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# **NOTICE OF THE 8TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**ARUHI Corporation**

Securities Code: 7198

# To Our Shareholders

We would like to express our deep appreciation to all of our shareholders for your continued support. We are sending this notice of convocation as we will shortly be holding our 8th Annual General Meeting of Shareholders.

Last year, ARUHI announced the “Mid-term Strategic Plan 2021” with the intention of evolving into a “Homebuying Service Company” that not only provides housing loans to our customers but also provides our customers with a wide variety of necessary homebuying services such as town/home searching and assistance in buying and selling real estate. In fiscal 2021 we took our first steps toward evolving into a Homebuying Service Company with examples including the launching of TownU, a service for city searching, and the establishment of ARUHI Homebuying Concierge Corporation, a company that provides consultations for relocation.

With the new management team put in place in April of this year, we shall accelerate our movement toward this new type of company—meaning we shall increase the number of housing loans (our core business) that we handle—and actively work toward digital transformation, aiming for even better efficiency regarding business management.

In light of the rapid increase in the number of shareholders over the past year, and with the novel coronavirus disease (COVID-19) not yet under control, we have decided to hold this year’s Annual General Meeting of Shareholders in a virtual-only format, following confirmation by the Minister of Economy, Trade and Industry and the Minister of Justice, for the purpose of promoting communication with our shareholders. We believe that holding the General Meeting of Shareholders over the Internet will allow more of our shareholders to attend regardless of the distance they would have to travel.

We hope you will understand our reasons for holding the General Meeting of Shareholders in this manner and we look forward to your participation in the same. We appreciate your continued support.

**Toshihiko Katsuya**  
Representative Director, President, CEO and COO

June 7, 2021

To our shareholders:

Toshihiko Katsuya,  
Representative Director, President,  
CEO and COO  
**ARUHI Corporation**  
6-1, Roppongi 1-chome, Minato-ku, Tokyo

## Notice of the 8th Annual General Meeting of Shareholders

The 8th Annual General Meeting of Shareholders of ARUHI Corporation (the “Company”) will be held for the purposes as described below.

On the basis of the “Act for Partially Amending the Act on Strengthening Industrial Competitiveness and Other Related Laws and Regulations (Act No. 70 of 2021),” we shall hold this General Meeting of Shareholders without a designated location (a “Virtual-only General Meeting of Shareholders” held over the Internet).

This General Meeting of Shareholders shall be held without a physical venue where shareholders can attend, so we ask that you attend the meeting online. For details such as the URL of the website required for attending the meeting, the access method, and the procedural method, see “8. Management of the Virtual-only General Meeting of Shareholders” under “Managing General Meetings of Shareholders in a Virtual-only Format” later in this notice. In consideration of the possibilities of shareholders being unable to attend on the day of the meeting or planning to attend but being unable to do so due to factors such as network disturbances, we have prepared methods for exercising voting rights by mail and via the Internet, and we ask that you make use of these methods in advance. If you will do so, we ask that you review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights before 5:45 p.m. (JST) on Wednesday, June 22, 2022.

### **[Voting by mail]**

Please indicate your approval or disapproval of the proposals on the enclosed voting form, and return it so that your vote is received by the above deadline.

### **[Voting via the Internet, etc.]**

Please refer to the “Exercise of Voting Rights via the Internet, etc.” (in Japanese only) and indicate your approval or disapproval of the proposals by above deadline.

### Regarding Internet Disclosure (in Japanese only)

The following items have been posted on the Company’s website on the Internet in accordance with laws and regulations and Article 15 of the Company’s Articles of Incorporation. The relevant documents are not included in the Attachment to the Notice of Annual General Meeting of Shareholders.

- (i) “Matters concerning Share Acquisition Rights, etc.” and “Structures for Ensuring Appropriate Operations and Operational Status of Said Structures” in the Business Report
- (ii) Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements
- (iii) Non-consolidated Statement of Changes in Equity and Notes to Non-consolidated Financial Statements

Website of the Company: <https://www.aruhi-group.co.jp/english/ir/stockinfo/shareholders>

These items are included in the audit materials when the Audit and Supervisory Board Members and the Accounting Auditors prepare their respective audit reports.

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10:00 a.m. (JST) on Thursday, June 23, 2022

**1. Date and Time:**

\* We plan to allow shareholders to log in from around 9:30 a.m. (JST) on the day of the General Meeting of Shareholders. However, in the event that the General Meeting of Shareholders cannot be held on the above date due to communications problems or other reasons, the meeting will be held on June 24, 2022 (Friday) at 3:00 p.m. as a preliminary back-up date. If we decide to hold the meeting on the preliminary back-up date, we will announce the details again on our website (<https://www.aruhigroup.co.jp/ir/stockinfo/shareholders>) by 11:00 a.m. on June 23, 2022.

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**2. Venue:**

The Company will hold a General Meeting of Shareholders without a designated location.

\* Attend the meeting via the website designated by the Company. For details such as the URL of the corresponding website required for attending the meeting, the access method, and the procedural method, see “8. Management of the Virtual-only General Meeting of Shareholders” on page 8 and subsequent pages. Because the meeting will be held fully online, there is no venue where shareholders can attend.

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**3. Purpose:**

(1) Matters to be reported

1. Report on the Business Report and Consolidated Financial Statements and the results of audits by Accounting Auditors and the Audit and Supervisory Board for Consolidated Financial Statements for the 8th Fiscal Year (from April 1, 2021 to March 31, 2022)

2. Report on the Non-consolidated Financial Statements for the 8th Fiscal Year (from April 1, 2021 to March 31, 2022)

(2) Matters to be resolved

Proposal No. 1: Appropriation of Surplus

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

Proposal No. 3: Election of Six (6) Directors

Proposal No. 4: Election of One (1) Audit and Supervisory Board Member

Proposal No. 5: Election of One (1) Substitute Audit and Supervisory Board Member

Proposal No. 6: Revisions to the Compensation in the Restricted Stock Compensation System for Directors (Excluding Outside Directors)

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1. The details listed above may be amended up to and including the day of the General Meeting of Shareholders due to factors such as government notices and the state of the spread of COVID-19. We ask that you check the latest meeting’s transmission information from the Company’s website on the Internet (<https://www.aruhi-group.co.jp/english/ir/stockinfo/shareholders>).
  2. Using voting forms to exercise voting rights leads to infection risks due to the process involved in sending the forms to the Company and due to the work required to tally the votes. Hence, if you wish to exercise your voting rights in advance, we ask that you do so over the Internet wherever possible.
  3. If any changes are made to items in the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements or Non-consolidated Financial Statements, please note that such changes will be posted on the Company’s website listed above.
  4. Information regarding the proceedings of this General Meeting of Shareholders shall be transmitted and received over the Internet.
  5. If the proceedings of this General Meeting of Shareholders are greatly hindered by network disturbances or similar factors, a vote shall be held at the beginning of the meeting to allow the chairperson to decide whether to postpone or continue the meeting. In the event that the Chairperson decides to postpone or continue the Meeting based on said resolution, a postponement or continuation meeting of the Shareholders’ Meeting will be held at 3:00 p.m. on Friday, June 24, 2022, the preliminary back-up date stated above. In that case, we will promptly notify you on the Company’s website above, and you are cordially invited to attend the postponement or continuation of this Shareholders’ Meeting by following the

procedures described in “8. Management of the Virtual-only General Meeting of Shareholders” on page 8 and subsequent pages.

In the event of other changes to the management of this General Meeting of Shareholders, the details of the changes and other relevant information will be posted on the Company’s website listed above.

**Information on Exercise of Voting Rights, etc.**

The right to vote at the general meeting of shareholders is a principal right of shareholders. Please exercise your voting rights by one of the following three methods.

1. Exercise of Voting Rights by attending the general meeting of shareholders
  2. Exercise of Voting Rights by mail
  3. Exercise of Voting Rights via the Internet, etc.
- (1) If you exercise your voting rights both in writing and via the internet, etc., we will consider the exercise via the internet, etc. to be valid.
- (2) If you exercise your voting rights more than once via the internet, etc., we will consider the final vote to be effective. In addition, if you exercise your voting rights more than once by using personal computers, smartphones or mobile phones, we will consider the final vote to be effective.

**Electronic Voting Platform for Institutional Investors**

If the application for the use of the electronic voting platform (ProxyEdge) operated by ICJ, Inc.\* is made in advance, nominal shareholders such as management trust banks, including standing proxies, may use such platform as their electronic or magnetic means of voting rights for the Company's general meeting of shareholders, other than by exercising voting rights via the internet.

\*A joint venture company established by Tokyo Stock Exchange, Inc. and Broadridge Financial Solutions, Inc.

## **Managing General Meetings of Shareholders in a Virtual-only Format**

### **1. Holding a Virtual-only General Meeting of Shareholders**

In light of the rapid increase in the number of shareholders over the past year, and with the novel coronavirus disease (COVID-19) not yet under control, we have decided to hold this year's Annual General Meeting of Shareholders in a virtual-only format, following confirmation by the Minister of Economy, Trade and Industry and the Minister of Justice, for the purpose of facilitating communication with our shareholders. Via the Virtual-only General Meeting of Shareholders, those shareholders who possess voting rights shall view a live broadcast of the meeting, so they shall be treated as having "attended" the General Meeting of Shareholders in terms of the Companies Act. Differing from the so-called "hybrid participation" in the General Meeting of Shareholders and the case of viewing the live broadcast of this meeting, all shareholders will be able to exercise their voting rights, ask questions and perform similar actions over the Internet. For details such as the URL of the website required for attending the meeting, the access method, and the procedural method, see "8. Management of the Virtual-only General Meeting of Shareholders."

This General Meeting of Shareholders shall be held without a physical venue where shareholders can attend. Shareholders who intend to exercise their voting rights are kindly requested to exercise their voting rights in writing or via the Internet, etc. in advance, or to exercise their voting rights on the day of the Meeting by attending the Virtual-Only Shareholders' Meeting via the website designated by the Company exclusively for this Meeting.

### **2. Exercising Voting Rights**

Voting rights can be exercised in advance by mail or via the Internet. They can also be exercised via the Internet by attending the Virtual-only General Meeting of Shareholders on the corresponding day.

For shareholders who wish to exercise their voting rights on the day of the General Meeting of Shareholders, we ask that you view the proceedings via the live broadcast and exercise your voting rights by following the guidance of the chairperson. For details on how to exercise voting rights on the day of the General Meeting of Shareholders, see "8. Management of the Virtual-only General Meeting of Shareholders." If shareholders exercise their voting rights in advance by mail or via the Internet and then attend the Virtual-only General Meeting of Shareholders and exercise their voting rights again, the last exercising of voting rights carried out during the General Meeting of Shareholders shall be treated as valid and the advance exercising of voting rights shall be treated as invalid. Furthermore, if the Company cannot confirm the exercising of voting rights on the day of the meeting by shareholders who have exercised their voting rights in advance and then attended the Virtual-only General Meeting of Shareholders, the advance exercising of voting rights shall be treated as valid so as to apply to the results of exercising voting rights the opinions of the largest possible number of shareholders. Furthermore, if the Company cannot confirm the exercising of voting rights on the day of the meeting by shareholders who have not exercised their voting rights in advance and then attended the Virtual-only General Meeting of Shareholders, these shareholders shall be treated as having abstained.

### **3. Asking Questions**

Shareholders who attend the Virtual-only General Meeting of Shareholders can ask questions online. To do so, follow the method specified by the chairperson and enter questions related to the purposes of the General Meeting of Shareholders as text via the website dedicated for the meeting and specified by the company. For details on how to ask questions on the day of the General Meeting of Shareholders, see "8. Management of the Virtual-only General Meeting of Shareholders."

Each shareholder may ask up to three questions with each question taking up to 250 characters. We ask that you enter concise questions so their meaning can be construed accurately. Among the questions asked on the day of the General Meeting of Shareholders, those answered shall be the ones related to the purposes of the meeting and that do not duplicate other questions, so note that it may not be possible to answer every question. Shareholders who violate the intent of the General Meeting of Shareholders (that it is an opportunity for valuable communication with all shareholders) such as by repeatedly sending the same question, by sending text data with an excessive number of characters or by (for example) sending questions including details that do not pertain to the purposes of the meeting, questions designed to hinder privacy or to dishonor or questions

that include inappropriate details or are judged to have hindered the proceedings of the General Meeting of Shareholders or the stable management of the system of the Virtual-only General Meeting of Shareholders may be disconnected from the meeting on orders from the chairperson or due to the judgment of an executive officer who has received instructions from the chairperson.

**4. Motions**

Regarding a motion to be made at this Shareholders’ Meeting, you may submit it on the day of the Shareholders’ Meeting by entering the text on the website designated by the Company in accordance with the method designated by the Chairperson. Note that motions that cannot be judged as such due to factors including being sent as text data via a method not specified by the chairperson may not be dealt with. Shareholders who repeatedly send the same motion, send motions that are clearly illegal or are judged to have hindered the proceedings of the General Meeting of Shareholders or the stable management of the system of the Virtual-only General Meeting of Shareholders may be disconnected from the meeting on orders from the chairperson or due to the judgment of the secretariat of the General Meeting of Shareholders having received instructions from the chairperson.

**5. Details on the Policy for Countermeasures regarding Disruptions in the Communication Method Used to Transmit and Receive Information regarding the Proceedings of This General Meeting of Shareholders**

This General Meeting of Shareholders will use a system with countermeasures against network disturbances, and multiple staff members who can respond to such disturbances will be involved in the operations on the day of the meeting. A manual for responding to network disturbances that greatly hinder the proceedings of this meeting will be prepared in advance. This manual will discuss the entrusting of the decision to postpone or continue this meeting entirely to the chairperson at the beginning of the meeting and will also include the method for notifying shareholders.

**6. Details on the Policy for Considering the Exercising of Voting Rights by Shareholders Hindered in the Use of the Internet, the Communication Method Used to Transmit and Receive Information regarding the Proceedings of This General Meeting of Shareholders**

We ask that shareholders who possess voting rights and wish to exercise them but are hindered in the use of the Internet instead exercise their voting rights in advance by returning their voting forms.

**7. Having an Agent Attend the Meeting in Place of a Shareholder**

In accordance with laws and regulations and the Company’s Articles of Incorporation, we ask that shareholders who wish to have an agent attend the virtual meeting in their place each authorize one other shareholder of the company who has voting rights.

For details on this process, see “4. Having an Agent Attend the Meeting” under “8. Management of the Virtual-only General Meeting of Shareholders.”

**8. Management of the Virtual-only General Meeting of Shareholders**

This meeting will be a “Virtual-only General Meeting of Shareholders.” Your invitation to this meeting, which shall be held without a physical venue where shareholders can attend, is as follows.

To shareholders who will attend on the day of the Virtual-only General Meeting of Shareholders

On the basis of the “Act for Partially Amending the Act on Strengthening Industrial Competitiveness and Other Related Laws and Regulations (Act No. 70 of 2021),” this year’s General Meeting of Shareholders shall be held as a “Virtual-only General Meeting of Shareholders.”

Therefore, because no physical venue is available, we ask that all shareholders participate via the Internet.



The “Virtual-only General Meeting of Shareholders” allows shareholders to, for example, attend on the day of the meeting via the dedicated website on the Internet, view a live broadcast, exercise voting rights and present questions and motions related to the purposes of the General Meeting of Shareholders.

## 1. Broadcast Date and Time

From 10:00 a.m. (JST) on Thursday, June 23, 2022 (possible to log in from around 9:30 a.m. [JST] (planned))

## 2. Access Method

URL to connect to: <https://web.sharely.app/login/aruhi-8>



- (i) Enter the above URL or scan the 2D code on the right to access the website for the Virtual-only General Meeting of Shareholders.
- (ii) After connecting, follow the on-screen instructions to log in by entering the shareholder number, postal code and number of shares held written on your voting form.

\* Be sure to make a note of the shareholder number, postal code and number of shares held written on your voting form before mailing it. Each postal code used to log in is set according to the shareholder register as of the last day of March 2022. Therefore, note that this value may differ from the postal code written on the voting form for some shareholders.

\* If there are any other points that you do not understand, refer to the help page at the following URL.  
<https://sharely.zendesk.com/hc/ja/>

## 3. Exercising Voting Rights and Presenting Questions and Motions on the Day of the Meeting

Access the website and log in according to “2. Access Method,” view the “Reference Documents for the General Meeting of Shareholders” and then indicate your approval or disapproval on the “Resolutions” tab. Additionally, use the “Question” button at the bottom of the live broadcast viewing screen to enter questions related to the purposes of the General Meeting of Shareholders.

To present a motion, click “Motion” at the bottom of the screen, select the type of motion and then enter it.

## 4. Having an Agent Attend the Meeting

You can have one other shareholder of the Company who has voting rights exercise your voting rights as your agent. If you want to make use of this system, you must submit to the Company your intent to use an agent (your authorization of this agent) in writing before the General Meeting of Shareholders. Mail this document to the following address.

<Address for submitting documents related to agents>

To Person in charge of General Meeting of Shareholders of ARUHI Corporation,  
Sharely Business Division, Coincheck, Inc.  
E-Space Tower 12F, 3-6 Maruyamacho, Shibuya-ku, Tokyo 150-0044

<Submission deadline>

Received by Monday, June 20, 2022, at 5:00 p.m. (JST)

<Inquiries>

If you have difficulty viewing the broadcast, refer to the FAQ written for shareholders at the following URL.

<https://sharely.zendesk.com/hc/ja/sections/360009585533>

In addition, you can inquire about the connection method and viewing method for the General Meeting of Shareholders at the following reception date/time and telephone number. In addition, you can contact us at the following numbers and times. Note that questions regarding the proposals of the General Meeting of Shareholders and other comments and questions related to the details of this meeting cannot be answered.

[Inquiries to Sharely Support Service for Virtual-only General Meetings of Shareholders]

Phone number: 03-6416-5287

Reception period (before General Meeting of Shareholders):

Every weekday from Friday, June 3, 2022 to Wednesday, June 22, 2022, from 10:00 a.m. to 5:00 p.m. (JST)

Reception period (day of General Meeting of Shareholders):

Thursday, June 23, 2022 at 9:00 a.m. to end of General Meeting of Shareholders (JST)

#### Precautions

- If shareholders exercise their voting rights in advance by mail or via the Internet and then attend the Virtual-only General Meeting of Shareholders via the Internet and exercise their voting rights again, the last exercising of voting rights carried out on the day of the General Meeting of Shareholders shall be treated as valid.
- It may not be possible to answer all questions due to the progress of the General Meeting of Shareholders and the question details
- We will do our best to ensure a stable broadcast on the day of the meeting and we have prepared a manual of basic countermeasures to implement in the event of network disturbances. However, the communication environment of each individual shareholder viewing the broadcast may lead to network disturbances such as temporary interruptions to and distorted video and audio in the live broadcast and minor time lags in the sending and receiving of data.
- The Company accepts no responsibility for poor connections, delays, and audio problems believed to be attributable to issues in the communication environments of shareholders on the day of the General Meeting of Shareholders.
- Connection fees, communication fees, and other such payments are the responsibility of the shareholders.
- Audio or video recording of the livestream audio track and/or video images, as well as providing such data to third parties, uploading for public distribution via social networking services, etc., screening, reprinting, duplicating, or telling third parties how to log in is strictly prohibited.
- We ask for your understanding that on the day of the General Meeting of Shareholders, only the Chairperson and the Company's Executive Officers will be filmed and live-streamed.
- If there are any other points that you do not understand regarding the broadcast system, refer to the following FAQ website.

<https://sharely.zendesk.com/hc/ja/sections/360009585533>

## Reference Documents for the General Meeting of Shareholders

### Proposal No. 1: Appropriation of Surplus

In accordance with our dividend policy, the Company proposes to pay the following amount of fiscal year-end dividends for the current fiscal year.

Due to the General Meeting of Shareholders being held in a virtual-only format, the backup date for this meeting is set as Friday, June 24, 2022. As such, the effective date of dividends of surplus is Monday, June 27, 2022.

Type of dividend property	Cash
Allotment of dividend property and total amount to be paid	¥30.00 per common share of the Company Total dividends: ¥1,059,334,200
Effective date of dividends of surplus	June 27, 2022

The Company's dividend policy is as follows:

The Company recognizes that both distribution of profits to shareholders and sustained corporate growth are top management priorities. Based on this recognition, the Company has set out a basic policy to comprehensively take into account the level of ROE and financial leverage and to use internal reserves to invest in growth to further boost corporate value while (on the other hand) continuously and stably paying dividends of surplus. Specifically, the Company's target dividend payout ratio is 35% or higher, and the Articles of Incorporation allow the Company to pay interim dividends once a year in addition to fiscal year-end dividends.

The organizational functions that approve the dividends of surplus, etc. are the General Meeting of Shareholders for fiscal year-end dividends and the Board of Directors for interim dividends.

**Proposal No. 2 Partial Amendments to the Articles of Incorporation**

1. Reasons for the proposal

The Company proposes amending its Articles of Incorporation, in order to prepare for the introduction of a system for providing general shareholder meeting materials in electronic format, in line with the enforcement on September 1, 2022 of the amended provisions in the proviso of Article 1 of the Supplementary Provisions to the Act Partially Amending the Companies Act (Act No. 70 of 2019) as follows:

- (i) Under the foregoing Act, it will be obligatory to stipulate in the articles of incorporation that measures to provide information contained in the reference documents for general meetings of shareholders and related documents in electronic format shall be taken. Therefore, the Company proposes establishing a new paragraph 1 of Article 15 (Measures to Provide Information in Electronic Format) in the proposed amendments to the Articles of Incorporation.
- (ii) Regarding information contained in the reference documents for general meetings of shareholders and related documents that is subject to the measures to provide information in electronic format, in order to enable the Company to limit the scope of matters to be stated in paper-based format delivered to shareholders who request delivery of materials in such format, the Company proposes establishing a new paragraph 2 of Article 15 (Measures to Provide Information in Electronic Format) in the proposed amendments to the Articles of Incorporation.
- (iii) Upon the introduction of the system for providing general shareholder meeting materials in electronic format, the provisions of Article 15 (Disclosure on Internet and Deemed Provision of Reference Documents for General Meetings of Shareholders and Related Documents) in the current Article of Incorporation will not be needed. Therefore, the Company proposes deleting those provisions.
- (iv) The Company proposes establishing new supplementary provisions relating to the effective date due to the aforementioned establishment of new provisions and the deletion of the current provisions. The Company proposes deleting these supplementary provisions after the prescribed time passes.

2. Details of the amendments

Details of the proposed amendments are as follows:

(The underlined portions are to be amended.)

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 15 (Disclosure on Internet and Deemed Provision of Reference Documents for General Meetings of Shareholders and Related Documents)</u></p> <p><u>When convening a General Meeting of Shareholders, the Company may deem that it has provided shareholders with information pertaining to matters that should be stated or indicated in the Reference Documents for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements, and Consolidated Financial Statements, by disclosing them using the Internet according to the provisions stipulated by the applicable Ministry of Justice ordinance.</u></p> <p style="text-align: center;">(Newly established)</p>	<p style="text-align: center;">(Deleted)</p> <p><u>Article 15 (Measures to Provide Information in Electronic Format)</u></p> <p><u>1 When convening a General Meeting of Shareholders, the Company shall take measures to provide information contained in the Reference Documents for the General Meeting of Shareholders and related documents in electronic format.</u></p>

Current Articles of Incorporation	Proposed Amendments
	<p><u>2 The Company is not required to state some or all of the matters stipulated by the applicable Ministry of Justice ordinance that are subject to the measures to provide information in electronic format, in the paper-based format to be delivered to shareholders who request delivery of materials in such format by the record date for exercising voting rights.</u></p>
(Newly established)	(Supplementary Provisions)
	<p><u>Article 1 (Transitional Measures concerning Provision of Information contained in the Reference Documents for the General Meeting of Shareholders and related documents in Electronic Format)</u></p>
(Newly established)	
	<p><u>1 The proposed deletion of Article 15 (Disclosure on Internet and Deemed Provision of Reference Documents for General Meetings of Shareholders and Related Documents) of the current Articles of Incorporation and the proposed establishment of Article 15 (Measures to Provide Information in Electronic Format) of the amended Articles of Incorporation shall take effect on and from September 1, 2022.</u></p> <p><u>2 Notwithstanding the provisions in the preceding paragraph, Article 15 (Disclosure on Internet and Deemed Provision of Reference Documents for General Meetings of Shareholders and Related Documents) of the current Articles of Incorporation shall remain effective for a General Meeting of Shareholders to be held until February 28, 2023 (inclusive).</u></p> <p><u>3 Article 1 of these supplementary provisions shall be deleted either after March 1, 2023, or the date on which three months have passed since the date on which the General Meeting of Shareholders in the preceding paragraph is held, whichever comes later.</u></p>

### Proposal No. 3: Election of Six (6) Directors

At the conclusion of this Annual General Meeting of Shareholders, the terms of office as Directors of Messrs. Hiroshi Hamada and Toshihiko Katsuya, Mses. Yasuko Matsumoto and Tokiko Ide and Messrs. Toshihiko Hiura and Hiroyuki Oshida will expire. Therefore, the Company requests approval for the re-election of the six (6) Directors listed below.

The candidates for Director are as follows:

Candidate No.	Name		Current position and responsibility in the Company	Attendance at Board of Directors meetings
1	Hiroshi Hamada	[Re-election]	Chairman of the Board and Representative Director	100% (16/16)
2	Toshihiko Katsuya	[Re-election]	Representative Director, President, CEO and COO	100% (13/13)
3	Yasuko Matsumoto	[Re-election]	Executive Vice President and CFO	100% (13/13)
4	Tokiko Ide	[Re-election] [Outside] [Independent]	Outside Director	93.8% (15/16)
5	Toshihiko Hiura	[Re-election] [Outside] [Independent]	Outside Director	100% (16/16)
6	Hiroyuki Oshida	[Re-election] [Outside] [Independent]	Outside Director	100% (16/16)

[Re-election] Candidate for re-election as Director  
 [Outside] Candidate for outside Director  
 [Independent Officer] Independent Officer under the stipulations of Tokyo Stock Exchange, Inc.

- (Notes)
- There is no special interest between any of the candidates and the Company.
  - The Company has signed contracts for Limitation of Liabilities with all of the Outside Directors under Article 425, paragraph 1 of the Companies Act when the Outside Directors perform their duties in good faith without gross negligence. Therefore, in the event that the re-election of Ms. Tokiko Ide, Messrs. Toshihiko Hiura and Hiroyuki Oshida is approved, the Company plans to continue the said contracts. Outline of the contract is as below:
    - In the event that an Outside Director is liable for damages due to neglect of duties, his/her liability will be limited to the minimum liability amount under Article 425, paragraph 1 of the Companies Act.
    - The aforementioned limit of liability is only permitted when an Outside Director performs his/her duties in good faith and without gross negligence.
  - Percentage of attendance at Board of Directors meetings is calculated based on the number of Board of Directors meetings held during the fiscal year under review and the number of meetings attended.
  - As prescribed under Article 430-3, paragraph 1 of the Companies Act, the Company has entered into a directors and officers liability insurance agreement with an insurance company. The details of this agreement are provided on page 55 in the Business Report (in Japanese only). In the event that the election of the candidates for Director is approved, they will be covered by said agreement. This agreement is planned to be renewed with the same details.

Candidate No.		Number of shares of the Company held: 953,000 shares
1	<b>Hiroshi Hamada</b> (Born on May 30, 1959)	The number of years in office as Director (as of the conclusion of this General Meeting): 7 years and 1 month
Re-election		
<b>Summary of career, position and responsibilities in the Company</b>		
Apr. 1982	Joined Yamashita-Shinnihon Steamship Co., Ltd. (currently Mitsui O.S.K. Lines, Ltd.)	
Apr. 1987	Joined American Life Insurance Company, Japan Branch (currently MetLife, Inc.)	
Nov. 1992	Joined Clarke Consulting Group (U.S.)	
Jan. 1995	Joined Dell Computer Inc. (currently Dell Japan Inc.)	
Aug. 2000	Assumed Representative Director, President of Dell Japan Inc. and Vice President of Dell Computer Corporation	
May 2006	Assumed Representative Partner of Revamp Corporation	
Apr. 2008	Assumed Executive Officer, President and Chief Operating Officer of HOYA CORPORATION	
Jun. 2008	Assumed Director, Executive Officer, President and Chief Operating Officer of HOYA CORPORATION	
Nov. 2011	Assumed Director, Representative Executive Officer, President and Chief Operating Officer of HOYA CORPORATION	
Mar. 2014	Assumed Independent Director of the Board of KOKUYO Co., Ltd.	
May 2015	Assumed Chairman of the board, Representative Director and CEO of ARUHI Group Corporation	
May 2015	Assumed Chairman of the board, Representative Director and CEO of ARUHI Group Corporation (currently the Company)	
Sept. 2015	Assumed Chairman of the board, President, Representative Director, CEO and COO of former ARUHI Corporation	
Sept. 2015	Assumed Chairman of the Board, President, Representative Director, CEO and COO of ARUHI Group Corporation (currently the Company)	
Jun. 2021	Assumed Chairman of the Board, President, Representative Director and CEO of ARUHI Corporation	
Apr. 2022	Assumed Chairman of the Board and Representative Director of ARUHI Corporation (current position)	
<b>Significant concurrent positions</b>		
Not applicable.		
<b>Reasons for nomination as candidate for Director</b>		
Mr. Hiroshi Hamada has led the Company's Group management since May 2015 and has played an appropriate role in enhancing corporate values, such as in determining important matters and overseeing execution of businesses. Since April 2022 he has served as Chairman of the Board and Representative Director and has supported the new leaders in business execution. Since it is expected that he can further contribute to enhancing the corporate values of the Company in the future, he has been selected as a candidate for Director.		



Candidate No.		Number of shares of the Company held: 9,200 shares
2	<b>Toshihiko Katsuya</b> (Born on December 18, 1965)	The number of years in office as Director (as of the conclusion of this General Meeting): 1 year and 0 month
Re-election		
<b>Summary of career, position and responsibilities in the Company</b>		
Apr. 1989	Joined The Mitsubishi Bank, Limited (currently MUFG Bank, Ltd.)	
Apr. 2006	Joined Monex Beans Holdings, Inc. (currently Monex Group, Inc.)	
Oct. 2010	Assumed Representative Director and President of Monex FX, Inc.	
Nov. 2015	Assumed Representative Director and President of Monex, Inc.	
Jun. 2017	Assumed Director, Executive Officer of Monex Group, Inc.	
Apr. 2018	Assumed Representative Director and President of Coincheck, Inc.	
Jun. 2018	Assumed Director, Managing Executive Officer of Monex Group, Inc.	
Jun. 2019	Assumed Director of Japan Cryptocurrency Exchange Association (currently Japan Virtual and Crypto assets Exchange Association)	
Jan. 2021	Assumed Executive Vice President, Corporate Officer of ARUHI Corporation	
Jun. 2021	Assumed Representative Director, Executive Vice President and COO of ARUHI Corporation	
Apr. 2022	Assumed Representative Director, President, CEO and COO of ARUHI Corporation (current position)	
<b>Significant concurrent positions</b>		
Not applicable.		
<b>Reasons for nomination as candidate for Director</b>		
Mr. Toshihiko Katsuya has engaged in business management for many years, leveraging his extensive experience and knowledge in financial business. After joining the Company in January 2021, he has played important roles as Representative Director and Executive Vice President from June 2021 and as Representative Director, President, CEO and COO from April 2022, accurately understanding and resolving business issues and leading organizational reform aimed at realizing the management strategy of the Company. Therefore, the Board of Directors has selected him as a candidate for Director.		

Candidate No.		Number of shares of the Company held: 9,300 shares
<b>3</b>	<b>Yasuko Matsumoto</b> (Born on February 2, 1964)	The number of years in office as Director (as of the conclusion of this General Meeting): 1 year and 0 month
Re-election		
<b>Summary of career, position and responsibilities in the Company</b>		
Apr. 1986	Joined NEC Corporation	
Apr. 2017	Assumed Outside Director of Kemet Corporation	
Jul. 2018	Joined ARUHI Corporation	
Jan. 2021	Assumed Executive Corporate Officer, CFO of ARUHI Corporation	
Jun. 2021	Assumed Managing Director, CFO of ARUHI Corporation	
Apr. 2022	Assumed Executive Vice President and CFO of ARUHI Corporation (current position)	
<b>Significant concurrent positions</b>		
Not applicable.		
<b>Reasons for nomination as candidate for Director</b>		
Ms. Yasuko Matsumoto possesses advanced expertise and capability in the fields of finance, accounting and management planning. After joining the Company in July 2018, she was appointed to the position of Managing Director and CFO in June 2021 and to the position of Executive Vice President and CFO in April 2022 and has played an important role in accurately understanding and resolving business issues and providing finance work supervision aimed at realizing the management strategy of the Company. Therefore, the Board of Directors has selected her as a candidate for Director.		

Candidate No.		
<b>4</b>	<b>Tokiko Ide</b> (Born on April 16, 1958)	Number of shares of the Company held: 0 shares
Re-election		The number of years in office as Director (as of the conclusion of this General Meeting):
Outside		4 years and 11 months
Independent		
<b>Summary of career, position and responsibilities in the Company</b>		
Apr. 1981	Joined Victor Company of Japan, Limited	
Apr. 1988	Joined Japan Motorola, Inc.	
Jun. 1998	Joined Dell Japan Inc.	
Sept. 2005	Assumed Finance Vice President of Baxter Limited	
Jul. 2012	Assumed CFO of Acyan Corporation	
Apr. 2014	Assumed CFO of NEW Asurion Asia Pacific Japan G.K. (currently Asurion Japan Holdings G.K.)	
Aug. 2016	Assumed Representative Director and President of Asurion Japan K.K.	
Jul. 2017	Assumed Outside Director of ARUHI Corporation (current position)	
Aug. 2018	Assumed Advisor of Asurion Japan Holdings G.K.	
<b>Significant concurrent positions</b>		
Not applicable.		
<b>Reasons for nomination as candidate for Outside Director and overview of expected role</b>		
Ms. Tokiko Ide possesses a wealth of experience and knowledge as a management executive and CFO. Especially in the field of finance, she is expected to provide objective and long-term advice and oversight from a specialized perspective regarding the operational execution of the Company. Therefore, the Company has selected her as a candidate for Outside Director. If elected, it is also expected that she will participate in the selection of candidates for Director of the Company as well as the determination of compensation for said individuals from an independent position as a personnel compensation committee member.		
<b>Independence of Outside Officers</b>		
The Company has submitted notification to Tokyo Stock Exchange, Inc. that Ms. Tokiko Ide has been designated as an independent officer as provided for by the aforementioned exchange.		

Candidate No.		Number of shares of the Company held: 0 shares
<b>5</b>	<b>Toshihiko Hiura</b> (Born on October 1, 1959)	The number of years in office as Director (as of the conclusion of this General Meeting): 4 years and 11 months
Re-election		
Outside		
Independent		
<b>Summary of career, position and responsibilities in the Company</b>		
Apr. 1983	Joined the Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.; retired in February 1986)	
Feb. 1986	Joined Bain & Company Japan, Inc.	
Jan. 1997	Assumed Partner of Bain & Company Japan Inc.	
Jan. 2008	Assumed Representative Partner of Bain & Company Japan Inc.	
Apr. 2014	Assumed Chairman of Bain & Company Japan Inc.	
Jul. 2017	Assumed Advisory Partner of Bain & Company Japan Inc.	
Jul. 2017	Assumed Outside Director of ARUHI Corporation (current position)	
Jul. 2019	Assumed Outside Director of ExaWizards Inc. (current position)	
<b>Significant concurrent positions</b>		
Mr. Toshihiko Hiura serves as an Outside Director of ExaWizards Inc. since July 2019.		
<b>Reasons for nomination as candidate for Outside Director and overview of expected role</b>		
Mr. Toshihiko Hiura possesses a wealth of knowledge as a management executive and management consultant. Especially in the areas of business strategy and technology, he is expected to provide objective and long-term advice and oversight from a specialized perspective regarding the operational execution of the Company. Therefore, the Company has selected him as a candidate for Outside Director. If elected, it is also expected that he will participate in the selection of candidates for Director of the Company as well as the determination of compensation for said individuals from an independent position as a personnel compensation committee member.		
<b>Independence of Outside Officers</b>		
The Company has submitted notification to Tokyo Stock Exchange, Inc. that Mr. Toshihiko Hiura has been designated as an independent officer as provided for by the aforementioned exchange. The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.) to which Mr. Toshihiko Hiura belonged, is one of the Company's main lenders. However, as more than 30 years have passed since he resigned from the said bank, it is deemed that Mr. Toshihiko Hiura is sufficiently independent with no risk of causing any conflict of interest with ordinary shareholders.		

Candidate No.		Number of shares of the Company held: 0 shares
6	<b>Hiroyuki Oshida</b> (Born on June 5, 1957)	The number of years in office as Director (as of the conclusion of this General Meeting): 2 years and 11 months
Re-election		
Outside		
Independent		
<b>Summary of career, position and responsibilities in the Company</b>		
Apr. 1981	Joined The Long-Term Credit Bank of Japan, Limited (currently Shinsei Bank, Limited; retired in June 1998)	
Jul. 1998	Joined KPMG Global Solution K.K.	
Jul. 1999	Assumed Director of KPMG Global Solution K.K.	
Feb. 2000	Joined KPMG Business Advisory LLC	
Jul. 2000	Assumed Partner and Branch Manager of KPMG Business Advisory LLC-Tokyo Branch	
Aug. 2003	Assumed Representative Director, Partner of KPMG FAS Co., Ltd.	
Sept. 2006	Assumed Visiting Professor of KIT Toranomon Graduate School	
Jul. 2019	Assumed Outside Director of ARUHI Corporation (current position)	
Jul. 2019	Assumed Outside Director of GIGA PRIZE CO., LTD. (current position)	
Nov. 2019	Assumed Outside Director of SFM Co., Ltd. (current position)	
Dec. 2019	Assumed Outside Audit and Supervisory Board Member of Japan Best Rescue System Co., Ltd.	
Dec. 2021	Assumed Outside Director, Audit & Supervisory Committee Member of Japan Best Rescue System Co., Ltd. (current position)	
<b>Significant concurrent positions</b>		
Mr. Hiroyuki Oshida is an Outside Director of GIGA PRIZE CO., LTD. and SFM Co., Ltd. and is an Outside Director and Audit & Supervisory Committee Member of Japan Best Rescue System Co., Ltd.		
<b>Reasons for nomination as candidate for Outside Director and overview of expected role</b>		
Mr. Hiroyuki Oshida possesses a wealth of experience and knowledge as a management executive and consultant. Especially in the areas of management strategy and mergers and acquisitions including capital tie-ups, he is expected to provide objective and long-term advice and oversight from a specialized perspective regarding the operational execution of the Company. Therefore, the Company has selected him as a candidate for Outside Director. If elected, it is also expected that he will participate in the selection of candidates for Director of the Company as well as the determination of compensation for said individuals from an independent position as a personnel compensation committee member.		
<b>Independence of Outside Officers</b>		
The Company has submitted notification to Tokyo Stock Exchange, Inc. that Mr. Hiroyuki Oshida has been designated as an independent officer as provided for by the aforementioned exchange. The Long-Term Credit Bank of Japan, Limited (currently Shinsei Bank, Limited) to which Mr. Hiroyuki Oshida belonged, is not one of the Company's lenders. Also, as more than 20 years have passed since he resigned from the said bank, it is deemed that Mr. Hiroyuki Oshida is sufficiently independent with no risk of causing any conflict of interest with ordinary shareholders.		

#### Proposal No. 4: Election of One (1) Audit and Supervisory Board Member

At the conclusion of this Annual General Meeting of Shareholders, Mr. Yuji Harada will resign from the Company's Audit and Supervisory Board. Therefore, the Company newly requests approval for the election of one (1) new Outside Audit and Supervisory Board Member as below.

Consent of the Audit and Supervisory Board has been obtained for this proposal.

Candidate No.		
<b>1</b>	<b>Yasuhiro Baba</b>	Number of shares of the Company held: 0 shares
New election	(Born on February 16, 1961)	The number of years in office as Audit and Supervisory Board Member (as of the conclusion of this General Meeting):
Outside		—
Independent		
<b>Summary of career and position in the Company</b>		
Apr. 1983	Joined The Bank of Tokyo, Ltd. (currently MUFG Bank, Ltd.)	
Jul. 1986	Seconded to Japanese Ministry of Finance (currently the Ministry of Finance, Temporary transfer)	
Jul. 1988	Rejoined The Bank of Tokyo, Ltd. (currently MUFG Bank, Ltd.; retired in October 2012)	
Jan. 2006	Assumed General Manager of Corporate Business Compliance Office, Corporate Business Planning Div. of The Bank of Tokyo-Mitsubishi UFJ, Ltd.	
Dec. 2009	Assumed General Manager of the Global Compliance Division of Mitsubishi UFJ Securities Co., Ltd.	
May 2010	Assumed Legal Compliance Control Division of Mitsubishi UFJ Securities Holdings Co., Ltd. Assumed Deputy General Manager of Compliance Control Division of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	
Jun. 2017	Assumed Corporate Auditor of MUS Information Systems Co., Ltd.	
Jul. 2020	Assumed General Manager of Legal and Compliance Division of Yamada Consulting Group Co., Ltd. (current position)	
<b>Significant concurrent positions</b>		
Not applicable.		
<b>Reasons for nomination as candidate for Outside Audit and Supervisory Board Member</b>		
Mr. Yasuhiro Baba possesses a wealth of knowledge regarding finance, financial affairs and compliance from his diverse experiences including work in the planning department of a major bank, work in the Japanese Ministry of Finance (currently the Ministry of Finance) and work in the compliance departments of securities companies. Also, from his experience as an Audit and Supervisory Board Member at an information systems company, the Company expects him to play an important role in the healthy and appropriate management of the Company. Therefore, the Company has selected him as a new candidate for Outside Audit and Supervisory Board Member.		
<b>Independence of Outside Officers</b>		
The Company plans to submit notification to Tokyo Stock Exchange, Inc. that Mr. Yasuhiro Baba has been designated as an independent officer as provided for by the aforementioned exchange. The Bank of Tokyo, Ltd. (currently MUFG Bank, Ltd.) to which Mr. Yasuhiro Baba belonged, is one of the Company's customers but with less than 1% of the Company's total assets. Since he is a business partner of less than 1% of Company operating revenue, and since approximately a decade has passed since his retirement, as well as the fact that he was seconded to a securities company for three years immediately prior to his retirement, the Company believes that he has sufficient independence and that there is no risk of a conflict of interest with ordinary shareholders.		

[New election]

Candidate for new Audit and Supervisory Board Member

[Outside]

Candidate for outside Audit and Supervisory Board Member

[Independent Officer]

Independent Officer under the stipulations of Tokyo Stock Exchange, Inc.

- (Notes) 1. There is no special interest between the candidate and the Company.  
2. The Company has signed contracts for Limitation of Liabilities with all of the Audit and Supervisory Board Members under Article 425, paragraph 1 of the Companies Act when the Audit and Supervisory Board Members perform their duties in good faith without gross negligence. Therefore, when Mr. Yasuhiro Baba takes

office as an Audit and Supervisory Board Member, the Company plans to conclude the said contract with him. Outline of the contract is as below:

- In the event that an Audit and Supervisory Board Member is liable for damages due to neglect of duties, his/her liability will be limited to the minimum liability amount under Article 425, paragraph 1 of the Companies Act.
  - The aforementioned limit of liability is only permitted when an Audit and Supervisory Board Member performs his/her duties in good faith and without gross negligence.
3. As prescribed under Article 430-3, paragraph 1 of the Companies Act, the Company has entered into a directors and officers liability insurance agreement with an insurance company. The details of this agreement are provided on page 55 in the Business Report (in Japanese only). In the event that the election of the candidate for Audit and Supervisory Board Member is approved, he will be covered by said agreement. This agreement is planned to be renewed with the same details.

## Proposal No. 5: Election of One (1) Substitute Audit and Supervisory Board Member

In preparation for the case when the number of Audit and Supervisory Board Members falls short of the number stipulated by laws and regulations or the Articles of Incorporation, or the case when the election of Mr. Yasuhiro Baba as Audit and Supervisory Board Member per Proposal No. 4 is rejected or is approved and he is then absent as Full-time Audit and Supervisory Board Member, the Company requests approval for the election in advance of the following one (1) candidate as substitute Audit and Supervisory Board Member. This election will be effective until the commencement of the next Annual General Meeting of Shareholders. However, this election may be cancelled by resolution of the Board of Directors with the consent of the Audit and Supervisory Board but only if carried out prior to him taking office as an Audit and Supervisory Board Member. Consent of the Audit and Supervisory Board has been obtained for this proposal.

<b>Akihiro Inoue</b> (Born on December 14, 1966)	Number of shares of the Company held: 67,900 shares
<b>Summary of career and position in the Company</b>	
Apr. 1990	Joined The Mitsui Trust Company, Limited (currently Sumitomo Mitsui Trust Bank, Limited)
Mar. 2000	Joined Softbank Finance Corporation
Jul. 2005	Joined SBI Holdings, Inc.
Apr. 2006	Joined SBI Sumishin Net Bank Preparatory Co., Ltd.
Sept. 2007	Assumed Director of SBI Sumishin Net Bank, Ltd.
Jun. 2009	Joined SBI Mortgage Co., Ltd. (currently ARUHI Corporation)
Jul. 2018	Assumed General Manager of the Internal Auditing Division of ARUHI Corporation
Jul. 2021	Assumed Deputy General Manager of the Compliance Headquarters of ARUHI Corporation (current position)
<b>Significant concurrent positions</b>	
Not applicable.	
<b>Reasons for nomination as candidate for Substitute Audit and Supervisory Board Member</b>	
Having completed his term as General Manager of the Internal Auditing Division, Mr. Akihiro Inoue utilizes his extensive knowledge of internal control and the Company's business as Deputy General Manager of the Compliance Headquarters of the Company and has played an appropriate role in contributing to improving the compliance of the Company. Since it can be expected that he will continue to drive the further strengthening of the Company's compliance in the future, the Company has selected him as a candidate for substitute Audit and Supervisory Board Member.	

- (Notes)
1. There is no special interest between Mr. Akihiro Inoue and the Company.
  2. The Company has signed contracts for Limitation of Liabilities with all of the Audit and Supervisory Board Members under Article 425, paragraph 1 of the Companies Act when the Audit and Supervisory Board Members perform their duties in good faith without gross negligence. Therefore, when Mr. Akihiro Inoue takes office as an Audit and Supervisory Board Member, the Company plans to conclude the said contract with him. Outline of the contract is as below:
    - In the event that an Audit and Supervisory Board Member is liable for damages due to neglect of duties, his/her liability will be limited to the minimum liability amount under Article 425, paragraph 1 of the Companies Act.
    - The aforementioned limit of liability is only permitted when an Audit and Supervisory Board Member performs his/her duties in good faith and without gross negligence.
  3. As prescribed under Article 430-3, paragraph 1 of the Companies Act, the Company has entered into a directors and officers liability insurance agreement with an insurance company. The details of this agreement are provided on page 55 in the Business Report (in Japanese only). Therefore, when Mr. Akihiro Inoue takes office as an Audit and Supervisory Board Member, he will be covered by said contract. This agreement is planned to be renewed with the same details.



## **Proposal No. 6 Amendment of Compensation under the Restricted Stock Compensation System (“System”) for Directors (Excluding Outside Directors)**

With the aims to provide incentives for the sustainable improvement of the Company’s corporate value and to further promote the creation of shared value with all shareholders, the Company obtained approval from shareholders at the 6th Annual General Meeting of Shareholders held on June 25, 2020, to set the total amount of monetary claim to be awarded for the grant of restricted stock to directors (excluding outside directors; “Eligible Directors”), separately from the compensation for directors which was approved at the 3rd Annual General Meeting of Shareholders held on June 14, 2017 to be no more than 500 million yen per year, to be no more than 100 million yen per year, and the total number of common shares to be newly issued or disposed of by the Company as restricted stock compensation to be no more than 50,000 shares per year.

Taking into consideration that it is necessary to provide incentives to directors, etc. for the governance strengthening and the sustainable improvement of the Company’s corporate value, and to further promote the creation of shared values with all shareholders, as well as the increase in the number of directors (there were two (2) directors in total who were eligible under the restricted stock compensation system (“System”) when the compensation amount for the grant of restricted stock was approved at the 6th Annual General Meeting of Shareholders; however, as of this Annual General Meeting of Shareholders, there are three (3) directors in total who are eligible under the System), the Company would like to make an amendment by which the amount of compensation for the grant of restricted stock to Eligible Directors will be, separately from the amount of compensation for directors which was approved at the 3rd Annual General Meeting of Shareholders to be no more than 500 million yen per year, no more than 200 million yen per year and the total number of common shares newly issued or disposed of by the Company as the restricted stock compensation to be no more than 100,000 shares per year (however, in the event where a share split (including gratis allotment of common shares of the Company) or share consolidation of common shares of the Company takes place on or after the date of approval of this agenda item, or if any other event occurs that gives rise to the need to adjust the total number of common shares of the Company issued or disposed of as restricted stock on or after the date of approval of this agenda item, the total number will be adjusted within a reasonable range).

The amount to be paid-in per share shall be determined by the board of directors based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day immediately before the day of resolution of the respective board of directors (or the closing price on the most recent preceding trading day, if no transactions are concluded on that day), to the extent that the amount is not particularly favorable to the Eligible Directors who subscribe for the common shares. In addition, for the issuance or disposal of the common shares of the Company and the award of monetary claims as assets contributed in-kind under the System, a restricted stock allotment agreement (“Allotment Agreement”) that includes the details set forth below shall be entered into between the Company and each Eligible Director. The maximum amount of compensation in this agenda item, the total number of common shares of the Company to be issued or disposed of by the Company in this agenda item, and other conditions for the grant of restricted stock to Eligible Directors pursuant to this agenda item have been determined by taking into consideration the purpose stated above, the Company’s business condition, the Policy Regarding Decision Concerning Details of Compensation, etc. of Directors of the Company (if this agenda item is approved, the Company intends to change the details of the policy to those as stated in the [Reference] column below, so that they will be consistent with the details approved), and other circumstances, and the Company believes that they are reasonable.

There are currently six (6) directors (three (3) of whom are outside directors); if the agenda item No. 3 “Election of six (6) directors” is approved as originally proposed, there will be six (6) directors (three (3) of whom will be outside directors), and the number of Eligible Directors for this agenda item will be three (3).

The specific time of grant and allocation to each Eligible Director will be determined at the board of directors’ meeting.

If this agenda item regarding the System is approved as originally proposed at this Annual General Meeting of Shareholders, the Company intends to also apply a restricted stock compensation system similar to the System to corporate officers who do not concurrently serve as directors of the Company.

[Overview of the Allotment Agreement]

(1) Transfer restriction period

Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of the common shares of the Company allotted under the Allotment Agreement (“Allotted Shares”) for the period predetermined by the board of directors of the Company (“Transfer Restriction Period”), which period shall be between three (3) to five (5) years from the date on which the shares are allotted under the Allotment Agreement. The restrictions described in the preceding sentence shall hereinafter be referred to as the Transfer Restrictions.

(2) Treatment regarding retirement

If an Eligible Director retires from the position predetermined by the board of directors of the Company, before the Transfer Restriction Period expires, the Company shall automatically acquire such Allotted Shares without contribution, unless the reason for retirement is the expiration of the term of office, death, or any other justifiable reason.

(3) Lifting of the Transfer Restriction

The Company will lift the Transfer Restrictions for all of the Allotted Shares upon the expiration of the Transfer Restriction Period, subject to the condition that the relevant Eligible Director has remained in the position predetermined by the board of directors of the Company throughout the Transfer Restriction Period. However, if such Eligible Director retires from the position set forth in item (2) above before the expiration of the Transfer Restriction Period due to the expiration of the term of office, death, or any other justifiable reason, as set forth in item (2) above, then the Transfer Restrictions will be lifted. In addition, the Company shall automatically acquire, without contribution, the Allotted Shares on which the Transfer Restrictions have not been lifted as of the time immediately after the Transfer Restrictions are lifted in accordance with the provision above.

(4) Treatment in the event of reorganization, etc.

Notwithstanding the provision of item (1) above, if, during the Transfer Restriction Period, a merger agreement under which the Company will be the disappearing company, a share exchange agreement or share transfer plan under which the Company will be a wholly-owned subsidiary, or matters regarding any other form of reorganization of the Company is approved at the Company’s shareholders meeting (or, if the approval of a shareholders meeting is not required for the relevant reorganization, the board of directors of the Company), then the Company will lift the Transfer Restrictions on the Allotted Shares for the number reasonably determined by taking into consideration the period from the commencement date of the Transfer Restriction Period to the approval date of such reorganization prior to the effective date of reorganization, by a resolution of the board of directors of the Company. In the foregoing case, the Company shall automatically acquire, without contribution, the Allotted Shares from which the Transfer Restrictions have not been lifted as of the time immediately after the Transfer Restrictions are lifted.

(5) Other matters

The board of directors of the Company shall determine other matters regarding the Allotment Agreement.

[Reference]

If this agenda item is approved at this General Meeting of Shareholders, the Company will submit to the board of directors meeting to be held after this General Meeting of Shareholders, a proposal to change the total amount of monetary claim to be awarded for the grant of restricted stock to directors and the total number of common shares newly issued or disposed of by the Company as the restricted stock compensation set forth in “c. Policy for Determining the Details, Amount of Non-Monetary Compensation or Calculation Method of such Compensation” in the “Policy Regarding Decision Concerning Details of Compensation, etc. of Directors of the Company” on and after page 56 of the Annual Report (in Japanese only), to be no more than 200 million yen and 100,000 shares per year respectively.

Reference

<Directors and Audit and Supervisory Board Members after the 8th Annual General Meeting of Shareholders on June 23, 2022 (planned)>

Name	Position	Outside	Business management	Finance, accounting	Marketing, sales	Technology	Internationality	Personnel, labor	Legal, compliance	Governance, risk management	ESG, sustainability	Personnel compensation committee
Hiroshi Hamada	Representative Director		•		•		•				•	•
Toshihiko Katsuya	Representative Director		•		•		•				•	
Yasuko Matsumoto	Director		•	•						•	•	
Tokiko Ide	Director	•	•	•			•				•	•
Toshihiko Hiura	Director	•	•		•	•	•					•
Hiroyuki Oshida	Director	•	•	•					•	•		•
Yasuhiro Baba	Full-time Audit and Supervisory Board Member	•		•			•		•	•		
Makoto Imamura	Audit and Supervisory Board Member	•					•	•	•	•		
Takeshi Nakano	Audit and Supervisory Board Member	•		•					•	•	•	
Mitsumasa Ueno	Audit and Supervisory Board Member	•		•			•		•	•		

- (Notes) 1. Each individual's four main skills are indicated in the above table with black dots. This table does not indicate all the skills, abilities, and knowledge of these individuals.
2. The Directors with special titles will be formally determined at the Board of Directors meeting after this General Meeting of Shareholders. The Full-time Audit and Supervisory Board Member will be formally determined at the Audit and Supervisory Board meeting after this General Meeting of Shareholders.