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(Stock Exchange Code 9384)
March 4, 2022

To Shareholders with Voting Rights:

Akira Tsuneda
President and Representative Director
NAIGAI TRANS LINE LTD.
6-8, 2-chome, Bingo-machi, Chuo-ku,
Osaka, Japan

**NOTICE OF CONVOCATION OF
THE 42ND ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We hereby notify you that the 42nd Annual General Meeting of Shareholders of NAIGAI TRANS LINE LTD. (the “Company”) will be held for the purposes as described below.

To prevent infection of COVID-19, shareholders are kindly requested to consider refraining from visiting the venue on the day of the General Meeting of Shareholders.

You may exercise your voting rights by mail or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 5:00 p.m. Japan time on Thursday, March 24, 2022.

- 1. Date and Time:** Friday, March 25, 2022 at 10:00 a.m.
(Reception opens at 9:00 a.m.)
- 2. Place:** Crystal Room, 2nd Floor, Viale Osaka
1-3, 3-chome, Azuchi-machi, Chuo-ku, Osaka
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report, Consolidated Financial Statements for the Company’s 42nd Fiscal Year (January 1, 2021 - December 31, 2021) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 42nd Fiscal Year (January 1, 2021 - December 31, 2021)

Proposals to be resolved:

- Proposal 1:** Dividend of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Eight Directors (excluding Directors serving as Audit & Supervisory Committee Members)
- Proposal 4:** Election of Three Directors serving as Audit & Supervisory Committee Members
- Proposal 5:** Election of One Substitute Director serving as Audit & Supervisory Committee Member
- Proposal 6:** Determination of Amount of Compensation, etc. for Directors (excluding Directors serving as Audit & Supervisory Committee Members)
- Proposal 7:** Determination of Amount of Compensation, etc. for Directors serving as Audit & Supervisory Committee Members
- Proposal 8:** Determination of Compensation for the Purpose of Granting Transfer-restricted

Shares to Directors of the Company

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Please also bring this Notice of Convocation with you to save resources.
- If you wish to attend the meeting by proxy, please submit a letter of proxy as well as the Voting Rights Exercise Forms of the principal and the proxy at the reception desk. (Pursuant to the provisions of the Articles of Incorporation, each shareholder can designate only one other shareholder with a voting right of the Company as a proxy.)
- Among the documents which should be provided together with this Notice, “Notes to Consolidated Financial Statements” and “Notes to Non-consolidated Financial Statements” are made available on the Company’s website (<https://www.ntl-naigai.co.jp/>), pursuant to the applicable laws and regulations and Article 15 of the Articles of Incorporation of the Company. Accordingly, these notes are not provided in this Notice. The Consolidated Financial Statements and Non-consolidated Financial Statements in the documents provided together with this Notice form part of the consolidated financial statements and non-consolidated financial statements that were audited by the Accounting Auditor and the Audit & Supervisory Board in preparation of their accounting audit report and audit report.
- Should the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, or Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company’s website (<https://www.ntl-naigai.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Dividend of Surplus

In consideration of the need to strengthen its management foundation and prepare for future business development, the Company proposes a year-end dividend for the fiscal year under review as described below.

The annual dividend for the fiscal year, including the interim dividend of ¥22 per share paid at the end of the second quarter, will be ¥50 per share.

- (1) Allocation of dividend property to shareholders and total amount thereof
¥28 per share of common stock
Total amount: ¥273,561,568
- (2) Effective date of dividend of surplus
March 28, 2022

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

- (1) In order to further improve management transparency and further accelerate decision-making by strengthening the supervisory functions of the Board of Directors and enhancing corporate governance, the Company shall transition from a Company with an Audit & Supervisory Board to a Company with an Audit & Supervisory Committee. For the purpose of transitioning to a Company with an Audit & Supervisory Committee, an Audit & Supervisory Committee shall be established, provisions regarding Directors serving as Audit & Supervisory Committee Members shall be added, and provisions regarding Audit & Supervisory Board Members and the Audit & Supervisory Board shall be deleted. At the same time, provisions for transitional measures in association with the deletion of provisions exempting Audit & Supervisory Board Members' liability shall be established as supplementary provisions. In addition, in accordance with the transition to a Company with an Audit & Supervisory Committee, a new provision shall be established to enable all or part of important decisions regarding the execution of duties to be delegated to Directors by resolution of the Board of Directors.
- (2) In accordance with the transition to a Company with an Audit & Supervisory Committee, the number of Directors shall be reviewed, and the number of Directors stipulated in Article 19 of the current Articles of Incorporation shall be amended from "twelve or less" to "ten or less" (excluding Directors serving as Audit & Supervisory Committee Members).
- (3) As the result of a revision to the Companies Act in 2019, the electronic provision of reference documents for a general meeting of shareholders is now permitted, and issuers of transfer stock (listed companies) are now required to establish provisions in their Articles of Incorporation concerning measures for electronic provision of information contained in Reference Documents for the General Meeting of Shareholders as of the effective date of the amended Companies Act pertaining to measures for electronic provision. The Company shall make the necessary changes in accordance with this. In addition, supplementary provisions regarding the effective date, etc. shall be established.

2. Details of amendments

Details of the amendments are as follows.

The amendments to the Articles of Incorporation in this proposal, other than Article 15, shall become effective at the conclusion of this general meeting of shareholders.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
CHAPTER I. GENERAL PROVISIONS	CHAPTER I. GENERAL PROVISIONS
Articles 1 to 3 (Omitted)	Articles 1 to 3 (Unchanged)
(Organizational Bodies)	(Organizational Bodies)
Article 4 The Company shall have the following organizational bodies in addition to a general meeting of shareholders and Directors.	Article 4 The Company shall have the following organizational bodies in addition to a general meeting of shareholders and Directors.
<ol style="list-style-type: none"> 1. Board of Directors 2. <u>Audit & Supervisory Board Members</u> 3. <u>Audit & Supervisory Board</u>; and 4. Accounting Auditor 	<ol style="list-style-type: none"> 1. Board of Directors 2. <u>Audit & Supervisory Committee</u> (Deleted) 3. Accounting Auditor
Article 5 (Omitted)	Article 5 (Unchanged)
CHAPTER II. SHARES	CHAPTER II. SHARES
Articles 6 to 11 (Omitted)	Articles 6 to 11 (Unchanged)
CHAPTER III. GENERAL MEETING OF SHAREHOLDERS	CHAPTER III. GENERAL MEETING OF SHAREHOLDERS
Articles 12 to 14 (Omitted)	Articles 12 to 14 (Unchanged)
<u>(Disclosure via the Internet and Deemed Provision of Reference Documents, etc. for the General Meeting of Shareholders)</u>	(Deleted)
<p><u>Article 15 When convening a general meeting of shareholders, the Company may be deemed to have provided its shareholders with necessary information pertaining to the matters that should be stated or presented in reference documents for the general meeting of shareholders, business reports, and non-consolidated and consolidated financial statements, by disclosing the same via the Internet in accordance with the provisions prescribed by the Ordinance of the Ministry of Justice.</u></p>	
(Newly established)	<u>(Measures for Electronic Provision, etc.)</u>
	<p><u>Article 15 When convening a general meeting of shareholders, the Company shall take measures for the electronic provision of information contained in the reference documents for the general meeting of shareholders, etc.</u></p> <ol style="list-style-type: none"> 2. <u>Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u>

Current Articles of Incorporation	Proposed Amendments
<p>Articles 16 to 18 (Omitted)</p> <p>CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS</p> <p>(Number of Directors) Article 19 The number of Directors of the Company shall be <u>twelve</u> or less.</p> <p>(Newly established)</p> <p>(Method of Election) Article 20 Directors of the Company shall be elected at a general meeting of shareholders.</p> <p>2. to 3. (Omitted)</p> <p>(Term of Office) Article 21 The term of office of a Director of the Company shall expire at the conclusion of the annual general meeting of shareholders pertaining to the final fiscal year ending within one year following the election.</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p>Articles 16 to 18 (Unchanged)</p> <p>CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS</p> <p>(Number of Directors) Article 19 The number of Directors of the Company (<u>excluding Directors serving as Audit & Supervisory Committee Members</u>) shall be <u>ten</u> or less.</p> <p><u>2. The number of Directors serving as Audit & Supervisory Committee Members of the Company shall be five or less.</u></p> <p>(Method of Election) Article 20 Directors of the Company shall be elected at a general meeting of shareholders, <u>differentiating between Directors serving as Audit & Supervisory Committee Members and other Directors.</u></p> <p>2. to 3. (Unchanged)</p> <p>(Term of Office) Article 21 The term of office of a Director (<u>excluding Directors serving as Audit & Supervisory Committee Members</u>) of the Company shall expire at the conclusion of the annual general meeting of shareholders pertaining to the final fiscal year ending within one year following the election.</p> <p><u>2. The term of office of a Director serving as Audit & Supervisory Committee Member shall expire at the conclusion of the annual general meeting of shareholders pertaining to the final fiscal year ending within two years following the election.</u></p> <p><u>3. The term of office of a Director serving as Audit & Supervisory Committee Member elected as a substitute for a Director serving as a substitute Audit & Supervisory Committee Member who retired before the expiration of his/her term of office shall continue until the expiration of the term of office of the retired Director serving as Audit & Supervisory Committee Member.</u></p> <p><u>4. The effective term of a resolution concerning the election of a Director serving as a substitute Audit & Supervisory Committee Member pursuant to Article 329, Paragraph 3 of the Companies Act shall expire at the commencement of the annual general meeting of shareholders pertaining to the final fiscal year ending within two years following said resolution.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Representative Directors and Directors with Titles) Article 22 Representative Directors of the Company shall be elected by resolution of the Board of Directors.</p> <p>2. The Company may have one Chairperson and Director and one President and Director, and one or more Vice President and Directors, Senior Managing Directors, and Managing Directors by resolution of the Board of Directors.</p>	<p>(Representative Directors and Directors with Titles) Article 22 Representative Directors of the Company shall be elected <u>from among Directors (excluding Directors serving as Audit & Supervisory Committee Members)</u> by resolution of the Board of Directors.</p> <p>2. The Company may have one Chairperson and Director and one President and Director, and one or more Vice President and Directors, Senior Managing Directors, and Managing Directors by resolution of the Board of Directors, <u>from among Directors (excluding Directors serving as Audit & Supervisory Committee Members)</u>.</p>
<p>Article 23 (Omitted)</p>	<p>Article 23 (Unchanged)</p>
<p>(Notice of Convocation of the Meeting of the Board of Directors) Article 24 A notice to convene a meeting of the Board of Directors of the Company shall be dispatched to each Director <u>and Audit & Supervisory Board Member</u> no later than three days prior to the date of such meeting; provided, however, that in case of urgency, such period may be shortened.</p> <p>2. In the event that all Directors <u>and Audit & Supervisory Board Members</u> have given consent, a meeting of the Board of Directors may be held without convocation procedures.</p>	<p>(Notice of Convocation of the Meeting of the Board of Directors) Article 24 A notice to convene a meeting of the Board of Directors of the Company shall be dispatched to each Director no later than three days prior to the date of such meeting; provided, however, that in case of urgency, such period may be shortened.</p> <p>2. In the event that all Directors have given consent, a meeting of the Board of Directors may be held without convocation procedures.</p>
<p>Article 25 (Omitted) (Newly established)</p>	<p>Article 25 (Unchanged) <u>(Delegation of Decisions on Important Business Execution)</u> Article 26 <u>The Company may, pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, delegate all or part of decisions on important business execution (excluding matters prescribed in items of Article 399-13, Paragraph 5 of the Companies Act) to the Board of Directors.</u></p>
<p>(Minutes of the Meeting of the Board of Directors) Article 26 The minutes of meetings of the Board of Directors of the Company shall be prepared in writing or by electromagnetic record as provided for by laws and regulations, and the Directors <u>and Audit & Supervisory Board Members</u> present shall affix their signatures or names and seals thereto or put their electronic signatures thereon.</p>	<p>(Minutes of the Meeting of the Board of Directors) Article 27 The minutes of meetings of the Board of Directors of the Company shall be prepared in writing or by electromagnetic record as provided for by laws and regulations, and the Directors present shall affix their signatures or names and seals thereto or put their electronic signatures thereon.</p>

Current Articles of Incorporation	Proposed Amendments
<p>Article <u>27</u> (Omitted)</p> <p>(Remuneration, etc.) Article <u>28</u> The remuneration, bonuses, and other property benefits that the Directors of the Company receive from the Company in consideration of the execution of their duties (hereinafter referred to as the "Remuneration, etc.") shall be determined by resolution of a general meeting of shareholders.</p>	<p>Article <u>28</u> (Unchanged)</p> <p>(Remuneration, etc.) Article <u>29</u> The remuneration, bonuses, and other property benefits that the Directors of the Company receive from the Company in consideration of the execution of their duties (hereinafter referred to as the "Remuneration, etc.") shall be determined by resolution of a general meeting of shareholders, <u>differentiating between Directors serving as Audit & Supervisory Committee Members and other Directors.</u></p>
<p>Article <u>29</u> (Omitted)</p> <p>CHAPTER V. <u>AUDIT & SUPERVISORY BOARD MEMBERS AND AUDIT & SUPERVISORY BOARD</u></p>	<p>Article <u>30</u> (Unchanged)</p> <p>CHAPTER V. <u>AUDIT & SUPERVISORY COMMITTEE</u></p>
<p>(Number of Audit & Supervisory Board Members) Article <u>30</u> <u>The number of Audit & Supervisory Board Members of the Company shall be five or less.</u></p>	<p>(Deleted)</p>
<p>(Method of Election) Article <u>31</u> <u>Audit & Supervisory Board Members of the Company shall be elected at a general meeting of shareholders.</u> <u>2. Resolutions for the election of Audit & Supervisory Board Members shall be adopted by a majority of the voting rights of the shareholders present who hold one-third (1/3) or more of the voting rights of shareholders entitled to exercise their voting rights.</u></p>	<p>(Deleted)</p>
<p>(Term of Office) Article <u>32</u> <u>The term of office of an Audit & Supervisory Board Member of the Company shall expire at the conclusion of the annual general meeting of shareholders pertaining to the final fiscal year ending within four years following the election.</u> <u>2. The term of office of an Audit & Supervisory Board Member elected as a substitute for an Audit & Supervisory Board Member who retired before the expiration of his/her term shall continue until the expiration of the term of office of the retired Audit & Supervisory Board Member.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
(Full-time <u>Audit & Supervisory Board Members</u>)	(Full-time <u>Audit & Supervisory Committee Members</u>)
<p>Article <u>33</u> The <u>Audit & Supervisory Board</u> of the Company <u>shall</u>, by its resolution, <u>elect</u> one or more full-time <u>Audit & Supervisory Board Members</u>.</p>	<p>Article <u>31</u> The <u>Audit & Supervisory Committee</u> of the Company <u>may</u>, by its resolution, <u>appoint</u> one or more full-time <u>Audit & Supervisory Committee Members</u>.</p>
(Notice of Convocation of the Meeting of the <u>Audit & Supervisory Board</u>)	(Notice of Convocation of the Meeting of the <u>Audit & Supervisory Committee</u>)
<p>Article <u>34</u> A notice to convene a meeting of the <u>Audit & Supervisory Board</u> of the Company shall be dispatched to each <u>Audit & Supervisory Board Member</u> no later than three days prior to the date of such meeting; provided, however, that in case of urgency, such period may be shortened.</p> <p>2. In the event that <u>all Audit & Supervisory Board Members</u> have given consent, a meeting of the <u>Audit & Supervisory Board</u> may be held without convocation procedures.</p>	<p>Article <u>32</u> A notice to convene a meeting of the <u>Audit & Supervisory Committee</u> of the Company shall be dispatched to each <u>Audit & Supervisory Committee Member</u> no later than three days prior to the date of such meeting; provided, however, that in case of urgency, such period may be shortened.</p> <p>2. In the event that <u>all Audit & Supervisory Committee Members</u> have given consent, a meeting of the <u>Audit & Supervisory Committee</u> may be held without convocation procedures.</p>
(Resolution Method of the <u>Audit & Supervisory Board</u>)	(Resolution Method of the <u>Audit & Supervisory Committee</u>)
<p>Article <u>35</u> Resolutions of the <u>Audit & Supervisory Board</u> of the Company shall be adopted by a majority of the <u>Audit & Supervisory Board Members</u>, <u>except as otherwise provided for by laws and regulations</u>.</p>	<p>Article <u>33</u> Resolutions of the <u>Audit & Supervisory Committee</u> of the Company shall be adopted by a majority of the <u>Audit & Supervisory Committee Members present at the meeting in which a majority of the Audit & Supervisory Committee Members who may participate in the vote are present</u>.</p>
(Minutes of the Meeting of the <u>Audit & Supervisory Board</u>)	(Minutes of the Meeting of the <u>Audit & Supervisory Committee</u>)
<p>Article <u>36</u> The minutes of meetings of the <u>Audit & Supervisory Board</u> of the Company shall be prepared in writing or by electromagnetic record as provided for by laws and regulations, and the <u>Audit & Supervisory Board Members present</u> shall affix their signatures or names and seals thereto or put their electronic signatures thereon.</p>	<p>Article <u>34</u> The minutes of meetings of the <u>Audit & Supervisory Committee</u> of the Company shall be prepared in writing or by electromagnetic record as provided for by laws and regulations, and the <u>Audit & Supervisory Committee Members present</u> shall affix their signatures or names and seals thereto or put their electronic signatures thereon.</p>
(Regulations of the <u>Audit & Supervisory Board</u>)	(Regulations of the <u>Audit & Supervisory Committee</u>)
<p>Article <u>37</u> Any matter relating to the <u>Audit & Supervisory Board</u> of the Company shall be governed by the <u>Regulations of the Audit & Supervisory Board</u> established by the <u>Audit & Supervisory Board</u>, in addition to laws and regulations or the Articles of Incorporation.</p>	<p>Article <u>35</u> Any matter relating to the <u>Audit & Supervisory Committee</u> of the Company shall be governed by the <u>Regulations of the Audit & Supervisory Committee</u> established by the <u>Audit & Supervisory Committee</u>, in addition to laws and regulations or the Articles of Incorporation.</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>(Remuneration, etc.)</u> <u>Article 38 The Remuneration, etc. for Audit & Supervisory Board Members of the Company shall be determined by resolution of a general meeting of shareholders.</u></p>	<p>(Deleted)</p>
<p><u>(Liability Limitation Agreement with Outside Audit & Supervisory Board Members)</u> <u>Article 39 The Company may, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, enter into an agreement with an Outside Audit & Supervisory Board Member to limit his/her liability for damages arising from neglect of duties; provided, however, that the maximum amount of liability for damages under the agreement shall be the amount stipulated by laws and regulations.</u></p>	<p>(Deleted)</p>
<p>CHAPTER VI. ACCOUNTING AUDITOR</p>	<p>CHAPTER VI. ACCOUNTING AUDITOR</p>
<p>Articles <u>40</u> to <u>41</u> (Omitted)</p>	<p>Articles <u>36</u> to <u>37</u> (Unchanged)</p>
<p><u>(Remuneration, etc.)</u> <u>Article 42 The Remuneration, etc. for an accounting auditor of the Company shall be determined by the President and Representative Director after obtaining consent from the Audit & Supervisory Board.</u></p>	<p><u>(Remuneration, etc.)</u> <u>Article 38 The Remuneration, etc. for an accounting auditor of the Company shall be determined by the President and Representative Director after obtaining consent from the Audit & Supervisory Committee.</u></p>
<p>CHAPTER VII. ACCOUNTS</p>	<p>CHAPTER VII. ACCOUNTS</p>
<p>Articles <u>43</u> to <u>46</u> (Omitted)</p>	<p>Articles <u>39</u> to <u>42</u> (Unchanged)</p>
<p>(Newly established) (Newly established)</p>	<p>Supplementary Provisions <u>(Transitional Measures Regarding the Liability Limitation Agreement with Outside Audit & Supervisory Board Members)</u> <u>Article 1 Agreements that limit liability for damages under Article 423, Paragraph 1 of the Companies Act regarding the actions of Outside Audit & Supervisory Board Members (including former Outside Audit & Supervisory Board Members) prior to the conclusion of the 42nd Annual General Meeting of Shareholders, shall be based on the provisions of Article 39 of the Articles of Incorporation prior to the amendments by resolution of said Annual General Meeting of Shareholders.</u></p>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p><u>(Measures for Electronic Provision, etc.)</u></p> <p><u>Article 2</u> The deletion of Article 15 of the Articles of Incorporation (Disclosure via the Internet and Deemed Provision of Reference Documents, etc. for the General Meeting of Shareholders) prior to the amendment, and the establishment of the Article 15 (Measures for Electronic Provision, etc.) following the amendment shall become effective as of the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter, “the Enactment Date”).</p> <p><u>2.</u> Notwithstanding the provisions of the preceding paragraph, Article 15 of the Articles of Incorporation prior to the amendments shall remain in force with respect to a general meeting of shareholders to be held on a date within six months of the Enactment Date.</p> <p><u>3.</u> Article 2 of the Supplementary Provisions shall be deleted after the lapse of six months from the Enactment Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</p>

Proposal 3: Election of Eight Directors (excluding Directors serving as Audit & Supervisory Committee Members)

If Proposal 2: “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will become a Company with an Audit & Supervisory Committee, and the terms of office of all ten Directors will expire when the amendments to the Articles of Incorporation become effective. Accordingly, the Company proposes to elect eight Directors (excluding Directors serving as Audit & Supervisory Committee Members; hereinafter, the same shall apply in this proposal) following the transition to a Company with an Audit & Supervisory Committee.

This proposal shall become effective provided that amendments to the Articles of Incorporation contained in Proposal 2: “Partial Amendments to the Articles of Incorporation” take effect.

This proposal has been deliberated and reported on by the Nominating and Compensation Committee, half of whose members are Independent Outside Directors.

The candidates for Director are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Yoshihiro Kojima (October 19, 1964) <u>Reelection</u>	<p>April 2002 Joined the Company</p> <p>October 2005 General Manager, Yokohama Branch</p> <p>April 2006 Deputy General Manager, Tokyo Sales Department</p> <p>June 2007 Managing Director, NTL-LOGISTICS (HK) LIMITED</p> <p>April 2008 General Manager, Tokyo Sales Department, the Company</p> <p>April 2010 Executive Officer; General Manager, Tokyo Sales Department</p> <p>April 2011 Executive Officer; General Manager, Tokyo Export Sales Department</p> <p>February 2013 Executive Officer, the Company; President and Representative Director, Flying Fish Inc.</p> <p>March 2018 Director, the Company; President and Representative Director, Flying Fish Inc.</p> <p>March 2020 Managing Director, the Company; President and Representative Director, Flying Fish Inc. (To the present)</p>	6,900
<p>[Reason for nomination as candidate for Director] Since joining the Company, Mr. Yoshihiro Kojima has contributed to increasing sales at the front line of the sales division by utilizing his experience at a major shipping company. As he has led the business management of subsidiaries in Hong Kong and Japan as a representative and played an important role in expanding the foundation of the Group, the Company has renominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held	
2	Tomoko Okawa (December 5, 1963) <u>Reelection</u>	December 1991 November 1996 March 2006 April 2007 April 2008 March 2009 March 2010 March 2012 March 2020	Joined the Company General Manager, Operation Department Director Director and Executive Officer; General Manager, Operation Department Director and Executive Officer Director Managing Director Senior Managing Director Senior Managing Director and Representative Director (To the present)	132,100
		<p>[Reason for nomination as candidate for Director] Since joining the Company, Ms. Tomoko Ohkawa has contributed significantly to the growth of the operation division, one of the integral components of the Company's business. As her extensive experience and track record as well as her deep knowledge of the entire industry have played an important role in the supervision of the Company's management and business execution, the Company has renominated her as a candidate for Director.</p>		
3	Sachiko Toda (September 29, 1970) <u>Reelection</u>	October 1999 April 2005 April 2008 March 2009 March 2012 April 2014 March 2020	Joined the Company Director, NTL NAIGAI TRANS LINE (S) PTE LTD., a Singaporean subsidiary of the Company General Manager, Tokyo General Affairs Department, the Company Executive Officer; General Manager, Tokyo General Affairs Department Director; General Manager, Overseas Business Department Director Managing Director (To the present)	44,500
		<p>[Reason for nomination as candidate for Director] Since joining the Company, Ms. Sachiko Toda has accumulated extensive experience at an overseas subsidiary, built close relations with overseas agents, and played an important role in the Company's overseas business strategies and business management of overseas subsidiaries. The Company has thus renominated her as a candidate for Director.</p>		
4	Hideki Mine (October 22, 1954) <u>Reelection</u>	August 2001 October 2005 March 2009 March 2010 March 2011 March 2012 April 2019	Joined the Company General Manager, General Affairs Department Executive Officer; General Manager, General Affairs Department Director and Executive Officer; General Manager, General Affairs Department Director; General Manager, General Planning Department Director; General Manager, Management Planning Department Director (To the present)	67,500
		<p>[Reason for nomination as candidate for Director] Mr. Hideki Mine has assumed great responsibilities in establishing the system of the administration division since he joined the Company. Having served as General Manager of the General Affairs Department, the General Planning Department, and the Management Planning Department, he has played an important role in the execution of appropriate business management and corporate governance by utilizing his wide range of knowledge and experience. The Company has thus renominated him as a candidate for Director.</p>		

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held	
5	Hironao Higashi (May 13, 1959) <u>Reelection</u>	February 2011 June 2013 August 2014 March 2018 April 2019	Joined the Company General Manager, Air Freight Business Department Executive Officer; General Manager, Air Freight Business Department Executive Officer; General Manager, Air Freight Business Department; General Manager, Tokyo Branch Director; General Manager, Air Freight Business Department Director (To the present)	3,500
		<p>[Reason for nomination as candidate for Director] Since joining the Company, Mr. Hironao Higashi has contributed to the launch and expansion of the air freight business by utilizing his extensive experience at a major general logistics company and his knowledge of business management. As he has played an important role as a person responsible for the entire sales division since he assumed office as Director, the Company has renominated him as a candidate for Director.</p>		
6	Hitoshi Iwasada (February 28, 1969) <u>Reelection</u>	January 2002 March 2004 March 2005 June 2007 April 2011 February 2013 June 2015 March 2019 April 2019 March 2021	Joined the Company General Manager, NTL NAIGAI TRANS LINE (S) PTE LTD. Director, NTL NAIGAI TRANS LINE (S) PTE LTD. Managing Director, NTL NAIGAI TRANS LINE (KOREA) CO., LTD. Deputy General Manager, Tokyo Import Sales Department, the Company General Manager, Tokyo Import Department President and Representative Director, NAIGAI-EUNSAN LOGISTICS CO., LTD. President and Representative Director, NAIGAI-EUNSAN LOGISTICS CO., LTD.; President and Representative Director, NAIGAI BUSAN LOGISTICS CENTER CO., LTD. Executive Officer in charge of Korea, the Company; President and Representative Director, NAIGAI-EUNSAN LOGISTICS CO., LTD.; President and Representative Director, NAIGAI BUSAN LOGISTICS CENTER CO., LTD. Director; President and Representative Director, NAIGAI-EUNSAN LOGISTICS CO., LTD.; President and Representative Director, NAIGAI BUSAN LOGISTICS CENTER CO., LTD. (To the present)	6,200
		<p>[Reason for nomination as candidate for Director] Since joining the Company, Mr. Hitoshi Iwasada has accumulated various experience at the front line of import and export sales as well as at subsidiaries in Singapore and Korea, put on track the new warehouse business which was launched in Busan, Korea in 2015, and played an important role in expanding the businesses of the Group. The Company has thus renominated him as a candidate for Director.</p>		

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	Yoshiaki Ito (June 20, 1953) <u>Reelection</u> <u>Outside</u>	<p>October 1985 Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC)</p> <p>March 1990 Registered as a certified public accountant</p> <p>July 2001 Partner</p> <p>July 2008 Senior Partner</p> <p>June 2014 Retired from Showa Ota & Co.</p> <p>December 2014 Assumed the office of Outside Audit & Supervisory Board Member, Imagineering, Inc.</p> <p>March 2015 Outside Director, the Company</p> <p>December 2017 Retired as Outside Audit & Supervisory Board Member, Imagineering, Inc.</p> <p>June 2020 Assumed the office of Outside Director, TAKUMA CO., LTD. (To the present)</p>	1,700
<p>[Reason for nomination as candidate for Outside Director and outline of expected role]</p> <p>Mr. Yoshiaki Ito has provided advice and suggestions as appropriate, mainly from accounting and corporate governance perspectives, by utilizing his professional knowledge as a certified public accountant and the extensive experience he gained from engaging in accounting audits and IPO support business over many years at an audit firm. In the expectation that he will continue to supervise the Company from an independent and objective standpoint, the Company has renominated him as a candidate for Outside Director. He has never been directly involved in corporate management except as an Outside Director or Outside Audit & Supervisory Board Member. For the reasons mentioned above, however, the Company considers that he is capable of appropriately executing the duties of Outside Director.</p>			
8	Keisuke Nakazawa (December 12, 1959) <u>Reelection</u> <u>Outside</u>	<p>April 1983 Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)</p> <p>April 2008 General Manager, Kyoto Branch, Mizuho Bank, Ltd.</p> <p>May 2011 Counselor, Human Resources Department, Mizuho Financial Group, Inc.</p> <p>December 2011 Retired from Mizuho Financial Group, Inc.</p> <p>January 2012 Joined KURAUDIA Co., Ltd. Executive Officer in charge of Management Planning Department and Operation Administration Department</p> <p>November 2015 Assumed the office of Director</p> <p>November 2016 Retired as Director</p> <p>April 2017 Joined TRANCOM CO., LTD. General Manager in charge of Corporate Planning Group</p> <p>April 2018 Executive Officer in charge of Corporate Planning Group and Administration Group</p> <p>June 2019 Board Director and Managing Executive Officer</p> <p>September 2020 Retired as Board Director</p> <p>October 2020 Advisor</p> <p>December 2020 Retired as Advisor</p> <p>January 2021 Assumed the office of Audit & Supervisory Board Member, JAPAN CREATE GROUP, LTD.</p> <p>March 2021 Outside Director, the Company (To the present)</p>	—
<p>[Reason for nomination as candidate for Outside Director and outline of expected role]</p> <p>Mr. Keisuke Nakazawa has a wealth of operational experience and knowledge acquired at a major financial institution as well as extensive insight as a corporate manager of a major logistics company. In the expectation that he will supervise the overall business management of the Company from an objective standpoint based on his experience, knowledge and insight, the Company has renominated him as a candidate for Outside Director.</p>			

(Notes)

1. There are no special interests between each candidate and the Company.
2. The Company has a directors and officers liability insurance policy which provides insurance cover for all Directors and Audit & Supervisory Board Members of the Company against damages that may arise from their responsibilities associated with the execution of their duties or claims taken against them for the pursuit of such responsibilities. If the candidates assume office as Director, they will be covered as the insured under the said insurance policy, which will be renewed on June 1, 2022.
3. Messrs. Yoshiaki Ito and Keisuke Nakazawa are candidates for Outside Director.
4. Limited liability agreement with Outside Directors
In order to invite competent persons to serve as Outside Director, the Company has entered into agreements with

Messrs. Yoshiaki Ito and Keisuke Nakazawa in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act to limit their liability for damages due to negligence of duties within the maximum amount stipulated by laws and regulations. If they are reelected at this General Meeting of Shareholders, the said limited liability agreements with them will be continued.

5. Messrs. Yoshiaki Ito and Keisuke Nakazawa will have served as Outside Directors of the Company for seven years and one year, respectively, at the conclusion of this General Meeting of Shareholders.
6. Since Messrs. Yoshiaki Ito and Keisuke Nakazawa have no possibility of causing a conflict of interest with general shareholders, the Company has registered them as Independent Directors with the Tokyo Stock Exchange. If they are reelected at this General Meeting of Shareholders, the Company will maintain the registration of them as Independent Directors.

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

If Proposal 2: “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will become a Company with an Audit & Supervisory Committee. Accordingly, the Company proposes to elect three Directors serving as Audit & Supervisory Committee Members.

This proposal shall become effective provided that amendments to the Articles of Incorporation contained in Proposal 2: “Partial Amendments to the Articles of Incorporation” take effect.

The Company has obtained approval of the Audit & Supervisory Board for this proposal.

The candidates for Directors serving as Audit & Supervisory Committee Members are as follows:

No.	Name (Date of birth)	Past experience and significant concurrent positions		Number of shares of the Company held
1	Yutaka Hasegawa (November 24, 1951) <u>New election</u>	June 2009 April 2011 May 2014 March 2016	Joined the Company General Manager, Yokohama Branch General Manager, Internal Audit Office Audit & Supervisory Board Member (To the present)	2,500
	[Reason for nomination as candidate for Director serving as Audit & Supervisory Committee Member] Mr. Yutaka Hasegawa has extensive experience in the marine transportation industry. Since assuming his position as full-time Audit & Supervisory Board Member, he has appropriately supervised the execution of duties by Directors, utilizing his experience and knowledge as a person responsible for sales bases and as the General Manager of the Internal Audit Office of the Company. The Company has thus nominated him as a candidate for Director serving as Audit & Supervisory Committee Member.			
2	Hiroaki Kawasaki (February 24, 1942) <u>New election</u> <u>Outside</u>	July 1970 January 1992 April 1995 October 1998 March 2007	Joined OOCL (Japan) Ltd. (currently Orient Overseas Container Line Limited Japan Branch) Deputy General Manager, Kobe Branch and General Manager, Osaka Branch General Manager, Osaka Office Senior Sales Executive for Europe, U.S., and Australia, Kansai Branch Outside Audit & Supervisory Board Member, the Company (To the present)	1,700
	[Reason for nomination as candidate for Outside Director serving as Audit & Supervisory Committee Member and outline of expected role] Mr. Hiroaki Kawasaki is expected to supervise the Company from an independent and objective standpoint utilizing his experience and knowledge in the international freight transport industry over many years. The Company has thus nominated him as a candidate for Outside Director serving as Audit & Supervisory Committee Member.			
3	Hiromitsu Toshimori (September 17, 1948) <u>New election</u> <u>Outside</u>	April 1973 July 1991 July 1997 July 2002 March 2005 April 2005 July 2005 June 2011 September 2012 November 2013 October 2016 February 2017	Joined Tokio Marine & Fire Insurance Co., Ltd. (currently Tokio Marine & Nichido Fire Insurance Co., Ltd.) Chief Representative, Madrid Representative Office General Manager, Osaka Automobile No. 1 Sales Office Director and General Manager, Tokyo Automobile No. 1 Sales Office Resigned from Tokio Marine & Nichido Fire Insurance Co., Ltd. Advisor, Shinko Building Co., Ltd. Representative Director Retired as Representative Director, Advisor Retired as Advisor Employed at NPO Hyogo Umbilical Cord Blood Bank (part-time) Retired from NPO Hyogo Umbilical Cord Blood Bank Outside Audit & Supervisory Board Member, the Company (To the present)	900
	[Reason for nomination as candidate for Outside Director serving as Audit & Supervisory Committee Member and outline of expected role] Mr. Hiromitsu Toshimori is expected to supervise the Company from an independent and objective standpoint utilizing his extensive sales experience, international business knowledge, and advanced insight as a corporate manager. The Company has thus nominated him as a candidate for Outside Director serving as Audit & Supervisory Committee Member.			

(Notes)

1. There are no special interests between each candidate and the Company.
2. The Company has a directors and officers liability insurance policy which provides insurance cover for all Directors and Audit & Supervisory Board Members of the Company against damages that may arise from their responsibilities associated with the execution of their duties or claims taken against them for the pursuit of such responsibilities. If the candidates assume office as Directors serving as Audit & Supervisory Committee Members, they will be covered as the insured under the said insurance policy, which will be renewed on June 1, 2022.
3. Messrs. Hiroaki Kawasaki and Hiromitsu Toshimori are candidates for Outside Director serving as Audit & Supervisory Committee Member.
4. Limited liability agreement with Outside Directors serving as Audit & Supervisory Committee Members
In order to invite competent persons to serve as Outside Directors serving as Audit & Supervisory Committee Members, the Company will enter into agreements with Messrs. Hiroaki Kawasaki and Hiromitsu Toshimori, if they are elected as Outside Directors serving as Audit & Supervisory Committee Members at this General Meeting of Shareholders, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act to limit their liability for damages due to negligence of duties within the maximum amount stipulated by laws and regulations.
5. Messrs. Hiroaki Kawasaki and Hiromitsu Toshimori are currently Outside Audit & Supervisory Board Members of the Company, and their terms of office will have been fifteen years and five years and one month, respectively, at the conclusion of this General Meeting of Shareholders.
6. Since Messrs. Hiroaki Kawasaki and Hiromitsu Toshimori have no possibility of causing conflicts of interest with general shareholders, the Company has registered them as Independent Directors with the Tokyo Stock Exchange. If they are elected at this General Meeting of Shareholders, the Company will maintain the registration of them as Independent Directors.

(Reference) Expertise and Experience of Candidates for Directors (Skill Matrix)

The skill matrix of Directors if candidates stated in this convocation notice are elected as originally proposed is as follows.

Name	Position (Proposed)	Corporate Management/ Management Strategy	Sales & Marketing	Global Perspective	Legal/Risk Management	Finance & Accounting	HR Strategy/ Personnel Development	IT
Yoshihiro Kojima	President and Representative Director	○	○	○			○	
Tomoko Okawa	Senior Managing Director	○			○		○	○
Sachiko Toda	Managing Director	○	○	○				
Hideki Mine	Director	○			○	○	○	
Hironao Higashi	Director	○	○	○				
Hitoshi Iwasada	Director	○	○	○				
Yoshiaki Ito	Outside Director				○	○		
Keisuke Nakazawa	Outside Director	○	○		○			
Yutaka Hasegawa	Full-time Audit & Supervisory Committee Member			○	○	○		
Hiroaki Kawasaki	Audit & Supervisory Committee Member		○	○				
Hirimitsu Toshimori	Audit & Supervisory Committee Member		○	○				

Proposal 5: Election of One Substitute Director Serving as Audit & Supervisory Committee Member

If Proposal 2: “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will become a Company with an Audit & Supervisory Committee.

To prepare for contingencies where the number of Directors serving as Audit & Supervisory Committee Members falls short of that stipulated by laws and regulations, the Company proposes to elect one substitute Director serving as Audit & Supervisory Committee Member.

The Company has obtained approval of the Audit & Supervisory Board for this proposal.

The candidate for substitute Director serving as Audit & Supervisory Committee Member is as follows:

Name (Date of birth)	Past experience and significant concurrent positions	Number of shares of the Company held
Yasutaka Fujii (November 12, 1950) <u>Outside</u>	April 1969 Joined The Sumitomo Bank, Ltd. (currently Sumitomo Mitsui Banking Corporation) April 1999 General Manager, Tsuruhashi Branch June 2000 General Manager, Higashi Osaka Business Support Plaza December 2002 Retired from Sumitomo Mitsui Banking Corporation April 2003 Joined Takara Printing Co., Ltd. (currently TAKARA & COMPANY LTD.) General Manager, Sales Department, Osaka Branch April 2014 Advisor November 2015 Retired from Takara Printing Co., Ltd. (To the present)	—
[Reason for nomination as candidate for substitute Outside Director serving as Audit & Supervisory Committee Member and expected role] Mr. Yasutaka Fujii has a wealth of knowledge of finance and economics with superior insight into overall financial disclosure based on his experience at a company providing disclosure support services. In the expectation that he will utilize his knowledge and insight in its audit system, the Company has nominated him as a candidate for substitute Outside Director serving as Audit & Supervisory Committee Member.		

(Notes)

1. There are no special interests between the candidate and the Company.
2. Mr. Yasutaka Fujii is a candidate for substitute Outside Director serving as Audit & Supervisory Committee Member.
3. The Company has a directors and officers liability insurance policy which provides insurance cover for all Directors and Audit & Supervisory Board Members of the Company against damages that may arise from their responsibilities associated with the execution of their duties or claims taken against them for the pursuit of such responsibilities. The said insurance policy will be renewed on June 1, 2022. If Mr. Yasutaka Fujii assumes office as Outside Director serving as Audit & Supervisory Committee Member, he will be included in the scope of the insured under the said insurance policy.
4. Limited liability agreement with Outside Director serving as Audit & Supervisory Committee Member
In order to invite competent persons to serve as Outside Directors serving as Audit & Supervisory Committee Members, the Company will enter into an agreement with Mr. Yasutaka Fujii, if he assumes office as Outside Director serving as Audit & Supervisory Committee Member, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act to limit his liability for damages due to negligence of duties within the maximum amount stipulated by laws and regulations.
5. Since Mr. Yasutaka Fujii has no possibility of causing a conflict of interest with general shareholders, the Company will register him as an Independent Auditor with the Tokyo Stock Exchange if he assumes office as Outside Director serving as Audit & Supervisory Committee Member.

Proposal 6: Determination of Amount of Compensation, etc. for Directors (excluding Directors serving as Audit & Supervisory Committee Members)

The total amount of compensation, etc. for Directors of the Company was approved at the 26th Annual General Meeting of Shareholders (March 17, 2006) to be no more than 300,000,000 yen per annum.

If Proposal 2: "Partial Amendments to the Articles of Incorporation" is approved as originally proposed, the Company will become a Company with an Audit & Supervisory Committee. Accordingly, the Company requests approval for the amount of compensation, etc. for Directors (excluding Directors serving as Audit & Supervisory Committee Members; hereinafter, the same shall apply in this proposal) following the transition to a Company with an Audit & Supervisory Committee to be no more than 300,000,000 yen per annum (including no more than 30,000,000 yen for Outside Directors), and for decisions regarding the specific amount of compensation for each Director and payment timing, etc. to be by resolution of the Board of Directors.

Currently, the number of Directors of the Company is ten (including two Outside Directors). However, if Proposal 2: "Partial Amendments to the Articles of Incorporation" and Proposal 3: "Election of Eight Directors (excluding Directors serving as Audit & Supervisory Committee Members)" are approved as originally proposed, the number of Directors will be eight (including two Outside Directors).

This proposal shall become effective provided that amendments to the Articles of Incorporation contained in Proposal 2: "Partial Amendments to the Articles of Incorporation" take effect.

This proposal requests approval for the same amount of compensation for Directors, etc. in practical terms as the amount of compensation for Directors prior to the transition to a Company with an Audit & Supervisory Committee, and is therefore deemed appropriate.

Proposal 7: Determination of Amount of Compensation, etc. for Directors serving as Audit & Supervisory Committee Members

If Proposal 2: “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will become a Company with an Audit & Supervisory Committee. Accordingly, the Company requests approval for the amount of compensation, etc. for Directors serving as Audit & Supervisory Committee Members following the transition to a Company with an Audit & Supervisory Committee to be no more than 30,000,000 yen per annum, and for decisions regarding the specific amount of compensation for each Director serving as Audit & Supervisory Committee Member and payment timing, etc. to be by deliberation among Directors serving as Audit & Supervisory Committee Members.

If Proposal 2: “Partial Amendments to the Articles of Incorporation” and Proposal 4: “Election of Three Directors serving as Audit & Supervisory Committee Members” are approved as originally proposed, the number of Directors serving as Audit & Supervisory Committee Members will be three (including two Outside Directors serving as Audit & Supervisory Committee Members).

This proposal shall become effective provided that amendments to the Articles of Incorporation contained in Proposal 2: “Partial Amendments to the Articles of Incorporation” take effect.

The amount of compensation, etc. pertaining to this proposal is deemed appropriate in light of the responsibilities of Directors serving as Audit & Supervisory Committee Members.

Proposal 8: Determination of Compensation for the Purpose of Granting Transfer-restricted Shares to Directors of the Company

The total amount of compensation, etc. for Directors of the Company was approved at the 26th Annual General Meeting of Shareholders (March 17, 2006) to be no more than 300,000,000 yen per annum. In addition, a transfer-restricted share-based compensation plan for Directors (excluding Outside Directors and non-residents of Japan) of the Company was introduced at the 38th Annual General Meeting of Shareholders (March 23, 2018), and the total amount of compensation to be paid to Directors (excluding Outside Directors and non-residents of Japan) based on this plan was approved to be no more than 50,000,000 yen of the total amount of compensation per annum of 300,000,000 yen.

If Proposal 2: “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will become a Company with an Audit & Supervisory Committee. Accordingly, the Company requests approval for the compensation to be paid for the purpose of granting transfer-restricted shares to Directors (excluding Directors serving as Audit & Supervisory Committee Members, Outside Directors, and non-residents of Japan; hereinafter, “Eligible Directors”) following the transition to a Company with an Audit & Supervisory Committee to be monetary receivables (hereinafter, “Monetary Compensation Receivables”); for that amount to be the amount of compensation, etc. in Proposal 6: Determination of Amount of Compensation, etc. for Directors (excluding Directors serving as Audit & Supervisory Committee Members),” which, as previously, is no more than 50,000,000 yen of the amount within 300,000,000 yen per annum; and for decisions regarding the specific payment timing and allocation to each Eligible Director to be by resolution of the Board of Directors.

Currently, the number of Directors of the Company is ten (including two Outside Directors and one non-resident of Japan). However, if Proposal 2: “Partial Amendments to the Articles of Incorporation” and Proposal 3: “Election of Eight Directors (excluding Directors serving as Audit & Supervisory Committee Members)” are approved as originally proposed, the number of Directors will be eight (including two Outside Directors and one non-resident of Japan), and the number of Eligible Directors will decrease from seven to five.

This proposal shall become effective provided that amendments to the Articles of Incorporation contained in Proposal 2: “Partial Amendments to the Articles of Incorporation” take effect.

Approval for this proposal is requested in accordance with the transition to a Company with an Audit & Supervisory Committee; however, the details of the proposal are the same in practical terms as those prior to the transition, and the proposal is therefore deemed appropriate.

In addition, Eligible Directors shall make in-kind contributions of all Monetary Compensation Receivables to be paid in accordance with this proposal based on a resolution of the Board of Directors of the Company, and shall receive the common stock of the Company to be issued or disposed of. The total number of shares of the Company’s common stock to be thus issued or disposed of shall be no more than 40,000 shares per annum (however, in the event that the common stock of the Company is subject to a stock split (including the gratis allotment of the common stock of the Company) or reverse stock split, or in the event of any other matter requiring adjustment of the total number of shares of common stock of the Company issued or disposed of as transfer-restricted shares on or after the date of approval of this proposal, the total number of shares shall be adjusted within a reasonable extent.

The payment amount per share shall be the closing price of the common stock of the Company on the Tokyo Stock Exchange on the business day preceding each date of resolution by the Board of Directors (if no transactions are concluded on that day, the closing price on the immediately preceding date). In addition, when issuing or disposing of the common stock of the Company, the Company and Eligible Directors shall enter into a transfer-restricted share allotment agreement (hereinafter, “the Allotment Agreement”) whose contents shall include the following.

(1) Transfer restriction period

Eligible Directors shall not transfer, establish a security interest on, or otherwise dispose of (hereinafter, “Transfer Restrictions”) the common stock of the Company allotted in accordance with the Allotment Agreement (hereinafter, “the Allotted Shares”) during a period predetermined by the Board of Directors between five years and twenty years from the date of allotment in the Allotment Agreement (hereinafter, “the Transfer Restriction Period”).

(2) Treatment at the time of retirement

In the event that an Eligible Director retires from the position of Director of the Company prior to the expiration of the Transfer Restriction Period, excluding reasons of expiration of the term of office, death, or any other justifiable reason, the Company shall acquire the Allotted Shares as a matter of course without consideration at the time of said retirement.

(3) Removal of the Transfer Restrictions

Notwithstanding the provisions in (1) above, the Company shall remove Transfer Restrictions on all the Allotted Shares upon the expiration of the Transfer Restriction Period provided that Eligible Directors have continuously remained in a position as Director of the Company during the Transfer Restriction Period. However, in the event that said Eligible Director retires from the position stipulated in (2) above prior to the expiration of the Transfer Restriction Period for reasons of expiration of term of office, death, or any other justifiable reason as stipulated in (2) above, the number of the Allotted Shares for which the Transfer Restrictions are to be removed and the timing of removal of the Transfer Restrictions shall be reasonably adjusted as necessary. In addition, the Company shall acquire the Allotted Shares whose Transfer Restrictions have not been removed directly following the removal of the Transfer Restrictions in accordance with stipulations above, as a matter of course without consideration.

(4) Treatment in the event of restructuring, etc.

Notwithstanding the provisions in (1) above, in the event that, during the Transfer Restriction Period, the Company's General Meeting of Shareholders approves a merger agreement whereby the Company becomes the defunct company, a share exchange agreement or share transfer plan whereby the Company becomes a wholly owned subsidiary, or any other matters pertaining to restructuring, etc. (however, in the event that the approval of the General Meeting of Shareholders of the Company is not required for said restructuring, etc., approval by the Board of Directors of the Company), the Transfer Restrictions on the number of the Allotted Shares reasonably determined based on the period from the start of the Transfer Restriction Period to the date of approval of said restructuring, etc. shall be removed prior to the effective date of said restructuring, etc. In addition, in the event of the above, the Company shall acquire any of the Allotted Shares whose Transfer Restrictions have not been removed immediately following the removal of the Transfer Restrictions as a matter of course without consideration.

(5) Other matters stipulated by the Board of Directors

In addition to the above, the Allotment Agreement shall include the method of indicating and notifying the intent of the Allotment Agreement, the method of revising the Allotment Agreement, and other matters stipulated by the Board of Directors.