

To All Shareholders

1-3-5, Oji-cho, Fukuyama, Hiroshima

Aoyama Trading Co., Ltd.

President and Representative Director AOYAMA Osamu

Notice of the Convocation of the 58th Ordinary General Meeting of Shareholders

Description

1. **Date** June 29 (Wednesday), 2022, at 10:00 a.m.
2. **Place** Meeting Room, 4th floor, Headquarters
Aoyama Trading Co., Ltd., 1-3-5, Oji-cho, Fukuyama, Hiroshima
3. **Objects**
 1. Report on the business report for the 58th term (from April 1, 2021 to March 31, 2022), the contents of the consolidated financial statements, and the results of audit of the consolidated financial statements by the account auditors and the Board of Corporate Auditors
 2. Report on the contents of the financial statements for the 58th term (from April 1, 2021 to March 31, 2022)

Matters to be resolved

- | | |
|----------------|----------------------------------------------------|
| Proposal No. 1 | Appropriation of Retained Earnings |
| Proposal No. 2 | Partial Amendment to the Articles of Incorporation |
| Proposal No. 3 | Election of One (1) Corporate Auditor |

- ⊙ If you do not attend the meeting, you can exercise your voting rights in writing or via the Internet. Please review the Reference Documents for General Meeting of Shareholders provided in a later section, and exercise your voting rights by no later than Tuesday, June 28, 2022, 6:30 p.m.
- ⊙ Please note that if it becomes necessary to amend any matters related to the contents stated in the reference documents for the Ordinary General Meeting of Shareholders, Business Report, Consolidated Financial Statements, or Financial Statements, it will be presented on the Company's website at: <https://www.aoyama-syouji.co.jp>

Reference Document for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Retained Earnings

We recognize that returning profits to shareholders is one of the most important management issues. Our fundamental policy is to return dividends to shareholders with the top priority, in accordance with a policy set out in each medium-term management plan.

Regarding shareholder return for the Medium-term Management Plan period from the fiscal year ended March 31, 2022 to the fiscal year ending March 31, 2024, we prioritize improving the capital adequacy that has been damaged by the effects of the spread of novel coronavirus disease on earnings. We do this by increasing internal reserves, setting a target total return ratio of 30%.

In accordance with this shareholder return policy, we calculated the amount of dividends based on the earnings. As a result, with respect to the year-end dividend for the current year, we plan to pay 8 yen per share as an ordinary dividend.

We paid no interim dividend, and therefore the annual dividend per share is 8 yen per share.

Matters regarding the year-end dividend

1. Type of dividend property
Cash
2. Allotment of dividends and total amount of dividends
8 yen per common stock of the Company
Allocation
Ordinary dividend 8 yen
Total dividends 401,293,792 yen
3. Effective date on which dividends will be disbursed from retained earnings
June 30, 2022

Proposal No. 2: Partial Amendment to the Articles of Incorporation

1. Reason for the proposal

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meeting of shareholders, the Articles of Incorporation of the Company shall be amended as follows.

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

2. Content of the amendment

The content of the amendment is as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p><u>(Internet-based Disclosure of Reference Document for General Meeting of Shareholders and Deemed Provision)</u> <u>Article 15</u> <u>In convening a general meeting of shareholders, the Company may deem to have supplied information about matters to be stated or indicated in reference documents for the general meeting, business report, non-consolidated financial statements and consolidated financial statements to shareholders, by disclosing the information via an Internet-based method in accordance with the applicable ordinance of the Ministry of Justice.</u> (Newly established)</p>	<p>(Deleted)</p> <p>(Measures for Electronic Provision, etc.) <u>Article 15</u> <u>In convening a general meeting of shareholders, the Company shall provide information contained in the reference documents for the general meeting of shareholders electronically.</u> <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>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p data-bbox="850 271 1198 300"><u>(Supplementary provisions)</u></p> <p data-bbox="850 309 1453 584"><u>1 The amendments of Article 15 of the Articles of Incorporation shall come into effect on September 1, 2022, the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u></p> <p data-bbox="850 593 1453 902"><u>2 Notwithstanding the provisions of the preceding paragraph, Article 15 (Internet-based Disclosure of Reference Document for General Meeting of Shareholders and Deemed Provision) of the Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the Effective Date.</u></p> <p data-bbox="850 911 1453 1120"><u>3 These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Proposal No. 3: Election of One (1) Corporate Auditor

Corporate Auditor Mr. OGI Hiroshi will resign at the conclusion of this General Meeting of Shareholders. Accordingly, the Company requests the election of one (1) Corporate Auditor.

Mr. OKITA Takashi, a candidate for Corporate Auditor, will assume the office of Corporate Auditor on July 11, 2022, as stipulated in the National Public Service Act.

The resolution of this agenda item has obtained the consent of the Board of Corporate Auditors.

The candidate for Corporate Auditor has been selected in consultation with the Nomination Advisory Committee.

The candidate for Corporate Auditor is as follows.

Name (Date of birth)	Brief profile and position at the Company (Significant concurrent positions)	Number of the Company's shares owned
<p style="text-align: center;">OKITA Takashi (December 29, 1959)</p> <p style="text-align: center;">Newly elected Outside Corporate Auditor Independent Officer</p>	July 2007 Professor, General Education Dept., Central Institute, The National Tax College	— Shares
	July 2009 Head Deputy District Director, Hiroshima West Tax Office	
	July 2011 Chief Examiner, Large Enterprise and Criminal Investigation Dept., Hiroshima Regional Taxation Bureau	
	July 2014 District Director, Saijo Tax Office	
	July 2015 Director, Management Div. (Large Enterprise), Large Enterprise and Criminal Investigation Dept., Hiroshima Regional Taxation Bureau	
	July 2017 Director, Taxation Management Div., First Taxation Dept., Hiroshima Regional Taxation Bureau	
	July 2018 Deputy Assistant Regional Commissioner, First Taxation Dept., Hiroshima Regional Taxation Bureau	
	July 2019 District Director, Hiroshima East Tax Office	
	July 2020 Retired from District Director, Hiroshima East Tax Office	
	August 2020 Registered as Certified Tax Accountant and opened his own tax accountancy	
Significant concurrent positions	None	
Special interest in the Company	None	
Reasons for nomination as a candidate for Outside Corporate Auditor The Company believes that Mr. OKITA Takashi is appropriate for the position and will be able to audit the appropriateness of operations and compliance with laws because he has considerable financial and accounting knowledge as a Tax Accountant and from experience as District Director of Tax Offices. Mr. OKITA has no corporate management experience; however, the Company believes that he will be able to perform the duties of Outside Corporate Auditor appropriately for the above reasons.		

- (Notes)
1. Mr. OKITA Takashi is a new candidate for Corporate Auditor and also a candidate for Outside Corporate Auditor.
 2. Article 37 of the Articles of Incorporation of the Company stipulates that the Company may enter into an agreement with Corporate Auditors to limit liability due to negligence in performing their duties in order to enable them to do their utmost. Accordingly, if Mr. OKITA Takashi, a candidate for Outside Corporate Auditor, is elected as proposed, the Company plans to enter into the limitation of liability agreement with him. The maximum amount of liability under the agreement is the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act.
 3. Special remarks regarding the candidate for Outside Corporate Auditor are as follows.
 - (1) Regarding the candidate's service over the past five years as Director, Executive Officer, or Auditor of other companies, no corresponding item existed regarding records of violations of laws and regulations and Articles of Incorporation or other inappropriate actions at these companies during the candidate's term of office therein.
 - (2) If Mr. OKITA Takashi is elected as proposed, the Company plans to register him as an Independent Officer with the Tokyo Stock Exchange (TSE).
 4. The Company has entered into a directors and officers liability insurance contract with an insurance company. Directors and Corporate Auditors of the Company and its subsidiaries will be insured under the contract. The insurance policy covers damage payments and litigation expenses in the event that a claim for damages is made against the insured due to execution of his or her duties. However, the insurance contract does not cover claims for damages caused by intent or gross negligence. The insurance premiums are fully borne by the Company. The candidate will be insured under the insurance contract. The Company plans to renew the contract with the same details at the next renewal.

(Reference)

■ Independence standard for appointing outside directors/auditors

1. The outside director/auditor has never worked for our Group.
2. The outside director's/auditor's spouse or any relative within the second degree of relationship has never worked for our Group.
3. The outside director/auditor has never been affiliated with any of the following organizations that have relationships with the Company.
 - (1) Organizations that are major shareholders
 - (2) Major banks or securities companies
 - (3) Major accounting auditors, business consultants, law firms, etc.
 - (4) Major suppliers and other business partners that have business relationships with the Company
 - (5) Companies and organizations of which the Company is a major business client.
4. The outside director's/auditor's spouse or any relative within the second degree of relationship has never worked for any of the organizations, etc. listed in the preceding paragraph 3.