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Securities code: 8945
September 6, 2022

To Shareholders with Voting Rights:

Akira Takaki
Representative Director, President
SUNNEXTA GROUP Inc.
35 Tansumachi, Shinjuku-ku, Tokyo,
Japan

**NOTICE OF CONVOCATION OF
THE 24th ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We hereby inform you that the 24th Ordinary General Meeting of Shareholders of SUNNEXTA GROUP Inc. (the “Company”) will be held as described below, with all due precautions for the health and safety of shareholders amidst the COVID-19 pandemic.

All shareholders **can exercise their voting rights via the Internet or in writing (by post) even if they do not attend the meeting in person. Please read the Reference Documents for the General Meeting of Shareholders presented below, and exercise your voting rights by 5:30 p.m. on Tuesday, September 27, 2022, in accordance with the “Guide for the Exercise of Voting Rights” (pages 8 to 9).**

- In the event of any major changes in the operation of the General Meeting of Shareholders due to changes in conditions including the COVID-19 pandemic, we will make an announcement on the Company’s website.
- If you attend the meeting in person, please submit the enclosed exercise of voting rights form to the reception desk at the venue.
- In accordance with provisions of laws and regulations and the Company’s Articles of Incorporation, some of the documents to be provided with this Notice of Convocation of the General Meeting of Shareholders will be posted on the Company’s website, and thus they are not included in the attached documents of this Notice of Convocation of the General Meeting of Shareholders. These documents include “Matters regarding Share Acquisition Rights,” “Systems to Ensure the Appropriateness of Business,” and “Overview of the Operating Status of Systems to Ensure the Appropriateness of Business” of the Business Report; “Consolidated Statements of Changes in Equity” and “Notes to Consolidated Financial Statements” of the Consolidated Financial Statements; and “Non-consolidated Statements of Changes in Equity” and “Notes to Non-consolidated Financial Statements” of the Non-consolidated Financial Statements. Therefore, the Business Report, the Consolidated Financial Statements, and the Non-consolidated Financial Statements presented in the attached documents of this Notice of Convocation of the General Meeting of Shareholders are part of the Business Report, the Consolidated Financial Statements, and the Non-consolidated Financial Statements that are audited by the Accounting Auditor and the Audit and Supervisory Committee when preparing the Accounting Audit Report and the Audit Report.
- Please note that when it is necessary to revise matters that should be written in the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, or the Non-consolidated Financial Statements, we will post such matters on the Company’s website.
The Company’s website (<https://www.sunnexa.co.jp>)

1. Date and Time:	Wednesday, September 28, 2022 at 10:00 a.m. Japan time (Reception starts at 9:30 a.m. Japan time)
2. Place:	Hotel Grand Hill Ichigaya (East Wing), 3rd Floor Convention Hall Ruri 4-1 Ichigaya Honmuracho, Shinjuku-ku, Tokyo, Japan
3. Meeting Agenda:	
Matters to be reported:	<ol style="list-style-type: none"> 1. The Business Report and Consolidated Financial Statements for the Company's 24th Fiscal Year (from July 1, 2021 to June 30, 2022) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements 2. Non-consolidated Financial Statements for the Company's 24th Fiscal Year (from July 1, 2021 to June 30, 2022)
Proposals to be resolved:	
Proposal 1:	Appropriation of Surplus
Proposal 2:	Partial Amendments to the Articles of Incorporation
Proposal 3:	Election of Three (3) Directors (Excluding Directors who are Audit and Supervisory Committee Members)
Proposal 4:	Election of Three (3) Directors who are Audit and Supervisory Committee Members
Proposal 5:	Election of One (1) Substitute Director who is an Audit and Supervisory Committee Member
Proposal 6:	Issuance of Share Acquisition Rights as Stock Options to Executive Officers of the Company and Directors of its Subsidiaries
Proposal 7:	Issuance of Share Acquisition Rights as Stock Options to Employees of the Company and its Subsidiaries
4. Matters decided in connection with this convocation	Please refer to the "Guide for the Exercise of Voting Rights" (pages 8 to 9, in Japanese only).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company considers the return of profits to shareholders as one of its important management measures.

Therefore, we take the future development of business into consideration when making decisions, while making it our medium- to long-term basic policy to provide stable and continuous dividends.

Based on the above policy, for the fiscal year-end dividend of the 24th fiscal year, we have decided to make a distribution of 18 yen per share as described below, with consideration for cumulative conditions of internal reserves and trends in our business performance.

We have already paid an interim dividend of 17 yen per share in March of this year, bringing the annual dividend per share including the interim dividend to 35 yen, which is 3 yen higher than in the previous fiscal year.

Type of dividend property	Cash
Allotment of dividend property and the total amount	18 yen per share of the Company's common shares Total amount of dividends: 163,081,152 yen
Effective date of dividends of surplus	September 29, 2022

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

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

- (1) The Company is obligated to establish a provision in its Articles of Incorporation stipulating that it shall provide information contained in reference materials for general meetings of shareholders, etc., electronically. Accordingly, the proposed Article 14 (Measures for Electronic Provision, etc.), Paragraph 1 shall be established.
- (2) Shareholders may request that some matters be issued in the paper copy, among matters subject to measures for electronic provision of information contained in reference materials for general meetings of shareholders, etc. In order to make it possible to limit the scope of matters presented in the paper copy that are sent to shareholders who have requested it to the scope stipulated in the Ordinance of the Ministry of Justice, the proposed Article 14 (Measures for Electronic Provision, etc.), Paragraph 2 shall be established.
- (3) Once a system for electronic provision of materials for general meetings of shareholders is introduced, the provision of Article 14 (Internet Disclosure and Deemed Provision of Reference Materials for General Meetings of Shareholders, etc.) of the current Articles of Incorporation will become unnecessary, and shall therefore be deleted.
- (4) Supplementary provisions shall be established regarding the validity of the above provision to be deleted. These supplementary provisions shall be deleted after the defined date has passed.

2. Details of the amendments

Details of the amendments are as follows.

(Amendments are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 14 (Internet Disclosure and Deemed Provision of Reference Materials for General Meetings of Shareholders, etc.)</u></p> <p><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 reference materials for general meetings 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>

Proposal 3: Election of Three (3) Directors (Excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all three (3) Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same in this proposal) will expire at the conclusion of this General Meeting of Shareholders.


Accordingly, the Company proposes the election of three (3) Directors.


The Audit and Supervisory Committee of the Company has determined that all candidates for Directors are suitable with regard to this proposal.

The candidates for Directors are as follows:

No.	Name	Current positions and responsibilities at the Company	Attendance at meetings of the Board of Directors (times)
1	[Reappointment] Akira Takaki	Representative Director, President	15/15
2	[Reappointment] [Outside] Hiroshi Nagayama [Independent]	Outside Director	15/15
3	[Reappointment] [Outside] Masato Kamekawa [Independent]	Outside Director	15/15

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
1	 Akira Takaki (August 28, 1973) [Reappointment] [Number of years in office as Director at the conclusion of this General Meeting of Shareholders] 13 years [Attendance at meetings of the Board of Directors (times)] 15/15	January 2001 Joined the Company July 2007 General Manager of Marketing Group of the Company July 2008 Head of Marketing Group of the Company September 2009 Director, Head of Marketing Group of the Company April 2016 Director overseeing Business Development Division and in charge of marketing and personnel affairs of the Company September 2016 Director of CLASSITE Inc. September 2016 Director in charge of personnel affairs and related businesses of the Company July 2017 Representative Director, President of 3S Co., Ltd. August 2018 Representative Director, President of CLASSITE Inc. (current position) August 2018 Director of CLASSITE REAL ESTATE Inc. September 2018 Director supervising related businesses of the Company September 2018 Managing Director supervising related businesses of the Company March 2019 Representative Director, President of SUNNEXTA LEASING Inc. September 2019 Representative Director, President of the Company (current position) July 2020 Representative Director, President of Japan Corporate Housing Service Inc. (current position) September 2021 Director of 3S Co., Ltd. (current position)	82,320
<p>[Reasons for nomination as a candidate for Director, etc.]</p> <p>Since joining the Company in 2001, Mr. Akira Takaki has fulfilled appropriate roles in business promotion and work execution, such as being involved in the Sales Division with a focus on marketing. Since assuming the office of Representative Director, President in 2019, he has borne a great responsibility for leading the Company's management. The Company has nominated him as a candidate for Director and proposes his appointment, because it has determined that he will utilize his wealth of experience and achievements in management overall to continue leading the Company's management, and that he is considered essential to realizing the sustainable growth and improved corporate value of the Group.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
2	 <p>Hiroshi Nagayama (July 9, 1956)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Number of years in office as Director at the conclusion of this General Meeting of Shareholders] 8 years</p> <p>[Attendance at meetings of the Board of Directors (times)] 15/15</p>	<p>April 1980 Joined Hanwa Co., Ltd.</p> <p>February 1991 Joined BDO Sanyu & Co.</p> <p>February 1997 Director of Sanyu BDO Consulting Co., Ltd. (currently KAKUSHIN.CO)</p> <p>June 2003 Representative Director of Sanyu BDO Consulting Co., Ltd.</p> <p>November 2008 Director of Sanyu BDO Consulting Co., Ltd.</p> <p>September 2009 Representative Director of Sanyu BDO Consulting Co., Ltd. (currently KAKUSHIN.CO) (current position)</p> <p>September 2010 Outside Audit & Supervisory Board Member of the Company</p> <p>September 2014 Outside Director of the Company (current position)</p> <p>April 2016 Specially Appointed Lecturer of Business School of Innovation Management, Professional School of Hosei University (current position)</p>	4,220
<p>[Reasons for nomination as a candidate for Outside Director and an overview of expected roles]</p> <p>Mr. Hiroshi Nagayama concurrently serves as the Representative Director of KAKUSHIN.CO and a specially appointed lecturer at the Professional School of Hosei University. The Company has nominated him as a candidate for Outside Director and proposes his appointment, because it believes that he will be able to reflect his wealth of expert knowledge and experience as a corporate executive and certified public accountant on the Company's management. At the conclusion of this General Meeting of Shareholders, his term of office as an Outside Director will be eight (8) years, and he also served as an Outside Audit & Supervisory Board Member for four (4) years in the past.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
3	 <p>Masato Kamekawa (November 19, 1954)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Number of years in office as Director at the conclusion of this General Meeting of Shareholders] 2 years</p> <p>[Attendance at meetings of the Board of Directors (times)] 15/15</p>	<p>April 1985 Associate Professor of Tokyo College of Transport Studies</p> <p>April 1989 Associate Professor of Department of Economics, Dokkyo University</p> <p>March 1995 Obtained Ph.D. from Rikkyo University</p> <p>April 1995 Professor of Department of Business, College of Economics, Rikkyo University</p> <p>April 2002 Founding Professor of Graduate School of Business Administration, Rikkyo University</p> <p>April 2002 Director of Hosho Gakuen (current position)</p> <p>April 2010 Vice Chairman of The Japanese Association for Research in Disclosure</p> <p>June 2014 Vice Chairman of Business Analysis Association</p> <p>April 2015 Founding Advisor of Business Creator Society (current position)</p> <p>June 2018 Chairman of NIPPON ACADEMY OF MANAGEMENT</p> <p>July 2018 Director of Rikkyo Educational Corporation (current position)</p> <p>July 2018 Vice Chairman of Japan Academy of Management</p> <p>April 2020 Professor Emeritus of Rikkyo University (current position)</p> <p>April 2020 Vice President and Specially Appointed Professor of School of Business Administration, Bunkyo Gakuin University (current position)</p> <p>September 2020 Outside Director of the Company (current position)</p>	910
<p>[Reasons for nomination as a candidate for Outside Director and an overview of expected roles]</p> <p>Mr. Masato Kamekawa serves concurrently as Director of Rikkyo Educational Corporation and Vice President of Bunkyo Gakuin University. The Company has nominated him as a candidate for Outside Director and proposes his appointment, because he has been involved in research on capital costs and shareholder value for many years. Furthermore, the Company believes that he will reflect his broad knowledge and insight on the Company's Board of Directors, and that he will adequately fulfill his role as an Outside Director in supervision of decision-making and business execution for important matters concerning the Company's management. Although he has not been involved in management of a corporation in any manner other than serving as an Outside Director, the Company has determined that he will be able to appropriately perform his duties as an Outside Director for the reasons stated above. At the conclusion of this General Meeting of Shareholders, his term of office as an Outside Director will be two (2) years.</p>			

- Notes: 1. There are no special interests between any of the candidates and the Company.
2. The number of shares of the Company held represents the actual number of shares held, including holdings in the SUNNEXTA GROUP Officer Shareholding Association.
3. The Company has entered into agreements with Mr. Hiroshi Nagayama and Mr. Masato Kamekawa to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 427, Paragraph 1 of the said Act. The maximum amount of liability for damages under such agreements is limited to the total amount stipulated in each item

of Article 425, Paragraph 1 of the Companies Act. If their reappointment as Directors is approved, the Company plans to continue such agreements with them.

4. The Company has entered into a directors and officers liability insurance contract with an insurance company, in accordance with the provisions of Article 430-3, Paragraph 1 of the Companies Act. An overview of the content of the contract is as described in the Business Report. If the candidates are appointed and assume the office, they will be the insured under the insurance contract. In addition, the Company plans to renew the insurance contract with the same content at the next time of renewal.
5. Mr. Hiroshi Nagayama and Mr. Masato Kamekawa are candidates for Outside Directors.
6. The Company has designated Mr. Hiroshi Nagayama and Mr. Masato Kamekawa as independent officers who are not likely to have a conflict of interest with general shareholders in accordance with the provisions of Tokyo Stock Exchange, Inc., etc., and has registered thereof to the Tokyo Stock Exchange.


Proposal 4: Election of Three (3) Directors who are Audit and Supervisory Committee Members


The terms of office of all three (3) Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of three (3) Directors who are Audit and Supervisory Committee Members.

The Audit and Supervisory Committee has given its consent for this proposal.

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

No.	Name	Current positions and responsibilities at the Company	Attendance at meetings of the Board of Directors (times)	Attendance at meetings of the Audit and Supervisory Committee (times)
1	[Reappointment] [Outside] Yoshihiko Abe [Independent]	Outside Director (Full-time Audit and Supervisory Committee Member)	15/15	14/14
2	[Reappointment] [Outside] Kenichi Sasamoto [Independent]	Outside Director (Audit and Supervisory Committee Member)	15/15	14/14
3	[New appointment] [Outside] Sumiko Yamaguchi [Independent]	-	-	-

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
1	 <p data-bbox="236 663 405 730">Yoshihiko Abe (June 7, 1954)</p> <p data-bbox="225 775 416 875">[Reappointment] [Outside] [Independent]</p> <p data-bbox="188 920 453 1111">[Number of years in office as Director at the conclusion of this General Meeting of Shareholders] 2 years</p> <p data-bbox="181 1144 459 1267">[Attendance at meetings of the Board of Directors (times)] 15/15</p> <p data-bbox="181 1312 459 1469">[Attendance at meetings of the Audit and Supervisory Committee (times)] 14/14</p>	<p data-bbox="475 271 1273 338">April 1978 Joined Toyo Soda Manufacturing Co., Ltd. (currently Tosoh Corporation)</p> <p data-bbox="475 338 1273 427">June 2007 Director of Tosoh Corporation Executive Officer of Nippon Polyurethane Industry Co., Ltd.</p> <p data-bbox="475 427 1273 495">June 2008 Director in charge of Toyama Office, Overseas Business Planning Department, Tosoh Corporation</p> <p data-bbox="475 495 1273 528">June 2009 Director, Corporate Strategy, Tosoh Corporation</p> <p data-bbox="475 528 1273 663">June 2010 Director, Chief Representative for China, Tosoh Corporation Chairman and President of Tosoh Guangzhou Chemical Industries, Inc.</p> <p data-bbox="475 663 1273 730">June 2013 Director and Managing Executive Officer of Hodogaya Chemical Co., Ltd.</p> <p data-bbox="475 730 1273 797">June 2015 Full-time Audit & Supervisory Board Member of Toho Acetylene Co., Ltd.</p> <p data-bbox="475 797 1273 864">September 2019 Full-time Outside Audit & Supervisory Board Member of the Company</p> <p data-bbox="475 864 1273 954">September 2020 Outside Director (Full-time Audit and Supervisory Committee Member) of the Company (current position)</p>	1,120
<p data-bbox="188 1491 1273 1525">[Reasons for nomination as a candidate for Outside Director and an overview of expected roles]</p> <p data-bbox="188 1536 1465 1756">Mr. Yoshihiko Abe has made great achievements as a corporate executive of listed companies, and possesses knowledge and experience as a full-time Audit & Supervisory Board Member of listed companies. The Company has nominated him as a candidate for Outside Director and proposes his appointment to that position, because it has determined that he will be able to utilize his experience and knowledge to fully demonstrate his ability to supervise execution of duties by Directors of the Company. At the conclusion of this General Meeting of Shareholders, his term of office as an Outside Director will be two (2) years.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
2	 <p>Kenichi Sasamoto (May 25, 1951)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Number of years in office as Director at the conclusion of this General Meeting of Shareholders] 2 years</p> <p>[Attendance at meetings of the Board of Directors (times)] 15/15</p> <p>[Attendance at meetings of the Audit and Supervisory Committee (times)] 14/14</p>	<p>September 1977 Lecturer of Nihon University</p> <p>June 1980 Joined Chuo Accounting Office Audit Corporation</p> <p>September 1992 Appointed Partner of Chuo Accounting Office Audit Corporation</p> <p>September 1998 Appointed Representative Partner of Chuo Accounting Office Audit Corporation</p> <p>July 2007 Partner of A&A Partners</p> <p>September 2014 Outside Audit & Supervisory Board Member of the Company</p> <p>October 2016 Representative of Kenichi Sasamoto Certified Public Accountant Office (current position)</p> <p>June 2018 Outside Audit & Supervisory Board Member of TOKATSU HOLDINGS CO., LTD.</p> <p>June 2019 Outside Director (Audit and Supervisory Committee Member) of TOKATSU HOLDINGS CO., LTD. (current position)</p> <p>June 2019 External Director (Audit & Supervisory Committee Member) of NS TOOL CO., LTD. (current position)</p> <p>September 2020 Outside Director (Audit and Supervisory Committee Member) of the Company (current position)</p>	62
<p>[Reasons for nomination as a candidate for Outside Director and an overview of expected roles]</p> <p>Mr. Kenichi Sasamoto is a certified public account and certified tax accountant, and has a wealth of experience in audit work at major audit firms, etc. The Company has nominated him as a candidate for Outside Director, because it has determined that he will be able to appropriately perform his duties as an Outside Director based on the expectation that he will perform audit work from an objective and neutral position. Although he has not been involved in management of a corporation in any manner other than serving as an outside officer, the Company has determined that he will be able to appropriately perform his duties as an Outside Director for the reasons stated above. At the conclusion of this General Meeting of Shareholders, his term of office as an Outside Director will be two (2) years.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
3	 Sumiko Yamaguchi (March 2, 1971) [New appointment] [Outside] [Independent]	December 2010 Registered as an attorney December 2010 Joined Bancho Sogo Law Office September 2016 Joined Iida & Suzuki Law Office December 2018 Partner of Kojimachi Street Law Office (current position)	-
<p>[Reasons for nomination as a candidate for Outside Director and an overview of expected roles]</p> <p>Ms. Sumiko Yamaguchi has a high degree of expert knowledge cultivated as an attorney. The Company proposes her appointment because it believes that she is capable of conducting substantial and objective management oversight. Although she has not been involved in management of a corporation, the Company has determined that she will be able to appropriately perform her duties as an Outside Director who is an Audit and Supervisory Committee Member for the reasons stated above.</p>			


- Notes:
1. There are no special interests between any of the candidates and the Company.
 2. The number of shares of the Company held represents the actual number of shares held, including holdings in the SUNNEXTA GROUP Officer Shareholding Association.
 3. The Company has entered into agreements with Mr. Yoshihiko Abe and Mr. Kenichi Sasamoto to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 427, Paragraph 1 of the said Act. The maximum amount of liability for damages under such agreements is limited to the total amount stipulated in each item of Article 425, Paragraph 1 of the Companies Act. If their reappointment is approved, the Company plans to continue such agreements with them. In addition, if the appointment of Ms. Sumiko Yamaguchi is approved, the Company plans to enter into a similar liability limitation agreement with her.
 4. The Company has entered into a directors and officers liability insurance contract with an insurance company, in accordance with the provisions of Article 430-3, Paragraph 1 of the Companies Act. An overview of the content of the contract is as described in the Business Report. If the candidates are appointed and assume the office, they will be the insured under the insurance contract. In addition, the Company plans to renew the insurance contract with the same content at the next time of renewal.
 5. Mr. Yoshihiko Abe, Mr. Kenichi Sasamoto, and Ms. Sumiko Yamaguchi are candidates for Outside Directors.
 6. The Company has designated Mr. Yoshihiko Abe, Mr. Kenichi Sasamoto, and Ms. Sumiko Yamaguchi as independent officers who are not likely to have a conflict of interest with general shareholders in accordance with the provisions of Tokyo Stock Exchange, Inc., etc., and has registered thereof to the Tokyo Stock Exchange, etc.

Proposal 5: Election of One (1) Substitute Director who is an Audit and Supervisory Committee Member

To prepare for the event that the number of Directors who are Audit and Supervisory Committee Members falls below the number required by laws and regulations, the Company proposes the election of one (1) substitute Director who is an Audit and Supervisory Committee Member.

The Audit and Supervisory Committee has given its consent for this proposal.

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

Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
 <p data-bbox="169 972 406 1039">Yasuharu Nakanishi (March 9, 1954)</p> <p data-bbox="233 1081 343 1151">[Outside] [Independent]</p>	<p data-bbox="443 584 1230 808">April 1980 Registered as an attorney Worked at Ichikawa Terumi Law Office April 1983 Established Kobayashi & Nakanishi Law Office April 1992 Established Nakanishi Law Office October 1998 Outside Audit & Supervisory Board Member of the Company</p> <p data-bbox="443 815 1230 882">April 2000 Partner of UNITED FUSO LAW OFFICE (current position)</p> <p data-bbox="443 889 1230 1001">September 2020 Outside Director (Audit and Supervisory Committee Member) of the Company (current position)</p>	<p data-bbox="1347 853 1426 882">12,620</p>

[Reasons for nomination as a candidate for substitute Outside Director who is an Audit and Supervisory Committee Member and an overview of expected roles]

Mr. Yasuharu Nakanishi has a high degree of knowledge as an attorney, including not only corporate legal affairs in general, but also matters relating to mergers and acquisitions and labor law. The Company proposes his appointment because it has determined that he is capable of conducting substantial management oversight. Although he has not been involved in management of a corporation in any manner other than serving as an outside officer, the Company has determined that he will be able to appropriately perform his duties as an Outside Director who is an Audit and Supervisory Committee Member for the reasons stated above. At the conclusion of this General Meeting of Shareholders, his term of office as an Outside Director will be two (2) years.

- Notes:
1. There are no special interests between Mr. Yasuharu Nakanishi and the Company.
 2. Mr. Yasuharu Nakanishi is a candidate for substitute Outside Director who is an Audit and Supervisory Committee Member.
 3. The Company has entered into an agreement with Mr. Yasuharu Nakanishi to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 427, Paragraph 1 of the said Act. The maximum amount of liability for damages under the agreement is limited to the total amount stipulated in each item of Article 425, Paragraph 1 of the Companies Act. If Mr. Yasuharu Nakanishi is appointed as a Director who is an Audit and Supervisory Committee Member, the Company plans to enter into a similar liability limitation agreement with him.
 4. The Company has entered into a directors and officers liability insurance contract with an insurance company, in accordance with the provisions of Article 430-3, Paragraph 1 of the Companies Act. An overview of the content of the contract is as described in the Business Report. If Mr. Yasuharu

Nakanishi is appointed as a Director who is an Audit and Supervisory Committee Member, he will be included in the insured under the insurance contract.

5. If Mr. Yasuharu Nakanishi is appointed as a Director who is an Audit and Supervisory Committee Member, the Company plans to designate him as an independent officer who is not likely to have a conflict of interest with general shareholders in accordance with the provisions of Tokyo Stock Exchange, Inc., etc., and register thereof to the Tokyo Stock Exchange.

<Reference> Criteria regarding the independence of the officers of the Company

Officers who fall under any of the following categories are not considered to be independent.

- a. A person who executes business for the parent company or a company with the same parent company of the company concerned
 - (1) A person who is an executive director, an executive officer, or an employee of the parent company of the Company, its subsidiary, or a company with the same parent company
 - (2) A person who had been an executive director, an executive officer, or an employee of the parent company of the Company, its subsidiary, or a company with the same parent company
- b. A person for whom the company concerned is a major business partner or the person who executes business therefor; or a major business partner of the company concerned or a person who executes business therefor
 - (1) A business partner for whom the transactions (net sales, purchases, and revenue) with the Company, its parent company, its subsidiary, or a company with the same parent company account for a majority of its transactions with counterparties; or an executive director, an executive officer, or an employee of such business partner
 - (2) A person who had been an executive director, an executive officer, or an employee of a business partner for whom the transactions (net sales, purchases, and revenue) with the Company, its parent company, its subsidiary, or a company with the same parent company account for a majority of its transactions with counterparties
 - (3) A major business partner (net sales or purchases thereto/therefrom accounted for 10% or more of total net sales or purchases in the previous fiscal year; or a business partner positioned in the top ten business partners) of the Company, its parent company, its subsidiary, or a company with the same parent company; or an executive director, an executive officer, or an employee of such major business partner
 - (4) A person who had been an executive director, an executive officer, or an employee of a major business partner (net sales or purchases thereto/therefrom accounted for 10% or more of total net sales or purchases in the previous fiscal year; or a business partner positioned in the top ten business partners) of the Company, its parent company, its subsidiary, or a company with the same parent company
 - (5) An executive director, an executive officer, or an employee of a financial institution that has loan transactions with the Company, its parent company, its subsidiary, or a company with the same parent company; or a person who had been in such a position
 - (6) An entity or its executive director, an executive officer, or an employee that has participated in the Japan Corporate Housing Net; or had participated in the past
- c. A consultant, an accounting specialist, or a legal specialist who receives a large amount of money or other properties aside from the officers' remuneration from the company concerned
 - (1) A person, as a consultant, an accountant, or an attorney, who is expected to receive money or other properties of 10 million yen or more per year aside from the officers' remuneration from the Company, its parent company, its subsidiary, or a company with the same parent; or had received such money or other properties in the past two years
 - (2) If the case in (1) above is an organization, such as a corporation or a union, a person who belongs to such organization; or had in the past belonged thereto
- d. A major shareholder of the company concerned
 - (1) A shareholder (major shareholder) who holds one-third or more of the Company's voting rights; or an executive director, an executive officer, or an employee thereof
 - (2) A person who had been an executive director, an executive officer, or an employee of a shareholder (major shareholder) who holds one-third or more of the Company's total voting rights
- e. A person to whom any of the aforementioned criteria a. through d. recently applied
 - (1) A person to whom any of the aforementioned criteria a. through d. applied in the past one year from the time of judgment of independence
- f. A close relative
 - (1) A person within the second degree of kinship of the person to whom the aforementioned criteria a. through e. applied
 - (2) A person within the second degree of kinship of a director or an employee who is a manager or higher of the Company or its subsidiary
 - (3) A person to whom the aforementioned (2) applied in the past one year from the time of judgment of independence

<Reference> Skill matrix of the Directors of the Company (if each candidate for Director is appointed at this General Meeting of Shareholders)

Name	Position	Outside	Independent	Skill (insight and experience, etc.)				
				Corporate management	The Group's business	New businesses and development (investment)	Finance and accounting	Audit, legal affairs, compliance, and risk management
Akira Takaki	Representative Director, President			●	●	●		
Hiroshi Nagayama	Director	●	●	●			●	
Masato Kamekawa	Director	●	●			●	●	
Yoshihiko Abe	Director Full-time Audit and Supervisory Committee Member	●	●	●		●		●
Kenichi Sasamoto	Director Audit and Supervisory Committee Member	●	●	●		●	●	●
Sumiko Yamaguchi	Director Audit and Supervisory Committee Member	●	●					●

Proposal 6: Issuance of Share Acquisition Rights as Stock Options to Executive Officers of the Company and Directors of its Subsidiaries

The Company seeks the approval to delegate authority to the Board of Directors of the Company to determine the matters relating to the subscription offer of share acquisition rights issued as stock options to the Executive Officers of the Company and the Directors of its subsidiaries, in accordance with the provisions of Article 236, Article 238, and Article 239 of the Companies Act.

1. Reasons why the Company needs to issue the share acquisition rights under especially preferential conditions

Given that the value of these share acquisition rights is linked to the Company's stock price, by reflecting the medium- to long-term enhancement of the Company's corporate value and shareholders' value in the remuneration of the officers and employees of the Company and its subsidiaries, the officers and employees will be able to align their interests as well as any disadvantages with those of the shareholders. Therefore, the Company believes that it will further encourage the officers and employees of the Company and its subsidiaries to elevate their morale and willingness to contribute to the improvement of the medium- to long-term business performance and enhancement of corporate value of the Group, which, in turn, will contribute to the enhancement of corporate value and shareholders value.

In this way, the share acquisition rights as stock options will be issued to the Executive Officers of the Company and the Directors of its subsidiaries for the purpose of improving the medium- to long-term business performance and enhancing corporate value.

2. Persons to whom the share acquisition rights will be allotted and the maximum number of such allottees

- (1) Persons to whom the share acquisition rights will be allotted (allottees): Executive Officers of the Company and Directors of its subsidiaries
- (2) Total number of allottees: 8 (maximum)

3. Overview of the issuance of the share acquisition rights

(1) Total number of share acquisition rights

The maximum number of share acquisition rights shall be 200.

The number of shares to be issued upon the exercise of each share acquisition right shall be 100.

In the event that the Company splits or consolidates its common shares, the number of shares to be granted shall be adjusted using the following formula. Such adjustment shall be made only to the number of shares to be granted for each of these share acquisition rights that have not yet been exercised at the time of adjustment, and any fraction less than one share arising from the adjustment shall be rounded down.

$$\text{Number of shares after adjustment} = \frac{\text{Number of shares before adjustment}}{\text{Ratio of split or consolidation}}$$

Additionally, in the event that the Company carries out an absorption-type merger or an incorporation-type merger and these share acquisition rights are succeeded, or the Company carries out an incorporation-type split or an absorption-type split, the Company may adjust the number of shares to the extent that the Company considers reasonable.

(2) Class and number of shares to be issued upon the exercise of the share acquisition rights

The maximum shall be 20,000 shares of the common shares of the Company.

However, in the event that adjustments are made, as provided in (1) above, similar adjustments shall be made.

(3) Amount of cash payment in exchange for the share acquisition rights

No cash payment will be required for the share acquisition rights.

(4) Value of assets to be paid in at the time of exercise of share acquisition rights (exercise price)

The value of assets to be paid in at the time of exercise of share acquisition rights (exercise price) shall be the amount paid per share to be issued by the exercise of share acquisition rights of one yen, multiplied by the number of shares granted.

(5) Exercise period

The exercise period shall be a period of 30 years from the day following the allotment date.

(6) Amount of increase of capital and capital reserve through the issue of shares upon the exercise of the share acquisition rights

1) The amount of capital to be increased through the issue of shares upon the exercise of the share acquisition rights shall be half of the maximum limit of the capital increase, as calculated in accordance with Article 17, Paragraph 1 of the Regulations on Corporate Accounting. Any fraction of less than one yen arising from the calculation shall be rounded up.

2) The amount of capital reserve to be increased through the issue of shares upon the exercise of the share acquisition rights shall be the amount of the maximum limit on the increase in capital provided in 1) above, less the amount of the increased capital stipulated in 1) above.

(7) Restriction on the acquisition of share acquisition rights through a transfer

Any acquisition of the share acquisition rights through transfer shall require the approval of the Board of Directors.

(8) Matters regarding the acquisition of share acquisition rights

In the event that approval is given for proposals 1), 2), 3), 4), or 5) below (or if a resolution of the General Meeting of Shareholders is not required, then approval is given by the Board of Directors of the Company), the Company may acquire the share acquisition rights without charge on a date separately stipulated by the Board of Directors.

1) Proposal for the approval of a merger agreement in which the Company will become the non-surviving company

2) Proposal for the approval of a company split agreement or a company split plan in which the Company will become the split company

3) Proposal for the approval of a share exchange agreement or a share transfer plan in which the Company will become a wholly-owned subsidiary

4) Proposal for the approval of an amendment to the Articles of Incorporation to make provisions requiring the Company's approval for the acquisition of such shares through transfer as the contents of all shares issued by the Company; or

5) Proposal for the approval of an amendment to the Articles of Incorporation to make provisions (i) requiring the Company's approval for the acquisition of such shares through transfer as the contents of shares underlying the share acquisition rights, or (ii) allowing the Company to acquire all of such relevant shares upon resolution of the General Meeting of Shareholders.

(9) Conditions for the exercise of share acquisition rights

1) Share acquisition rights holders can only exercise these rights within ten days from the date following the date on which they lose their position as a Director (including a Director who is an Audit and Supervisory Committee Member), Audit and Supervisory Committee Member, Executive Officer, Corporate Officer, and employee of the Company and its subsidiaries.

2) Share acquisition rights must be exercised in their entirety at once and may not be exercised in increments.

3) Other conditions for the exercise of share acquisition rights shall be stipulated in the "Share Acquisition Rights Allotment Agreement," to be concluded between the Company and the share acquisition rights holder.

4) In the event of the death of the share acquisition rights holder, only one of the lawful heirs of the share acquisition rights holder (hereinafter the "Successor") may exercise these rights within one year from the date on which the share acquisition rights holder became deceased. In the event of the death of the Successor, the heir of the Successor cannot inherit the share acquisition rights.

(10) Handling of share acquisition rights in the event of a corporate reorganization

In the case of a merger (but only in the event that the Company becomes a non-surviving company), absorption-type split, incorporation-type split, share exchange, or share transfer (hereinafter, collectively referred to as a “corporate reorganization”), the share acquisition rights holders of the remaining share acquisition rights (hereinafter, the “remaining share acquisition rights”) at the time the corporate reorganization takes effect shall be granted new share acquisition rights of the stock company based on the conditions below (hereinafter, the “reorganized company”) as stipulated in Article 236, Paragraph 1, Item 8, (a) to (e) of the Companies Act. In this event, the remaining share acquisition rights shall expire.

However, the aforementioned provision shall apply only if the relevant absorption-type merger agreement, incorporation-type merger agreement, absorption-type split agreement, incorporation-type split agreement, share exchange agreement or share transfer plan stipulates that the share acquisition rights of the reorganized company are to be granted in accordance with the following conditions.

1) Number of share acquisition rights of the reorganized company to be granted

The same number of share acquisition rights as the number of remaining share acquisition rights held by the share acquisition rights holder shall be granted.

2) Class of shares of the reorganized company to be issued upon exercise of the share acquisition

The common shares of the reorganized company shall be issued.

3) Number of shares of the reorganized company to be issued upon exercise of the share acquisition rights

To be determined upon taking into account the terms and conditions of the reorganization and other factors.

4) Value of assets to be paid in at the time of exercise of share acquisition rights

To be determined upon taking into account the terms and conditions of the reorganization and other factors.

5) Period in which the share acquisition rights may be exercised

The period from the starting date of the exercise period as stipulated above or the effective date of the corporate reorganization, whichever comes later, to the end of the exercise period as stipulated above

6) Conditions for the exercise of share acquisition rights

To be determined similarly to the exercise conditions stipulated above.

7) Amount of increase of capital and capital reserve through the issue of shares upon the exercise of the share acquisition rights

To be determined similarly to the details stipulated in (6) above.

8) Restriction on the acquisition of share acquisition rights through a transfer

Any acquisition of the share acquisition rights through transfer shall require the approval of the reorganized company.

9) Any fraction less than one share arising from the number of shares granted to share acquisition rights holders exercising these share acquisition rights shall be rounded down.

(11) Handling of any fractions in the number of shares granted

Any fraction less than one share arising in the shares to be granted to share acquisition rights holders exercising these share acquisition rights shall be rounded down.

(12) Others

Other matters regarding the share acquisition rights shall be determined by resolution of the Board of Directors.

Proposal 7: Issuance of Share Acquisition Rights as Stock Options to Employees of the Company and its Subsidiaries

The Company seeks the approval to delegate authority to the Board of Directors of the Company to determine the matters relating to the subscription offer of share acquisition rights issued as stock options to the employees of the Company and its subsidiaries, in accordance with the provisions of Article 236, Article 238, and Article 239 of the Companies Act.

1. Reasons why the Company needs to issue the share acquisition rights under especially preferential conditions

The issuance of share acquisition rights without the need for cash payment to the employees of the Company and its subsidiaries shall raise the sense of participation in management of the employees of the Company and its subsidiaries and elevate their willingness to contribute to the enhancement of business performance and corporate value, which, in turn, will allow the Company to secure even more outstanding talent.

2. Persons to whom the share acquisition rights will be allotted and the maximum number of such allottees

- (1) Persons to whom the share acquisition rights will be allotted (allottees): Employees of the Company and its subsidiaries
- (2) Total number of allottees: 500 (maximum)

3. Overview of the issuance of the share acquisition rights

(1) Total number of share acquisition rights

The maximum number of share acquisition rights shall be 2,000.

The number of shares to be issued upon the exercise of each share acquisition right shall be 100.

In the event that the Company splits or consolidates its common shares, the number of shares to be granted shall be adjusted using the following formula. Such adjustment shall be made only to the number of shares to be granted for each of these share acquisition rights that have not yet been exercised at the time of adjustment, and any fraction less than one share arising from the adjustment shall be rounded down.

$$\begin{array}{l} \text{Number of shares} \\ \text{after adjustment} \end{array} = \begin{array}{l} \text{Number of shares} \\ \text{before adjustment} \end{array} \times \text{Ratio of split or consolidation}$$

Additionally, in the event that the Company carries out an absorption-type merger or an incorporation-type merger and these share acquisition rights are succeeded, or the Company carries out an incorporation-type split or an absorption-type split, the Company may adjust the number of shares to the extent that the Company considers reasonable.

(2) Class and number of shares to be issued upon the exercise of the share acquisition rights

The maximum shall be 200,000 shares of the common shares of the Company.

However, in the event that adjustments are made, as provided in (1) above, similar adjustments shall be made.

(3) Amount of cash payment in exchange for the share acquisition rights

No cash payment will be required for the share acquisition rights.

(4) The value of assets to be paid in at the time of exercise of share acquisition rights (exercise price)

The value of assets to be paid in at the time of exercise of share acquisition rights (exercise price) shall be the amount paid in per share to be determined below, multiplied by the number of shares granted for each share acquisition right stipulated in (1).

The amount paid in per share shall be the closing price of the common shares of the Company in a regular trading session on the Tokyo Stock Exchange on the date of allotment (hereinafter, the "allotment date") (if there is no closing price on that date, then the most recent closing price prior to the allotment date).

However, in the event that the Company splits or consolidates its common shares, the number of shares shall be adjusted using the following formula and any fraction of less than one yen shall be rounded up.

$$\text{Exercise price after adjustment} = \frac{\text{Exercise price before adjustment}}{\text{Ratio of split or consolidation}} \times 1$$

Additionally, if the Company issues new shares of common shares of the Company or disposes of its treasury shares at less than the current market price (except in the case of exercise of share acquisition rights), the exercise prices shall be adjusted using the following formula and any fraction of less than one yen shall be rounded up.

$$\text{Exercise price after adjustment} = \frac{\text{Exercise price before adjustment} \times \left(\frac{\text{Number of shares already issued} + \frac{\text{Number of shares newly issued} \times \text{Amount paid in per share}}{\text{Current market price}}}{\text{Number of shares already issued} + \text{Number of shares newly issued}} \right)}{1}$$

In the above formula, the “Number of shares already issued” shall be the remaining number when the total number of treasury shares regarding common shares of the Company is subtracted from the total number of issued shares regarding common shares of the Company. Additionally, if the Company disposes of its treasury shares regarding common shares, the “Number of shares newly issued” in the above formula shall alternately be read as the “Number of treasury shares disposed of.”

Furthermore, in addition to the above, in cases where an adjustment to the exercise price of the share acquisition rights is required, the Company may adjust the exercise price of shares to the extent that the Company considers reasonable.

(5) Exercise period

The exercise period shall be two years, calculated from the day on which two years have elapsed from the first day of the month following the month to which the allotment date of share acquisition rights belongs.

(6) Amount of increase of capital and capital reserve through the issue of shares upon the exercise of the share acquisition rights

1) The amount of capital to be increased through the issue of shares upon the exercise of the share acquisition rights shall be half of the maximum limit of the capital increase, as calculated in accordance with Article 17, Paragraph 1 of the Regulations on Corporate Accounting. Any fraction of less than one yen arising from the calculation shall be rounded up.

2) The amount of capital reserve to be increased through the issue of shares upon the exercise of the share acquisition rights shall be the amount of the maximum limit on the increase in capital provided in 1) above, less the amount of the increased capital stipulated in 1) above.

(7) Restriction on the acquisition of share acquisition rights through a transfer

Any acquisition of the share acquisition rights through transfer shall require the approval of the Board of Directors.

(8) Matters regarding the acquisition of share acquisition rights

In the event that approval is given for proposals 1), 2), 3), 4), or 5) below (or if a resolution of the General Meeting of Shareholders is not required, then approval is given by the Board of Directors of the Company), the Company may acquire the share acquisition rights without charge on a date separately stipulated by the Board of Directors.

1) Proposal for the approval of a merger agreement in which the Company will become the non-surviving company

- 2) Proposal for the approval of a company split agreement or a company split plan in which the Company will become the split company
 - 3) Proposal for the approval of a share exchange agreement or a share transfer plan in which the Company will become a wholly-owned subsidiary
 - 4) Proposal for the approval of an amendment to the Articles of Incorporation to make provisions requiring the Company's approval for the acquisition of such shares through transfer as the contents of all shares issued by the Company; or
 - 5) Proposal for the approval of an amendment to the Articles of Incorporation to make provisions (i) requiring the Company's approval for the acquisition of such shares through transfer as the contents of shares underlying the share acquisition rights, or (ii) allowing the Company to acquire all of such relevant shares upon resolution of the General Meeting of Shareholders.
- (9) Conditions for the exercise of share acquisition rights
- 1) Share acquisition rights holders must be in a position of Director (including a Director who is an Audit and Supervisory Committee Member), Audit and Supervisory Committee Member, Executive Officer, Corporate Officer, or employee of the Company or its affiliates, excluding cases where such positions are relinquished due to retirement after the completion of a full-term of service, mandatory retirement, and other reasons stipulated in the Share Acquisition Rights Allotment Agreement.
 - 2) In the event of the death of the share acquisition rights holder, the heir may exercise the share acquisition rights in accordance with the Share Acquisition Rights Allotment Agreement, only in the case of deaths occurring during the exercise period.
 - 3) If any one of the cases below applies, the share acquisition rights holder shall no longer be able to exercise the unexercised share acquisition rights.
 - a) When the share acquisition rights holder is an employee or in a similar position of the Company and becomes subject to disciplinary actions of suspension or of greater severity stipulated in the Rules of Employment of the Company;
 - b) When the share acquisition rights holder is an employee or in a similar position of the Company and is given a court sentence of imprisonment or greater severity;
 - c) When the share acquisition rights holder is an employee or in a similar position of the Company and has committed acts that damage the social credibility of the Company or other acts recognized to be immoral acts against the Company.
 - 4) Other conditions for the exercise of share acquisition rights shall be stipulated in the "Share Acquisition Rights Allotment Agreement," to be concluded between the Company and the share acquisition rights holder.
- (10) Handling of share acquisition rights in the event of a corporate reorganization
- In the case of a merger (but only in the event that the Company becomes a non-surviving company), absorption-type split, incorporation-type split, share exchange, or share transfer (hereinafter, the above shall collectively be referred to as a "corporate reorganization"), the share acquisition rights holders of the remaining share acquisition rights (hereinafter, the "remaining share acquisition rights") at the time the corporate reorganization takes effect shall be granted new share acquisition rights of the stock company based on the conditions below (hereinafter, the "reorganized company") as stipulated in Article 236, Paragraph 1, Item 8, (a) to (e) of the Companies Act. In this event, the remaining share acquisition rights shall expire.
- However, the aforementioned provision shall apply only if the relevant absorption-type merger agreement, incorporation-type merger agreement, absorption-type split agreement, incorporation-type split agreement, share exchange agreement or share transfer plan stipulates that the share acquisition rights of the reorganized company are to be granted in accordance with the following conditions.
- 1) Number of share acquisition rights of the reorganized company to be granted
The same number of share acquisition rights as the number of remaining share acquisition rights held by the share acquisition rights holder shall be granted.

- 2) Class of shares of the reorganized company to be issued upon exercise of the share acquisition
The common shares of the reorganized company shall be issued.
- 3) Number of shares of the reorganized company to be issued upon exercise of the share acquisition rights
To be determined upon taking into account the terms and conditions of the reorganization and other factors.
- 4) Value of assets to be paid in at the time of exercise of share acquisition rights
To be determined upon taking into account the terms and conditions of the reorganization and other factors.
- 5) Conditions for the exercise of share acquisition rights
To be determined similarly to the exercise conditions stipulated above.
- 6) Amount of increase of capital and capital reserve through the issue of shares upon the exercise of the share acquisition rights
To be determined similarly to the details stipulated in (6) above.
- 7) Restriction on the acquisition of share acquisition rights through a transfer
Any acquisition of the share acquisition rights through transfer shall require the approval of the reorganized company.
- 8) Any fraction less than one share arising from the number of shares granted to share acquisition rights holders exercising these share acquisition rights shall be rounded down.
- (11) Handling of any fractions in the number of shares granted
Any fraction less than one share arising in the shares to be granted to share acquisition rights holders exercising these share acquisition rights shall be rounded down.
- (12) Others
Other matters regarding the share acquisition rights shall be determined by resolution of the Board of Directors.