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(Securities Code: 8609)

June 7, 2022

To Shareholders with Voting Rights:

SHINSHIBA Hiroyuki
President
OKASAN SECURITIES GROUP INC.
1-17-6 Nihonbashi, Chuo-ku, Tokyo

NOTICE OF CONVOCATION OF THE 84TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

We would like to express our appreciation for your continued support and patronage.

We hereby notify you that the 84th Annual General Meeting of Shareholders of OKASAN SECURITIES GROUP INC. (the “Company”) will be held as described below.

We ask you to consider refraining from coming to the venue as we will significantly reduce the number of seats available, spacing them out for social distancing, as a preventative measure against the spread of COVID-19. Instead of attending the meeting in person, you can exercise your voting rights in advance in writing by submitting the Voting Rights Exercise Form, or via the Internet. For this, please exercise your voting rights by Tuesday, June 28, 2022, Japan time.

- 1. Date and Time:** Wednesday, June 29, 2022 at 10:00 a.m. Japan time
- 2. Place:** Nihonbashi Mitsui Hall on the 5th Flr., COREDO Muromachi 1 located at 2-2-1, Nihonbashi Muromachi, Chuo-ku, Tokyo
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the Company’s 84th Fiscal Year (April 1, 2021 - March 31, 2022) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee
 2. Non-consolidated Financial Statements for the Company’s 84th Fiscal Year (April 1, 2021 - March 31, 2022)
 - Proposal to be resolved:**
 - Proposal 1:** Partial Amendments to the Articles of Incorporation
 - Proposal 2:** Election of Five (5) Directors (excluding Directors who are Audit & Supervisory Committee Members)
 - Proposal 3:** Election of One (1) Substitute Director who is an Audit & Supervisory Committee Member
 - Proposal 4:** Determination of Compensation for Granting Restricted Shares to Directors (excluding Directors who are Audit & Supervisory Committee Members)

When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

Notes:

1. The following matters have been posted on the Company's website (<http://www.okasan.jp/>) and are therefore omitted from the attachment to this Notice of Convocation pursuant to relevant laws and regulations as well as Article 15 of the Company's Articles of Incorporation:

- (1) Notes to the Consolidated Financial Statements
- (2) Notes to the Non-consolidated Financial Statements

Documents provided in this notice of convocation and the attachment constitute part of the documents audited by the Audit & Supervisory Committee in preparing the Audit Report, and by the Accounting Auditor in preparing the Independent Auditor's Report.

2. Any subsequent revisions to the reference documents for the general meeting of shareholders, the business report, the consolidated financial statements or the non-consolidated financial statements will be posted on the Company's website.

The Company's website: <https://www.okasan.jp>

3. Measures to be taken to prevent the spread of COVID-19

We will take measures for preventing the spread of COVID-19 at the venue of the General Meeting of Shareholders, such as measuring body temperature and sanitizing hands with alcohol disinfectants upon shareholders' arrival at the venue as well as admitting only those who are wearing masks. For details of such measures, see the enclosed "Measures to Prevent the Spread of COVID-19." We ask for your understanding and cooperation in this matter.

4. Information on online submission of your questions in advance and video streaming after the meeting
Your questions are invited prior to the meeting and video streaming of this General Meeting of Shareholders will be available after the meeting via the following streaming site. Prior online questions and the contents of video streaming are exclusive for our shareholders: please access the site by entering the following ID and password.

Shareholders-only website		
ID and password	ID:	Password:
Open for questions	From 9:00 a.m. on Tuesday, June 7, 2022 to 5:00 p.m. on June 22, 2022, Japan time	
Streaming date and time	From 1:00 p.m. on Wednesday, July 6, 2022 to 5:00 p.m. on Friday, July 29, 2022, Japan time	

[Steps to log in to the shareholders-only website]

1. Access the shareholders-only website above.
2. Read the website notices on the shareholders-only website. If you agree to them, click [I agree to the

above notices and move on to the login page].

3. Enter the above ID and password on the login page.
4. Click [Login] to proceed.

[Note on prior online questions]

Of the questions received, matters that would be of high interest to our shareholders will be answered at the meeting. Please note that we will not be able to answer questions regarding individual transactions.

[Notes on video streaming]

- * Please refrain from recording, filming or saving the video streaming. Also, please avoid making the streaming URL, ID, or password available to the public.
- * Please note that you may not be able to view the video properly depending on the conditions of your PC or other devices, Internet network environment or connectivity.
- * Network communication fees and other charges associated with viewing the vide are to be borne by shareholders.

Reference Documents for the General Meeting of Shareholders

Proposal and References

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

The system for electronic provision of materials for general meetings of shareholders 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 Company hereby establishes provisions to provide information contained in the reference documents for the general meeting of shareholders, etc. electronically, and to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.

Furthermore, current provisions related to the Internet disclosure and deemed provision of the reference documents for the general meeting of shareholders, etc. will become unnecessary and will therefore be deleted. In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u> <u>The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the Internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p> <p><Newly established></p>	<p><Deleted></p> <p><u>Article 15 (Measures for Electronic Provision, Etc.)</u> <u>The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u> <u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have</u></p>

Current Articles of Incorporation	Proposed Amendments
	<u>requested it by the record date for voting rights.</u>
<Newly established>	<p data-bbox="810 387 1107 421"><u>Supplementary provisions</u></p> <ol data-bbox="810 427 1406 1102" style="list-style-type: none"> <li data-bbox="810 427 1406 685">1. <u>The deletion of Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the Articles of Incorporation prior to the amendments and the proposed establishment of Article 15 (Measures for Electronic Provision, Etc.) of the Articles of Incorporation shall come into effect on September 1, 2022.</u> <li data-bbox="810 692 1406 949">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the Articles of Incorporation prior to the amendments shall remain in force with respect to a general meeting of shareholders to be held on or before the last day of February 2023.</u> <li data-bbox="810 956 1406 1102">3. <u>These supplementary provisions shall be deleted on March 1, 2023 or 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>

Proposal 2: Election of Five (5) Directors (excluding Directors who are Audit & Supervisory Committee Members)

The terms of office of all five (5) Directors (excluding Directors who are Audit & Supervisory Committee Members; hereinafter the same shall apply in this Proposal) will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, the election of five (5) Directors is proposed.

The Audit & Supervisory Committee has judged each candidate to be suitable to serve as Director based on his performance of duties, insights, and abilities.

The candidates for Directors are as follows:

No.	Name	Current position and responsibilities at the Company	Number of Board of Directors' meetings attended during the fiscal year under review
1	Reappointment SHINSHIBA Hiroyuki	President	100% (10 out of 10 meetings)
2	Reappointment IKEDA Yoshihiro	Director Head, Corporate Strategy Division, Systems Innovation Division, Group Affiliated Companies Support Dept., Sustainability Dept. and Corporate Relationship Management Dept., and Group Chief Strategy Officer and Group Chief Legal Officer, Group Chief Digitalization Officer and Group Chief Information Officer, Group Information Technology Dept. and Asset Management Planning Dept.	100% (10 out of 10 meetings)
3	Reappointment TANAKA Mitsuru	Director Executive, Group Marketing Planning Dept.	100% (10 out of 10 meetings)
4	New Appointment AIZAWA Junichi	—	—
5	New Appointment HAYAKAWA Masahiro	Group Chief Human Resource Officer, Personnel Planning Dept. and Secretariat	—



1 SHINSHIBA Hiroyuki Date of Birth: March 2, 1958

Number of the Company's shares held	49,000 shares
Significant concurrent position	Chairman, Okasan Securities Co., Ltd.
<u>Reappointment</u>	

Career summary, positions and responsibilities at the Company

April 1981	Joined the Company
June 2001	Director
October 2003	Managing Director, Okasan Securities Co., Ltd.
June 2004	Managing Director, the Company
June 2006	Senior Managing Director
April 2011	Senior Managing Director Division Head, Corporate Planning Division and Executive, Personnel Planning Dept.
April 2014	President
April 2020	Chairman, Okasan Securities Co., Ltd. (to present)

[Reason for nomination as a candidate for Director]

Mr. SHINSHIBA Hiroyuki served as Director of the Company in charge of Corporate Planning Division from 2001 and has then demonstrated his skills to promote business management of the Group as the President of the Company since 2014. His deep insights based on his extensive experience and achievements are indispensable for the Group to achieve sustainable growth and improve its corporate value, and therefore the Company proposes him as a candidate for reelection as Director.

Notes:

1. There are no special interests between the candidate and the Company.
2. The Company has concluded a directors and officers liability insurance contract, under which the candidate is included among the insured, with an insurance company to cover any damages that may result from the insured assuming liability for the performance of their duties or being subject to a claim for the pursuit of such liability. At the next renewal of the insurance contract, the Company plans to renew it with the same contents.



2 IKEDA Yoshihiro

Date of Birth: July 15, 1962

Number of the Company's shares held 13,300 shares

Significant concurrent position Director, Okasan Securities Co., Ltd.

Reappointment

Career summary, positions and responsibilities at the Company

April 1986	Joined the Company
January 2006	President, Okasan Online Securities Co., Ltd.
April 2014	Director, Division Head, Financial Institutions Division, Okasan Securities Co., Ltd.
April 2017	Executive, International Strategy Dept. and Division Head, Trading Division
April 2018	Managing Executive Officer, Deputy Head, Financial Institutions Division
June 2019	Managing Executive Officer, Executive, Corporate Relationship Management Dept., the Company Head, Financial Institutions Division and International Strategy Dept. and Joint Head, Corporate Business Affairs Dept., Okasan Securities Co., Ltd.
April 2020	Head, Group Affiliated Companies Support Dept., and Group Chief Strategy Officer and Group Chief Legal Officer, Group Chief Digitalization Officer, Corporate Strategy Division, the Company
June 2020	Division Head, Corporate Planning Division, Okasan Securities Co., Ltd. Director, the Company Director, Okasan Securities Co., Ltd.
April 2021	Senior Managing Executive Officer, the Company Head, Corporate Strategy Division, Group Affiliated Companies Support Dept., Sustainability Dept. and Corporate Relationship Management Dept., and Group Chief Strategy Officer and Group Chief Legal Officer, Group Chief Digitalization Officer and Group Chief Information Officer, Information Technology Strategy Dept. and Asset Management Planning Dept. Head, Corporate Planning Division, and Chief Information Officer, Information Technology Dept., Okasan Securities Co., Ltd.
October 2021	Head, Corporate Strategy Division, Systems Innovation Division, Group Affiliated Companies Support Dept., Sustainability Dept. and Corporate Relationship Management Dept., and Group Chief Strategy Officer and Group Chief Legal Officer, Group Chief Digitalization Officer and Group Chief Information Officer, Group Information Technology Dept. and Asset Management Planning Dept., the Company (to present)

[Reason for nomination as a candidate for Director]

Mr. IKEDA Yoshihiro served as President of Okasan Online Securities Co., Ltd. from January 2006, and then held positions including Director in charge of Financial Institutions Division, and International Strategy Department, Trading Division of Okasan Securities Co., Ltd. as well as Executive, Corporate Relationship Management Dept. and Corporate Strategy Division of the Company. He assumed office as Senior Managing Executive Officer at the Company in April 2021 and has served as Head of Corporate Strategy Division at the Company. His diverse experience and superior ability to act are indispensable for the Group to achieve sustainable growth and improve its corporate value, and therefore the Company proposes him as a candidate for election as Director.

Notes:

1. There are no special interests between the candidate and the Company.
2. The Company has concluded a directors and officers liability insurance contract, under which the candidate is included among the insured, with an insurance company to cover any damages that may result from the insured assuming liability for the performance of their duties or being subject to a claim for the pursuit of such liability. At the next renewal of the insurance contract, the Company plans to renew it with the same contents.
3. Mr. IKEDA Yoshihiro is scheduled to assume the position of President of Okasan Securities Co., Ltd. as of June 2, 2022.



3 TANAKA Mitsuru Date of Birth: August 20, 1958

Number of the Company's shares held	25,700 shares
Significant concurrent position	Director, Okasan Securities Co., Ltd.
<u>Reappointment</u>	

Career summary, positions and responsibilities at the Company

April 1981	Joined the Company
June 2001	Director
October 2003	Managing Director, Okasan Securities Co., Ltd.
April 2014	Executive Officer, the Company Senior Managing Director, Okasan Securities Co., Ltd. Head, Retail Sales Headquarters
June 2014	Director, the Company
June 2016	Resigned from the position of Director of the Company
April 2018	Senior Managing Executive Officer Group Chief Strategy Officer, Corporate Strategy Division Division Head, Corporate Planning Division, Okasan Securities Co., Ltd.
June 2018	Director, the Company
April 2020	Head, Sales Management Division, Okasan Securities Co., Ltd.
April 2021	Executive Vice President, the Company Executive, Group Marketing Planning Dept. Director, Executive Vice President, Okasan Securities Co., Ltd. Head, Marketing Management Division and Regional Corporate Business Division
January 2022	Head, Marketing Management Division, Regional Corporate Business Division, Corporate Business Division and Direct Business Division (to present)

[Reason for nomination as a candidate for Director]

After serving as Executive in charge of several regions from 2001 as Director of the Company, Mr. TANAKA Mitsuru held significant positions including Head of Retail Sales Headquarters of Okasan Securities Co., Ltd., and Group Chief Strategy Officer of Corporate Strategy Division of the Company. He assumed office as Executive Vice President of the Company in April 2021 and currently serves as Head of Marketing Management Division, Regional Corporate Business Division, Corporate Business Division and Direct Business Division of Okasan Securities Co., Ltd. His deep insights based on his extensive experience and achievements are indispensable for the Group to achieve sustainable growth and improve its corporate value, and therefore the Company proposes him as a candidate for reelection as Director.

Notes:

1. There are no special interests between the candidate and the Company.
2. The Company has concluded a directors and officers liability insurance contract, under which the candidate is included among the insured, with an insurance company to cover any damages that may result from the insured assuming liability for the performance of their duties or being subject to a claim for the pursuit of such liability. At the next renewal of the insurance contract, the Company plans to renew it with the same contents.



4 AIZAWA Junichi

Date of Birth: August 14, 1960

Number of the Company's shares held	8,500 shares
Significant concurrent position	Director, Okasan Securities Co., Ltd.

New Appointment

Career summary, positions and responsibilities at the Company

April 1984	Joined Seikosha Co., Ltd.
April 1989	Joined Daiwa Securities Co. Ltd.
April 2009	Senior Managing Director, Head, Private Banking and Loan Business and Separately Managed Accounts (SMAs) Services
April 2012	Executive Managing Director, Head, Product Solution
April 2013	Executive Managing Director, Deputy Head, Global Markets Division
April 2015	Senior Executive Managing Director, Head, Product Solution Division
April 2019	Deputy President, Daiwa Asset Management Co. Ltd.
April 2021	Joined Okasan Securities Co., Ltd. as Director Director and Executive Vice President
November 2021	Head, Product Solution Division, Deputy Head, Marketing Management Division and Executive, Organizational Reform Promotion (to present)

[Reason for nomination as a candidate for Director]

Mr. AIZAWA Junichi assumed office as Senior Executive Managing Director of Daiwa Securities Co. Ltd. following positions of Head of Product Solution and Deputy Head of Global Markets Division. He was engaged in the management of its asset management company as Deputy President from 2019. Subsequently, he assumed office as Director, Executive Vice President in 2021 and has served as Head of Product Solution Division, Deputy Head of Marketing Management Division and Executive of Organizational Reform Promotion at Okasan Securities Co., Ltd. In addition, he held positions including Member Director of The Japan Securities Investment Advisers Association, Member Director of The Investment Trusts Association and Director of The Securities Analysts Association of Japan.

His deep insights based on many years of extensive experience and achievements in the securities business are indispensable for the Group to improve its corporate value and strengthen its corporate governance, and therefore the Company proposes him as a candidate for election as Director.

Notes:

1. There are no special interests between the candidate and the Company.
2. The Company has concluded a directors and officers liability insurance contract, under which the candidate is included among the insured, with an insurance company to cover any damages that may result from the insured assuming liability for the performance of their duties or being subject to a claim for the pursuit of such liability. At the next renewal of the insurance contract, the Company plans to renew it with the same contents.



5 HAYAKAWA Masahiro Date of Birth: August 8, 1959

Number of the Company's shares held 15,891 shares

Significant concurrent position Director, Okasan Securities Co., Ltd.

New Appointment

Career summary, positions and responsibilities at the Company

April 1983	Joined the Company
July 2007	Senior General Manager, Personnel Planning Dept. Senior General Manager, Personnel Dept., Okasan Securities Co., Ltd.
April 2014	Executive Officer, Executive, Group Personnel Planning Dept. and Senior General Manager, Group Secretariat, the Company Director, Division Head, Personnel Division and Executive, Secretariat, Okasan Securities Co., Ltd.
June 2014	Director, the Company
April 2018	Managing Executive Officer, Group Chief Human Resource Officer, Secretariat and Personnel Planning Dept., Personnel Division and Senior General Manager, Secretariat
June 2018	Resigned from the position of Director of the Company
April 2021	Senior Managing Executive Officer Senior Managing Executive Officer, Head, Trading Division, Financial Products Division, Investment Strategy & Research Division, Personnel Division and Secretariat, Okasan Securities Co., Ltd.
January 2022	Group Chief Human Resource Officer, Personnel Planning Dept. and Secretariat, the Company Head, Global Markets Division, Global Research Division, Investment Banking Division, Personnel Division, Administrative Dept., and Secretariat, Okasan Securities Co., Ltd. (to present)

[Reason for nomination as a candidate for Director]

Mr. HAYAKAWA Masahiro has long been in charge of Personnel Division of the Company and has demonstrated his skills in formulating and promoting personnel strategies as Directors of Okasan Securities Co., Ltd. and the Company since 2014. In addition, he has served as Head of Global Markets Division, Global Research Division, Investment Banking Division, Personnel Division, Administrative Dept. and Secretariat at Okasan Securities Co., Ltd. since January 2022.

His deep insights based on his extensive experience and achievements are indispensable for the Group to improve its corporate value, and therefore the Company proposes him as a candidate for election as Director.

Notes:

1. There are no special interests between the candidate and the Company.
2. The Company has concluded a directors and officers liability insurance contract, under which the candidate is included among the insured, with an insurance company to cover any damages that may result from the insured assuming liability for the performance of their duties or being subject to a claim for the pursuit of such liability. At the next renewal of the insurance contract, the Company plans to renew it with the same contents.

(Reference)

Directors' Skills Matrix (if the candidates for Directors are elected at this General Meeting of Shareholders)

The Company has developed a skills matrix that indicates knowledge, experience, and abilities of each director necessary to achieve and realize the Company's management policies and medium-term management plans.

Name	Positions	Particular expertise and background (knowledge and experience expected of Directors)					
		Corporate management & strategy	Finance & securities	HR strategy	Financial affairs & accounting	Legal & risk management	DX & IT
SHINSHIBA Hiroyuki	President	●	●			●	●
IKEDA Yoshihiro	Director	●	●			●	●
TANAKA Mitsuru	Director	●	●			●	●
AIZAWA Junichi	Director	●	●				●
HAYAKAWA Masahiro	Director		●	●		●	
HIGO Seishi	Audit & Supervisory Committee Member				●	●	
	Director (Outside)						
NAGAI Mikito	Audit & Supervisory Committee Member	●	●		●		
	Director (Outside)						
UJIHARA Kiyoshi	Audit & Supervisory Committee Member	●	●				
	Director (Outside)						

Note: The above table does not represent all of the knowledge and experience possessed by each Director.

Proposal 3: Election of One (1) Substitute Director who is an Audit & Supervisory Committee Member

To prepare for a contingency in which the number of Directors who are Audit & Supervisory Committee Members falls below the number required by laws and ordinances, the election of one (1) substitute Director who is an Audit & Supervisory Committee Member is proposed.

Furthermore, the Audit & Supervisory Committee has given its consent to this proposal.

The candidate for a substitute Director who is an Audit & Supervisory Committee Member is as follows:

Name	Current position in the Company
KONO Hirokazu	- Candidate for Outside Director

KONO Hirokazu

Date of Birth: April 22, 1957



Number of the Company's shares held – shares

Significant concurrent positions Outside Director, Stanley Electric Co., Ltd.
Member of the Board (Outside), The
Yokohama Rubber Co., Ltd.

Candidate for Outside Director

Career summary and positions

April 1987	Research Assistant, Graduate School of Business Administration, Keio University
April 1991	Assistant Professor, Ph.D. in Engineering
April 1998	Professor (to present)
October 2009	Dean and Professor in Operations Management, Keio Business School
January 2012	President, Association of Asia-Pacific Business Schools
May 2013	President, Japan Industrial Management Association
June 2014	Outside Statutory Auditor, the Company
June 2015	Outside Director (Audit & Supervisory Committee Member), the Company Outside Director, Stanley Electric Co., Ltd. (to present)
March 2018	Member of the Board (Outside), The Yokohama Rubber Co., Ltd. (to present)

[Reason for nomination as a candidate for Outside Director and expected roles]

Mr. KONO Hirokazu has served as Professor of Keio University and Dean and Professor in Operations Management of Keio Business School. His achievements and insights are highly regarded, and therefore the Company believes that he is capable of executing the duties of an Outside Director appropriately based on his professional viewpoint and deep insight with respect to business administration. The roles expected of Mr. KONO Hirokazu if he is elected as an Outside Director are to provide advice based on his knowledge in light of driving the Company's sustainable growth and increasing its medium- to long-term corporate value, by appropriately reflecting his views on management policy at the Board of Directors from a standpoint independent from the management and shareholders based on his professional viewpoint and deep insight with respect to business administration. In addition, he is qualified for an independent director/corporate auditor as stipulated under the regulations of exchanges such as Tokyo Stock Exchange, Inc., and the Company will designate him as independent director/corporate auditor in the event that he assumes office as Outside Director who is an Audit & Supervisory Committee Member.

Notes:

1. There are no special interests between the candidate and the Company.
2. The Company will enter into an agreement with Mr. KONO Hirokazu that limits the liability for damages provided for in Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the said Act in the event that he is elected and assumes office as Outside Director. The maximum amount of liability under the said agreement shall be limited to the minimum amount as provided by laws and ordinances.
3. The Company has concluded a directors and officers liability insurance contract with an insurance company to cover any damages that may result from the insured assuming liability for the performance of their duties or being subject to a claim for the pursuit of such liability. Mr. KONO Hirokazu will be covered by this insurance contract in the event that he is elected and assumes office as Outside Director.

Proposal 4: Determination of Compensation for Granting Restricted Shares to Directors (excluding Directors who are Audit & Supervisory Committee Members)

The Company's compensation system for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) currently comprises basic compensation, performance-linked compensation, and stock compensation-type stock option. The Company hereby requests shareholders to approve the abolition of the stock compensation-type stock option and the provision of compensation for granting restricted shares to Directors (excluding Directors who are Audit & Supervisory Committee Members, and Outside Directors; hereinafter "Eligible Director(s)"). (Hereinafter, the proposed new compensation system is referred to as the "System.")

The System's objective is to provide Eligible Directors with incentives to sustainably improve the Company's corporate value and to further promote the sharing of values between Eligible Directors and the shareholders.

Under the System, the maximum amount per year of monetary compensation for granting restricted shares to Eligible Directors is 140 million yen, in accordance with the maximum compensation amount of the Directors (excluding Directors who are Audit & Supervisory Committee Members) approved at the 77th Annual General Meeting of Shareholders held on June 26, 2015 (up to 720 million yen per year; excluding the employee's salary portion for Directors who concurrently serve as employees). If this proposal is approved as originally proposed, new grant of the existing stock compensation-type stock option will be aborted, and stock acquisition rights will not be issued as stock compensation-type stock option thereafter.

In addition, based on the resolution by the Board of Directors, Eligible Directors shall make in-kind contribution of all monetary compensation claims to be provided by the Company under the System, and shall receive the Company's common shares that will be issued or disposed of by the Company. The total number of common shares to be issued or disposed of shall be 200,000 or less per year. (In the event of a stock split (including the allotment of the Company's common shares without consideration) or stock consolidation of the Company's common shares on and after the resolution date of this proposal, the said number shall be adjusted in accordance with split or consolidation ratio.) The amount to be paid-in per share shall be determined based on the closing price of the Company's common share on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution by the Board of Directors (or the closing price on the transaction day immediately prior thereto, if no transaction is made on such business day). Specific timing of the provision and allotment to each Eligible Director shall be determined by the Board of Directors.

The objective of the Systems is as stated above. The details of the policy for determining the individual compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) will be amended as hereinafter described in (Reference) Policy on the Amount of Compensation, etc. for Directors and the Calculation Method Thereof (Draft) in accordance with the resolution made at the Board of Directors meeting held on May 19, 2022 on the condition that this proposal is approved and passed. The contents of this proposal are necessary and reasonable to grant compensation in accordance with the amended policy. Based on the above, the Company believes that the contents of this proposal are appropriate.

If Proposal 2 "Election of Five (5) Directors (excluding Directors who are Audit & Supervisory Committee Members)" is approved and passed as originally proposed, the number of Eligible Directors will be five (5).

The issuance or disposal of the Company's common shares under the System shall be subject to conclusion

of a restricted share allotment agreement (hereinafter “Allotment Agreement”) including the following provisions between the Company and each Eligible Director.

In addition, if this proposal is approved as originally proposed, the Company intends to introduce the same compensation system to Directors and Executive Officers of Okasan Securities Co., Ltd. in the Group.

(1) Transfer Restriction Period

Each Eligible Director shall not transfer, create a security interest on, or otherwise dispose of the Company’s common shares allotted under the Allotment Agreement (hereinafter “Allotted Shares”) (hereinafter the “Transfer Restrictions”) between the date of allotment under the Allotment Agreement and the date of retirement from the Company’s Director post (However, in case where an eligible Director continues to hold a particular position as stipulated by the Board of Directors of the Company after retiring from the office of Director, the date on which he/she resigns from such post shall be the date of his/her retirement. The same shall apply to the term “retirement” used herein.) (hereinafter the “Transfer Restriction Period).

(2) Lifting of Transfer Restriction

The Company shall lift the Transfer Restriction for all of Allotted Shares (or remaining shares after acquisition without compensation by the Company if the Company acquires all or part of Allotted Shares without compensation in accordance with (3) (ii) below), upon the expiration of Transfer Restriction Period provided that the Board of Directors finds the reason for Eligible Director’s retirement justifiable.

(3) Acquisition of Allotted Shares without compensation

(i) The Company shall, as a matter of course, acquire Allotted Shares for which the Transfer Restrictions have not been lifted pursuant to (2) above at the time of expiration of the Transfer Restriction Period without compensation.

(ii) If the employee retires from the Company within the period of service for which the compensation in respect of the Allotted Shares is intended, the Company shall acquire Allotted Shares without compensation, the number of which depends on the remaining period. In addition, if Eligible Director is involved in certain acts or events set forth in the Allotment Agreement such as illegal acts, the Company shall acquire all or part of Allotted Shares without compensation.

(4) Procedure in the event of organizational restructuring, etc.

Notwithstanding the provisions of (1) above, if a merger agreement in which the Company will be the absorbed company, a share exchange agreement or a share transfer plan in which the Company will become a wholly owned subsidiary, or any other matter related to organizational restructuring or the like is approved at the Company’s General Meeting of Shareholders (or by the Board of Directors of the Company, where such organizational restructuring or the like does not require approval of the General Meeting of Shareholders of the Company) during the Transfer Restriction Period, the Company shall, by resolution of the Board of Directors of the Company, terminate the Transfer Restrictions for Allotted Shares for which the number is reasonably specified considering period from the effective date of the Transfer Restriction Period to the effective date of such organizational restructuring or the like prior to the date of such organizational restructuring and the like. In such case, immediately subsequent to the termination of the Transfer Restriction,

the Company shall, as a matter of course, acquire Allotted Shares for which the Transfer Restriction has not yet been lifted without compensation.

(5) Other matters to be determined by the Board of Directors

In addition to those listed above, the method for indication of intention and the method of notice under the Allotment Agreement, the method for revision of the Allotment Agreement, and other matters to be determined by the Board of Directors shall be included in the Allotment Agreement.

During the Transfer Restriction Period, the shares granted to Eligible Directors under the System shall be administrated in accounts that will be specially opened in Okasan Securities Co., Ltd. by Eligible Directors in order to ensure that Eligible Directors neither transfer, create a security interest on, nor otherwise dispose of the shares during the Transfer Restriction Period.

(Reference)

Policy on the Amount of Compensation, etc. for Directors and the Calculation Method Thereof (Draft)

(1) Policy for determining the amount or calculation method of compensation for individual Director

- (i) The Company employs a compensation scheme for compensation, etc. of Directors (excluding Directors who are Audit & Supervisory Committee Members) that helps realize steady and sustainable growth of the whole group, and contribute to short-term and medium- to long-term expansion of business performance and corporate value improvement.
- (ii) The Company accurately grasps roles that the Directors (excluding Directors who are Audit & Supervisory Committee Members) should fulfill in terms of business administration and the results of their performance, and determines the Directors' compensation through deliberations by the Nomination and Compensation Committee in order to ensure fair and objective evaluation.
- (iii) The Company deliberates on an ongoing basis the policy as well as the level and scheme of the Directors' compensation at the Nomination and Compensation Committee by using external surveys to ensure compensation governance.

(2) Process to determine compensation for Directors

The Company has the Nomination and Compensation Committee as a voluntary advisory body of the Board of Directors to determine compensation (basic compensation, performance-linked compensation, and restricted share compensation) of the Directors (excluding Directors who are Audit & Supervisory Committee Members) fairly and objectively.

The Nomination and Compensation Committee, chaired by the President, comprises five (5) members including Outside Directors who are Audit & Supervisory Committee Members and Director supervising the Personnel Planning Department. The Committee determines a proposal for overall and individual compensation levels after deliberating on the appropriateness of the compensation calculation process and whether the calculation is being performed in accordance with such process. The level of Directors' compensation is assessed for its adequacy by using external surveys and other inputs.

The individual amount of the compensation for Directors is proposed to the Board of Directors as a matter for resolution after deliberating at the Nomination and Compensation Committee. The Board of Directors has resolved to entrust President SHINSHIBA Hiroyuki with the responsibility of deciding whether or not to accept the proposal of the Nomination and Compensation Committee and confirming that the management results are consistent with the Directors' compensation as a final evaluator. President SHINSHIBA Hiroyuki makes the final decision on whether or not to accept the proposal of the Nomination and Compensation Committee.

As for the decision-making schedule for compensation, proposals of individual compensation are developed at the Nomination and Compensation Committee based on the results of the business performance review for the previous fiscal year and the evaluation of Directors in April carried out under the direction of President. Then the proposals are resolved at the Board of Directors' meeting to be held after the Annual General Meeting of Shareholder in June. The compensation authorized through this process is applied from July to June in the following year. The Board of Directors believes that the details of the individual compensations during the fiscal year under review comply with the policy based on the activity reports and the explanation regarding the

calculation process leading up to the determination of compensations for Directors presented by the Nomination and Compensation Committee.

(3) Amount of compensation for Directors

The amount of compensation for Directors shall be determined within the following range of compensation resolved by the General Meeting of Shareholders.

(i) Directors (excluding Directors who are Audit & Supervisory Committee Members)

· Monetary compensation

Up to 720 million yen per year (excluding the employee's salary portion for Directors who concurrently serve as employees)

(Resolved at the 77th Annual Shareholders' Meeting held on June 26, 2015)

· Non-monetary compensation (share compensation)

Up to 140 million yen per fiscal year out of the above maximum monetary compensation amount

(Resolved at the 84th Annual Shareholders' Meeting held on June 29, 2022)

(ii) Directors who are Audit & Supervisory Committee Members

· Monetary compensation

Up to 72 million yen per year

(Resolved at the 77th Annual Shareholders' Meeting held on June 26, 2015)

(4) Calculation method for compensation for Directors

The compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) comprises basic compensation, performance-linked compensation, and restricted share compensation. In terms of the composition of compensation for each position, the ratio of performance-linked compensation is set to be nearly constant across all positions.

The total amount of compensation for Chairman, Vice Chairman, and President of the Okasan Securities Group is determined in accordance with the evaluation of medium- to long-term business performance, and the variation range for the amount of compensation may be larger than that for other Directors depending on the performance.

Note: The above compensation composition ratio is a standard model and may vary subject to corporate performance, evaluation of individual directors and other factors.

The compensation for Directors who are Audit & Supervisory Committee Members consists only of fixed compensation, taking into account their respective roles and independence. The amount of said fixed compensation shall be appropriate to the responsibilities of Directors who are Audit & Supervisory Committee Members, and is determined by the Audit & Supervisory Committee within the range of compensation resolved by the General Meeting of Shareholders, in light of the roles to be performed and so forth.

(5) Calculation method for the amount of basic compensation

The standard amount of basic compensation is set according to Directors' official position based on the concept of setting the level of payment in accordance with the scope and level of the area of responsibility and its evaluation. Meanwhile, the scheme allows for increases and decreases of basic compensation within a certain range according to the previous year's evaluation of individual Directors, even within the same position.

(6) Calculation method for the amount of performance-linked compensation

The Group has positioned the qualitative and quantitative targets set in the Medium-term Management Plan, as core management targets. To achieve them, the Group adopts consolidated operating revenue and consolidated ordinary profit of the Okasan Securities Group as performance indicators to evaluate management performance of the Company's Directors and also to measure comprehensive strength of the entire Group that shares interests of each stakeholder of the Group companies.

In the calculation of the performance-linked compensation, the Company determines the total amount of the performance-linked compensation in reference to consolidated operating revenue and consolidated ordinary profit of the Okasan Securities Group, and then calculates the total amount of the annual compensation for Directors based on their respective position and individual evaluation.

Consolidated operating revenue and ordinary profit for FY2021, which are indicators used to determine the performance-linked compensation paid during the fiscal year under review, are 73,778 million yen and 6,898 million yen, respectively.

(7) Calculation method for the amount of restricted share compensation

The amount of the restricted share compensation granted is determined based on each position according to the scope and level of responsibility. The number of shares granted for the restricted share compensation is calculated by dividing the compensation amount for each position by the share price (the closing price of the Company's stock on the business day immediately preceding the date of the resolution by the Board of Directors).