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Securities Code: 8622

May 30, 2022

## To Those Shareholders with Voting Rights

Katsunori Kobayashi  
President and Representative Director  
Mito Securities Co., Ltd.  
3-10, Nihonbashi 2-chome, Chuo-ku,  
Tokyo, Japan

### NOTICE OF CONVOCATION OF THE 77<sup>th</sup> ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to inform that the 77<sup>th</sup> Ordinary General Meeting of Shareholders of Mito Securities Co., Ltd. (the “Company”) will be held as described below.

If you do not attend the meeting, you can exercise your voting rights using the Form or via the Internet, so please review the Reference Documents for the General Meeting of Shareholders, and then please exercise your voting rights by 5:00 p.m., Thursday, June 23, 2022 by either returning the Voting Rights Exercise Form with your selections or voting via the “Smart Exercise” or the website exclusively prepared for the exercise of voting rights (<https://soukai.mizuho-tb.co.jp/>).

- 1. Date and Time:** Friday, June 24, 2022 at 10:00 a.m. (The reception desk will open at 9:00 a.m.)
- 2. Place:** Meeting Room, 7F, Mito Branch of the Company  
6-10, Minamimachi 2-chome, Mito-shi, Ibaraki, Japan
- 3. Agenda of the Meeting:**
  - Matters to be reported:** The Business Report and the Financial Statements for the 77<sup>th</sup> Fiscal Term (from April 1, 2021 to March 31, 2022)
  - Proposals to be resolved:**
    - Proposal No. 1:** Appropriation of Surplus
    - Proposal No. 2:** Partial Amendments to the Articles of Incorporation
    - Proposal No. 3:** Election of Seven Directors (excluding Directors who are Audit and Supervisory Committee Members)
    - Proposal No. 4:** Election of Three Directors who are Audit and Supervisory Committee Members
    - Proposal No. 5:** Election of One Substitute Director who is an Audit and Supervisory Committee Member
    - Proposal No. 6:** Determination of the Amount of Compensation, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members)
    - Proposal No. 7:** Determination of the Amount of Compensation, etc. for Directors who are Audit and Supervisory Committee Members
    - Proposal No. 8:** Determination of the Amount of Performance-linked Stock Compensation, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members)

#### **4. Guide for Shareholders when Voting:**

Please review the “Guide for Shareholders when Voting” on pages 3 through 6.

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- \* For those attending, please present the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting.
- \* Methods of Notification of Modification of Matters as Stated in Reference Documents for the General Meeting of Shareholders, Business Report and Financial Statements

When it is necessary to modify the matters which are to be stated in the Reference Documents for the General Meeting of Shareholders, Business Report and Financial Statements, please understand that the matters after modification will be shown on the website of the Company.

- ◎ From among the documents required to be provided with this Notice of Convocation, 6. Matters Concerning Establishment of Systems, etc. to Ensure the Appropriateness of the Operations in the Business Report, the Statement of Changes in Net Assets, and the Notes to Financial Statements are shown on the website of the Company in accordance with laws and regulations and the provisions of Article 16 of the Articles of Incorporation of the Company. Therefore, they are not attached to this Notice of Convocation.

Please note that the Financial Statements audited respectively by the Statutory Auditors and Accounting Auditor during the preparation of the Audit Reports include the Statement of Changes in Net Assets and the Notes to Financial Statements shown on the website of the Company, together with each document stated in the Attached Documents provided with this Notice of Convocation.

The Company’s website: <https://www.mito.co.jp/>

## Guide for Shareholders when Voting

### Voting with a Smartphone

You can log in to the voting website for the exercise of voting rights without entering the “proxy code” or “password.”

For details, please see page 4.

Deadline for voting	The votes must be received by 5:00 p.m., Thursday, June 23, 2022
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### Voting with a PC

Exercise of voting rights with a PC is only possible by accessing the website exclusively prepared for the exercise of voting rights below.

For details, please see page 5.

Deadline for voting	The votes must be received by 5:00 p.m., Thursday, June 23, 2022
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Website for the exercise of voting rights: <a href="https://soukai.mizuho-tb.co.jp/">https://soukai.mizuho-tb.co.jp/</a>
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### Voting in Writing

Please indicate your vote for or against each of the proposals on the enclosed Voting Rights Exercise Form and mail the Form.

For details, please see page 5.

Deadline for voting	The votes must be received by 5:00 p.m., Thursday, June 23, 2022
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### If You Attend the Meeting

Please bring the enclosed Voting Rights Exercise Form with you and present it at the reception desk on arrival at the meeting. Please also bring this booklet with you as a reference material for the meeting.

\* You can exercise your voting rights by authorizing one other shareholder with voting rights to act as your proxy. However, please understand that you must submit to the Company a document evidencing his/her power of representation.

Date and time of the meeting	Friday, June 24, 2022 at 10:00 a.m. (The reception desk will open at 9:00 a.m.)
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## Voting with a Smartphone

Deadline for voting	The votes must be received by 5:00 p.m., Thursday, June 23, 2022
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### STEP 1: Read the QR code

Read the “**Log-in QR code for the website for the exercise of voting rights for smartphones**” shown on the bottom right of your Voting Right Exercise Form with a smartphone or a tablet.

### STEP 2: Select the method for the exercise of voting rights

The screen of the website for the exercise of voting rights will open.

Select the method for the exercise of voting rights.

### STEP 3: Select your vote for or against each of the proposals

Follow the directions on the screen to select your vote for or against each of the proposals.

Follow the directions on the screen to complete your votes.
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With “Smart Exercise,” <b>only ONE</b> vote can be entered. When you change your vote after the exercise, please access the voting website for PCs*, log in with the “proxy code” and “password” noted on your Voting Rights Exercise Form, and re-exercise your voting rights.
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\* By reading the QR code again, you are navigated to the voting website for PCs.

\* “QR code” is a registered trademark of DENSO WAVE INCORPORATED.

### You can also access “Smart Exercise” from “Internet Convocation.”

If you select the “Smart Exercise” button on “Internet Convocation,” the camera on your device will be activated. You can access “Smart Exercise” by taking a photo with the camera of the QR code on the Voting Rights Exercise Form.

**Access from here**

**Voting with a PC**

Deadline for voting | The votes must be received by 5:00 p.m., Thursday, June 23, 2022

Exercise of voting rights via the Internet is only possible by accessing the website designated by the Company exclusively for the purpose of exercising voting rights (<https://soukai.mizuho-tb.co.jp/>).

**STEP 1: Access the voting website for the exercise of voting rights**

\* Search the website as follows at a search site,



or

go directly to the website below for the exercise of voting rights.

<https://soukai.mizuho-tb.co.jp/>

**STEP 2: Log in to the website**

Enter the “proxy code” noted on your Voting Rights Exercise Form and click “Next.”

**STEP 3: Change your password**

Enter your temporary password in the top box and a new password in the second box before clicking “Register.”

Next, please enter your vote for or against each of the proposals following the directions on the screen.

**Voting in Writing**

Deadline for voting | The votes must be received by 5:00 p.m., Thursday, June 23, 2022

Please indicate your vote for or against each of the proposals on the enclosed Voting Rights Exercise Form and return the Form so that it will be received by the deadline for voting.

Please indicate your vote for or against each of the proposals here.

[Proposals 1, 2, 5, 6, 7 and 8]

If yes: Please circle the “Yes” column.

If no: Please circle the “No” column.

[Proposal 3 and 4]

If yes for all candidates: Please circle the “Yes” column.

If no for all candidates: Please circle the “No” column.

If no for some candidates: Please circle the “Yes” column and fill in the number of each of the candidates you are voting against.

**For Inquiries**

If you have any questions regarding the use of PCs, etc. in exercising your vote via the Internet, please inquire the following desk:

Mizuho Trust & Banking Co., Ltd.

Stock Transfer Agency Department

[Internet Help Dial]

Phone: 0120-768-524 (toll-free within Japan only) (9:00 a.m. to 9:00 p.m. on weekdays)

(Attention)

- \* If you exercise your voting rights redundantly, both in writing by postal mail and via the Internet, only the votes via the Internet shall be deemed to be valid. If you exercise your voting rights more than once, your most recent votes shall be deemed to be valid.
- \* The password (including the new password you register at login) is effective only for the meeting. A new password will be issued for the next meeting.
- \* Any expenses incurred to access the Internet shall be borne by shareholders.

**Platform for the Electronic Exercise of Voting Rights (for Institutional Investors)**

Nominee shareholders such as trust and custody service banks (including standing proxies) may use the platform for the electronic exercise of voting rights operated by ICJ Inc., provided that they apply for the use of that platform in advance.

## Reference Documents for the General Meeting of Shareholders

### Proposals and References

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

Matters related to the year-end dividend:

Shareholder returns of the Company are based on its management philosophy of making the best efforts for shareholders, and the Company makes it a basic policy to distribute dividends in line with a payout ratio of around 50% in consideration of business continuity, the status of net assets, and other management decisions.

Based on the above-mentioned policies, the Company wishes to propose a year-end dividend of ¥6.0 per share for the term. The total annual dividend for the term will be ¥14.0 per share combined with the interim dividend of ¥8.0 (including a commemorative dividend of ¥2.0).

(1) Types of dividend properties

Cash

(2) Matters related to distribution of dividend properties and the amount

¥6 per common share of the Company

Aggregate dividend amount: ¥390,727,224

(3) Effective date of the dividend from surplus

June 27, 2022

## Proposal No. 2: Partial Amendments to the Articles of Incorporation

### 1. Reasons for the Proposal

(1) The Company seeks to transition to a company with Audit and Supervisory Committee for the purpose of strengthening its audit and supervisory functions and further enhancing its corporate governance structure, thereby to realize higher corporate value, by establishing the Audit and Supervisory Committee and granting the Directors who are Audit and Supervisory Committee Members (including multiple Outside Directors) the right to vote at the Board of Directors' meetings. Accordingly, provisions concerning the Audit and Supervisory Committee and its members shall be newly established, while the provisions on Statutory Auditors and the Board of Statutory Auditors shall be deleted or amended.

(2) The system for providing general shareholder meetings' materials in electronic format will be introduced with the enforcement of the amended provisions set forth in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No.70 of 2019) on September 1, 2022. Accordingly, to prepare for the introduction of the system, the proposed Article 15 (Measures for Electronic Provision, Etc.) shall be newly established and Article 16 (Internet-Based Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation, which will become unnecessary, shall be deleted. In line with the establishment and deletion of the provisions, supplementary provisions on the effective date and other relevant matters shall be established.

(3) To enable the Company to pay dividends from surplus and decide on other matters by resolution of the Board of Directors under the provisions of Article 459, Paragraph 1 of the Companies Act so that the Company will be able to flexibly implement capital and dividend policies, the proposed Article 31 (Organ to Decide on Matters including Dividends of Surplus) shall be newly established, and Article 35 of the current Articles of Incorporation (Record Date for Dividends of Surplus) shall be amended. In addition, Article 7 (Acquisition of Treasury Stock) of the current Articles of Incorporation, which partially overlaps with these provisions, shall be deleted.

(4) To enable Directors to fully discharge their expected roles, the proposed Article 27, Paragraph 1 (Exemption of Directors from Liability) shall be newly established to provide to the effect that the Company may, by resolution of its Board of Directors, exempt Directors from liability within the scope provided by laws and regulations. In addition, given the assumed level of compensation for Directors (excluding executive directors, etc.), the limit of liability under the contract entered into with Directors (excluding executive directors, etc.) provided in Article 26 (Limitation on Liability of Directors) of the current Articles of Incorporation shall be changed to an amount prescribed by laws and regulations, as provided in the proposed Article 27, Paragraph 2. The consent of each Statutory Auditor has been obtained for the establishment and amendment of these provisions.

(5) The Company will relocate its Head Office for the purpose of expanding the Head Office's functions, increasing operational efficiency, and reducing expenses. Accordingly, Article 3 (Location of Head Office) of the current Articles of Incorporation shall be amended. In line with the establishment and deletion of these provisions, supplementary provisions on the effective date and other relevant matters shall be established.

(6) In line with the establishment, amendment, and deletion of provisions mentioned above, amendments to article numbers, corrections of terms, and other amendments required shall be made.

### 2. Details of Amendments

The details of the amendments are as follows.

The amendments to the Articles of Incorporation shall come into force at the conclusion of this Ordinary General Meeting of Shareholders; provided, however, that the timing when the establishment and deletion pertaining to 1. (2) and 1. (5) above come into force shall be in accordance with Articles 2 and 1, respectively, of the proposed supplementary provisions.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
Chapter I. General Provisions Articles 1-2	Chapter I. General Provisions Articles 1-2



<p>&lt;Provisions omitted&gt;</p> <p>(Location of Head Office) Article 3 The Company's head office shall be located in <u>Chuo-ku</u>, Tokyo.</p> <p>(Organs) Article 4 The Company shall have the following organs in addition to the general meeting of shareholders and directors:  (1) Board of directors;  (2) <u>Statutory auditors</u>;  (3) <u>Board of statutory auditors; and</u>  (4) <u>Accounting auditor.</u></p> <p>Article 5 &lt;Provisions omitted&gt;</p> <p style="text-align: center;">Chapter II. Shares</p> <p>Article 6 &lt;Provisions omitted&gt;</p> <p><u>(Acquisition of Treasury Stock)</u> <u>Article 7 The Company may, by resolution of its board of directors, acquire treasury stock through market transactions and other means, pursuant to the provisions of Article 165, Paragraph 2 of the Companies Act.</u></p> <p>Articles <u>8-12</u> &lt;Provisions omitted&gt;</p> <p style="text-align: center;">Chapter III. General Meeting of Shareholders Articles <u>13-15</u> &lt;Provisions omitted&gt;</p> <p><u>(Internet-Based Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u> <u>Article 16 The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business 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>&lt;Newly established&gt;</p>	<p>&lt;Unchanged&gt;</p> <p>(Location of Head Office) Article 3 The Company's head office shall be located in <u>Bunkyo-ku</u>, Tokyo.</p> <p>(Organs) Article 4 The Company shall have the following organs in addition to the general meeting of shareholders and directors:  (1) Board of directors;  (2) <u>Audit and supervisory committee; and</u>  (Deleted)  (3) <u>Accounting auditor.</u></p> <p>Article 5 &lt;Unchanged&gt;</p> <p style="text-align: center;">Chapter II. Shares</p> <p>Article 6 &lt;Unchanged&gt;</p> <p>(Deleted)</p> <p>Articles <u>7-11</u> &lt;Unchanged&gt;</p> <p style="text-align: center;">Chapter III. General Meeting of Shareholders Articles <u>12-14</u> &lt;Unchanged&gt;</p> <p>(Deleted)</p> <p><u>(Measures for Electronic Provision, Etc.)</u></p>
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<p>Articles <u>17-18</u> &lt;Provisions omitted&gt;</p> <p>Chapter IV. Directors and Board of Directors (Number) Article <u>19</u> The Company shall have <u>eight</u> or less directors. &lt;Newly established&gt;</p> <p>(Method of Election) Article <u>20</u> Directors shall be <u>elected at a general meeting of shareholders.</u></p> <p>2. Resolutions for the election provided in the preceding paragraph shall be adopted by a majority vote of shareholders present at a general meeting of shareholders at which shareholders holding one-third or more of the total number of voting rights of all shareholders entitled to exercise their voting rights are present.</p> <p>3. Resolutions for the election of directors shall not be made by cumulative voting.</p> <p>Article <u>21</u> &lt;Provisions omitted&gt;</p> <p>(Term of Office) Article <u>22</u> The term of office of a director shall expire at the conclusion of the ordinary general meeting of shareholders held with respect to the last business year ending within <u>two</u> years after his or her election; <u>provided, however, that the term of office of a director elected to fill a vacancy shall be the same as the remaining term of office of other</u></p>	<p><u>Article 15</u> 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.</p> <p><u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p> <p>Articles <u>16-17</u> &lt;Unchanged&gt;</p> <p>Chapter IV. Directors and Board of Directors (Number) Article <u>18</u> The Company shall have <u>10</u> or less directors.</p> <p><u>2. Of the directors provided in the preceding paragraph, the number of directors who are audit and supervisory committee members shall be five or less.</u></p> <p>(Method of Election) Article <u>19</u> Directors <u>who are audit and supervisory committee members and other directors shall be separately elected at a general meeting of shareholders.</u></p> <p>2. &lt;Unchanged&gt;</p> <p>3. &lt;Unchanged&gt;</p> <p>Article <u>20</u> &lt;Unchanged&gt;</p> <p>(Term of Office) Article <u>21</u> The term of office of a director (<u>excluding directors who are audit and supervisory committee members</u>), shall expire at the conclusion of the ordinary general meeting of shareholders held with respect to the last business year ending within <u>one</u> year after his or her election.</p>
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directors then in office.

<Newly established>

<Newly established>

<Newly established>

(Representative Directors and Directors with Titles)

Article 23 The board of directors shall, by its resolution, appoint representative directors.

2. The board of directors may, by its resolution, appoint one chairman, one president, and a few vice presidents, senior managing directors, and managing directors.

(Board of Directors)

Article 24

<Provisions omitted>

2. Unless otherwise provided for in laws and regulations, a meeting of the board of directors shall be convened and presided over by the chairman or the president. If both the chairman and the president are unable to act, another director shall act in his or her place in accordance with an order predetermined by the board of directors.

3. The notice of convening a meeting of the board of directors shall be sent to each director and each statutory auditor at least four days prior to the date of the meeting; provided, however, that this period may be shortened in case of urgency.

<Newly established>

2. The term of office of a director who is an audit and supervisory committee member shall expire at the conclusion of the ordinary general meeting of shareholders held with respect to the last business year ending within two years after his or her election.

3. The term of office of a director who is an audit and supervisory committee member elected to fill a vacancy created by retirement of a director who is an audit and supervisory committee member before expiration of his or her term shall be the same as the remaining term of office of his or her predecessor.

4. The preliminary election of a director who is a substitute audit and supervisory committee member shall be effective until the commencement of the ordinary general meeting of shareholders held with respect to the last business year ending within two years after the ordinary general meeting of shareholders at which his or her election was determined.

(Representative Directors and Directors with Titles)

Article 22 The board of directors shall, by its resolution, appoint representative directors from among directors (excluding directors who are audit and supervisory committee members).

2. The board of directors may, by its resolution, appoint one chairman, one president, and a few vice presidents, senior managing directors, and managing directors from among directors (excluding directors who are audit and supervisory committee members).

(Board of Directors)

Article 23

<Unchanged>

2. Unless otherwise provided for in laws and regulations, a meeting of the board of directors shall be convened and presided over by a director predetermined by the board of directors. If that director is unable to act, another director shall act in his or her place in accordance with an order predetermined by the board of directors.

3. The notice of convening a meeting of the board of directors shall be sent to each director by at least four days prior to the date of the meeting; provided, however, that this period may be shortened in case of urgency.

4. With the unanimous consent of all directors, a

4. The Company shall deem that a resolution is adopted by the board of directors if the requirements of Article 370 of the Companies Act are met.

<Newly established>

<Newly established>

(Director Compensation, Etc.)

Article 25 Compensation, bonuses, and other economic benefits (“Compensation, etc.”) directors receive from the Company in consideration of their execution of duties shall be determined by resolution of a general meeting of shareholders.

(Limitation on Liability of Directors)

Article 26 <Paragraph 1 newly established>

Under the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into contracts with directors (excluding executive directors, etc.) to limit liability for damages caused by acts prescribed in Article 423, Paragraph 1 of the Companies Act; provided, however, that the limit of liability under the contract shall be the higher of a predetermined amount of not less than seven million yen or an amount prescribed by laws and regulations.

meeting of the board of directors may be held without following the convocation procedure.

5. <Unchanged>

(Delegation of Important Business Execution Decisions to Directors)

Article 24 Pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company may delegate to directors all or part of decisions on important business execution (excluding matters listed in the items of Article 399-13, Paragraph 5 of the same Act) by resolution of the board of directors.

(Board of Directors’ Regulations)

Article 25 Matters concerning the board of directors shall be governed by the board of directors’ regulations established by the board of directors in addition to laws and regulations or these Articles of Incorporation.

(Director Compensation, Etc.)

Article 26 Compensation, bonuses, and other economic benefits directors receive from the Company in consideration of their execution of duties shall be determined, separately for directors who are audit and supervisory committee members and other directors, by resolution of a general meeting of shareholders.

(Exemption of Directors from Liability)

Article 27 Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of its board of directors, exempt directors (including former directors) from liability under Article 423, Paragraph 1 of the same Act within the limits provided for in laws and regulations.

2. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into contracts with directors (excluding executive directors, etc.) to limit liability for damages provided in Article 423, Paragraph 1 of the Companies Act; provided, however, that the limit of liability under the contract shall be the amount prescribed by laws and regulations.

<p><u>Chapter V. Statutory Auditors and Board of Statutory Auditors</u></p>	<p>(Deleted)</p>
<p><u>(Number)</u> <u>Article 27 The Company shall have four or less statutory auditors.</u></p>	<p>(Deleted)</p>
<p><u>(Method of Election)</u> <u>Article 28 Statutory auditors shall be elected at a general meeting of shareholders.</u></p>	<p>(Deleted)</p>
<p><u>2. Resolutions for the election provided in the preceding paragraph shall be adopted by a majority vote of shareholders present at a general meeting of shareholders at which shareholders holding one-third or more of the total number of voting rights of all shareholders entitled to exercise their voting rights are present.</u></p>	
<p><u>(Term of Office)</u> <u>Article 29 The term of office of a statutory auditor shall expire at the conclusion of the ordinary general meeting of shareholders held with respect to the last business year ending within four years after his or her election.</u> <u>2. The term of office of a statutory auditor elected to fill a vacancy created by retirement of a statutory auditor before expiration of his or her term shall be the same as the remaining term of office of his or her predecessor.</u></p>	<p>(Deleted)</p>
<p><u>(Limitation on Liability of Statutory Auditors)</u> <u>Article 30 Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into contracts with statutory auditors to limit liability for damages caused by acts prescribed in Article 423, Paragraph 1 of the Companies Act; provided, however, that the limit of liability under the contract shall be the higher of a predetermined amount of not less than five million yen or an amount prescribed by laws and regulations.</u></p>	<p>(Deleted)</p>
<p><u>(Full-Time Statutory Auditors)</u> <u>Article 31 The board of statutory auditors shall appoint full-time statutory auditors by its resolution.</u></p>	<p>(Deleted)</p>
<p><u>(Board of Statutory Auditors)</u> <u>Article 32 The notice of convening a meeting of the board of statutory auditors shall be sent to each</u></p>	<p>(Deleted)</p>

<p><u>statutory auditor at least four days prior to the date of the meeting; provided, however, that this period may be shortened in case of urgency.</u></p> <p><u>2. With the unanimous consent of all statutory auditors, a meeting of the board of statutory auditors may be held without following the convocation procedure.</u></p> <p><u>(Statutory Auditor Compensation. Etc.)</u></p> <p><u>Article 33 Compensation, etc. of statutory auditors shall be determined by resolution of a general meeting of shareholders.</u></p> <p>&lt;Newly established&gt;</p> <p>&lt;Newly established&gt;</p> <p>&lt;Newly established&gt;</p> <p style="text-align: center;">Chapter VI. Accounts</p> <p>Article <u>34</u></p> <p>&lt;Provisions omitted&gt;</p> <p>&lt;Newly established&gt;</p> <p>(Record Date for Dividends of Surplus)</p>	<p>(Deleted)</p> <p style="text-align: center;"><u>Article V. Audit and Supervisory Committee (Convocation Notice of Audit and Supervisory Committee Meetings)</u></p> <p><u>Article 28 The notice of convening a meeting of the audit and supervisory committee shall be sent to each audit and supervisory committee member at least four days prior to the date of the meeting; provided, however, that this period may be shortened in case of urgency.</u></p> <p><u>2. With the unanimous consent of all audit and supervisory committee members, a meeting of the audit and supervisory committee may be held without following the convocation procedure.</u></p> <p><u>(Audit and Supervisory Committee's Regulations)</u></p> <p><u>Article 29 Matters concerning audit and supervisory committee shall be governed by the audit and supervisory committee's regulations established by the audit and supervisory committee in addition to laws and regulations or these Articles of Incorporation.</u></p> <p style="text-align: center;">Chapter VI. Accounts</p> <p>Article <u>30</u></p> <p>&lt;Unchanged&gt;</p> <p><u>(Organ to Decide on Matters including Dividends of Surplus)</u></p> <p><u>Article 31 Unless otherwise provided for in laws and regulations, the Company may decide on the matters including the dividends of surplus prescribed in the items of Article 459, Paragraph 1 of the Companies Act by resolution of the board of directors.</u></p> <p>(Record Date for Dividends of Surplus)</p>
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Article 35

<Provisions omitted>

2. The Company may, by resolution of its board of directors, distribute interim dividends by setting a record date of September 30 each year.

3. In cases in which dividends are distributed in money, if they have not been received for a full three years after the day on which payment has commenced, the Company shall be released from its obligation to make such payments.

<Newly established>

<Newly established>

<Newly established>

Article 32

<Unchanged>

2. The record date for the interim dividend of the Company shall be September 30 each year.

3. <Unchanged>

Supplementary Provisions

(Transitional Measures for Relocation of Head Office)

Article 1 The amendment to Article 3 (Location of Head Office) of the Articles of Incorporation shall come into effect on the date of relocating the head office (no later than December 31, 2022), which is to be determined by resolution of the board of directors.

2. This Article shall be deleted after the date provided in the preceding paragraph. With the deletion, succeeding Articles shall be moved up accordingly.

(Transitional Measures for Electronic Provision of Reference Documents for General Meetings of Shareholders)

Article 2 The deletion of Article 16 (Internet-Based Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the Articles of Incorporation before the amendment and the establishment of the amended Article 15 (Measures for Electronic Provision, Etc.) shall come into effect on the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the "Effective Date").

2. Notwithstanding the provisions of the preceding paragraph, Article 16 of the Articles of Incorporation before the amendment 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.

3. These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later. With the

<p>&lt;Newly established&gt;</p>	<p><u>deletion, succeeding Articles shall be moved up accordingly.</u></p> <p><u>(Transitional Measures for Exemption of Statutory Auditors from Liability)</u></p> <p><u>Article 3 Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of its board of directors, exempt former statutory auditors from liability under Article 423, Paragraph 1 of the Companies Act, within the limits provided for in laws and regulations.</u></p> <p><u>2. This Article shall be deleted after the lapse of 10 years from the conclusion of the 77th ordinary general meeting of shareholders.</u></p>
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**Proposal No. 3: Election of Seven Directors (excluding Directors who are Audit and Supervisory Committee Members)**

The Company will transition to a company with an Audit and Supervisory Committee, under the condition that Proposal No. 2: “Partial Amendments to the Articles of Incorporation” is approved and resolved. As a result, under the stipulations of Article 332, Paragraph 7, Item 1 of the Companies Act, the terms of office of all eight Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, election of seven Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies within this proposal) is proposed.

Additionally, the resolution of this proposal shall take effect, conditional upon the approval and resolution of Proposal No. 2: “Partial Amendments to the Articles of Incorporation” as originally proposed, and the amendments to the Articles of Incorporation regarding the transition to a company with an Audit and Supervisory Committee resulting from resolution of said proposal coming into effect.

The candidates for Directors are as follows:

Candidate No.	Name	Status at the Company	Number of years served as a Director and a Statutory Auditor	Attendance at the Board of Directors Meetings and the Board of Statutory Auditors Meetings
1	Katsunori Kobayashi	Reappointed	President and Representative Director	4 years Board of Directors Meetings 19 / 19
2	Toru Uozu	Reappointed	Vice President and Representative Director	9 years Board of Directors Meetings 19 / 19
3	Susumu Abe	Reappointed	Managing Director	5 years Board of Directors Meetings 19 / 19
4	Yasuyuki Suda	Reappointed	Director	2 years Board of Directors Meetings 19 / 19
5	Takeshi Ohtsuki	Newly appointed	Statutory Auditor	1 year Board of Directors Meetings 14 / 14 Board of Statutory Auditors Meetings 10 / 10
6	Akira Segawa	Reappointed Outside Independent	Outside Director	2 years Board of Directors Meetings 18 / 19
7	Toshihiko Koiwai	Newly appointed Outside Independent	-	-

Candidate No.	Name (Date of birth)	Career summary, significant office(s) concurrently held, status and assignment at the Company	Number of shares of the Company held
1.	<p>Katsunori Kobayashi (July 12, 1976) &lt;Reappointed&gt;</p> <p>Attendance at the Board of Directors Meetings 19/19</p>	<p>April 2005 Joined Mito Securities Co., Ltd.  April 2017 Executive Officer  June 2018 President and Representative Director (to present)  (Reason for nominating him as a candidate for Director)  Mr. Katsunori Kobayashi possesses abundant experience and achievements at the sales divisions and major divisions such as corporate planning, sales planning and auditing in the Head Office. Since assuming the office of President and Representative Director, he has been leading the whole Company with a strong centripetal force, demonstrating his own unique vision in many facets, while also following the existing management policy. We believe that his flexible creativity, accurate analytical ability, and strong leadership based on his broad perspective and experience and achievements as a corporate manager are indispensable for the continued development of the Company. We therefore consider him a suitable Director of the Company.</p>	343,800 shares

Candidate No.	Name (Date of birth)	Career summary, significant office(s) concurrently held, status and assignment at the Company	Number of shares of the Company held
2.	<p>Toru Uozu (October 1, 1959) &lt;Reappointed&gt;</p> <p>Attendance at the Board of Directors Meetings 19/19</p>	<p>April 1983 Joined The Industrial Bank of Japan, Limited (present Mizuho Bank, Ltd.)</p> <p>April 2013 Executive Officer, Mizuho Corporate Bank, Ltd. (present Mizuho Bank, Ltd.)</p> <p>May 2013 Joined Mito Securities Co., Ltd., Full-time Advisor</p> <p>June 2013 Managing Director</p> <p>April 2015 Vice President and Director</p> <p>June 2018 Vice President and Representative Director (to present)</p> <p>June 2020 Supervisor, Management Planning Division, Compliance Division, Examination Division, Operation Guidance Division, Financial Affairs Division, and Audit Division (to present)</p> <p>(Reason for nominating him as a candidate for Director)</p> <p>Mr. Toru Uozu has executed his duties by taking advantage of his abundant experience at a bank and his knowledge of accounting and finance. In addition, Mr. Uozu is well versed in wide variety of legal systems. Furthermore, as a Supervisor of Management Planning Division, he has achieved results in drawing up mid-term management plans and annual plans, and also as a Supervisor of Internal Administration, he is indispensable for building governance systems of the Company. We believe that Mr. Uozu will further enhance the decision-making function of the Board of Directors as before by taking advantage of his experience and insight in the Board of Directors. We therefore consider him a suitable Director of the Company.</p>	32,700 shares

Candidate No.	Name (Date of birth)	Career summary, significant office(s) concurrently held, status and assignment at the Company	Number of shares of the Company held
3.	<p>Susumu Abe (February 18, 1961)</p> <p>&lt;Reappointed&gt;</p> <p>Attendance at the Board of Directors Meetings 19/19</p>	<p>April 1984 Joined Mito Securities Co., Ltd.</p> <p>August 2008 Executive Officer</p> <p>June 2017 Director</p> <p>June 2020 Managing Director (to present)</p> <p>Supervisor, Personnel Affairs Division, Human Resources Development Division, Investment Information Division, and Investment Advisory Division (to present)</p> <p>(Reason for nominating him as a candidate for Director)</p> <p>Mr. Susumu Abe has been deeply involved in strengthening our research division for many years. He also possesses high level expertise in market analysis, achieving stable performance as the person in charge of the investment policy in the fund wrap business. In addition, as a Supervisor of Internal Administration, he has promoted an internal control system by thoroughly complying with laws and regulations by officers and employees, while also taking advantage of the networks he has built so far to make a great contribution in terms of personnel and human resource development. Mr. Abe possesses indispensable knowledge and experience for promoting the strategies of the Company in the future. We therefore consider him a suitable Director of the Company.</p>	41,300 shares

Candidate No.	Name (Date of birth)	Career summary, significant office(s) concurrently held, status and assignment at the Company	Number of shares of the Company held
4.	<p>Yasuyuki Suda (April 17, 1962)</p> <p>&lt;Reappointed&gt;</p> <p>Attendance at the Board of Directors Meetings 19/19</p>	<p>April 1986 Joined Mito Securities Co., Ltd.</p> <p>April 2016 Executive Officer</p> <p>June 2020 Director (to present) Supervisor, Sales 1<sup>st</sup> block, Sales 2<sup>nd</sup> block, and Sales 3<sup>rd</sup> block, Wealth Management Division, Sales Planning and Policy Division, and Customer Center (to present)</p> <p>(Reason for nominating him as a candidate for Director) Mr. Yasuyuki Suda has served as General Manager of two Branches in retail sales. He is deeply familiar with day-to-day sales operations, and has been committed to running branches. At the Head Office, he has served as a General Manager of the Investment Information Division and General Manager of the Sales blocks, demonstrating strong leadership in strengthening the Company's market responsiveness and stable profit base. He has led the sales division appropriately as Director and Supervisor of Sales Division since 2021. We therefore consider him a suitable Director of the Company.</p>	17,400 shares

Candidate No.	Name (Date of birth)	Career summary, significant office(s) concurrently held, status and assignment at the Company	Number of shares of the Company held
5.	<p>Takeshi Ohtsuki (June 15, 1961) &lt;Newly appointed&gt;</p> <p>Attendance at the Board of Directors Meetings 14/14</p> <p>Attendance at the Board of Statutory Auditors Meetings 10/10</p>	<p>April 1985 Joined Mito Securities Co., Ltd. October 2015 Executive Officer April 2020 Managing Executive Officer June 2021 Outside Statutory Auditor, Shizuoka Tokai Securities Co., Ltd. (to present) Statutory Auditor, Mito Securities Co., Ltd. (to present)</p> <p>(Significant office concurrently held) Outside Statutory Auditor, Shizuoka Tokai Securities Co., Ltd. (Reason for nominating him as a candidate for Director) Mr. Takeshi Ohtsuki has many years of business experience in the Company's Financial Affairs Division and Management Planning Division, and is deeply familiar with accounting and finance. He has also played a central role in formulating management vision and mid-term plans, and possesses the knowledge and experience to appropriately engage in management of the Company. As a Statutory Auditor since 2021, he has made the audit of the management of the Company function effectively. We therefore consider him a suitable Director of the Company.</p>	16,200 shares

Candidate No.	Name (Date of birth)	Career summary, significant office(s) concurrently held, status and assignment at the Company	Number of shares of the Company held
6.	<p>Akira Segawa (January 22, 1955)</p> <p>&lt;Reappointed&gt; &lt;Outside Director&gt; &lt;Independent Officer&gt;</p> <p>Attendance at the Board of Directors Meetings 18/19</p>	<p>April 1977 Joined the Industrial Bank of Japan, Limited (present Mizuho Bank, Ltd.)</p> <p>April 2005 Executive Officer, Mizuho Corporate Bank, Ltd. (present Mizuho Bank, Ltd.)</p> <p>April 2008 Managing Executive Officer, Mizuho Corporate Bank, Ltd.</p> <p>April 2010 Director, Mizuho Corporate Bank, Ltd.</p> <p>June 2010 Full-time Corporate Auditor, DOWA HOLDINGS CO., LTD.</p> <p>June 2011 Director, DOWA HOLDINGS CO., LTD.</p> <p>October 2012 Deputy Chief Executive Officer, FUJITA KANKO INC.</p> <p>March 2013 Representative Director and President, FUJITA KANKO INC.</p> <p>March 2019 Chairman, FUJITA KANKO INC.</p> <p>June 2020 Outside Director, Mito Securities Co., Ltd. (to present)</p> <p>March 2021 Special Advisor, FUJITA KANKO INC. (to present)</p> <p>(Reason for nominating him as a candidate for Director, and expected roles)</p> <p>Mr. Akira Segawa has a high level of insight and capability on finance and accounting from his experience developed over years in the banking industry. He possesses knowledge based on experience in corporate management as Representative Director and President of FUJITA KANKO INC., and can be expected to provide advice and supervision on the Company's management. We therefore consider him a suitable Outside Director of the Company. Mr. Segawa has no issue with any of the standards for independence set forth by the exchange and the Company, and fulfills the qualification requirements for an independent officer to whom conflict of interest with general shareholders is unlikely to occur.</p>	7,300 shares

Candidate No.	Name (Date of birth)	Career summary, significant office(s) concurrently held, status and assignment at the Company	Number of shares of the Company held
7.	Toshihiko Koiwai (September 4, 1956) <Newly appointed> <Outside Director> <Independent Officer>	<p>April 1979 Joined Marusan Securities Co., Ltd.</p> <p>June 2005 Executive Officer and General Manager, Equity Division, Marusan Securities Co., Ltd.</p> <p>April 2011 Managing Executive Officer and General Manager, Equity Division, Marusan Securities Co., Ltd.</p> <p>June 2013 Director, Managing Executive Officer, General Manager, Equity Division, and Supervisor, Investigations Department, Marusan Securities Co., Ltd.</p> <p>May 2014 President &amp; Representative Director, Marusan Securities Co., Ltd.</p> <p>June 2018 Chairman &amp; Representative Director, Marusan Securities Co., Ltd.</p> <p>June 2020 Advisor, Marusan Securities Co., Ltd.</p> <p>March 2022 Retired from Marusan Securities Co., Ltd.</p> <p>(Reason for nominating him as a candidate for Director, and expected roles)</p> <p>Mr. Toshihiko Koiwai was appointed President &amp; Representative Director of Marusan Securities Co., Ltd. after serving as sales manager at several branches and as Director and General Manager of Equity Division since joining the company, and is closely familiar with the securities industry. He possesses abundant experience as corporate manager, having led the company for more than six years including his term as Chairman &amp; Representative Director, and thus can be expected to further enhance the decision-making and supervisory functions of the Board of Directors. We therefore consider him a suitable Outside Director of the Company. Mr. Koiwai has no issue with any of the standards for independence set forth by the exchange and the Company, and fulfills the qualification requirements for an independent officer to whom conflict of interest with general shareholders is unlikely to occur.</p>	0 shares

- Notes: 1. No conflict of interest exists between the Company and any of the above candidates for Directors.
2. Mr. Akira Segawa and Mr. Toshihiko Koiwai are candidates for Outside Director.
3. The Company has registered Mr. Akira Segawa with the Tokyo Stock Exchange, Inc. as an independent officer to whom conflict of interest with general shareholders is unlikely to occur. When Mr. Akira Segawa is reelected as Outside Director, the Company will continue his appointment as an independent officer. The Company also intends to register Mr. Toshihiko Koiwai as an independent officer with the said exchange. The Company believes that both Mr. Akira Segawa and Mr. Toshihiko Koiwai fulfill the independence standards for outside officers established by the Company.
4. Liability limitation agreement with Outside Director (excluding executive directors, etc.)  
The Company intends to enter into liability limitation agreements with Mr. Akira Segawa and Mr. Toshihiko Koiwai to limit the liability provided for in Article 423, Paragraph 1 of the Companies Act in accordance with the provisions in Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation. The maximum amount of liability under the agreement will be the amount stipulated by laws and regulations.
5. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to cover damages, litigation expenses, etc. incurred by the insureds in the event that a claim for damages is made due to an act performed by the insureds in their capacity as directors or officers of the Company. The candidates will be included as the insureds under this insurance agreement. The Company bears all the insurance premium. The period of the insurance agreement is one year from September 27, 2021. The Company plans to renew the agreement with the same content at the next renewal.



**Proposal No. 4: Election of Three Directors who are Audit and Supervisory Committee Members**

The Company will transition to a company with an Audit and Supervisory Committee, under the condition that Proposal No. 2: “Partial Amendments to the Articles of Incorporation” is approved and resolved. As a result, under the stipulations of Article 336, Paragraph 4, Item 2 of the Companies Act, the terms of office of all four Statutory Auditors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, election of three Directors who are Audit and Supervisory Committee Members (Audit and Supervisory Committee Members; the same applies within this proposal) is proposed.

Additionally, the resolution of this proposal shall take effect, conditional upon the approval and resolution of Proposal No. 2: “Partial Amendments to the Articles of Incorporation” as originally proposed, and the amendments to the Articles of Incorporation regarding the transition to a Company with an Audit and Supervisory Committee resulting from resolution of said proposal coming into effect.

The Board of Statutory Auditors has previously given its approval.

The candidates for Audit and Supervisory Committee Members are as follows:

Candidate No.	Name		Status at the Company	Number of years served as a Director and a Statutory Auditor	Attendance at the Board of Directors Meetings and the Board of Statutory Auditors Meetings
1	Hideki Iguchi	Newly appointed	Statutory Auditor	4 years	Board of Directors Meetings 18 / 19 Board of Statutory Auditors Meetings 14 / 14
2	Ryoichi Ohno	Newly appointed Outside Independent	Outside Statutory Auditor	20 years	Board of Directors Meetings 19 / 19 Board of Statutory Auditors Meetings 14 / 14
3	Miyoe Ohnishi	Newly appointed Outside Independent	Outside Statutory Auditor	1 year	Board of Directors Meetings 14 / 14 Board of Statutory Auditors Meetings 10 / 10

Candidate No.	Name (Date of birth)	Career summary, significant office(s) concurrently held, status and assignment at the Company	Number of shares of the Company held
1.	<p>Hideki Iguchi (April 17, 1961) &lt;Newly appointed&gt;</p> <p>Attendance at the Board of Directors Meetings 18/19</p> <p>Attendance at the Board of Statutory Auditors Meetings 14/14</p>	<p>April 1985 Joined Taiheiyo Securities Co., Ltd. (present Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)</p> <p>March 2001 Joined Mito Securities Co., Ltd.</p> <p>April 2008 Executive Officer</p> <p>April 2015 Managing Executive Officer</p> <p>June 2018 Statutory Auditor (to present)</p> <p>(Reason for nominating him as a candidate for Director)</p> <p>Mr. Hideki Iguchi is familiar with compliance operations, including auditing, examination, risk management, and credit control, and has made a significant contribution to the development of our corporate governance structure and internal control system. He also possesses knowledge and experience in finance and management planning. He has taken advantage of his high level of expertise and insight and made the audit of the management of the Company function effectively since assuming the office of Statutory Auditor in 2018. We therefore consider that Mr. Iguchi is suitable as Director who is an Audit and Supervisory Committee Member.</p>	28,900 shares

Candidate No.	Name (Date of birth)	Career summary, significant office(s) concurrently held, status and assignment at the Company	Number of shares of the Company held
2.	<p>Ryoichi Ohno (April 24, 1949) &lt;Newly appointed&gt; &lt;Outside&gt; &lt;Independent Officer&gt; Attendance at the Board of Directors Meetings 19/19 Attendance at the Board of Statutory Auditors Meetings 14/14</p>	<p>October 1976 Passed the Bar Examination April 1979 Registered as Attorney-at-Law (First Tokyo Bar Association) Attorney, South Toranomom Law Offices (to present) June 2002 Outside Statutory Auditor, Mito Securities Co., Ltd. (to present) (Significant office concurrently held) Partner Attorney, South Toranomom Law Offices (Reason for nominating him as a candidate for Outside Director, and expected roles) Mr. Ryoichi Ohno has expertise in legal affairs and compliance as an Attorney-at-Law, and abundant experience as an Outside Statutory Auditor of the Company. He is familiar with the securities industry and management of the Company, and can be expected to contribute to auditing. We therefore consider that he is suitable as Outside Director who is an Audit and Supervisory Committee Member. Mr. Ohno has no issue with any of the standards for independence set forth by the exchange and the Company, and fulfills the qualification requirements for an independent officer to whom conflict of interest with general shareholders is unlikely to occur.</p>	13,550 shares

Candidate No.	Name (Date of birth)	Career summary, significant office(s) concurrently held, status and assignment at the Company	Number of shares of the Company held
3.	Miyoe Ohnishi (December 17, 1959) <Newly appointed> <Outside> <Independent Officer> Attendance at the Board of Directors Meetings 14/14 Attendance at the Board of Statutory Auditors Meetings 10/10	<p>April 1983 Joined Japan Associated Finance Co., Ltd. (present JAFCO Group Co., Ltd.)</p> <p>March 1989 Registered as Certified Public Tax Accountant</p> <p>April 1989 Certified Public Tax Accountant, Aida Tax Accounting Office (to present)</p> <p>June 2001 Outside Statutory Auditor, Mito Securities Co., Ltd. (to present)</p> <p>(Significant office concurrently held) Representative, Aida Tax Accounting Office (Reason for nominating her as a candidate for Outside Director, and expected roles) Ms. Miyoe Ohnishi has expertise and abundant experience on finance and accounting as a Certified Public Tax Accountant. After assuming the office of Statutory Auditor of the Company, she has audited the Company from an objective and neutral perspective that is independent from the Company, and can be expected to continue to contribute in this way. We therefore consider that she is suitable as Outside Director who is an Audit and Supervisory Committee Member. Ms. Ohnishi has no issue with any of the standards for independence set forth by the exchange and the Company, and fulfills the qualification requirements for an independent officer to whom conflict of interest with general shareholders is unlikely to occur.</p>	0 shares

- Notes: 1. No conflict of interest exists between the Company and any of the above candidates for Directors.
2. Mr. Ryoichi Ohno and Ms. Miyoe Ohnishi are candidates for Outside Directors.
3. Mr. Ryoichi Ohno and Ms. Miyoe Ohnishi will have served as Outside Statutory Auditors of the Company for 20 years and 1 year, respectively, at the conclusion of this General Meeting of Shareholders.
4. Regarding Ms. Miyoe Ohnishi, the name on the family register is presented. The name under which she is registered as Certified Public Tax Accountant is Miyoe Aida.
5. The Company has registered Mr. Ryoichi Ohno and Ms. Miyoe Ohnishi with the Tokyo Stock Exchange, Inc. as independent officers to whom conflict of interest with general shareholders is unlikely to occur. When Mr. Ryoichi Ohno and Ms. Miyoe Ohnishi are reelected as Audit and Supervisory Committee Members, the Company will continue their appointment as independent officers.
6. Liability limitation agreement with Outside Directors (excluding executive directors, etc.)  
The Company intends to enter into liability limitation agreements with Mr. Hideki Iguchi, Mr. Ryoichi Ohno and Ms. Miyoe Ohnishi to limit the liability provided for in Article 423, Paragraph 1 of the Companies Act in accordance with the provisions in Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation. The maximum amount of liability under the agreement will be the amount stipulated by laws and regulations.
7. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to cover damages, litigation expenses, etc. incurred by the insureds in the event that a claim for damages is made due to an act performed by the insureds in their capacity as directors or officers of the Company. The candidates will be included as the insureds under this insurance agreement. The Company bears all the insurance premium. The period of the insurance agreement is one year from September 27, 2021. The Company plans to renew the agreement with the same content at the next renewal.

(Reference)

Knowledge and skills possessed by the Company's Directors (skills matrix)

The Company has identified the following knowledge and experience necessary for its Directors. The knowledge and experience possessed by the Company's Directors if Proposal No. 3 and Proposal No. 4 are approved and resolved as follows:

Name	Position	Sex	Corporate management	Financial services	Finance/Accounting	Legal affairs/Compliance
Katsunori Kobayashi	Representative Director President	Male	<input type="radio"/>	<input type="radio"/>		
Toru Uozu	Representative Director Vice President	Male		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Susumu Abe	Managing Director	Male		<input type="radio"/>		<input type="radio"/>
Yasuyuki Suda	Director	Male		<input type="radio"/>		
Takeshi Ohtsuki	Director	Male		<input type="radio"/>	<input type="radio"/>	
Akira Segawa	Outside Director	Male	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Toshihiko Koiwai	Outside Director	Male	<input type="radio"/>	<input type="radio"/>		
Hideki Iguchi	Director Audit and Supervisory Committee Member	Male		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ryoichi Ohno	Outside Director Audit and Supervisory Committee Member	Male		<input type="radio"/>		<input type="radio"/>
Miyoe Ohnishi	Outside Director Audit and Supervisory Committee Member	Female		<input type="radio"/>	<input type="radio"/>	

**Proposal No. 5: Election of One Substitute Director who is an Audit and Supervisory Committee Member**

The Company will transition to a company with an Audit and Supervisory Committee, under the condition that Proposal No. 2: “Partial Amendments to the Articles of Incorporation” is approved and resolved. In order to prepare for the case when the number of Directors who are Audit and Supervisory Committee Members (Audit and Supervisory Committee Members; the same applies within this proposal) stipulated by laws and regulations might be insufficient, election of the following one Substitute Audit and Supervisory Committee Member is proposed.

Additionally, the resolution of this proposal shall take effect, conditional upon the approval and resolution of Proposal No. 2: “Partial Amendments to the Articles of Incorporation” as originally proposed, and the amendments to the Articles of Incorporation regarding the transition to a company with an Audit and Supervisory Committee resulting from resolution of said proposal coming into effect. The resolution of this proposal shall be effective until the start of the General Meeting of Shareholders for the last fiscal year ending within two years after the resolution. The election may be cancelled by the resolution of the Board of Directors, provided such cancellation is made prior to the assumption of office and with the consent of the Audit and Supervisory Committee.

The Board of Statutory Auditors has previously given its approval.

The candidate for Substitute Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Career summary, significant office(s) concurrently held and status at the Company	Number of shares of the Company held
Yutaka Ichikawa (September 8, 1970) <Outside> <Independent Officer>	October 1999 Passed the Bar Examination November 2001 Registered as Attorney-at-Law (Tokyo Bar Association) June 2003 Joined South Toranomom Law Offices (to present) June 2015 Substitute Statutory Auditor, Mito Securities Co., Ltd. (to present) (Significant office concurrently held) Partner Attorney, South Toranomom Law Offices (Reason for nominating him as a candidate for Substitute Outside Director, and expected roles) Mr. Yutaka Ichikawa has abundant knowledge and experience in legal circles as an Attorney-at-Law and advanced insight about laws and compliance. Although he has never been involved in corporate management, he is a talented person who will be capable of fulfilling his roles as an Audit and Supervisory Committee Member. We therefore consider that he is suitable as Substitute Outside Director who is an Audit and Supervisory Committee Member. Mr. Ichikawa has no issue with any of the standards for independence set forth by the exchange and the Company, and fulfills the qualification requirements for an independent officer to whom conflict of interest with general shareholders is unlikely to occur.	0 shares

Notes: 1. No conflict of interest exists between the Company and the above candidate.

2. Mr. Yutaka Ichikawa is a candidate for Substitute Outside Director. Election of Mr. Yutaka Ichikawa is proposed as a candidate for Substitute Outside Director to Audit and Supervisory Committee Members, Mr. Ryoichi Ohno and Ms. Miyoe Ohnishi, when Proposal No. 4 is approved and resolved as originally proposed. In addition, Mr. Yutaka Ichikawa satisfies the requirements for an independent officer as set forth by the Tokyo Stock Exchange, Inc. We have judged that Mr. Yutaka Ichikawa satisfies the Standards for the Independence of Outside Officers as set forth by the Company. Furthermore, if Mr. Yutaka Ichikawa assumes office as an Outside Director, the Company will register him with the Tokyo Stock Exchange, Inc. as an independent officer to whom conflict of interest with general shareholders is unlikely to occur.

3. Liability limitation agreement with Outside Director (excluding executive directors, etc.)

If Mr. Yutaka Ichikawa assumes office as an Outside Director, the Company will enter into a liability limitation agreement with him to limit the liability provided for in Article 423, Paragraph 1 of the

Companies Act in accordance with the provisions in Article 427, Paragraph 1 of the Companies Act and the provisions of the Articles of Incorporation. The maximum amount of liability under the agreement will be the amount of liability stipulated by laws and regulations.

4. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to cover damages, litigation expenses, etc. incurred by the insureds in the event that a claim for damages is made due to an act performed by the insureds in their capacity as directors or officers of the Company. Mr. Yutaka Ichikawa will be included as the insureds under this insurance agreement if he assumes office as an Outside Director. The Company bears all the insurance premium. The period of the insurance agreement is one year from September 27, 2021. The Company plans to renew the agreement with the same content at the next renewal.

**Proposal No. 6: Determination of the Amount of Compensation, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members)**

The amount of compensation, etc. for Directors of the Company was determined to be up to ¥400 million per year by resolution of the 61<sup>st</sup> Ordinary General Meeting of Shareholders held on June 29, 2006. However, the Company will transition to a company with an Audit and Supervisory Committee, under the condition that Proposal No. 2: “Partial Amendments to the Articles of Incorporation” is approved and resolved. Accordingly, the Company proposes to abolish the existing compensation limit for Directors and determine the amount of compensation, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members) to be up to ¥400 million per year (of which, up to ¥60 million per year for Outside Directors) pursuant to the provisions of Article 361, Paragraphs 1 and 2 of the Companies Act, in light of various circumstances including economic conditions.

The number of Directors is currently eight (including two Outside Directors). If Proposals No. 2 and No. 3 are approved and resolved as originally proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be seven (including two Outside Directors).

The Company has set up the following five items in its basic policy regarding compensation, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members) in order to determine compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members)

- (1) Compensation, etc. shall tailor to the roles, responsibilities, and performance of Directors (excluding Directors who are Audit and Supervisory Committee Members).
- (2) Compensation, etc. shall be linked with the Company’s performance, etc.
- (3) Compensation, etc. shall be highly transparent and objective.
- (4) Compensation, etc. shall contribute to the enhancement of corporate value over the medium to long term.
- (5) Compensation, etc. shall not conflict with interest of shareholders

In addition, the level of payment shall take into consideration the level, etc. of other companies in the same industry and size.

The Company considers that the amount of compensation, etc. proposed in this proposal is appropriate in light of the basic policy, such as it tailors to the roles and responsibilities of Directors (excluding Directors who are Audit and Supervisory Committee Members), it is reasonable in comparison with the level, etc. of other companies in the same industry and size, and it is an appropriate level that does not conflict with interest of shareholders. The Company has also received reports to that effect from the Nomination and Compensation Committees.

Additionally, the resolution of this proposal shall take effect, conditional upon the approval and resolution of Proposal No. 2: “Partial Amendments to the Articles of Incorporation” as originally proposed, and the amendments to the Articles of Incorporation regarding the transition to a company with an Audit and Supervisory Committee resulting from resolution of said proposal coming into effect.



**Proposal No. 7: Determination of the Amount of Compensation, etc. for Directors who are Audit and Supervisory Committee Members**

The Company will transition to a company with an Audit and Supervisory Committee, under the condition that Proposal No. 2: “Partial Amendments to the Articles of Incorporation” is approved and resolved. Accordingly, the Company proposes the amount of compensation, etc. for Directors who are Audit and Supervisory Committee Members to be up to ¥80 million per year pursuant to the provisions of Article 361, Paragraphs 1 and 2 of the Companies Act, in light of various circumstances including economic conditions.

If Proposals No. 2 and No. 4 are approved and resolved as originally proposed, the number of Directors who are Audit and Supervisory Committee Members shall be three.

The Company considers that the amount of compensation, etc. proposed in this proposal is appropriate, as it tailors to the roles and responsibilities, it is reasonable in comparison with the level, etc. of other companies in the same industry and size, and it is an appropriate level that does not conflict with interest of shareholders.

Additionally, the resolution of this proposal shall take effect, conditional upon the approval and resolution of Proposal No. 2: “Partial Amendments to the Articles of Incorporation” as originally proposed, and the amendments to the Articles of Incorporation regarding the transition to a company with an Audit and Supervisory Committee resulting from resolution of said Proposal coming into effect.

**Proposal No. 8: Determination of the Amount of Performance-linked Stock Compensation, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members)**

1. Reasons for the Proposal and Reasons Why It is Reasonable

Introduction of a performance-linked stock compensation plan for Directors (excluding Outside Directors) (hereinafter the “Plan”) was approved at the 71<sup>st</sup> Ordinary General Meeting of Shareholders of the Company held on June 24, 2016. Afterwards, as the Act Partially Amending the Companies Act (Act No. 70 of 2019) was enforced on March 1, 2021, the Plan was approved again at the 76<sup>th</sup> Ordinary General Meeting of Shareholders of the Company held on June 24, 2021 (hereinafter, the resolution made at the above-mentioned 76<sup>th</sup> Ordinary General Meeting of Shareholders held on June 24, 2021 is called the “Original Resolution”). As the Company will transition to a company with an Audit and Supervisory Committee, under the condition that Proposal No. 2: “Partial Amendments to the Articles of Incorporation” is approved and resolved, the Company asks you to approve the abolishment of the compensation limit under the Plan by the Original Resolution and the reestablishment of the compensation limit under the Plan for Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter, the same shall apply in this proposal unless otherwise indicated) of the Company.

This proposal is to take a procedural action following the transition to a company with an Audit and Supervisory Committee. The contents of the actual compensation limit under the Plan are the same as those determined by the Original Resolution, and they are also consistent with a policy, “contributing to the enhancement of corporate value over the medium to long term” stated in the basic policy regarding compensation, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members) of the Company. The Company therefore considers that the contents of this proposal are appropriate and reasonable.

The Company proposes that the details of the Plan be entrusted to the Board of Directors within the upper limit of 2. below.

The number of Directors covered by the Plan is currently six, excluding Outside Directors. If Proposals No. 2 and No. 3 are approved and resolved as originally proposed, the number of Directors covered by the Plan shall be five.

Additionally, the resolution of this proposal shall take effect, conditional upon the approval and resolution of Proposal No. 2: “Partial Amendments to the Articles of Incorporation” as originally proposed, and the amendments to the Articles of Incorporation resulting from resolution of said Proposal coming into effect.

2. Amount and Other Specifics of Compensation, etc. under the Plan

(1) Overview of the Plan

The Plan is a performance-linked stock compensation plan under which money contributed by the Company is used as funds to acquire the Company’s shares through a trust (hereinafter, the trust established under the Plan is called the “Trust”). The Company’s shares and the money equivalent to the value of the Company’s shares converted at fair market value (hereinafter “Shares, etc. of the Company”) are to be provided to Directors through the Trust, in accordance with the stock benefit rules for Directors established by the Board of Directors. Directors shall, in principle, receive Shares, etc. of the Company at the time of their respective retirements.

(2) Individuals covered by the Plan

Directors of the Company (Directors who are Audit and Supervisory Committee Members and Outside Directors shall not be covered by the Plan.)

(3) Period of the Trust

From August 2016 to the termination of the Trust. (With respect to the period of the Trust, the Trust shall continue as long as the Plan continues, with no specific date of termination. The Plan shall terminate if the Company’s stock is delisted or the stock benefit rules for Directors are repealed.)

(4) Amount of money to be contributed to the Trust

The Company has introduced the Plan targeting a period of three fiscal terms from the fiscal term ended March 31, 2017 to the fiscal term ended March 31, 2019 (hereinafter, the period of such three fiscal terms and each period of three-fiscal terms following the initial three-year fiscal term are called the “Covered Period”) and each Covered Period thereafter. For the initial Covered Period, the Company has contributed ¥80 million of money as funds to acquire shares necessary to provide benefits to Directors of the Company under the Plan and established the Trust. The Trust has acquired 333,800 shares of the Company using the money contributed by the Company as the source of funds. In accordance with the transition to a company with an Audit and Supervisory Committee, the Company shall keep the Trust as a trust whose beneficiaries are the Directors that meet the requirements for beneficiaries.

The Company shall make an additional contribution of funds to the Trust with an upper limit of ¥80 million to acquire the above-mentioned shares for each Covered Period in the future until the time the Plan terminates. With regard to the additional contribution, however, if there are residual shares of the Company (excluding the Company’s shares not yet been provided to Directors in amounts equivalent to the number of points granted to Directors) and money (hereinafter “Residual Shares, etc.”) in the trust assets on the last day of the Covered Period immediately preceding the Covered Period when the Company intends to make the additional contribution, the total amount of Residual Shares, etc. (in the case of shares, the fair market value of the shares on the last day of the Covered Period immediately preceding the Covered Period when the Company intends to make the additional contribution) and money to be paid as additional contribution shall be within the upper limit of ¥80 million.

(5) Method for acquisition of the Company’s shares and the number of shares to be acquired by the Trust

The Trust shall acquire the Company’s shares on the stock market or by purchasing treasury stock the Company has reissued. The maximum number of shares of the Company to be acquired by the Trust for each Covered Period shall be 560,000 shares.

(6) Specific contents of Shares, etc. of the Company provided to Directors

The Company shall grant Directors with points in each fiscal term, the number of which shall be calculated based on basic points to be granted according to the Directors’ positions and in consideration of the degree of achievement of the numerical targets the Company sets as the Company’s managerial targets. The total number of the points to be granted to Directors for each Covered Period shall be 560,000 points at a maximum.

The points granted to Directors shall be converted at the rate of one share of common stock for one point when Shares, etc. of the Company are provided to Directors as described in (7) below (However, if a stock split, allotment of shares without contribution, or consolidation of shares is conducted with respect to the Company’s shares after this proposal is approved and resolved, the maximum number of points to be granted, the number of points granted, or the conversion rate shall be reasonably adjusted according to the ratio of such change.).

The number of the points of a Director, which will become the yardstick when Shares, etc. of the Company are provided as described in (7) below shall be, in principle, the number of points obtained by multiplying the number of points granted to the Director by the time of his/her retirement by a predetermined coefficient (up to 1) established for each reason for retirement (hereinafter, the points calculated by this method are called the “Number of Final Points”).

(7) Provision of Shares, etc. of the Company

If a Director retires and meets the requirements for beneficiaries as prescribed in the stock benefit rules for Directors, the Director shall, after his/her retirement, receive benefits from the Trust in the form of the Company shares corresponding to the Number of Final Points determined according to the method described in (6) above in principle, by completing the prescribed procedures for determination of beneficiaries. If, however, a Director meets the requirements under the stock benefit rules for Directors, the Director shall receive money converted at the fair market value of the Company’s shares in lieu of the stock benefit, up to a

certain portion. The Trust may sell the Company's shares to provide such monetary benefit.

Even if a Director has been granted points, he/she may not obtain the right to receive the benefits if a resolution to dismiss him/her is made at a General Meeting of Shareholders, or if he/she retires as a result of a breach of his/her obligations as a Director.

(8) Exercise of voting rights

Voting rights represented by the Company's shares held in the Trust's account shall not be exercised under any circumstances, without exception, in accordance with the instruction from the trust administrator. Adopting this approach is a means of ensuring neutrality for the management of the Company with respect to the exercise of the voting rights represented by the Company's shares held in the Trust account.

(9) Treatment of dividends

Dividends from the Company's shares held in the Trust's account shall be received by the Trust and shall be appropriated for the acquisition of the Company's shares and the payment of trust fees, etc. for the trustee of the Trust. In the event the Trust is terminated, dividends, etc. remaining in the Trust shall be paid to each Director in office at that time, in accordance with the provisions of the stock benefit rules for Directors, in an amount proportional to the number of points he/she has.

(10) Treatment upon termination of the Trust

The Trust shall terminate in the event of a delisting of the Company's stock or a repeal of the stock benefit rules for Directors, etc. From among the residual assets in the Trust upon termination of the Trust, the Company shall acquire all of the Company shares (except for the shares to be distributed to Directors in accordance with the provision in (7) above) without charge, and thereupon the Company shall plan to cancel the shares by a resolution of the Board of Directors. From among the residual assets in the Trust upon termination of the Trust, the money shall be paid to the Company, except for the money to be paid to the Directors in accordance with (9) above.

(REFERENCE)

**Financial Highlights**  
(Year ended March 31)

		2017	2018	2019	2020	2021	2022
<b>Non-consolidated financial highlights</b>							
Operating revenue	(Millions of yen)	13,389	16,152	11,533	11,946	15,366	13,683
Ordinary income (loss)	(Millions of yen)	1,437	3,347	△142	441	3,207	1,961
Net income (loss)	(Millions of yen)	962	2,584	184	791	1,868	1,389
Capital stock	(Millions of yen)	12,272	12,272	12,272	12,272	12,272	12,272
Total number of shares issued	(Shares)	75,689,033	70,689,033	70,689,033	70,689,033	70,689,033	70,689,033
Total net assets	(Millions of yen)	38,026	40,394	38,070	36,535	39,709	39,071
Total assets	(Millions of yen)	62,759	67,852	63,345	60,940	71,912	64,511
Net assets per share	(Yen)	538.71	580.47	548.13	568.34	617.58	611.82
Cash dividend per share [interim cash dividend per share]	(Yen)	7.00 【2.00】	20.00 【5.00】	4.00 【2.00】	8.00 【4.00】	16.00 【6.00】	14.00 【8.00】
Net income (loss) per share	(Yen)	13.57	36.93	2.66	11.86	29.05	21.73
Diluted net income (loss) per share	(Yen)	—	—	—	—	—	—
Equity ratio	(%)	60.6	59.5	60.1	60.0	55.2	60.6
Return (loss) on equity	(%)	2.5	6.6	0.5	2.1	4.9	3.5
Payout ratio	(%)	51.6	54.2	150.4	67.4	55.1	64.4

- Notes: 1. The financial highlights are not presented in the original Notice of the Ordinary General Meeting of Shareholders in Japanese.
2. Moreover, some of the figures in this document have been prepared based on financial statements, which are not included in the original Notice of the Ordinary General Meeting of Shareholders in Japanese.
3. Figures have been prepared in accordance with the accounting principles generally accepted in Japan, which are different in certain respects from application and disclosure requirements of the International Financial Reporting Standards.