

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translations.

Securities Code: 1375
June 3, 2022

To Our Shareholders

Masafumi Yuzawa
President and CEO, Representative Director
Yukiguni Maitake Co., Ltd.
89 Yokawa, Minamiuonuma-shi, Niigata, Japan

NOTICE OF CONVOCATION OF THE 5TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

I. Date and Time:

Friday, June 24, 2022 at 10:00 a.m. Japan Time (the admission commences at 9:00)

II. Place:

Oomine, Yuzawa Toei Hotel 4F, 3459 Yuzawa, Yuzawa-machi, Uonuma-gun, Niigata, Japan

(Please be noticed that the venue is different from that of last year.)

III. Meeting Agenda:

Matters to Be Reported:

1. The Business Report, the Consolidated Financial Statements, and the Audit Results of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 5th Fiscal Term (from April 1, 2021 to March 31 2022)
2. The Non-Consolidated Financial Statements for the 5th Fiscal Term (from April 1, 2021 to March 31 2022)

Proposals to Be Resolved:

- Proposal No.1:** Partial Amendments to the Articles of Incorporation
- Proposal No.2:** Election of Five (5) Directors (Excluding Directors Who are Audit and Supervisory Committee Members)
- Proposal No.3:** Election of Three (3) Directors Who are Audit and Supervisory Committee Members
- Proposal No.4:** Establishment of Compensation for Directors (Excluding Directors Who are Audit and Supervisory Committee Members)
- Proposal No.5:** Establishment of Compensation for Directors Who are Audit and Supervisory Committee Members
- Proposal No.6:** Determination of Compensation for Allotment of Shares with Restriction on Transfer to Directors (Excluding Directors Who are Audit and Supervisory Committee Members)

IV. Information on Exercising Voting Rights

If you are unable to attend the meeting, you may exercise your voting rights by mail or via the Internet.

-
- When attending on the day of the meeting, please submit the enclosed voting rights exercise form to the reception desk at the venue. In addition, please bring this Notice of Convocation for agenda items.

- If any revisions are made to the Reference Documents for the General Meeting of Shareholders, the Business Reports, the Non-consolidated Financial Statements and the Consolidated Financial Statements, the revised matters will be posted on the Company's website.
- The following items are posted on the Company's website in accordance with relevant laws and regulations and Article 16 of the Company's Articles of Incorporation and thus are not included in the documents attached to this Notice of Convocation. Therefore, the documents provided in this Notice of Convocation are the part of the documents audited by the Accounting Auditor and the Audit & Supervisory Board for the Audit Reports.
 1. The Business Report: The System for Ensuring the Appropriateness of Business and the Operational Status of the System
 2. The Consolidated Financial Statements: Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements
 3. The Non-consolidated Financial Statements: Statement of Changes in Shareholder Equity and Notes to Non-Consolidated Financial Statements

The Company's Website: https://www.maitake.co.jp/ir/ir_stock03.php

(end)

Reference Documents for the Ordinary General Meeting of Shareholders

The Company's Proposals

Proposal No. 1: Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

(1) System for electronic provision of materials for General Meeting of Shareholders

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, the system for electronic provision of materials for General Meetings of Shareholders will be introduced. Therefore, the Articles of Incorporation of the Company shall be amended as follows.

i) It is made compulsory to provide that information contained in the Reference Documents for the General Meeting of Shareholders, etc. shall be provided electronically. Accordingly, the proposed Article 16 (Measures for Electronic Provision, etc.), Paragraph 1 shall be newly established.

ii) Among the matters as electronically provided regarding the information contained in the Reference Documents for General Meeting of Shareholders, etc., in accordance with the provisions stipulated in the Ordinance of Ministry of Justice, in order to limit the scope of matters to be included in the paper copy to be sent to Shareholders who have requested it, the proposed Article 16 (Measures for Electronic Provision etc.), Paragraph 2 shall be newly established.

iii) After the introduction of the system for electronic provision of materials for General Meeting of Shareholders, Article 16 (Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, etc.) of the current Articles of Incorporation will become unnecessary and shall therefore be deleted.

iv) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effectiveness shall be established. These supplementary provisions shall be deleted after the applicable period.

(2) Transition to a company with Audit and Supervisory Committee

The Company will transition from the current company with audit and supervisory board to a company with audit and supervisory committee, for the purpose of realizing more speedy decision-making and more agile business execution and enhancing corporate value with strengthened supervisory function of the Board of Directors, improved corporate governance system and the system in which the Executive Directors will be entrusted to decide important business execution, by making audit and supervisory committee members responsible for supervising Directors' performance of duties have voting rights at the meetings of the Board of Directors.

Accordingly, the Company will newly establish provisions regarding the Audit and Supervisory Committee and its members necessary for transition to a company with audit and supervisory committee, delete and amend the provisions regarding Audit and Supervisory Board Members and Audit and Supervisory Board and establish supplementary provisions as transitional measures accompanying the deletion of provisions of Limitation of Liabilities of Audit and Supervisory Board Members.

The Company will also newly establish the provisions by which Directors will be entrusted to make important business execution for the purpose of realizing speedy decision-making and agile business execution.

2. Details of Amendments

The details of the amendments are as follows.

Amendments of the Articles of Incorporation shall become effective upon conclusion of this General Meeting of Shareholders, except for Article 16.

(Underlined portions indicate proposed amendments)

Current Articles of Incorporation	Proposed amendments
Chapter I General Provisions	Chapter I General Provisions
Article 1 – Article 3 (Omitted)	Article 1 – Article 3 (Unchanged)
(Organs)	(Organs)
Article 4 The Company shall have the following organs in addition to General Meeting of Shareholders and Directors:	Article 4 The Company shall have the following organs in addition to General Meeting of Shareholders and Directors:
(1) Board of Directors	(1) Board of Directors
(2) <u>Audit and Supervisory Board Members</u>	(2) <u>Audit and Supervisory Committee, and</u>
(3) <u>Audit and Supervisory Board, and</u>	(Deleted)
(4) <u>Accounting Auditor</u>	(3) <u>Accounting Auditor</u>
Article 5 (Omitted)	Article 5 (Unchanged)
Chapter II Stock	Chapter II Stock
Article 6 – Article 8 (Omitted)	Article 6 – Article 8 (Unchanged)

Current Articles of Incorporation	Proposed amendments
<p>(Rights with Respect to Shares Constituting Less Than One Unit)</p> <p>Article 9 Rights of Shareholders of the Company with respect to shares constituting less than one unit are limited to the rights below:</p> <ol style="list-style-type: none"> (1) Rights specified in each item of Article 189, Paragraph 2 of the Companies Act, (2) Rights to make requests to the Company as specified in provisions of Article 166, Paragraph 1 of the Companies Act, (3) Rights to receive share subscription <u>or</u> to receive allotment of stock acquisition rights in accordance with the number of shares held by the Shareholder, and (4) Rights to make requests to the Company as specified in the following Article. <p>Article 10 – Article 12 (Omitted)</p> <p>Chapter III General Meeting of Shareholders</p> <p>Article 13 – Article 15 (Omitted)</p> <p><u>(Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, etc.)</u></p> <p><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 stipulated in the Ordinance of the Ministry of Justice.</u></p>	<p>(Rights with Respect to Shares Constituting Less Than One Unit)</p> <p>Article 9 Rights of Shareholders of the Company with respect to shares constituting less than one unit are limited to the rights below:</p> <ol style="list-style-type: none"> (1) Rights specified in each item of Article 189, Paragraph 2 of the Companies Act, (2) Rights to make requests to the Company as specified in provisions of Article 166, Paragraph 1 of the Companies Act, (3) Rights to receive share subscription <u>or (Change of description from Hiragana to Chinese character)</u> to receive allotment of stock acquisition rights in accordance with the number of shares held by the Shareholder, and (4) Rights to make requests to the Company as specified in the following Article. <p>Article 10 – Article 12 (Unchanged)</p> <p>Chapter III General Meeting of Shareholders</p> <p>Article 13 – Article 15 (Unchanged)</p> <p>(Deleted)</p>

Current Articles of Incorporation	Proposed amendments
<p>(Newly Established)</p> <p>Article 17 – Article 19 (Omitted)</p> <p>Chapter IV Directors and Board of Directors (Number of Directors) Article 20 The number of Directors of the Company shall not exceed fifteen (15).</p> <p>(Newly Established)</p> <p>(Election of Directors) Article 21 Directors shall be elected at the General Meeting of Shareholders.</p> <p>2. (Omitted) 3. (Omitted)</p>	<p>(Measures for Electronic Provision, etc.) <u>Article 16 The Company shall, when convening a General Meeting of Shareholders, provide information contained in the Reference Documents for the General Meeting of Shareholders, etc. electronically.</u></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>Article 17 – Article 19 (Unchanged)</p> <p>Chapter IV Directors and Board of Directors (Number of Directors) Article 20 The number of Directors <u>(excluding Directors who are Audit and Supervisory Committee Members)</u> of the Company shall not exceed fifteen (15).</p> <p><u>2. The number of Directors who are Audit and Supervisory Committee Members of the Company shall not exceed five (5).</u></p> <p>(Election of Directors) Article 21 Directors shall be elected at the General Meeting of Shareholders, <u>provided that Directors who are Audit and Supervisory Committee Members shall be elected separately from other Directors.</u></p> <p>2. (Unchanged) 3. (Unchanged)</p>

Current Articles of Incorporation	Proposed amendments
<p>(Term of Office of Directors) Article 22 The term of office of a Director shall expire upon conclusion of the Ordinary General Meeting of Shareholders held with respect to the last fiscal year ending within one (1) year from his/her election to office.</p> <p>(Newly Established)</p> <p>(Newly Established)</p> <p>(Newly Established)</p>	<p>(Term of Office of Directors) Article 22 The term of office of a Director <u>(excluding a Director who is an Audit and Supervisory Committee Member)</u> shall expire upon conclusion of the Ordinary General Meeting of Shareholders held with respect to the last fiscal year ending within one (1) year from his/her election to office.</p> <p>2. <u>The term of office of a Director who is an Audit and Supervisory Committee Member shall expire upon conclusion of the Ordinary General Meeting of Shareholders held with respect to the last fiscal year ending within two (2) years from his/her election to office.</u></p> <p>3. <u>The term of office of Directors (excluding Directors who are Audit and Supervisory Committee Members) elected as a result of increase in number of Directors or to fill a vacancy shall expire at the same time as incumbent Directors (excluding Directors who are Audit and Supervisory Committee Members).</u></p> <p>4. <u>The term of office of Directors who are Audit and Supervisory Committee Members elected to fill a vacancy of Directors who retired before the expiration of term of office shall expire at the same time as the expiration of term of office of the retired Directors who were Audit and Supervisory Committee Members.</u></p>
<p>(Executive Directors) Article 23 The Board of Directors shall elect by resolution one (1) Director and President from among Directors and may appoint one (1) Director and Chairman, one (1) Vice President, several Senior Managing Directors and Managing Directors as necessary.</p>	<p>(Executive Directors) Article 23 The Board of Directors shall elect by resolution one (1) Director and President from among Directors <u>(excluding Directors who are Audit and Supervisory Committee Members)</u> and may appoint one (1) Director and Chairman, one (1) Vice President, several Senior Managing Directors and Managing Directors as necessary.</p>
<p>Article 24 – Article 26 (Omitted)</p>	<p>Article 24 – Article 26 (Unchanged)</p>

Current Articles of Incorporation	Proposed amendments
<p>(Compensation, etc.) Article 27 The amount of compensation, bonuses and any other proprietary benefits to be granted to Directors by the Company in consideration of their performance of duty (hereinafter referred to as “compensation etc.”) shall be determined by resolution of the General Meeting of Shareholders.</p> <p>Article 28 (Omitted)</p> <p>(Convocation of Meetings of the Board of Directors) Article 29 Notice of convocation of meetings of the Board of Directors shall be sent to each Director <u>and Audit and Supervisory Board Member</u> at least three (3) days prior to the meetings; provided, however, that in the event of urgency, such period may be shortened.</p> <p>2. When the consent of all Directors <u>and Audit and Supervisory Board Members</u> is obtained in advance, a meeting of the Board of Directors may be held without following the procedures for convening a meeting.</p> <p style="text-align: center;">(Newly Established)</p> <p>Article <u>30</u> (Omitted)</p>	<p>(Compensation, etc.) Article 27 The amount of compensation, bonuses and any other proprietary benefits to be granted to Directors by the Company in consideration of their performance of duty (hereinafter referred to as “compensation etc.”) shall be determined <u>separately for Directors who are Audit and Supervisory Committee Members and other Directors</u> by resolution of the General Meeting of Shareholders.</p> <p>Article 28 (Unchanged)</p> <p>(Convocation of Meetings of the Board of Directors) Article 29 Notice of convocation of meetings of the Board of Directors shall be sent to each Director at least three (3) days prior to the meetings; provided, however, that in the event of urgency, such period may be shortened.</p> <p>2. When the consent of all Directors is obtained in advance, a meeting of the Board of Directors may be held without following the procedures for convening a meeting.</p> <p><u>(Entrustment of Decisions to Execute Important Operations)</u> <u>Article 30. The Company may, pursuant to the Article 399-13, Paragraph 6 of the Companies Act, entrust all or part of decisions to execute important operations (excluding the matters listed in each item of Paragraph 5 of the same Article) to the Directors by resolution of the Board of Directors.</u></p> <p>Article <u>31</u> (Unchanged)</p>

Current Articles of Incorporation	Proposed amendments
<p>(Board Minutes) Article <u>31</u> Board minutes shall include or record the proceedings and the outcome of the meetings and other matters provided by laws and regulations, and the Directors <u>and Audit and Supervisory Board Members</u> present shall sign and affix a seal or digitally sign on them.</p>	<p>(Board Minutes) Article <u>32</u> Board minutes shall include or record the proceedings and the outcome of the meetings and other matters provided by laws and regulations, and the Directors present shall sign and affix a seal or digitally sign on them.</p>
<p>(Regulations of Board of Directors) Article <u>32</u> Matters concerning the Board of Directors shall be governed by the Regulations of Board of Directors adopted or amended by the Board of Directors, except as otherwise provided by laws, regulations or Articles of Incorporation.</p>	<p>(Regulations of Board of Directors) Article <u>33</u> Matters concerning the Board of Directors shall be governed by the Regulations of Board of Directors adopted or amended by the Board of Directors, except as otherwise provided by laws, regulations or Articles of Incorporation.</p>
<p>Article <u>33</u> (Omitted)</p>	<p>Article <u>34</u> (Unchanged)</p>
<p><u>Chapter V Audit and Supervisory Board Members and Audit and Supervisory Board</u></p>	<p>(Deleted)</p>
<p>(Number of Audit and Supervisory Board Members) Article <u>34</u> <u>The number of Audit and Supervisory Board Members of the Company shall not exceed four (4).</u></p>	<p>(Deleted)</p>
<p>(Election of Audit and Supervisory Board Members) Article <u>34</u> <u>Audit and Supervisory Board Members shall be elected at General Meetings of Shareholders.</u> 2. <u>Resolutions for the election of Audit and Supervisory Board Members shall be adopted by a majority vote of the attending Shareholders who hold one-third (1/3) or more of the voting rights of Shareholders entitled to exercise voting rights.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed amendments
<p><u>(Term of Office of Audit and Supervisory Board Members)</u> <u>Article 36 The term of office of an Audit and Supervisory Board Member shall expire upon conclusion of the Ordinary General Meeting of Shareholders held with respect to the last fiscal year ending within four (4) years from his/her election to office.</u></p> <p>2. <u>The term of office of an Audit and Supervisory Board Member elected to fill a vacancy due to retirement of an Audit and Supervisory Board Member prior to the expiry of his/her term of office shall be the same as the remaining term of office of the retired Audit and Supervisory Board Member.</u></p>	(Deleted)
<p><u>(Full-Time Audit and Supervisory Board Member)</u> <u>Article 37. Audit and Supervisory Board shall elect Full-Time Audit and Supervisory Board Members by its resolution.</u></p>	(Deleted)
<p><u>(Compensation, etc.)</u> <u>Article 38 Compensation, etc. of Audit and Supervisory Board Members shall be determined by resolution of the General Meeting of Shareholders.</u></p>	(Deleted)
<p><u>(Limitation of Liabilities of Audit and Supervisory Board Members)</u> <u>Article 39 Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, in the case where Audit and Supervisory Board Members neglected duties, release Audit and Supervisory Board Members (including former Audit and Supervisory Board Members) from liabilities to the extent permitted by laws and regulations, in accordance with resolution of the Board of Directors.</u></p> <p>2. <u>Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with each of Audit and Supervisory Board Members limiting liabilities to the minimum amount permitted by laws and regulations in the case where Audit and Supervisory Board Members neglected duties.</u></p>	(Deleted)

Current Articles of Incorporation	Proposed amendments
<p><u>(Convocation of Meetings of Audit and Supervisory Board)</u> <u>Article 40 Notice of convocation of meetings of the Audit and Supervisory Board shall be sent to each Audit and Supervisory Board Member at least three (3) days prior to the meeting; provided, however, that in the event of urgency, such period may be shortened.</u></p>	(Deleted)
<p><u>(Resolution of Audit and Supervisory Board)</u> <u>Article 41 Except as otherwise provided by laws and regulations, resolutions of the Audit and Supervisory Board shall be adopted by a majority vote of Audit and Supervisory Board Members.</u></p>	(Deleted)
<p><u>(Minutes of Audit and Supervisory Board)</u> <u>Article 42 Minutes of Audit and Supervisory Board shall include or record the proceedings and the outcome of the meetings and other matters provided by laws and regulations, and the Audit and Supervisory Board Members present shall sign and affix a seal or digitally sign on them.</u></p>	(Deleted)
<p><u>(Regulations of Audit and Supervisory Board)</u> <u>Article 43. Matters concerning the Audit and Supervisory Board shall be governed by the Regulations of Audit and Supervisory Board determined by the Audit and Supervisory Board except as otherwise provided by laws, regulations or Articles of Incorporation.</u></p>	(Deleted)
<p>(Newly established) (Newly established)</p>	<p><u>Chapter V Audit and Supervisory Committee</u> <u>(Full-Time Audit and Supervisory Committee Member)</u> <u>Article 35. Audit and Supervisory Committee may elect Full-Time Audit and Supervisory Committee Members by its resolution.</u></p>
<p>(Newly established)</p>	<p><u>(Convocation of Meetings of Audit and Supervisory Committee)</u> <u>Article 36 Notice of convocation of meetings of the Audit and Supervisory Committee shall be sent to each Audit and Supervisory Committee Member at least three (3) days prior to the meetings; provided, however, that in the event of urgency, such period may be shortened.</u> 2. <u>When the consent of all Audit and Supervisory Committee Members is obtained in advance, meetings of the Audit and Supervisory Committee may be held without following the procedures for convening a meeting.</u></p>

Current Articles of Incorporation	Proposed amendments
(Newly established)	<u>(Method of Resolution of Audit and Supervisory Committee)</u> <u>Article 37 Resolutions of Audit and Supervisory Committee shall be adopted by a majority vote of Audit and Supervisory Committee Members present who are able to join the voting.</u>
(Newly established)	<u>(Minutes of Audit and Supervisory Committee)</u> <u>Article 38 Minutes of Audit and Supervisory Committee shall include or record the proceedings and the outcome of the meetings and other matters provided by laws and regulations, and the Audit and Supervisory Committee Members present shall sign and affix a seal or digitally sign on them.</u>
(Newly established)	<u>(Regulations of Audit and Supervisory Committee)</u> <u>Article 39 Matters concerning the Audit and Supervisory Committee shall be governed by the Regulations of Audit and Supervisory Committee determined by the Audit and Supervisory Committee in addition to provisions of laws, regulations or Articles of Incorporation.</u>
Chapter VI Account Article 44 – Article 47 (Omitted)	Chapter VI Account Article 40 – Article 43 (Unchanged)
(Newly established) (Newly established)	<u>(Supplementary Provisions)</u> <u>(Transitional Measures for Electronic Provision of Materials for General Meeting of Shareholders)</u> Article 1 Deletion of Article 16 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.) of the Articles of Incorporation before amendments and establishment of amended Article 16 (Measures for Electronic Provision, etc.) shall become effective as from September 1, 2022.

Current Articles of Incorporation	Proposed amendments
<p>(Newly established)</p> <p>(Enforced on July 30, 2020)</p>	<p><u>2. Notwithstanding the provisions of the preceding paragraph, Article 16 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.) of the Articles of Incorporation before amendments shall remain in force with respect to a General Meeting of Shareholders to be held on a date within six months from September 1, 2022.</u></p> <p><u>3. These supplementary provisions shall be deleted on a date after the lapse of six months from September 1, 2022 or on a date after 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> <p><u>(Transitional Measures for Limitation of Liabilities of Audit and Supervisory Board Members)</u></p> <p><u>Article 2 Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, in the case where Audit and Supervisory Board Members neglected duties before the partial amendments of the Articles of Incorporation as resolved at the 5th Ordinary General Meeting of Shareholders becomes effective, release Audit and Supervisory Board Members (including former Audit and Supervisory Board Members) from liabilities to the extent permitted by laws and regulations, in accordance with resolution of the Board of Directors.</u></p> <p><u>2. Liability limitation agreement of Article 423, Paragraph 1 of the Companies Act regarding the conduct of Audit and Supervisory Board Members (including former Audit and Supervisory Board Members) before the conclusion of the 5th Ordinary General Meeting of Shareholders shall be subject to the provisions of Article 39, Paragraph 2 of the Articles of Incorporation before amendments as resolved at that Ordinary General Meeting of Shareholders.</u></p> <p>(Enforced on June 24, 2022)</p>

Proposal No.2: Election of Five (5) Directors (Excluding Directors Who are Audit and Supervisory Committee Members)

The Company will transition to a company with audit and supervisory committee if Proposal No.1: “Partial Amendment of Articles of Incorporation,” is approved and passed as originally proposed. And all seven Directors will retire upon the expiry of term of office at the time when the amendments of the Articles of Incorporation become effective pursuant to the provisions of Article 332, Paragraph 7, Item 1 of the Companies Act.

Accordingly, the Company requests the appointment of five Directors (excluding Directors who are Audit and Supervisory Committee Members) for the time after the transition to a company with Audit and Supervisory Committee.

The selection of candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) has been deliberated by the voluntary Nomination and Compensation Committee which has Independent Directors as the majority of the members and is chaired by an Outside Director who is an Independent Director, and has been decided by the Board of Directors.

A resolution on this proposal shall become effective subject to the effectuation of a shift to a company with audit and supervisory committee under Proposal No.1: “Partial Amendment to the Articles of Incorporation.”

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows:

Candidate No.	Name	Current Position and Responsibilities at the Company			
1	Masafumi Yuzawa	President and CEO, Representative Director	Reelection		
2	Toshiyuki Saikusa	Executive Director	Reelection		
3	Mitsuo Fujio	Director	Reelection		
4	Noriko Chibayashi	Independent Outside Director	Reelection	Outside	Independent
5	Yoshino Tsujita	Independent Outside Director	Reelection	Outside	Independent

Reelection A candidate for Director to be reelected (excluding Director who is Audit and Supervisory Committee Member)

Outside A candidate for Outside Director (excluding Director who is Audit and Supervisory Committee Member)

Independent An Independent Director based on the provisions of the Tokyo Stock Exchange



Candidate No.	Name	Date of Birth	
1	Masafumi Yuzawa	February 12, 1971	Reelection

Number of Shares of
the Company Held

500

Attendance at Board of
Directors Meetings

13/13

[Career Summary, Positions, Responsibilities, and Important Concurrent Positions]

Apr. 1995 Joined the Company (former Yukiguni Maitake Co., Ltd.)
 June 2010 Executive Officer, General Manager of Tokyo Sales Office, Manager of Section 3 of the Company (former Yukiguni Maitake Co., Ltd.)
 Sep. 2014 Deputy General Manager of Sales Operations Division of the Company (former Yukiguni Maitake Co., Ltd.)
 Oct. 2014 Executive Officer, General Manager of Business Planning Office of the Company (former Yukiguni Maitake Co., Ltd.)
 Mar. 2015 Left the Company (former Yukiguni Maitake Co., Ltd.)
 Apr. 2015 Executive Officer, General Manager of Corporate Planning Office of Hakkaisan Brewery Co., Ltd.
 June 2016 Left Hakkaisan Brewery Co., Ltd.
 July 2016 Joined the Company (former Yukiguni Maitake Co., Ltd.), Managing Executive Officer, General Manager of Sales Operations Division
 June 2021 Director, Managing Executive Officer, General Manager of Sales Operations Division of the Company
 Apr. 2021 President and CEO, Representative Director of the Company (current position)

[Reasons for Nomination as a Candidate for Director]

Mr. Masafumi Yuzawa is, according to his experience in sales of mushrooms for many years since he joined the Company in 1995 until now, familiar with the consumption trend and sales characteristics of vegetables and fruits. The Company believes that he will continue to contribute to enhancing the corporate value of the Company by leading the growth to comprehensive manufacturer of premium mushrooms and promoting the strengthening of group-wide competitiveness. He also enjoys employees' confidence very much and has leadership. Judging that he is capable of establishing a high management target and realizing it, we have determined that he is suitable as a Director of the Company.



Number of Shares of
the Company Held

0

Attendance at Board of
Directors Meetings

17/17

Candidate No.	Name	Date of Birth	
2	Toshiyuki Saikusa	September 27, 1973	Reelection

[Career Summary, Positions, Responsibilities, and Important Concurrent Positions]

- Mar. 2004 Joined Shinmei Co., Ltd. (currently Shinmei Holdings Co., Ltd.)
- Apr. 2015 Manager, Personnel Division, Administration Department of Shinmei Holding Co., Ltd. (currently Shinmei Holdings Co., Ltd.),
General Manager, Business Department of Shinmei Co., Ltd. (seconded)
- July 2016 Manager, Accounting and Finance Section, Administration Department, Administration Division of Shinmei Holding Co., Ltd. (currently Shinmei Holdings Co., Ltd.)
- Apr. 2017 General Manager, Administration Department, Administration Division, General Manager, Corporate Planning Office, and General Manager, Accounting and Finance Section of Shinmei Co., Ltd. (currently Shinmei Holdings Co., Ltd.),
- July 2017 General Manager, Corporate Planning Office and Manager, Accounting and Finance Section of Shinmei Co., Ltd. (currently Shinmei Holdings Co., Ltd.)
- Oct. 2017 Director, Deputy General Manager of Administration Division of the Company (former Yukiguni Maitake Co., Ltd.)
- Nov. 2017 General Manager, General Affairs and Human Resources Division, Administration Department, Administration Division of Shinmei Co., Ltd. (currently Shinmei Holdings Co., Ltd.)
- Mar. 2018 Director of the Company (former Yukiguni Maitake Holdings Co., Ltd.)
- Apr. 2018 Director in charge of Corporate Planning Division of the Company (former Yukiguni Maitake Co., Ltd.)
- Jan. 2020 Executive Director of the Company (former Yukiguni Maitake Co., Ltd.) (current position)

[Reasons for Nomination as a Candidate for Director]

Mr. Toshiyuki Saikusa is familiar with accounting and finance operations in the food industry, and we judge that we can utilize his experience and insight in management of the Company. In addition, he has a wealth of experience and a wide range of insights in M&A in the food industry, and we believe that we can utilize his experience and insights in the growth strategy of the Company. Therefore, we have determined that he is suitable as a Director of the Company.



Number of Shares of
the Company Held

0

Attendance at Board of
Directors Meetings

17/17

Candidate No.	Name	Date of Birth	
3	Mitsuo Fujio	June 14, 1965	Reelection

[Career Summary, Positions, Responsibilities, and Important Concurrent Positions]

June 2005	Representative Director and President of Shinmei Logistics Co., Ltd.
June 2007	Representative Director and President of Shinmei Co., Ltd. (currently Shinmei Holdings Co., Ltd.)
Apr. 2009	Representative Director and President of Shinmei Seimai Co., Ltd. (currently Shinmei Kitchen Co., Ltd.)
July 2013	Representative Director and Chairman of Wooke Co., Ltd.
Nov. 2013	Representative Director, Chairman, and President of Kappa Create Holdings Co., Ltd.
Jan. 2014	Representative Director and President of Shinmei Agri Innovation Co., Ltd.
May 2014	Representative Director and Chairman of Kappa Create Holdings Co., Ltd.
June 2015	Representative Director and President of Wooke Co., Ltd.
Mar. 2017	Representative Director and President of Shinmei Agri Co., Ltd.
Mar. 2017	Representative Director and Chairman of Kobemaruskan Co., Ltd. (current position)
Mar. 2017	Representative Director and Chairman of Nihon Rosei Co., Ltd.
June 2017	Representative Director and Chairman of Shokubun Co., Ltd.
June 2017	Representative Director and Chairman of Wooke Co., Ltd. (current position)
Oct. 2017	Director of the Company (former Yukiguni Maitake Co., Ltd.) (current position)
Apr. 2018	Representative Director and President of Shinmei Split Preparation Co., Ltd. (currently Shinmei Co., Ltd.) (current position)
June 2019	Representative Director and Chairman of Genki Sushi Co., Ltd. (current position)
Mar. 2020	Representative Director and President of Shinmei Fresh Co., Ltd.
June 2021	Representative Director and Chairman of Shokubun Co., Ltd. (current position)
June 2021	Director of Tokyo Chuo Fruits and Vegetables Co., Ltd. (current position)
Dec. 2021	Representative Director and Chairman of GODAK MARKETING CORP. (current position)
Dec. 2021	Representative Director, President, and General Manager of Administration Division of Shinmei Holdings Co., Ltd.
Mar. 2022	Director of RICE REPUBLIC Co., Ltd. (current position)
Apr. 2022	Representative Director and President of Shinmei Holdings Co., Ltd., (current position)

[Reasons for Nomination as a Candidate for Director]

Mr. Mitsuo Fujio is familiar with the food industry, is the Representative Director of Shinmei Holdings Co., Ltd., and has abundant experience and wide-ranging insight as a corporate executive. We have determined that his experience and insight can be utilized in the management of the Company, and that synergistic effects can be expected in the growth of the Group and the Shinmei Holdings Group in the future. Therefore, we have determined that he is suitable as a Director of the Company.



Number of Shares of
the Company Held 0

Attendance at Board of
Directors Meetings 17/17

Candidate No.	Name	Date of Birth	Reelection Outside Independent
4	Noriko Chibayashi	July 20, 1967	

[Career Summary, Positions, Responsibilities, and Important Concurrent Positions]

Apr. 1990 Joined Asahi Breweries, Ltd.
 Apr. 2008 General Manager of Product Strategy Department, Marketing Division, Asahi Soft Drinks Co., Ltd.
 Apr. 2012 General Manager of Food Marketing Department, Asahi Food & Healthcare, Ltd.
 Sep. 2013 Deputy General Manager of Business Development (M&A) Section, Asahi Group Holdings, Ltd.
 June 2015 General Manager with Officer in Charge of Functional Foods and Feeds Business, Calpis Co., Ltd.
 Jan. 2016 General Manager of Planning and Management Department, Asahi Calpis Wellness Co., Ltd. (currently Asahi Biocycle Co., Ltd.)
 Mar. 2016 Director of Asahi Calpis Wellness Co., Ltd. (currently Asahi Biocycle Co., Ltd.)
 Mar. 2017 President and Representative Director of Asahi Calpis Wellness Co., Ltd. (currently Asahi Biocycle Co., Ltd.) (current position)
 Feb. 2020 Outside Director of the Company (former Yukiguni Maitake Co., Ltd.) (current position)

[Reasons for Nomination as a Candidate for Outside Director and Expected Role]

Ms. Noriko Chibayashi has a wealth of experience in the food industry and an excellent management perspective, and we have determined that she can provide advice on strengthening the Company's management base from multiple perspectives. Therefore, we have determined that she is suitable as an Outside Director of the Company. She is currently the President and Representative Director of Asahi Biocycle Co., Ltd., but there is no human, capital or business relationship or other interests between Asahi Biocycle Co., Ltd. and the Company. Thus, we have determined that there is no risk of conflict of interest with general shareholders, and we plan to designate her as an Independent Director.



Number of Shares of
the Company Held
0

Attendance at Board of
Directors Meetings
17/17

Candidate No.	Name	Date of Birth	Reelection Outside Independent
5	Yoshino Tsujita	August 19, 1964	

[Career Summary, Positions, Responsibilities, and Important Concurrent Positions]

Mar. 1987 Joined Swiss Bank Securities Corporation
 Jan. 1989 Joined Salomon Brothers Asia Securities Ltd.
 June 1999 Vice President of The Chase Manhattan Bank, N.A.
 Feb. 2001 Vice President of JPMorgan Securities Japan Co., Ltd.
 Mar. 2002 Joined Japan Tobacco Inc.
 June 2006 General Manager of Corporate Planning Division, Japan Tobacco Inc.
 Sep. 2014 General Manager of Compliance Office, Japan Tobacco Inc.
 Apr. 2016 General Manager of Media and Investor Relations Division,
 Japan Tobacco Inc.
 Mar. 2020 Representative Director of Relier Inc. (current position)
 Apr. 2020 Outside Director of the Company (current position)

[Reasons for Nomination as a Candidate for Outside Director and Expected Role]

Ms. Yoshino Tsujita is familiar with accounting and finance operations, etc., and has a wealth of experience and a wide range of insights at domestic and overseas companies. Thus, we have determined that we can utilize her experience and insights in the Company's management, and determined that she is suitable as an Outside Director of the Company. She is currently the Representative Director of Relier Inc., but there is no human, capital or business relationship or other interests between Relier Inc. and the Company. Thus, we have determined that there is no risk of conflict of interest with general shareholders, and we plan to designate her as an Independent Director.

(Note)

1. The number of shares of the Company held by each candidate is the number of shares as of the end of the 5th fiscal year (March 31, 2022).
2. Mr. Mitsuo Fujio is currently the business executor of Shinmei Holdings Co., Ltd., the parent company of the Company. His status and responsibilities at the said company and its subsidiaries currently and for the past 10 years are as described in the above section "Career Summary, Positions, Responsibilities, and Important Concurrent Positions". In addition, Mr. Toshiyuki Saikusa was the business executor of Shinmei Holdings Co., Ltd., the parent company of the Company. His status and responsibilities of the said company and its subsidiaries for the past 10 years are as described in the above section "Career Summary, Positions, Responsibilities, and Important Concurrent Positions". In addition to selling products, the parent company and its subsidiaries and the Company have transactions such as accepting seconded employees, but when conducting transactions, decisions are made after price negotiations in consideration of market prices, etc.
3. Ms. Noriko Chibayashi and Ms. Yoshino Tsujita are candidates for Outside Directors.
4. Ms. Noriko Chibayashi and Ms. Yoshino Tsujita are currently Outside Directors of the Company. Ms. Noriko Chibayashi has been in office as an Outside Director for two years and four months at the conclusion of this Ordinary General Meeting, and Ms. Yoshino Tsujita has been in office as an Outside Director for two years and two months at the conclusion of this Ordinary General Meeting.
5. Ms. Noriko Chibayashi and Ms. Yoshino Tsujita meet the independence criteria set by the Tokyo Stock Exchange, and the Company has reported both of them as Independent Directors to Tokyo Stock Exchange. If their reappointments are approved, they will continue to be Independent Directors.
6. We have a liability limitation agreement with Ms. Noriko Chibayashi and Ms. Yoshino Tsujita. The outline of the content of the liability limitation agreement is that the liability for damages under Article 423, Paragraph 1 of the Companies Act is limited to the amount stipulated by the law, based on the provisions of Article 427, Paragraph 1 of the Companies Act. If the reappointments of Ms. Noriko Chibayashi, Ms. Yoshino Tsujita and Mr. Mitsuo Fujio are approved, the Company will newly conclude the similar contracts with each of them.
7. The Company concludes a directors and officers liability insurance contract with an insurance company, and the insurance policy will cover the insured against legal damages and dispute costs incurred to the insured. they will be included in the insured of the insurance policy. In addition, we plan to renew the same content at the next renewal timing.

Proposal No.3: Election of Three (3) Directors Who are Audit and Supervisory Committee Members

The Company will transition to a company with audit and supervisory committee if Proposal No.1: “Partial Amendment of the Articles of Incorporation,” is approved and passed as originally proposed.

Accordingly, the Company requests the appointment of three Directors who are Audit and Supervisory Committee Members.

The selection of candidates for Directors who are Audit and Supervisory Committee Members has been deliberated by the voluntary Nomination and Compensation Committee which has Independent Directors as the majority of the members and is chaired by an Outside Director who is an Independent Director, and decided by the Board of Directors and has obtained consent of the Audit and Supervisory Board.

A resolution on this proposal shall become effective subject to the effectuation of a shift to a company with audit and supervisory committee under Proposal No.1: “Partial Amendment to the Articles of Incorporation.”

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

Candidate No.	Name	Current Position and Responsibilities at the Company			
1	Tsuguaki Kobayashi	Full-Time Audit and Supervisory Board Member	<u>New appointment</u>		
4	Kazuhiro Tatebe	Outside Audit and Supervisory Board Member	<u>New appointment</u>	<u>Outside</u>	<u>Independent</u>
5	Tetsuya Naito	—	<u>New appointment</u>	<u>Outside</u>	<u>Independent</u>

New appointment A candidate for new Director who are Audit and Supervisory Committee Member

Outside A candidate for Outside Director who are Audit and Supervisory Committee Member

Independent An Independent Director based on the provisions of the Tokyo Stock Exchange



Candidate No.	Name	Date of Birth	
1	Tsuguaki Kobayashi	February 26, 1948	New appointment

Number of Shares of
the Company Held

0

Attendance at Board of
Directors Meetings

17/17

[Career Summary, Positions, Responsibilities, and Important Concurrent Positions]

- Apr. 1972 Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)
- Oct. 2001 Joined Mizuho Bank, Ltd. (seconded to a business company, stationed in U.S.)
- Aug. 2003 Joined the Company (former Yukiguni Maitake Co., Ltd.)
- June 2005 Director and Executive Officer, Deputy General Manager of Sales Operations Division and General Manager of Business Department of the Company (former Yukiguni Maitake Co., Ltd.)
- June 2007 General Manager of Internal Audit Department of the Company (former Yukiguni Maitake Co., Ltd.)
- June 2018 Full-Time Audit and Supervisory Board Member of the Company (former Yukiguni Maitake Co., Ltd.) (current position)

[Reasons for Nomination as a Candidate for Director Who is Audit and Supervisory Committee Member]

Mr. Tsuguaki Kobayashi has business experience at domestic and overseas financial institutes for many years and considerable knowledge about finance and accounting based on his actual achievement. Additionally, using the experience of service in the internal audit division for many years, we have judged that he is expected to play an adequate role as Director who is an Audit and Supervisory Committee Member by supervision of the whole management of the Company and provision of appropriate advice from a company-wide perspective, and therefore we have determined that he is suitable as a Director who is an Audit and Supervisory Committee Member.



Number of Shares of
the Company Held

0

Attendance at Board of
Directors Meetings

17/17

Candidate No.	Name	Date of Birth	New appointment
2	Kazuhito Tatebe	May 25, 1947	Outside Independent

[Career Summary, Positions, Responsibilities, and Important Concurrent Positions]

Apr. 1970	Joined Ministry of Finance (currently Ministry of Finance and Financial Service Agency)
July 1994	Director-General of Fukuoka Local Finance Branch Bureau
June 1996	Director, representing Japan, of European Bank for Reconstruction and Development (EBRD) (London)
Aug. 1999	Director of Japan Foundation
Oct. 2003	Director of Japan Mint (Independent Administrative Agency)
Mar. 2006	Ambassador Extraordinary and Plenipotentiary (to Grand Duchy of Luxembourg)
June 2009	Audit and Supervisory Board Member of Sompo Japan DC Securities Inc.
July 2009	Advisor of Sompo Japan Insurance Inc.
Sep. 2012	Advisor of Monex Group, Inc.
Oct. 2012	Registered as attorney-at-law
July 2013	The Tokyo-Marunouchi Law Offices (current position)
June 2014	Audit and Supervisory Board Member of the Company (former Yukiguni Maitake Co., Ltd.) (current position)
June 2016	Auditor of Tokyo Bay Licensed PILOTS' Association (current position)

[Reasons for Nomination as a Candidate for Director Who is Audit and Supervisory Committee Member and Expected Role]

Mr. Kazuhito Tatebe has extensive experience and knowledge in domestic and overseas public sector, experience as Audit and Supervisory Board Member of other company and expertise as attorney-at-law. We have judged that he is expected to play an adequate role as an Outside Director who is an Audit and Supervisory Committee Member by supervision of the whole management of the Company and provision of appropriate advice, and therefore determined that he is suitable as an Outside Director who is an Audit and Supervisory Committee Member. Although he has not experienced direct engagement in corporate management by other than as Outside Officer, we, due to the above reasons, have determined that he can appropriately perform the duties of an Outside Director who is an Audit and Supervisory Committee Member.



Candidate No.	Name	Date of Birth	New appointment
3	Tetsuya Naito	December 15, 1959	Outside Independent

Number of Shares of the Company Held

0

Attendance at Board of Directors Meetings

—

[Career Summary, Positions, Responsibilities, and Important Concurrent Positions]

Oct. 1987 Joined Minato Audit Corporation (currently Ernst & Young ShinNihon LLC.)
 Apr. 1991 Registered as Certified Public Accountant
 May 1994 Registered as U.S. Certified Public Accountant (California)
 Aug. 1995 Joined Los Angeles Office of KPMG Peat Marwick (currently KPMG LLP)
 July 1998 Partner of Los Angeles Office of KPMG Peat Marwick (currently KPMG LLP)
 Aug. 2005 Joined Tokyo Office of Shin Nihon Audit Corporation (currently Ernst & Young ShinNihon LLC.)
 Jan. 2006 Representative Partner, Tokyo Office of Shin Nihon Audit Corporation (currently Ernst & Young ShinNihon LLC.)
 Aug. 2008 Partner, Management Planning Department of Shin Nihon Audit LLC.(currently Ernst & Young ShinNihon LLC.)
 Sep. 2012 Senior Partner, Tokyo Office of Shin Nihon Audit LLC. (currently Ernst & Young ShinNihon LLC.) (current position) (scheduled to retire in June 2022)

[Reasons for Nomination as a Candidate for Director Who is Audit and Supervisory Committee Member and Expected Role]

Mr. Tetsuya Naito has extensive experience as certified public accountant in Japan and the United States for many years and abundant accounting knowledge. We have judged that he is expected to play an adequate role as an Outside Director who is an Audit and Supervisory Committee Member by supervision of the whole management of the Company and provision of appropriate advice, and therefore determined that he is suitable as an Outside Director who is an Audit and Supervisory Committee Member. Although he has not experienced direct engagement in corporate management, he is acquainted with international accounting knowledge as certified public accountant, and therefore we have determined that he can appropriately perform the duties of an Outside Director who is an Audit and Supervisory Committee Member.

(Note)

1. Mr. Tsuguaki Kobayashi, Mr. Kazuhito Tatebe and Mr. Tetsuya Naito are candidates for new Directors.
2. The number of shares of the Company held by each candidate is the number of shares as of the end of the current fiscal year (March 31, 2021).
3. There is no special interest between the candidates for Directors who are Audit and Supervisory Committee Members and the Company.
4. Mr. Kazuhito Tatebe and Mr. Tetsuya Naito are candidates for Outside Directors.
5. The Company has concluded a liability limitation agreement with Mr. Kazuhito Tatebe pursuant to the provisions of article 427, Paragraph 1 of the Companies Act. If Mr. Kazuhito Tatebe and Mr. Tetsuya Naito are elected as Directors who are Audit and Supervisory Committee Members, the Company will conclude newly a similar liability limitation agreement with each of them.
6. If Mr. Kazuhito Tatebe and Mr. Tetsuya Naito are elected as Directors who are Audit and Supervisory Committee Members, the Company will designate them as Independent Directors who meet the independence criteria set by the Tokyo Stock Exchange and report both of them as Independent Directors to the exchange.
7. The Company has concluded a directors and officers liability insurance contract with an insurance company, and the insurance policy will cover the insured against legal damages and dispute costs incurred to the insured. If the candidates are elected as Directors who are Audit and Supervisory Committee Members, they will be included in the insured of the insurance policy. In addition, we plan to renew the same content at the next renewal timing.

Skills matrix of candidates for Directors (Roles expected and skills possessed)

Name	Position and Responsibility	Diversity	Outside (Independent ◎)	Whole management	Finance/Accounting/Taxation	Legal/risk Management/Governance	Personnel Labor	Global business	Marketing	Technology R&D	Market knowledge
Masafumi Yuzawa	President and CEO, Representative Director			●					●		●
Toshiyuki Saikusa	Executive Director				●		●				●
Mitsuo Fujio	Director			●				●			●
Noriko Chibayashi	Director (Outside)	●	Outside ◎	●					●	●	
Yoshino Tsujita	Director (Outside)	●	Outside ◎		●	●		●			
Tsuguaki Kobayashi	Director (Full-Time Audit and Supervisory Committee Member)							●			●
Kazuhito Takebe	Director (Audit and Supervisory Committee Member, Outside)		Outside ◎			●		●			
Tetsuya Naito	Director (Audit and Supervisory Committee Member, Outside)		Outside ◎		●			●			

(Note)

1. The contents described for Position and Responsibility are as expected in case each candidate is elected at this General Meeting.
2. Items marked with ● do not show all knowledge and experience of each Director.

Proposal No.4: Establishment of Compensation for Directors (Excluding Directors Who are Audit and Supervisory Committee Members)

The Company will shift to a company with audit and supervisory committee if Proposal No.1: “Partial Amendments to the Articles of Incorporation” is approved and passed as originally proposed.

The amount of compensation for Directors of the Company has remained unchanged to date at 300 million yen or less per year (excluding the portion of employee compensation for Directors who concurrently serve as employees) since it was resolved at the Extraordinary General Meeting of Shareholders held on March 31, 2020. The Company proposes that, in line with a shift to a company with audit and supervisory committee, the amount of compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members) be newly determined upon abolishing the above amount. The proposed amount of compensation shall be 300 million yen or less per year, taking into consideration past compensation for Directors and various circumstances such as recent economic climate. The amount of compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall not include the employee portion of compensation for Directors who concurrently serve as employees, as before. Performance-based compensation shall not be payable to Outside Directors.

The Company currently has seven (7) Directors (two (2) of whom are Outside Directors). The number of Directors (excluding Directors who are Audit and Supervisory Committee Members) will be five (5) (two (2) of whom will be Outside Directors) if Proposal No.2: “Election of Five (5) Directors (Excluding Directors who are Audit and Supervisory Committee Members)” is approved and passed as originally proposed.

The amount of compensation relating to this proposal is to make revisions of the amount taking into consideration the above circumstances. The Company has also received from the Compensation and Nomination Committee a report to the effect that the amount of compensation is appropriate in accordance with the Policy for Determining the Details of Compensation, Etc. for Directors on an Individual Basis resolved at the Board of Directors’ meeting of the Company. Therefore, the Company has judged that the details of this proposal are suitable.

A resolution on this proposal shall become effective subject to the effectuation of a shift to a company with audit and supervisory committee under Proposal No.1: “Partial Amendment to the Articles of Incorporation.”

Proposal No.5: Establishment of Compensation for Directors Who are Audit and Supervisory Committee Members

The Company will transition to a company with audit and supervisory committee if Proposal No.1: “Partial Amendment of the Articles of Incorporation,” is approved and passed as originally proposed.

The Company hereby proposes that the amount of compensation for Directors who are Audit and Supervisory Committee Members be set at 50 million yen or less per year, taking into consideration various circumstances such as recent economic climate as well.

The number of Directors who are Audit and Supervisory Committee Members will be three (3) if Proposal No.1: “Partial Amendment to the Articles of Incorporation” and Proposal No.3: “Election of three (3) Directors Who are Audit and Supervisory Committee Members” are approved and passed as originally proposed.

The amount of compensation for Directors who are Audit and Supervisory Committee Members relating to this proposal are determined taking into comprehensive consideration as compensation in light of the amount of past compensation for Audit and Supervisory Board Members, the level of number of eligible Directors, the duties of Audit and Supervisory Committee Members, and other factors. The Company has received from the Compensation and Nomination Committee a report to the effect that the amount of compensation is appropriate. Therefore, the Company has judged that the details of this proposal are suitable.

A resolution on this proposal shall become effective subject to the effectuation of a shift to a company with audit and supervisory committee under Proposal No.1: “Partial Amendment to the Articles of Incorporation.”

Proposal No.6: Determination of Compensation for Allotment of Shares with Restriction on Transfer to Directors (Excluding Directors Who are Audit and Supervisory Committee Members)

The Company will transition to a company with audit and supervisory committee if Proposal No.1: “Partial Amendment of the Articles of Incorporation,” is approved and passed as originally proposed.

As a part of review of the system of compensation for officers in line with a shift to a company with audit and supervisory committee, the Company proposes to allot the Company’s common stock subject to the provisions of the predetermined transfer restriction period, acquisition without contribution by the Company, etc. (hereinafter referred to as the “Shares with Restriction on Transfer”) to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter referred to as “Eligible Directors”) as described below, separately from the amount of compensation proposed for approval at Proposal No.4: “Establishment of Compensation for Directors (Excluding Directors Who are Audit and Supervisory Committee Members).” This compensation is proposed so that Eligible Directors will share the merit and risks of stock price fluctuations with shareholders and enhance willingness more than before to contribute to rising a stock price and increasing corporate value.

The Company hereby proposes that the total amount of monetary compensation claims payable as compensation, etc. for Eligible Directors relating to the Shares with Restriction on Transfer be set at 50 million yen or less per year, taking into comprehensive consideration various matters such as the degree of contributions by Eligible Directors. The allotment of the Shares with Restriction on Transfer has been determined taking into comprehensive consideration various matters such as the degree of contributions by Eligible Directors. Because the percentage of the maximum number of the Shares with Restriction on Transfer to be allotted in each fiscal year set forth in 2. below to the total number of shares issued is approximately 0.13% (In the case of the issuance of the above maximum number of the Shares with Restriction on Transfer over a period of ten years, the percentage of the Shares with Restriction on Transfer to the total number of shares issued will be approximately 1.25%.), dilution ratio is slight. Therefore, we believe that the details of the allotment of the Shares with Restriction on Transfer is suitable.

The Company’s Board of Directors’ meeting held on May 19, 2022 resolved that the former Policy for Determining the Details of Compensation, Etc. for Directors on an Individual Basis would be amended in accordance with this proposal subject to approval of Proposal No.4 or this proposal as originally proposed.

The Company currently has seven (7) Directors (two (2) of whom are Outside Directors). The number of Directors (excluding Directors who are Audit and Supervisory Committee Members) will be five (5) (two (2) of whom will be Outside Directors) if Proposal No.2 is approved as originally proposed.

A resolution on this proposal shall become effective subject to the effectuation of a shift to a company with audit and supervisory committee under Proposal No.1: “Partial Amendment to the Articles of Incorporation.”

Specific Details and the Maximum Number of the Shares with Restriction on Transfer Allotted to Eligible Directors

1. Allotment and payment of the Shares with Restriction on Transfer

The Company shall pay Eligible Directors monetary compensation claims within the range of the above annual amount as compensation, etc. relating to the Shares with Restriction on Transfer, each Eligible Director will receive the allotment of the Shares with Restriction on Transfer by the payment of all the monetary compensation claims by way of contribution in kind, based on resolution of the Board of Directors' meeting of the Company.

The amount to be paid to the Shares with Restriction on Transfer shall be on the basis of the closing price of the Company's common stock at the Tokyo Stock Exchange on the business day prior to the date of a resolution at the Board of Directors' meeting of the Company relating to the issuance or disposal of the Shares with Restriction on Transfer (or the closing price on the transaction day immediately prior thereto, if no transaction is made on the above business day), and shall be resolved by the Board of Directors' meetings of the Company within the range of the amount which will not provide a specifically advantageous price to Eligible Directors who will receive the allotment of the Shares with Restriction on Transfer.

In addition, the above monetary compensation claims shall be payable on the condition that Eligible Directors agree to the above contribution in kind and conclude agreements on the allotment of the Shares with Restriction on Transfer including details set forth in 3 below with the Company.

2. Total number of the Shares with Restriction on Transfer

The maximum number of the Shares with Restriction on Transfer to be allotted in each fiscal year shall be 50,000 shares which are the total number of the Shares with Restriction on Transfer to be allotted to Eligible Directors.

However, in the case of share split of common stock of the Company (including allotment of share without contribution of common stock of the Company), consolidation of shares or any other required adjustment of the total number of the Shares with Restriction on Transfer to be allotted equivalent to these cases, on and after the date of resolution of this proposal, the Company may reasonably adjust the total number of the Shares with Restriction on Transfer.

3. Details of agreements on the allotment of the Shares with Restriction on Transfer

Upon allotment of the Shares with Restriction on Transfer, agreements on the allotment of the Shares with Restriction on Transfer to be concluded between the Company and Eligible Directors who will receive the allotment of the Shares with Restriction on Transfer based on a resolution of the Board of Directors' meeting of the Company shall contain details described below.

(1) Details of restriction on transfer

An Eligible Director who received the allotment of the Shares with Restriction on Transfer may not transfer to a third party, establish pledge as collateral of, establish the right of mortgage on, make a gift during lifetime of, make a bequest of or otherwise make any disposal of (hereinafter referred to as the "Restriction on Transfer") the Shares with Restriction on Transfer allotted to the Eligible Director (hereinafter referred to as the "Allotted Shares") during the period from the date of the allotment of the Shares with Restriction on Transfer to the date of retirement from both positions of Director and Executive Officer, of the Company (hereinafter referred to as the "Transfer Restriction Period").

(2) Acquisition without contribution of the Shares with Restriction on Transfer

The Company shall rightfully acquire the Allotted Shares without contribution if an Eligible Director who received the allotment of the Shares with Restriction on Transfer has retired from both positions of Director and Executive Officer, of the Company, by a date prior to the date holding the first Ordinary General Meeting of Shareholders of the Company on and after the commencement date of the Transfer Restriction Period except in the case where there are reasons why the Board of Directors of the Company recognizes appropriate.

In addition, the Company shall rightfully acquire the Allotted Shares, if any, without contribution for which the Restriction on Transfer has not yet been removed in accordance with the provisions of causes for removal of the Restriction on Transfer described in (3) below at the time of expiration of the Transfer Restriction Period described in the above (1).

(3) Removal of the Restriction on Transfer

The Company shall remove the Restriction on Transfer from all the Allotted Shares at the time of expiration of the Transfer Restriction Period on the condition that an Eligible Director continued to serve as either Director or Executive Officer of the Company for a period between on and after the commencement date of the Transfer Restriction Period and the date holding the Ordinary General Meeting of Shareholders of the Company.

However, if the Eligible Director of the Company has retired from both positions of Director and Executive Officer, of the Company, by a date prior to the date holding the first Ordinary General Meeting of Shareholders of the Company on and after the commencement date of the Transfer Restriction Period due to reasons why the Board of Directors of the Company recognizes appropriate, the Company shall reasonably adjust the number of the Allotted Shares from which the Restriction on Transfer are removed and the timing of removal of the Restriction on Transfer, if necessary.

(4) Treatment of reorganization, etc.

If proposals relating to reorganization, etc. such as a merger agreement in which the Company is absorbed, a share exchange agreement or share transfer agreement in which the Company becomes a wholly-owned subsidiary are approved at the General Meeting of Shareholders of the Company (or approved at the Board of Directors' meeting of the Company if approval at the General Meeting of Shareholders of the Company is not required for the reorganization, etc.); limited to a case where the effective date of the reorganization, etc. comes before the time of the expiration of the Transfer Restriction Period (hereinafter referred to as the "Time of Approval of Reorganization, Etc.") and an Eligible Director who received the allotment of the Shares with Restriction on Transfer attributable to the reorganization, etc. retires from both positions of Director and Executive Officer, of the Company, the Company shall remove the Restriction on Transfer by resolution of the Board of Directors' meeting of the Company from the number of the Allotted Shares determined reasonably based on the period from the commencement date of the Transfer Restriction Period to the date of approval of the reorganization, etc. ahead of the effective date of the reorganization, etc.

In addition, at the Time of Approval of Reorganization, Etc., the Company shall rightfully acquire the Allotted Shares without contribution from which the Restriction on Transfer has not yet been removed on a business day prior to the effective date of the reorganization, etc. effective on the same date.

(Reference)

- (1) The Company plans to allot its Executive Officers shares with restriction on transfer similar to the above Shares with Restriction on Transfer on and after the conclusion of this General Meeting of Shareholders.
- (2) The details of the Policy for Determining the Details of Compensation, Etc. for Directors on an Individual Basis to which the Company plans to make amendments if Proposal No. 4 or this proposal is approved and passed as originally proposed are as follows.

1. Basic policy for compensation

The basic policy for compensation for Directors of the Company has the criteria of a compensation system linked to performance, employee salary levels, etc. for each fiscal year in order to fully function as incentives striving for the sustainable increase of corporate value. The basic policy for determining compensation for Directors on an individual basis has the criteria of an appropriate level based on their position and roles.

In particular, the compensation for Directors (excluding External Directors and Directors who are Audit and Supervisory Committee Members) comprises basic compensation as fixed compensation and performance-based compensation as variable compensation. With regard to External Directors and Directors who are Audit and Supervisory Committee Members, the Company pays them basic compensation only.

2. Policy for determining the amount of compensation, etc. on an individual basis of basic compensation (including policy for determining the timing or conditions of the payment of compensation, etc.)

The basic compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members) of the Company shall be monthly monetary compensation and be determined taking into comprehensive consideration based on the Company's performance, other companies' compensation levels, the Company's employees' salary levels, Executive Officers' compensation levels and other factors according posts, roles, terms of office, etc.

The basic compensation for Directors who are Audit and Supervisory Committee Members of the Company shall be determined after consultation among all Directors who are Audit and Supervisory Committee Members also in consideration of their duties and various circumstances including recent economic climate.

3. Policy for determining the details and method calculating the amount of performance-based compensation (including policy for determining the timing or conditions of the payment of compensation, etc.)

Performance-based compensation payable to Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) comprises performance-based bonuses (monetary compensation) reflecting KPI, a performance indicator, and stock compensation (nonmonetary compensation) for the purpose of increasing corporate value over the mid- to long-term and sharing value with shareholders, in order to enhance their awareness of improving performance for each fiscal year.

i) Performance-based bonuses (monetary compensation)

The Company shall pay an amount calculated according to the degree of achieving a target for core EBITDA for each fiscal year and a figure for the previous fiscal year as a bonus at the predetermined times every year. The target shall be set at the time of forming a plan in order to adjust profit planning for each fiscal year based on a performance indicator and its figure set in the mid-term management plan and be reviewed appropriately based on a report from the Compensation and Nomination Committee according to environmental change.

ii) Stock compensation (nonmonetary compensation)

The Company shall grant its common stock after setting the predetermined Transfer Restriction Period and grant its common stock every year in principle in the number determined according to their positions after conclusion of agreements on the allotment of the Shares with Restriction on Transfer between the Company and Eligible Directors.

4. Policy for determining the percentage of compensation by type for Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members)

The percentage of compensation by type shall be composed to increase the weight of performance-based compensation in proportion to the superior positions based on the compensation level of companies on the same level of business size with the Company and belonging to the relevant types and categories of business as a benchmark. In addition, with regard to stock compensation, the weight of the superior positions increases in the same manner as above because the superior positions should contribute to increasing corporate value over the mid- to long-term.

Based on the above, the Company forms the percentage of compensation by type and inquires it of the Compensation and Nomination Committee. The Board of Directors shall respect the details of a report from the Compensation and Nomination Committee and determine the details of compensation, etc. for Directors on an individual basis within the range of the percentage of compensation by type presented in the report. With respect to the estimated percentage of compensation by type for Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members), performance-based compensation is roughly 45% (specifically the percentages set for performance-based bonus and stock compensation are 35% and 10%, respectively; if KPI is achieved 100%, the percentages set for basic compensation, performance-based bonus, and stock compensation are roughly 55%, 35%, and 10%, respectively.) in the case of Representative Director.

5. Matters relating to determining the details of compensation, etc. for Directors on an individual basis

With respect to the amount of compensation, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members) on an individual basis, Representative Director shall be delegated its specific details based on the policy by resolution of the Board of Directors' meeting within the range of the total amount of compensation approved at the General Meeting of Shareholders. The details of authorization shall be the evaluation and distribution of performance-based compensation based on the amount of basic compensation for each Director and the degree of contribution to a role expected from each Director according to the policy for determining compensation. Representative Director delegated as above shall inquire the original plan of the Compensation and Nomination Committee and receive a report from it and must determine the compensation, etc. for Directors on an individual basis based on the details of the report, in order to guarantee that the authority has been exercised appropriately.

The amount of compensation for Directors who are Audit and Supervisory Committee Members on an individual basis shall be determined after consultation among Directors who are Audit and Supervisory Committee Members within the range of the total amount of compensation approved at the General Meeting of Shareholders.

(end)