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(Stock Exchange Code 8059)  
June 1, 2022

**To Shareholders with Voting Rights:**

Ichiro Uno  
Representative Director,  
President & CEO  
DAIICHI JITSUGYO CO., LTD.  
4-6 Kandasurugadai, Chiyoda-ku, Tokyo

**NOTICE OF  
THE 99th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

It is our pleasure to inform you of the 99th Annual General Meeting of Shareholders of DAIICHI JITSUGYO CO., LTD. (the "Company"). The meeting will be held for the purposes as described below.

If you choose not to attend the meeting, you can exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights.

- 1. Date and Time:** Thursday, June 23, 2022 at 10:00 a.m. Japan time
- 2. Place:** 4-6 Kandasurugadai, Chiyoda-ku, Tokyo (1F, Ochanomizu sola city)  
Room C, sola city Conference Center
- 3. Meeting Agenda:**
  - (1) Matters to be reported:**
    1. The Business Report and Non-consolidated Financial Statements for the Company's 99th Fiscal Year (April 1, 2021 - March 31, 2022)
    2. The Consolidated Financial Statements for the Company's 99th 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 Board
  - (2) Proposals to be resolved:**
    - Proposal 1:** Distribution of Surplus
    - Proposal 2:** Partial Amendments to the Articles of Incorporation
    - Proposal 3:** Election of One (1) Substitute Audit & Supervisory Board Member
    - Proposal 4:** Payment of Bonuses to Directors
    - Proposal 5:** Revision of the Amount of Remuneration for Directors

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Distribution of Surplus

#### Matters concerning year-end dividends

The Company positions the return of profits to shareholders one of its significant management policies and its basic principle is to implement appropriate dividends corresponding to business results.

Regarding year-end dividends for the current fiscal year, the Company proposes the following in comprehensive consideration of factors such as business results for the current fiscal year, future business development and continuance of stable dividend payment.

(1) Type of dividend property

Cash

(2) Matters concerning allocation of dividend property to shareholders and its total amount

85 yen per common share                      Total of 910,274,010 yen

Therefore, the annual dividend will be 145 yen per share, including the interim dividend of 60 yen per share.

(3) Effective date of dividends of surplus

June 24, 2022

**Proposal 2:** Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

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

- (1) Under the system for electronic provision, the provisions related to the Internet disclosure and deemed provision of the reference documents for the general meeting of shareholders, etc. (Article 16 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (2) The proposed Article 16, Paragraph 1 is newly established that information contained in the reference documents for the general meeting of shareholders, etc. shall be provided electronically.
- (3) The proposed Article 16, Paragraph 2 is newly established to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it. The limiting matters are among the matters to be provided electronically regarding the information contained in the reference documents for the general meeting of shareholders, etc. in accordance with the Ordinance of the Ministry of Justice.
- (4) Supplementary provisions are established regarding the effects of the above newly established and deleted provisions. These supplementary provisions shall be deleted after an appropriate period has elapsed.

2. Description of the amendments

Description of the amendments is as follows:

(Amended parts are underlined.)

Current	Proposed amendments
<p><u>Article 16. (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>(Deleted)</p>

Current	Proposed amendments
(Newly established)	<p data-bbox="810 210 1406 241"><u>Article 16. (Measures for Electronic Provision, Etc.)</u></p> <ol data-bbox="810 241 1406 629" style="list-style-type: none"> <li data-bbox="810 241 1406 405">1. <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 under Article 325-2 of the Companies Act.</u></li> <li data-bbox="810 405 1406 629">2. <u>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 under Article 325-5 of the Companies Act by the record date for voting rights.</u></li> </ol> <p data-bbox="959 667 1257 698" style="text-align: center;"><u>Supplementary provisions</u></p> <ol data-bbox="810 698 1406 1397" style="list-style-type: none"> <li data-bbox="810 698 1406 1055">1. <u>The deletion of Article 16 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation and the new establishment of the proposed Article 16 (Measures for Electronic Provision, Etc.) shall come into effect on the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u></li> <li data-bbox="810 1055 1406 1218">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 16 of the current Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the Effective Date.</u></li> <li data-bbox="810 1218 1406 1397">3. <u>These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></li> </ol>
(Newly established)	

**Proposal 3:** Election of One Substitute Audit & Supervisory Board Member

In order to prepare for cases where a vacancy results in a shortfall in the number of Audit & Supervisory Board Members prescribed by laws and regulations, the Company proposes the election of one Substitute Audit & Supervisory Board Member in advance.

The Audit & Supervisory Board has previously given its consent to this Proposal.

The candidate for Substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
Yoshihiko Okuda (August 20, 1957)	April 1976	0
	July 2004	
	July 2006	
	July 2009	
	July 2013	
	April 2015	
	April 2017	
	June 2018	
March 2020	Outside Audit & Supervisory Board Member, Milbon Co., Ltd. (to present)	

- (Notes)
1. There are no special interests between the candidate and the Company.
  2. Matters regarding the candidate for Substitute Outside Audit & Supervisory Board Member are as follows:
    - (1) Mr. Yoshihiko Okuda is a candidate for Substitute Outside Audit & Supervisory Board Member.
    - (2) Mr. Yoshihiko Okuda is well versed in finance and accounting as a certified tax accountant, and possesses a high-level of insight and broad experience, and therefore the Company has judged that he is appropriately qualified as an Outside Audit & Supervisory Board Member of the Company, and proposes his election. Although he does not have direct experience in corporate management other than having served as an outside officer, based on the above reasons, the Company has judged that he will be able to appropriately execute his duties as an Outside Audit & Supervisory Board Member.
    - (3) If Mr. Yoshihiko Okuda is officially appointed as Outside Audit & Supervisory Board Member, the Company intends to enter into a liability limitation agreement pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, within the range provided for in laws and regulations. The content of the agreement is as follows.  
Liability as provided for in Article 423, Paragraph 1 of the Companies Act will be limited, if the criteria stipulated in laws and regulations are fulfilled. The maximum amount of liability shall be the minimum liability amount stipulated in laws and regulations.
    - (4) The Company has entered into a directors and officers liability insurance contract with an insurance company. If this proposal is approved and Mr. Yoshihiko Okuda duly assumes the office of Outside Audit & Supervisory Board Member, he will be an insured person under the insurance policy. The outline of this insurance policy is as described in page 31 of the Business Report (Japanese only) for the Company's 99th Fiscal Year.
    - (5) Mr. Yoshihiko Okuda fulfills the condition for Independent Auditor as stipulated in the Tokyo Stock Exchange's listing rules. If he duly assumes the office of Outside Audit & Supervisory Board Member, the Company intends to register him as an Independent Auditor with the Tokyo Stock Exchange.

**Proposal 4:** Payment of Bonuses to Directors

In view of factors such as business results for the current fiscal year, the Company proposes the payment of a total of 114.84 million yen in bonuses to six Directors (excluding Outside Directors) in office as of the end of the current fiscal year. The Company considers the amount in this Proposal reasonable as it has been determined with consideration given to the Company's policy on determination of the contents of individual Directors' remuneration, etc. (please see page 32 of the Business Report (Japanese only) for the Company's 99th Fiscal Year for details of the policy) and various other factors.

## **Proposal 5:** Revision of the Amount of Remuneration for Directors

It was approved at the 93rd Annual General Meeting of Shareholders held on June 22, 2016 that the amount of remuneration, etc. for Directors of the Company shall not exceed 23 million yen per month (of which the amount for Outside Directors shall not exceed 1.5 million yen per month, which was approved at the 98th Annual General Meeting of Shareholders held on June 23, 2021). It was also approved at the 98th Annual General Meeting of Shareholders held on June 23, 2021 that separately from the aforementioned remuneration framework, the amount of remuneration for granting restricted stock not exceeding 30 million yen per year shall be paid to Directors (excluding Outside Directors). The Company aims to further strengthen corporate governance under the new medium-term business plan, launching in FY2022. As part of it, toward further enhancement of medium- to long-term corporate value, the Company has decided to review the remuneration system for officers. Therefore, the Company proposes to change the basis of remuneration, etc. for Directors from a monthly amount to a yearly amount, to pay remuneration linked to business results in addition to the fixed basic remuneration to Directors (excluding Outside Directors) in an amount that does not exceed the relevant remuneration amount, and to set the remuneration amount, comprehensively taking into account the trends in the standards of remuneration and the number of Directors, as well as future prospects, so as not to exceed 450 million yen per year (of which the amount for Outside Directors shall not exceed 18 million yen per year). The specific amount to be paid to each Director, the time of payment, etc. shall be determined by resolution of the Board of Directors of the Company after deliberation by the Governance Committee, a majority of whose members are Outside Directors. The remuneration for Outside Directors shall be only the basic remuneration as currently specified.

The Company considers the content of this Proposal reasonable as the Board of Directors determined it after the deliberation by the Governance Committee with consideration given to the aforementioned purpose and the Company's policy on the determination of the contents of individual Directors' (excluding Outside Directors) remuneration, etc.

Regarding the content of the amount of remuneration for individual Directors (excluding Outside Directors), if this proposal is approved, the content as described in the "(Reference) Outline of the new remuneration system" below will be resolved by the Board of Directors so that it also conforms to the approved content. The Company currently has nine (9) Directors (of which three (3) are Outside Directors).

### (Reference) Outline of the new remuneration system

#### 1. Outline of the remuneration system for officers

Remuneration for directors consists of (1) basic remuneration (fixed base remuneration in cash), (2) bonus linked to the Company's business results, etc. and (3) restricted stock-based compensation.

#### 2. Outline of each remuneration

##### (1) Basic remuneration (included in the amount of remuneration of this Proposal)

A monthly fixed amount of remuneration commensurate with the clarified roles and responsibilities of each position is paid in cash.

##### (2) Bonuses (included in the amount of remuneration of this Proposal)

There are two kinds of bonuses to be paid: bonus linked to the Company's business results indicators (hereinafter, "bonus A") and bonus linked to indicators, etc. contributing to the achievement of the medium-term business plan (hereinafter, "bonus B"). Bonus A is paid in cash based on the degree of achievement of the consolidated performance targets, and bonus B is paid in cash according to the degree of achievement of the indicators, etc. contributing to the achievement of the medium-term business plan. The amounts vary within the range of 0% to 130% of the base amount.

##### (3) Stock-based compensation

The Company has adopted the restricted stock-based remuneration system, which is designed to pay a yearly fixed amount commensurate with the role of each Director and to lift the restriction at the time of his/her retirement from office.

#### 3. Procedure and method for determining remuneration

The Governance Committee deliberates the remuneration for individual Directors (excluding Outside Directors) based on consultation by the Board of Directors, and the Governance Committee reports to the Board of Directors. The Board of Directors deliberates on the report from the Governance Committee and determines the remuneration.