

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damage arising from the translation.

(Securities Code 3244)  
February 8, 2022

**To Shareholders with Voting Rights:**

Yasuhiro Ogawa  
Representative Director and President  
Samty Co., Ltd.  
1-8-39 Nishimiyahara, Yodogawa-ku,  
Osaka-shi, Osaka, Japan

**NOTICE OF THE 40th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

You are cordially notified of the 40th Annual General Meeting of Shareholders of Samty Co., Ltd. (the "Company"). The meeting will be held for the purposes as described below.

Currently, in order to contain the spread of the new coronavirus infection as soon as possible, we are required to continue to thoroughly avoid the risk of spreading the infection. As a result of careful consideration under these circumstances, we have decided to hold this general meeting while taking appropriate measures to prevent infection.

**In view of these circumstances and in order to prevent the spread of the infection, shareholders are requested to refrain from visiting the venue on the day of the general meeting wherever possible and exercise their voting rights in advance in writing or online as directed in the Procedures for Exercise of Voting Rights presented on the next page after perusing the Reference Documents for the General Meeting of Shareholders provided thereafter in this document.**

- 1. Date and Time:** Thursday, February 24, 2022 at 10:00 a.m. Japan time
- 2. Place:** 2F Washington Hotel Plaza Shin Osaka "Les Lumieres"  
5-5-15 Nishinakajima, Yodogawa-ku, Osaka-shi, Osaka, Japan

The meeting will be held by significantly reducing the number of seats available to keep distance between seats.

You will be allowed to enter the venue on a first-come, first-served basis. When there is no seat left, you may not be allowed to enter the venue. We would appreciate your understanding.

**3. Meeting Agenda:**

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements for the Company's 40th Fiscal Year (December 1, 2020 - November 30, 2021)
  2. Results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements for the Company's 40th Fiscal Year

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Partial Amendment to the Articles of Incorporation  
**Proposal 3:** Election of 2 Directors  
**Proposal 4:** Election of 1 Audit & Supervisory Board Member  
**Proposal 5:** Revision of the Amount of Remuneration for Directors

## Procedures for Exercise of Voting Rights

- **Attending the meeting (Please carefully consider your attendance.)**

When attending the meeting, **please submit** the enclosed Voting Rights Exercise Form **at the reception**.

For the purpose of conserving resources, **please bring this Notice with you** to the meeting.

Date and time: Thursday, February 24, 2022 at 10:00 a.m. Japan time (venue opens at 9:00 a.m.)

- **Not attending the meeting**

- **Exercise of voting rights by mail (in writing)**

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and **return it by mail. The completed form must reach us no later than the following voting deadline.**

Voting deadline: Tuesday, February 22, 2022 at 5:50 p.m. Japan time

- **Exercise of voting rights online**

Please access the designated voting rights exercise website and **indicate your vote for or against the proposals by no later than the following voting deadline.**

Voting deadline: Tuesday, February 22, 2022 at 5:50 p.m. Japan time

### **Treatment of Voting Rights That Are Exercised Multiple Times**

- (1) If you have exercised your voting rights both in writing and online, only the vote exercised online will be valid.
- (2) If you have exercised your voting rights more than once online, the last vote will be valid. The same applies to a case where you have exercised your voting rights more than once using a PC and a smartphone.

- 
- Of the documents to be provided in this Notice, “Systems to Ensure the Appropriateness of Operations,” “Notes to Consolidated Financial Statements” and “Notes to Non-consolidated Financial Statements” of the Business Report are posted on the Company’s website (<https://www.samty.co.jp/ir/stock/meeting.html>) in accordance with provisions of laws and regulations and the Articles of Incorporation, and therefore are not provided in this Notice. As such, the Appendix of this Notice is part of the statements that were audited by the Audit & Supervisory Board Members and the Accounting Auditor when preparing the Audit Report.
  - Should the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements, and the Reference Documents for the General Meeting of Shareholders require revisions, they will be posted on the Company’s website (<https://www.samty.co.jp/ir/stock/meeting.html>).

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

The Company considers the return of profits to shareholders as a key management priority. The Company's basic policy for the dividend payout is to reflect its business performance while comprehensively taking into consideration aspects such as its future business plans and financial positions. In light of such factors as the further development and expansion of its business in the future, as well as the building of a stronger financial structure, and by increasing internal reserves for the future, the Company will make a return of profits that reflects actual business results.

With regard to the year-end dividend for the fiscal year ended November 30, 2021, the Company will pay an increased dividend in view of profit levels and financial positions.

#### **Allotment of dividend property to the shareholders and the total amount thereof:**

51 yen per common share of the Company

(Reference)

The annual dividend for the current fiscal year, including the interim dividend, will be ¥ 90 per share (an increase of 8 yen per share compared to the previous fiscal year).

Total amount of dividend: 2,369,862,084 yen

#### **Date when dividends of surplus become effective:**

February 25, 2022

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

**1. Reasons for the amendment**

The Company will increase the maximum number of Directors as stipulated in Article 18 (Number of Directors) of the current Articles of Incorporation by 1 from 11 to 12 in order to further strengthen the management structure and the corporate governance.

**2. Description of the amendment**

Description of the amendment is as follows:

(Amended part is underlined.)

Current	Proposed amendment
(Number of Directors) Article 18. The Company shall have not more than <u>eleven (11)</u> Directors.	(Number of Directors) Article 18. The Company shall have not more than <u>twelve (12)</u> Directors.

**Proposal 3:** Election of 2 Directors

Director Kotaro Yoshida retires by resignation at the conclusion of this Annual General Meeting of Shareholders. In addition, the Company intends to increase the number of Outside Directors by 1 with the aim of further strengthening its corporate governance. Accordingly, subject to the approval of Proposal 2 regarding the maximum number of Directors, the election of 2 Directors is proposed. The term of office of newly elected Directors will be the remaining term of office of the other incumbent Directors pursuant to the Company's Articles of Incorporation.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Akira Yamanouchi (June 9, 1962)  [New appointment] [Outside]	<p>April 1986      Joined Marubeni Corporation</p> <p>March 2003     President of Pacific Investment Advisors Corporation</p> <p>March 2008     President of Pacific Investment Partners Corporation</p> <p>July 2009       Managing Director of Cushman &amp; Wakefield Asset Management K.K.</p> <p>May 2010       President and Representative Director of Daiwa Real Estate Asset Management Co. Ltd.</p> <p>April 2019       Chairman of Daiwa Real Estate Asset Management Co. Ltd. and Chairman of Daiwa Energy &amp; Infrastructure Co. Ltd.</p> <p>April 2021       Executive Managing Director of Daiwa Securities Group Inc., Chairman of Daiwa Energy &amp; Infrastructure Co. Ltd. and President of Daiwa Securities Realty Co. Ltd. (to present)</p> <p>[Significant concurrent positions] Executive Managing Director of Daiwa Securities Group Inc. Chairman of Daiwa Energy &amp; Infrastructure Co. Ltd. President of Daiwa Securities Realty Co. Ltd.</p>	0
<p>[Reason for nomination as candidate for Outside Director and roles expected] Mr. Akira Yamanouchi has extensive experience and expertise in financial instruments transactions and real estate asset management, having served as executive managing director of financial instruments business operator and representative director of asset management companies, etc. The Company nominated him as a candidate for Outside Director because we believe that he is capable of contributing to strengthening the management and corporate governance of the Company by leveraging his extensive experience and track record.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	<p>Junko Kawai (December 10, 1974)</p> <p>[New appointment] [Outside] [Independent]</p>	<p>October 2004 Registered as an attorney (Japan Federal of Bar Associations, Osaka Bar Association) Joined Umegae-Chuo Legal Profession Corporation</p> <p>March 2008 Partner, Umegae-Chuo Legal Profession Corporation (to present)</p> <p>September 2010 Visiting Attorney, Masuda, Funai, Eifert &amp; Mitchell Ltd. (Chicago)</p> <p>July 2011 Registered as an attorney in the State of New York</p> <p>January 2012 Visiting Attorney, Junhe Law Office (Beijing)</p> <p>January 2015 External Audit &amp; Supervisory Board Member of Kamakura Shinsho, Ltd.</p> <p>January 2016 External Director of Kamakura Shinsho, Ltd. (Audit &amp; Supervisory Committee Member) (to present)</p> <p>March 2018 Outside Audit &amp; Supervisory Board Member of Blue Line Partners Co. Ltd. (to present)</p> <p>June 2019 Outside Director of cocokara fine Inc. (currently MatsukiyoCocokara &amp; Co.) (to present)</p> <p>[Significant concurrent positions] External Director of Kamakura Shinsho, Ltd. (Audit &amp; Supervisory Committee Member) Outside Director of MatsukiyoCocokara &amp; Co.</p>	0
<p>[Reason for nomination as candidate for Outside Director and roles expected] Ms. Junko Kawai has extensive experience and expertise obtained from many years of professional career as attorney and knowledge in a wide range of areas including corporate law. The Company nominated her as a candidate for Outside Director because we believe that she is capable of contributing to strengthening the corporate governance of the Company by leveraging her extensive experience and track record. Although she has never been directly involved in managing a company in a manner other than serving as outside officer, the Company considers that she is able to properly fulfill her duties as Outside Director from an objective perspective, based on her wide range of experience in her area of expertise.</p>			

(Notes)

1. There are no special interests between the candidates for Director and the Company. Mr. Akira Yamanouchi is an executive officer of Daiwa Securities Group Inc., which is a major shareholder of the Company and an “other affiliated company,” with which the Company has entered into a capital and business alliance agreement.
2. Mr. Akira Yamanouchi and Ms. Junko Kawai are candidates for Outside Directors.
3. Ms. Junko Kawai meets the independence standards for outside officers of the Company (described on page 8), and the Company intends to submit a notification of her appointment as an Independent Director to the Tokyo Stock Exchange.
4. Upon the approval of the election of Mr. Akira Yamanouchi and Ms. Junko Kawai, the Company intends to enter into agreements with them in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act to limit their liability for damages pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreements is the amount stipulated by laws and regulations.
5. The Company has entered into a directors and officers liability insurance contract with an insurance company to insure its Directors and Audit & Supervisory Board Members in accordance with the provisions of Article 430-3, Paragraph 1 of the Companies Act. The contract will cover damage that may be incurred by the insured due to their assuming liability for their execution of duties or receiving a claim for the pursuit of such liability. Each candidate for Director will be included in the insured under the contract.

## **(Reference) Independence Standards for Outside Officers**

If an outside officer (Outside Director and Outside Audit & Supervisory Board Member) meets the following standards, it is determined that said outside officer is independent and has no risk of conflict of interest with general shareholders.

1. The outside officer is not presently or has not been in the past an executive, etc. (Note 1) of the Samty Group (Note 2).

Note 1: The “Samty Group” means the Company and its subsidiaries and affiliates.

Note 2: An “executive, etc.” means a Director (excluding Outside Director), an Audit & Supervisory Board Member (excluding Outside Audit & Supervisory Board Member), an Executive Officer, an Accounting Advisor, and an officer or an employee who holds a similar management position.

2. The outside officer is not presently or has not been in the past five years:

- (1) A major shareholder (Note 3) of the Company or an executive, etc. thereof; or

- (2) An executive, etc. of a company whose major shareholder (Note 3) is the Samty Group.

Note 3: A “major shareholder” means a shareholder who holds 10% or more of the voting rights of a company.

3. The outside officer is not presently or has not been in the past five years a major business partner (Note 4) of the Samty Group or an executive, etc. thereof.

Note 4: A “major business partner” means a business partner whose transactions with the Samty Group total 2% or more of consolidated net sales of either of the two parties.

4. The outside officer is not presently or has not been in the past five years:

- (1) A recipient of compensation of 10 million yen or more per year from the Samty Group as consultant, or an accounting or legal professional (if the recipient is a legal entity or an association, an individual that belongs to such a legal entity or association), besides compensation as Director or Audit & Supervisory Board Member; or

- (2) An executive, a partner or an employee of the Accounting Auditor of the Samty Group.

5. The outside officer is not presently or has not been in the past five years a recipient of donation of 10 million yen or more per year from the Samty Group (if the recipient is a legal entity or an association, an individual that belongs to such a legal entity or association).

6. The outside officer is not presently or has not been in the past five years an executive, etc. of a company, between which and officers of the Samty Group are mutually appointed.

7. The outside officer is not a relative within two degrees of kinship of an individual falling under any of 1 through 6 above (excluding those who are insignificant).

8. The outside officer is not an individual who is involved in a matter that may give rise to a significant conflict of interest in executing duties or who has interests that potentially influence decision making.



**Proposal 4:** Election of 1 Audit & Supervisory Board Member

The Company proposes to increase the number of Audit & Supervisory Board Members by 1 in order to strengthen and enhance the audit system.

This proposal was approved by the Audit & Supervisory Board in advance.

The candidate is as follows:

Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
<p>Masatsugu Oishi (October 26, 1979)</p> <p>[New appointment]</p>	<p>April 2003      Joined Daiwa Securities SMBC Co. Ltd. (currently Daiwa Securities Co. Ltd.)</p> <p>July 2003      Structured Finance Department of Daiwa Securities SMBC Co. Ltd.</p> <p>April 2010      Corporate Planning Department of Daiwa Securities Group Inc.</p> <p>April 2014      Real Estate &amp; REIT Sector Department of Daiwa Securities Co. Ltd.</p> <p>April 2018      Assigned to Corporate Planning Department of Daiwa Securities Co. Ltd.; seconded to Daiwa Real Estate Asset Management Co. Ltd.</p> <p>April 2021      Head of Group Management Section and Executive Director, Corporate Planning Department of Daiwa Securities Group Inc. and Head of Group Management Section and Executive Director, Corporate Planning Department of Daiwa Securities Co. Ltd. (to present)</p> <p>April 2021      Director of Daiwa Securities Realty Co. Ltd. (to present)</p> <p>April 2021      Director of Daiwa Food &amp; Agriculture Co. Ltd. (to present)</p> <p>May 2021      Director of Daiwa ACA Health Care Inc. (to present)</p> <p>May 2021      Director of Samty Asset Management Co., Ltd.</p> <p>June 2021      Auditor of Daiwa Institute of Research Ltd. (to present)</p> <p>[Significant concurrent position]</p> <p>Head of Group Management Section and Executive Director, Corporate Planning Department of Daiwa Securities Group Inc.; Head of Group Management Section and Executive Director, Corporate Planning Department of Daiwa Securities Co. Ltd.</p> <p>Director of Daiwa Securities Realty Co. Ltd.</p> <p>Director of Daiwa Food &amp; Agriculture Co. Ltd.</p> <p>Director of Daiwa ACA Health Care Inc.</p> <p>Director of Samty Asset Management Co., Ltd.</p> <p>Auditor of Daiwa Institute of Research Ltd.</p>	<p>0</p>
<p>[Reason for nomination as candidate for Audit &amp; Supervisory Board Member]</p> <p>Mr. Masatsugu Oishi has extensive experience and expertise in financial instruments transactions, having served as executive director of the corporate planning division at a securities company, as well as experience in management at other companies. The Company nominated him as a candidate for Audit &amp; Supervisory Board Member because we believe that he is capable of contributing to strengthening the audit system of the Company by leveraging his extensive experience and track record.</p>		

(Notes)

1. There are no special interests between the candidate for Audit & Supervisory Board Member and the Company. Mr. Masatsugu Oishi is an employee of Daiwa Securities Group Inc., which is a major shareholder of the Company and an “other affiliated company,” with which the Company has entered into a capital and business alliance agreement.
2. Upon the approval of the election of Mr. Masatsugu Oishi, the Company intends to enter into an agreement with Mr. Masatsugu Oishi in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act to limit his liability for damages pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations.
3. The Company has entered into a directors and officers liability insurance contract with an insurance company to insure its Directors and Audit & Supervisory Board Members in accordance with the provisions of Article 430-3, Paragraph 1 of the Companies Act. The contract will cover damage that may be incurred by the insured due to their assuming liability for their execution of duties or receiving a claim for the pursuit of such liability. The candidate for Audit & Supervisory Board Member will be included in the insured under the contract.

**Proposal 5:** Revision of the Amount of Remuneration for Directors

The amount of remuneration for the Directors of the Company was approved at the 37th Annual General Meeting of Shareholders held on February 27, 2019, to be not more than 700 million yen per year (including not more than 30 million yen for Outside Directors). However, in light of the increase in the responsibilities of the Directors due to changes in the business environment including the expansion of its business scale, and in an effort to continue to further enhance its corporate value by reinforcing the linkage between Director remuneration and business performance, the Company proposes to raise the amount of remuneration for Directors to not more than 1 billion yen per year (including not more than 50 million yen for Outside Directors).

This proposal is in line with the Policy for Determining the Details of Remuneration for Individual Directors prescribed in the Business Report (pages 32 and 33 of the Japanese original) and has been decided upon by the Board of Directors after consulting with the Nomination and Remuneration Committee. In this regard, the Company believes that this proposal is reasonable.

The amount of remuneration for Directors does not include the employee salary portion of Directors who serve concurrently as employees, as in the past.

Currently, the number of Directors is 11 (including 4 Outside Directors), and if Proposal 3 is approved as originally proposed, the number of Directors will be 12 (including 5 Outside Directors).