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Securities Code: 8739

May, 19, 2022

To our shareholders:

Shuhei Abe  
Representative Director, President  
**SPARX Group Co., Ltd.**  
Shinagawa Season Terrace  
1-2-70 Konan, Minato-ku, Tokyo

## Notice of the 33rd Ordinary General Meeting of Shareholders

We would like to express our heartfelt gratitude for your continued support.

We are pleased to announce the 33rd Ordinary General Meeting of Shareholders of SPARX Group Co., Ltd. (the “Company”), which will be held as indicated below.

From a standpoint of preventing the spread of the novel coronavirus disease (COVID-19), the number of seats will be significantly less than usual at the venue. For this reason, we would appreciate it if our shareholders could consider refraining from attending the meeting on the day. Moreover, please be noted that we will restrict entry to the venue if the number of attendees exceeds the number of seats.

Instead of attending the meeting in person, please exercise your voting rights no later than 5:30 p.m. on Thursday, June 9, 2022 (JST) using one of the following methods. Moreover, to reduce the risk of infection through contact, we would like to ask that you avoid attending the meeting in person if possible, and strongly recommend you to exercise your voting rights in writing or via the internet.

[Exercise of voting rights in writing (by postal mail)]

Please indicate your approval or disapproval of each proposal on the enclosed voting form and return it by the above voting deadline.

[Exercise of voting rights via the internet, etc.]

Please access the voting website (<https://www.web54.net>) and enter the “voting rights exercise code” and “password” printed on the enclosed voting form. Following the instructions on the screen, indicate your approval or disapproval of each proposal no later than the above voting deadline.

**1. Date and Time:** Friday, June 10, 2022, at 10:00 a.m.  
(Reception starts at 9:00 a.m.)

**2. Venue:** **Ballroom North, the first basement level, Tokyo Marriott Hotel**  
4-7-36 Kitashinagawa, Shinagawa-ku, Tokyo

### **3. Agenda of the Meeting:**

#### **Matters to be reported:**

1. Business Report, Consolidated Financial Statements, and Audit Reports for Consolidated Financial Statements by the Independent Auditor and the Audit and Supervisory Committee, for FY2021 (from April 1, 2021 to March 31, 2022)
2. Non-consolidated Financial Statements for FY2021 (from April 1, 2021 to March 31, 2022)

#### **Matters to be resolved:**

- |                |   |
|----------------|---|
| Proposal No. 1 | Appropriation of Surplus  |
| Proposal No. 2 | The Reverse Stock Split   |
| Proposal No. 3 | Amendment to the Articles of Incorporation  |
| Proposal No. 4 | Election of Four Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)    |
| Proposal No. 5 | Election of Four Directors Who Are Audit and Supervisory Committee Members                          |
| Proposal No. 6 | Determination of the Amount and Details of Performance-Based Stock Compensation, etc. for Directors |

- If you attend in person, you are kindly requested to exercise your voting rights by presenting the enclosed voting form at the reception desk on arrival at the meeting. In addition, please assist us in conserving resources by bringing this Notice with you.
- You may exercise your voting rights by proxy by having another shareholder who holds voting rights attend the General Meeting of Shareholders on your behalf. Please note that you will need to submit a document certifying him or her as your proxy.
- To protect the personal information of our shareholders, we have enclosed a “Personal information protection sticker.” Please use this when returning the voting form.
- Among the documents to be provided with this Notice, the below documents are not presented in this Notice as they are made available on the Company’s website in accordance with relevant laws and regulations and the provisions of Article 14 of the Company’s Articles of Incorporation. Therefore, the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements audited by the Audit and Supervisory Committee and the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Independent Auditor include not only those enclosed in this Notice but also the below documents provided on the website.
  - (1) “System to ensure the properness of operations and operational status of the system” in the Business Report
  - (2) “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements
  - (3) “Notes to Non-consolidated Financial Statements” in the Non-consolidated Financial Statements
- Revisions to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements will be posted on the Company’s website.

**The Company’s website (<https://www.sparx.jp>)**

## Reference Documents for the Ordinary General Meeting of Shareholders

### Proposal No. 1      **Appropriation of Surplus**

The Company has positioned returns of profits to shareholders to be one of the most important tasks of our business management, enhancing continued growth and mid- to long-term increase of corporate value. We decide shareholder returns by comprehensively examining the business performance, financial condition, and return ratio, as well as the timing and method, among others, while considering stability and continuity of our company from a mid- to long-term perspective.

Based on this policy, we have decided that a year-end expected ordinary dividend to be ¥12 per share for the year, which represents an increase of ¥1 from previous fiscal year's ordinary dividend of ¥11 per share, considering the financial condition remains stable, steadily increase in the Base Earnings (\*), and so on.

(1) **Type of dividend property**

Cash

(2) **Allotment of dividend property and aggregate amount thereof**

¥12 per common stock of the Company

(An increase of ¥1 from the ordinary dividend of the previous fiscal year)

Total dividends: ¥2,422,538,280

(3) **Effective date of dividends of surplus**

June 13, 2022

(\*) The Company identifies “Base Earnings” as the most important financial indicator. The term “Base Earnings” indicates the sustained and stable fundamental profitability of the company. It is calculated as follows.

Base Earnings = Management Fee (after the deduction of commission paid) – Ordinary Expenses

The Ordinary Expenses is calculated by deducting the sum of i) Commissions paid, ii) Bonuses (including allowance for bonuses, mandatory welfare expenses related to bonuses, and ESOP expense) and iii) Severances package for key members, from the total operating and general administrative expenses.

The operating profit for financial accounting purposes include one-time or additional performance fees, which can be affected by trends of the equity market and progress of real asset investment business. For this reason, we regard the Base Earnings, which indicates the sustained and stable fundamental profitability, as one of the most important financial indicators.

Proposal No. 2      **The Reverse Stock Split**

1. Reason for Proposal

This proposal is to implement a reverse stock split in which 5 shares of the Company's common stock will be consolidated into 1 share (the "Reverse Stock Split"). The Company's share price is ¥252 and the investment unit is ¥25,200 (as of May 2, 2022), which is significantly below the range of "¥50,000 or more and less than ¥500,000," which is the desirable investment unit level under the Securities Listing Regulations of the Tokyo Stock Exchange, and the Reverse Stock Split is intended to improve this situation.

2. Content of the Proposal

(1) Type of stock for the Reverse Stock Split

Common stock

(2) Reverse Stock Split Ratio

The Reverse Stock Split ratio will be 1 share for every five shares.

(The number of shares held by shareholders listed or recorded in the shareholders' register as of September 30, 2022 will be the basis for the Reverse Stock Split.)

(3) Effective date

October 1, 2022

(4) Total number of shares authorized to be issued on the effective date

128,800,000 shares

3. Treatment in the event of fractional shares

The Company will dispose of any fractional shares resulting from the Reverse Stock Split per the Companies Act's provisions. The Company will deliver the proceeds of this transaction to shareholders who hold fractional shares in proportion to their fractional share holdings.

(Note) Please refer to "(Reference) The Reverse Stock Split" on page 22 for further explanation, note, etc regarding this proposal.

Proposal No. 3      **Amendment to the Articles of Incorporation**

1. Reason for Proposal

Once the Reverse Stock Split takes effect, the relevant provisions of the Articles of Incorporation will be deemed to be modified, reducing its number of shares authorized for issue to 128,800,000 shares, per Article 182, Paragraph 2 of the Companies Act. To reflect and clarify this point in the Articles of Incorporation, the Company shall amend Article 5 of the current Articles of Incorporation subject to the Reverse Stock Split coming into effect. The supplementary provisions concerning the Reverse Stock Split shall be established to stipulate that this amendment will become effective as of October 1, 2022, the effective date of the Reverse Stock Split, and those provisions shall be deleted on or after such effective date.

Furthermore, as 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 come into effect on September 1, 2022, the Company will introduce a system for providing electronic materials for its general meetings of shareholders. Thus the Company shall amend the Articles of Incorporation as follows:

- (1) The Company shall establish Paragraph 1 of Article 14: Providing Electronic Materials with the proposed amendment. This proposal stems from the requirement that the Articles of Incorporation must stipulate that the Company shall take measures to electronically provide reference materials and other information for its general meetings of shareholders;
- (2) The Company shall establish Paragraph 2 of Article 14: Providing Electronic Materials with the proposed amendment. This paragraph will allow the Company to define the scope of matters included in the documents to be delivered to shareholders who have requested the delivery of written documents, per the Ministry of Justice’s ordinance.
- (3) The Company shall delete the provisions of Article 14: Providing Reference Documents for General Meetings of Shareholders Through Internet Disclosure in the current Articles of Incorporation. This Article will become unnecessary once the Company introduces the system for electronically providing materials for its general meetings of shareholders.
- (4) The Company shall establish supplementary provisions regarding the validity of the above newly established and deleted provisions. It shall delete these supplementary provisions after their expiration date.

2. Details of the amendment

The content of the changes are as follows:

(Underlined portions indicate changed sections.)

Current Articles of Incorporation	Proposed amendments
<p>(Total Number of Shares Authorized to Be Issued)</p> <p>Article 5.</p> <p>The total number of Company shares authorized to be issued shall be six hundred forty-four million <u>(644,000,000)</u> shares.</p> <p><u>(Reference Materials, etc. of General Meetings of Shareholders Deemed Furnished by Internet Disclosure.)</u></p> <p><u>Article 14.</u></p>	<p>(Total Number of Shares Authorized to Be Issued)</p> <p>Article 5.</p> <p>The total number of Company shares authorized to be issued shall be one hundred-twenty-eight million eight hundred thousand <u>(128,800,000)</u> shares.</p> <p>(Delete)</p>

Current Articles of Incorporation	Proposed amendments
<p data-bbox="164 230 758 544"><u>When convening a general meeting of shareholders, the Company may, by disclosing the information concerning matters required to be recorded or presented in the reference materials of the general meetings of shareholders, business reports, financial statements, and consolidated financial statements by using the Internet in accordance with the Ordinances of Ministry of Justice, be assumed as having provided such information to the shareholders of the Company.</u></p> <p data-bbox="360 622 568 651">(New Establishment)</p> <p data-bbox="360 992 568 1021">(New Establishment)</p> <p data-bbox="360 1133 568 1162">(New Establishment)</p> <p data-bbox="360 1431 568 1460">(New Establishment)</p>	<p data-bbox="790 568 1106 598"><u>(Providing Electronic Materials)</u></p> <p data-bbox="790 622 895 651"><u>Article 14.</u></p> <p data-bbox="790 674 1417 770"><u>1. The Company shall, upon convening a general meeting of shareholders, electronically provide the information from all reference materials for the meeting.</u></p> <p data-bbox="790 795 1422 967"><u>2. The Company may choose not to include all or part of the matters it provides electronically, per the applicable Ministry of Justice ordinance, in the document it delivers to shareholders who have requested document delivery by the Record Date for Voting Rights.</u></p> <p data-bbox="790 992 1062 1021"><u>(Supplementary Provisions)</u></p> <p data-bbox="790 1046 1377 1106"><u>(Transitional Measures Concerning Total Number of Shares Authorized to Be Issued)</u></p> <p data-bbox="790 1133 884 1162"><u>Article 1.</u></p> <p data-bbox="790 1184 1417 1317"><u>The amendment to Article 5 (concerning total number of Company shares authorized to be issued) shall become effective as of October 1, 2022. This Article shall be removed on or after such effective date.</u></p> <p data-bbox="790 1341 1385 1402"><u>(Transitional Measures Concerning Electronically Providing Materials for General Meetings of Shareholders)</u></p> <p data-bbox="790 1431 884 1460"><u>Article 2.</u></p> <p data-bbox="790 1485 1430 1545"><u>1. The amendment to Article 14 shall take effect as of September 1, 2022.</u></p> <p data-bbox="790 1570 1430 1778"><u>2. Notwithstanding the preceding paragraph, Article 14: Providing Reference Documents for General Meetings of Shareholders Through Internet Disclosure of the Articles of Incorporation shall remain in force with respect to any general meetings of shareholders whose date is within six months from September 1, 2022.</u></p>
	<p data-bbox="790 1805 1430 1937"><u>3. The Company shall delete this Article after six months from September 1, 2022, or after three months from the date of any general meetings of shareholders described in the preceding paragraph, whichever is later.</u></p>

Proposal No. 4      **Election of Four Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)**

The terms of office of all three currently serving Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire at the conclusion of this meeting.

Therefore, in an effort to further strengthen the Company's management structure for the purpose of sustainable growth and enhancement of corporate value over the medium to long term, the Company requests the election of four Directors (excluding Directors who are Audit and Supervisory Committee Members), including one additional Director. Regarding this proposal, our Audit and Supervisory Committee has determined that all candidates for the Directors are suitable.

The candidates for Director are as follows:

**[Reference] List of candidates**

Candidate no.	Name	Position and responsibility in the Company and significant concurrent positions outside the Company	
1	<b>Shuhei Abe</b>	Representative Director, President, Group CEO Representative Director, President & CEO of SPARX Asset Management Co., Ltd.	Reappointment
2	<b>Masatoshi Fukami</b>	Representative Director, Executive Deputy President, Group COO Representative Director, Executive Deputy President of SPARX Asset Management Co., Ltd. Director of SPARX Green Energy & Technology Co., Ltd. Chairman and Director of SPARX Asset Trust & Management Co., Ltd.	Reappointment
3	<b>Tadahiro Fujimura</b>	Representative Director, Senior Managing Director, Group CIO Representative Director, Senior Managing Director, CIO, Senior Fund Manager of SPARX Asset Management Co., Ltd. Director of SPARX Asia Investment Advisors Limited	Reappointment
4	<b>Hiroshi Minematsu</b>	Group Senior Managing Executive Officer, Group CFO Senior Managing Director, CFO of SPARX Asset Management Co., Ltd. Director of SPARX Green Energy & Technology Co., Ltd. Director of SPARX Asset Trust & Management Co., Ltd. Director of SPARX Asia Investment Advisors Limited Director of SPARX Asset Management Korea Co., Ltd.	New Appointment

Candidate no.	Name (Date of birth)	Biography, and position and responsibility in the Company, and significant concurrent positions outside the Company	Number of shares of the Company's common stock owned
1	<p><b>Shuhei Abe</b> (May 10, 1954)</p> <p>Reappointment</p> <p>Attendance at Board of Directors meetings: 17 of 17</p> <p>Term of office: 33 years</p>	<p>Apr. 1981      Joined Nomura Research Institute, Ltd.</p> <p>Apr. 1982      Transferred to Nomura Securities Co., Ltd.</p> <p>Apr. 1985      Founded Abe Capital Research Inc., Representative Director</p> <p>Jun. 1989      Representative Director, President of SPARX Group Co., Ltd. (current position)</p> <p>Feb. 2005      Director of Cosmo Asset Management Co., Ltd. (currently SPARX Asset Management Korea Co., Ltd.)</p> <p>Oct. 2006      Representative Director, President of SPARX Asset Management Co., Ltd.</p> <p>Dec. 2008      Representative Director, Chairman of SPARX Asset Management Co., Ltd.</p> <p>Jun. 2009      Group CIO of SPARX Group Co., Ltd.</p> <p>Apr. 2010      CEO of SPARX Asset Management Co., Ltd. (current position)</p> <p>Apr. 2011      Representative Director, President of SPARX Asset Management Co., Ltd. (current position) Group CEO of SPARX Group Co., Ltd. (current position)</p> <p>Feb. 2013      Director of Cosmo Asset Management Co., Ltd. (currently SPARX Asset Management Korea Co., Ltd.)</p>	77,868,600
<p>Reasons for nomination as candidate for inside Director</p> <p>Mr. Abe has abundant experience in the investment industry overseas, and has guided the Group over the 33 years since its founding and established its strong position as an independent investment company, as well as growing the Group. The Company nominated him as a candidate for reappointment as Director for the further growth of the Group. Please refer to the "Skills matrix for Directors after the General Meeting of Shareholders" on page 23 for the knowledge and experience that the Company expects particularly when selecting such candidates.</p>			



Candidate no.	Name (Date of birth)	Biography, and position and responsibility in the Company, and significant concurrent positions outside the Company	Number of shares of the Company's common stock owned
2	<p style="text-align: center;"><b>Masatoshi Fukami</b> (September 27, 1961)</p> <p style="text-align: center;">Reappointment</p> <p>Attendance at Board of Directors meetings: 17 of 17 Term of office: 8 years</p>	<p>Apr. 1984      Joined Nomura Securities Co., Ltd.</p> <p>Nov. 1997      Joined SPARX Asset Management Co., Ltd. (currently SPARX Group Co., Ltd.)</p> <p>May 1998      Transferred to SPARX Securities Co., Ltd.</p> <p>Jun. 2002      Representative Director of SPARX Securities Co., Ltd. Director (non-executive) of SPARX Asset Trust Management Co., Ltd. (currently SPARX Group Co., Ltd.)</p> <p>Oct. 2006      Executive Officer of SPARX Group Co., Ltd.</p> <p>Jun. 2007      Managing Director of SPARX Group Co., Ltd.</p> <p>Apr. 2008      Director of SPARX Asset Management Co., Ltd.</p> <p>Oct. 2008      Director of SPARX Group Co., Ltd.</p> <p>Feb. 2009      Representative Director, President of SPARX Securities Co., Ltd.</p> <p>Jul. 2010      Director of SPARX Asset Management Co., Ltd.</p> <p>Aug. 2012      Representative Director of SPARX Green Energy &amp; Technology Co., Ltd.</p> <p>Feb. 2014      Representative Director of SPARX Asset Management Co., Ltd.</p> <p>Apr. 2014      Representative Director, President of SPARX Asset Trust &amp; Management Co., Ltd.</p> <p>May 2014      Director of SPARX Group Co., Ltd.</p> <p>Dec. 2015      Representative Director, Managing Executive Officer of SPARX Asset Management Co., Ltd.</p> <p>Jan. 2016      Group Executive Officer of SPARX Group Co., Ltd. Chairman and Director of SPARX Asset Trust &amp; Management Co., Ltd. (current position)</p> <p>May 2016      Director of SPARX Asset Management Korea Co., Ltd.</p> <p>Apr. 2017      Director and Chairman of SPARX Green Energy &amp; Technology Co., Ltd.</p> <p>Jun. 2017      Representative Director of SPARX Group Co., Ltd.</p> <p>Apr. 2019      Representative Director, Executive Deputy President, Group Deputy CEO of SPARX Group Co., Ltd. Representative Director, Executive Deputy President of SPARX Asset Management Co., Ltd. (current position) Director of SPARX Green Energy &amp; Technology Co., Ltd. (current position)</p> <p>Apr. 2021      Representative Director, Executive Deputy President, Group COO of SPARX Group Co., Ltd. (current position)</p>	1,473,900
<p>Reasons for nomination as candidate for inside Director</p> <p>Using his experience in the financial industry, Mr. Fukami was mainly responsible for marketing, and after that, has been involved with internal control and management and starting up new businesses since joining the Company, and has driven the growth of the Group. The Company nominated him as a candidate for reappointment as Director for the further growth of the Group. Please refer to the "Skills matrix for Directors after the General Meeting of Shareholders" on page 23 for the knowledge and experience that the Company expects particularly when selecting such candidates.</p>			

Candidate no.	Name (Date of birth)	Biography, and position and responsibility in the Company, and significant concurrent positions outside the Company	Number of shares of the Company's common stock owned
3	<p><b>Tadahiro Fujimura</b> (December 27, 1963)</p> <p>Reappointment</p> <p>Attendance at Board of Directors meetings: 17 of 17</p> <p>Term of office: 5 years</p>	<p>Apr. 1986      Joined Nikko Securities Investment Trust and Management Co., Ltd. (currently Nikko Asset Management Co., Ltd.)</p> <p>Jul. 1999      Joined SPARX Asset Management Co., Ltd. (currently SPARX Group Co., Ltd.)</p> <p>Oct. 2006      Senior Fund Manager of Investment &amp; Research Department of SPARX Asset Management Co., Ltd. (current position)</p> <p>Apr. 2007      Head of Investment &amp; Research of SPARX Asset Management Co., Ltd.</p> <p>Apr. 2010      Head of Investment &amp; Research of SPARX Asset Management Co., Ltd. and Head of Equity Investment Department of SPARX Asset Management Co., Ltd.</p> <p>Jun. 2010      Director of SPARX Asset Management Co., Ltd.</p> <p>Apr. 2013      CIO of SPARX Asset Management Co., Ltd. (current position)</p> <p>Dec. 2015      Managing Executive Officer of SPARX Asset Management Co., Ltd.</p> <p>Sept. 2016      Director of SPARX Asset Management Korea Co., Ltd.</p> <p>Jun. 2017      Director of SPARX Group Co., Ltd. Group Executive Officer of SPARX Group Co., Ltd.</p> <p>Dec. 2018      Director of SPARX Asia Investment Advisors Limited (current position)</p> <p>Apr. 2019      Group Senior Managing Executive Officer of SPARX Group Co., Ltd. Group CIO of SPARX Group Co., Ltd. (current position)</p> <p>Apr. 2021      Representative Director, Senior Managing Director of SPARX Group Co., Ltd. (current position) Representative Director, Senior Managing Director of SPARX Asset Management Co., Ltd. (current position)</p>	459,400
<p>Reasons for nomination as candidate for inside Director</p> <p>Using his knowledge and experience in the financial industry, Mr. Fujimura has accumulated an outstanding track record as a fund manager for Japanese equity funds since joining the Company and is highly regarded not only in Japan, but overseas as well. The Company nominated him as a candidate for reappointment as Director for the further growth and business expansion of the Group going forward. Please refer to the "Skills matrix for Directors after the General Meeting of Shareholders" on page 23 for the knowledge and experience that the Company expects particularly when selecting such candidates.</p>			

Candidate no.	Name (Date of birth)	Biography, and position and responsibility in the Company, and significant concurrent positions outside the Company	Number of shares of the Company's common stock owned
4	<p><b>Hiroshi Minematsu</b> (September 28, 1971)</p> <p>New appointment</p>	<p>Nov. 1997      Joined Asahi Arthur Andersen K.K. (currently PWC Consulting LLC)</p> <p>Oct. 1999      Transferred to Asahi &amp; Co. (currently KPMG AZSA LLC)</p> <p>May 2001      Registered as a Certified Public Accountant</p> <p>Jul. 2005      Joined SPARX Asset Management Trust Co., Ltd. (currently SPARX Group Co., Ltd.)</p> <p>Apr. 2010      Head of Corporate Division of SPARX Asset Management Co., Ltd. (current position)</p> <p>Feb. 2014      Director of SPARX Asset Management Co., Ltd.</p> <p>Apr. 2014      Director of SPARX Asset Trust &amp; Management Co., Ltd. (current position)</p> <p>Feb. 2015      Director of SPARX Green Energy &amp; Technology Co., Ltd. (current position)</p> <p>Dec. 2015      Executive Officer of SPARX Asset Management Co., Ltd. Head of Corporate Division of SPARX Group Co., Ltd. (current position)</p> <p>Jan. 2016      Group Executive Officer of SPARX Group Co., Ltd.</p> <p>May 2016      Director of SPARX Asia Investment Advisors Limited (current position)</p> <p>Nov. 2017      Head of Fund Operation Division of SPARX Asset Management Co., Ltd. (current position)</p> <p>Mar. 2018      Director of SPARX Asset Management Co., Ltd.</p> <p>Apr. 2019      Group Managing Executive Officer, Group CFO of SPARX Group Co., Ltd.</p> <p>Jun. 2019      Director of SPARX Asset Management Korea Co., Ltd. (current position)</p> <p>Apr. 2022      Senior Managing Director, CFO of SPARX Asset Management Co., Ltd. (current position) Group Senior Managing Executive Officer, Group CFO of SPARX Group Co., Ltd. (current position)</p>	147,300
<p>Reasons for nomination as candidate for inside Director</p> <p>Mr. Minematsu has advanced knowledge as a certified public accountant, and since joining the Company, he has been mainly responsible for the corporate division and the internal audit division, greatly contributing to the strengthening of the Group's administrative divisions. The Company nominated him as a candidate for new appointment as Director for the further growth and business expansion of the Group going forward, and because he is expected to promote and strengthen corporate governance. Please refer to the "Skills matrix for Directors after the General Meeting of Shareholders" on page 23 for the knowledge and experience that the Company expects particularly when selecting such candidates.</p>			

- (Notes)
1. There is no particular conflict of interests between any of the candidates and the Company.
  2. Director candidate Mr. Shuhei Abe is a major shareholder of the Company, corresponding to the parent company, etc.
  3. The Company has entered into a directors and officers liability insurance policy with an insurance company as set forth in Article 430-3, paragraph (1) of the Companies Act, and the outline of the contents of such insurance contract is stated on page 40 of the Business Report (in Japanese only). If the appointment of a candidate for a director (excluding a director who is a member of the Audit and Supervisory Committee) is approved, the insurance policy will continue to be covered. The Company is also planning to renew the insurance contract with the same term for the next renewal.

The terms of office of all three currently serving Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this meeting.

In that regard, the Company proposes the election of four Directors who are Audit and Supervisory Committee Members, increasing the number of positions by one to strengthen and enhance the audit system. In addition, the consent of the Audit and Supervisory Committee has been obtained for this proposal.

The candidates for Director who is an Audit and Supervisory Committee Member are as follows:

**[Reference] List of candidates**

Candidate no.	Name	Position and responsibility in the Company and significant concurrent positions outside the Company	
1	<b>Kazuyoshi Kimura</b>	Outside Director (Audit and Supervisory Committee Member) Corporate Auditor of SPARX Asset Management Co., Ltd. Outside Director of Daiwa House Industry Co., Ltd. Director of Kojima Co., Ltd. Representative Director and President of Bic Camera Inc.	Reappointment
2	<b>Kimikazu Noumi</b>	Outside Director (Audit and Supervisory Committee Member) Corporate Auditor of SPARX Asset Management Co., Ltd. Advisor to J-WILL Corporation Ltd. Outside Director of Wismettac Nishimoto HD Co., Ltd. Outside Director of IR Japan Holdings, Ltd. (Audit and Supervisory Committee Member)	Reappointment
3	<b>Toshihiko Nakagawa</b>	Outside Director (Audit and Supervisory Committee Member) Corporate Auditor of SPARX Asset Management Co., Ltd. Representative Director of Office Nakagawa Co., Ltd.. Outside Auditor of ASUKA SSI	Reappointment
4	<b>Eiko Hakoda</b>	Partner of Mori Hamada & Matsumoto LPC Partner of Mori Hamada & Matsumoto Outside Corporate Auditor of KITO Corporation	New Appointment

Candidate no.	Name (Date of birth)	Biography, and position and responsibility in the Company, and significant concurrent positions outside the Company	Number of shares of the Company's common stock owned
1	<p><b>Kazuyoshi Kimura</b> (November 12, 1943)</p> <p>Reappointment Outside</p> <p>Attendance at Board of Directors meetings: 17 of 17</p> <p>Term of office: 2 years</p>	<p>Apr. 1967      Joined Nikko Securities Co., Ltd. (currently SMBC Nikko Securities Inc.)</p> <p>Jun. 1996      Director of Nikko Securities Co., Ltd.</p> <p>Mar. 2000      Director and Vice President of Nikko Securities Co., Ltd.</p> <p>Jan. 2001      Director and Vice President of Nikko Asset Management Co., Ltd.</p> <p>Jun. 2001      Director and President of Nikko Asset Management Co., Ltd.</p> <p>Jan. 2002      Director and Chairman of Nikko Asset Management Co., Ltd.</p> <p>Jun. 2003      Director and Chairman of Nikko Antfactory Japan K.K.</p> <p>Mar. 2004      Director and Chairman of Simplex Investment Advisors Inc.</p> <p>Jun. 2005      Director and Chairman of Nikko Cordial Securities Inc. (currently SMBC Nikko Securities Inc.)</p> <p>Feb. 2007      Representative Executive Officer and Chairman of Nikko Cordial Corporation</p> <p>Oct. 2009      Director and Chairman of Nikko Cordial Securities Inc. (currently SMBC Nikko Securities Inc.)</p> <p>Apr. 2010      Advisor to Nikko Cordial Securities Inc.</p> <p>Jun. 2011      Director of Hitachi Koki Co. Ltd.</p> <p>Apr. 2012      Representative Director, Chairman and President of LA Holdings Co., Ltd. Advisor to Bic Camera Inc.</p> <p>May 2012      Director of Best Denki Co., Ltd.</p> <p>Jun. 2012      Corporate Auditor of SPARX Group Co., Ltd. Corporate Auditor of SPARX Asset Management Co., Ltd. (current position) Outside Director of Daiwa House Industry Co., Ltd. (current position)</p> <p>Nov. 2012      Director of Bic Camera Inc. Director of Kojima Co., Ltd.</p> <p>Feb. 2013      Representative Director, Chairman of Kojima Co., Ltd.</p> <p>Sept. 2013      Representative Director, Chairman, President and Representative Executive Officer of Kojima Co., Ltd.</p> <p>Jun. 2020      Outside Director of SPARX Group Co., Ltd. (Audit and Supervisory Committee Member) (current position)</p> <p>Aug. 2020      Director of Kojima Co., Ltd. (current position)</p> <p>Sept. 2020      Representative Director and President of Bic Camera Inc. (current position)</p>	200,000

Candidate no.	Name (Date of birth)	Biography, and position and responsibility in the Company, and significant concurrent positions outside the Company	Number of shares of the Company's common stock owned
			<p>Reasons for nomination as candidate for outside Director who is an Audit and Supervisory Committee Member and overview of expected roles</p> <p>Using his broad range of insight based on his extensive experience in management in the financial industry, the Company expects that he will continue to monitor overall management, including his perspective not only on the financial industry, but also other industries, and provide effective guidance, and therefore nominated him as a candidate for outside Director who is an Audit and Supervisory Committee Member of the Company, and determines that he is suitable to perform the duties of such a position. Please refer to the "Skills matrix for Directors after the General Meeting of Shareholders" on page 23 for the knowledge and experience that the Company expects particularly when selecting such candidates.</p>

Candidate no.	Name (Date of birth)	Biography, and position and responsibility in the Company, and significant concurrent positions outside the Company	Number of shares of the Company's common stock owned
2	<p><b>Kimikazu Noumi</b> (October 24, 1945)</p> <p>Reappointment Outside</p> <p>Attendance at Board of Directors meetings: 17 of 17</p> <p>Term of office: 2 years</p>	<p>Apr. 1969      Joined The Norinchukin Bank</p> <p>Jun. 1999      Managing Director of The Norinchukin Bank</p> <p>Jun. 2002      Senior Managing Director of The Norinchukin Bank</p> <p>Jun. 2004      President &amp; Representative Director of Norinchukin Zenkyoren Asset Management Co., Ltd.</p> <p>Jun. 2006      Representative Director and Deputy President of Aozora Bank, Ltd.</p> <p>Feb. 2007      Representative Director and Chairman and CEO of Aozora Bank, Ltd.</p> <p>Jul. 2009      Chairman and CEO of INCJ, Ltd.</p> <p>Jul. 2015      Advisor to J-WILL Co., Ltd. (current position)</p> <p>Mar. 2016      Outside Director of Wismettac Nishimoto HD Co., Ltd. (Audit and Supervisory Committee Member) (current position)</p> <p>Jun. 2016      Outside Director of Konica Minolta, Inc.</p> <p>Jun. 2017      Outside Director of SPARX Group Co., Ltd.</p> <p>Jun. 2020      Outside Director of SPARX Group Co., Ltd. (Audit and Supervisory Committee Member) (current position)</p> <p>Corporate Auditor of SPARX Asset Management Co., Ltd. (current position)</p> <p>Jun. 2021      Outside Director of IR Japan Holdings, Ltd. (Audit and Supervisory Committee Member) (current position)</p>	-
<p>Reasons for nomination as candidate for outside Director who is an Audit and Supervisory Committee Member and overview of expected roles</p> <p>To have Mr. Noumi apply his broad range of insight based on his extensive experience in management in the financial industry in addition to his extensive experience as an outside officer in other industries to the Company's management from the perspective of promoting sustainable growth and enhancing corporate value over the medium to long term, the Company nominated him as a candidate for outside Director who is an Audit and Supervisory Committee Member of the Company, and determines that he is suitable to perform the duties of such a position. Please refer to the "Skills matrix for Directors after the General Meeting of Shareholders" on page 23 for the knowledge and experience that the Company expects particularly when selecting such candidates.</p>			

Candidate no.	Name (Date of birth)	Biography, and position and responsibility in the Company, and significant concurrent positions outside the Company	Number of shares of the Company's common stock owned
3	<b>Toshihiko Nakagawa</b> (September 30, 1951)  Reappointment Outside  Attendance at Board of Directors meetings: 17 of 17  Term of office: 2 years	Apr. 1974      Joined Nomura Securities Co., Ltd. Jun. 1997      Director of Nomura Securities Co., Ltd. May 2001      Managing Director of Nomura Securities Co., Ltd. Jun. 2001      Advisor to Nomura Securities Co., Ltd. Jul. 2001      Director, Managing Executive Officer of Aioi Insurance Co., Ltd. (currently Aioi Nissay Dowa Insurance Co., Ltd.) Apr. 2008      Director, Senior Managing Executive Officer of Aioi Insurance Co., Ltd. Oct. 2010      Director, Senior Managing Executive Officer of Aioi Nissay Dowa Insurance Co., Ltd. Apr. 2014      Representative of Office Nakagawa K.K. Nov. 2014      Advisor to Capital Partners Securities Co., Ltd. Apr. 2015      Representative Director of Office Nakagawa K.K. (current position) Jun. 2015      Outside Director of SPARX Group Co., Ltd. Jun. 2020      Outside Director of SPARX Group Co., Ltd. (Audit and Supervisory Committee Member) (current position) Corporate Auditor of SPARX Asset Management Co., Ltd. (current position) Outside Auditor of ASUKA SSI (current position)	100,000
<p>Reasons for nomination as candidate for outside Director who is an Audit and Supervisory Committee Member and overview of expected roles</p> <p>To have Mr. Nakagawa apply his broad range of insight based on his extensive experience in management in the financial industry to the Company's management from the perspective of promoting sustainable growth and enhancing corporate value over the medium to long term, the Company nominated him as a candidate for outside Director who is an Audit and Supervisory Committee Member of the Company, and determines that he is suitable to perform the duties of such a position. Please refer to the "Skills matrix for Directors after the General Meeting of Shareholders" on page 23 for the knowledge and experience that the Company expects particularly when selecting such candidates.</p>			



Candidate no.	Name (Date of birth)	Biography, and position and responsibility in the Company, and significant concurrent positions outside the Company	Number of shares of the Company's common stock owned
4	<b>Eiko Hakoda</b> (May 25, 1957)  New appointment Outside	<p>Apr. 1980      Joined Hamada &amp; Matsumoto (currently Mori Hamada &amp; Matsumoto)</p> <p>Apr. 1990      Legal apprentice, The Legal Training and Research Institute of the Supreme Court of Japan</p> <p>Apr. 1992      Registered as an attorney (Daini Tokyo Bar Association) Joined Hamada &amp; Matsumoto (currently Mori Hamada &amp; Matsumoto)</p> <p>Jan. 2005      Partner of Mori Hamada &amp; Matsumoto (current position)</p> <p>Jan. 2016      LPC Partner of Mori Hamada &amp; Matsumoto (current position)</p> <p>Jun. 2019      Outside Auditor of KITO Corporation (current position)</p>	-
<p>Reasons for nomination as candidate for outside Director who is an Audit and Supervisory Committee Member and overview of expected roles</p> <p>Ms. Hakoda has specialized knowledge as a lawyer and a broad range of insight based on her extensive experience in different industries, and is expected to provide useful advice and recommendations to the Company from the perspective of promoting sustainable growth and enhancing corporate value over the medium to long term. Therefore, the Company nominated her as a candidate for new election as outside Director who is an Audit and Supervisory Committee Member of the Company. She has never in the past been involved in the management of a company except as an outside officer. However, the Company determines that she is suitable to perform the duties of such a position due to the above reasons. Please refer to the "Skills matrix for Directors after the General Meeting of Shareholders" on page 23 for the knowledge and experience that the Company expects particularly when selecting such candidates.</p>			

- (Notes)
- There is no particular conflict of interests between any of the candidates and the Company.
  - Mr. Kazuyoshi Kimura, Mr. Kimikazu Noumi, Mr. Toshihiko Nakagawa and Ms. Eiko Hakoda are candidates for outside Director.
  - The Company has transitioned into a company with an Audit and Supervisory Committee after its approval at 31<sup>st</sup> Ordinary General Meeting of Shareholders held on June 9, 2020. Accordingly, Mr. Kazuyoshi Kimura who was an outside Corporate Auditor, Mr. Kimikazu Noumi and Mr. Toshihiko Nakagawa who were outside Directors, have been appointed as outside directors who are Audit & Supervisory Committee members. Therefore, the tenure of Mr. Kazuyoshi Kimura, Mr. Kimikazu Noumi, and Mr. Toshihiko Nakagawa as outside Directors serving as Audit and Supervisory Committee members will be two years at the conclusion of this General Meeting.
  - In addition to described above 3., Mr. Kazuyoshi Kimura served as an outside Corporate Auditor for eight years prior to the transition to a Company with an Audit and Supervisory Committee.  
Mr. Kimikazu Noumi and Mr. Toshihiko Nakagawa served as an outside Directors for three, and five years, respectively prior to the transition to a Company with an Audit and Supervisory Committee.
  - Pursuant to the provision of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with Mr. Kazuyoshi Kimura, Kimikazu Noumi and Toshihiko Nakagawa limiting their liability under Article 423, paragraph (1) of the Companies Act. The maximum amount of the liability under such agreements is prescribed to be the minimum amount of the liability provided for in laws and regulations. If the election of each of them is approved as proposed, the Company will continue such agreement with Mr. Kazuyoshi Kimura, Kimikazu Noumi, and Toshihiko Nakagawa, and will enter into a similar contract with Ms. Eiko Hakoda on the same terms and conditions.
  - The Company has entered into a directors and officers liability insurance policy with an insurance company as set forth in Article 430-3, paragraph (1) of the Companies Act, and the outline of the contents of such insurance contract is stated on page 40 of the Business Report (in Japanese only). If the election of candidates for Director who is an Audit and Supervisory Committee Member is approved, they will continue to be included as the insured in the policy. The Company also plans to renew the insurance contract with the same terms for the next renewal.
  - The Company has submitted notification to the Tokyo Stock Exchange that Mr. Kazuyoshi Kimura, Mr. Kimikazu Noumi, and Mr. Toshihiko Nakagawa have been designated as independent officers under the regulations of the said exchange. If the election of each is approved, the Company plans for their designation as independent officers to continue.
  - "Number of shares of the Company's common stock owned" is the number of shares, which can be confirmed by the shareholder registry as of March-end 2022.

Proposal No. 6      **Determination of the Amount and Details of Performance-Based Stock Compensation, etc. for Directors**

1. Reason for the proposal and the reason why the proposed compensation system is appropriate

Compensation for Directors who are not Audit and Supervisory Committee Members of the Company is comprised of “base salary,” “short-term performance bonuses,” and “medium- to long-term performance bonuses.” This proposal requests your approval for the introduction of a new performance-based stock compensation system (“the System”) for Directors of the Company who are not Audit and Supervisory Committee Members. As for the details of the proposal, the Board of Directors will be asked to determine the details of the proposal within the framework of 2. below.

The purpose of the System is to clarify the relationship between Directors’ compensation and the Company’s business performance and stock value, as well as to raise awareness among Directors of the need to contribute to improving the Company’s performance and increasing its corporate value over the medium to long term by sharing with shareholders the benefits and risks associated with stock price fluctuations. We believe that the introduction of the System is appropriate.

This Proposal is to provide new performance-based stock compensation for Directors who are not Audit and Supervisory Committee Members (excluding outside Directors. Below, “Director” shall hereafter mean any Director who is not an Audit and Supervisory Committee Member, excluding outside Directors) who serve during the four fiscal years (“applicable period”) ending March 31, 2023 through the fiscal year ending March 31, 2026) and separate from the maximum amount of compensation for Directors who are not Audit and Supervisory Committee Members (up to ¥1,500 million per year. However, employee salaries are not included.), which was approved at the 31st Ordinary General Meeting of Shareholders held on June 9, 2020.

An overview of the details of the Company’s policy for determining the content of compensation, etc. for Directors on an individual basis is set forth in the Business Report, IV. Matters concerning Company Officers, 4. Compensation, etc. of Directors and Audit and Supervisory Committee Members of the Company (in Japanese only). Subject to the approval of the Proposal, a portion of the contents of the Proposal are proposed to be changed as described in the Proposal. Since the contents of the Proposal are necessary and reasonable for the payment of compensation, etc. in accordance with such revised policy, the Company believes that the contents of the Proposal are appropriate.

If Proposal No. 4 “Election of Four Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” is approved as originally proposed, the number of Directors subject to the System will be four.

\* If the Proposal is approved as originally proposed, the Company shall no longer pay medium- to long-term performance bonuses. However, these bonuses are meant to raise director awareness of improving medium- to long-term performance and growing corporate value, the same purpose of the System. Therefore, the Company shall pay directors based on the new System, using the number of shares equal in value to the medium- to long-term performance bonus the Company had planned to pay as compensation for duties performed over the period from the fiscal year ended March 31, 2020 through the fiscal year ended March 31, 2022.

## 2. Amount and details of compensation, etc. under the System

### (1) Overview of the System

Under this Stock Compensation System, a trust (the “Trust”) established through monetary contributions from the Company shall acquire the Company’s shares. The Company shall use the Trust to issue its directors shares in numbers equal to the number of points it has granted each director.

In principle, Directors will receive the Company’s shares three years after the Company grants them points.

1) Persons eligible for the System	Directors who are not Audit and Supervisory Committee Members of the Company (excluding outside Directors)
2) Applicable period	From the FY ending March 31, 2023 to FY ending March 31, 2026
3) The maximum amount of money that the Company will contribute to fund the acquisition of the Company’s shares necessary to deliver the Company’s shares to the eligible persons in 1) during the four fiscal years of the applicable period in 2)	A total of ¥1.8 billion
4) Method of acquisition of Company shares	By way of disposal of treasury stock or by acquiring shares from the stock exchange market (Including off-floor trading)
5) The maximum total number of points to be granted to eligible persons in 1)	200,000 points per fiscal year (Including the transitional measure points in (3) (i) below. Furthermore, the number of points above are presented at five shares per point, but will be one share per point after the Reverse Stock Split.)
6) Criteria for granting of points	Points granted based on position and achievement of performance goals, etc.
7) Timing of delivery of the Company’s shares to the persons in 1)	After three years from the granting of points (or at the time of resigning before the three years have elapsed) However, the Company’s shares corresponding to the transitional measure points described in (3) (i) below will be delivered in three installments: one year after the granting of points, two years after the granting of points, and three years after the granting of points

### (2) Maximum amount of money to be contributed by the Company

The initial trust period of the Trust shall be approximately seven years, and during the applicable period, the Company shall contribute a total of up to ¥1.8 billion as compensation to the Directors in office during the applicable period to fund the acquisition of the Company shares (This includes the funds for the acquisition of shares in proportion to the transitional measures points as described in (3) (i) below) necessary to be delivered to the Directors under the System. The Trust will be established with the Directors who will acquire beneficial interests as described in (3) (iii) below as beneficiaries. The Trust shall use the cash entrusted by the Company as the source of funds to acquire the Company’s shares through the disposal of the Company’s own shares or through the acquisition of shares from the stock exchange market (including off-floor trading).

(Note) The Company shall also entrust cash to pay trust fees, trust administrator compensation, and other necessary expenses alongside the above funds for acquiring Company shares.

The board of directors may decide to extend the Target Period by up to another five fiscal years on a case-by-case basis, thereby extending the Trust period and maintaining the System. (Transferring assets to the Trust for the

same purpose as when the Company established the Trust shall also effectively extend the Trust period; The same applies below.) In this case, the Company shall contribute to the Trust up to JPY 450 million times the number of fiscal years the trust period has been extended to fund acquiring the additional Company shares necessary for issuing to directors under the System during the extended Target Period. Furthermore, the Company shall continue granting points and issuing Company shares as described in (3) below.

Even in the event that the Company does not maintain the system by extending the Target Period as described above, it may extend the Trust period until the Trust issues the relevant Company shares to the directors, assuming that the directors have received points but not the associated shares at the Trust period's expiration.

(3) Calculation method and maximum number of shares of the Company's stock to be delivered to Directors

1) Method of granting of points to Directors, etc.

The Company grants points to each director per the rules for issuing shares the board of directors has established. These points are proportional to each director's position and success in achieving performance targets on the point-granting dates stipulated in the rules for issuing shares during the trust period.

However, the Company shall only grant directors up to 200,000 points per fiscal year.

During the fiscal year it establishes the Trust, the Company shall issue points ("Transitional Points") equal to the number of shares proportional to the value of the medium- to long-term performance bonuses it had planned to pay as compensation for duties performed during the period from the fiscal year ended March 2020 to fiscal year ended March 2022. However, the above maximum points per fiscal year shall include these Transitional Points.

2) Issuing Company shares proportional to the granted points

Directors shall receive Company shares per the procedure outlined in 3) below, proportional to the points granted per 1) above. However, in the event that directors resign for personal reasons, in general, they shall forfeit all or some of their granted points and shall not receive Company shares proportional to their forfeited points.

One point shall equal five Company shares. However, in the event of a stock split, reverse stock split, or another event in which adjusting the number of shares to be issued seems reasonable, the Company shall rationally modify the number of Company shares per point in proportion to the stock split or reverse stock split ratio. Per the release "Notification of a Reverse Stock Split and Amending the Articles of Incorporation" dated today, the Company plans to implement a reverse stock split, consolidating five shares of common stock into one share. If the Ordinary General Meeting for Shareholders approves the Reverse Stock Split Proposal as is, one point will become one share of the Company's stock as of October 1, 2022, the effective date of the Reverse Stock Split.

3) Issuing Company shares to Directors

As a general rule, each director shall acquire beneficiary rights to the Trust through the prescribed procedures after three years from receiving points (or at the time of resigning before the three years have elapsed). As a beneficiary to the Trust, each director shall receive from it the Company shares described in 2) above. However, each director shall receive Company shares proportional to the Transitional Points stipulated in 1) above at one-, two-, and three-year intervals after the Company grants points, after acquiring beneficial rights to the Trust each time.

Moreover, the Trust may sell some of the Company shares described in 2) above to withhold funds for the Company's income tax withholdings and issue the cash from these sales instead of Company shares. In the event that the Trust converts Company shares into cash in response to a public placement offer or through other means, it may issue cash to directors instead of Company shares.

(4) Exercise of voting rights

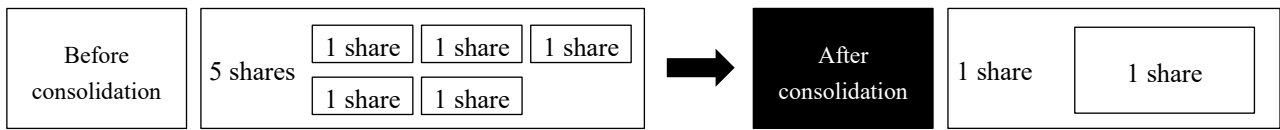
The Trust must not exercise voting rights related to the Company shares within, per the instructions from the trust administrator, who is independent of the Company and its executives. This approach ensures that the Trust remains neutral to the Company's operations by not exercising voting rights for the Company shares within the Trust.

(5) Treatment of dividends

The dividends from the Company shares within the Trust shall go to the Trust to buy more Company shares and cover its trust fees to the trustee.

(Reference) The Reverse Stock Split

**The Company plans to consolidate shares at a rate of one share for every five shares.**

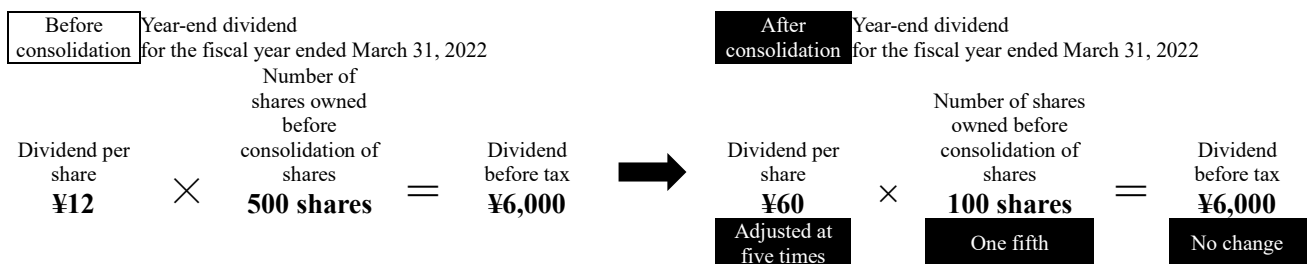


**On October 1, 2022, the number of shares owned on the previous day will be reduced to one fifth.**  
 (On the condition that Proposal No. 2 is approved at the Ordinary General Meeting of Shareholders.)

Due to the Consolidation of Shares:

- The investment unit of the Company’s shares will be “between ¥50,000 and ¥500,000,” which is the desirable investment unit level for the Tokyo Stock Exchange.
- Although the number of the Company’s shares held by shareholders prior to the Reverse Stock Split will be reduced to one fifth, the asset value of the Company’s shares will not change as the asset value per share will increase by five times. Theoretically, the share price will be five times higher than prior to the Reverse Stock Split.
- The Company plans to adjust the dividends per share after the Reverse Stock Split takes effect so that the economic value of owned shares does not fluctuate. The total amount of dividends will not fluctuate because of the Reverse Stock Split.

<Example> Example of estimate based on FY2021 dividend forecast (year-end dividend of ¥12) announced on January 31, 2022



<Please note>

- One share unit will not change from 100 shares. Voting rights will be one for every 100 shares owned after the Reverse Stock Split.
- You will lose trading opportunities on the stock exchange and voting rights at general meetings of shareholders if you hold less than 500 shares as your holdings will be less than one unit (100 shares) after the Reverse Stock Split.
- Shares less than one unit (100 shares) after the Reverse Stock Split can be avoid disposing by utilizing the system for selling shares less than one unit. In this case, procedures will need to be taken by shareholders, so please contact the securities company with which you make transactions or the shareholder registry administrator. The Company will not receive fees due to the usage of this system (free of charge). Furthermore, before the Reverse Stock Split takes effect, you can make it so that you do not dispose of fractional shares by utilizing the system for purchasing shares less than one unit.
- Shareholders holding less than five shares will lose their standing as shareholder after the Reverse Stock Split.
- After the Reverse Stock Split, any fractional shares of less than one share will be disposed of by the Company in a lump sum in accordance with the provisions of the Companies Act, and the proceeds of those fractions will be distributed to the shareholders who hold fractional shares, as a percentage of the fraction (shareholders will not need to take any exceptional procedures).

Shareholder registry administrator contact details:

Securities Brokerage Department, Sumitomo Mitsui Trust Bank, Limited

Tel: +81-120-782-031 [Hours: 9:00 a.m. to 5:00 p.m. (JST), excluding Saturdays, Sundays and public holidays]

(Reference) Skills matrix for Directors after the General Meeting of Shareholders

The Board of Directors of the Company has a policy to nominate candidates for Director who can proactively participate in diverse and constructive discussions at meetings of the Board of Directors in addition to having abundant knowledge and experience regarding corporate management, the capacity and abilities to contribute to the increase of corporate value, and deep insight related to each area of expertise (persons who have excellent human nature, perform their duties as an officer of the Company using achievements, experience, etc. thus far, and contribute to the further growth of the Company in the future and the development of business), while taking into consideration the diversity and international experience necessary for the development of the Group's business.

The Board of Directors as a whole has a structure that takes into consideration the balance between an appropriate scale, thinking from the Group's business scope, etc., and diversity by striking a good overall balance between knowledge, experience and ability so that it can formulate basic policies for management and make important management decisions in addition to appropriately supervising the execution of business by directors and executive officers and giving advice.

The Board of Directors identifies the following seven skills, etc. as such knowledge and experience as each member should have, in light of its management strategies. If the candidates listed in this Notice of Convocation are appointed as proposed, the skill matrix of the Directors which shows up to three items of the knowledge and experience that the Company expects from each Director is as follows.

Name	Position and Responsibilities	Gender	Age *1.	Director Term of office	Knowledge and experience (max. 3) that the Company particularly expects						
					Management in general	Investment evaluation/ Analysis duties	Business development/ Marketing duties	International business	Experience in other industries	Finance/ Accounting	Compliance/ Legal/Risk Management
Shuhei Abe	Representative Director, President Group CEO	Male	67	33 years	○		○	○			
Masatoshi Fukami	Representative Director, Executive Deputy President Group COO	Male	60	8 years	○		○				○
Tadahiro Fujimura	Representative Director, Senior Managing Director Group CIO	Male	58	5 years	○	○		○			
Hiroshi Minematsu	Director, Group CFO	Male	50	0 years	○					○	○
Kazuyoshi Kimura	Outside Director Audit and Supervisory Committee Member	Male	78	2 years *2.	○		○		○		
Kimikazu Noumi	Outside Director Audit and Supervisory Committee Member	Male	76	5 years *3.	○	○				○	
Toshihiko Nakagawa	Outside Director Audit and Supervisory Committee Member	Male	70	7 years *3.	○		○		○		
Eiko Hakoda	Outside Director Audit and Supervisory Committee Member	Female	64	0 years	○				○		○

\*1. Age as of March 31, 2022.

\*2. Mr. Kazuyoshi Kimura has been an outside Corporate Auditor for eight years prior to the Company's transition to a company with Audit and Supervisory Committee.

\*3. The terms of office of Mr. Kimikazu Noumi and Mr. Toshihiko Nakagawa include three years and five years, respectively, as outside Director prior to the Company's transition to a company with Audit and Supervisory Committee.