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(Securities Code 3244)  
February 10, 2023

**To Shareholders with Voting Rights:**

Yasuhiro Ogawa  
Representative Director and President  
Samty Co., Ltd.  
1-8-39 Nishimiyahara, Yodogawa-ku,  
Osaka-shi, Osaka, Japan

**NOTICE OF THE 41st ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

You are cordially notified of the 41st Annual General Meeting of Shareholders of Samty Co., Ltd. (the "Company"). The meeting will be held for the purposes as described below.

**In order to prevent the new coronavirus infection, shareholders are requested to refrain from visiting the venue on the day of the general meeting wherever possible and exercise their voting rights in advance in writing or online as directed in the Procedures for Exercise of Voting Rights presented on the next page after perusing the Reference Documents for the General Meeting of Shareholders provided thereafter in this document.**

- 1. Date and Time:** Monday, February 27, 2023 at 10:00 a.m. Japan time
- 2. Place:** 2F Washington Hotel Plaza Shin Osaka "Les Lumieres"  
5-5-15 Nishinakajima, Yodogawa-ku, Osaka-shi, Osaka, Japan

**3. Meeting Agenda:**

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements for the Company's 41st Fiscal Year (December 1, 2021 - November 30, 2022)
  2. Results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements for the Company's 41st Fiscal Year

Please refer to Holding of the Resumed Meeting of the 41st Annual General Meeting of Shareholders on page 3 for the handling of the matters to be reported.

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendment to the Articles of Incorporation
- Proposal 3:** Election of 9 Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal 4:** Election of 4 Directors Who Are Audit & Supervisory Committee Members
- Proposal 5:** Determination of the Amount of Remuneration for Directors (excluding Directors Who Are Audit & Supervisory Committee Members)

- Proposal 6: Determination of the Amount of Remuneration for Directors Who Are Audit & Supervisory Committee Members**
- Proposal 7: Determination of the Amount of Remuneration for Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members) relating to the Restricted Stock Compensation Plan and the Share Price-linked Point-based Monetary Compensation Plan**

### **Procedures for Exercise of Voting Rights**

● **Attending the meeting (Please carefully consider your attendance.)**

When attending the meeting, **please submit** the enclosed Voting Rights Exercise Form **at the reception**. For the purpose of conserving resources, **please bring this Notice with you** to the meeting.

Date and time: Monday, February 27, 2023 at 10:00 a.m. Japan time (venue opens at 9:00 a.m.)

● **Not attending the meeting**

➤ **Exercise of voting rights by mail (in writing)**

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and **return it by mail. The completed form must reach us no later than the following voting deadline.**

Voting deadline: Friday, February 24, 2023 at 5:50 p.m. Japan time

➤ **Exercise of voting rights online**

Please access the designated voting rights exercise website and **indicate your vote for or against the proposals by no later than the following voting deadline.**

Voting deadline: Friday, February 24, 2023 at 5:50 p.m. Japan time

### **Treatment of Voting Rights That Are Exercised Multiple Times**

- (1) If you have exercised your voting rights both in writing and online, only the vote exercised online will be valid.
- (2) If you have exercised your voting rights more than once online, the last vote will be valid. The same applies to a case where you have exercised your voting rights more than once using a PC and a smartphone.

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- Should the Reference Documents for the General Meeting of Shareholders require revisions, they will be posted on the Company's website (<https://www.samty.co.jp/ir/stock/meeting.html>).

## **Holding of the Resumed Meeting of the 41st Annual General Meeting of Shareholders**

With regard to the matters to be reported as presented in the meeting agenda for the 41st Annual General Meeting of Shareholders, which will be held on February 27, 2023 (the “General Meeting”), namely, the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements for the Company’s 41st Fiscal Year (December 1, 2021 - November 30, 2022) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements for the Company’s 41st Fiscal Year (collectively, the “Report on Financial Results for the 41st Fiscal Year”), the Company was initially scheduled to report them to its shareholders at the General Meeting.

However, as stated in the Notice Regarding Postponement of Announcement of Financial Results for the Fiscal Year Ended November 30, 2022 and Establishment of the Special Investigation Committee, which was released as timely disclosure on January 16, 2023, a special investigation committee consisting of external lawyers and certified public accountants has been established, and the investigation is underway. As the investigation, which is still in progress, and audit procedures by the Accounting Auditor and other operations are expected to take a certain amount of time, accounting procedures related to the financial results have not been completed. As a result, the Company has come to the conclusion that it is impossible to present the Report on Financial Results for the 41st Fiscal Year at the General Meeting.

Accordingly, the Company plans to propose at the General Meeting that a resumed meeting of the General Meeting (the “Resumed Meeting”) be held separately to present the Report on Financial Results for the 41st Fiscal Year, and the date, time, and venue for the Resumed Meeting be left to the discretion of the Board of Directors (the “Proposal”).

Once the Proposal is approved at the General Meeting, the Company will send to its shareholders a notice of the Resumed Meeting with a document related to the Report on Financial Results for the 41st Fiscal Year attached to it and hold the Resumed Meeting.

Please note that the Resumed Meeting is part of the General Meeting, and the shareholders who may attend the Resumed Meeting are those entitled to exercise their voting rights at the General Meeting.

You have our sincere apologies for the inconvenience caused.

Note: If the Resumed Meeting is to be held, the Company will transition to a company with an Audit & Supervisory Committee at the adjournment of the General Meeting of Shareholders subject to the approval of Proposal 2: Partial Amendment to the Articles of Incorporation. The Audit & Supervisory Board may thus be Audit & Supervisory Committee in the Report on Financial Results for the 41st Fiscal Year depending on the date of the Audit Report.

# 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 a key management priority. The Company's basic policy for the dividend payout is to reflect its business performance while comprehensively taking into consideration aspects such as its future business plans and financial positions. In light of such factors as the further development and expansion of its business in the future, as well as the building of a stronger financial structure, and by increasing internal reserves for the future, the Company will make a return of profits that reflects actual business results.

With regard to the year-end dividend for the fiscal year ended November 30, 2022 in view of profit returns commensurate with the business performance during the fiscal year, the Company will pay the following dividend.

#### **Allotment of dividend property to the shareholders and the total amount thereof:**

51 yen per common share of the Company

(Reference)

The annual dividend for the current fiscal year, including the interim dividend, will be 90 yen per share

Total amount of dividend: 2,372,626,182 yen

#### **Date when dividends of surplus become effective:**

February 28, 2023

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

**1. Reasons for the amendment**

The Company will transition to a company with an Audit & Supervisory Committee in order to further improve management transparency and speed up decision-making by enhancing the supervisory function of the Board of Directors and strengthening corporate governance. Consequently, the Company will make necessary changes to its Articles of Incorporation, such as newly establishing provisions concerning the Audit & Supervisory Committee and Audit & Supervisory Committee Members, and deleting provisions concerning the Audit & Supervisory Board and Audit & Supervisory Board Members.

In addition, the Company issued book-entry transfer shares as stipulated in Article 128, Paragraph 1 of the Act on Book-Entry Transfer of Corporate Bonds and Shares (Act No. 75 of 2001) on the date of enforcement (September 1, 2022) of the Act on Arrangement of Relevant Acts Incidental to Enforcement of the Act for Partial Revision of the Companies Act (Act No. 71 of 2019, hereinafter referred to as the “Arrangement Act”). In accordance with the provisions of Article 10, Paragraph 2 of the Arrangement Act, it is deemed that a resolution has been made to amend the Articles of Incorporation by establishing a provision in the Articles of Incorporation to take electronic provision measures with the above date of enforcement as the date on which the amendment to the Articles of Incorporation will take effect. The Articles of Incorporation will be amended in order to reflect this in the current Articles of Incorporation and to prepare for the introduction of a system for the electronic provision of materials for a General Meeting of Shareholders.

- (1) The proposed Article 15, Paragraph 1 provides that information contained in the Reference Documents for the General Meeting of Shareholders, etc. shall be provided electronically.
- (2) The purpose of the proposed Article 15, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (3) The provisions related to the internet disclosure and deemed provision of the Reference Documents for the General Meeting of Shareholders, etc. (Article 15 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.

In accordance with the above amendment, the Company will make necessary changes such as renumbering articles.

The amendment to the Articles of Incorporation in this proposal shall come into effect at the adjournment of this General Meeting of Shareholders (at the conclusion of deliberation on February 27, 2023).

**2. Description of the amendment**

The description of the amendment is shown below.

(Amended parts are underlined.)

Current	Proposed amendment
(Organizational Bodies) Article 4. The Company shall have the following organizational bodies in addition to the General Meeting of Shareholders and Directors. (1) Board of Directors <u>(2) Audit &amp; Supervisory Board Members</u> <u>(3) Audit &amp; Supervisory Board</u> (4) Accounting Auditor	(Organizational Bodies) Article 4. The Company shall have the following organizational bodies in addition to the General Meeting of Shareholders and Directors. (1) Board of Directors <u>(2) Audit &amp; Supervisory Committee</u> (Deleted) (3) Accounting Auditor

Current	Proposed amendment
<p>(Shareholder Registry Administrator)  Article 10. The Company shall have a shareholder registry administrator.</p> <ol style="list-style-type: none"> <li>2. The shareholder registry administrator and handling office thereof shall be determined by resolution of the Board of Directors, and shall be announced by public notices.</li> <li>3. The preparation and storage of the shareholder registry and the registry of stock acquisition rights of the Company as well as the other administrative affairs pertaining to the shareholder registry and the registry of stock acquisition rights shall be delegated to the shareholder registry administrator, and such affairs shall not be handled by the Company.</li> </ol>	<p>(Shareholder Registry Administrator)  Article 10. (No change)</p> <ol style="list-style-type: none"> <li>2. The shareholder registry administrator and handling office thereof shall be determined by resolution of the Board of Directors <u>or by a Director chosen by the Board of Directors</u>, and shall be announced by public notices.</li> <li>3. (No change)</li> </ol>
<p>(Share Handling Regulations)  Article 11. The handling of the Company's shares and fees related thereto shall be determined in accordance with relevant laws and regulations, the Articles of Incorporation, and rules for the handling of shares, which shall be determined <u>by</u> the Board of Directors.</p>	<p>(Share Handling Regulations)  Article 11. The handling of the Company's shares and fees related thereto shall be determined in accordance with relevant laws and regulations, the Articles of Incorporation, and rules for the handling of shares, which shall be determined <u>by resolution of the Board of Directors or by a Director chosen by the Board of Directors</u>.</p>
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.)</u>  Article 15. <u>The Company may, when convening a General Meeting of Shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the General Meeting of Shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with relevant laws and regulations.</u></p>	<p>(Deleted)</p>

Current	Proposed amendment
<p>(Newly established)</p>	<p>(Measures for Electronic Provision, etc.)  <u>Article 15. The Company shall, when convening a General Meeting of Shareholders, provide information contained in the reference documents for the General Meeting of Shareholders, etc. electronically.</u>  <u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in relevant laws and regulations in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p>
<p>(Number of Directors)  Article 18. The Company shall have no more than <u>twelve (12)</u> Directors.    (Newly established)</p>	<p>(Number of Directors)  Article 18. The Company shall have no more than <u>nine (9) Directors (excluding Directors who are Audit &amp; Supervisory Committee Members (hereinafter referred to as "Audit &amp; Supervisory Committee Members)).</u>  <u>2. The Company shall have no more than four (4) Audit &amp; Supervisory Committee Members.</u></p>
<p>(Method of Election)  Article 19. Directors shall be elected at the General Meeting of Shareholders.  2. Resolutions for the election of Directors shall require that one-third or more of shareholders entitled to vote be present, and shall require a majority vote of those present to pass.  3. Cumulative voting shall not be used for the election of Directors.</p>	<p>(Method of Election)  Article 19. Directors shall be elected at the General Meeting of Shareholders, <u>distinguishing between Audit &amp; Supervisory Committee Members and other Directors.</u>  2. (No change)  3. (No change)</p>
<p>(Term of Office)  Article 20. The term of office of Directors shall expire at the conclusion of the Annual General Meeting of Shareholders held for the last business year that ends within <u>two (2)</u> years from the assumption of office.  <u>2. The term of office of a Director appointed to increase the number of Directors or as a substitute shall expire when the term of office of the incumbent Directors expires.</u></p>	<p>(Term of Office)  Article 20. The term of office of Directors shall expire at the conclusion of the Annual General Meeting of Shareholders held for the last business year that ends within <u>one (1)</u> year from the assumption of office.  (Deleted)</p>

Current	Proposed amendment
<p>(Newly established)</p> <p>(Newly established)</p>	<p><u>2. Notwithstanding the provisions of the preceding paragraph, the term of office of Audit &amp; Supervisory Committee Members shall expire at the conclusion of the Annual General Meeting of Shareholders held for the last business year that ends within two (2) years from the assumption of office.</u></p> <p><u>3. The term of office of an Audit &amp; Supervisory Committee Member appointed as a substitute shall be until the expiration of the term of office of the retired Audit &amp; Supervisory Committee Member.</u></p>
<p>(Representative Directors and Directors with Special Titles)</p> <p>Article 21. The Board of Directors shall, by its resolution, appoint Representative Directors.</p> <p>2. The Board of Directors may, by its resolution, appoint one (1) Director and Chairman, one (1) Director and President, and one (1) or more Directors and Vice Chairmen, Directors and Vice Presidents, Executive Managing Directors, and Managing Directors.</p>	<p>(Representative Directors and Directors with Special Titles)</p> <p>Article 21. The Board of Directors shall, by its resolution, appoint Representative Directors <u>from among the Directors who are not Audit &amp; Supervisory Committee Members.</u></p> <p>2. The Board of Directors may, by its resolution, appoint one (1) Director and Chairman, one (1) Director and President, and one (1) or more Directors and Vice Chairmen, Directors and Vice Presidents, Executive Managing Directors, and Managing Directors <u>from among the Directors who are not Audit &amp; Supervisory Committee Members.</u></p>
<p>(Convocation Notice for Board of Directors Meetings)</p> <p>Article 23. The notice of convocation for Board of Directors meetings shall be delivered to each Director <u>and Audit &amp; Supervisory Board Member</u> at least three (3) days in advance. However, the said period of advance notice may be shortened in the case of an emergency.</p>	<p>(Convocation Notice for Board of Directors Meetings)</p> <p>Article 23. The notice of convocation for Board of Directors meetings shall be delivered to each Director at least three (3) days in advance. However, the said period of advance notice may be shortened in the case of an emergency.</p>
<p>(Newly established)</p>	<p><u>(Delegation of Business Execution Decisions to Directors)</u></p> <p><u>Article 26. In accordance with the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company may, by resolution of the Board of Directors, delegate all or part of decisions regarding important business execution (excluding matters listed in each item of Paragraph 5 of the same Article) to Directors.</u></p>



Current	Proposed amendment
<p>(Remuneration, etc.)  Article <u>26</u>. Directors' remuneration, bonuses and other financial benefits received from the Company as consideration for the execution of duties (hereinafter referred to as "Remuneration, etc.") shall be determined by resolution of the General Meeting of Shareholders.</p>	<p>(Remuneration, etc.)  Article <u>27</u>. Directors' remuneration, bonuses and other financial benefits received from the Company as consideration for the execution of duties (hereinafter referred to as "Remuneration, etc.") shall be determined by resolution of the General Meeting of Shareholders, <u>distinguishing between Audit &amp; Supervisory Committee Members and other Directors.</u></p>
<p>Article <u>27</u>. (Omitted)</p>	<p>Article <u>28</u>. (No change)</p>
<p>Chapter 5 <u>Audit &amp; Supervisory Board Members and the Audit &amp; Supervisory Board</u></p>	<p>Chapter 5 <u>Audit &amp; Supervisory Committee</u></p>
<p><u>(Number of Audit &amp; Supervisory Board Members)</u></p>	
<p>Article <u>28</u>. <u>The Company shall have no more than four (4) Audit &amp; Supervisory Board Members.</u></p>	<p>(Deleted)</p>
<p><u>(Method of Election)</u></p>	
<p>Article <u>29</u>. <u>Audit &amp; Supervisory Board Members shall be elected at the General Meeting of Shareholders.</u>  <u>2. Resolutions for the election of Audit &amp; Supervisory Board Members shall require that one-third or more of shareholders entitled to vote be present, and shall require a majority vote of those present to pass.</u></p>	<p>(Deleted)</p>
<p><u>(Term of Office)</u></p>	
<p>Article <u>30</u>. <u>The term of office of Audit &amp; Supervisory Board Members shall expire at the conclusion of the Annual General Meeting of Shareholders held for the last business year that ends within four (4) years from the assumption of office.</u>  <u>2. The term of office of an Audit &amp; Supervisory Board Member appointed as a substitute for an Audit &amp; Supervisory Board Member who has retired before the expiration of the term of office shall be until the expiration of the term of office of the retired Audit &amp; Supervisory Board Member.</u></p>	<p>(Deleted)</p>

Current	Proposed amendment
<p>(Full-Time <u>Audit &amp; Supervisory Board Members</u>)  Article 31. The <u>Audit &amp; Supervisory Board</u>, by its resolution, elects full-time <u>Audit &amp; Supervisory Board Members</u>.</p>	<p>(Full-Time <u>Audit &amp; Supervisory Committee Members</u>)  Article 29. The <u>Audit &amp; Supervisory Committee</u> may, by its resolution, elect full-time <u>Audit &amp; Supervisory Committee Members</u>.</p>
<p>(Convocation Notice for <u>Audit &amp; Supervisory Board Meetings</u>)  Article 32. The notice of convocation for <u>Audit &amp; Supervisory Board meetings</u> shall be delivered to each <u>Audit &amp; Supervisory Board Member</u> at least one (1) week in advance. However, the said period of advance notice may be shortened in the case of an emergency.</p>	<p>(Convocation Notice for <u>Audit &amp; Supervisory Committee Meetings</u>)  Article 30. The notice of convocation for <u>Audit &amp; Supervisory Committee meetings</u> shall be delivered to each <u>Audit &amp; Supervisory Committee Member</u> at least one (1) week in advance. However, the said period of advance notice may be shortened in the case of an emergency.</p>
<p>(Regulations of the <u>Audit &amp; Supervisory Board</u>)  Article 33. Matters concerning the <u>Audit &amp; Supervisory Board</u> shall be governed by “Regulations of the <u>Audit &amp; Supervisory Board</u>” established by the <u>Audit &amp; Supervisory Board</u>, as well as laws, regulations, or the Articles of Incorporation.</p>	<p>(Regulations of the <u>Audit &amp; Supervisory Committee</u>)  Article 31. Matters concerning the <u>Audit &amp; Supervisory Committee</u> shall be governed by “Regulations of the <u>Audit &amp; Supervisory Committee</u>” established by the <u>Audit &amp; Supervisory Committee</u>, as well as laws, regulations, or the Articles of Incorporation.</p>
<p>(Remuneration, etc.)  Article 34. <u>Audit &amp; Supervisory Board Members’ remuneration shall be determined by resolution of the General Meeting of Shareholders.</u></p>	<p>(Deleted)</p>
<p>(Limited Liability Agreements with <u>Audit &amp; Supervisory Board Members</u>)  Article 35. <u>In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with Audit &amp; Supervisory Board Members which limits the liability for damages caused by a breach of such Audit &amp; Supervisory Board Members’ duties. However, the maximum amount to which such liability may be limited shall be the amount as prescribed by relevant laws and regulations.</u></p>	<p>(Deleted)</p>

Current	Proposed amendment
<p>Articles <u>36</u> to <u>37</u>. (Omitted)</p> <p>(Remuneration, etc.)  Article <u>38</u>. Remuneration for Accounting Auditor shall be determined by Representative Directors with the approval of the <u>Audit &amp; Supervisory Board</u>.</p> <p>Article <u>39</u> to <u>41</u>. (Omitted)</p> <p>(Exclusion Period of Dividends)  Article <u>42</u>. <u>If dividends are cash payment</u>, the Company shall be relieved from the obligation to pay dividends in the case where the payment thereof remains unclaimed for three (3) full years after the date of commencement of payment. No interest shall be paid on unpaid dividends.</p> <p>(Newly established)</p>	<p>Articles <u>32</u> to <u>33</u>. (No change)</p> <p>(Remuneration, etc.)  Article <u>34</u>. Remuneration for Accounting Auditor shall be determined by Representative Directors with the approval of the <u>Audit &amp; Supervisory Committee</u>.</p> <p>Article <u>35</u> to <u>37</u>. (No change)</p> <p>(Exclusion Period of Dividends)  Article <u>38</u>. The Company shall be relieved from the obligation to pay <u>Dividends</u> in the case where the payment thereof remains unclaimed for three (3) full years after the date of commencement of payment. No interest shall be paid on unpaid Dividends.</p> <p>(Supplementary Provisions)</p> <p>(<u>Transitional Measures Regarding Limited Liability Agreements with Audit &amp; Supervisory Board Members</u>)  <u>For the agreement limiting the liability for damages under Article 423, Paragraph 1 of the Companies Act regarding the actions of Audit &amp; Supervisory Board Members (including former Audit &amp; Supervisory Board Members) prior to the conclusion of the 41st Annual General Meeting of Shareholders, the provisions of Article 35 of the Articles of Incorporation prior to the changes made by resolution at the said General Meeting of Shareholders shall still apply.</u></p>

**Proposal 3:** Election of 9 Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

On the condition that Proposal 2: Partial Amendment to the Articles of Incorporation is approved, the Company will transition to a company with an Audit & Supervisory Committee, and the terms of office of all 12 Directors will expire when the amendment to the Articles of Incorporation comes into effect (at the adjournment of this General Meeting of Shareholders (at the conclusion of deliberation on February 27, 2023)). Accordingly, the Company would like to request the election of 9 Directors (excluding Directors who are Audit & Supervisory Committee Members).

This proposal shall take effect when Proposal 2: Partial Amendment to the Articles of Incorporation comes into effect (at the adjournment of this General Meeting of Shareholders (at the conclusion of deliberation on February 27, 2023)).

The candidates are as follows:

No.	Name	Current positions and responsibilities at the Company	Attendance at Board of Directors meetings
1	Yasuhiro Ogawa [Reappointment]	Representative Director and President	100% (19/19)
2	Hiroaki Matsui [Reappointment]	Managing Director; In charge of Business Administration Division	100% (19/19)
3	Naohiro Morita [Reappointment]	Managing Director; In charge of Architectural Design Department	100% (19/19)
4	Takaharu Terauchi [Reappointment]	Managing Director; In charge of Tokyo Branch Office, Sapporo Branch Office and Fukuoka Branch Office; In charge of Group Sales Promotion Department	100% (19/19)
5	Jiro Okawa [Reappointment]	Director; In charge of Osaka Sales Department, Nagoya Branch Office and Hiroshima Branch Office	100% (19/19)
6	Junko Kawai [Reappointment] [Outside] [Independent]	Director	100% (14/14)*
7	Toshihiro Sawa [New appointment] [Outside] [Independent]	Audit & Supervisory Board Member	100% (19/19)
8	Masatsugu Oishi [New appointment] [Outside]	Audit & Supervisory Board Member	100% (14/14)*
9	Toyo Abe [New appointment] [Outside]		-

[Outside]: Candidate for an Outside Director, [Independent]: Independent Director

\*Based on the number of Board of Directors meetings held in the current fiscal year after the assumption of office of Director or Audit & Supervisory Board Member on February 24, 2022.

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
1	Yasuhiro Ogawa (April 27, 1967)  [Reappointment]  Attendance at Board of Directors meetings 100% (19/19)	April 1993	Joined The Tokai Bank, Ltd. (currently MUFG Bank, Ltd.)	219,350
		April 2001	Joined the Company	
		January 2005	General Manager, Corporate Planning Office	
		February 2007	Director	
		February 2012	Managing Director	
		December 2014	In charge of Corporate Planning Department and Branch Office Management Division; General Manager, Branch Office Management Division	
		February 2019	Representative Director and President (to present)	
	[Reason for nomination as candidate for Director] Having worked for a city bank and long served as head of the corporate planning division, and also engaged in the wide-ranging businesses of the overall administration division and the sales and marketing division at the Company, Mr. Yasuhiro Ogawa has extensive experience and expertise in the overall real estate business. He assumed the positions of Director of the Company in February 2007 and Managing Director in February 2012, and has properly fulfilled his duties as Representative Director and President since February 2019. The Company nominated him as a candidate for Director because we believe that he is capable of continuing to contribute to the management of the Company by leveraging his extensive experience and track record.			
2	Hiroaki Matsui (January 13, 1960)  [Reappointment]  Attendance at Board of Directors meetings 100% (19/19)	April 1982	Joined Fukutoku Sogo Bank, Limited	79,500
		November 1999	Joined Sanyo Electric Credit Co., Ltd.	
		April 2007	Executive Officer; Deputy General Manager, Finance Business Division of Sanyo Electric Credit Co., Ltd.	
		March 2009	Joined the Company; General Manager, Finance Department	
		February 2010	Director	
		August 2014	In charge of Business Administration Division; General Manager, Business Administration Division and Finance Department	
		February 2019	Managing Director (to present) In charge of Business Administration Division (to present)	
	[Reason for nomination as candidate for Director] Having worked for financial institutions and long served as head of the finance division, and also engaged in businesses of the overall administration division at the Company, Mr. Hiroaki Matsui has extensive experience and expertise in the overall real estate business. He assumed the position of Director of the Company in February 2010, and has properly fulfilled his duties as Managing Director since February 2019. The Company nominated him as a candidate for Director because we believe that he is capable of continuing to contribute to the management of the Company by leveraging his extensive experience and track record.			
3	Naohiro Morita (April 1, 1959)  [Reappointment]  Attendance at Board of Directors meetings 100% (19/19)	April 1982	Joined Morita Kensetsu Co., Ltd.	52,954
		April 2004	Joined the Company	
		December 2010	General Manager, Tokyo Branch Office	
		April 2016	Executive Officer	
		April 2017	Deputy General Manager, Branch Office Management Division; General Manager, Tokyo Branch Office	
		February 2018	Director	
		February 2019	Managing Director (to present) In charge of Branch Office Management Division and Architectural Design Department; General Manager, Branch Office Management Division	
		December 2020	In charge of Sapporo Branch Office, Nagoya Branch Office, Fukuoka Branch Office, and Architectural Design Department Representative Director and President of SAMTY VIETNAM CO., LTD. Representative Director of S-VIN VIETNAM REAL ESTATE TRADING JOINT STOCK COMPANY	
		July 2021	In charge of Architectural Design Department (to present)	
	[Reason for nomination as candidate for Director] Having worked for a construction company and engaged in the real estate development division, as well as businesses of the overall sales and marketing division serving as head of a branch office at the Company, Mr. Naohiro Morita has extensive experience and expertise in the overall real estate business. He assumed the positions of Executive Officer of the Company in April 2016 and Director in February 2018, and has properly fulfilled his duties as Managing Director since February 2019. The Company nominated him as a candidate for Director because we believe that he is capable of continuing to contribute to the management of the Company by leveraging his extensive experience and track record.			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	Takaharu Terauchi (December 4, 1962)  [Reappointment]  Attendance at Board of Directors meetings 100% (19/19)	April 1986      Joined Daikyo Kanko Incorporated (currently DAIKYO INCORPORATED) March 2001      Joined ES-CON JAPAN Ltd. March 2007      Executive Officer of ES-CON JAPAN Ltd. March 2008      Director, ES-CON JAPAN Ltd. April 2013      Joined the Company; Deputy General Manager, Tokyo Branch Office April 2017      General Manager, Fukuoka Branch Office, Branch Office Management Division February 2019    Executive Officer Vice President of Samty Asset Management Co., Ltd. October 2019    General Manager, Group Sales Promotion Department of the Company February 2020    Director (to present) Representative Director and President of SAMTY Hotel Management Co., Ltd. (to present) December 2020   In charge of Tokyo Branch Office; General Manager, Group Sales Promotion Department of the Company June 2021      Outside Director of Wealth Management, Inc. (to present) July 2021      In charge of Tokyo Branch Office, Sapporo Branch Office and Fukuoka Branch Office (to present) February 2022    Managing Director (to present) April 2022      In charge of Group Sales Promotion Department (to present) [Significant concurrent positions] Representative Director and President of SAMTY Hotel Management Co., Ltd. Outside Director of Wealth Management, Inc.	23,100
[Reason for nomination as candidate for Director] Having worked for a real estate company and engaged in businesses of the overall sales and marketing division serving as head of a branch office, head of the group sales promotion division, and representative director of a subsidiary, Mr. Takaharu Terauchi has extensive experience and expertise in the overall real estate business and hotel management in general. He assumed the positions of Executive Officer of the Company in February 2019, Director in February 2020 and Managing Director in February 2022, and has since properly fulfilled his duties. The Company nominated him as a candidate for Director because we believe that he is capable of continuing to contribute to the management of the Company by leveraging his extensive experience and track record.			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	<p>Jiro Okawa (July 10,1959)</p> <p>[Reappointment]</p> <p>Attendance at Board of Directors meetings 100% (19/19)</p>	<p>April 1983      Joined Toyo Real Estate Co., Ltd.</p> <p>July 2001      Joined Kennedy-Wilson Japan Co., Ltd. (currently Kenedix, Inc.)</p> <p>January 2004    Seconded to KW Pension Fund Advisors, Inc. (currently Kenedix Real Estate Fund Management, Inc.)</p> <p>October 2008    Director of KW Pension Fund Advisors, Inc.</p> <p>August 2014    Joined the Company; General Manager, Real Estate Business Department</p> <p>April 2016      Executive Officer</p> <p>February 2018   General Manager, Real Estate Division Director of Hikone SC Ltd. (to present)</p> <p>February 2019   Director of the Company (to present) In charge of Osaka Head Office Sales Department; General Manager, Osaka Head Office Sales Department and Osaka Real Estate Business Department</p> <p>December 2020   In charge of Osaka Head Office and Hiroshima Branch Office; General Manager, Osaka Head Office and Osaka Real Estate Business Department</p> <p>July 2021       In charge of Osaka Head Office, Nagoya Branch Office and Hiroshima Branch Office</p> <p>January 2022    In charge of Osaka Sales Department, Nagoya Branch Office and Hiroshima Branch Office (to present)</p> <p>[Significant concurrent position] Director of Hikone SC Ltd.</p>	22,000
<p>[Reason for nomination as candidate for Director]</p> <p>Having worked for a real estate company and engaged in businesses of overall real estate transactions and development as head of the real estate division at the Company, Mr. Jiro Okawa has extensive experience and expertise in the overall real estate business. He assumed the positions of Executive Officer of the Company in April 2016 and Director in February 2019, and has since properly fulfilled his duties. The Company nominated him as a candidate for Director because we believe that he is capable of continuing to contribute to the management of the Company by leveraging his extensive experience and track record.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
6	<p>Junko Kawai (December 10, 1974)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>Attendance at Board of Directors meetings 100% (14/14)</p> <p>[Period of service as Outside Director] 1 year (at the adjournment of this Annual General Meeting of Shareholders)</p>	<p>October 2004 Registered as an attorney (Japan Federal of Bar Associations, Osaka Bar Association) Joined Umegae-Chuo Legal Profession Corporation</p> <p>March 2008 Partner, Umegae-Chuo Legal Profession Corporation (to present)</p> <p>September 2010 Visiting Attorney, Masuda, Funai, Eifert &amp; Mitchell Ltd. (Chicago)</p> <p>July 2011 Registered as an attorney in the State of New York</p> <p>January 2012 Visiting Attorney, Junhe Law Office (Beijing)</p> <p>January 2015 External Audit &amp; Supervisory Board Member of Kamakura Shinsho, Ltd.</p> <p>April 2016 External Director of Kamakura Shinsho, Ltd. (Audit &amp; Supervisory Committee Member) (to present)</p> <p>March 2018 Outside Audit &amp; Supervisory Board Member of Blue Line Partners Co. Ltd. (to present)</p> <p>June 2019 Outside Director of cocokara fine Inc. (currently MatsukiyoCocokara &amp; Co.) (to present)</p> <p>February 2022 Director of the Company (to present)</p> <p>[Significant concurrent positions] External Director of Kamakura Shinsho, Ltd. (Audit &amp; Supervisory Committee Member) Outside Director of MatsukiyoCocokara &amp; Co.</p>	0
<p>[Reason for nomination as candidate for Outside Director and roles expected] Ms. Junko Kawai has extensive experience and expertise obtained from many years of professional career as attorney and knowledge in a wide range of areas including corporate law. She assumed the position of Outside Director of the Company in February 2022, and has since properly fulfilled her duties from an independent and neutral perspective. The Company nominated her as a candidate for Outside Director because we believe that she is capable of continuing to contribute to strengthening the management and corporate governance of the Company by leveraging her extensive experience and track record. Although she has never been directly involved in managing a company in a manner other than serving as outside officer, the Company considers that she is able to properly fulfill her duties as Outside Director from an objective perspective, based on her wide range of experience in her area of expertise.</p>			
7	<p>Toshihiro Sawa (November 25, 1953)</p> <p>[New appointment] [Outside] [Independent]</p> <p>Attendance at Board of Directors meetings 100% (19/19)</p> <p>[Period of service as Outside Audit &amp; Supervisory Board Member] 4 years (at the adjournment of this Annual General Meeting of Shareholders)</p>	<p>April 1976 Joined The Sanwa Bank, Ltd. (currently MUFG Bank, Ltd.)</p> <p>January 1996 General Manager, Fussa Branch, The Sanwa Bank, Ltd.</p> <p>April 2000 General Manager, Sannomiya Branch, The Sanwa Bank, Ltd.</p> <p>November 2003 Representative Director, UFJ Business Service Osaka Co., Ltd.</p> <p>April 2007 Joined SAGA W A PRINTING CO., LTD.; General Manager, Human Resources and Corporate Management Division</p> <p>April 2014 Director, SAGA W A PRINTING CO., LTD.</p> <p>April 2017 Advisor, SAGA W A PRINTING CO., LTD. (to present)</p> <p>February 2019 Audit &amp; Supervisory Board Member of the Company (to present)</p>	900
<p>[Reason for nomination as candidate for Outside Director and roles expected] Mr. Toshihiro Sawa has many years of experience in financial institutions, and experience in management serving as representative director and director at different companies. He assumed the position of Outside Audit &amp; Supervisory Board Member of the Company in February 2019 and has since properly fulfilled his duties from an independent and neutral perspective. The Company nominated him as a candidate for Outside Director because we believe that he is capable of continuing to contribute to strengthening the management and corporate governance of the Company by leveraging his extensive experience and track record.</p>			



No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
8	<p>Masatsugu Oishi (October 26, 1979)</p> <p>[New appointment] [Outside]</p> <p>Attendance at Board of Directors meetings 100% (14/14)</p> <p>[Period of service as Audit &amp; Supervisory Board Member] 1 year (at the adjournment of this Annual General Meeting of Shareholders)</p>	<p>April 2003      Joined Daiwa Securities SMBC Co. Ltd. (currently Daiwa Securities Co. Ltd.)</p> <p>July 2003      Structured Finance Department of Daiwa Securities SMBC Co. Ltd.</p> <p>April 2010      Corporate Planning Department of Daiwa Securities Group Inc.</p> <p>April 2014      Real Estate &amp; REIT Sector Department of Daiwa Securities Co. Ltd.</p> <p>April 2018      Assigned to Corporate Planning Department of Daiwa Securities Co. Ltd.; seconded to Daiwa Real Estate Asset Management Co. Ltd.</p> <p>April 2021      Head of Group Management Section and Executive Director, Corporate Planning Department of Daiwa Securities Group Inc. and Head of Group Management Section and Executive Director, Corporate Planning Department of Daiwa Securities Co. Ltd. (to present)</p> <p>April 2021      Director of Daiwa Securities Realty Co. Ltd. (to present)</p> <p>April 2021      Director of Daiwa Food &amp; Agriculture Co. Ltd.</p> <p>May 2021      Director of Daiwa ACA Health Care Inc. (to present)</p> <p>May 2021      Outside Director of Samty Asset Management Co., Ltd.</p> <p>June 2021      Auditor of Daiwa Institute of Research Ltd. (to present)</p> <p>February 2022      Audit &amp; Supervisory Board Member of the Company</p> <p>[Significant concurrent position]</p> <p>Head of Group Management Section and Executive Director, Corporate Planning Department of Daiwa Securities Group Inc.; Head of Group Management Section and Executive Director, Corporate Planning Department of Daiwa Securities Co. Ltd.</p> <p>Director of Daiwa Securities Realty Co. Ltd.</p> <p>Director of Daiwa ACA Health Care Inc.</p> <p>Auditor of Daiwa Institute of Research Ltd.</p>	0
<p>[Reason for nomination as candidate for Outside Director and roles expected]</p> <p>Mr. Masatsugu Oishi has extensive experience and expertise in financial instruments transactions, having served as executive director of the corporate planning division at a securities company, as well as experience in management at other companies. He assumed the position of Audit &amp; Supervisory Board Member of the Company in February 2022 and has since properly fulfilled his duties. The Company nominated him as a candidate for Outside Director because we believe that he is capable of continuing to contribute to strengthening the management and corporate governance of the Company by leveraging his extensive experience and track record.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
9	Toyo Abe (November 27, 1971)  [New appointment] [Outside]	<p>April 1994      Joined Daiwa Securities Co. Ltd. (currently Daiwa Securities Group Inc.)</p> <p>April 2019      Managing Director, Public Institutions Banking Department of Daiwa Securities Co. Ltd.</p> <p>April 2021      Managing Director, Corporate Planning Department of Daiwa Securities Group Inc.; Managing Director, Corporate Planning Department of Daiwa Securities Co. Ltd.</p> <p>April 2021      Senior Managing Director of Daiwa Corporate Investment Co., Ltd. (to present)</p> <p>April 2021      Senior Managing Director of Daiwa PI Partners Co. Ltd.</p> <p>April 2021      Senior Managing Director of Daiwa Fund Consulting Co. Ltd.</p> <p>April 2021      Audit &amp; Supervisory Board Member of Global X Japan Co. Ltd.</p> <p>June 2021      Outside Director of Money Partners Group Co., Ltd. (to present)</p> <p>April 2022      Senior Managing Director and Managing Director, Corporate Planning Department of Daiwa Securities Group Inc. and Senior Managing Director and Managing Director, Corporate Planning Department of Daiwa Securities Co. Ltd. (to present)</p> <p>May 2022      Board Director of DG Daiwa Ventures Inc.</p> <p>September 2022      Representative Director of DG Daiwa Ventures Inc. (to present)</p> <p>[Significant concurrent position] Senior Managing Director and Managing Director, Corporate Planning Department of Daiwa Securities Group Inc.; Senior Managing Director and Managing Director, Corporate Planning Department of Daiwa Securities Co. Ltd. Senior Managing Director of Daiwa Corporate Investment Co., Ltd. Outside Director of Money Partners Group Co., Ltd. Representative Director of DG Daiwa Ventures Inc.</p>	0
<p>[Reason for nomination as candidate for Outside Director and roles expected] Mr. Toyo Abe has extensive experience and expertise in financial instruments transactions, having served as senior managing director and managing director of the corporate planning division at a securities company, as well as experience in management at other companies. The Company nominated him as a candidate for Outside Director because we believe that he is capable of continuing to contribute to strengthening the management and corporate governance of the Company by leveraging his extensive experience and track record.</p>			

(Notes)

1. There are no special interests between the candidates for Director and the Company. Mr. Toyo Abe is an executive officer of Daiwa Securities Group Inc., which is a major shareholder of the Company and an “other affiliated company,” and Mr. Masatsugu Oishi is an employee of the said company. The Company has entered into a capital and business alliance agreement with Daiwa Securities Group Inc.
2. Ms. Junko Kawai, Mr. Toshihiro Sawa, Mr. Masatsugu Oishi, and Mr. Toyo Abe are candidates for Outside Directors.
3. Ms. Junko Kawai and Mr. Toshihiro Sawa meet the independence standards for outside officers of the Company (described on page 23), and the Company has submitted a notification of their appointment as Independent Directors to the Tokyo Stock Exchange. Upon the approval of their election, the Company intends to reappoint them as Independent Directors.
4. The Company has entered into agreements with Ms. Junko Kawai in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act to limit her liability for damages pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreements is the amount stipulated by laws and regulations. Upon the approval of her reelection, the Company intends to renew the said agreements. In addition, the Company intends to enter into a similar agreement with Messrs. Toshihiro Sawa, Masatsugu Oishi, and Toyo Abe.
5. 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 to cover damages and litigation expenses incurred due to claims for damages arising from acts (including omissions) committed by the insured in their capacity as such. Each candidate for Director will be included in the insured under the contract.

**Proposal 4:** Election of 4 Directors Who Are Audit & Supervisory Committee Members

The Company will transition to a company with an Audit & Supervisory Committee on the condition that Proposal 2: Partial Amendment to the Articles of Incorporation is approved. The Company would like to request the election of 4 Directors who are Audit & Supervisory Committee Members.

This proposal was approved by the Audit & Supervisory Board in advance.

This proposal shall take effect when Proposal 2: Partial Amendment to the Articles of Incorporation comes into effect (at the adjournment of this General Meeting of Shareholders (at the conclusion of deliberation on February 27, 2023)).

The candidates are as follows:

No.	Name	Current positions and responsibilities at the Company	Attendance at Board of Directors meetings
1	Mitsusuke Koi [New appointment] [Outside] [Independent]	Full-time Audit & Supervisory Board Member	100% (19/19)
2	Shoichi Sanpei [New appointment] [Outside] [Independent]	Director	100% (19/19)
3	Tetsuo Kodera [New appointment] [Outside] [Independent]	Director	89% (17/19)
4	Naotaka Murata [New appointment] [Outside] [Independent]	Director	94% (18/19)

[Outside]: Candidate for an Outside Director, [Independent]: Independent Director

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
1	Mitsusuke Koi (September 6, 1950)  [New appointment] [Outside] [Independent]  Attendance at Board of Directors meetings 100% (19/19)  [Period of service as Outside Audit & Supervisory Board Member] 11 years (at the adjournment of this Annual General Meeting of Shareholders)	April 1974  December 2002  June 2003  June 2004  June 2005  February 2012  February 2014	Joined Kinki Sogo Bank, Ltd. (currently Kansai Mirai Bank, Limited)  General Manager, Internal Audit Department of The Kinki Osaka Bank, Ltd. (currently Kansai Mirai Bank, Limited)  Executive Officer; in charge of Internal Audit Department of The Kinki Osaka Bank, Ltd.  Full-time Corporate Auditor of The Kinki Osaka Bank, Ltd.  Managing Director of Resona Card Co., Ltd.  Audit & Supervisory Board Member of the Company  Full-time Audit & Supervisory Board Member of the Company (to present)	2,800
[Reason for nomination as candidate for Outside Director who is an Audit & Supervisory Committee Member and roles expected] Mr. Mitsusuke Koi has extensive experience and expertise obtained from working as head of the internal audit division and corporate auditor at a financial institution, as well as experience in management as managing director at a company. He assumed the position of Outside Audit & Supervisory Board Member of the Company in February 2012 and has properly fulfilled his duties as Full-time Audit & Supervisory Board Member from an independent and neutral perspective since February 2014. The Company nominated him as a candidate for Outside Director who is an Audit & Supervisory Committee Member because we believe that he is capable of continuing to contribute to strengthening the audit system of the Company by leveraging his extensive experience and track record.				
2	Shoichi Sanpei (February 15, 1970)  [New appointment] [Outside] [Independent]  Attendance at Board of Directors meetings 100% (19/19)  [Period of service as Outside Director] 8 years (at the adjournment of this Annual General Meeting of Shareholders)	April 1992  October 1996  January 2002  October 2003  June 2005  July 2005  July 2007  July 2009  February 2015	Joined Mitsubishi Electric Micro-Computer Application Software Co., Ltd.  Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)  Joined Kobayashi Office, Co., Ltd.  Established Sanpei Certified Public Accountant Office; President (to present)  External Corporate Auditor of SUN CAPITAL MANAGEMENT CORP.  Joined SYVEC Co., Ltd.  Representative Director of SYVEC Co., Ltd.  Established Akebono Audit Corporation; Representative Partner (to present)  Director of the Company (to present)  [Significant concurrent position] Representative Partner of Akebono Audit Corporation	1,500
[Reason for nomination as candidate for Outside Director who is an Audit & Supervisory Committee Member and roles expected] Mr. Shoichi Sanpei has extensive experience and expert knowledge about finance and accounting obtained from long years of working as certified public accountant, as well as experience in management at other companies. He assumed the position of Outside Director of the Company in February 2015 and has since properly fulfilled his duties from an independent and neutral perspective. The Company nominated him as a candidate for Outside Director who is an Audit & Supervisory Committee Member because we believe that he is capable of continuing to contribute to strengthening the audit system of the Company by leveraging his extensive experience and track record.				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	<p>Tetsuo Koderu (March 21, 1953)</p> <p>[New appointment] [Outside] [Independent]</p> <p>Attendance at Board of Directors meetings 89% (17/19)</p> <p>[Period of service as Outside Audit &amp; Supervisory Board Member] 3 years</p> <p>[Period of service as Outside Director] 4 years (at the adjournment of this Annual General Meeting of Shareholders)</p>	<p>April 1984 Public Prosecutor of Kobe District Public Prosecutors Office July 2011 Chief Prosecutor of Nagasaki District Public Prosecutors Office July 2013 Chief Prosecutor of Sapporo District Public Prosecutors Office September 2015 Registered as attorney (Osaka Bar Association) (to present) February 2016 Audit &amp; Supervisory Board Member of the Company June 2018 External Director (Audit and Supervisory Committee Member) of OKUMURA CORPORATION (to present) February 2019 Director of the Company (to present) [Significant concurrent position] External Director (Audit and Supervisory Committee Member) of OKUMURA CORPORATION</p>	2,950
<p>[Reason for nomination as candidate for Outside Director who is an Audit &amp; Supervisory Committee Member and roles expected]</p> <p>Mr. Tetsuo Koderu has extensive experience and expertise obtained from long years of working as public prosecutor and attorney. He assumed the positions of Outside Audit &amp; Supervisory Board Member of the Company in February 2016 and Outside Director in February 2019, and has since properly fulfilled his duties from an independent and neutral perspective. The Company nominated him as a candidate for Outside Director who is an Audit &amp; Supervisory Committee Member because we believe that he is capable of continuing to contribute to strengthening the audit system of the Company by leveraging his extensive experience and track record. Although he has never been directly involved in managing a company in a manner other than serving as outside officer, the Company considers that he is able to properly fulfill his duties as Outside Director who is an Audit &amp; Supervisory Committee Member from an objective perspective, based on his wide range of experience in his area of expertise.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	Naotaka Murata (May 2, 1970)  [New appointment] [Outside] [Independent]  Attendance at Board of Directors meetings 94% (18/19)  [Period of service as Outside Director] 2 years (at the adjournment of this Annual General Meeting of Shareholders)	October 1992    Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC) August 2002    Established Murata Certified Public Accountant Office; President (to present) August 2005    Joined Takumi & Co. (currently Daichi & Co.); Representative Partner (to present) February 2021    Director of the Company (to present) [Significant concurrent position] Representative Partner of Daichi & Co.	0
[Reason for nomination as candidate for Outside Director who is an Audit & Supervisory Committee Member and roles expected] Mr. Naotaka Murata has extensive experience and expert knowledge about finance and accounting obtained from long years of working as certified public accountant. He assumed the position of Outside Director of the Company in February 2021, and has since properly fulfilled his duties from an independent and neutral perspective. The Company nominated him as a candidate for Outside Director who is an Audit & Supervisory Committee Member because we believe that he is capable of continuing to contribute to strengthening the audit system of the Company by leveraging his extensive experience and track record. Although he has never been directly involved in managing a company in a manner other than serving as outside officer, the Company considers that he is able to properly fulfill his duties as Outside Director who is an Audit & Supervisory Committee Member from an objective perspective, based on his wide range of experience in his area of expertise.			

(Notes)

1. There are no special interests between the candidates for Directors who are Audit & Supervisory Committee Members and the Company. Mr. Naotaka Murata is a representative partner of Daichi & Co., which had been our Accounting Auditor until February 27, 2018.
2. Messrs. Mitsusuke Koi, Shoichi Sanpei, Tetsuo Kodera, and Naotaka Murata are candidates for Outside Directors who are Audit & Supervisory Committee Members.
3. Messrs. Mitsusuke Koi, Shoichi Sanpei, Tetsuo Kodera, and Naotaka Murata meet the independence standards for outside officers of the Company (described on page 23), and the Company has submitted a notification of Messrs. Mitsusuke Koi, Shoichi Sanpei, and Tetsuo Kodera's appointment as Independent Directors to the Tokyo Stock Exchange. Upon the approval of their election, the Company intends to submit a notification of Mr. Naotaka Murata's appointment as an Independent Director to the Tokyo Stock Exchange and reappoint Messrs. Mitsusuke Koi, Shoichi Sanpei, and Tetsuo Kodera as Independent Directors.
4. The Company intends to enter into agreements with Messrs. Mitsusuke Koi, Shoichi Sanpei, Tetsuo Kodera, and Naotaka Murata in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act to limit their liability for damages pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreements is the amount stipulated by laws and regulations.
5. 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 to cover damages and litigation expenses incurred due to claims for damages arising from acts (including omissions) committed by the insured in their capacity as such. Each candidate for Director who is an Audit & Supervisory Committee Member will be included in the insured under the contract.

## **(Reference) Independence Standards for Outside Officers**

If an outside officer (Outside Director including Audit & Supervisory Committee Member) meets the following standards, it is determined that said outside officer is independent and has no risk of conflict of interest with general shareholders.

1. The outside officer is not presently or has not been in the past an executive, etc. (Note 1) of the Samty Group (Note 2).

Note 1: The “Samty Group” means the Company and its subsidiaries and affiliates.

Note 2: An “executive, etc.” means a Director (excluding Outside Director), an Audit & Supervisory Board Member (excluding Outside Audit & Supervisory Board Member), an Executive Officer, an Accounting Advisor, and an officer or an employee who holds a similar management position.

2. The outside officer is not presently or has not been in the past five years:

(1) A major shareholder (Note 3) of the Company or an executive, etc. thereof; or

(2) An executive, etc. of a company whose major shareholder (Note 3) is the Samty Group.

Note 3: A “major shareholder” means a shareholder who holds 10% or more of the voting rights of a company.

3. The outside officer is not presently or has not been in the past five years a major business partner (Note 4) of the Samty Group or an executive, etc. thereof.

Note 4: A “major business partner” means a business partner whose transactions with the Samty Group total 2% or more of consolidated net sales of either of the two parties.

4. The outside officer is not presently or has not been in the past five years:

(1) A recipient of compensation of 10 million yen or more per year from the Samty Group as consultant, or an accounting or legal professional (if the recipient is a legal entity or an association, an individual that belongs to such a legal entity or association), besides compensation as Director or Audit & Supervisory Board Member; or

(2) An executive, a partner or an employee of the Accounting Auditor of the Samty Group.

5. The outside officer is not presently or has not been in the past five years a recipient of donation of 10 million yen or more per year from the Samty Group (if the recipient is a legal entity or an association, an individual that belongs to such a legal entity or association).

6. The outside officer is not presently or has not been in the past five years an executive, etc. of a company, between which and officers of the Samty Group are mutually appointed.

7. The outside officer is not a relative within two degrees of kinship of an individual falling under any of 1 through 6 above (excluding those who are insignificant).

8. The outside officer is not an individual who is involved in a matter that may give rise to a significant conflict of interest in executing duties or who has interests that potentially influence decision making.

(Reference) Skill Matrix

If Proposals 2, 3, and 4 are approved as originally proposed at this General Meeting of Shareholders, the composition of the Board of Directors and the expertise and experience of each Director will be as follows:

Name	Expertise/Experience					
	Corporate management	Industry knowledge	Accounting /Finance	IT/Digital	Legal /Compliance	Global experience
Yasuhiro Ogawa	○	○	○		○	○
Hiroaki Matsui	○	○	○	○	○	○
Naohiro Morita	○	○				○
Takaharu Terauchi	○	○				
Jiro Okawa	○	○				○
Junko Kawai					○	○
Toshihiro Sawa	○		○			○
Masatsugu Oishi	○	○	○			
Toyo Abe	○	○	○			
Mitsusuke Koi	○		○		○	○
Shoichi Sanpei	○		○	○		
Tetsuo Kodera					○	
Naotaka Murata			○	○		



**Proposal 5:** Determination of the Amount of Remuneration for Directors (excluding Directors Who Are Audit & Supervisory Committee Members)

The amount of remuneration for the Directors of the Company was approved at the 40th Annual General Meeting of Shareholders held on February 24, 2022, to be not more than 1,000 million yen per year (including not more than 50 million yen for Outside Directors). However, on the condition that Proposal 2: Partial Amendment to the Articles of Incorporation is approved, the Company will transition to a company with an Audit & Supervisory Committee.

Accordingly, in association with the transition to a company with an Audit & Supervisory Committee, in order to newly determine the amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members), the Company proposes that the current stipulations regarding the amount of remuneration for Directors be abolished, and the amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) be set at not more than 1,000 million yen per year (including not more than 50 million yen for Outside Directors). The amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) does not include the employee salary portion of Directors who serve concurrently as employees, as in the past.

If this proposal is approved, with regard to the Policy for Determining the Details of Remuneration for Individual Directors, the Company intends to change the eligible persons from “Directors” to “Directors (excluding Directors who are Audit & Supervisory Committee Members)” at a Board of Directors meeting to be held following the adjournment of this Annual General Meeting of Shareholders (at the conclusion of deliberations on February 27, 2023) in order to achieve consistency with the approved content.

The content of this proposal is deemed necessary in order to determine the details of individual remuneration for Directors in accordance with the policy, and is deemed necessary and appropriate in order to determine remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) within a reasonable range, in consideration of the economic situation, the scale of the Company, the number of Directors, and levels in other companies, etc.

Currently, the number of Directors is 12 (including 5 Outside Directors), and if Proposal 2: Partial Amendment to the Articles of Incorporation and Proposal 3: Election of 9 Directors (excluding Directors who are Audit & Supervisory Committee Members) are approved as originally proposed, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) will be 9 (including 4 Outside Directors).

This proposal shall take effect when Proposal 2: Partial Amendments to the Articles of Incorporation becomes effective (upon the adjournment of this Annual General Meeting of Shareholders (at the completion of deliberations on February 27, 2023)).

**Proposal 6:** Determination of the Amount of Remuneration for Directors Who Are Audit & Supervisory Committee Members

If Proposal 2: Partial Amendment to the Articles of Incorporation is approved, the Company will transition to a company with an Audit & Supervisory Committee.

In accordance with the transition to a company with an Audit & Supervisory Committee, in consideration of the duties and responsibilities of Directors who are Audit & Supervisory Committee Members and subject to the approval of Proposal 2: Partial Amendment to the Articles of Incorporation, the Company proposes that the amount of remuneration for Directors who are Audit & Supervisory Committee Members be set at not more than 100 million yen per year.

Taking into consideration the duties of Directors who are Audit & Supervisory Committee Members and the level, etc. of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members), this proposal determines the remuneration for Directors who are Audit & Supervisory Committee Members within a reasonable range, and the content is deemed necessary and appropriate.

If Proposal 2: Partial Amendment to the Articles of Incorporation and Proposal 4: Election of 4 Directors who are Audit & Supervisory Committee Members are approved as originally proposed, the number of Directors who are Audit & Supervisory Committee Members will be 4.

This proposal shall take effect when Proposal 2: Partial Amendments to the Articles of Incorporation becomes effective (upon the adjournment of this Annual General Meeting of Shareholders (at the completion of deliberations on February 27, 2023)).

**Proposal 7:** Determination of the Amount of Remuneration for Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members) relating to the Restricted Stock Compensation Plan and the Share Price-linked Point-based Monetary Compensation Plan

1. Reasons and justifications for the proposal

The amount of remuneration for the Directors of the Company was approved at the 40th Annual General Meeting of Shareholders held on February 24, 2022, to be not more than 1,000 million yen per year (including not more than 50 million yen for Outside Directors). Separately from this amount, approval was obtained at the 38th Annual General Meeting of Shareholders held on February 27, 2020 for the amount of remuneration for Directors of the Company excluding Outside Directors relating to the restricted stock compensation plan (a compensation plan in which shares are granted with the condition that transfer restriction of such shares shall be canceled at the time of retirement; hereinafter referred to as “Plan A”) and a point-based monetary compensation plan linked to the share price at the time the transfer restriction of restricted stock is canceled through Plan A (hereinafter referred to as “Plan B”), effective to the present. However, if Proposal 2: Partial Amendment to the Articles of Incorporation is approved as originally proposed, the Company will transition to a company with an Audit & Supervisory Committee. Accordingly, the Company proposes that the remuneration limits related to the current Plans for Eligible Director(s) be abolished, and remuneration related to the Plan for Eligible Directors (excluding those Directors of the Company who are Outside Directors and Directors who are Audit & Supervisory Committee Members; hereinafter the same applies with regard to this proposal) be newly established.

This proposal is a procedural matter in accordance with the transition to a company with an Audit & Supervisory Committee, and the details of the substantive remuneration framework pertaining to the Plan are the same as those approved at the 38th Annual General Meeting of Shareholders held on February 27, 2020. Also, in Plan B, the amount equivalent to what would be paid in taxes when the transfer restriction on the restricted stock, granted in accordance with Plan A, is canceled would be granted as monetary compensation. This aims to encourage the Directors to continue holding the stocks in the long term even after their retirement.

With the objectives of flexibly offering more incentives to the Eligible Directors to achieve sustained improvement of the corporate value of the Company and of sharing more common interests with our shareholders, the Company requests approval for the revision of the remuneration for Directors granted by Plans A and B as stated below.

For both of the Plans, the Company requests that the determination of the specific allocation of remuneration to Eligible Directors be delegated to the Board of Directors as before.

Currently, the number of Eligible Directors is 7, and if Proposal 3: Election of 9 Directors (excluding Directors Who Are Audit & Supervisory Committee Members) is approved as originally proposed, the number of Eligible Directors will be 5.

This proposal shall take effect when Proposal 2: Partial Amendments to the Articles of Incorporation becomes effective (upon the adjournment of this Annual General Meeting of Shareholders (at the conclusion of deliberations on February 27, 2023)).

2. Amount of Remuneration and Reference Information Pertaining to the Plan

a. Total amount of monetary compensation paid for granting restricted stock to the Eligible Directors in accordance with Plan A

Not more than 300 million yen per year

(Total number of the Company’s common shares to be issued or disposed of: not more than 300,000 shares per year)

b. Summary of Plan A

Based on the resolution of the Board of Directors of the Company, the Company shall provide the entire amount of monetary compensation receivables arising from this proposal as contributions in kind, and the Eligible Directors shall receive the Company’s common shares that have been issued or disposed of. The amount payable per share shall be determined by the Board of Directors within a range that is not specially advantageous to the Eligible Directors, based on the closing price of the Company’s shares on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution of the Board of Directors (if no trading is reported on that day, the closing price of the Company’s shares on the most recent trading day preceding that day). Furthermore, the issuance or disposal of the Company’s common shares shall be conditional upon the conclusion of a Restricted Stock Allotment Agreement (hereinafter referred to

as the “Allotment Agreement”) between the Company and the Eligible Director, containing the outline and the following contents.

- (1) An Eligible Director who receives allotment of the Company’s common shares (hereinafter referred to as the “Allotted Shares”) in accordance with the Allotment Agreement must not transfer to a third party, attach a security interest on or in any other way dispose of the Allotted Shares (hereinafter referred to as “Transfer Restriction”) during the period from the grant date of the said Allotted Shares to the date on which the said Eligible Director resigns or retires from the position of Director of the Company or other positions determined by the Company’s Board of Directors (hereinafter referred to as the “Transfer Restriction Period”).
- (2) In the event that an Eligible Director resigns or retires from the position set forth in paragraph (1) above prior to the expiry of the period determined by the Board of Directors (hereinafter referred to as the “Period of Service”), the Company shall, as a matter of course, acquire the Allotted Shares without consideration, provided, however, that this shall not apply if there are grounds deemed justifiable by the Board of Directors of the Company.
- (3) Notwithstanding the provision of paragraph (1) above, the Company shall, conditional upon the Eligible Director remaining in the position set forth in paragraph (1) above during the Period of Service, cancel the Transfer Restriction of all Allotted Shares at the time of expiry of the Transfer Restriction Period. However, in the event that the Eligible Director resigns or retires from the position set forth in paragraph (1) above prior to the expiry of the Period of Service, for grounds deemed justifiable by the Board of Directors of the Company in paragraph (2) above, the Company shall adjust the number of the Allotted Shares for which the Transfer Restriction is to be canceled, as well as the timing of cancellation of the Transfer Restriction, as necessary, in a reasonable manner.
- (4) The Company shall, as a matter of course, acquire without consideration any Allotted Shares for which Transfer Restriction had not been canceled based on the provisions of paragraph (3) above at the expiry of the Transfer Restriction Period.
- (5) Notwithstanding the provision of paragraph (1) above, in the event that, during the Transfer Restriction Period, a proposal regarding a merger agreement in which the Company becomes a non-surviving company, a share exchange agreement or a share transfer plan in which the Company becomes a wholly-owned subsidiary, or any other proposal that involves organizational restructuring, etc. is approved in a General Meeting of Shareholders of the Company (at a meeting of the Board of Directors of the Company, in cases where approval by the General Meeting of Shareholders of the Company is not required for such organizational restructuring, etc.), the Company shall, by resolution of the Board of Directors of the Company, cancel the Transfer Restriction of the Allotted Shares prior to the effective date of such organizational restructuring, etc. The number of such Allotted Shares for which Transfer Restriction is to be canceled shall be determined in a reasonable manner based on the period from the commencement of the Period of Service to the date of approval of such organizational restructuring, etc.
- (6) In cases set forth in paragraph (5) above, the Company shall, as a matter of course, acquire without consideration any Allotted Shares remaining for which Transfer Restriction is not canceled, at the time immediately after Transfer Restriction has been canceled, in accordance with the provision of paragraph (5) above.
- (7) The Allotment Agreement shall include the methods of indicating intention and notification under the Allotment Agreement, the procedures for revising the Allotment Agreement and other matters to be determined by the Board of Directors.

c. Amount of remuneration in accordance with Plan B

Amount calculated based on the calculation formula stated in d. “Summary of Plan B” below by using the points granted with the upper limit of 300,000 points (1 point = 1 share) per year

d. Summary of Plan B

- (1) Eligible Directors, by resolution of the Board of Directors of the Company, shall be granted points every year calculated based on the following calculation formula with the upper limit of 300,000 points (1 point = 1 share) per year (hereinafter referred to as the “Points”).

Number of points to be granted per year = Number of restricted stock granted in that year × 50%

- (2) The Points shall continue to be granted and accumulated during the Eligible Director’s term of office, and Eligible Director’s accumulated points shall be finalized at the time the Eligible Director resigns or retires from the position determined by the Board of Directors of the Company or when the Transfer Restriction is otherwise canceled.

- (3) An Eligible Director shall receive monetary payment at the time the Eligible Director resigns or retires from the position stated in paragraph (2) above or when the Transfer Restriction is otherwise canceled, in the amount calculated based on the following calculation formula as the upper limit, by multiplying the accumulated points held by the said Eligible Director in paragraph (2) above (however, in the event that the Transfer Restriction on all or a part of the restricted stock which has been granted to the said Eligible Director in accordance with Plan A has not been canceled, the number of shares for which the Transfer Restriction was not canceled shall be deducted from the number of accumulated points; hereinafter the same shall apply) by the closing price of the Company's shares on the Tokyo Stock Exchange on the date on which the said Eligible Director resigns or retires from the position stated in paragraph (2) above or when the Transfer Restriction is otherwise canceled (if no trading is reported on that day, the closing price of the Company's shares on the most recent trading day preceding that day; hereinafter, the same shall apply).

Amount of monetary compensation payment = Number of accumulated points in (2) above × Closing price of the Company's shares on the date the Transfer Restriction is canceled

- (4) In the event that the Company conducts a stock split of its common shares (including the gratis allotment of the common shares of the Company), a reverse stock split or any similar event requiring the adjustment of the upper limit and the total number of the Points, after this proposal is approved, the said upper limit and the total number of the Points shall be adjusted to a reasonable extent.
- (5) Other specifics of Plan B shall be determined by internal rules set forth by the Board of Directors.