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Securities Code: 3186  
February 3, 2023

To Our Shareholders

Koji Hamawaki  
President and Representative Director, Executive Officer  
**NEXTAGE Co., Ltd.**  
14F, Meiji-Yasuda Life Insurance Nagoya Building  
1-1, Shinsakaemachi, Naka-ku, Nagoya

## Notice of the 24<sup>th</sup> Annual General Meeting of Shareholders

We are pleased to announce the 24<sup>th</sup> Annual General Meeting of Shareholders of NEXTAGE Co., Ltd. (the “Company”), which will be held as indicated below.

In order to prevent the spread of the novel coronavirus disease (COVID-19), you are encouraged to exercise your voting rights prior to the meeting in writing or by using the internet, if at all possible. We would like to sincerely ask for the shareholders’ kind understanding and cooperation of preventing the spread of COVID-19. On the day, you will watch the meeting online at home. Please refer to the enclosed “Information on online distribution regarding of the 24<sup>th</sup> Annual General Meeting of Shareholders” in the notice.

We will hold the meeting while placing importance on measures to prevent infection, and in order to shorten the time shareholders spend at the venue, we will simplify the meeting procedures. We greatly appreciate your understanding. If you vote by mail or vote online via the internet, please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by Tuesday, February 21, 2023 at 6:00 p.m. (JST).

### Notes

- 1. Date of Time:** Wednesday, February 22, 2023, at 10:00 a.m. (Reception will open at 9:00 a.m.)  
**2. Venue:** Head office of NEXTAGE Co., Ltd.  
13F, Meiji-Yasuda Life Insurance Nagoya Building  
1-1, Shinsakaemachi, Naka-ku, Nagoya

**3. Purpose of the meeting:**

**Matters to be reported**

1. The Business Report and the Consolidated Financial Statements for the 24<sup>th</sup> fiscal year (from December 1, 2021 to November 30, 2022), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 24<sup>th</sup> fiscal year (from December 1, 2021 to November 30, 2022)

**Matters to be resolved**

- Proposal No.1: Appropriation of Surplus  
Proposal No.2: Election of Six (6) Directors  
Proposal No.3: Revision of Amount of Compensation for Directors

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■ Concerning Disclosure on the Company's website

1. Of documents to be attached to this notice, following items are posted on the Company's corporate website in accordance with the provisions of relevant laws and regulations, and the Articles of Incorporation of the Company. They are not therefore included in the attachments to this notice (in Japanese only).
  - 1) Structure for Ensuring the Appropriateness of Business and Outline of its Operation Status
  - 2) Consolidated Statement of Changes in Net Assets
  - 3) Notes to Consolidated Financial Statements
  - 4) Statement of Changes in Shareholders' Equity
  - 5) Notes to Non-consolidated Financial Statements
2. If any circumstances necessitating amendments to the contents of the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements, notification of those amendments are provided by posting them on the Company's website (in Japanese only) (<https://www.nextage.jp/>).

## Reference Documents for the General Meeting of Shareholders

### Proposal No.1: Appropriation of Surplus

The Company considers it a top priority to secure returns for shareholders from its operations. And the Company considers has a basic policy of consistently paying stable dividends to shareholders, while considering the need to strengthen the business foundation and maintain a healthy financial structure. Based on this policy, the Company proposes the year-end dividend for the 24<sup>th</sup> fiscal year as follows:

(1) Type of dividend assets:

Cash

(2) Allocation of dividend assets and total amount of the same:

Per share of common stock of the Company: 24 yen

Total amount of dividends: 1,933,518,672 yen

(3) Effective date of dividends of surplus:

February 24, 2023

## Proposal No.2: Election of Six (6) Directors

Six Directors will finish their terms upon conclusion of this General Meeting of Shareholders. Therefore, the Company proposes to elect six Directors, including three Independent Outside Directors to further strengthen our corporate governance and make swift decisions.

### ■ Policy and Process for Nominating Director Candidates

In nominating its candidates for Directors at by the Board of Directors, the Company comprehensively decides potential candidates at Nominating Advisory Committee from the perspective of nominating individuals suitably qualified for the position they are to serve. This examination is based on criteria that requires the understanding Corporate Philosophy and Management Philosophy, the ability to execute appropriate and swift decision making with the ability of excellent management judgment and the extensive experience, the contributing to further growth of the Company, the ability to solve the problems of the risks and the key priorities ahead of the Company, the discernment to uphold the laws and regulations and corporate ethics.

The candidates for Directors are as follows:

| Candidate No. | Name                                                                          | Current position (responsibility in the Company)                                             | Attendance at the meetings of the Board of Directors |
|---------------|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|------------------------------------------------------|
| 1             | <u>Reappointment</u> Seiji Hirota                                             | Chairman and Representative Director<br>(Management of the entire group)                     | 13/13                                                |
| 2             | <u>Reappointment</u> Koji Hamawaki                                            | President and Representative Director, Executive Officer<br>(Management of the entire group) | 13/13                                                |
| 3             | <u>Reappointment</u> Masashi Nomura                                           | Director and Executive Officer<br>(Administration Department)                                | 10/10                                                |
| 4             | <u>Reappointment</u><br><u>Outside</u><br><u>Independent</u> Tadamitsu Matsui | Director                                                                                     | 12/13                                                |
| 5             | <u>Reappointment</u><br><u>Outside</u><br><u>Independent</u> Isao Endo        | Director                                                                                     | 13/13                                                |
| 6             | <u>Reappointment</u><br><u>Outside</u><br><u>Independent</u> Junko Fukushima  | Director                                                                                     | 10/10                                                |

(Note) Attendances at the 24<sup>th</sup> meetings of the Board of Directors of Mr. Masashi Nomura and Ms. Junko Fukushima are 10 times because they newly elected at the 23<sup>rd</sup> Annual General Meeting of Shareholders held on February 22, 2022.

Reappointment

Candidate for reelection as a Director

Outside

Candidate for an Outside Director

Independent

Independent Executive as provided for by Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc.

| No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Name (Date of birth/Other notes)                                                                                                                                                                                                                                                                                                                                                                                                                                             | Summary of career, position, in charge, and status of important offices concurrently served                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Number of the Company's shares owned |
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| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <p><b>Seiji Hirota</b><br/>(July 31, 1973)</p> <p><u>Reappointment</u></p> <p>Position: Chairman and Representative Director</p> <p>Responsibility: Management of the entire group</p> <p>Number of years in office as Director: 24 years and 2 months</p> <p>Attendance at the meetings of the Board of Directors: 13/13 (100%)</p> <p>Attendance at the Nominating Advisory Committee: 4/4 (100%)</p> <p>Attendance at the Compensation Advisory Committee: 4/4 (100%)</p> | <p><b>December 1998</b><br/>Established AUTO STAGE HIROTA Co., Ltd. (presently, NEXTAGE Co., Ltd.)<br/>President and Representative Director of the Company</p> <p><b>February 2010</b><br/>President and CEO and Representative Director (President and CEO) of the Company</p> <p><b>December 2011</b><br/>President and Representative Director, ASAP Co., Ltd.</p> <p><b>October 2015</b><br/>President and Representative Director, Fortuna Co., Ltd.</p> <p><b>February 2017</b><br/>Chairman and Representative Director, ASAP Co., Ltd.</p> <p><b>March 2017</b><br/>Chairman and Representative Director, NEW Co., Ltd. (present position)</p> <p><b>June 2018</b><br/>Chairman and Representative Director, WEINS IMPORT Co., Ltd. (presently, Ai Co., Ltd.) (present position)</p> <p><b>December 2019</b><br/>President and Representative Director, Advance Co., Ltd. (presently, Universe Rent a Car Co., Ltd.)</p> <p><b>March 2021</b><br/>Chairman and Representative Director, Universe Rent a Car Co., Ltd.</p> <p><b>February 2022</b><br/>Chairman and Representative Director of the Company (present position)</p> <p><b>(Significant concurrent positions outside the Company)</b><br/>Chairman and Representative Director, NEW Co., Ltd.<br/>Chairman and Representative Director, Ai Co., Ltd.</p> | 1,750,400 shares                     |
| <p><b>(Participation in the committee)</b><br/>Nominating Advisory Committee<br/>Compensation Advisory Committee<br/>Risk Management Committee<br/>Compliance Committee</p> <p><b>(Reasons for nomination as candidate for Director)</b><br/>Mr. Seiji Hirota, the founder of the Company, is an executive who has always had a grand vision for the Company and worked to support the growth of the Company and the improvement of the Group's corporate value sustainably as Representative Director since the Company's founding. He has always been aware of the development of the used car industry as a whole and exhibited strong leadership to achieve the 2030 Vision as a further goal. The Company again nominated him as a candidate for Director as it expects that it is essential that he remain in the position of Director to further growth and boost the Group's corporate value.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                      |

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| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p><b>Koji Hamawaki</b><br/>(September 18, 1969)</p> <p><u>Reappointment</u></p> <p>Position: President and Representative Director, Executive Officer</p> <p>Responsibility: Management of the entire group</p> <p>Number of years in office as Director: 7 years</p> <p>Attendance at the meetings of the Board of Directors: 13/13 (100%)</p> <p>Attendance at the Nominating Advisory Committee: 3/3 (100%)</p> <p>Attendance at the Compensation Advisory Committee: 3/3 (100%)</p> | <p><b>April 1993</b><br/>Joined BIG MOTOR Co., Ltd.</p> <p><b>June 2003</b><br/>Director and General Manager of Sales Department, BIG MOTOR Co., Ltd.</p> <p><b>June 2004</b><br/>Executive Director, BIG MOTOR Co., Ltd.</p> <p><b>December 2004</b><br/>President and Representative Director, BIG SHUNAN Co., Ltd.</p> <p><b>June 2005</b><br/>Director, HANATEN Co., Ltd.</p> <p><b>August 2005</b><br/>Director, General Manager of Sales Department, HANATEN Co., Ltd.</p> <p><b>June 2008</b><br/>Senior Managing Director, General Manager of Sales Department, HANATEN Co., Ltd.</p> <p><b>January 2016</b><br/>Consultant of the Company</p> <p><b>February 2016</b><br/>Director and Vice President of the Company</p> <p><b>March 2017</b><br/>President and Director, NEW Co., Ltd.</p> <p><b>June 2018</b><br/>Director, NEW Co., Ltd. (present position)<br/>Director, WEINS IMPORT Co., Ltd. (presently, Ai Co., Ltd.) (present position)</p> <p><b>February 2022</b><br/>President and Representative Director, Executive Officer of the Company (present position)<br/>Chairman and Representative Director, ASAP Co., Ltd. (present position)<br/>Chairman and Representative Director, Universe Rent a Car Co., Ltd. (present position)</p> <p><b>(Significant concurrent positions outside the Company)</b><br/>Chairman and Representative Director, ASAP Co., Ltd.<br/>Director, NEW Co., Ltd.<br/>Director, Ai Co., Ltd.<br/>Chairman and Representative Director, Universe Rent a Car Co., Ltd.</p> | 267,400 shares                       |
| <p><b>(Participation in the committee)</b><br/>Nominating Advisory Committee<br/>Compensation Advisory Committee<br/>Risk Management Committee<br/>Compliance Committee</p> <p><b>(Reasons for nomination as candidate for Director)</b><br/>Mr. Koji Hamawaki not only has accumulated over many years extensive experience, performance and in-depth understanding related to management in the used car industry, but also possesses in-depth understanding and supervisory capabilities related to management gained primarily from his experience. He has made every effort to manage store development and Administration Department in order to expand lifelong dealings with customers that needed for achieving 2030 Vision. The Company again nominated him as a candidate for Director as it expects that it is essential that he remain in the position of Director to further growth and boost the Group's corporate value.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                      |

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| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p><b>Masashi Nomura</b><br/>(January 17, 1986)</p> <p><u>Reappointment</u></p> <p>Position: Director and Executive Officer</p> <p>Responsibility: Management of Administration Department</p> <p>Number of years in office as Director: 1 year</p> <p>Attendance at the meetings of the Board of Directors: 10/10 (100%)</p> | <p><b>February 2013</b><br/>Joined the Company</p> <p><b>December 2018</b><br/>Manager, Financial Strategy Management Div., Administration Department</p> <p><b>February 2020</b><br/>Executive officer, General Manager of Administration Department</p> <p><b>February 2022</b><br/>Director and Executive Officer of the Company (present position)<br/>Director, ASAP Co., Ltd. (present position)</p> <p><b>(Significant concurrent positions outside the Company)</b><br/>Director, ASAP Co., Ltd.</p> | 16,800 shares                        |
| <p><b>(Participation in the committee)</b><br/>Risk Management Committee<br/>Compliance Committee</p> <p><b>(Reasons for nomination as candidate for Director)</b><br/>Mr. Masashi Nomura has utilized his knowledge of accounting and taxation, he was in charge of the accounting department and the internal audit office, and after that he was involved in business management as the manager of the finance and corporate planning department. Since February 2020, he has supported the company's growth by supervising Finance, Accounting, and IR Department and building the foundation of the Administration Department as General manager. The Company again nominated him as a candidate for Director as it expects that it is essential that he remain in the position of Director to further growth and boost the Group's corporate value.</p> |                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                      |

| No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Name (Date of birth/Other notes)                                                                                                                                                                                                                                                                                                                                                                                                                          | Summary of career, position, in charge, and status of important offices concurrently served                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Number of the Company's shares owned |
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| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p><b>Tadamitsu Matsui</b><br/>(May 13, 1949)</p> <p><u>Reappointment</u><br/><u>Outside</u><br/><u>Independent</u></p> <p>Position: Director</p> <p>Number of years in office as Outside Director:<br/>7 years 9 months</p> <p>Attendance at the meetings of the Board of Directors:<br/>12/13 (92.3%)</p> <p>Attendance at the Nominating Advisory Committee:<br/>3/4 (75%)</p> <p>Attendance at the Compensation Advisory Committee:<br/>3/4 (75%)</p> | <p><b>June 1973</b><br/>Joined The Seiyu Store Co., Ltd. (presently, Seiyu Co., Ltd.)</p> <p><b>May 1993</b><br/>Director, Ryohin Keikaku Co., Ltd.</p> <p><b>May 1997</b><br/>Managing Director</p> <p><b>March 1999</b><br/>Senior Managing Director</p> <p><b>May 1999</b><br/>President and Representative Director, RK TRUCKS Co., Ltd.</p> <p><b>May 2000</b><br/>President and Representative Director, MUJI.net Co., Ltd. (presently, MUJI HOUSE Co., Ltd.)</p> <p><b>January 2001</b><br/>President and Representative Director, Ryohin Keikaku Co., Ltd.</p> <p><b>May 2001</b><br/>Director, RK TRUCKS Co., Ltd.</p> <p><b>February 2002</b><br/>President and Representative Director and Executive Officer, Ryohin Keikaku Co., Ltd.</p> <p><b>February 2008</b><br/>Chairman and Representative Director and Executive Officer</p> <p><b>May 2009</b><br/>President and Representative Director, MUJI.net Co., Ltd. (presently MUJI HOUSE Co., Ltd.)</p> <p><b>October 2010</b><br/>President and Representative Director, T&amp;T Corporation (presently, MATSUI office corporation) (present position)</p> <p><b>June 2013</b><br/>Outside Director, Resona Bank, Limited</p> <p><b>September 2013</b><br/>Outside Director, Adastria Holdings Co., Ltd. (presently, Adastria Co., Ltd.)</p> <p><b>June 2014</b><br/>Outside Director, Resona Holdings, Inc.<br/>Outside Director, OOTOYA Holdings Co., Ltd.</p> <p><b>May 2015</b><br/>Outside Director of the Company (present position)</p> <p><b>June 2016</b><br/>Outside Director, New Constructor's Network Co., Ltd. (present position)</p> <p><b>November 2016</b><br/>Outside Director, SADAMATSU Company Limited. (presently, Festaria Holdings Co., Ltd.) (present position)</p> <p><b>(Status of important offices concurrently served)</b><br/>President and Representative Director, MATSUI office corporation<br/>Outside Director, Festaria Holdings Co., Ltd.<br/>Outside Director, New Constructor's Network Co., Ltd.</p> | 12,000 shares                        |
| <p><b>(Participation in the committee)</b><br/>Nominating Advisory Committee (Chairperson)<br/>Compensation Advisory Committee (Chairperson)</p> <p><b>(Reasons for nomination as candidate for Outside Director and expected role)</b><br/>Mr. Tadamitsu Matsui as his career summary shows, he has long-term, the supervision of business execution based on his extensive experience and broad discernment as a corporate manager. Therefore, the Company judges that he will perform sufficiently appropriate roles as Outside Director of the Company to construct operation systems and management systems of stores, to develop human resources and internal control, to work on strengthening corporate governance of the Company. The Company again nominated him as a candidate for Outside Director as it expects that it is essential that he remain in the position of Outside Director to further growth and boost the Group's corporate value.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                      |



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| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p style="text-align: center;"><b>Isao Endo</b><br/>(May 8, 1956)</p> <p style="text-align: center;"><u>Reappointment</u><br/><u>Outside</u><br/><u>Independent</u></p> <p>Position: Director</p> <p>Number of years in office as Outside Director:<br/>2 years</p> <p>Attendance at the meetings of the Board of Directors:<br/>13/13 (100%)</p> <p>Attendance at the Nominating Advisory Committee:<br/>4/4 (100%)</p> <p>Attendance at the Compensation Advisory Committee:<br/>4/4 (100%)</p> | <p><b>April 1979</b><br/>Joined Mitsubishi Electric Corporation</p> <p><b>October 1988</b><br/>Joined Boston Consulting Group (presently, Boston Consulting Group Inc.)</p> <p><b>October 1992</b><br/>Joined Anderson Consulting (presently, Accenture Japan Ltd)</p> <p><b>October 1996</b><br/>Partner, Anderson Consulting</p> <p><b>September 1997</b><br/>Partner and Director, Booz Allen &amp; Hamilton (Japan) Inc. (presently, PwC Consulting LLC)</p> <p><b>May 2000</b><br/>President and Representative Director, Roland Berger Ltd.</p> <p><b>April 2006</b><br/>Chairman and Representative Director, Roland Berger Ltd.<br/>Professor, Graduate School of Commerce, Waseda University</p> <p><b>August 2007</b><br/>President and Representative Director, Cena Corporation, Inc. (present position)</p> <p><b>May 2011</b><br/>Outside Director, Ryohin Keikaku Co., Ltd.</p> <p><b>March 2013</b><br/>Outside Audit &amp; Supervisory Board Member, Yamaha Motor Co., Ltd.</p> <p><b>June 2014</b><br/>Outside Director, NKSJ Holdings Co., Ltd. (presently, Sampo Holdings, Inc.) (present position)<br/>Outside Director, Nissin Steel Co., Ltd. (presently, NIPPON STEEL CORPORATION)</p> <p><b>November 2020</b><br/>Consultant of the Company</p> <p><b>February 2021</b><br/>Outside Director of the Company (present position)</p> <p><b>(Status of important offices concurrently served)</b><br/>President and Representative Director, Cena Corporation, Inc.<br/>Outside Director, Sampo Holdings, Inc.</p> | 0 shares                             |
| <p><b>(Participation in the committee)</b><br/>Nominating Advisory Committee<br/>Compensation Advisory Committee</p> <p><b>(Reasons for nomination as candidate for Outside Director and expected role)</b><br/>Mr. Isao Endo as his career summary shows, he has long-term, the supervision of business execution based on his extensive experience and broad discernment as a corporate manager. Therefore, the Company judges that he will perform sufficiently appropriate roles as Outside Director of the Company to advise expertise with multiple perspectives properly to management of the Company, to work to increase the effectiveness of the supervision of performance of duties of the Board of Directors. The Company again nominated him as a candidate for Outside Director as it expects that it is essential that he remain in the position of Outside Director to further growth and boost the Group's corporate value.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                      |

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| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p><b>Junko Fukushima</b><br/>(January 13, 1970)</p> <p><b>Reappointment</b><br/><b>Outside</b><br/><b>Independent</b></p> <p>Position: Director</p> <p>Number of years in office as Outside Director:<br/>1 year</p> <p>Attendance at the meetings of the Board of Directors:<br/>10/10 (100%)</p> <p>Attendance at the Nominating Advisory Committee:<br/>3/3 (100%)</p> <p>Attendance at the Compensation Advisory Committee:<br/>3/3 (100%)</p> | <p><b>April 1992</b><br/>Joined Yasuda Fire &amp; Marine Insurance Co., Ltd.</p> <p><b>September 2015</b><br/>Sales Manager of Niigata Automotive, Sompo Japan Nipponkoa Holdings, Inc., (presently, Sompo Japan Insurance Inc.)</p> <p><b>April 2018</b><br/>Personnel Special Mission Manager, Sompo Japan Nipponkoa Holdings, Inc.,</p> <p><b>April 2019</b><br/>Tokyo Business Manager</p> <p><b>April 2021</b><br/>Director, Managing Executive Officer, and General Manager of human resources development, SOMPO Business Solutions Inc. (Temporary transferred, present position)</p> <p><b>February 2022</b><br/>Outside Director of the Company (present position)</p> <p><b>(Status of important offices concurrently served)</b><br/>Director, Managing Executive Officer, and General Manager of human resources development, SOMPO Business Solutions Inc.</p> | 0 shares                             |
| <p><b>(Participation in the committee)</b><br/>Nominating Advisory Committee<br/>Compensation Advisory Committee</p> <p><b>(Reasons for nomination as candidate for Outside Director and expected role)</b><br/>Ms. Junko Fukushima as her career summary shows, she has the supervision of business execution based on her extensive experience and broad discernment as a corporate manager. Therefore, the Company judges that she will perform sufficiently appropriate roles as Outside Director of the Company to construct management systems of stores, to develop human resources and internal control, to work on strengthening corporate governance of the Company. The Company again nominated her as a candidate for Outside Director as it expects that it is essential that she remain in the position of Outside Director to further growth and boost the Group's corporate value.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                      |

**(Special Matters Concerning Candidates for Directors above)**

1. There is no special interest between each candidate and the company.
2. Mr. Tadamitsu Matsui, Mr. Isao Endo and Ms. Junko Fukushima are candidates for Outside Directors.
3. The Company has entered into a contract for limit of liability with Mr. Tadamitsu Matsui, Mr. Isao Endo and Ms. Junko Fukushima based on the provisions of Article 427, Paragraph 1 of the Companies Act to limit liability as provided for in Article 423, Paragraph 1 of the Companies Act to the minimum liability provided for in the laws and regulations, provided they perform their duties in good faith and without gross negligence. In case the reelection of Mr. Tadamitsu Matsui, Mr. Isao Endo and Ms. Junko Fukushima is approved by the shareholders, the Company intends to continue the above contract for limit of liability with them.
4. The Company has designated Mr. Tadamitsu Matsui, Mr. Isao Endo and Ms. Junko Fukushima as its Independent Executive under the rules of Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc.
5. The company has concluded indemnity insurance agreements with an insurance company, designating Directors and Audit & Supervisory Board Members of the company and its subsidiaries, pursuant to Article 430-3, Paragraph 1 of the Companies Act. The insured bear no responsibility for actual insurance premiums. This agreement covers losses borne by the insureds resulting from the bearing of responsibilities. However, there are certain grounds that are exempt from coverage, such as not covering claims arising from actions undertaken with the knowledge that they are illegal actions. All candidates for Directors will be included in the insured of the insurance agreement.
6. Attendances at the 24<sup>th</sup> meetings of the Board of Directors of Mr. Masashi Nomura and Ms. Junko Fukushima are 10 times because they newly elected at the 23<sup>rd</sup> Annual General Meeting of Shareholders held on February 22, 2022.
7. Attendances at the 24<sup>th</sup> meetings of Nominating Advisory Committee and Compensation Advisory Committee of Mr. Koji Hamawaki and Ms. Junko Fukushima are 3 times because they newly elected at the Board of Directors held on February 22, 2022.

### **Proposal No.3: Revision of Amount of Compensation for Directors**

Currently, the compensation paid to the Company's Directors consists of "basic compensation (monetary compensation)" and "non-monetary compensation".

In terms of "basic compensation (monetary compensation)", the maximum amount of compensation paid to the Directors was approved at the 13<sup>th</sup> Annual General Meeting of Shareholders held on February 24, 2012 to be 300 million yen or less per year (excluding employee salaries of Directors who concurrently serve as employees of the Company). In terms of "non-monetary compensation", Restricted Stock Compensation paid to the Directors (excluding Outside Directors) was approved at the 22<sup>nd</sup> Annual General Meeting of Shareholders held on February 22, 2021, which is apart from "basic compensation (monetary compensation)". The maximum amount of compensation was 100 million yen or less, or 70,000 shares or less per year.

It has been approximately 11 years since former revision of "basic compensation (monetary compensation)" mentioned above. During that period, due to further strengthening of corporate governance and changes in the economic and business environment, the responsibilities and required roles of directors have expanded. For these reasons, the Company hereby proposes that maximum amount of compensation paid to Directors be revised to 1 billion yen or less per year (including 100 million yen or less for Outside Directors). This proposal has been decided by the Board of Directors based on the deliberations of the Compensation Advisory Committee (consisting of a majority of independent Outside Directors) established voluntarily by the Company. And the company has determined that this proposal is appropriate. The policy for determined the content of compensation, etc. for each individual director of the Company is as described on page 34 of the Business Report of "Notice of the 24<sup>th</sup> Annual General Meeting of Shareholders" (full version, that only provided in Japanese. the specific is below\*).

The amount of compensation for Directors doesn't include the amount of employee salaries for Directors who concurrently serve as employees of the Company as in the past.

If Proposal No.2 is approved as proposed, the number of Directors will be 6 (including 3 Outside Directors).

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#### **\* The policy for determined the content of compensation, etc. for each individual director of the Company**

The Company has decided the policy for determined the content of compensation, etc. for each individual director at board of Directors held on February 22, 2022. The Board of Directors has determined that the details of individual director compensation for this fiscal year under review are in line with the decision policy, as the Compensation Advisory Committee has conducted a multifaceted review of the draft proposal, including its consistency with the decision policy approved by the Board of Directors. The Board of Directors has therefore determined that the details of individual director compensation for the fiscal year under review are in line with this decision policy.

#### **Basic policy**

The Company is to determine the compensation of each director in consideration of the management environment, business performance, and consistency with the treatment of employees, and to set an appropriate level based on the responsibilities of each position basically. The Company's basic policy is to set the compensation of individual directors at an appropriate level based on the responsibilities of their respective positions.

Specifically, compensation for directors consists of "basic compensation" as monetary compensation, "non-monetary compensation", and "Restricted Stock Compensation", which is intended as an incentive to continuously enhance the Company's corporate value. In consideration of their responsibilities, outside directors are compensated only in cash as basic consideration.

**(Reference) Skills Matrix**

Skills matrix of Directors and Audit & Supervisory Board Members are as follows upon conclusion of this General Meeting of Shareholders.

**Directors**

| Name                                           | Corporate Management | Financial strategy/<br>accounting and finance | Human resources and labor/<br>Human resources development | Store development/<br>marketing | Legal affairs/<br>Compliance /risk management | Business of car retail | Business of vehicle purchasing |
|------------------------------------------------|----------------------|-----------------------------------------------|-----------------------------------------------------------|---------------------------------|-----------------------------------------------|------------------------|--------------------------------|
| Seiji Hirota                                   | ●                    | ●                                             |                                                           | ●                               |                                               | ●                      | ●                              |
| Koji Hamawaki                                  | ●                    | ●                                             |                                                           |                                 | ●                                             | ●                      | ●                              |
| Masashi Nomura                                 | ●                    | ●                                             | ●                                                         |                                 | ●                                             |                        |                                |
| <u>Outside Independent</u><br>Tadamitsu Matsui | ●                    | ●                                             | ●                                                         | ●                               |                                               |                        |                                |
| <u>Outside Independent</u><br>Isao Endo        | ●                    | ●                                             | ●                                                         | ●                               |                                               |                        |                                |
| <u>Outside Independent</u><br>Junko Fukushima  | ●                    |                                               | ●                                                         |                                 | ●                                             |                        |                                |

**Audit & Supervisory Board Members**

| Name                                        | Corporate Management | Financial strategy/<br>accounting and finance | Human resources and labor/<br>Human resources development | Store development/<br>marketing | Legal affairs/<br>Compliance /risk management | Business of car retail | Business of vehicle purchasing |
|---------------------------------------------|----------------------|-----------------------------------------------|-----------------------------------------------------------|---------------------------------|-----------------------------------------------|------------------------|--------------------------------|
| Tetsuya Isogai                              |                      | ●                                             |                                                           | ●                               |                                               | ●                      | ●                              |
| <u>Outside Independent</u><br>Manabu Haruma |                      |                                               |                                                           |                                 | ●                                             |                        |                                |
| <u>Outside</u><br>Ikuo Murata               | ●                    | ●                                             |                                                           |                                 |                                               | ●                      | ●                              |

## **(Reference) Basic Policy on Corporate Governance**

To realize the management of philosophy of "Be loved by Customers", the Company recognizes that one of the most important management issues is maximizing corporate value and securing soundness through efficient and transparent management. The Company's basic policy on corporate governance is threefold: 1) maximize the interest of shareholders, 2) establish good relationships of trust with stakeholders, including customers, business partners, local communities, and employees, and 3) achieve continuous and stable growth.

To this end, we have put in place functions for stringent and legitimate audit and supervision of business execution and are striving to achieve design and operation of effective internal controls, practice management always mindful of compliance, and implement organizational operation that emphasizes appropriate collaboration with subsidiaries based on Group governance.

## **(Reference) The Role and Responsibility of Each Committee**

### **(1) Board of Directors and Audit & Supervisory Board**

The company's Board of Directors consists of 6 Board Directors, including 3 Outside Board Directors. The Board's purpose is to make decisions on matters to be resolved at Board of Directors stipulated by law and articles of incorporation and decisions on important the company's management matters. Furthermore, through reporting on matters discussed at the management meeting, the board supervise the execution business status and ensure the fairness and transparency of management.

Audit & Supervisory Board consists of 3 Audit & Supervisory board members, including 2 outside members. The Board's purpose is to audit We conduct audits and meet regularly with the Accounting Auditor and the Internal Audit office to exchange opinions appropriately.

### **(2) Nominating & Compensation Advisory Committee**

A nomination and compensation advisory committee have been established to enhance the corporate governance system by ensuring the transparency and objectivity of the evaluation and decision process related to the nomination and compensation of Directors. The members are elected among Board Directors, and a majority of the Committee members are Independent Outside Board Directors, thereby enhancing independence and objectivity.

The nominating committee reports to the Board of Directors after discussing on matters related to the policies and standards for the selection, dismissal of Directors, and the overall process. The compensation committee reports to the Board of Directors after discussing on matters related to the remuneration system of Directors, the policy for determining remuneration, and the overall process.

### **(3) Management Committee**

The committee consists of executive officer, general managers, and managers of each department. The purpose of the committee is to discuss and make decisions on the company's management policy, management strategy and business administration from an overall and medium- to- long term perspective.

### **(4) Risk Management Committee**

The committee extract and analyze the risk of obstruction inherent in management and sales activities of the Group and formulate appropriate risk countermeasures according to their importance. The department in charge of risk countermeasures confirms the progress of countermeasures and promotes initiatives systematically.

### **(5) Compliance Committee**

The committee considers and formulates basic policies and measures to ensure thorough compliance and discusses issues and problems in activities to strengthen the compliance system.

Members of each committee (as of November 30, 2022)

●: Chairperson ○: Member

| (Position)<br>Name                                                             | Board of<br>Directors | Audit &<br>Supervisory<br>Board | Nominating<br>committee | Compensation<br>committee | Management<br>committee | Risk<br>management<br>committee | Compliance<br>committee |
|--------------------------------------------------------------------------------|-----------------------|---------------------------------|-------------------------|---------------------------|-------------------------|---------------------------------|-------------------------|
| (Chairman and Representative Director)<br>Seiji Hirota                         | ○                     |                                 | ○                       | ○                         | ○                       | ○                               | ○                       |
| (President and Representative Director,<br>Executive Officer)<br>Koji Hamawaki | ●                     |                                 | ○                       | ○                         | ●                       | ●                               | ●                       |
| (Director and Executive Officer)<br>Masashi Nomura                             | ○                     |                                 |                         |                           | ○                       | ○                               | ○                       |
| (Outside Director)<br>Tadamitsu Matsui                                         | ○                     |                                 | ●                       | ●                         | Observer                | Observer                        | Observer                |
| (Outside Director)<br>Isao Endo                                                | ○                     |                                 | ○                       | ○                         | Observer                | Observer                        | Observer                |
| (Outside Director)<br>Junko Fukushima                                          | ○                     |                                 | ○                       | ○                         | Observer                | Observer                        | Observer                |
| (Audit & Supervisory Board member)<br>Tetsuya Isogai                           | ○                     | ●                               |                         |                           | ○                       | ○                               | ○                       |
| (Outside Audit & Supervisory Board<br>member)<br>Manabu Haruma                 | ○                     | ○                               |                         |                           | Observer                | Observer                        | Observer                |
| (Outside Audit & Supervisory Board<br>member)<br>Ikuo Murata                   | ○                     | ○                               |                         |                           | Observer                | Observer                        | Observer                |

End