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(Stock Exchange Code 7545)

April 24, 2023

(Date of commencement of electronic provision measures: April 21, 2023)

To Shareholders with Voting Rights:

Koichi Ohmura
President and Director
NISHIMATSUYA CHAIN Co., Ltd.
266-1, Sho, Shikito-cho, Himeji-shi, Hyogo,
Japan

**NOTICE OF
THE 67TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We hereby announce that the 67th Annual General Meeting of Shareholders of NISHIMATSUYA CHAIN Co., Ltd. (the “Company”) will be held for the purposes as described below.

In convening this General Meeting of Shareholders, the Company has taken electronic provision measures, which provide information contained in the Reference Documents, etc. for the General Meeting of Shareholders (the “matters subject to electronic provision measures”) in electronic format, and has posted this information on the following websites on the Internet. Please access either of the following websites to review the information.

The Company website (IR site top page [only in Japanese])

<https://www.24028.jp/ir/>



Please access the Company website above and click on “General Meetings of Shareholders & Shareholder Newsletters” to review the information.

Tokyo Stock Exchange (TSE) website (Listed Company Search [in Japanese])

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>



Please access the TSE website above, enter “NISHIMATSUYA CHAIN” in the “Issue name (company name)” field or our stock exchange code “7545” in the “Code” field, and click on “Search” to find search results. Then, click on “Basic information” and “Documents for public inspection/PR information” in this order to find “[Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting]” in the “Filed information available for public inspection” section.

If you do not attend the meeting, you can exercise your voting rights with either of the methods below. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 6:00 p.m. on Monday, May 15, 2023, Japan time.

[Exercise of Voting Rights via the Internet]

Please review the “Procedures for the Exercise of Voting Rights via the Internet” on page 3 when exercising voting rights via the Internet, and exercise your voting rights by the above exercise deadline.

[Exercise of Voting Rights in Writing]

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that it is received by the above exercise deadline. If neither approval nor disapproval of a proposal is indicated on the Voting Rights Exercise Form, it will be treated as a vote for approval.

- 1. Date and Time:** Tuesday, May 16, 2023 at 10:00 a.m. Japan time
- 2. Place:** Large Hall, 2nd Floor, Main Building, The Himeji Chamber of Commerce and Industry
43, Shimoderamachi, Himeji-shi, Hyogo, Japan
- 3. Meeting Agenda:**
- Matters to be reported:** The Business Report and Financial Statements for the Company's 67th Fiscal Year (February 21, 2022 - February 20, 2023)
- Proposals to be resolved:**
- Proposal 1:** Election of Five (5) Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)
- Proposal 2:** Election of Three (3) Directors Serving as Audit & Supervisory Committee Members
- Proposal 3:** Issuance of Subscription Rights to Shares as Stock Options to Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)
- Proposal 4:** Issuance of Subscription Rights to Shares as Stock Options to Employees

End

(Notes)

- ◎ **We will not be presenting souvenirs at this Annual General Meeting of Shareholders. We appreciate for your understanding.**
- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Please bring this "Notice of Annual General Meeting of Shareholders" with you to save resources.
- ◎ Among the matters subject to electronic provision measures, the following matters will not be provided in the paper copy to shareholders who made a request for delivery of documents in accordance with the provisions of laws and regulations and Article 18 of the Articles of Incorporation of the Company.
- (1) "Matters regarding Shares," "Matters regarding Subscription Rights to Shares," "Matters regarding Accounting Auditors," "A System to Ensure the Appropriateness of Business Activities," "Outline of the Operating Status of the System to Ensure the Appropriateness of Business Activities," "Basic Policy regarding Control of the Company," and "Policy regarding Decisions on Matters such as Payments of Dividends from Surplus" in the Business Report
- (2) "Notes to Non-consolidated Financial Statements"
- Accordingly, the paper copy to be delivered to shareholders who made a request for delivery of documents constitutes only part of the documents audited by the Audit & Supervisory Committee and Accounting Auditors in preparation of audit reports.
- Meanwhile, for this Annual General Meeting of Shareholders, the Company will send paper copies of the matters subject to electronic provision measures except for the abovementioned items to all shareholders regardless of whether or not they made a request for delivery of documents.
- ◎ If any revisions to the matters subject to electronic provision measures arise, a notice to that effect and the matters before and after the revision will be posted on the Company website and the TSE website as mentioned above.
- ◎ Please note that, depending on the spread of COVID-19 infection, we may take measures to prevent infection at this Annual General Meeting of Shareholders.
- If we have no choice but to change the place or time of this Annual General Meeting of Shareholders, we will promptly announce the change on the Company website above.

[Procedures for the Exercise of Voting Rights via the Internet]

If exercising voting rights via the Internet, please review the following items.

If attending the meeting, it is not necessary to complete the procedures for exercising voting rights via the Internet or in writing (using the Voting Rights Exercise Form.)

1. Voting Rights Exercise Website

- (1) Exercise of your voting rights via the Internet is possible only by accessing the Voting Rights Exercise Website designated by the Company (<https://evote.tr.mufg.jp/>) (in Japanese) from a computer or smartphone. (Please note that access is unavailable from 2:00 a.m. to 5:00 a.m., Japan time, daily.)
- (2) The exercise of voting rights on the Voting Rights Exercise Website may not be possible in certain operating environments due to factors including the use of a firewall when accessing the Internet, the use of antivirus software, the lack of designation for TLS encrypted transmission or the use of a proxy server.
- (3) The exercise of voting rights via the Internet is possible until 6:00 p.m. on Monday, May 15, 2023, but please exercise your voting rights at an early opportunity, and if you have any questions, please contact the Help Desk described below in 5. "Inquiries."

2. Method of Exercising Voting Rights via the Internet

- (1) When using personal computers
 - On the Voting Rights Exercise Website (<https://evote.tr.mufg.jp/>) (in Japanese), please use the log-in ID and temporary password given on your Voting Rights Exercise Form and follow the on-screen instructions to indicate your approval or disapproval of each proposal.
 - To prevent unauthorized access by persons who are not qualified shareholders ("impersonation") and manipulation of voting details, please be aware that shareholders using this site will be asked to change their temporary passwords.
 - Every time a General Meeting of Shareholders is convened, new log-in IDs and temporary passwords will be issued.
- (2) When using smartphones
 - By reading the log-in QR code* shown on your Voting Rights Exercise Form with a smartphone, you will be automatically directed to the Voting Rights Exercise Website and be able to exercise your voting rights. (It is not necessary to enter the log-in ID and temporary password.)
**"QR code" is a registered trademark of DENSO WAVE INCORPORATED.
 - However, from the second time, if you exercise your rights before 5:00 a.m. on Thursday, April 27, 2023, Japan time, you will be required to enter the log-in ID and temporary password even when reading the QR code.
 - It might not be possible to log in with the QR code depending on your smartphone model. If you cannot log in with the QR code, please exercise your voting rights using the method described in 2. (1) "When using personal computers" above.

3. Treatment of Voting Rights Exercised Multiple Times

- (1) If voting rights are exercised in duplicate in writing (using the Voting Rights Exercise Form) and via the Internet, the vote submitted via the Internet shall be treated as valid.
- (2) If voting rights are exercised multiple times via the Internet, the final vote submitted shall be treated as valid.

4. Costs Incurred when Accessing the Voting Rights Exercise Website

Any costs incurred when accessing the Voting Rights Exercise Website (Internet connection fees, etc.) shall be borne by the shareholder.

5. Inquiries

For inquiries on the use of a computer or smartphone to exercise voting rights via the Internet, please contact the following.

Securities Business Division (Help Desk), Mitsubishi UFJ Trust and Banking Corporation
Phone (in Japanese): (0120) 173-027 (available from 9:00 a.m. to 9:00 p.m., toll free in Japan)

End

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Election of Five (5) Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)

The terms of office of all five (5) Directors (excluding Directors serving as Audit & Supervisory Committee Members) will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of five (5) Directors (excluding Directors serving as Audit & Supervisory Committee Members) is proposed.

The Audit & Supervisory Committee has judged that each of candidates is qualified as the Company's Director (excluding Directors serving as Audit & Supervisory Committee Members)

The candidates for Directors (excluding Directors serving as Audit & Supervisory Committee Members) are as follows.

Candidate No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Yoshifumi Ohmura (February 7, 1955)	<p>March 1979 Completed master's degree at Graduate School of Engineering, Kyoto University</p> <p>April 1979 Joined Sanyo Special Steel Co., Ltd.</p> <p>September 1985 Joined the Company Director</p> <p>April 1990 Senior Managing Director</p> <p>May 1996 Deputy President and Representative Director</p> <p>May 2000 President and Representative Director</p> <p>August 2020 Chairman and Representative Director (to present)</p> <p>[Significant concurrent positions] President and Representative Director, Yuko Estate Co., Ltd.</p>	4,861,988
		<p>[Reasons for nomination as a candidate for Director] Mr. Yoshifumi Ohmura has directed the management of the Company during his tenure as President with strong leadership skills, and has grown the Company into one of the largest specialty store chains for baby and children's products in Japan. Following his appointment as Chairman, he has been involved in the management of the Company by providing appropriate advice and support to his successor President. The Company has judged that his wealth of experience and insight as a manager will continue to be essential for the growth of the Company, and proposes him as a candidate for Director.</p>	

Candidate No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	Koichi Ohmura (October 31, 1987)	<p>March 2010 Graduated from Faculty of Law, The University of Tokyo</p> <p>April 2010 Joined Mizuho Bank, Ltd.</p> <p>March 2014 Joined the Company</p> <p>May 2018 Manager of Corporate Planning Office</p> <p>August 2018 Manager of Corporate Planning Office and Deputy Manager of Store Operations Headquarters</p> <p>January 2019 Executive Officer, Manager of President's Assistant Office</p> <p>February 2019 Executive Officer, Manager of President's Assistant Office and Manager of Product Audit Department</p> <p>May 2019 Director, Executive Officer, Manager of President's Assistant Office and Manager of Product Audit Department</p> <p>June 2019 Director, Executive Officer, Manager of President's Assistant Office, Contoller and Manager of Product Audit Department</p> <p>January 2020 Director, Senior Executive Officer and Manager of President's Assistant Office</p> <p>August 2020 President and Representative Director (to present)</p>	3,768,900
<p>[Reasons for nomination as a candidate for Director]</p> <p>After joining the Company Mr. Koichi Ohmura gained a wide experience in the main operations of the Company. He had been assisting the previous President since assuming office as Manager of President's Assistant Office, and has engaged in management of the Company. During his tenure as Senior Executive Officer, he was in effect in charge of the business executed as the President and the reforms he undertook in inventory and purchasing management contributed significantly to the subsequent performance of the Company. Since assuming office as President, he has been leading the management of the Company while upholding the expansion of the development of private brand products, aggressive store opening, and the strengthening of the Internet sales business among others as major management strategies. The Company has judged that his extensive knowledge, business execution capabilities and his ability to respond to change will continue to be essential for the management of the Company, and proposes him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Kazunori Sakamoto (August 27, 1958)	<p>March 1983 Completed master's degree at Graduate School of Engineering, Hiroshima University</p> <p>April 1983 Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Holdings Corporation)</p> <p>July 2014 Joined the Company</p> <p>August 2014 Manager of Toy Product Department, Childcare Product Headquarters, Product Headquarters</p> <p>June 2015 Deputy Manager of Childcare Product Headquarters, Product Headquarters and Manager of Toy Product Department</p> <p>August 2017 Manager of Store Operations Headquarters</p> <p>September 2017 Executive Officer, Manager of Store Operations Headquarters</p> <p>May 2018 Director, Executive Officer, Manager of Store Operations Headquarters</p> <p>May 2019 Director, Managing Executive Officer, Manager of Store Operations Headquarters</p> <p>October 2020 Director, Managing Executive Officer, Manager of Store Operations Headquarters and Manager of West Japan Store Management Business Department</p> <p>March 2021 Director, Managing Executive Officer, Manager of Store Operations Headquarters</p> <p>May 2021 Director, Senior Executive Officer, Manager of Store Operations Headquarters (to present)</p>	-
		<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Kazunori Sakamoto worked vigorously as a manager on the purchase of toys and other childcare products after joining the Company. At present, he directs and supervises store business operations as Manager of Store Operations Headquarters, and has achieved great results in areas such as reducing store management costs, including through staffing optimization and streamlining of work procedures by utilizing IT, and strengthening of the Internet sales business, including sales growth by improving the convenience of "NISHIMATSUYA ONLINE STORE." The Company has judged that his extensive insight and experience will continue to be essential for the management of the Company, and proposes him as a candidate for Director.</p>	

Candidate No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	Yoshiaki Ohmura (November 17, 1959)	<p>March 1983 Graduated from Faculty of Engineering, Kyoto University</p> <p>April 1983 Joined Fujitsu Limited</p> <p>January 1991 Joined Shirahama Cast Iron Industrial Co., Ltd.</p> <p>November 2000 Joined Oyama Trading Co., Ltd. (currently Oyama Co., Ltd.)</p> <p>June 2015 Joined the Company</p> <p>September 2015 Manager of Business System Reformation Department, Administrative Headquarters</p> <p>February 2017 Executive Officer, Manager of Business System Reformation Department</p> <p>April 2017 Executive Officer, Deputy Manager of Product Headquarters and Manager of Business System Reformation Department</p> <p>February 2018 Executive Officer, President's Office (in charge of Shin-Osaka Headquarters) and Manager of Business System Reformation Department</p> <p>May 2018 Director, Executive Officer, Manager of Product Headquarters</p> <p>January 2020 Director, Executive Officer, Manager of President's Office</p> <p>May 2020 Director, Executive Officer, Manager of President's Office and in charge of Logistics Department</p> <p>June 2020 Director, Executive Officer, Manager of President's Office, in charge of Logistics Department and in charge of Global Business Promotion Department</p> <p>May 2021 Director, Executive Officer, Manager of President's Office (in charge of Logistics Department, Private Brand Overseas Sales Department and Global Sourcing Development Department)</p> <p>June 2021 Director, Executive Officer, Manager of President's Office (in charge of Logistics Department, Information Technology Department, Private Brand Overseas Sales Department and Global Sourcing Development Department)</p> <p>May 2022 Director, Executive Officer, Manager of President's Office (in charge of Logistics Department, Information Technology Department, and Private Brand Overseas Sales Department) (to present)</p>	22,106
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Yoshiaki Ohmura significantly promoted the optimization and streamlining of work procedures at stores after joining the Company. He subsequently directed and supervised the development, purchase and sales of products as Manager of Product Headquarters. At present, he directs and supervises multiple important sections in charge of logistics, IT, and overseas sales, and has achieved great results in areas such as the rationalization of logistics, the update and cost reductions of various systems, and the development of overseas markets while supporting the President as Manager of President's Office. The Company has judged that his wealth of experience and knowledge will continue to be essential for the management of the Company, and proposes him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	Yoshito Ishii (November 13, 1961)	<p>March 1984 Graduated from Faculty of Commerce and Economics, Kobe University of Commerce (currently University of Hyogo)</p> <p>April 1984 Joined the Company</p> <p>September 2008 Manager of No. 3 Product Development Department, Product Development Headquarters</p> <p>July 2010 Manager of Purchase Order Audit Office, Product Development Headquarters</p> <p>June 2011 Manager of No. 4 Product Department, Product Development Headquarters</p> <p>February 2013 Manager of Store Operations Department, Store Operations Headquarters</p> <p>February 2016 Manager of Kinki and Tokai Store Development Department, West Japan Store Development Business Department, Store Development Headquarters</p> <p>January 2017 Manager of West Japan Store Development Business Department and Manager of Kinki and Tokai Store Development Department</p> <p>February 2018 Executive Officer, Manager of West Japan Store Development Business Department</p> <p>November 2020 Executive Officer, Manager of West Japan and Hokkaido Store Development Business Department</p> <p>May 2021 Director, Executive Officer, Manager of West Japan and Hokkaido Store Development Business Department</p> <p>November 2021 Director, Executive Officer, Manager of Store Development Headquarters and Manager of West Japan and Hokkaido Store Development Business Department (to present)</p>	33,220
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Yoshito Ishii experienced the main operations of the Company, including product development, purchasing and sales, store management and store openings, after joining the Company. At present, he directs and supervises the opening of new stores across Japan as Manager of Store Development Headquarters, and has achieved great results in the expansion of the networks of stores, including through vigorously engaging in the expansion of store size and the opening of stores in densely populated areas such as the metropolitan area. The Company has judged that his wealth of experience and insight will continue to be essential for the management of the Company, and proposes him as a candidate for Director.</p>			

(Notes)

1. There are no special interests between the candidates for Director and the Company.
2. The Company has entered into a contract with an insurance company for directors and officers liability insurance as stipulated in Article 430-3, Paragraph 1 of the Companies Act. As an overview of this insurance contract, compensation for damages, litigation costs and other expenses incurred by the insured party due to claims for damages resulting from any act (including omissions) based on the position of the insured party as directors and officers of a company, shall be covered by said insurance company. Each candidate has been included as the insured under said insurance contract. If this Proposal is approved as originally proposed, each candidate will continue to be included in said insurance contract as an insured party. The Company plans to renew said insurance contract during the candidates' terms of office.

Proposal 2: Election of Three (3) Directors Serving as Audit & Supervisory Committee Members

The terms of office of all three (3) Directors serving as Audit & Supervisory Committee Members will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of three (3) Directors serving as Audit & Supervisory Committee Members is proposed.

The prior consent of the Audit & Supervisory Committee has been obtained for this Proposal.

The candidates for Directors serving as Audit & Supervisory Committee Members are as follows:

Candidate No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Hidefumi Sugao (August 31, 1947)	<p>March 1972 Graduated from Faculty of Law, Hitotsubashi University</p> <p>March 1976 Graduated from Faculty of Social Sciences, Hitotsubashi University</p> <p>June 1982 Established SUGAO LAW OFFICE (currently SUGAO IWAMI LAW OFFICE) (to present)</p> <p>May 1994 Director, the Company</p> <p>June 2007 External Auditor, Sawai Pharmaceutical Co., Ltd.</p> <p>June 2012 External Director, Sawai Pharmaceutical Co., Ltd.</p> <p>June 2019 Retired as External Director, Sawai Pharmaceutical Co., Ltd.</p> <p>May 2021 Director (Audit & Supervisory Committee Member), the Company (to present)</p> <p>[Significant concurrent positions] Head, SUGAO IWAMI LAW OFFICE (Attorney)</p> <p>[Reasons for nomination as a candidate for Outside Director and outline of expected roles] The Company proposes Mr. Hidefumi Sugao as a candidate for Outside Director, because it has judged that he will be able to carry out the duties of Director serving as Audit & Supervisory Committee Member appropriately drawing on his wealth of experience and expertise as a lawyer, and he is also expected to contribute to strengthening the oversight functions of the Board of Directors and provide advice to management from an independent position from the management team. The term of office of Mr. Sugao as Outside Director of the Company will be twenty-nine (29) years, and as Director serving as Audit & Supervisory Committee Member of the Company for two (2) years at the conclusion of this Annual General Meeting of Shareholders.</p>	24,500

Candidate No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	Satoshi Hamada (October 3, 1952)	<p>March 1976 Graduated from Faculty of Commerce and Management, Hitotsubashi University</p> <p>April 1976 Joined Chuo Audit Corporation</p> <p>August 1981 Joined Asahi & Co. (currently KPMG AZSA LLC)</p> <p>September 1984 Established Certified Public Accounting Firm Satoshi Hamada Business Accounting (to present)</p> <p>May 1994 Audit & Supervisory Board Member, the Company</p> <p>June 2005 External Statutory Auditor, WDB Co., Ltd. (currently WDB Holdings Co., Ltd.)</p> <p>September 2014 Established Certified Tax Accounting Firm Hamada Accounts (to present)</p> <p>June 2015 Outside Corporate Auditor, GLORY LTD.</p> <p>May 2016 Director, the Company</p> <p>June 2018 External Director, WDB Holdings Co., Ltd. (Audit and Supervisory Committee Member) (to present)</p> <p>June 2020 Outside Director (Audit & Supervisory Committee Member), GLORY LTD. (to present)</p> <p>May 2021 Director (Audit & Supervisory Committee Member), the Company (to present)</p> <p>June 2023 Scheduled for retirement from the office of Outside Director (Audit & Supervisory Committee Member), GLORY LTD.</p> <p>[Significant concurrent positions] Head, Satoshi Hamada Business Accounting (Certified Public Accountant) Representative Partner, Certified Tax Accounting Firm Hamada Accounts (Certified Tax Accountant) External Director, WDB Holdings Co., Ltd. (Audit and Supervisory Committee Member) Outside Director (Audit & Supervisory Committee Member), GLORY LTD.</p>	-
		<p>[Reasons for nomination as a candidate for Outside Director and outline of expected roles] The Company proposes Mr. Satoshi Hamada as a candidate for Outside Director because it has judged that he will be able to carry out the duties of Director serving as Audit & Supervisory Committee Member appropriately drawing on his wealth of experience and expertise as a certified public accountant and certified tax accountant, and he is also expected to contribute to strengthening the oversight functions of the Board of Directors and provide advice to management from an independent position from the management team. The term of office of Mr. Hamada as Outside Director of the Company will be seven (7) years, and as Director serving as Audit & Supervisory Committee Member of the Company for two (2) years at the conclusion of this Annual General Meeting of Shareholders.</p>	

Candidate No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Kaoru Mori (May 16, 1961)	<p>March 1984 Graduated from Faculty of Economics, Keio University</p> <p>October 1986 Joined Chuo Audit Corporation</p> <p>September 1993 Joined Mitsuo Hasegawa Tax Accountant Office (currently San Tax Corporation)</p> <p>January 2006 Head, Hasegawa Mori Accounting Firm (currently San Tax Corporation)</p> <p>March 2010 External Auditor, Fukushin Electric Co., Ltd. (to present)</p> <p>May 2016 Audit & Supervisory Board Member, the Company</p> <p>July 2018 Established San Tax Corporation</p> <p>June 2019 Representative Partner, San Tax Corporation (to present)</p> <p>May 2021 Director (Audit & Supervisory Committee Member), the Company (to present)</p> <p>[Significant concurrent positions] Representative Partner, San Tax Corporation (Certified Public Accountant and Certified Tax Accountant) External Auditor, Fukushin Electric Co., Ltd.</p> <p>[Reasons for nomination as a candidate for Outside Director and outline of expected roles] The Company proposes Ms. Kaoru Mori as a candidate for Outside Director because it has judged that she will be able to carry out the duties of Director serving as Audit & Supervisory Committee Member appropriately drawing on her expertise as a certified public accountant and certified tax accountant, and she is also expected to contribute to strengthening the oversight functions of the Board of Directors and provide advice to management from an independent position from the management team. The term of office of Ms. Mori as Outside Director of the Company will be two (2) years, and as Director serving as Audit & Supervisory Committee Member of the Company for two (2) years at the conclusion of this Annual General Meeting of Shareholders.</p>	-

(Notes)

1. All candidates are candidates for Outside Director, and the Company designated them as independent officers prescribed by the Tokyo Stock Exchange and has registered them with the Exchange.
2. There are no special interests between the candidates and the Company.
3. The Company holds shares in GLORY LTD., for which Mr. Satoshi Hamada serves as Outside Director (Audit & Supervisory Committee Member), but the shareholding ratio is less than one (1) percent. Likewise, the shareholding ratio of the Company's shares held by GLORY LTD. is less than one (1) percent.
4. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Company, the Company has entered into agreements with Mr. Hidefumi Sugao, Mr. Satoshi Hamada, and Ms. Kaoru Mori to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act. If this Proposal is approved as originally proposed, the Company will continue the agreements with each of them. The limit of the liability under such agreements in each case will be the minimum liability amount provided for by laws and regulations.
5. The Company has entered into a contract with an insurance company for directors and officers liability insurance as stipulated in Article 430-3, Paragraph 1 of the Companies Act. As an overview of this insurance contract, compensation for damages, litigation costs and other expenses incurred by the insured party due to claims for damages resulting from any act (including omissions) based on the position of the insured party as directors and officers of a company, shall be covered by said insurance company. Each candidate has been included as the insured under said insurance contract. If this Proposal is approved as originally proposed, each candidate will continue to be included in said insurance contract as an insured party. The Company plans to renew said insurance contract during the candidates' terms of office.

Proposal 3: Issuance of Subscription Rights to Shares as Stock Options to Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)

In regard to the amount of compensation as stock options to Directors (excluding Directors serving as Audit & Supervisory Committee Members), it has been approved by the 65th Annual General Meeting of Shareholders held on May 18, 2021 that subscription rights to shares shall be issued to Directors (excluding Directors serving as Audit & Supervisory Committee Members) within an annual amount of 66,020,000 yen. Accordingly, we request approval for the issuance of subscription rights to shares within said amount as described below.

If Proposal 1 is approved as originally proposed, the number of Directors (excluding Directors serving as Audit & Supervisory Committee Members) will be five (5).

I. Reason to justify the issuance of subscription rights to shares as compensation to Directors (excluding Directors serving as Audit & Supervisory Committee Members)

Stock options will be implemented with the aim of enhancing sound management and social trust of the Company by bolstering motivation and morale of Directors (excluding Directors serving as Audit & Supervisory Committee Members) toward improving performance.

The subscription rights to shares will be issued for the purpose of stock options as compensation at the price described in II.4. below, and value of the assets to be contributed upon exercise of the subscription rights to shares is determined based on the market value as described in II.5. below.

II. Details of issuance of the subscription rights to shares

1. Persons to whom the subscription rights to shares will be allotted

The Company's Directors (excluding Directors serving as Audit & Supervisory Committee Members)

2. Class and number of shares to be issued upon exercise of the subscription rights to shares

Not exceeding 200,000 common shares of the Company per year.

In the event that the Company conducts a share split or share consolidation after the date of allotment of the subscription rights to shares, the number of shares subject to the subscription rights to shares shall be adjusted according to the following formula. Such adjustment, however, shall be made only to the number of shares subject to the subscription rights to shares which are not yet exercised at that point of time, and any fractions less than one (1) share resulting from the adjustment shall be rounded down.

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

Also, in the event that the Company conducts a merger or share exchange with another company, or a company split, or in any other cases that for unavoidable reasons require the adjustment of the number of shares subject to the subscription rights to shares, the Company may adjust the number of shares to a reasonable extent.

3. Total number of the subscription rights to shares to be issued

Not exceeding 2,000 units per year. (The number of shares subject to each unit of the subscription rights to shares shall be 100. However, in the event that the adjustment set forth in II.2. is made to the number of shares, adjustment shall be made in the same manner.)

4. Cash payment for the subscription rights to shares

No cash payment shall be required for the subscription rights to shares.

The issue amount shall be the amount calculated by the Black-Scholes Model as of the allotment date.

5. Value of assets to be contributed upon exercise of the subscription rights to shares

Assets to be contributed upon exercise of the subscription rights to shares shall be cash. The amount to be paid upon exercise of each unit of the subscription rights to shares shall be the amount obtained by multiplying the amount to be paid per share determined as set forth below (hereinafter referred to as the "Exercise Price") by the number of shares subject to each unit of the subscription rights to shares

set forth in II.3.

The Exercise Price shall be the highest of the amount multiplying 1.05 and the average closing price of the Company's common shares in regular trading at the Tokyo Stock Exchange on each day (excluding days with no transactions) of the month prior to the month including the day of issuance of the subscription rights to shares (fractions less than one (1) yen shall be rounded up to the nearest one (1) yen); or the closing price of the Company's common shares in regular trading at the Tokyo Stock Exchange on the day of issuance of the subscription rights to shares (if there are no transactions on such day, the closing price of the immediately preceding day).

In the event that the Company conducts a share split or share consolidation, the Exercise Price shall be adjusted according to the following formula, and any fractions less than one (1) yen resulting from such adjustment shall be rounded up to the nearest one (1) yen.

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

Also, the Company may adjust the Exercise Price in the event that the Company conducts a merger or share exchange with another company, or a company split.

In the event that the Company issues new shares or disposes of treasury stock at a price lower than the market price (excluding securities to be acquired by the Company or securities with rights of requesting acquisition by the Company, both in exchange for delivery of the Company's common shares, or exercise of subscription rights to shares through which delivery of the Company's common shares may be requested), the Exercise Price shall be adjusted according to the following formula, and any fractions less than one (1) yen resulting from such adjustment shall be rounded up to the nearest one (1) yen.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{\text{Number of shares issued} + \frac{\text{Number of common shares newly issued} \times \text{Amount to be paid per share}}{\text{Share price of common shares before issuing new shares}}}{\text{Number of shares issued} + \text{Number of common shares newly issued}}$$

In the formula above, "Number of shares issued" shall mean the number calculated by subtracting the number of treasury stock of common shares held by the Company from the total number of shares issued by the Company. In the event of disposal of treasury stock, "Number of common shares newly issued" and "Share price of common shares before issuing new shares" shall be replaced with "Number of treasury stock to be disposed of" and "Share price of common shares before disposal," respectively.

6. Exercise period of the subscription rights to shares
From June 1, 2025 to May 31, 2030
7. Matters regarding capital stock and legal capital surplus to be increased by issuance of shares upon exercise of the subscription rights to shares
 - (1) In the event of new share issuance by exercising the subscription rights to shares, the amount of capital stock increased shall be half of the limit of increase in capital stock, etc. calculated in accordance with Article 17, Paragraph 1 of the Ordinance on Accounting of Companies, and any fractions less than one (1) yen resulting from such calculation shall be rounded up to the nearest one (1) yen.
 - (2) In the event of new share issuance by exercising the subscription rights to shares, the amount of legal capital surplus increased shall be calculated by subtracting the amount of capital stock increased set forth in (1) above from the limit of increase in capital stock, etc. in (1) above.
8. Conditions for exercising the subscription rights to shares
 - (1) Those who received the allotment of the subscription rights to shares must be Directors, Audit & Supervisory Board Members or Executive Officers of the Company or its subsidiaries and

- associates at the time of exercise of the subscription rights to shares. However, this provision shall not apply to the cases where there are justifiable reasons such as retirement due to expiration of their term of office.
- (2) The successors of the persons who received the allotment of the subscription rights to shares shall not be able to exercise the subscription rights to shares.
 - (3) Other conditions for exercising the subscription rights to shares shall be determined by resolution of the Board of Directors.
9. Matters related to acquisition of the subscription rights to shares
- (1) The Company may acquire without consideration and cancel the subscription rights to shares by resolution of the Board of Directors if a proposal for approval of a merger agreement where the Company becomes a dissolving company, proposal for approval of a share exchange agreement where the Company becomes a wholly-owned subsidiary, or proposal for approval of a share transfer plan is approved at the General Meeting of Shareholders.
 - (2) When those who received the allotment of the subscription rights to shares no longer satisfy the conditions to exercise the subscription rights to shares, the Company may acquire the subscription rights to shares of such persons without consideration and cancel them by resolution of the Board of Directors.
10. Restriction on transfer of the subscription rights to shares
- Transfer of the subscription rights to shares shall require the approval of the Board of Directors.
11. Treatment of the subscription rights to shares upon implementation of reorganization
- If the Company conducts a merger (limited to the case where the Company becomes a dissolving company as a result of the merger), absorption-type company split, incorporation-type company split, share exchange or share transfer (hereinafter collectively referred to as the “Reorganization Transaction”), under the following conditions, subscription rights to shares of a joint stock corporation specified in Article 236, Paragraph 1, Item 8 (a) through (e) of the Companies Act (hereinafter referred to as the “Reorganized Corporation”) shall be delivered to holders of subscription rights to shares that remain in effect as of the effective date of the Reorganization Transaction (hereinafter referred to as the “Remaining Subscription Rights to Shares”). In such cases, the Remaining Subscription Rights to Shares shall expire, and the Reorganized Corporation shall issue new subscription rights to shares. However, the foregoing shall be limited to cases where it is prescribed in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement or share transfer plan that the subscription rights to shares of the Reorganized Corporation shall be issued under the following conditions:
- (1) Number of the subscription rights to shares of the Reorganized Corporation to be delivered:
The same number of the subscription rights to shares shall be delivered as the number of the subscription rights to shares held by the holders of the Remaining Subscription Rights to Shares.
 - (2) Class of shares of the Reorganized Corporation subject to the subscription rights to shares:
Common shares of the Reorganized Corporation
 - (3) Number of shares of the Reorganized Corporation subject to the subscription rights to shares:
The number shall be determined in consideration of the conditions for the Reorganization Transaction.
 - (4) Value of assets to be contributed upon exercise of the subscription rights to shares:
The value of assets to be contributed upon exercise of the subscription rights to shares for delivery shall be the amount obtained by multiplying the Exercise Price after reorganization calculated through adjustments, taking into consideration the conditions for the Reorganization Transaction, by the number of shares of the Reorganized Corporation subject to such subscription rights to shares as determined in (3) above.
 - (5) Exercise period of the subscription rights to shares:

The period shall commence on the starting date of the exercise period of the Remaining Subscription Rights to Shares or the effective date of the Reorganization Transaction, whichever is later, and end on the expiration date of the exercise period of the Remaining Subscription Rights to Shares.

- (6) Amount of increase in capital stock and legal capital surplus when new shares are issued upon exercise of the subscription rights to shares:
Amount of increase in capital stock and legal capital surplus shall be determined, taking into consideration the conditions of the Reorganization Transaction.
- (7) Restriction on acquisition of the subscription rights to shares through transfer:
Acquisition of the subscription rights to shares through transfer requires approval of the Board of Directors of the Reorganized Corporation.
- (8) Other conditions for exercising the subscription rights to shares:
The other conditions shall be determined in the same manner as described in II.8. above.

12. Other matters

Other matters related to the subscription rights to shares shall be determined by resolution of the Board of Directors.

Proposal 4: Issuance of Subscription Rights to Shares as Stock Options to Employees

We propose to issue subscription rights to shares as stock options to the Company's employees without consideration, and to delegate to the Board of Directors the authority to determine the subscription requirements for the subscription rights to shares as described below.

I. Reason for necessity of issuing the subscription rights to shares on particularly favorable conditions
Stock options will be implemented with the aim of enhancing sound management and social trust of the Company by bolstering employees' motivation and morale toward improving performance.

II. Details of issuance of the subscription rights to shares

1. Persons to whom the subscription rights to shares will be allotted
The Company's employees

2. Class and number of shares to be issued upon exercise of the subscription rights to shares

Not exceeding 1,500,000 common shares of the Company.

In the event that the Company conducts a share split or share consolidation after the date of allotment of the subscription rights to shares, the number of shares subject to the subscription rights to shares shall be adjusted according to the following formula. Such adjustment, however, shall be made only to the number of shares subject to the subscription rights to shares which are not yet exercised at that point of time, and any fractions less than one (1) share resulting from the adjustment shall be rounded down.

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

Also, in the event that the Company conducts a merger or share exchange with another company, or a company split, or in any other cases that for unavoidable reasons require the adjustment of the number of shares subject to the subscription rights to shares, the Company may adjust the number of shares to a reasonable extent.

3. Total number of the subscription rights to shares to be issued

Not exceeding 15,000 units. (The number of shares subject to each unit of the subscription rights to shares shall be 100. However, in the event that the adjustment set forth in II.2. is made to the number of shares, adjustment shall be made in the same manner.)

4. Cash payment for the subscription rights to shares

No cash payment shall be required for the subscription rights to shares.

5. Value of assets to be contributed upon exercise of the subscription rights to shares

Assets to be contributed upon exercise of the subscription rights to shares shall be cash. The amount to be paid upon exercise of each unit of the subscription rights to shares shall be the amount obtained by multiplying the amount to be paid per share determined as set forth below (hereinafter referred to as the "Exercise Price") by the number of shares subject to each unit of the subscription rights to shares set forth in II.3.

The Exercise Price shall be the highest of the amount multiplying 1.05 and the average closing price of the Company's common shares in regular trading at the Tokyo Stock Exchange on each day (excluding days with no transactions) of the month prior to the month including the day of issuance of the subscription rights to shares (fractions less than one (1) yen shall be rounded up to the nearest one (1) yen); or the closing price of the Company's common shares in regular trading at the Tokyo Stock Exchange on the day of issuance of the subscription rights to shares (if there are no transactions on such day, the closing price of the immediately preceding day).

In the event that the Company conducts a share split or share consolidation, the Exercise Price shall be adjusted according to the following formula, and any fractions less than one (1) yen resulting from such adjustment shall be rounded up to the nearest one (1) yen.

$$\begin{array}{r} \text{Exercise Price after} \\ \text{adjustment} \end{array} = \begin{array}{r} \text{Exercise Price before} \\ \text{adjustment} \end{array} \times \frac{1}{\begin{array}{r} \text{Ratio of share split or} \\ \text{share consolidation} \end{array}}$$

Also, the Company may adjust the Exercise Price in the event that the Company conducts a merger or share exchange with another company, or a company split.

In the event that the Company issues new shares or disposes of treasury stock at a price lower than the market price (excluding securities to be acquired by the Company or securities with rights of requesting acquisition by the Company, both in exchange for delivery of the Company's common shares, or exercise of subscription rights to shares through which delivery of the Company's common shares may be requested), the Exercise Price shall be adjusted according to the following formula, and any fractions less than one (1) yen resulting from such adjustment shall be rounded up to the nearest one (1) yen.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{\text{Number of shares issued} + \frac{\text{Number of common shares newly issued} \times \text{Amount to be paid per share}}{\text{Share price of common shares before issuing new shares}}}{\text{Number of shares issued} + \text{Number of common shares newly issued}}$$

In the formula above, "Number of shares issued" shall mean the number calculated by subtracting the number of treasury stock of common shares held by the Company from the total number of shares issued by the Company. In the event of disposal of treasury stock, "Number of common shares newly issued" and "Share price of common shares before issuing new shares" shall be replaced with "Number of treasury stock to be disposed of" and "Share price of common shares before disposal," respectively.

6. Exercise period of the subscription rights to shares
From June 1, 2025 to May 31, 2030

7. Matters regarding capital stock and legal capital surplus to be increased by issuance of shares upon exercise of the subscription rights to shares

(1) In the event of new share issuance by exercising the subscription rights to shares, the amount of capital stock increased shall be half of the limit of increase in capital stock, etc. calculated in accordance with Article 17, Paragraph 1 of the Ordinance on Accounting of Companies, and any fractions less than one (1) yen resulting from such calculation shall be rounded up to the nearest one (1) yen.

(2) In the event of new share issuance by exercising the subscription rights to shares, the amount of legal capital surplus increased shall be calculated by subtracting the amount of capital stock increased set forth in (1) above from the limit of increase in capital stock, etc. in (1) above.

8. Conditions for exercising the subscription rights to shares

(1) Those who received the allotment of the subscription rights to shares must be Directors, Audit & Supervisory Board Members, Executive Officers or employees of the Company or its subsidiaries and associates at the time of exercise of the subscription rights to shares.

(2) Notwithstanding the provision of the preceding item, those who received the allotment of the subscription rights to shares may exercise the subscription rights to shares in any of the following cases:

- 1) Retirement from Director, Audit & Supervisory Board Member, Executive Officer of the Company or its subsidiaries and associates due to expiration of their term of office
- 2) Mandatory age-limit retirement and other justifiable reasons
- 3) In case of a contract employee, retirement due to completion of the employment period set forth in the employment contract, provided, however, that continuous years of service of such employee for the Company must be five (5) years or more

(3) The successors of the persons who received the allotment of the subscription rights to shares shall not be able to exercise the subscription rights to shares.

(4) Other conditions for exercising the subscription rights to shares shall be determined by resolution

of the Board of Directors.

9. Matters related to acquisition of the subscription rights to shares

- (1) The Company may acquire without consideration and cancel the subscription rights to shares by resolution of the Board of Directors if a proposal for approval of a merger agreement where the Company becomes a dissolving company, proposal for approval of a share exchange agreement where the Company becomes a wholly-owned subsidiary, or proposal for approval of a share transfer plan is approved at the General Meeting of Shareholders.
- (2) When those who received the allotment of the subscription rights to shares no longer satisfy the conditions to exercise the subscription rights to shares, the Company may acquire the subscription rights to shares of such persons without consideration and cancel them by resolution of the Board of Directors.

10. Restriction on transfer of the subscription rights to shares

Transfer of the subscription rights to shares shall require the approval of the Board of Directors.

11. Treatment of the subscription rights to shares upon implementation of reorganization

If the Company conducts a merger (limited to the case where the Company becomes a dissolving company as a result of the merger), absorption-type company split, incorporation-type company split, share exchange or share transfer (hereinafter collectively referred to as the "Reorganization Transaction"), under the following conditions, subscription rights to shares of a joint stock corporation specified in Article 236, Paragraph 1, Item 8 (a) through (e) of the Companies Act (hereinafter referred to as the "Reorganized Corporation") shall be delivered to holders of subscription rights to shares that remain in effect as of the effective date of the Reorganization Transaction (hereinafter referred to as the "Remaining Subscription Rights to Shares"). In such cases, the Remaining Subscription Rights to Shares shall expire, and the Reorganized Corporation shall issue new subscription rights to shares. However, the foregoing shall be limited to cases where it is prescribed in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement or share transfer plan that the subscription rights to shares of the Reorganized Corporation shall be issued under the following conditions:

- (1) Number of the subscription rights to shares of the Reorganized Corporation to be delivered:
The same number of the subscription rights to shares shall be delivered as the number of the subscription rights to shares held by the holders of the Remaining Subscription Rights to Shares.
- (2) Class of shares of the Reorganized Corporation subject to the subscription rights to shares:
Common shares of the Reorganized Corporation
- (3) Number of shares of the Reorganized Corporation subject to the subscription rights to shares:
The number shall be determined in consideration of the conditions for the Reorganization Transaction.
- (4) Value of assets to be contributed upon exercise of the subscription rights to shares:
The value of assets to be contributed upon exercise of the subscription rights to shares for delivery shall be the amount obtained by multiplying the Exercise Price after reorganization calculated through adjustments, taking into consideration the conditions for the Reorganization Transaction, by the number of shares of the Reorganized Corporation subject to such subscription rights to shares as determined in (3) above.
- (5) Exercise period of the subscription rights to shares:
The period shall commence on the starting date of the exercise period of the Remaining Subscription Rights to Shares or the effective date of the Reorganization Transaction, whichever is later, and end on the expiration date of the exercise period of the Remaining Subscription Rights to Shares.
- (6) Amount of increase in capital stock and legal capital surplus when new shares are issued upon exercise of the subscription rights to shares:
Amount of increase in capital stock and legal capital surplus shall be determined, taking into

consideration the conditions of the Reorganization Transaction.

- (7) Restriction on acquisition of the subscription rights to shares through transfer:
Acquisition of the subscription rights to shares through transfer requires approval of the Board of Directors of the Reorganized Corporation.
- (8) Other conditions for exercising the subscription rights to shares:
The other conditions shall be determined in the same manner as described in II.8. above.

12. Other matters

Other matters related to the subscription rights to shares shall be determined by resolution of the Board of Directors.

End