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(Stock Exchange Code 9974)
May 10, 2022

To Shareholders with Voting Rights:

Issei Harashima
President and Representative
Director
Belc CO., LTD.
1646, Suneori,
Tsurugashima-shi, Saitama,
Japan

**NOTICE OF
THE 63RD ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

You are informed by this notice that the 63rd Annual General Meeting of Shareholders of Belc CO., LTD. (the “Company”) will be held for the purposes as described below.

If you are not attending the meeting, you can exercise your voting rights in writing or by electromagnetic means (the internet, etc.). Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by no later than 6:00 p.m. on Wednesday, May 25, 2022, Japan time.

[Notes on the exercise of voting rights concerning prevention of the coronavirus disease (COVID-19)]

To avoid the risk of spreading the coronavirus disease (COVID-19) infection, shareholders are strongly advised not to attend this General Meeting of Shareholders, and instead exercise their voting rights in writing, by the internet, or other means. We ask our shareholders to make an especially careful decision on the attendance of elderly people, people with underlying disease, and pregnant people, who are considered to be at a higher risk of severe illness from the coronavirus disease (COVID-19) infection.

[Exercising Voting Rights by Mail (in Writing)]

Please return the enclosed Voting Rights Exercise Form after indicating your consent/dissent for each proposal.

[Exercising Voting Rights by Electromagnetic Means (the internet, etc.)]

Please enter your consent/dissent for each proposal on the Voting Rights Exercise Website designated by the Company (<https://evote.tr.mufg.jp/>).

Date and Time: Thursday, May 26, 2022 at 10:00 a.m. Japan time (reception opens at 9:00 a.m.)

Place: Hou-ou Room, 2nd floor, Sakado Grand Hotel WIN (2-6-32 Sekima, Sakado-shi, Saitama)
(Please refer to the attached “Guide to Meeting Venue for the General Meeting of Shareholders” (Japanese version only).)

Meeting Agenda:

Matters to be reported:

1. The Business Report, Consolidated Financial Statements for the Company’s 63rd Fiscal Year (March 1, 2021 – February 28, 2022) and results of audit by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the Company’s 63rd Fiscal Year (March 1, 2021 – February 28, 2022)

Proposals to be resolved:

Proposal 1: Distribution of Surplus

Proposal 2: Partial Amendments to the Articles of Incorporation

Proposal 3: Election of 14 Directors

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

Proposal 5: Final Payment of Retirement Benefits to Directors Due to the Abolishment of the Retirement Benefit System

Proposal 6: Revision of the Amount of Remuneration for Directors

Proposal 7: Decision on the Amount and Details of Performance-Based Stock Compensation for Directors

Proposal 8: Election of the Accounting Auditor

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Furthermore, if a shareholder is unable to attend the meeting, one other shareholder who holds voting rights of the Company may attend the General Meeting of Shareholders as a proxy. Please note, however, that the submission of a document proving the authority to represent shall be required.
- Of the documents accompanying this Notice, the “Notes to Consolidated Financial Statements” and “Notes to Non-consolidated Financial Statements” are posted on the website below, in accordance with laws and regulations and the provisions of Article 15 of the Company’s Articles of Incorporation, and therefore are not included in the documents accompanying this Notice.
Accordingly, the documents accompanying this Notice comprise part of the Consolidated Financial Statements and Non-consolidated Financial Statements audited by Audit & Supervisory Board Members and the Accounting Auditor when preparing their respective audit reports.
- The results of resolutions at this Annual General Meeting of Shareholders will be posted on the website below after the conclusion of this Annual General Meeting of Shareholders, in lieu of sending notification of resolutions in writing.
- Should matters in the Business Report, Non-consolidated Financial Statements, Consolidated Financial Statements, and Reference Documents for the General Meeting of Shareholders require revisions, the revised versions will be posted on the website below.

The Company’s website: (<https://www.belc.jp/company>)

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Distribution of Surplus

The Company proposes a distribution of surplus as follows.

1. Matters Related to the Year-End Dividend

Taking into consideration business performance in the fiscal year under review, future business development, and other factors, the Company proposes a year-end dividend for the Company's 63rd fiscal year as follows.

(1) Matters related to the allocation of dividend property to shareholders and its total amount

47 yen per common share of the Company

Total of 980,726,111 yen

(Note) The annual dividend for the fiscal year under review, including the interim dividend, will be 90 yen per share.

(2) Date the distribution of surplus comes into effect

May 27, 2022

2. Other Matters Related to the Distribution of Surplus

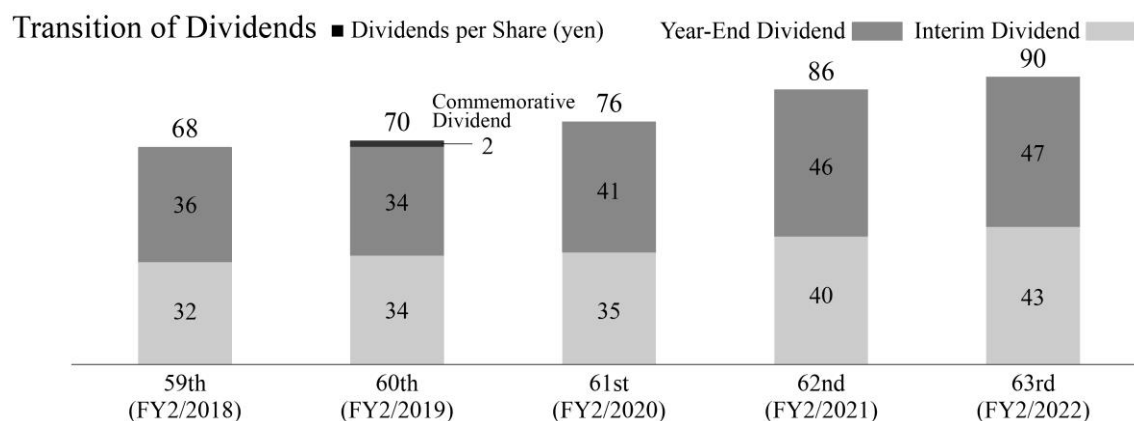
In order to prepare for sound business development and strengthen the Company's financial position, taking into consideration the future business environment, the Company proposes a distribution of surplus as follows.

(1) Surplus item to be increased and amount of increase

General reserve 4,000,000,000 yen

(2) Surplus item to be decreased and amount of decrease

Retained earnings brought forward 4,000,000,000 yen



Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

- (1) The amended provisions stipulated in the proviso to Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) will take effect on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Company proposes to make the following amendments to the Articles of Incorporation.
- 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.
 - 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 its delivery.
 - 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.
 - In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. will be established.
- (2) To reinforce and strengthen the corporate governance structure, the Company proposes to increase the maximum number of Directors stipulated in Article 20 of the current Articles of Incorporation from 12 to 14.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u> <u>Article 15 The Company may, in 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 Report, Non-consolidated Financial Statements, and 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></p> <p><Newly established></p> <p><Newly established></p> <p>(Number of Directors) Article 20 The maximum number of Directors of the Company shall be <u>12</u>.</p>	<p><Deleted></p> <p><u>(Measures for Electronic Provision, Etc.)</u> <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> <u>2. Among the matters to be provided electronically, the Company may elect 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 its delivery by the record date for voting rights.</u></p> <p>(Number of Directors) Article 20 The maximum number of Directors of the Company shall be <u>14</u>.</p>

Current Articles of Incorporation	Proposed Amendments
<p><Newly established></p>	<p><u>Supplementary Provisions</u></p> <ol style="list-style-type: none"> <li data-bbox="810 264 1361 488">1. <u>The amendment of Article 15 shall come into effect on September 1, 2022, which is the date of enforcement of the amended provisions stipulated in the proviso to Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u> <li data-bbox="810 490 1361 779">2. <u>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> <li data-bbox="810 781 1361 965">3. <u>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>

Proposal 3: Election of 14 Directors

The terms of office of all 10 incumbent Directors will expire at the conclusion of this General Meeting of Shareholders. To ensure the transparency of management and further enhance corporate governance, the Company proposes to increase the number of Directors by four and elect 14 Directors, on condition that the partial amendments to the Articles of Incorporation in Proposal 2 are approved.

The candidates for Director are as follows.

Policy and Procedures for the Nomination of Candidates for Director

When nominating candidates for Director, the Company nominates persons with the knowledge and experience to execute the management of the Company in an accurate, fair, and efficient manner. In addition, the Board of Directors shall have an appropriate structure, consisting of personnel from diverse backgrounds with a balance of knowledge, experience, and abilities, of a size that promotes prompt decision-making.

In regard to the procedures for nominating candidates for Director, the Board of Directors determines candidates after explanation and deliberation of the reasons for their nomination, and discloses the reasons for their nomination.

No.	Name	Current positions and responsibilities
1	[Reappointment] [Male] Tamotsu Harashima	Chairman of the Board of Directors
2	[Reappointment] [Male] Issei Harashima	President and Representative Director
3	[Reappointment] [Male] Hideo Ueda	Senior Managing Director; Associate GM of Compliance Office; Responsible for Finance and Accounting and Operations Support Departments and in charge of legal affairs
4	[Reappointment] [Male] Yoichiro Harashima	Senior Managing Director; General Manager of Logistics Control Department; Grocery Product Development MD
5	[Reappointment] [Male] Mitsuhiro Nakamura	Managing Director; General Manager of Sales and Operation Department; General Manager of Checker Department
6	[Reappointment] [Male] Yoshihiro Osugi	Managing Director; General Manager of Human Resources Development Department
7	[Reappointment] [Male] Kanji Ueda	Director; General Manager of Development Control Department
8	[Reappointment] [Male] Hiroyuki Harada	Director; General Manager of System Reform Department
9	[Reappointment] [Male] [Outside] [Independent Officer] Kunihiko Hisaki	Outside Director
10	[New appointment] [Female] [Outside] [Independent Officer] Kaori Matsushita	—
11	[New appointment] [Female] [Outside] [Independent Officer] Kyoko Izawa	—
12	[New appointment] [Female] [Outside] [Independent Officer] Tomoko Umekuni	—
13	[New appointment] [Male] [Outside] [Independent Officer] Shuichi Saito	—
14	[New appointment] [Female] [Outside] [Independent Officer] Chiaki Onishi	—

No.
1 Tamotsu Harashima [Reappointment] [Male]

Date of birth	July 3, 1957	Number of shares of the Company held	499,020
Past experience, positions, responsibilities, and significant concurrent positions	<p>April 1984 Joined the Company</p> <p>February 1995 General Manager of Sales Department</p> <p>May 1995 Director; General Manager of Sales Department</p> <p>May 1997 Managing Director; General Manager of Sales Department</p> <p>March 2001 Managing Director; General Manager of Merchandise Headquarters</p> <p>May 2002 Senior Managing Director; General Manager of Merchandise Headquarters</p> <p>May 2006 Senior Managing Director; General Manager of Administration Headquarters</p> <p>May 2014 Vice Chairman</p> <p>April 2015 Chairman of the Board of Directors (to present)</p>		
Reason for nomination as candidate for Director	<p>Mr. Tamotsu Harashima serves as Chairman of the Board of Directors of the Company and possesses abundant experience and knowledge related to corporate management and business strategy. Since he is expected to be suitable as a manager and supervisor in business management in general from a wide-ranging and high-level perspective, the Company has judged that he is appropriately qualified to be a Director of the Company and nominated him as a candidate for Director.</p>		

No.
2 Issei Harashima [Reappointment] [Male]

Date of birth	May 22, 1978	Number of shares of the Company held	380,710
Past experience, positions, responsibilities, and significant concurrent positions	<p>March 2005 Joined the Company</p> <p>February 2012 General Manager of Confectionary Department</p> <p>May 2013 General Manager Attached to General Manager of Administration Headquarters</p> <p>May 2013 Director; General Manager Attached to General Manager of Administration Headquarters</p> <p>December 2013 Director; General Manager Attached to General Manager of Sales Headquarters</p> <p>May 2014 Senior Managing Director; General Manager of Sales Headquarters</p> <p>April 2015 Representative Director; Senior Managing Director; General Manager of Sales Headquarters</p> <p>May 2020 President and Representative Director (to present)</p> <p>(Significant concurrent positions)</p> <p>President and Representative Director, Home Delica Co., Ltd.</p> <p>President and Representative Director, Joytech, Inc.</p>		
Reason for nomination as candidate for Director	<p>Mr. Issei Harashima serves as President and Representative Director and possesses abundant insight and achievements as a corporate manager. He has demonstrated appropriate discernment and decision-making skills in corporate management, and the Company has thus judged that he is appropriately qualified to be a Director of the Company and nominated him as a candidate for Director.</p>		

No.
3 Hideo Ueda [Reappointment] [Male]

Date of birth	January 24, 1964	Number of shares of the Company held	10,900
Past experience, positions, responsibilities, and significant concurrent positions	April 1986	Joined the Company	
	February 2003	General Manager of Information Systems Department	
	May 2004	Corporate Officer; General Manager of Information Systems Department	
	January 2006	Corporate Officer; General Manager of Sales Planning Department	
	May 2006	Director; General Manager of Sales Planning Department	
	February 2009	Director; General Manager of Corporate Planning Department	
	May 2014	Managing Director; General Manager of Administration Headquarters and Corporate Planning Department	
	July 2015	Managing Director; General Manager of Administration Headquarters	
	May 2020	Senior Managing Director; Associate GM of Compliance Office; Responsible for Operations Support Department and in charge of legal affairs	
	May 2021	Senior Managing Director; Associate GM of Compliance Office; Responsible for Finance and Accounting and Operations Support Departments and in charge of legal affairs (to present)	
Reason for nomination as candidate for Director	Mr. Hideo Ueda has held management positions in charge of the sales planning and information systems departments, in addition to the corporate planning department, and possesses abundant experience and achievements. The Company has judged from his experience and insight that he is appropriately qualified to be a Director of the Company and therefore nominated him as a candidate for Director.		

No.
4 Yoichiro Harashima [Reappointment] [Male]

Date of birth	July 30, 1966	Number of shares of the Company held	10,900
Past experience, positions, responsibilities, and significant concurrent positions	April 1990	Joined the Company	
	January 2004	General Manager of Logistics Department	
	May 2004	Corporate Officer; General Manager of Logistics Department	
	May 2006	Director; General Manager of Store Operation Department	
	March 2007	Director; General Manager of Sales and Operation Department	
	July 2009	Director; Representative of Fresh Food Products and General Manager of Food Control Office	
	June 2012	Director; General Manager of Merchandise Control Department	
	August 2012	Director; General Manager of Merchandise Control Department and Grocery Control Department	
	March 2013	Director; General Manager of Grocery Control Department	
	May 2014	Director; General Manager of Grocery Control Department and Bakery Department	
	November 2014	Director; General Manager of Grocery Control Department and Logistics Control Department; General Manager of Bakery Department	
	May 2017	Managing Director; General Manager of Grocery Control Department and Logistics Control Department and General Manager of Bakery Department	
	May 2020	Senior Managing Director; General Manager of Grocery Control Department and Logistics Control Department and General Manager of Bakery Department	
March 2021	Senior Managing Director; General Manager of Logistics Control Department; Grocery Product Development MD (to present)		
Reason for nomination as candidate for Director	Mr. Yoichiro Harashima has held management positions in charge of sales departments in general, and possesses abundant experience and achievements. The Company has judged from his experience and insight that he is appropriately qualified to be a Director of the Company and therefore nominated him as a candidate for Director.		

No. 5 Mitsuhiro Nakamura [Reappointment] [Male]

Date of birth	July 10, 1969	Number of shares of the Company held	2,100
Past experience, positions, responsibilities, and significant concurrent positions	April 1992	Joined the Company	
	December 2013	General Manager of Checker Department	
	April 2014	General Manager of Sales and Operation Department and Checker Department	
	May 2014	Corporate Officer; General Manager of Sales and Operation Department and Checker Department	
	May 2015	Director; General Manager of Sales and Operation Department; General Manager of Checker Department	
	May 2020	Managing Director; General Manager of Sales and Operation Department; General Manager of Checker Department (to present)	
Reason for nomination as candidate for Director	Mr. Mitsuhiro Nakamura has abundant insight and achievements as a manager in charge of the sales and operation department. The Company has judged from his experience and insight that he is appropriately qualified to be a Director of the Company and therefore nominated him as a candidate for Director.		

No. 6 Yoshihiro Osugi [Reappointment] [Male]

Date of birth	March 16, 1975	Number of shares of the Company held	3,600
Past experience, positions, responsibilities, and significant concurrent positions	April 1997	Joined the Company	
	April 2013	General Manager of Human Resources Development Department	
	May 2014	Corporate Officer; General Manager of Human Resources Development Department	
	May 2015	Director; General Manager of Human Resources Development Department	
	May 2020	Managing Director; General Manager of Human Resources Development Department (to present)	
Reason for nomination as candidate for Director	Mr. Yoshihiro Osugi has abundant insight and achievements as a manager in charge of the human resources development department. The Company has judged from his experience and insight that he is appropriately qualified to be a Director of the Company and therefore nominated him as a candidate for Director.		

No.
7

Kanji Ueda

[Reappointment]

[Male]

Date of birth	March 5, 1965	Number of shares of the Company held	1,800
Past experience, positions, responsibilities, and significant concurrent positions	May 2002	Joined the Company	
	May 2005	General Manager of Store Development Department I	
	September 2007	General Manager of Store Development Department	
	April 2016	Corporate Officer; General Manager of Development Headquarters and Store Development Department	
	May 2016	Director; General Manager of Development Headquarters and Store Development Department	
	September 2016	Director; General Manager of Development Headquarters	
	April 2020	Director; General Manager of Development Headquarters and Store Development Department	
	May 2020	Director; General Manager of Development Control Department and Store Development Department	
	October 2020	Director; General Manager of Development Control Department (to present)	
Reason for nomination as candidate for Director	Mr. Kanji Ueda has abundant experience and achievements as a manager in charge of the store development department. The Company has judged from his experience and insight that he is appropriately qualified to be a Director of the Company and therefore nominated him as a candidate for Director.		

No.
8

Hiroyuki Harada

[Reappointment]

[Male]

Date of birth	September 6, 1975	Number of shares of the Company held	5,000
Past experience, positions, responsibilities, and significant concurrent positions	April 1998	Joined the Company	
	March 2012	General Manager of General Food Department	
	March 2017	General Manager of Fruit and Vegetable Department	
	May 2017	Corporate Officer; General Manager of Fruit and Vegetable Department	
	May 2020	Director; General Manager of System Reform Department (to present)	
Reason for nomination as candidate for Director	Mr. Hiroyuki Harada has held management positions in charge of the merchandise department and the operation improvement department, and possesses abundant experience and achievements. The Company has judged from his experience and insight that he is appropriately qualified to be a Director of the Company and therefore nominated him as a candidate for Director.		

No.
9

Kunihiko Hisaki

[Reappointment]

[Candidate for Outside
Director]

[Independent Officer] [Male]

Date of birth	August 22, 1954	Number of shares of the Company held	—
Past experience, positions, responsibilities, and significant concurrent positions	April 1977	Joined JUSCO Co., Ltd. (currently AEON CO., LTD.)	
	February 2000	General Manager of H & BC Product Department	
	May 2002	Director	
	May 2003	Executive Officer	
	May 2004	Managing Executive Officer	
	May 2006	Senior Managing Executive Officer; In charge of Products, and General Manager of Housing and Recreational Product Department	
	August 2008	Executive Officer; Chief Manager of Group Products	
	March 2009	President and Representative Director, AEON TOPVALU Co., Ltd.	
	May 2010	President and Representative Director, AEON Product Procurement Co., Ltd.	
	May 2013	Director; Senior Managing Executive Officer; In charge of Products, AEON Retail Co., Ltd	
	May 2014	Director; Executive Officer and Vice President; Representative of Sales and Products, and in charge of Products	
	May 2015	Director; Executive Officer and Vice President; In charge of Products	
	March 2017	Director; Executive Officer and Vice President; In charge of Special missions	
	March 2017	Director; AEON SUPERCENTER Co., Ltd.	
	March 2019	Director; Executive Officer and Vice President; In charge of Special missions and in charge of Kids Republic Business, AEON Retail Co., Ltd	
	May 2019	Director, SUNDAY co., ltd. (to present)	
	March 2020	Adviser, AEON CO., LTD. (to present)	
May 2020	Audit & Supervisory Board Member, Medical Ikkou Group Co., LTD. (to present)		
	May 2020	Outside Director, the Company (to present)	
	(Significant concurrent positions)		
	Adviser, AEON CO., LTD.		
	Director, SUNDAY CO., LTD.		
	Audit & Supervisory Board Member, Medical Ikkou Group Co., LTD.		
Reason for nomination as candidate for Outside Director and roles expected	Since Mr. Kunihiko Hisaki possesses abundant achievements and insight as incumbent Adviser at AEON CO., LTD., the Company has nominated him as a candidate for Outside Director. The Company expects that he is capable of sufficiently fulfilling his role as Outside Director of the Company based on his achievements and experiences.		
Independence	The Company has designated Mr. Kunihiko Hisaki as an Independent Officer pursuant to the rules of the Tokyo Stock Exchange, and if his election is approved, he is expected to continue to be an Independent Officer.		
Liability limitation agreement	The Company has entered into an agreement with Mr. Kunihiko Hisaki to limit his liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 427, Paragraph 1 of the same. If his reelection is approved, the Company intends to continue the above liability limitation agreement with him. The maximum amount of liability for damages based on this agreement shall be the higher of five million yen or the minimum amount provided for in Article 425, Paragraph 1 of the same.		

No.	Kaori Matsushita		[Candidate for Outside Director]	[Independent Officer]
10	[New appointment]			[Female]
Date of birth	April 16, 1959		Number of shares of the Company held	—
Past experience, positions, responsibilities, and significant concurrent positions	<p>April 1982 Joined Fujitsu Limited</p> <p>March 2004 VP of Alliance Control Division, Product Planning Unit</p> <p>April 2007 VP/GM of Project Control Division, Alliance Control Division, Global Strategy Unit</p> <p>May 2019 Established K&L Consulting LLC, Representative and CEO (to present)</p> <p>June 2020 Outside Director, TAISEI ONCHO CO., LTD. (to present)</p> <p>(Significant concurrent positions)</p> <p>Representative and CEO, K&L Consulting LLC</p> <p>Outside Director, TAISEI ONCHO CO., LTD.</p>			
Reason for nomination as candidate for Outside Director and roles expected	<p>Since Ms. Kaori Matsushita serves as Representative and CEO of K&L Consulting LLC and possesses abundant achievements and insight, the Company has nominated her as a candidate for Outside Director. The Company expects that she is capable of sufficiently fulfilling her role as Outside Director of the Company based on her achievements and experiences.</p>			
Independence	<p>The Company has designated Ms. Kaori Matsushita as an Independent Officer pursuant to the rules of the Tokyo Stock Exchange, on the premise that this Proposal will be approved.</p>			
Liability limitation agreement	<p>The Company intends to enter into an agreement with Ms. Kaori Matsushita to limit her liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 427, Paragraph 1 of the same. The maximum amount of liability for damages based on this agreement shall be the higher of five million yen or the minimum amount provided for in Article 425, Paragraph 1 of the same.</p>			

No.			[Candidate for Outside Director]	[Independent Officer]
11	Kyoko Izawa	[New appointment]		[Female]
Date of birth	October 16, 1962	Number of shares of the Company held		—
Past experience, positions, responsibilities, and significant concurrent positions	<p>April 1989 Joined Temporary Center Inc. (currently Pasona Inc.)</p> <p>January 1992 Joined NIPPON HOSO-KIKAI CO., LTD.</p> <p>January 1998 Director</p> <p>April 2003 Joined the Industrial Revitalization Corporation of Japan</p> <p>September 2005 Elected as a member of the House of Representatives</p> <p>March 2010 Joined NATIONAL STUDENTS INFORMATION CENTER CO., LTD.</p> <p>April 2017 Joined NIPPON HOSO-KIKAI CO., LTD., Managing Director</p> <p>August 2017 Representative Director and President</p> <p>April 2020 Joined Hohoemi Co., Ltd.</p> <p>April 2020 Head of Administration Division</p> <p>September 2021 Joined makichie inc. (to present)</p>			
Reason for nomination as candidate for Outside Director and roles expected	<p>Since Ms. Kyoko Izawa served as a corporate manager at NIPPON HOSO-KIKAI CO., LTD. and possesses abundant achievements and insight, the Company has nominated her as a candidate for Outside Director. The Company expects that she is capable of sufficiently fulfilling her role as Outside Director of the Company based on her achievements and experiences.</p>			
Independence	<p>The Company has designated Ms. Kyoko Izawa as an Independent Officer pursuant to the rules of the Tokyo Stock Exchange, on the premise that this Proposal will be approved.</p>			
Liability limitation agreement	<p>The Company intends to enter into an agreement with Ms. Kyoko Izawa to limit her liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 427, Paragraph 1 of the same. The maximum amount of liability for damages based on this agreement shall be the higher of five million yen or the minimum amount provided for in Article 425, Paragraph 1 of the same.</p>			

No. 12	Tomoko Umekuni	[New appointment]	[Candidate for Outside Director]	[Independent Officer] [Female]
Date of birth	January 2, 1970	Number of shares of the Company held		—
Past experience, positions, responsibilities, and significant concurrent positions	<p>April 2004 Special Researcher, National Institute of Health and Nutrition</p> <p>April 2004 Part-time Lecturer, Department of the Science of Living, Kyoritsu Women's Junior College</p> <p>April 2005 Full-time Lecturer, Faculty of Human Sciences, University of Human Arts and Sciences</p> <p>April 2005 Visiting Researcher, National Institute of Health and Nutrition</p> <p>April 2012 Full-time Lecturer, Graduate School of Human Arts and Sciences, University of Human Arts and Sciences</p> <p>April 2014 Associate Professor, Faculty of Human Sciences, University of Human Arts and Sciences</p> <p>April 2014 Associate Professor, Graduate School of Human Arts and Sciences, University of Human Arts and Sciences</p> <p>April 2019 Professor, Faculty of Human Sciences, University of Human Arts and Sciences (to present)</p> <p>April 2019 Professor, Graduate School of Human Arts and Sciences, University of Human Arts and Sciences (to present)</p> <p>April 2019 Part-time Lecturer, Department of Child Studies, Faculty of Child Studies, Urawa University</p> <p>(Significant concurrent positions)</p> <p>Professor, Faculty of Human Sciences, University of Human Arts and Sciences</p> <p>Professor, Graduate School of Human Arts and Sciences, University of Human Arts and Sciences</p>			
Reason for nomination as candidate for Outside Director and roles expected	<p>Ms. Tomoko Umekuni has never been directly involved in corporate management, but she has served as a lecturer of health and nutritional science at university over many years, and possesses abundant knowledge about food. The Company has therefore nominated her as a candidate for Outside Director. The Company expects that she is capable of sufficiently fulfilling her role as Outside Director of the Company based on her abundant knowledge about food.</p>			
Independence	<p>The Company has designated Ms. Tomoko Umekuni as an Independent Officer pursuant to the rules of the Tokyo Stock Exchange, on the premise that this Proposal will be approved.</p>			
Liability limitation agreement	<p>The Company intends to enter into an agreement with Ms. Tomoko Umekuni to limit her liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 427, Paragraph 1 of the same. The maximum amount of liability for damages based on this agreement shall be the higher of five million yen or the minimum amount provided for in Article 425, Paragraph 1 of the same.</p>			

No.
13

Shuichi Saito

[New appointment]

[Candidate for Outside
Director]

[Independent Officer] [Male]

Date of birth	May 20, 1976	Number of shares of the Company held	—
Past experience, positions, responsibilities, and significant concurrent positions	April 2001	Joined Ichijo Co., Ltd.	
	April 2006	Joined Recruit Agent Co., Ltd.	
	May 2013	Full-time Auditor, Hamee Corp.	
	July 2018	Director in charge of Future Creation, Accounting & Finance, Management Promotion, IS Strategy, Legal Affairs, and Group Management Promotion Departments	
	November 2018	Director in charge of Design, Future Creation, Accounting & Finance, Corporate Planning, IS Strategy, Legal Affairs, and Group Management Promotion Departments	
	May 2021	Director in charge of Personnel and Public Relations, Accounting & Finance, Corporate Planning, ICT Promotion, and Business Support Departments and Tech Bridge Office; Executive Officer in charge of Personnel and Public Relations Department (to present)	
	May 2021	Established 83 FOUNDATION, Representative Director (to present)	
	March 2022	Outside Director, LIG inc. (to present)	
	(Significant concurrent positions) Director and Executive Officer, Hamee Corp. Representative Director, 83 FOUNDATION Outside Director, LIG inc.		
Reason for nomination as candidate for Outside Director and roles expected	Since Mr. Shuichi Saito serves as Director and Executive Officer of Hamee Corp. and possesses abundant achievements and insight, the Company has nominated him as a candidate for Outside Director. The Company expects that he is capable of sufficiently fulfilling his role as Outside Director of the Company based on his achievements and experiences.		
Independence	The Company has designated Mr. Shuichi Saito as an Independent Officer pursuant to the rules of the Tokyo Stock Exchange, on the premise that this Proposal will be approved.		
Liability limitation agreement	The Company intends to enter into an agreement with Mr. Shuichi Saito to limit his liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 427, Paragraph 1 of the same. The maximum amount of liability for damages based on this agreement shall be the higher of five million yen or the minimum amount provided for in Article 425, Paragraph 1 of the same.		

No. 14	Chiaki Onishi	[New appointment]	[Candidate for Outside Director]	[Independent Officer] [Female]
Date of birth	February 9, 1990	Number of shares of the Company held		—
Past experience, positions, responsibilities, and significant concurrent positions	November 2010 Established Priroda Co., Ltd., Representative Director and President (to present) January 2017 Established Nihonnougyou Co., Ltd., Representative Director and President (to present) (Significant concurrent positions) Representative Director and President, Priroda Co., Ltd. Representative Director and President, Nihonnougyou Co., Ltd.			
Reason for nomination as candidate for Outside Director and roles expected	Since Ms. Chiaki Onishi serves as a corporate manager at Priroda Co., Ltd. and Nihonnougyou Co., Ltd. and possesses abundant achievements and insight, the Company has nominated her as a candidate for Outside Director. The Company expects that she is capable of sufficiently fulfilling her role as Outside Director of the Company based on her abundant knowledge about food.			
Independence	The Company has designated Ms. Chiaki Onishi as an Independent Officer pursuant to the rules of the Tokyo Stock Exchange, on the premise that this Proposal will be approved.			
Liability limitation agreement	The Company intends to enter into an agreement with Ms. Chiaki Onishi to limit her liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 427, Paragraph 1 of the same. The maximum amount of liability for damages based on this agreement shall be the higher of five million yen or the minimum amount provided for in Article 425, Paragraph 1 of the same.			

(Notes) 1. Special interests between each candidate and the Company are as follows.

- (1) Mr. Kunihiko Hisaki serves concurrently as Adviser of AEON CO., LTD., which is a major shareholder and business alliance partner of the Company.
- (2) There are no special interests between any other candidate and the Company.
2. Mr. Kunihiko Hisaki, Ms. Kaori Matsushita, Ms. Kyoko Izawa, Ms. Tomoko Umekuni, Mr. Shuichi Saito, and Ms. Chiaki Onishi are candidates for Outside Director.
3. Mr. Kunihiko Hisaki's term of office as Outside Director will be two years at the conclusion of this General Meeting of Shareholders.
4. The Company has entered into a directors and officers liability insurance agreement with an insurance company, and intends to renew the agreement in July 2022. The officers, corporate officers, important employees, officers dispatched outside, and retired officers of the Company and all of its subsidiaries are named as the insured. The said insurance agreement will cover such damage as may arise if the insured receives a claim for damages in relation to the execution of duties. If the election of each candidate is approved under this Proposal, each of them will be the insured. All premiums of the insurance agreement are borne by the Company.
5. Other than the above, there are no matters to be noted in regard to matters to be stated in proposals related to the election of Directors, as provided for in Article 74 of the Regulation for Enforcement of the Companies Act.
6. Ms. Chiaki Onishi's name on the family register is Chiaki Nakahara.

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

If Proposal 3 is approved at the General Meeting of Shareholders as proposed, the main areas of experience and expertise of the nominated Directors will be as follows.

No.	Name	Skills and experience							
		Corporate management	Sales/Marketing	Store opening strategy/Store development	Personnel/Labor/HR development	Finance/Accounting	Legal affairs/Compliance	Digital transformation/IT/Digital	ESG/Sustainability
1	Tamotsu Harashima	○	○	○					
2	Issei Harashima	○	○					○	
3	Hideo Ueda					○	○	○	
4	Yoichiro Harashima		○			○			○
5	Mitsuhiro Nakamura		○		○		○		
6	Yoshihiro Osugi				○		○		○
7	Kanji Ueda			○					○
8	Hiroyuki Harada		○		○				
9	Kunihiko Hisaki	○	○						
10	Kaori Matsushita	○						○	
11	Kyoko Izawa	○						○	
12	Tomoko Umekuni		○						○
13	Shuichi Saito						○	○	
14	Chiaki Onishi	○	○						○

(Note) The skills matrix above does not show all knowledge and experience the candidates possess. The circles indicate up to three key skills.

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

The effectiveness of the current election of the Substitute Audit & Supervisory Board Member will expire at the commencement of this General Meeting of Shareholders. Accordingly, in order to prepare for cases where the number of Audit & Supervisory Board Members falls below the number prescribed by laws and regulations, the election of one Substitute Audit & Supervisory Board Member is proposed.

If the candidate assumes office as an Audit & Supervisory Board Member, his term of office shall be the remaining term of office of his predecessor.

Furthermore, the consent of the Audit & Supervisory Board has been obtained in regard to the submission of this Proposal.

The candidate for Substitute Audit & Supervisory Board Member is as follows.

Policy and Procedures for the Nomination of Candidates for Substitute Audit & Supervisory Board Member

When nominating candidates for Substitute Audit & Supervisory Board Member, the Company nominates persons with the knowledge and experience to audit the execution of duties by Directors in an accurate, fair, and efficient manner.

In regard to the procedures for nominating candidates for Substitute Audit & Supervisory Board Member, the Board of Directors first obtains the consent of the Audit & Supervisory Board, then determines candidates after explanation and deliberation of the reasons for their nomination, and discloses the reasons for their nomination.

Tomoaki Machida

[Candidate for Substitute
Outside Audit & Supervisory
Board Member]

[Male]

Date of birth	January 31, 1954	Number of shares of the Company held	—
Past experience, positions, and significant concurrent positions	<p>April 1986 Registered as attorney Served at Sekii Law Office</p> <p>March 1992 Established Hagiwara & Machida Law Office, Head</p> <p>October 2005 Established Machida Tomoaki Law Office, Head (to present)</p> <p>April 2006 Vice Chairman, Saitama Bar Association</p> <p>July 2007 Chairman, Public Procurement Monitoring Committee, Saitama Labour Bureau, Ministry of Health, Labour and Welfare (to present)</p> <p>January 2018 Outside Audit & Supervisory Board Member, Fiveishome Co., Ltd. (to present) (Significant concurrent positions) Outside Audit & Supervisory Board Member, Fiveishome Co., Ltd.</p>		
Reason for nomination as candidate for Substitute Outside Audit & Supervisory Board Member	Although Mr. Tomoaki Machida has never been involved in corporate management, other than by serving as an Outside Director or Outside Audit & Supervisory Board Member, he possesses wide-ranging insight centered on legal matters, based on his experience as an attorney. The Company has thus judged that he is capable of appropriately executing his duties as an Outside Audit & Supervisory Board Member, and therefore nominated him as a candidate for Substitute Outside Audit & Supervisory Board Member.		
Independence	If Mr. Tomoaki Machida assumes office as an Outside Audit & Supervisory Board Member, the Company intends to designate him as an Independent Officer, pursuant to the rules of the Tokyo Stock Exchange.		
Liability limitation agreement	If Mr. Tomoaki Machida assumes office as an Audit & Supervisory Board Member, the Company intends to enter into an agreement with him to limit his liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 427, Paragraph 1 of the same. The maximum amount of liability for damages based on this agreement shall be the higher of five million yen or the minimum amount provided for in Article 425, Paragraph 1 of the same.		

- (Notes)
1. There are no special interests between the candidate and the Company.
 2. Mr. Tomoaki Machida is a candidate for Substitute Outside Audit & Supervisory Board Member.
 3. The Company has entered into a directors and officers liability insurance agreement with an insurance company, and intends to renew the agreement in July 2022. The officers, corporate officers, important employees, officers dispatched outside, and retired officers of the Company and all of its subsidiaries are named as the insured. The said insurance agreement will cover such damage as may arise if the insured receives a claim for damages in relation to the execution of duties. If Mr. Tomoaki Machida assumes office as an Audit & Supervisory Board Member, he will become the insured under the insurance policy. All premiums of the insurance agreement are borne by the Company.
 4. Other than the above, there are no matters to be noted in regard to matters to be stated in proposals related to the election of Audit & Supervisory Board Members, as provided for in Article 76 of the Regulation for Enforcement of the Companies Act.

Proposal 5: Final Payment of Retirement Benefits to Directors Due to the Abolishment of the Retirement Benefit System

As part of a review of the Company's officer remuneration system, the Board of Directors passed a resolution on April 18, 2022 to abolish the retirement benefit system for officers at the conclusion of this General Meeting of Shareholders.

To reward their services from the assumption of office to the conclusion of this General Meeting of Shareholders, the Company proposes the final retirement benefit payment of up to a total of 250,000,000 yen, in line with specified standards of the Company, to eight Directors (excluding Outside Directors) who will remain in office until the abolishment of the retirement benefit system.

The timing of payment will be at the retirement of each Director. The Company requests that specific amounts, payment methods, etc., be delegated to the Board of Directors.

The reason for justifying the final payment is that the eligible Directors made efforts to improve the business performance and corporate value of the Company as Directors. This Proposal is in line with the policy for determining remuneration and other similar matters for Directors determined by the Board of Directors of the Company.

The names and past experience of the Directors eligible for the final payment are as follows:

Name	Past experience
Tamotsu Harashima	May 1995 Director, the Company
	May 1997 Managing Director
	May 2002 Senior Managing Director
	May 2014 Vice Chairman
	April 2015 Chairman of the Board of Directors (to present)
Issei Harashima	May 2013 Director, the Company
	May 2014 Senior Managing Director
	April 2015 Representative Director; Senior Managing Director
	May 2020 President and Representative Director (to present)
Hideo Ueda	May 2006 Director, the Company
	May 2014 Managing Director
	May 2020 Senior Managing Director (to present)
Yoichiro Harashima	May 2006 Director, the Company
	May 2017 Managing Director
	May 2020 Senior Managing Director (to present)
Mitsuhiro Nakamura	May 2015 Director, the Company
	May 2020 Managing Director (to present)
Yoshihiro Osugi	May 2015 Director, the Company
	May 2020 Managing Director (to present)
Kanji Ueda	May 2016 Director, the Company (to present)
Hiroyuki Harada	May 2020 Director, the Company (to present)

Proposal 6: Revision of the Amount of Remuneration for Directors

The 51st Annual General Meeting of Shareholders, held on May 27, 2010, passed a resolution to set the amount of annual remuneration for Directors of the Company at up to 300,000,000 yen, which has been applicable to date.

Taking into account subsequent changes in the economic climate, the change in the Board of Directors' composition (increase in the number of Outside Directors) to enhance corporate governance, and other factors, the Company proposes to revise the amount of annual remuneration for Directors to up to 500,000,000 yen (of which up to 100,000,000 yen per annum for Outside Directors).

The employee salary portion for Directors who concurrently serve as employees will remain excluded from the amount of remuneration for Directors.

The Company currently has 10 Directors (of which two are Outside Directors). If Proposal 3 is approved as proposed, the Company will have 14 Directors (of which six are Outside Directors).

Based on the policy for determining remuneration for Directors, the Company considers the revision of remuneration for Directors reasonable in light of the need to enhance corporate governance, expand Directors' roles due to increased levels of specialization and sophistication of the Company's business, ensure quality, increase the number of Outside Directors, and other perspectives.

Proposal 7: Decision on the Amount and Details of Performance-Based Stock Compensation for Directors

1. Reasons for proposal

Remuneration for Directors (excluding Outside Directors) of the Company consists of basic remuneration, bonuses, and retirement benefits. Based on a review of the officer remuneration system, the Company proposes to abolish the retirement benefit system and to introduce a stock compensation system (the “System”) as described below. The System aims to clarify the link between remuneration for the Company’s Directors (excluding Outside Directors and non-residents of Japan) and the Company’s performance and shareholder value, increase the motivation to contribute to a medium- to long-term performance improvement, as well as to corporate value enhancement, and share the risks and returns of share price fluctuations with shareholders.

The Company considers the Proposal to be reasonable since the details have been decided in line with its policy for determining the amount or calculation method of remuneration, etc. for officers, after comprehensively taking into consideration the business environment surrounding the Group, business performance of the Group, and other factors to create a remuneration system fully functional as an incentive for a sustainable improvement of the Company’s corporate value.

This Proposal asks for an approval to introduce a stock compensation system as an incentive plan for Directors, separately from the total amount of annual remuneration for Directors proposed in Proposal 6, which is up to 500,000,000 yen.

If this Proposal is approved, remuneration for officers of the Company will consist of basic remuneration, bonuses for officers as performance-based remuneration, and stock compensation.

The number of Directors eligible for the System will be eight, if Proposal 3 “Election of 14 Directors” is approved as proposed.

2. Details of the Proposal

(1) Overview of the System

The System is a stock compensation system where money contributed by the Company is used as the source of funds to acquire the Company’s shares through a trust and issuance or payment (“Issuance, etc.” or “Issued, etc.”) of the Company’s shares or money equivalent to the liquidation value of the Company’s shares (the “Company’s Shares, etc.”) to Directors (excluding Outside Directors and non-residents of Japan; hereinafter the same) takes place.

Persons eligible for the Issuance, etc. of the Company’s Shares, etc. under the System	· Directors of the Company (excluding Outside Directors and non-residents of Japan)
Impact of the Company’s shares under the System on the total number of issued and outstanding shares	
Maximum amount of money contributed by the Company (described in (2) below)	· 150,000,000 yen for three fiscal years
Maximum number of the Company’s Shares, etc. to be Issued, etc. to Directors from the trust and method of acquisition of the Company’s shares (described in (2) and (3) below)	· Directors are given a maximum of 10 thousand points per fiscal year (one point is equivalent to one share of the Company) · The number of shares equivalent to the maximum number of points given to Directors per fiscal year accounts for 0.05% of the total number of issued and outstanding shares (as of February 28, 2022; excluding treasury shares) · The Company’s shares will be acquired from the stock market or the Company (disposal of treasury shares) The initial acquisition will be from the stock market

Details of the performance criteria (described in (3) below)	<ul style="list-style-type: none"> · Performance-based coefficient varies from 0% to 120% in accordance with the level of achievement of performance targets, etc. (consolidated ordinary profit margin, etc.) after the three fiscal years · Consolidated ordinary profit margin will be adopted as the indicator for the initial period
Timing of the Issuance, etc. of the Company's Shares, etc. to Directors (described in (4) below)	<ul style="list-style-type: none"> · At the time of retirement from the Company's directorship

(2) Maximum amount of money contributed by the Company

The System is applicable to a period of three consecutive fiscal years (the "Applicable Period"). The initial Applicable Period will be from the fiscal year ending February 28, 2023 to the fiscal year ending February 28, 2025.

For each Applicable Period, the Company contributes a maximum of 150,000,000 yen as remuneration for Directors. A three-year trust (the "Trust") will be set up (including the extension of the trust period described below; the same applies in this Proposal), and the beneficiary of the trust will be Directors who meet the specified criteria (the "Beneficiary Criteria").

Following the instructions of the trust administrator, the Trust acquires the Company's shares from the stock market or the Company (disposal of treasury shares) by using the money entrusted as the source of funds. During the Applicable Period, the Company gives points to Directors as provided for in (3) below. The Company's Shares, etc. equivalent to the points will be Issued, etc. from the Trust.

At the expiration of the trust period, the Company may continue the Trust by revising the trust agreement and making additional contribution to the trust, instead of setting up a new Trust. In such a case, the trust period will be extended for three years and the Applicable Period will be the three fiscal years after the extension of the trust period. For each extended trust period, the Company contributes an additional 150,000,000 yen at the maximum. During the extended trust period, the Company continues to give points to Directors and the Trust continues with the Issuance, etc. of the Company's Shares, etc. The trust period may be extended more than once in the same way. If the Company is to make such an additional contribution and there are Company's shares (excluding the Company's shares equivalent to points given to Directors and that have not yet been Issued, etc.) and money remaining in the trust assets on the last day of the trust period before the extension (the "Remaining Shares, etc."), the total amount of Remaining Shares, etc. and additional trust money to be contributed by the Company as remuneration for Directors will be 150,000,000 yen at the maximum.

If the Company does not revise the trust agreement and make additional contribution to the trust at the expiration of the trust period (at the expiration of the extended trust period if the period has been extended as described above), no new points will be given to Directors thereafter. However, if there is an eligible Director, etc. who may satisfy the Beneficiary Criteria at that point, the trust period may be extended for a certain period of time, until the issuance of the Company's Shares, etc. to that eligible Director, etc. is completed.

(3) Calculation method and maximum number of the Company's Shares, etc. to be Issued, etc. to Directors

The number of the Company's Shares, etc. to be Issued, etc. to Directors is set based on the points given to Directors every year during the Applicable Period. At a specified time every year, Directors are given fixed points and performance-based points. The number of fixed points given is set in advance in accordance with the position, the level of achievement of performance targets, and other factors. The number of performance-based points varies within the range of 0% to 120%, and is calculated by multiplying by the performance-based coefficient, set in accordance with the level of achievement of the Company's performance targets and other factors, after the lapse of three fiscal years including the fiscal year when the points are given. If a Director retires before the lapse of three fiscal years, the performance-based coefficient for unfinalized performance-based points will be set at 100%. After the retirement from directorship, the Issuance, etc. of the Company's Shares, etc. takes place in accordance with the numbers of accumulated fixed points and performance-based points given during the term.

One point is equivalent to one share of the Company. However, if an event that makes an adjustment reasonable occurs during the trust period, such as a share split or a reverse share split of the Company's shares, the number of the Company's shares per point will be adjusted in accordance with the ratio of split

or reverse split of the Company's shares.

Directors are given a maximum of 10 thousand points per fiscal year. The maximum number of points is set based on the maximum amount of trust money described in (2) above, taking into account the levels and trends of past share prices of the Company and other factors.

(4) Method and timing of the Issuance, etc. of the Company's Shares, etc. to Directors

The Company's Shares, etc. are Issued, etc. to Directors who meet the Beneficiary Criteria at the time of retirement from directorship. The number of the Company's Shares, etc. will be calculated based on (3) above.

By following the designated procedures for finalizing the beneficiary rights, the Directors receive the Company's shares equivalent to a specified proportion of accumulated points (shares less than one unit are rounded down). The Company's shares equivalent to the remaining points will be converted into cash in the Trust, and the Directors will receive monetary payment equivalent to the converted value from the Trust.

If a Director passes away during the trust period, the Company's shares equivalent to the number of accumulated points calculated after the demise will be entirely converted into cash in the Trust, and the Director's inheritor will receive monetary payment equivalent to the converted value from the Trust.

(5) Voting rights for the Company's shares in the Trust

To ensure impartiality of the management, voting rights for the Company's shares in the Trust will not be exercised during the trust period.

(6) Treatment of dividends for the Company's shares in the Trust

The Trust will receive dividends on the Company's shares in the Trust and use them to acquire the Company's shares and as trust fees, etc.

(7) Other details of the System

Other details of the System will be decided by the Board of Directors.

(Reference)

For details of the System, please refer to "Announcement Regarding Abolishment of Retirement Benefit System for Officers and Introduction of Stock Compensation System," a timely disclosure document released on April 18, 2022.

Proposal 8: Election of the Accounting Auditor

Kainan Audit Corporation, the Company’s Accounting Auditor, will retire at the conclusion of this Annual General Meeting of Shareholders due to expiration of the term of office. Accordingly, the election of Grant Thornton Taiyo LLC as the new Accounting Auditor is proposed, based on the decision of the Audit & Supervisory Board.

The Audit & Supervisory Board selected Grant Thornton Taiyo LLC as the candidate for Accounting Auditor because its expertise, independence, quality management system, and level of audit fees as an Accounting Auditor ensure a structure for appropriate accounting audits for the Company. In addition, the candidate is expected to carry out audits from a new perspective. For these reasons, the Company has judged that Grant Thornton Taiyo LLC is appropriately qualified as the Accounting Auditor of the Company.

The name, location of main office, history, etc. of the candidate for Accounting Auditor are as follows.

(As of March 31, 2022)

Name	Grant Thornton Taiyo LLC		
Location of main office	<Main office> Akasaka K-tower 22F, 1-2-7 Motoakasaka, Minato-ku, Tokyo <Other offices> Osaka and seven other locations		
History	September 1971	Founded as Taiyo Audit Corporation	
	October 1994	Became a member firm of Grant Thornton International Ltd	
	July 2008	Merged with ASG Audit Corporation and became Taiyo ASG Audit Corporation	
	January 2006	Transitioned to a limited liability company and became Taiyo ASG LLC	
	July 2012	Merged with Eisho Audit Corporation	
	October 2013	Merged with Kasumigaseki Audit Corporation	
	October 2014	Changed name to Grant Thornton Taiyo LLC	
	July 2018	Merged with YUSEI Audit & Co. (to present)	
Overview	<Capital>	527 million yen	
	<Members>	Representative partners and partners	88
		Specified partners	4
		Certified public accountants (CPAs)	304
		Staff who have passed the CPA exam, etc.	246
		Other professionals	181
		Clerical staff	89
		Contract staff	224
		Total	1,136
	<Audit clients>	1,035 companies	