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Securities code: 9740

May 10, 2023

(Start date of electronic provision measures: May 1, 2023)

To Shareholders with Voting Rights:

Takashi Sawamoto
Representative Director and
President
CENTRAL SECURITY PATROLS
CO., LTD.
SHINJUKU NS Building, 2-4-1
Nishi-Shinjuku, Shinjuku-ku,
Tokyo, Japan

NOTICE OF THE 51st ANNUAL GENERAL MEETING OF SHAREHOLDERS

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

Please be informed that the 51st Annual General Meeting of Shareholders of CENTRAL SECURITY PATROLS CO., LTD. (the “Company”) will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken electronic provision measures and has posted information subject to these measures in the form of the Notice of the 51st Annual General Meeting of Shareholders on the following website.

Our website: <https://www.we-are-csp.co.jp/news/2022/>

In addition to the above, the information is also posted on the website of the Tokyo Stock Exchange (TSE).

TSE Website: <https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the TSE website above, enter our company name in “Issue name (company name)” or our securities code “9740” in “Code,” select “Basic Information” and “Documents for public inspection/PR information” in that order, and check the latest version of “Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting” under “Filed information available for public inspection.”

For this General Meeting of Shareholders, you may exercise your voting rights in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders, which are available in the electronic provision measures section, and exercise your voting rights no later than 5:00 p.m., Wednesday, May 24, 2023, Japan time.

- 1. Date and Time:** Thursday, May 25, 2023 at 10:00 a.m. Japan time
(Doors open at 9:00 a.m.)
- 2. Place:** 2-4-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo, Japan
NS Sky Conference Hall A&B, SHINJUKU NS Building 30F
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. Business Report and Consolidated Financial Statements for the Company’s 51st Fiscal Year (March 1, 2022 - February 28, 2023), and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
 2. Non-consolidated Financial Statements for the Company’s 51st Fiscal Year (March 1, 2022 - February 28, 2023)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Five Directors (excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 4:** Election of Four Directors who are Audit and Supervisory Committee Members
- Proposal 5:** Determination of the Amount of Compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 6:** Determination of the Amount of Compensation for Directors who are Audit and Supervisory Committee Members
- Proposal 7:** Determination of the Amount and Details of Stock-based Compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members)

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If you attend the meeting in person, please submit the enclosed Exercise of Voting Rights Form to the reception at the venue.

Should any revisions be made to the information subject to the electronic provision measures, the revisions will be posted on the websites where they have been made available.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

As regards the appropriation of surplus, the Company's basic policy for profit distribution is to constantly pay stable dividends taking into account the payout ratio in order to return profits to shareholders according to business performance, while securing internal reserves required to further strengthen the management base and develop our future business.

In line with this policy, the year-end dividend for this fiscal year is set at ¥25.00 per share. Therefore, the annual dividend for this fiscal year will be ¥50.00.

1. Matters regarding allotment of dividend property and the total amount thereof
¥25.00 per share of the Company's common stock
Total amount of dividends: ¥365,597,050
2. Effective date of distribution of dividends from surplus
May 26, 2023

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments to the Articles of Incorporation

- (1) The Company seeks to transition from a Company with an Audit & Supervisory Board to a Company with an Audit and Supervisory Committee in order to further enhance corporate governance by strengthening the supervisory functions of the Board of Directors and further strengthening the monitoring system through the inclusion of Audit and Supervisory Committee Members, who are responsible for auditing the Directors’ performance of their duties, in the Board of Directors. As a result, the Company proposes necessary changes for the transition, including establishing new provisions regarding Directors who are the Audit and Supervisory Committee Members and the Audit and Supervisory Committee, and deleting provisions regarding Corporate Auditors and the Audit & Supervisory Board.
- (2) Article 30 of the Articles of Incorporation will be newly established to allow the Board of Directors to pass a resolution such as to distribute dividends from surplus in order to enable the Company to flexibly implement its capital and dividend policies. However, for the time being, the year-end dividend will be determined by a resolution of the General Meeting of Shareholders.
- (3) Other necessary changes, including lexical changes, will be made to the Articles of Incorporation in connection with the above changes.

2. Details of amendments to the Articles of Incorporation

The details of the amendments to the Articles of Incorporation are as follows.

These amendments to the Articles of Incorporation shall become effective at the conclusion of this Annual General Meeting of Shareholders.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
Chapter 1 General Provisions	Chapter 1 General Provisions
Articles 1 - 3 <Texts omitted>	Articles 1 - 3 <Unchanged>
Article 4 Establishment of Bodies The Company shall have a Board of Directors, <u>Corporate Auditors, the Audit & Supervisory Board</u> and Accounting Auditors.	Article 4 Establishment of Bodies The Company shall have a Board of Directors, <u>the Audit and Supervisory Committee</u> and Accounting Auditors.
Article 5 <Texts omitted>	Article 5 <Unchanged>
Chapter 2 Shares	Chapter 2 Shares
Articles 6 - 11 <Texts omitted>	Articles 6 - 11 <Unchanged>
Chapter 3 General Meeting of Shareholders	Chapter 3 General Meeting of Shareholders
Articles 12 - 18 <Texts omitted>	Articles 12 - 18 <Unchanged>
Chapter 4 Directors and Board of Directors	Chapter 4 Directors and Board of Directors
Article 19 Number of Directors The number of the Company’s Directors shall be not more than <u>12</u> .	Article 19 Number of Directors The number of the Company’s Directors <u>(excluding Directors who are Audit and Supervisory Committee Members)</u> shall be not more than <u>eight</u> .

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;"><Newly established></p> <p>Article 20 Election of Directors Directors shall be elected at the General Meeting of Shareholders by a majority of votes of the shareholders in attendance who hold one-third or more of the voting rights of shareholders entitled to exercise voting rights.</p> <p>2. Election of Directors shall not be by cumulative voting.</p> <p>Article 21 Term of Office of Directors The term of office of Directors shall expire at the conclusion of the Annual General Meeting of Shareholders held for the last fiscal year that ends within <u>two</u> years from the assumption of office.</p> <p style="text-align: center;"><Newly established></p> <p>2. <u>The term of office of a Director who is elected as a substitute or as an additional Director shall last until the remaining term of office of the incumbent Directors expires.</u> <Newly established></p> <p>Article 22 Representative Directors and Directors with Special Titles The Board of Directors shall select a few Representative Directors and Directors with special titles from among Directors.</p> <p>2. The Board of Directors may, by resolution, select one Chairperson of the Board of Directors, one Director and President, a few</p>	<p>2. <u>The number of the Company's Directors who are Audit and Supervisory Committee Members shall be not more than four.</u></p> <p>Article 20 Election of Directors Directors shall be elected at the General Meetings of Shareholders, <u>making a distinction between Directors who are Audit and Supervisory Committee Members and other Directors</u> by a majority of votes of the shareholders in attendance who hold one-third or more of the voting rights of shareholders entitled to exercise voting rights.</p> <p>2. <Unchanged></p> <p>Article 21 Term of Office of Directors The term of office of Directors (<u>excluding Directors who are Audit and Supervisory Committee Members</u>) shall expire at the conclusion of the Annual General Meeting of Shareholders held for the last fiscal year that ends within <u>one</u> year from the assumption of office.</p> <p>2. <u>The term of office of Directors who are Audit and Supervisory Committee Members shall expire at the conclusion of the Annual General Meeting of Shareholders held for the last fiscal year that ends within two years from the assumption of office.</u> <Deleted></p> <p>3. <u>The term of office of a Director who is an Audit and Supervisory Committee Member and who is elected to fill a vacancy of a Director who was an Audit and Supervisory Committee Member and who has resigned prior to the expiration of the term of office shall last until the term of office of the resigning Director who is an Audit and Supervisory Committee Member expires.</u></p> <p>Article 22 Representative Directors and Directors with Special Titles The Board of Directors shall select a few Representative Directors and Directors with special titles from among Directors (<u>excluding Directors who are Audit and Supervisory Committee Members</u>).</p> <p>2. The Board of Directors may, by resolution, select one Chairperson of the Board of Directors, one Director and President, a few</p>

Current Articles of Incorporation	Proposed Amendments
<p>Vice-Chairpersons of the Board of Directors, and a few Director and Vice Presidents.</p> <p>Article 23 Meetings of the Board of Directors Meetings of the Board of Directors shall be convened and chaired by the Director and President of the Company. When the Director and President is unable to perform duties, another Director shall act as Director and President as assigned in the order previously determined by the Board of Directors.</p> <p>2. A notice of convocation of the meeting of the Board of Directors shall be given to each Director <u>and each Corporate Auditor</u> no later than three days prior to the scheduled date of the meeting. However, this period may be shortened in the event of an emergency.</p> <p>3. When a Director proposes a matter to be resolved at a meeting of the Board of Directors, and all Directors who are eligible to participate in the voting on the matter concerned have expressed their consent to the proposal in writing or by the electromagnetic record, the Board of Directors shall be deemed to have passed a resolution of approval <u>unless the Corporate Auditors oppose it.</u></p> <p>4. Matters pertinent to the Board of Directors and other issues shall be governed by the Regulations of the Board of Directors defined by the Board of Directors.</p> <p>Article 24 <Texts omitted></p> <p style="text-align: center;"><Newly established></p> <p style="text-align: center;"><u>Chapter 5 Corporate Auditors and the Audit & Supervisory Board</u></p> <p><u>Article 25 Number of Corporate Auditors</u> <u>The number of Corporate Auditors of the Company shall be not more than five.</u></p>	<p>Vice-Chairpersons of the Board of Directors, and a few Director and Vice Presidents <u>from among Directors (excluding Directors who are Audit and Supervisory Committee Members).</u></p> <p>Article 23 Meetings of the Board of Directors <Unchanged></p> <p>2. A notice of convocation of the meeting of the Board of Directors shall be given to each Director no later than three days prior to the scheduled date of the meeting. However, this period may be shortened in the event of an emergency.</p> <p>3. When a Director proposes a matter to be resolved at a meeting of the Board of Directors, and all Directors who are eligible to participate in the voting on the matter concerned have expressed their consent to the proposal in writing or by the electromagnetic record, the Board of Directors shall be deemed to have passed a resolution of approval.</p> <p>4. <Unchanged></p> <p>Article 24 <Unchanged></p> <p><u>Article 25 Delegation of Decisions on Execution of Important Operations</u> <u>In accordance with the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Board of Directors may, by resolution, delegate to Directors all or part of a decision on execution of important operations (excluding matters stipulated in each item of Paragraph 5 of the same Article).</u></p> <p style="text-align: center;"><Deleted></p> <p style="text-align: center;"><Deleted></p>

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 26 Election of Corporate Auditors</u> <u>Corporate Auditors shall be elected at General Meetings of Shareholders by a majority of votes of the shareholders in attendance who hold one-third or more of the voting rights of shareholders entitled to exercise voting rights.</u></p>	<p><Deleted></p>
<p><u>Article 27 Term of Office of Corporate Auditors</u> <u>The term of office of Corporate Auditors shall expire at the conclusion of the Annual General Meeting of Shareholders held for the last fiscal year that ends within four years from the assumption of office.</u> <u>2. The term of office of a Corporate Auditor elected to fill a vacancy of a Corporate Auditor who has resigned prior to the expiration of the term of office shall last until the term of office of the resigning Corporate Auditor expires.</u></p>	<p><Deleted></p>
<p><u>Article 28 Election of Full-Time Corporate Auditors and Standing Corporate Auditors</u> <u>A few Full-time Corporate Auditors shall be elected from among Corporate Auditors by the Audit & Supervisory Board.</u> <u>2. Standing Corporate Auditors shall be elected from among Corporate Auditors by the Audit & Supervisory Board.</u></p>	<p><Deleted></p>
<p><u>Article 29 Audit & Supervisory Board</u> <u>A notice of convocation of the meeting of the Audit & Supervisory Board shall be given to each Corporate Auditor at least three days prior to the scheduled date of the meeting. However, this period may be shortened in the event of an emergency.</u> <u>2. Matters pertinent to the Audit & Supervisory Board and other issues shall be governed by the Regulations of the Audit & Supervisory Board defined by the Audit & Supervisory Board.</u></p>	<p><Deleted></p>
<p style="text-align: center;"><Newly established></p> <p style="text-align: center;"><Newly established></p>	<p style="text-align: center;"><u>Chapter 5 Audit and Supervisory Committee</u></p> <p><u>Article 26 Audit and Supervisory Committee</u> <u>A notice of convocation of the meeting of the Audit and Supervisory Committee shall be given to each Audit and Supervisory Committee Member no later than three days prior to the scheduled date of the meeting. However, this period may be shortened in the event of an emergency.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;"><Newly established></p> <p style="text-align: center;">Chapter 6 Exemption from Liability of Directors <u>and Corporate Auditors</u></p> <p>Article <u>30</u> Partial Exemption from Liability for Damages</p> <p>The Company may, by a resolution of the Board of Directors, exempt Directors (excluding those who are Executive Directors, etc.; hereinafter the same shall apply) <u>and Corporate Auditors</u> from liability for damages to the Company to the extent provided by law and regulation.</p> <p>2. The Company may enter into an agreement with Directors <u>and Corporate Auditors</u> regarding their liability for damages to the Company. However, the maximum amount of such liability shall be limited to the extent provided by law and regulation.</p> <p style="text-align: center;">Chapter 7 Accounting</p> <p>Article <u>31</u> < Texts omitted ></p> <p>Article <u>32</u> Dividends from Surplus</p> <p><u>The Company may, by a resolution of the General Meeting of Shareholders, pay year-end dividends to shareholders or registered share pledges recorded in the register of shareholders as of the last day of each fiscal year.</u></p> <p><u>2. In addition to the above paragraph, the Company may, by a resolution of the Board of Directors, pay interim dividends to shareholders or registered share pledges</u></p>	<p>2. <u>With the consent of all Audit and Supervisory Committee Members, the meeting of the Audit and Supervisory Committee may be held without following the convocation procedures.</u></p> <p>3. <u>Matters concerning the Audit and Supervisory Committee shall be governed by the Rules of the Audit and Supervisory Committee defined by the Audit and Supervisory Committee in addition to laws and regulations and these Articles of Incorporation.</u></p> <p><u>Article 27 Election of Full-time Audit and Supervisory Committee Members</u> <u>The Audit and Supervisory Committee may, by resolution, select Full-time Audit and Supervisory Committee Members.</u></p> <p style="text-align: center;">Chapter 6 Exemption from Liability of Directors</p> <p>Article <u>28</u> Partial Exemption from Liability for Damages</p> <p>The Company may, by a resolution of the Board of Directors, exempt Directors (excluding those who are Executive Directors, etc.; hereinafter the same shall apply) from liability for damages to the Company to the extent provided by law and regulation.</p> <p>2. The Company may enter into an agreement with Directors regarding their liability for damages to the Company. However, the maximum amount of such liability shall be limited to the extent provided by law and regulation.</p> <p style="text-align: center;">Chapter 7 Accounting</p> <p>Article <u>29</u> <Unchanged></p> <p>Article <u>30</u> <u>Body for Determining Dividends from Surplus and Other Matters</u> <u>The Company may determine the matters provided in each item of Article 459, Paragraph 1 of the Companies Act, including the distribution of surplus, by a resolution of the Board of Directors, except as otherwise provided by law and regulation.</u></p> <p style="text-align: center;"><Deleted></p>

Current Articles of Incorporation	Proposed Amendments
<p><u>recorded in the shareholders' register as of August 31 of each year.</u></p> <p><Newly established></p> <p><u>Article 33 Acquisition of Treasury Shares</u> <u>In accordance with Article 165, Paragraph 2 of the Companies Act, the Company may acquire its treasury shares by a resolution of the Board of Directors.</u></p> <p>Article 34 <Texts omitted></p> <p>Supplementary Provisions</p> <p>1. The Articles of Incorporation shall be partially revised and implemented on <u>May 26, 2022.</u></p> <p><Newly established></p>	<p><u>Article 31 Record Date for Dividends from Surplus</u> <u>The record date for the year-end dividend of the Company shall be the last day of each fiscal year.</u> <u>2. The record date for the interim dividend of the Company shall be August 31 of each year.</u> <u>3. In addition to the above two paragraphs, the Company may declare dividends from surplus by specifying a record date.</u></p> <p><Deleted></p> <p>Article 32 <Unchanged></p> <p>Supplementary Provisions</p> <p>1. The Articles of Incorporation shall be partially revised and implemented on <u>May 25, 2023.</u></p> <p>2. <u>The Company may, to the extent permitted by law and regulation, exempt Corporate Auditors (including former Corporate Auditors) from liability for damages as prescribed in Article 423, Paragraph 1 of the Companies Act with respect to acts committed prior to the conclusion of the 51st Annual General Meeting of Shareholders by a resolution of the Board of Directors.</u></p>

Proposal 3: Election of Five Directors (excluding Directors who are Audit and Supervisory Committee Members)

If Proposal 2: Partial Amendments to the Articles of Incorporation is approved as proposed, the Company will transition to a Company with an Audit and Supervisory Committee. As a result, the terms of office of all nine Directors currently in office will expire when the amendments to the Articles of Incorporation take effect. Accordingly, the election of five Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same in this Proposal) who will serve after the transition is proposed.

This Proposal shall become effective only if Proposal 2: Partial Amendments to the Articles of Incorporation takes effect.

The candidates for Directors are as follows:

No.	Name	Current positions and responsibilities at the Company	Attendance at the Board of Directors meetings
1	[Reappointment] Takashi Sawamoto	Representative Director, President and Executive Officer	14/14 (100%)
2	[Reappointment] Masaaki Kokubo	Director and Senior Managing Executive Officer, General Manager of Sales Headquarters	14/14 (100%)
3	[Reappointment] Hirofumi Horiba	Director and Managing Executive Officer, General Manager of Security Services Headquarters	14/14 (100%)
4	[Reappointment] Mikiko Sakamoto	Director and Managing Executive Officer, Deputy General Manager of Sales Headquarters	14/14 (100%)
5	[New appointment] Totaro Ichikawa	-	-

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
1	<p>Takashi Sawamoto (January 19, 1957)</p> <p>[Reappointment]</p> <p>[Number of shares of the Company held] 1,100 shares</p>	<p>April 1979 April 1987 April 2004 July 2007 June 2008 June 2012 June 2015 May 2017 June 2017 June 2017 May 2018</p> <p>Joined Japan National Railways Joined East Japan Railway Company Manager of Equipment Department, Railway Business Headquarters, East Japan Railway Company Manager of Electric Network Department, Railway Business Headquarters, East Japan Railway Company Executive Officer, Manager of Electric Network Department, Railway Business Headquarters, East Japan Railway Company Managing Director; Deputy General Manager of Railway Business Headquarters; Manager of Technical Planning Department, General Planning Headquarters, East Japan Railway Company President and Representative Director of JR East Facility Management Co., Ltd. Part-time Director of the Company Retired as President and Representative Director of JR East Facility Management Co., Ltd. Representative Director and Vice President of the Company Representative Director, President and Executive Officer (current position)</p> <p>[Positions and assignments in the Company] Representative Director, President and Executive Officer</p> <p>[Significant concurrent positions] Director, Kansai CSP Co. Vice President, All Japan Security Service Association Vice President, Tokyo Security Service Association</p>
<p>[Reason for nomination as candidate for Director] Since assuming the position of Representative Director in 2018, Takashi Sawamoto has been at the helm of management. He has drawn up the current mid-term management plan, Creative 2025, and has been working hard to accomplish the plan. Utilizing his work experience and knowledge of technology management and other areas, he has been providing leadership and direction as a top executive to achieve sustainable growth as a technology service company. For these reasons, the Company has determined that he is qualified to contribute to enhancing corporate value, and has renominated him as a candidate for the position of Director.</p>		

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	
2	<p>Masaaki Kokubo (February 20, 1955)</p> <p>[Reappointment]</p> <p>[Number of shares of the Company held] 3,200 shares</p>	<p>April 1978</p> <p>July 1995</p> <p>June 2010</p> <p>April 2016</p> <p>March 2017</p> <p>May 2017</p> <p>May 2018</p> <p>September 2018</p>	<p>Joined Sumitomo Corporation</p> <p>Assistant to Manager of Overseas Real Estate Business Department, Construction & Real Estate Headquarters, Sumitomo Corporation</p> <p>President and Representative Director of Sumisho Urban Development Co. LTD.</p> <p>Joined the Company, Executive Officer; Assistant General Manager of Sales Headquarters</p> <p>Executive Officer; General Manager of Sales Headquarters; Deputy General Manager of Business Strategy Promotion Headquarters</p> <p>Director and Senior Managing Executive Officer; General Manager of Sales Headquarters; Deputy General Manager of Business Strategy Promotion Headquarters</p> <p>Director and Senior Managing Executive Officer; General Manager of Sales Headquarters in charge of Okinawa Sales; Deputy General Manager of Business Strategy Promotion Headquarters</p> <p>Director and Senior Managing Executive Officer; General Manager of Sales Headquarters in charge of Okinawa Sales (current position)</p> <p>[Positions and assignments in the Company] Director and Senior Managing Executive Officer; General Manager of Sales Headquarters in charge of Okinawa Sales</p> <p>[Significant concurrent positions] Director of CSP Creative Service Co., LTD. Director of HOPE Inc. Director of Naganoken Patrol Co.</p>
<p>[Reason for nomination as candidate for Director]</p> <p>Masaaki Kokubo has a wealth of experience and knowledge obtained from his years at Sumitomo Corporation as well as corporate management experience and insight cultivated as Representative Director and President of Sumisho Urban Development Co. LTD. In addition, as General Manager of Sales Headquarters, he has high-level executive experience, including establishing the Okinawa Business Division and M&A activities. For these reasons, the Company has determined that he is qualified to contribute to enhancing corporate value, and has renominated him as a candidate for the position of Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
3	<p>Hirofumi Horiba (January 22, 1959)</p> <p>[Reappointment]</p> <p>[Number of shares of the Company held] 3,012 shares</p>	<p>April 1982 Joined the Company</p> <p>September 1996 General Manager of Hamamatsu Branch Office</p> <p>March 2005 General Manager of Yokohama Branch Office</p> <p>September 2007 Manager of Security Quality Department</p> <p>February 2009 Seconded as Director of Shin Anzen Security Service Co.</p> <p>April 2012 Manager of Security Management Division; Manager of Transportation Security Division, the Company</p> <p>May 2012 Executive Officer; Manager of Security Management Division; Manager of Transportation Security Division</p> <p>May 2016 Director and Executive Officer; Manager of General Affairs Division</p> <p>September 2017 Director and Executive Officer; Manager of General Affairs Division; Manager of Information System Division</p> <p>May 2018 Director and Managing Executive Officer; Deputy General Manager of Administration Headquarters; Manager of General Affairs Division; Manager of Legal Review Division in charge of Audit Division and CS Advancement; Manager of Public Relations, Advertising and Investor Relations Office, Corporate Planning Division</p> <p>September 2018 Director and Managing Executive Officer; Deputy General Manager of Administration Headquarters; Deputy Manager of Business Reform Office; Manager of General Affairs Division; Manager of Legal Review Division in charge of Audit Division and CS Advancement; Manager of Public Relations, Advertising and Investor Relations Office, Corporate Planning Division</p> <p>May 2019 Director and Managing Executive Officer; General Manager of Personnel and General Affairs Headquarters; Manager of General Affairs Division; Manager of Legal Review Division</p> <p>May 2021 Director and Managing Executive Officer; General Manager of Security Services Headquarters in charge of West Japan (current position)</p> <p>[Positions and assignments in the Company] Director and Managing Executive Officer; General Manager of Security Services Headquarters in charge of West Japan Supervisor</p> <p>[Significant concurrent positions] Director of SCSP Co., Ltd. Director of TOKKEI Co. Director of Keibi Hosho Times Inc.</p>
<p>[Reason for nomination as candidate for Director]</p> <p>Hirofumi Horiba has served as General Manager at several departments and branch offices and as an officer of a group subsidiary and has experience and knowledge that extend beyond security services. In addition, he is familiar with a wide range of the Company's overall business operations, from management to on-site security, and has a high level of executive experience. For these reasons, the Company has determined that he is qualified to contribute to enhancing corporate value, and has renominated him as a candidate for the position of Director.</p>		

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
4	<p>Mikiko (Kodama) Sakamoto (September 23, 1965)</p> <p>[Reappointment]</p> <p>[Number of shares of the Company held] 400 shares</p>	<p>April 1989 February 1997 February 2001 March 2004 June 2009 November 2010 June 2012 June 2015 June 2017 June 2019 May 2021</p> <p>Joined East Japan Railway Company Assistant Manager of Ueno Station, Tokyo Regional Head Office, East Japan Railway Company Deputy Station Manager of Shibuya Station, Tokyo Branch Office, East Japan Railway Company Chief of Service Section, Sales Department, Omiya Branch Office, East Japan Railway Company Deputy Manager of Customer Service Department, Railway Business Headquarters, East Japan Railway Company Manager of Sales Division, Omiya Branch Office, East Japan Railway Company Manager of Service Quality Reform Division, Railway Business Headquarters, East Japan Railway Company Executive Officer; General Manager of Omiya Branch Office, East Japan Railway Company Executive Officer; Manager of Sales Division, Railway Business Headquarters, East Japan Railway Company Managing Executive Officer in charge of Sales Division, Railway Business Headquarters; in charge of Tourism; in charge of Olympic and Paralympic Games, East Japan Railway Company Director and Managing Executive Officer; Deputy General Manager of Sales Headquarters, the Company (current position)</p> <p>[Positions and assignments in the Company] Director and Managing Executive Officer; Deputy General Manager of Sales Headquarters</p> <p>[Significant concurrent positions] Director of Shin Anzen Keibi Hoshō Inc.</p>
<p>[Reason for nomination as candidate for Director] Mikiko (Kodama) Sakamoto has led the Sales Headquarters as a Deputy General Manager, utilizing her extensive experience and knowledge of all aspects of the railway business cultivated at East Japan Railway Company, and has directed many projects to improve the Company's performance. For these reasons, the Company has determined that she is qualified to contribute to enhancing our corporate value, and has renominated her as a candidate for the position of Director.</p>		

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
5	<p>Totaro Ichikawa (September 29, 1964)</p> <p>[New appointment]</p> <p>[Number of shares of the Company held] 0 shares</p>	<p>April 1988 February 2003 July 2005 June 2008 June 2014 June 2015 June 2017 June 2018 June 2021</p> <p>Joined East Japan Railway Company Chief of Vehicle Service Section, Transportation Division, Takasaki Branch Office, East Japan Railway Company Chief of Transportation Vehicles Division, Railway Business Headquarters, East Japan Railway Company Manager of Transportation Division, Hachioji Branch Office, East Japan Railway Company Manager of Transportation Vehicle Division, Railway Business Headquarters, East Japan Railway Company Business Creation Division, East Japan Railway Company (Seconded to JR East Logistics Co., Ltd.) Executive Officer; Manager of Transportation Vehicles Division, Railway Business Headquarters, East Japan Railway Company Managing Executive Officer of East Japan Railway Company. Vice President and Representative Director; Assistant to President (General); General Manager of Railway Business Headquarters; Chief Safety Management Officer, East Japan Railway Company (current position)</p> <p>[Positions and assignments in the Company] -</p> <p>[Significant concurrent positions] Vice President and Representative Director; Assistant to President (General); General Manager of Railway Business Headquarters; Chief Safety Management Officer, East Japan Railway Company</p>
<p>[Reason for nomination as candidate for Director] Totaro Ichikawa has served as Vice President and General Manager of the Railway Business Headquarters of East Japan Railway Company and has abundant experience and knowledge of all aspects of the railway business, as well as high-level executive experience. For these reasons, the Company has determined that he is qualified to contribute to enhancing corporate value, and has nominated him as a candidate for the position of Director.</p>		

(Notes) 1. The Company has security contracts and other transactions with East Japan Railway Company, of which Mr. Totaro Ichikawa serves as Executive Vice President. There are no special interests between the other candidates and the Company.

2. The Company has concluded a Directors' and Officers' liability insurance policy with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, which insures all Directors. Under this insurance policy, the Company will be covered for damages and dispute expenses incurred by the insured due to claims for damages arising from acts committed by the insured in connection with the performance of their duties for the Company, and the Company will bear all insurance premiums for the insured. If this proposal is approved, each of the Directors will be covered in the insured under the policy. The Company plans to renew the insurance policy with the same terms and conditions during the term of office.

Proposal 4: Election of Four Directors who are Audit and Supervisory Committee Members

If Proposal 2: Partial Amendments to the Articles of Incorporation is approved as proposed, the Company will transition to a Company with an Audit and Supervisory Committee. As a result, the terms of office of all four Corporate Auditors currently in office will expire when the amendments to the Articles of Incorporation take effect. Accordingly, the election of four Directors who are Audit and Supervisory Committee Members is proposed.

This Proposal shall become effective only if Proposal 2: Partial Amendments to the Articles of Incorporation takes effect.

Consent has been obtained from the Audit & Supervisory Board regarding this Proposal.

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

No.	Name	Current positions and responsibilities at the Company	Attendance at the Board of Directors meetings
1	[New appointment] Tomoaki Tabata	Standing Corporate Auditor	14/14 (100%)
2	[New appointment] Keiji Goto	Outside Corporate Auditor	13/14 (92%)
3	[New appointment] Takeo Hiyama	Outside Corporate Auditor	14/14 (100%)
4	[New appointment] Mami Karatsu	Outside Corporate Auditor	14/14 (100%)

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
1	<p>Tomoaki Tabata (January 10, 1957)</p> <p>[New appointment]</p> <p>[Number of shares of the Company held] 9,700 shares</p>	<p>April 1979 October 2011 August 2012 December 2012 May 2013 May 2016 December 2017 May 2018</p> <p>Joined the National Police Agency Director of Highest Training Institute for Investigation Leaders, National Police Academy Retired from the National Police Agency Advisor of the Company Director and Managing Executive Officer; General Manager of Security Services Headquarters; Deputy General Manager of Business Strategy Promotion Headquarters Director and Managing Executive Officer; General Manager of Security Services Headquarters; Deputy General Manager of Business Strategy Promotion Headquarters; Manager of Security Management Division; Manager of Transportation Security Division Director and Managing Executive Officer; General Manager of Security Services Headquarters; Deputy General Manager of Business Strategy Promotion Headquarters Standing Corporate Auditor (current position)</p> <p>[Positions and assignments in the Company] Standing Corporate Auditor</p> <p>[Significant concurrent positions] -</p>
<p>[Reason for nomination as candidate for Director who is an Audit and Supervisory Committee Member] Tomoaki Tabata was appointed as Director and General Manager of Security Services Headquarters after joining the Company, and he has extensive knowledge of the Company's business operations. Given his past performance as a Standing Corporate Auditor of the Company, the Company has determined that he is capable of continuing to audit the execution of duties from an objective and fair standpoint, and has nominated him as a candidate for Director who is an Audit and Supervisory Committee Member.</p>		

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
2	<p>Keiji Goto (July 30, 1959)</p> <p>[New appointment] [Outside Director] [Independent Officer]</p> <p>[Number of shares of the Company held] 6,300 shares</p>	<p>April 1982 Joined the National Police Agency</p> <p>June 1992 Assistant Counsellor of Cabinet Secretariat, Cabinet Legislation Bureau</p> <p>April 2001 General Manager of Community Safety Department, Osaka Prefectural Police</p> <p>January 2003 Director of Police Administration, Aichi Prefectural Police Headquarters</p> <p>August 2004 Counsellor of Cabinet Secretariat (Security and Crisis Management)</p> <p>May 2005 Retired from the National Police Agency</p> <p>August 2005 Registered as Attorney-at-Law and joined Nishimura & Tokiwa Law Office</p> <p>July 2008 Established Goto Compliance Law Office</p> <p>May 2012 Corporate Auditor of the Company (current position)</p> <p>[Positions and assignments in the Company] Outside Corporate Auditor</p> <p>[Significant concurrent positions] Attorney-at-Law of Goto Compliance Law Office Outside Director of SEIBU PRINCE HOTELS WORLDWIDE INC. Outside Director of Seibu Holdings Inc. Vice President of National University Corporation Tokyo Medical and Dental University Outside Director of FUKUDA DENSHI INC.</p>
<p>[Reason for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and expected roles]</p> <p>Keiji Goto has audited the execution of duties by the Company's Directors since assuming office as an Outside Corporate Auditor in 2012, drawing on not only his knowledge as a lawyer but also his extensive business experience and experience as an officer at several companies. Therefore, the Company has determined that he is capable of continuing to audit the execution of duties from an objective and fair standpoint, and has nominated him as a candidate for Director who is an Audit and Supervisory Committee Member.</p>		

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	
3	Takeo Hiyama (March 6, 1958) [New appointment] [Outside Director] [Independent Officer] [Number of shares of the Company held] 0 shares	July 1977 April 1978 June 1985 July 1986 May 2016 [Positions and assignments in the Company] Outside Director [Significant concurrent positions] Representative Director and President of ABIT Corporation	Representative of Design Firm HCS Joined Logic Systems International Inc. Retired from Logic Systems International Inc. Established ABIT Corporation, Representative Director and President of ABIT Corporation Outside Director of the Company (current position)
[Reason for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and expected roles] Takeo Hiyama has abundant experience in corporate management and a wide range of knowledge that has led ABIT Corporation for many years as President. He has provided many suggestions at meetings of the Board of Directors from a standpoint independent of the Company's management team. Therefore, the Company has determined that he is capable of continuing to audit the execution of duties from an objective and fair standpoint, and has nominated him as a candidate for Director who is an Audit and Supervisory Committee Member.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	
4	<p>Mami (Yamada) Karatsu (August 5, 1968)</p> <p>[New appointment] [Outside Director] [Independent Officer]</p> <p>[Number of shares of the Company held] 0 shares</p>	<p>April 1996 January 1999 June 1999 January 2005 May 2006 January 2011 March 2018 July 2018 May 2021 June 2021</p> <p>[Positions and assignments in the Company] Outside Director</p> <p>[Significant concurrent positions] Attorney at Takagicho Law Office Outside Director of ULS Group Inc.</p>	<p>Joined Tokyo Eiwa, Attorneys at Law Joined Freshfields Attorneys at Law M.A in Law. (LL.M.), Harvard Law School Joined Kotto Dori Law Office Outside Corporate Auditor of ULS Group Inc. Judicial Commissioner of Tokyo Summary Court Established Takagicho Law Office Outside Corporate Auditor of Wedding Park Co., LTD Outside Director of the Company Outside Director (Director who is an Audit and Supervisory Committee Member of ULS Group Inc. (current position)</p>
<p>[Reason for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and expected roles]</p> <p>Mami (Yamada) Karatsu has been at the forefront of the legal profession for many years, and in addition to her legal activities, she has served as an outside corporate auditor for several companies and is a Member of the New York State Bar in the United States, where she has a global practice. Although she has never been involved in corporate management other than as an Outside Director, she has a high level and wide range of expertise represented by her corporate legal affairs. Accordingly, the Company nominated her as a candidate for Outside Director who is an Audit and Supervisory Committee Member because she can provide opinions from a standpoint independent of the Company's management and continue to audit the execution of duties objectively and fairly.</p>			

(Notes) 1. If Proposal 2: Partial Amendments to the Articles of Incorporation and the election of Mr. Tomoaki Tabata, Mr. Keiji Goto, Mr. Takeo Hiyama, and Ms. Mami Karatsu are approved as proposed, according to the provisions of the Articles of Incorporation of the Company and Article 427, Paragraph 1 of the Companies Act, to limit their liability for damages as provided in Article 423, Paragraph 1 of the Companies Act to the maximum amount stipulated by law.

A summary of the contents of such an agreement is as follows.

- (i) If an Outside Director is liable for damages to the Company due to negligence of their duties, their liability shall be limited to the minimum liability amount stipulated in Article 427, Paragraph 1 of the Companies Act.
 - (ii) The above limitation of liability shall be permitted only when the Outside Director has performed their duties in good faith and without gross negligence, which caused their liability.
2. There are no special interests between each candidate and the Company.
 3. Mr. Keiji Goto, Mr. Takeo Hiyama, and Ms. Mami Karatsu are candidates for Outside Director.
 4. Independence as Outside Directors
 - (1) Mr. Keiji Goto, Mr. Takeo Hiyama, and Ms. Mami Karatsu are not parent companies, etc., of the Company and have not been parent companies, etc., of the Company in the past 10 years.
 - (2) Mr. Keiji Goto, Mr. Takeo Hiyama and Ms. Mami Karatsu are not, and have not been in the past 10 years, Officers or Directors of the Company or any business entity in a special relationship with the Company.
 - (3) Mr. Keiji Goto, Mr. Takeo Hiyama, and Ms. Mami Karatsu do not plan to receive, and have not received in the past two years, any large amount of money or other assets from the Company or any entity in a special relationship with the Company.
 - (4) Mr. Keiji Goto, Mr. Takeo Hiyama, and Ms. Mami Karatsu are not the spouse, relative within the third degree of relationship, or another similar person of the parent company, etc., of the Company, the Company, or any business entity having a special relationship with the Company, or any officer of the Company.
 - (5) Mr. Keiji Goto, Mr. Takeo Hiyama, and Ms. Mami Karatsu have not been executive officers of a stock company to which the Company has succeeded rights and obligations due to a merger, absorption-type company split, incorporation-type company split, or business acquisition in the past two years immediately before such merger, etc. The Company has entered into liability limitation agreements with Mr. Keiji Goto, Mr. Takeo Hiyama, and Ms. Mami Karatsu.

5. Mr. Keiji Goto, Mr. Takeo Hiyama, and Ms. Mami Karatsu are candidates for independent directors as stipulated by the Financial Instruments and Exchange
6. Mr. Keiji Goto will have held the position of Outside Corporate Auditor of the Company for 11 years at the conclusion of this General Meeting of Shareholders.
7. Mr. Takeo Hiyama will have held the position of Outside Director of the Company for seven years at the conclusion of this General Meeting of Shareholders.
8. Ms. Mami Karatsu will have held the position of Outside Director of the Company for two years at the conclusion of this General Meeting of Shareholders.

9. Directors and Officers Liability Insurance Policy

Since June 2007, the Company has had Directors and Officers Liability Insurance policies covering all directors, corporate auditors, and executive officers. If this proposal is approved, each will be included as an insured under the relevant insurance policy.

The Board of Directors is scheduled to pass a resolution on the conclusion of this agreement at its meeting on May 25, 2023.

The outline of the agreement is as follows:

- (i) In the event of a claim for damages arising out of the performance of duties by a Director or officer, the insurance policy will cover damages and litigation expenses within the limit of payment.
- (ii) The Company will pay all insurance premiums.
- (iii) The insurance policy will be renewed during the term of office.

Proposal 5: Determination of the Amount of Compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members)

At the Annual General Meeting of Shareholders held on May 30, 2019, the compensation for Directors was determined to be within ¥310,000 thousand annually (of which the portion for Outside Directors was within ¥30,000 thousand, not including the employee salary portion of those Directors who concurrently serve as employees). However, on the condition that Proposal 2: Partial Amendments to the Articles of Incorporation is approved as proposed, the Company will transition to a Company with an Audit and Supervisory Committee. Consequently, upon taking into consideration various factors including economic trends, the Company proposes compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members, hereinafter the same in this proposal) to be within ¥310,000 thousand annually (of which the portion for Outside Directors is within ¥30,000 thousand annually), and that the Company will determine the specific amounts, the timing of payment, and other matters by a resolution of the Board of Directors.

The basic policy related to the compensation for each individual Director is as described in “3. Matters Concerning Company Officers” in the Business Report in the Japanese version of this Notice, and the same policy will be applied after the Company transitions to a Company with an Audit and Supervisory Committee. The Company has judged that the amount of compensation for this proposal is appropriate, as the fixed compensation and performance-linked compensation are to be paid in accordance with such policy. This compensation does not include the employee salary portion of those Directors who concurrently serve as employees.

There are currently nine Directors. If Proposal 2: Partial Amendments to the Articles of Incorporation and Proposal 3: Election of Five Directors (excluding Directors who are Audit and Supervisory Committee Members) are approved as proposed, there will be five Directors.

This Proposal shall become effective only if Proposal 2: Partial Amendments to the Articles of Incorporation takes effect.

Proposal 6: Determination of the Amount of Compensation for Directors who are Audit and Supervisory Committee Members

If Proposal 2: Partial Amendments to the Articles of Incorporation is approved as proposed, the Company will transition to a Company with an Audit and Supervisory Committee. Consequently, upon taking into consideration various factors including economic trends, the Company proposes compensation for Directors who are Audit and Supervisory Committee Members to be within ¥50,000 thousand annually, and that the Company will determine the specific amounts, timing of payment, and other matters through consultation among Directors who are Audit and Supervisory Committee Members. The Company has judged that the amount of compensation for this proposal is appropriate considering the responsibilities of Directors who are Audit and Supervisory Committee Members.

If Proposal 2: Partial Amendments to the Articles of Incorporation and Proposal 4: Election of Four Directors who are Audit and Supervisory Committee Members are approved as proposed, there will be four Directors (of which, three are Outside Directors).

This Proposal shall become effective only if Proposal 2: Partial Amendments to the Articles of Incorporation takes effect.

Proposal 7: Determination of the Amount and Details of Stock-based Compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members)

1. Reason for the proposal and reasons why the compensation is appropriate

The introduction of a stock-based compensation system for Directors (excluding Outside Directors) (hereinafter the “System”) was approved at the 47th Annual General Meeting of Shareholders held on May 30, 2019, and this situation continues to the present day. However, on the condition that Proposal 2: Partial Amendments to the Articles of Incorporation is approved as proposed, the Company will transition to a Company with an Audit and Supervisory Committee. Accordingly, the Company proposes to revise compensation categories related to the System into new compensation categories for Directors (excluding Directors who are Audit and Supervisory Committee Members).

As previously, this compensation framework is a compensation framework that is separate from what is requested for approval in Proposal 5: Determination of the Amount of Compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members). This is a procedural matter of the transition to a Company with an Audit and Supervisory Committee, and the content of the compensation category is substantially identical to the content which was approved at the 47th Annual General Meeting of Shareholders held on May 30, 2019.

The purpose of the change in this system is as described above. In addition, the Company defined the basic policy related to the compensation for each individual Director (Director before the transition to a Company with an Audit and Supervisory Committee) at a meeting of the Board of Directors held on May 28, 2020, an outline of which is described in “3. Matters Concerning Company Officers” of the Business Report. However, even if Proposal 2, Proposal 5, and this Proposal are approved as proposed, the Company intends not to change the substantive content of the above policy, which was decided at the meeting of the Board of Directors held on May 28, 2020, as the policy for determining the content of compensation for Directors who are not Audit and Supervisory Committee Members.

Based on the above, the Company has judged that the contents of this proposal are appropriate. In addition, if Proposal 3: Election of Five Directors (excluding Directors who are Audit and Supervisory Committee Members) is approved as proposed, there will be five Directors.

The contents of this Proposal shall become effective only if Proposal 2: Partial Amendments to the Articles of Incorporation takes effect.

2. Amounts of compensation under the System and reference information

(1) Outline of the System

The System is a stock-based compensation system in which the Company's stock is acquired through a trust to be established with money contributed by the Company as a resource (already established at the time of the System's introduction in July 2019, hereinafter referred to as the "Trust"), and the Company's stock is issued through the Trust to each Director in proportion to the number of points granted to Directors.

Furthermore, the Directors shall, in principle, receive the benefits of the Company's stock at their time of retirement as Directors.

(1) Beneficiaries of the System (Note)	Company's Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)
(2) Trust period	From the fiscal year ending on February 29, 2020, through the fiscal year ending on February 29, 2024
(3) Upper limit of cash the Company will contribute to funds to acquire the Company's Stock to grant to Beneficiaries (1) (Note) during the trust period (five fiscal years) in (2)	Total ¥250,000 thousand
(4) Method of acquisition of the Company's Stock	By way of disposition of treasury stock or acquisition through the stock market (including off-floor trading)
(5) Maximum total number of points to be granted to Beneficiaries (1)	20,000 points per fiscal year
(6) Criteria for granting points	Points granted based on position or role, etc.
(7) Payment timing of Company's stock to the Beneficiaries (1)	In principle, at the time of retirement of the Director

Note: Until the transition to a company with an Audit and Supervisory Committee, as per the resolution of the previous General Meeting, Directors excluding Outside Directors are to be the Beneficiaries.

(2) Upper limit of the Company's stock to be contributed by the Company

In the Previous General Meeting Resolution, it was resolved that compensation based on the System shall be paid to Directors (excluding Outside Directors prior to the transition to a Company with an Audit and Supervisory Committee) who are in office during the period from the fiscal year ending February 29, 2020, to the fiscal year ending February 29, 2024 (hereinafter the "Period of Coverage"), and that upper limit of cash that the Company shall contribute to the Trust during the Period of Coverage as funds to acquire the Company's stock necessary to grant to Directors shall be ¥250,000 thousand in total.

Based on the Previous General Meeting Resolution, the Company established the Trust and entrusted the Trust with the funds necessary for the acquisition of the Company's shares to be granted to the Directors (prior to the transition to a company with an Audit and Supervisory Committee, excluding Outside Directors) in accordance with the System. The Trust then acquires the Company's stock using the money in the Trust as the source of funds. However, if the number of the Company's stock in the Trust is insufficient for the number of the Company's stock expected to be granted to the Directors under the System and the money in the Trust is insufficient for the funds necessary to acquire the Company's stock for such shortage, the Company may make an additional trust to purchase the Company's stock for the amount of such shortage. However, any money that the Company will entrust within the subject period to fund the acquisition of the Company's stock in the future will be made within the amount obtained by deducting the amount already contributed to the Trust (¥189,000 thousand) from the above maximum amount.

Note: The amount of money that the Company will actually make an additional trust to the Trust will be the sum of the funds necessary to acquire the Company's stock to be granted to the Directors as stated above, as well as the estimated amount of necessary expenses such as trust fees and trust administrator fees.

In addition, upon the decision of the Board of Directors of the Company, the Period of Coverage may be extended for a period not exceeding five fiscal years, as determined on a case-by-case basis, and the trust period of the Trust may be further extended accordingly (including the extension of the trust period substantially by transferring the trust assets of the Trust to a trust established by the Company for the same purpose as the Trust; the same shall apply hereinafter), and the System may be continued (and the same shall apply thereafter). In this case, during the Period of Coverage subject to the extension, the Company shall make an additional contribution to the Trust with an amount of money up to the maximum of ¥50,000 thousand multiplied by the number of fiscal years during the period subject to the extension, as funds for the additional acquisition of the Company's stock necessary to be granted to the Directors, and continue awarding points and the Company's stock as described in (3) below.

In addition, even if this plan is not continued without extending the period of eligibility as described above, in case some Directors have already been granted points but have not yet retired at the expiration of the trust period, the trust period of the Trust may be extended until such Directors retire, and the allocation of the Company's stock is completed.

(3) Calculation method and the upper limit for the number of the Company's stock provided to Directors

(i) Method of Granting Points to Directors

Based on the Stock Allotment Regulations laid down by the Board of Directors, points shall be granted based on the position or role of the individual Director on the day of point granting, as laid down in the provisions of share transfer during the period of the Trust.

However, the total number of points to be granted by the Company to Directors shall not exceed 20,000 per fiscal year.

(ii) Grant of the Company's stock in proportion to the number of points granted

Directors shall receive the Company's stock corresponding to the number of points granted to them as described in (i) in above in line with the procedures described in (iii) below.

However, if a Director retires for personal reasons, etc., all or part of the points granted up to that point shall be forfeited, and the Director shall not receive grants of the Company's stock corresponding to the forfeited points.

One point shall equal one share of the Company's stock. However, in the event of a stock split or a reverse stock split etc., the Company shall conduct reasonable adjustments of the number of the Company's stock per point in accordance with such split or reverse stock split ratio.

(iii) Grant of the Company's stock to Directors

Each individual Director shall, in principle, receive the beneficial interest of the Trust by following the prescribed procedures at the time of retirement of the Director and shall receive the Company's stock described in (ii) above from the Trust as a beneficiary of the Trust.

However, a certain percentage of the Company's stock may be converted to cash within the Trust for the purpose of the Company withholding funds for the payment of withholding income tax, etc., and then delivered in cash instead of granting the Company's stock. In the event of a settlement of the Company's Stock in the Trust by responding to a tender offer, etc., when the Company's Stock in the Trust is converted to cash, cash payments may be made instead of granting the Company's Stock.

(4) Exercise of voting rights

Voting rights pertaining to the Company's stock in the Trust will not be exercised uniformly based on the instructions of the Trust Administrator, who is independent of the Company and its officers. This method is intended to ensure the neutrality of the exercise of voting rights pertaining to the Company's management with respect to the Company's stock in the Trust.

(5) Handling of Dividends

Dividends on the Company's stock in the Trust will be received by the Trust and will be used to pay for the acquisition of the Company's stock and the trustee's trustee fees related to the Trust.