experience and knowledge as a judicial scrivener, we believe that he will aptly discharge his duties as outside auditor. Accordingly, we have nominated him once again as candidate for outside auditor.	

Notes:

1. The Company has no special interest relationships with the candidates for outside auditor shown above.
2. Each of the candidates are candidates for outside auditors.
3. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has concluded agreements with each

candidate limiting their liabilities as provided in Article 423, Paragraph 1 of the Act. Under these agreements, the candidates' liabilities are limited to the minimum amount set forth in Article 425, Paragraph 1 of the Act. The Company intends to continue the agreements with each candidate once their reappointments have been confirmed.

4. The Company has entered into a directors and officers liability insurance agreement with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The agreement covers any damages incurred in case of a claim against the insured, including directors of the Company, due to actions (or omissions) performed in their capacity as officers of the Company. (However, the agreement excludes cases of damages incurred by directors or officers who commit bribery or other criminal acts or while being aware that they violate laws and regulations.) If a candidate is elected and appointed as Auditor, he or she will be insured under the insurance agreement. Moreover, the Company intends to renew the agreement with the same scope of coverage at the time of the next renewal.
5. The Company has declared each candidate as an independent officer pursuant to the Securities Listing Regulations of the Tokyo Stock Exchange, Inc. The Company intends to designate each candidate as an independent officer once their reappointments have been confirmed.

### Proposal 3: Election of One (1) Alternate Auditor

Mr. Wataru Fujii was elected as an Alternate Auditor at the 14th Ordinary General Meeting of Shareholders held on February 23, 2018, with a term to be effective until the start of this General Meeting of Shareholders. The Company therefore proposes to elect one (1) Alternate Auditor in case the number of Auditors falls below legal stipulations.

This appointment of the candidate may be cancelled by a resolution of the Board of Directors with the consent of the Audit & Supervisory Board before the position is assumed.  
The Audit & Supervisory Board has approved this proposal.

The candidate for Alternate Auditor is as follows:

Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
Wataru Fujii (September 19, 1975)	Apr. 1998      Joined DAIWABO INFORMATION SYSTEM CO., LTD.	800
	Mar. 2010      Joined the Company	
	Dec. 2013      Director of Internal Audit Office of the Company (present position)	
(Reasons for nominating candidate as Alternate Auditor)	Since joining the Company, Mr. Fujii has been mainly engaged in managerial departments, and is currently director of the Internal Audit Office. We expect him to reinforce the corporate governance of the Company by making recommendations and advice based on his expert insight into corporate systems. Accordingly, we have nominated him as candidate for alternate auditor.	

Notes:

1. The Company has no special interest relationships with Mr. Fujii.
2. Should Mr. Fujii assume the position of auditor, pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has concluded agreements with him limiting his liabilities as provided in Article 423, Paragraph 1 of the Act. Under these agreements, the candidate's liabilities are limited to the minimum amount set forth in Article 425, Paragraph 1 of the Act.
3. The Company has entered into a directors and officers liability insurance agreement with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The agreement covers any damages incurred in case of a claim against the insured, including directors of the Company, due to actions (or omissions) performed in their capacity as officers of the Company. (However, the agreement excludes cases of damages incurred by directors or officers who commit bribery or other criminal acts or while being aware that they violate laws and regulations.) Should Mr. Fujii assume the position of auditor, he will be included with those who are insured under the insurance agreement. Moreover, the Company intends to renew the agreement with the same scope of coverage at the time of the next renewal.

#### **Proposal 4: Reduction of the Amount of Capital**

To ensure the flexibility and mobility of the Company's future capital policy, the Company proposes to reduce the amount of paid-in capital pursuant to the provisions of Article 447, Paragraph 1 of the Companies Act.

This proposal entails a reduction of capital without compensation. It reduces only the amount of paid-in capital without changing the number of total shares outstanding, and will thus have no impact on the number of shares held by shareholders. In addition, this is merely a reclassification of items on the balance sheet and does not affect the Company's total net assets.

(1) Amount and method of capital reduction

The amount of paid-in capital as of November 30, 2021 will be reduced by 1,489,830,800 yen, from 1,589,830,800 yen to 100,000,000 yen. The entire decrease in paid-in capital will be reclassified as other capital surplus.

(2) Effective date of capital reduction

May 1, 2022 (tentative)