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(Stock Exchange Code 4286)
March 8, 2022

To Shareholders with Voting Rights:

Junichiro Uchikawa
President & CEO
CL Holdings Inc.
2-26-1 Minamiaoyama, Minato-ku, Tokyo

NOTICE OF THE 34TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

You are cordially invited to attend the 34th Annual General Meeting of Shareholders of CL Holdings Inc. (the “Company”), which will be held as described below.

Instead of attending the meeting, you can exercise your voting rights by mail or via the internet, etc., and are kindly requested to exercise your voting rights on or before 6 p.m., Tuesday, March 22, 2022 (Japan time), after reviewing the attached “Reference Documents for the General Meeting of Shareholders.”

- 1. Date and Time:** Wednesday, March 23, 2022
10:00 a.m. Japan time (Reception opens at 9:15 a.m.)
- 2. Place:** “Houoh” on the second floor of Meiji Kinenkan,
2-2-23 Moto-Akasaka, Minato-ku, Tokyo
*The venue has changed from the Annual General Meeting of Shareholders held in March 2021.

No souvenirs will be made available to the attending shareholders. We sincerely request your understanding and acceptance.

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 34th 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 34th Fiscal Year (January 1, 2021 - December 31, 2021)

Proposal to be resolved:

- Proposal 1:** Partial Amendments to the Articles of Incorporation
Proposal 2: Election of Eight (8) Directors
Proposal 3: Election of Two (2) Audit & Supervisory Board Members
Proposal 4: Election of One (1) Substitute Audit & Supervisory Board Member
Proposal 5: Issuance of Stock Acquisition Rights as Stock Options
Proposal 6: Decision on the Details and the Amounts of Compensations by Stock Options for Directors and Audit & Supervisory Board Members

1. When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
2. Among the documents which should be provided together with this Notice, the following notes are made available on the Company's website at <https://www.clholdings.co.jp/en/>, 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. These documents are part of the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements which were audited when audit reports were prepared by the Audit & Supervisory Board Members and accounting audit reports were prepared by the Accounting Auditor.
 - (1) "The Structure and the Policies of the Company"
 - (2) "Consolidated Statements of Changes in Equity" and "Notes to the Consolidated Financial Statements"
 - (3) "Non-consolidated Statements of Changes in Equity" and "Notes to the Non-consolidated Financial Statements"Should the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements, and the Consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website (<https://www.clholdings.co.jp/en/>).
3. Please bring this leaflet to the meeting with you for paper resources saving.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for the Amendments

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) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for the general meeting of shareholders, the Articles of Incorporation of the Company shall be amended as follows.

- (1) The proposed Article 15, Paragraph 1 provides that information contained in the Reference Documents for the General Meeting of Shareholders, etc. shall be provided electronically.
- (2) The purpose of the proposed Article 15, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (3) The provisions related to the internet disclosure and deemed provision of the Reference Documents for the General Meeting of Shareholders, etc. (Article 15 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Description of the Amendments

Description of the amendments is as follows:

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
Article 1 to Article 14 (Omitted) (<u>Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.</u>)	Article 1 to Article 14 (Unchanged)
<u>Article 15 The Company may, when convening a General Meeting of Shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business reports, and consolidated financial statements (including accounting audit reports and audit reports pertaining to said consolidated financial statements), by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u>	(Deleted)

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p data-bbox="810 192 1273 226"><u>(Measures for Electronic Provision, etc.)</u></p> <p data-bbox="810 232 1401 389"><u>Article 15 The Company shall, when convening a General Meeting of Shareholders, provide information contained in the Reference Documents for the General Meeting of Shareholders, etc. electronically.</u></p> <p data-bbox="810 396 1401 584"><u>2. 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></p>
Article 16 to Article 44 (Omitted) (Newly established)	<p data-bbox="810 591 1225 624">Article 16 to Article 44 (Unchanged)</p> <p data-bbox="810 645 1114 678"><u>Supplementary Provisions</u></p> <p data-bbox="810 685 1401 1070"><u>1. The deletion of Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.) of the current Articles of Incorporation and the establishment of the proposed Article 15 (Measures for Electronic Provision, etc.) shall come into effect on 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) (the “Effective Date”).</u></p> <p data-bbox="810 1077 1401 1328"><u>2. Notwithstanding the provisions of the preceding paragraph, Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.) of the current Articles of Incorporation shall remain in force with respect to a General Meeting of Shareholders to be held on a date within six months from the Effective Date.</u></p> <p data-bbox="810 1335 1401 1507"><u>3. These supplementary provisions shall be deleted after the lapse of six months from the Effective 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.</u></p>

Proposal 2: Election of Eight (8) Directors

The terms of office of all eight (8) Directors will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of eight (8) Directors is proposed.

The candidates for Director are as follows.

No.	Name	Attendance at meetings of the Board of Directors
1	Junichiro Uchikawa <u>Reappointment</u>	12/12
2	Makoto Yoneyama <u>Reappointment</u>	12/12
3	Satoshi Yamashita <u>Reappointment</u>	10/10
4	Hideo Konishi <u>Reappointment</u>	10/10
5	Mitsuru Ishimura <u>Reappointment</u>	10/10
6	Hiroshi Sonobe <u>Reappointment</u> <u>Outside</u> <u>Independent</u>	12/12
7	Takashi Watanabe <u>New appointment</u> <u>Outside</u> <u>Independent</u>	—
8	Sachiyo Yasuda <u>New appointment</u> <u>Outside</u> <u>Independent</u>	—

No.	Name (Date of birth)	Career summary, positions, and assignments at the Company (Significant concurrent positions)	Number of shares of the Company held
1	Junichiro Uchikawa (January 30, 1961) <u>Reappointment</u>	March 1988 Founded LEGS COMPANY, LTD. (currently CL Holdings Inc., the Company), Representative Director March 1991 Founded S.I.P Corporation, Representative Director February 1994 President & CEO, LEGS COMPANY, LTD. (to present) October 2008 Founded LEGS (SHANGHAI) TRADING COMPANY, LTD., Chairman July 2009 Director, M&I Co., Ltd. February 2011 Founded LEGS (SHANGHAI) ADVERTISING COMPANY, LTD. (currently LEGS (SHANGHAI) CULTURAL AND CREATIVE COMPANY, LTD.), Chairman March 2012 Founded LEGS (SHENZHEN) TRADING COMPANY, LTD., Chairman July 2014 Outside Director, ORENO Corporation August 2014 Director, LEGS (SHANGHAI) TRADING COMPANY, LTD. August 2014 Director, LEGS (SHANGHAI) ADVERTISING COMPANY, LTD. August 2014 Director, LEGS (SHENZHEN) TRADING COMPANY, LTD. February 2016 Director, JU Co., Ltd. (to present) June 2020 Chairman, CDG Co., Ltd. July 2020 Chairman, LEGS (SHANGHAI) TRADING COMPANY, LTD. (to present) July 2020 Chairman, LEGS (SHANGHAI) CULTURAL AND CREATIVE COMPANY, LTD. (to present) June 2021 Chairman & Representative Director, CDG Co., Ltd. (to present) August 2021 Founded LEGS COMPANY, LTD. Successor Preparatory Company (currently LEGS COMPANY, LTD.), President & CEO (to present) September 2021 Chairman, LEGS (SHENZHEN) TRADING COMPANY, LTD. (to present) (Significant concurrent positions) Chairman, LEGS (SHANGHAI) TRADING COMPANY, LTD. Chairman, LEGS (SHANGHAI) CULTURAL AND CREATIVE COMPANY, LTD. Chairman, LEGS (SHENZHEN) TRADING COMPANY, LTD. Director, JU Co., Ltd. Chairman & Representative Director, CDG Co., Ltd. President & CEO, LEGS COMPANY, LTD.	295,400
<p>●Reason for nomination as a candidate for Director</p> <p>Having abundant management experience and achievements, Mr. Junichiro Uchida has been serving as Representative Director of the Company since the Company's foundation.</p> <p>The Company believes that he is qualified to make decisions on significant business execution and supervise duties of directors and executive officers. Therefore, the Company has continuously nominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, and assignments at the Company (Significant concurrent positions)	Number of shares of the Company held
2	Makoto Yoneyama (September 2, 1956) <u>Reappointment</u>	<p>March 1980 Joined Kyoto Ceramic Co., Ltd. (currently KYOCERA Corporation)</p> <p>July 2005 Transferred to KYOCERA MITA Corporation (currently KYOCERA Document Solutions Inc.), Corporate Officer & General Manager, Business Administration Division</p> <p>April 2008 Corporate Officer, KYOCERA MITA Corporation</p> <p>April 2008 Managing Director, KYOCERA MITA JAPAN Corporation</p> <p>March 2010 Transferred to KYOCERA Communication Systems Co., Ltd., Senior General Manager</p> <p>March 2010 Deputy Manager, Trustee's Office, Japan Airlines Co., Ltd.</p> <p>June 2010 Director, KYOCERA Communication Systems Co., Ltd.</p> <p>December 2010 Executive Officer, Corporate Control Division, Japan Airlines Co., Ltd.</p> <p>April 2012 Managing Executive Officer, Corporate Control Division, Japan Airlines Co., Ltd.</p> <p>June 2012 Managing Director, KYOCERA Communication Systems Co., Ltd.</p> <p>April 2015 Senior Managing Director & General Manager, Administration Division, KYOCERA Communication Systems Co., Ltd.</p> <p>March 2016 Joined LEGS COMPANY, LTD. (currently CL Holdings Inc., the Company)</p> <p>June 2016 General Manager, Administration Division, LEGS COMPANY, LTD.</p> <p>March 2017 Senior Managing Director & General Manager, Administration Division, LEGS COMPANY, LTD.</p> <p>March 2017 Representative Director, S.I.P Corporation (to present)</p> <p>May 2020 Senior Managing Director in charge of Business Management Administration and General Manager, Administration Division, LEGS COMPANY, LTD.</p> <p>June 2020 Director, CDG Co., Ltd. (to present)</p> <p>July 2020 Director, LEGS (SHANGHAI) TRADING COMPANY, LTD. (to present)</p> <p>July 2020 Director, LEGS (SHANGHAI) CULTURAL AND CREATIVE COMPANY, LTD. (to present)</p> <p>March 2021 Senior Managing Director in charge of Business Management Administration, LEGS COMPANY, LTD. (to present)</p> <p>August 2021 Senior Managing Director in charge of Business Management Administration, LEGS COMPANY, LTD. Successor Preparatory Company (currently LEGS COMPANY, LTD.) (to present)</p> <p>September 2021 Director, LEGS (SHENZHEN) TRADING COMPANY, LTD. (to present)</p> <p>(Significant concurrent positions) Director, LEGS (SHANGHAI) TRADING COMPANY, LTD. Director, LEGS (SHANGHAI) CULTURAL AND CREATIVE COMPANY, LTD. Director, LEGS (SHENZHEN) TRADING COMPANY, LTD. Representative Director, S.I.P Corporation</p>	200

	Director, CDG Co., Ltd. Senior Managing Director in charge of Business Management Administration, LEGS COMPANY, LTD.	
<p>●Reason for nomination as a candidate for Director</p> <p>Mr. Makoto Yoneyama has engaged in the management of listed companies for many years and has abundant practical experience and high level of knowledge. He has contributed to establishing corporate governance structure that is essential to sustainable growth since his assumption of office as General Manager of Administration Division in 2016. Therefore, the Company has continuously nominated him as a candidate for Director.</p>		

No.	Name (Date of birth)	Career summary, positions, and assignments at the Company (Significant concurrent positions)	Number of shares of the Company held
3	Satoshi Yamashita (June 27, 1979) <u>Reappointment</u>	<p>April 2002 Joined LEGS COMPANY, LTD. (currently CL Holdings Inc., the Company)</p> <p>February 2012 Executive Officer, LEGS COMPANY, LTD.</p> <p>March 2015 Senior Executive Officer, LEGS COMPANY, LTD.</p> <p>December 2017 Executive Officer, LEGS COMPANY, LTD.</p> <p>January 2019 Senior Executive Officer, LEGS COMPANY, LTD.</p> <p>January 2020 Managing Executive Officer, LEGS COMPANY, LTD.</p> <p>July 2020 Director, LEGS (SHANGHAI) TRADING COMPANY, LTD. (to present)</p> <p>July 2020 Director, LEGS (SHANGHAI) CULTURAL AND CREATIVE COMPANY, LTD. (to present)</p> <p>March 2021 Director in charge of New Business and License Business & General Manager, License Division, LEGS COMPANY, LTD. (to present)</p> <p>August 2021 Director in charge of New Business and License Business, LEGS COMPANY, LTD. Successor Preparatory Company (currently LEGS COMPANY, LTD.) (to present)</p> <p>(Significant concurrent positions)</p> <p>Director, LEGS (SHANGHAI) TRADING COMPANY, LTD.</p> <p>Director, LEGS (SHANGHAI) CULTURAL AND CREATIVE COMPANY, LTD.</p> <p>Director in charge of New Business and License Business, LEGS COMPANY, LTD.</p>	17,200
<p>●Reason for nomination as a candidate for Director</p> <p>Mr. Satoshi Yamashita has been involved in sales at the Company for many years, and has abundant experience and knowledge, well versed in the field. He also has a wealth of knowledge not only in the sales promotion industry but also in licensing, and has contributed to building new business models such as promotional product sales.</p> <p>Therefore, the Company believes that he is essential for the Company's further development and enhancement of corporate value, and has continuously nominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, and assignments at the Company (Significant concurrent positions)	Number of shares of the Company held
4	<p>Hideo Konishi (August 26, 1971)</p> <p><u>Reappointment</u></p>	<p>April 1996 Joined CDG Co., Ltd.</p> <p>April 2015 General Manager, Tokyo Sales Department III, CDG Co., Ltd.</p> <p>May 2016 Executive Officer, Deputy General Manager, Sales Headquarters and General Manager, Tokyo Sales Department III, CDG Co., Ltd.</p> <p>May 2016 Secretary, CDG Promotional Marketing Co., Ltd.</p> <p>April 2017 Executive Officer, Deputy General Manager, Sales Division, General Manager, Tokyo Sales Department I and General Manager, Sales Planning Department, CDG Co., Ltd.</p> <p>April 2018 Senior Managing Executive Officer, General Manager, Sales Promotion Division, CDG Co., Ltd.</p> <p>May 2018 CEO, CDG Promotional Marketing Co., Ltd.</p> <p>June 2018 CEO and Director in charge of Sales Promotion Division, CDG Co., Ltd.</p> <p>April 2019 CEO, CDG Co., Ltd. (to present)</p> <p>March 2021 Director, LEGS COMPANY, LTD. (currently CL Holdings Inc., the Company) (to present)</p> <p>(Significant concurrent positions) CEO, CDG Co., Ltd.</p>	-
<p>●Reason for nomination as a candidate for Director</p> <p>Mr. Hideo Konishi has many years of experience in business execution in the sales and planning divisions at listed companies, and has deep understanding of, as well as extensive experience and insight into, the sales promotion industry.</p> <p>He also has thorough knowledge of the digital business. The Company believes that he is essential for the Company's further development and enhancement of corporate value, and has continuously nominated him as a candidate for Director.</p>			
5	<p>Mitsuru Ishimura (October 3, 1958)</p> <p><u>Reappointment</u></p>	<p>April 1983 Joined The Bank of Tokyo, Ltd. (currently MUFG Bank, Ltd.) International Division, BOT Lease Co., Ltd.</p> <p>January 1988 Joined Paribas Capital Markets (currently BNP Paribas Securities (Japan) Limited)</p> <p>April 2000 Managing Director in charge of Investment Banking Division, HSBC Securities (Japan) Limited</p> <p>March 2006 Advisor, Strategic Scenario Co., Ltd.</p> <p>May 2013 Executive Director, Japan Association for Securities Learning (to present)</p> <p>June 2015 Outside Director, MARUHAN Corporation</p> <p>April 2016 Independent Outside Director, SATHAPANA BANK PLC.</p> <p>January 2019 Advisor, Kanie JAPAN Co., Ltd. (to present)</p> <p>March 2021 Director, LEGS COMPANY, LTD. (currently CL Holdings Inc., the Company) (to present)</p> <p>(Significant concurrent positions) Executive Director, Japan Association for Securities Learning Advisor, Kanie JAPAN Co., Ltd.</p>	-
<p>●Reason for nomination as a candidate for Director</p> <p>After working at a bank and securities companies, Mr. Mitsuru Ishimura has held various management positions at numerous companies, and possesses deep experience and insight in and outside Japan. The Company believes that he can utilize his wide connections and extensive experience in the management of the Company, and has continuously nominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, and assignments at the Company (Significant concurrent positions)	Number of shares of the Company held
6	Hiroshi Sonobe (February 12, 1965) <div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div>	April 1992 Entered the Legal Training and Research Institute of the Supreme Court of Japan April 1994 Joined Kiyoshi Suda Law Office October 2001 Established Hayashi, Sonobe & Fujigasaki Law Office (currently HS & Co.), Representative Attorney-at-Law (to present) March 2010 Audit & Supervisory Board Member, Japan Property Management Center Co., Ltd. March 2013 Outside Audit & Supervisory Board Member, LEGS COMPANY, LTD. (currently CL Holdings Inc., the Company) June 2014 Outside Audit & Supervisory Board Member, Tokyo Tekko Co., Ltd. March 2016 Outside Director, PALTEK CORPORATION March 2016 Outside Director, Japan Property Management Center Co., Ltd. (Audit and Supervisory Committee Member) (to present) June 2016 Outside Audit & Supervisory Board Member, Care Service Co., Ltd. (to present) June 2016 Outside Director, Tokyo Tekko Co., Ltd. (Audit and Supervisory Committee Member) (to present) March 2017 Outside Director, LEGS COMPANY, LTD. (to present) March 2019 Audit & Supervisory Board Member, PALTEK CORPORATION (Significant concurrent positions) Representative Attorney-at-Law, HS & Co. Outside Director, Japan Property Management Center Co., Ltd. (Audit and Supervisory Committee Member) Outside Audit & Supervisory Board Member, Care Service Co., Ltd. Outside Director, Tokyo Tekko Co., Ltd. (Audit and Supervisory Committee Member)	1,000
<ul style="list-style-type: none"> ●Reason for nomination as a candidate for Outside Director and overview of roles expected <ul style="list-style-type: none"> • Mr. Hiroshi Sonobe is a candidate for Outside Director. • He will have served 5 years as Outside Director at the conclusion of this Annual General Meeting of Shareholders. • The Company expects that, based on his extensive experience and knowledge as an expert in corporate legal affairs (attorney-at-law), he would supervise and monitor the management of the Company and his advice regarding all aspects of management could help enhance corporate governance. Therefore, the Company has continuously nominated him as a candidate for Outside Director. ●Matters regarding independence <ul style="list-style-type: none"> • The Company registered Mr. Hiroshi Sonobe as Independent Director with no potential conflict of interest with general shareholders with Tokyo Stock Exchange, Inc. 			

No.	Name (Date of birth)	Career summary, positions, and assignments at the Company (Significant concurrent positions)	Number of shares of the Company held
7	Takashi Watanabe (December 11, 1964) <div style="border: 1px solid black; padding: 2px; display: inline-block;">New appointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div>	April 1989 Joined Temporary Center Inc. (currently Pasona Inc.) April 1989 Seconded to Medical Power K.K. (currently Pasona Inc. Medical Division) December 1993 Seconded to Human Resources Exchange System Inc. (currently Pasona Inc. Career Support Division) April 1997 Representative Director and President, Pasona career assets Inc. (currently Pasona Inc.) March 2010 Vice President/Director, Pasona Inc. and Company President, Pasona Career Company August 2010 Director, Pasona Group Inc. August 2018 Executive Officer and Vice President, Pasona Group Inc. November 2021 Retired as Executive Officer and Vice President, Pasona Group Inc. (Significant concurrent positions) Not applicable	-
<ul style="list-style-type: none"> ●Reason for nomination as a candidate for Outside Director and overview of roles expected <ul style="list-style-type: none"> • Mr. Takashi Watanabe is a candidate for Outside Director. • Mr. Takashi Watanabe has engaged in the management of listed companies for many years and has experience in improving the organizational culture and performance of companies. In addition, he has abundant experience in launching new businesses and services, as well as in fostering human resources over a long period of time. Therefore, the Company believes that he will bring his wealth of experience and extensive knowledge to the management of the Company, and has nominated him as a candidate for Outside Director. ●Matters regarding independence <ul style="list-style-type: none"> • If the election of Mr. Takashi Watanabe is approved, the Company intends to register him as Independent Director with no potential conflict of interest with general shareholders with Tokyo Stock Exchange, Inc. 			

No.	Name (Date of birth)	Career summary, positions, and assignments at the Company (Significant concurrent positions)	Number of shares of the Company held
	Sachiyo Yasuda (September 17, 1969) New appointment Outside Independent	April 1992 Joined Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.) April 2014 Executive Officer in charge of New-graduates Recruiting Operation Division, Recruit Career Co., Ltd. (currently Recruit Co., Ltd.) May 2019 Joined ExaWizards Inc., Executive Officer May 2021 Director, ExaWizards Inc. Practical AI & DX Research Center (to present) (Significant concurrent positions) Director, ExaWizards Inc. Practical AI & DX Research Center	-
8	<ul style="list-style-type: none"> ●Reason for nomination as a candidate for Outside Director and overview of roles expected • Ms. Sachiyo Yasuda is a candidate for Outside Director. • Ms. Sachiyo Yasuda has engaged in various sales operations and projects related to recruitment and organizational revitalization for corporations at employment agencies, staffing companies, and other similar businesses for many years. She has abundant experience and extensive knowledge in the fields of HR and DX. The Company believes that she can utilize such experience and knowledge in the management of the Company, and has nominated her as a candidate for Outside Director. ●Matters regarding independence • If the election of Ms. Sachiyo Yasuda is approved, the Company intends to register her as Independent Director with no potential conflict of interest with general shareholders with Tokyo Stock Exchange, Inc. 		

- (Notes)
1. The Company does not have any special interest with each candidate for Director.
 2. If the election of candidates for Director Mr. Takashi Watanabe and Ms. Sachiyo Yasuda is approved as proposed, the Company intends to enter into contracts with them for the purpose of limiting their liability for compensation of damages stipulated in Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 427, Paragraph 1 of the same Act. The maximum amount of liability under such contract is planned to be the greater of either 3 million yen or the minimum liability amount stipulated by laws and regulations.
 3. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into contracts with Mr. Hideo Konishi, Mr. Mitsuru Ishimura, and Mr. Hiroshi Sonobe for the purpose of limiting their liability for compensation of damages stipulated in Article 423, Paragraph 1 of the said Act. If their election is approved, the Company will continue to hold the agreement with them. The maximum amount of liability under such contract shall be the greater of either 3 million yen or the minimum liability amount stipulated by laws and regulations.
 4. The Company has a directors and officers liability insurance policy which provides insurance cover for all Directors 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.

However, certain exclusions apply to the above insurance, which include damages caused by willful misconduct or gross negligence. If each candidate assumes the office of Director, he/she will be the insured under the said insurance policy, which will be renewed in January 2023.
 5. Neither Mr. Hiroshi Sonobe, Mr. Takashi Watanabe, nor Ms. Sachiyo Yasuda is a business executor or a director of any entity that has special relationship with the Company. Furthermore, there has been no such relevant relationship during the past 10 years.
 6. Neither Mr. Hiroshi Sonobe, Mr. Takashi Watanabe, nor Ms. Sachiyo Yasuda is going to receive a large amount of money or other assets from the Company or any entity that has special relationship with the Company. Furthermore, there has been no such arrangement in the past 2 years.
 7. Neither Mr. Hiroshi Sonobe, Mr. Takashi Watanabe, nor Ms. Sachiyo Yasuda is a spouse, a relative within the third degree or such a closely related person of a business executor or a director of the Company or any entity that has special relationship with the Company.
 8. The numbers of shares they own are as of December 31, 2021.

Proposal 3: Election of Two (2) Audit & Supervisory Board Members

The terms of office of Audit & Supervisory Board Members Mr. Hiroshi Magaribuchi and Mr. Motoo Kobayashi will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of two (2) Audit & Supervisory Board Members is proposed. The Company has already obtained the approval of the Audit & Supervisory Board regarding this proposal.

The candidates for Audit & Supervisory Board Member are as follows.

No.	Name		Attendance at meetings of the Board of Directors and Audit & Supervisory Board
1	<u>Reappointment</u>	<u>Outside</u>	Board of Directors 12/12
		<u>Independent</u>	Audit & Supervisory Board 12/12
2	<u>Reappointment</u>	<u>Outside</u>	Board of Directors 12/12
		<u>Independent</u>	Audit & Supervisory Board 12/12

No.	Name (Date of birth)	Career summary and positions at the Company (Significant concurrent positions)	Number of shares of the Company held
1	Hiroshi Magaribuchi (September 11, 1960) Reappointment Outside Independent	<p>April 1984 Joined SHINKO ELECTRIC INDUSTRIES CO., LTD.</p> <p>September 1992 Joined Mio Certified Public Accountant Office</p> <p>December 1995 Established Hiroshi Magaribuchi Certified Public Tax Accountant Office, Head (to present)</p> <p>December 2008 Outside Auditor, GLOBALPOWER Inc. (to present)</p> <p>May 2009 Outside Auditor, Kofu Soko Co., Ltd. (to present)</p> <p>March 2014 Outside Audit & Supervisory Board Member, LEGS COMPANY, LTD. (currently CL Holdings Inc., the Company) (to present)</p> <p>June 2015 Outside Auditor, Youji Corporation (to present)</p> <p>(Significant concurrent positions) Representative Certified Public Tax Accountant, Hiroshi Magaribuchi Certified Public Tax Accountant Office Outside Auditor, GLOBALPOWER Inc. Outside Auditor, Kofu Soko Co., Ltd. Outside Auditor, Youji Corporation</p>	-
<p>•Reason for nomination as a candidate for Outside Audit & Supervisory Board Member and overview of roles expected</p> <ul style="list-style-type: none"> • Mr. Hiroshi Magaribuchi is a candidate for Outside Audit & Supervisory Board Member. • He will have served 8 years as Outside Audit & Supervisory Board Member at the conclusion of this Annual General Meeting of Shareholders. • Mr. Hiroshi Magaribuchi has advanced knowledge regarding finance and accounting as a certified public tax accountant, and the Company believes that he will be able to continue appropriately executing his duties in regard to the Company's audits, and is qualified as an Audit & Supervisory Board Member. Furthermore, he has not been directly involved in corporate management other than becoming an Outside Audit & Supervisory Board Member, but he has a thorough knowledge of finance and accounting as a certified public tax accountant, and the Company believes that he will be able to appropriately execute his duties as an Outside Audit & Supervisory Board Member. <p>•Matters regarding independence</p> <ul style="list-style-type: none"> • The Company registered Mr. Hiroshi Magaribuchi as Independent Auditor with no potential conflict of interest with general shareholders with Tokyo Stock Exchange, Inc. 			

No.	Name (Date of birth)	Career summary and positions at the Company (Significant concurrent positions)	Number of shares of the Company held
2	Motoo Kobayashi (October 26, 1950) Reappointment Outside Independent	<p>April 1978 Joined KYOCERA Corporation</p> <p>April 2000 Transferred to KYOCERA Communication Systems Co., Ltd. General Manager, IT Product Management Business Division</p> <p>June 2002 Director, KYOCERA Communication Systems Co., Ltd.</p> <p>April 2005 Managing Director, KYOCERA Communication Systems Co., Ltd.</p> <p>April 2006 Representative Director & Senior Executive Officer, KYOCERA Communication Systems Co., Ltd.</p> <p>April 2008 President & Representative Director, KYOCERA Communication Systems Co., Ltd.</p> <p>April 2012 Chairman & Representative Director, KYOCERA Communication Systems Co., Ltd.</p> <p>December Retired as Chairman & Representative Director,</p>	-

	2015 KYOCERA Communication Systems Co., Ltd. March 2018 Outside Audit & Supervisory Board Member, LEGS COMPANY, LTD. (currently CL Holdings Inc., the Company) (to present) (Significant concurrent positions) Not applicable	
<p>●Reason for nomination as a candidate for Outside Audit & Supervisory Board Member and overview of roles expected</p> <ul style="list-style-type: none"> • Mr. Motoo Kobayashi is a candidate for Outside Audit & Supervisory Board Member. • He will have served 4 years as Outside Audit & Supervisory Board Member at the conclusion of this Annual General Meeting of Shareholders. • Mr. Motoo Kobayashi has engaged in the management of listed companies for many years. Based on his abundant insight and experience in corporate management, the Company believes that he continues to be qualified as an Audit & Supervisory Board Member. <p>●Matters regarding independence</p> <ul style="list-style-type: none"> • The Company registered Mr. Motoo Kobayashi as Independent Auditor with no potential conflict of interest with general shareholders with Tokyo Stock Exchange, Inc. 		

- (Notes)
1. The Company does not have any special interest with each candidate for Audit & Supervisory Board Member.
 2. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into contracts with Mr. Hiroshi Magaribuchi and Mr. Motoo Kobayashi for the purpose of limiting their liability for compensation of damages stipulated in Article 423, Paragraph 1 of the said Act. If their election is approved, the Company will continue to hold the agreement with them. The maximum amount of liability under such contract shall be the greater of either 3 million yen or the minimum liability amount stipulated by laws and regulations.
 3. The Company has a directors and officers liability insurance policy which provides insurance cover for all 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. However, certain exclusions apply to the above insurance, which include damages caused by willful misconduct or gross negligence. If each candidate assumes the office of Audit & Supervisory Board Member, he will be the insured under the said insurance policy, which will be renewed in January 2023.
 4. Neither Mr. Hiroshi Magaribuchi nor Mr. Motoo Kobayashi is a business executor or a director of any entity that has special relationship with the Company. Furthermore, there has been no such relevant relationship during the past 10 years.
 5. Neither Mr. Hiroshi Magaribuchi nor Mr. Motoo Kobayashi is going to receive a large amount of money or other assets from the Company or any entity that has special relationship with the Company. Furthermore, there has been no such arrangement in the past 2 years.
 6. Neither Mr. Hiroshi Magaribuchi nor Mr. Motoo Kobayashi is a spouse, a relative within the third degree or such a closely related person of a business executor or a director of the Company or any entity that has special relationship with the Company.
 7. The numbers of shares they own are as of December 31, 2021.

Proposal 4: Election of One (1) Substitute Audit & Supervisory Board Member

The effectiveness of the election of the current Substitute Audit & Supervisory Board Member will expire at the start of this Annual General Meeting of Shareholders. Accordingly, in order to prepare again for cases where there is a shortfall in the number of Audit & Supervisory Board Members prescribed by laws and regulations, the election of one (1) Substitute Audit & Supervisory Board Member is proposed.

Prior to assumption, the effectiveness of this election may be cancelled by resolution of the Board of Directors, with the approval of the Audit & Supervisory Board. The effectiveness of this resolution will expire at the start of the Annual General Meeting of Shareholders for the final fiscal year ending within four (4) years following the election, and in the event that the candidate is appointed as Substitute Audit & Supervisory Board Member, his term of office shall be the remaining term of office of the previous Audit & Supervisory Board Member.

In addition, the Company has obtained the approval of Audit & Supervisory Board regarding this proposal. The candidate for Substitute Audit & Supervisory Board Member is as follows.

Name (Date of birth)	Career summary and positions at the Company (Significant concurrent positions)	Number of shares of the Company held
<p>Toshio Miyahara (March 3, 1950)</p> <p style="text-align: center;"> Outside Independent </p>	<p>April 1973 Joined Asahi Kaikei Corporation (currently KPMG AZSA LLC)</p> <p>October 1980 Established Miyahara Certified Public Accountant Office</p> <p>March 2001 Founded Soh Audit Co., Representative Partner</p> <p>May 2003 Outside Audit & Supervisory Board Member, NOMURA Co., Ltd.</p> <p>March 2010 Substitute Audit & Supervisory Board Member, LEGS COMPANY, LTD. (currently CL Holdings Inc., the Company) (to present)</p> <p>January 2011 Founded Asahi Tax Corporation, Representative Partner (to present)</p> <p>June 2014 Auditor, TSUTSUMI JEWELRY Co., Ltd.</p> <p>June 2017 Director (Audit and Supervisory Committee Member), TSUTSUMI JEWELRY Co., Ltd. (to present)</p> <p>July 2020 Representative Partner, Seirei Audit Corporation (to present)</p> <p>(Significant concurrent positions) Representative Partner, Asahi Tax Corporation Director (Audit and Supervisory Committee Member), TSUTSUMI JEWELRY Co., Ltd. Representative Partner, Seirei Audit Corporation</p>	-
<p>●Reason for nomination as a candidate for Substitute Outside Audit & Supervisory Board Member</p> <ul style="list-style-type: none"> • Mr. Toshio Miyahara is a candidate for Substitute Outside Audit & Supervisory Board Member. • Mr. Toshio Miyahara has advanced knowledge regarding finance and accounting as a certified public accountant, and the Company believes that he will be able to appropriately execute his duties in regard to the Company’s audits, and is qualified as a Substitute Outside Audit & Supervisory Board Member. Furthermore, he has not been directly involved in corporate management other than becoming an Outside Audit & Supervisory Board Member, but he has a thorough knowledge of finance and accounting as a certified public accountant, and the Company believes that he will be able to appropriately execute his duties as an Outside Audit & Supervisory Board Member. <p>●Matters regarding independence</p> <ul style="list-style-type: none"> • If Mr. Toshio Miyahara is appointed as Outside Audit & Supervisory Board Member, the Company intends to register him as Independent Auditor with no potential conflict of interest with general shareholders with Tokyo Stock Exchange, Inc. 		

(Notes) 1. The Company does not have any special interest with the candidate for Substitute Audit & Supervisory Board Member.

2. If Mr. Toshio Miyahara is appointed as Outside Audit & Supervisory Board Member, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company will enter into a contract with him for the purpose of limiting his liability for compensation of damages stipulated in Article 423, Paragraph 1 of the said Act. The maximum amount of liability under such contract shall be the greater of either 3 million yen or the minimum liability amount stipulated by laws and regulations.
3. The Company has a directors and officers liability insurance policy which provides insurance cover for all 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. However, certain exclusions apply to the above insurance, which include damages caused by willful misconduct or gross negligence. If Mr. Toshio Miyahara assumes the office of Audit & Supervisory Board Member, he will be the insured under the said insurance policy, which will be renewed in January 2023.
4. Mr. Toshio Miyahara satisfies the requirements for Independent Auditor set forth by Tokyo Stock Exchange, Inc., and if he assumes the office of Outside Audit & Supervisory Board Member, the Company intends to register him as Independent Auditor with the Exchange.
5. Mr. Toshio Miyahara is not a business executor or a director of any entity that has special relationship with the Company. Furthermore, there has been no such relevant relationship during the past 10 years.

(Prospective) Skills Matrix of the Board of Directors after The General Meeting of Shareholders

(Note) If the candidates named in this Notice are elected as proposed, the skills matrix of the Board of Directors will be as follows.

	Name	Skills that may be particularly utilized among areas of specialization required by the Company										
		Management	Finance/accounting	Law/governance	Personnel affairs/ human resource development	ESG/SDGs	Overses	Sales/marketing	Production technology/quality management	DX/IT	Content business	New business development
Director	Junichiro Uchikawa	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>			<input type="radio"/>	<input type="radio"/>			<input type="radio"/>
	Makoto Yoneyama	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			<input type="radio"/>			
	Satoshi Yamashita	<input type="radio"/>				<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Hideo Konishi	<input type="radio"/>				<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Mitsuru Ishimura	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			<input type="radio"/>	<input type="radio"/>				<input type="radio"/>
	Hiroshi Sonobe Outside Independent			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>				<input type="radio"/>		
	Takashi Watanabe Outside Independent	<input type="radio"/>			<input type="radio"/>	<input type="radio"/>						<input type="radio"/>
Sachiyo Yasuda Outside Independent	<input type="radio"/>			<input type="radio"/>	<input type="radio"/>				<input type="radio"/>		<input type="radio"/>	
Audit & Supervisory Board Member	Hajime Kusuda			<input type="radio"/>	<input type="radio"/>			<input type="radio"/>	<input type="radio"/>			
	Hiroshi Magaribuchi Outside Independent		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>						
	Motoo Kobayashi Outside Independent	<input type="radio"/>				<input type="radio"/>	<input type="radio"/>		<input type="radio"/>			

The Company has established “Selection Standards for Directors and Audit & Supervisory Board Members” as follows.

“Selection Standards for Directors and Audit & Supervisory Board Members”

Directors and Audit & Supervisory Board Members of the Company shall fulfill the conditions stipulated in laws and regulations and the Articles of Incorporation, and shall also satisfy the following conditions.

Conditions required of all Directors and Audit & Supervisory Board Members
<ol style="list-style-type: none"> 1. He or she shall possess excellent character, knowledge, insight, a strong spirit of compliance with laws and regulations, and ethical standards. 2. He or she shall possess excellent management sense, and a thorough knowledge of various issues related to management. 3. He or she shall possess objective decision-making capabilities, insight, and foresight. 4. He or she shall be able to provide his or her own views in a proactive manner, from a company-wide perspective.
Conditions required of Outside Directors
<ol style="list-style-type: none"> 1. He or she shall possess a high level of insight, abundant practical experience, and experience of serving in a leadership role in fields such as corporate management, internal controls, laws and regulations, accounting, finance, and risk management. 2. He or she shall be able to supervise management and make related judgments in an objective manner, and provide advice and support related to sustainable corporate growth, from a practical perspective based on abundant experience in corporate management and specialized fields.
Conditions required of Outside Audit & Supervisory Board Members
<ol style="list-style-type: none"> 1. He or she shall possess a high level of insight, abundant practical experience, and experience of serving in a leadership role in fields such as corporate management, internal controls, laws and regulations, accounting, finance, and risk management. 2. He or she shall be able to express objective audit views from a neutral standpoint, in order to ensure the neutrality and independence of the audit system.

In addition, the Company has established the following “Independence Standards for Outside Officers,” which are standards for designating Outside Officers as Independent Directors/Auditors.

“Independence Standards for Outside Officers”

Outside Directors and Outside Audit & Supervisory Board Members of the Company shall fulfill the external conditions stipulated in the Companies Act and other laws and regulations, and shall also satisfy the following conditions.

Conditions required of all Outside Directors and Outside Audit & Supervisory Board Members
<ol style="list-style-type: none"> 1. Regardless of age, gender, nationality, etc., he or she shall possess specialist knowledge, experience, insight, character, etc. that enable him or her to fulfill all his or her duties, and shall be someone who is able to understand, sympathize with, and implement the Company’s management philosophy. 2. He or she shall satisfy the independence standards in the “Guidelines concerning Listed Company Compliance, etc.” set forth by Tokyo Stock Exchange, Inc.

Proposal 5: Issuance of Stock Acquisition Rights as Stock Options

The Company requests your approval for stock acquisition rights to be issued to the Directors (including Outside Directors), the Audit & Supervisory Board Members, and the employees of the Company and its subsidiaries on especially favorable terms, under the provisions of Articles 236, 238 and 239 of the Companies Act.

1. Reasons for Soliciting Candidates to Subscribe for Stock Acquisition Rights on Especially Favorable Terms

The stock acquisition rights outlined below will be issued without consideration to the Directors (including Outside Directors) and the employees for the purpose of enhancing their motivations and morale towards the improvement of the Company's consolidated performance, and also to the Audit & Supervisory Board Members for the purpose of enhancing their awareness towards appropriate auditing.

2. Outline of Issuance of Stock Acquisition Rights

(1) Stock Acquisition Rights Holders

The stock acquisition rights shall be allotted to the Directors (including Outside Directors), the Audit & Supervisory Board Members, and the employees of the Company and its subsidiaries.

(2) Type and Number of Shares to Be Issued upon Exercise of Stock Acquisition Rights

The number of shares of the Company's common stock to be issued shall not exceed 300,000.

After the allotment, however, if the Company conducts a stock split (including the allotment of shares of the Company's common stock without consideration; for the description of the stock split, the same shall apply hereinafter) or a reverse stock split, the number of shares to be issued upon exercise of each stock acquisition right (hereinafter referred to as the "number of shares granted") shall be adjusted according to the following formula.

$$\text{(Number of shares granted after adjustment)} = \text{(Number of shares granted before adjustment)} \times \text{(Ratio of stock split or reverse stock split)}$$

In addition to the foregoing, if it is appropriate to adjust the number of shares granted after the allotment date, the Company may adjust the number of shares granted to the extent reasonable. Any fractions falling short of one (1) share caused by the above adjustment shall be rounded down.

(3) Total Number of Stock Acquisition Rights to Be Offered

The total number shall be up to 3,000. (The number of shares to be issued upon exercise of each stock acquisition right shall be 100. However, if the adjustment of the number of shares granted set forth in (2) above is made, the same adjustment shall be made.)

(4) Amount to Be Paid for Stock Acquisition Rights to Be Offered

No consideration shall be paid.

(5) Value of Assets Required for Exercise of Stock Acquisition Rights

The value of assets required for exercise of each stock acquisition right shall be the amount calculated by multiplying the amount to be paid per share received upon exercise of the stock acquisition right (hereinafter referred to as the "exercise value") by the number of shares granted. The exercise value shall be the amount (with any fractions less than one yen rounded up) calculated by multiplying by 1.05 the average closing price of the Company's common stock on all trading days (except days on which no trading is reported), which information is revealed by Tokyo Stock Exchange, Inc., in the month preceding the month in which the stock acquisition rights are allotted.

In case the exercise value set forth above is below the closing price of the Company's common stock on the day preceding the allotment date of the stock acquisition rights (or the closing price of the immediately preceding day if any transaction is not made on the date), the exercise value shall be this closing price.

After the allotment date, however, if the Company conducts a stock split or a reverse stock split with respect to the Company's common stock, the exercise value will be adjusted according to the following formula, with any fractions less than one yen resulting therefrom rounded up.

$$\text{(Exercise value after adjustment)} = \text{(Exercise value before adjustment)} \times \frac{1}{\text{(Ratio of stock split or reverse stock split)}}$$

If the Company issues new shares or sells treasury shares of the Company's common stock at below market values (except in the case of issuance of new shares or sale of treasury shares through the exercise of stock options), the exercise value will be adjusted according to the following formula, with any fractions less than one yen resulting therefrom rounded up.

$$\text{(Exercise value after adjustment)} = \text{(Exercise value before adjustment)} \times \frac{\text{(Number of outstanding shares)} + \frac{\text{(Number of newly issued shares)} \times \text{(Amount to be paid per newly issued share)}}{\text{(Share price before new issuance)}}}{\text{(Number of outstanding shares)} + \text{(Number of newly issued shares)}}$$

The number of outstanding shares in the above formula means the total number of the Company's outstanding shares of common stock minus the treasury shares of common stock held by the Company. In the case of the sale of treasury shares, the "number of newly issued shares," "share price before new issuance" and "amount to be paid per newly issued share" shall be substituted by the "number of treasury shares sold," "share price before the sale of treasury shares" and "selling price per share" respectively. In addition to the foregoing, in the case of a merger, a corporate split, or the like after the allotment date, the Company, if appropriate, may adjust the exercise value to the extent reasonable.

(6) Exercise Period of Stock Acquisition Rights

From March 23, 2027 to March 22, 2032

(7) Terms and Conditions concerning Exercise of Stock Acquisition Rights

(a) If persons to whom the stock acquisition rights are allotted (hereinafter referred to as the "stock acquisition rights holders") are Directors or Audit & Supervisory Board Members of the Company and its subsidiaries, they must maintain their positions at the time of exercise of their rights. If the stock acquisition rights holders are employees of the Company and its subsidiaries, they must maintain their positions at the time of exercise of their rights.

Provided, however, that the stock acquisition rights holders fulfill certain requirements set forth in a stock acquisition rights allotment contract entered into by and between the Company and each stock acquisition rights holder (hereinafter referred to as the "allotment contract"), the stock acquisition rights holders may continue to exercise their rights even after they lose their positions as Directors, Audit & Supervisory Board Members, or employees of the Company and its subsidiaries.

(b) The succession of the stock acquisition rights by inheritance shall not be permitted.

(c) Any pledge or other disposition of the stock acquisition rights shall not be permitted.

(d) Any other conditions for exercise of the rights shall be stipulated in the allotment contract to be entered into by and between the Company and each stock acquisition right holder in accordance with resolutions for issuance of the stock acquisition rights by this Annual General Meeting of Shareholders and those by a future meeting of the Board of Directors.

(8) Reasons and Conditions for Acquiring Stock Acquisition Rights

(a) When stock acquisition rights holders lose all qualifications for exercising their stock acquisition rights, and forfeit their stock acquisition rights pursuant to (7) above, the Company may acquire their stock acquisition rights without consideration.

(b) If a merger agreement under which the Company becomes a merged company is approved, or a proposal for approval of a share exchange agreement or a share transfer by which the Company becomes a wholly-owned subsidiary of another company is approved at a general meeting of shareholders of the Company, the Company may acquire the stock acquisition rights without consideration.

(9) The Increase Amount of Capital Stock and Legal Capital Surplus in the Event of New Share Issuance upon Exercise of Stock Acquisition Rights

(a) In the event of new share issuance by exercising stock acquisition rights, the increase amount of capital stock shall be half the upper limit amount of an increase in capital stock calculated in accordance with Article 17, Paragraph 1 of the Ordinance on Accounting of Companies, with any fractions less than one yen resulting therefrom rounded up.

(b) In the event of new share issuance by exercising stock acquisition rights, the increase amount of legal capital surplus shall be calculated by subtracting the amount of increase in the capital stock stated in (a) above from the upper limit amount of the increase in the capital stock stated in (a) above.

(10) Restrictions on Transfer of Stock Acquisition Rights

Transfer of stock acquisition rights shall require approval by a resolution of the Company's Board of Directors.

(11) Other Matters Related to Stock Acquisition Rights

Other matters related to stock acquisition rights shall be determined at a meeting of the Company's Board of Directors to be held for the purpose of determining matters on the solicitation of stock acquisition rights.

Proposal 6: Decision on the Details and the Amounts of Compensations by Stock Options for Directors and Audit & Supervisory Board Members

The Company proposes to decide on details of stock acquisition rights to be granted as stock options to the Directors (including Outside Directors) and the Audit & Supervisory Board Members of the Company as shown below.

1. Reasons for Discussion

The stock acquisition rights (stock options) will be granted as compensations to the Directors (including Outside Directors) for the purpose of enhancing their motivations and morale towards the improvement of the Company's consolidated performance, and also to the Audit & Supervisory Board Members for the purpose of enhancing their awareness towards appropriate auditing.

2. The Amounts of Compensation Paid to Directors and Audit & Supervisory Board Members

Taking into account an existing situation where stock options are granted, and other various circumstances, apart from the compensation amounts (up to 200 million yen per annum) paid to the Company's Directors (including Outside Directors), which was approved as a resolution at the 12th Annual General Meeting of Shareholders held on March 27, 2000, and the compensation amounts (up to 50 million yen per annum) to the Company's Audit & Supervisory Board Members, which was approved as a resolution at the 12th Annual General Meeting of Shareholders held on March 27, 2000, the Company proposes that the maximum compensation amounts related to the stock acquisition rights to be issued as stock options to the Company's Directors (including Outside Directors) and Audit & Supervisory Board Members shall be 30 million yen per annum and 10 million yen per annum, respectively.

The Company currently has 8 Directors (including 2 Outside Directors) and 3 Audit & Supervisory Board Members. If Proposals 2 and 3 are approved, the Company will have 8 Directors (including 3 Outside Directors) and 3 Audit & Supervisory Board Members.

3. Details of Stock Acquisition Rights

(1) Type and Number of Shares to Be Issued upon Exercise of Stock Acquisition Rights

The maximum numbers of shares of the Company's common stock to be issued to the Directors and the Audit & Supervisory Board Members shall be 15,000 and 5,000, respectively.

After the allotment, however, if the Company conducts a stock split (including the allotment of shares of the Company's common stock without consideration; for the description of the stock split, the same shall apply hereinafter) or a reverse stock split, the number of shares to be issued upon exercise of each stock acquisition right (hereinafter referred to as the "number of shares granted") shall be adjusted according to the following formula.

$$\text{(Number of shares granted after adjustment)} = \frac{\text{(Number of shares granted before adjustment)}}{\text{before adjustment}} \times \text{(Ratio of stock split or reverse stock split)}$$

In addition to the foregoing, if it is appropriate to adjust the number of shares granted after the allotment date, the Company may adjust the number of shares granted to the extent reasonable. Any fractions falling short of one (1) share caused by the above adjustment shall be rounded down.

(2) Total Number of Stock Acquisition Rights to Be Offered

The total number of stock acquisition rights to be offered to the Directors shall be up to 150, and to the Audit & Supervisory Board Members up to 50.

(The number of shares to be issued upon exercise of each stock acquisition right shall be 100. However, if the adjustment of the number of shares granted set forth in (1) above is made, the same adjustment shall be made.)

(3) Amount to Be Paid for Stock Acquisition Rights to Be Offered

No consideration shall be paid.

(4) Value of Assets Required for Exercise of Stock Acquisition Rights

The value of assets required for exercise of each stock acquisition right shall be the amount calculated by multiplying the amount to be paid per share received upon exercise of the stock acquisition right (hereinafter referred to as the "exercise value") by the number of shares granted. The exercise value shall be the amount (with any fractions less than one yen rounded up) calculated by multiplying by 1.05 the average closing price of the Company's common stock on all trading days (except days on which no trading is reported), which information is revealed by Tokyo Stock Exchange, Inc., in the month preceding the month in which the stock acquisition rights are allotted.

In case the exercise value set forth above is below the closing price of the Company's common stock on

the day preceding the allotment date of the stock acquisition rights (or the closing price of the immediately preceding day if any transaction is not made on the date), the exercise value shall be this closing price. After the allotment date, however, if the Company conducts a stock split or a reverse stock split with respect to the Company's common stock, the exercise value will be adjusted according to the following formula, with any fractions less than one yen resulting therefrom rounded up.

$$\text{(Exercise value after adjustment)} = \frac{\text{(Exercise value before adjustment)} \times 1}{\text{(Ratio of stock split or reverse stock split)}}$$

If the Company issues new shares or sells treasury shares of the Company's common stock at below market values (except in the case of issuance of new shares or sale of treasury shares through the exercise of stock options), the exercise value will be adjusted according to the following formula, with any fractions less than one yen resulting therefrom rounded up.

$$\text{(Exercise value after adjustment)} = \frac{\text{(Exercise value before adjustment)} \times \left(\frac{\text{(Number of outstanding shares)} + \frac{\text{(Number of newly issued shares)} \times \text{(Amount to be paid per newly issued share)}}{\text{(Share price before new issuance)}}}{\text{(Number of outstanding shares)} + \text{(Number of newly issued shares)}} \right)}{\text{(Number of outstanding shares)} + \text{(Number of newly issued shares)}}$$

The number of outstanding shares in the above formula means the total number of the Company's outstanding shares of common stock minus the treasury shares of common stock held by the Company. In the case of the sale of treasury shares, the "number of newly issued shares," "share price before new issuance" and "amount to be paid per newly issued share" shall be substituted by the "number of treasury shares sold," "share price before the sale of treasury shares" and "selling price per share" respectively. In addition to the foregoing, in the case of a merger, a corporate split, or the like after the allotment date, the Company, if appropriate, may adjust the exercise value to the extent reasonable.

(5) Exercise Period of Stock Acquisition Rights

From March 23, 2027 to March 22, 2032

(6) Terms and Conditions concerning Exercise of Stock Acquisition Rights

- (a) Persons to whom the stock acquisition rights are allotted (hereinafter referred to as the "stock acquisition rights holders") must maintain their positions as Directors or Audit & Supervisory Board Members of the Company at the time of exercise of their stock acquisition rights. Provided, however, that the stock acquisition rights holders fulfill certain requirements set forth in a stock acquisition rights allotment contract entered into by and between the Company and each stock acquisition rights holder (hereinafter referred to as the "allotment contract"), the stock acquisition rights holders may continue to exercise their rights even after they lose their positions as Directors or Audit & Supervisory Board Members.
- (b) The succession of the stock acquisition rights by inheritance shall not be permitted.
- (c) Any pledge or other disposition of the stock acquisition rights shall not be permitted.
- (d) Any other conditions for exercise of the rights shall be stipulated in the allotment contract to be entered into by and between the Company and each stock acquisition right holder in accordance with resolutions for issuance of the stock acquisition rights by this Annual General Meeting of Shareholders and those by a future meeting of the Board of Directors.

(7) Reasons and Conditions for Acquiring Stock Acquisition Rights

- (a) When stock acquisition rights holders lose all qualifications for exercising their stock acquisition rights, and forfeit their stock acquisition rights pursuant to (6) above, the Company may acquire their stock acquisition rights without consideration.
- (b) If a merger agreement under which the Company becomes a merged company is approved, or a proposal for approval of a share exchange agreement or a share transfer by which the Company becomes a wholly-owned subsidiary of another company is approved at a general meeting of shareholders of the Company, the Company may acquire the stock acquisition rights without consideration.

(8) The Increase Amount of Capital Stock and Legal Capital Surplus in the Event of New Share Issuance upon Exercise of Stock Acquisition Rights

- (a) In the event of new share issuance by exercising stock acquisition rights, the increase amount of capital stock shall be half the upper limit amount of an increase in capital stock calculated in accordance with Article 17, Paragraph 1 of the Ordinance on Accounting of Companies, with any fractions less than one yen resulting therefrom rounded up.
- (b) In the event of new share issuance by exercising stock acquisition rights, the increase amount of legal capital surplus shall be calculated by subtracting the amount of increase in the capital stock stated in (a)

above from the upper limit amount of the increase in the capital stock stated in (a) above.

(9) Restrictions on Transfer of Stock Acquisition Rights

Transfer of stock acquisition rights shall require approval by a resolution of the Company's Board of Directors.

(10) Terms and Conditions Concerning Allotment of Stock Acquisition Rights

There are no terms and conditions concerning the allotment of stock acquisition rights.

(11) Other Matters Related to Stock Acquisition Rights

Other matters related to stock acquisition rights shall be determined at a meeting of the Company's Board of Directors to be held for the purpose of determining matters on the solicitation of stock acquisition rights.