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(Securities Code: 8935)

June 5, 2023

(Start date of measures for electronic provision: May 30, 2023)

To our shareholders:

Atsushi Nagai,
Representative Director, President and CEO
FJ Next Holdings Co., Ltd.
6-5-1, Nishi-shinjuku, Shinjuku-ku, Tokyo

Notice of the 43rd Annual General Meeting of Shareholders

We are pleased to announce the 43rd Annual General Meeting of Shareholders of FJ Next Holdings Co., Ltd. (the “Company”), which will be held as indicated below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on the Company’s website. Please access the website below to view the information.

The Company’s website: <https://www.fjnext-hd.co.jp/ir> (in Japanese)

(From the above website, select “Share Information,” and then “Reference Documents for the General Meeting of Shareholders”).

In addition to posting items subject to measures for electronic provision on its website, the Company also posts this information on the website of the Tokyo Stock Exchange (TSE).

Tokyo Stock Exchange website (Listed Company Search):

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

(Access the TSE website by using the Internet address shown above, enter the issue name (company name) or the Company’s securities code, and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

In place of attending the meeting in person, you may exercise your voting rights in writing or over the Internet. Please review the Reference Documents for General Meeting of Shareholders posted on the Company’s website and the TSE website mentioned above and exercise your voting rights by 6:15 p.m. on Wednesday, June 21, 2023 (JST).

1. Date and Time: Thursday, June 22, 2023 at 10:00 a.m. (JST) (Reception opens at 9:30 a.m.)

2. Venue: HILTON TOKYO, 3F “Fuji Ballroom”
6-6-2, Nishi-shinjuku, Shinjuku-ku, Tokyo

3. Purpose of the Meeting

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the Company’s 43rd fiscal year (from April 1, 2022 to March 31, 2023) and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit and Supervisory Committee
2. The Non-consolidated Financial Statements for the 43rd term (from April 1, 2022 to March 31, 2023)

Matters to be resolved:

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Election of Three Board Directors (Excluding Board Directors Who Are Audit and Supervisory Committee Members)

Proposal No. 3: Election of Three Board Directors Who Are Audit and Supervisory Committee Members

Proposal No. 4: Election of Two Substitute Board Directors Who Are Audit and Supervisory Committee Members

Proposal No. 5: Final Payment of Retirement Benefits in Conjunction with Abolition of Retirement Benefit Plan for Officers

Proposal No. 6: Determination of Remuneration for the Allotment of Restricted Shares to Board Directors (excluding Board Directors who are Audit and Supervisory Committee Members and Outside Board Directors)

Paper-based documents stating items subject to measures for electronic provision are sent to shareholders who have requested the delivery of paper-based documents. However, those documents do not include the following items in accordance with the provisions of laws and regulations and Article 13 of the Company’s Articles of Incorporation.

1. System for Assuring the Appropriateness of Company Operations, and Operational Status of the System
2. Consolidated Statement of Changes in Equity
3. Notes to Consolidated Financial Statements
4. Non-consolidated Statement of Changes in Equity
5. Notes to Non-consolidated Financial Statements

Accordingly, the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements presented in such documents are part of the documents the Financial Auditor and the Audit and Supervisory Committee audited when they prepared respective audit reports.

If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the Company’s website and the TSE website mentioned above.

A management status update meeting will be held after the conclusion of the General Meeting of Shareholders.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

The Company recognizes that the return of profit to its shareholders is one of the key issues for management, and its basic policy is to pay dividends stably and on an ongoing basis that reflect the financial performance, after having given comprehensive consideration to such factors as internal reserves and capital efficiency.

In accordance with this policy, and having given serious consideration to business results for the fiscal year under review, and the development of the business over the medium to long term, from the next fiscal year onward, the Company proposes to pay a year-end dividend, and to make other appropriations of surplus, as follows.

1. Year-end dividends
 - (1) Type of dividend property
Cash
 - (2) Allotment of dividend property and their aggregate amount
¥24 per common share of the Company
Total dividends: ¥784,448,232
 - (3) Effective date of dividends of surplus
June 23, 2023

As the Company has already paid an interim dividend of ¥24 per share, the annual dividend will be ¥48 per share.

2. Other appropriation of surplus
 - (1) Item of surplus to be decreased and amount of decrease
Retained earnings brought forward: ¥3,000,000,000
 - (2) Item of surplus to be increased and amount of increase
General reserve: ¥3,000,000,000

Proposal No. 2: Election of Three Board Directors (Excluding Board Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all three Board Directors (excluding Board Directors who are Audit and Supervisory Committee Members) will expire at the conclusion of this meeting. Therefore, the Company proposes the election of three Board Directors (excluding Board Directors who are Audit and Supervisory Committee Members).

As for this proposal, the Audit and Supervisory Committee of the Company has judged that all the candidates for Board Directors are eligible.

The candidates for Board Directors (excluding Board Directors who are Audit and Supervisory Committee Members) are as follows:

Candidate No.	Name	Current position and responsibility in the Company	Attendance at Board of Directors meetings [FY2023]
1	Yukiharu Hida	Representative Director, Chairman and CEO Reelection	16/16 meetings (Attendance rate: 100%)
2	Atsushi Nagai	Representative Director, President and CEO Reelection	15/16 meetings (Attendance rate: 94%)
3	Shigeo Masuko	Director, Senior Managing Executive Officer Reelection	16/16 meetings (Attendance rate: 100%)

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	<p>Yukiharu Hida (May 3, 1952)</p> <p>Reelection</p> <p>Tenure as Board Director 42 years 11 months (At the conclusion of this General Meeting of Shareholders)</p> <p>Attendance at Board of Directors meetings 16/16 meetings (Attendance rate: 100%)</p>	<p>July 1980 Established the Company, President</p> <p>June 2019 Chairman, President and CEO</p> <p>June 2021 Representative Director, Chairman and CEO (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>President and CEO of FJ Next Co., Ltd. President and CEO of FJ Resort Management Co., Ltd. Chairman and CEO of FJ Next Residential Co., Ltd.</p>	5,099,800 shares
<p>[Reasons for nomination as candidate for Board Director]</p> <p>Yukiharu Hida possesses substantial insight into management as the founder of the Company, and has used his strong leadership and decisiveness to make significant contributions to the enhancement of the corporate value of the Group as a whole. Taking into comprehensive consideration his track record, his extensive experience, and his broad discernment and abilities in relation to corporate management, the Company once again nominates him as a candidate for Board Director.</p>			
2	<p>Atsushi Nagai (August 25, 1956)</p> <p>Reelection</p> <p>Tenure as Board Director 13 years (At the conclusion of this General Meeting of Shareholders)</p> <p>Attendance at Board of Directors meetings 15/16 meetings (Attendance rate: 94%)</p>	<p>Apr. 1975 Joined The Sanwa Bank, Limited (currently MUFU Bank, Ltd.)</p> <p>May 2006 Shinjuku Branch Manager of The Sanwa Bank, Limited</p> <p>Apr. 2010 Joined the Company, Chief Director of Administration Division and General Manager of Operation Department</p> <p>June 2010 Board Director, Chief Director of Administration Division and General Manager of Operation Department</p> <p>June 2015 Executive Managing Director</p> <p>July 2017 Senior Managing Director, Chief Director of Administration Division</p> <p>June 2021 Representative Director, President and CEO (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>President and CEO of FJ Community Co., Ltd.</p>	50,000 shares
<p>[Reasons for nomination as candidate for Board Director]</p> <p>Atsushi Nagai has been involved in various business activities at the Company and its Group companies since joining the Company, and has also served in a number of top management positions at Group companies. He was appointed Representative Director of the Company in June 2021, and has made significant contributions to the enhancement of the corporate value of the Group as a whole by making appropriate management decisions and by supervising the management. Taking into comprehensive consideration his track record and extensive experience in his previous position, and his broad discernment and abilities in relation to corporate management, the Company once again nominates him as a candidate for Board Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	<p>Shigeo Masuko (June 25, 1961)</p> <p>Reelection</p> <p>Tenure as Board Director 21 years 4 months (At the conclusion of this General Meeting of Shareholders)</p> <p>Attendance at Board of Directors meetings 16/16 meetings (Attendance rate: 100%)</p>	<p>May 1991 Joined the Company</p> <p>Feb. 2002 Board Director, Chief Director of Sales Division and General Manager of Sales Department No. 1</p> <p>June 2007 Executive Managing Director, Chief Director of Sales Division and Director of Shinjuku Branch</p> <p>June 2012 Senior Managing Director, Chief Director of Sales Division</p> <p>June 2021 Director, Senior Managing Executive Officer, and Chief Director of Sales Division</p> <p>Oct. 2021 Director, Senior Managing Executive Officer (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Senior Managing Director and Chief Director of Sales Division of FJ Next Co., Ltd.</p>	225,000 shares
<p>[Reasons for nomination as candidate for Board Director]</p> <p>Shigeo Masuko has been involved for many years in the management of the Company as a Board Director, and promotes the Company business primarily in his role as the Chief Director of Sales Division of Investment-type Condominium in the Real estate development business, which is the mainstay business of the Group. Taking into comprehensive consideration his track record, his extensive experience, and his broad discernment and abilities in relation to corporate management, the Company once again nominates him as a candidate for Board Director.</p>			

- (Notes)
1. There is no special interest between any of the candidates and the Company.
 2. In addition to the aforementioned number of times that meetings of the Board of Directors were held, based on Article 370 of the Companies Act and Article 24 of the Company's Articles of Incorporation, there was one written resolution that was deemed a resolution by the Board of Directors.
 3. For each candidate, the number of the Company's shares owned indicates the current number of shares in the shareholder register as of the end of the fiscal year under review (March 31, 2023).
 4. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company, thereby covering losses and costs incurred by the insureds including Board Directors of the Company in cases where they are liable for damages arising from their performance of duties (unless a coverage exclusion in the insurance policy is applied). If each candidate is elected and assumes the office as Board Director, each will be an insured in the insurance policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.

Proposal No. 3: Election of Three Board Directors Who Are Audit and Supervisory Committee Members

The terms of office of all three currently serving Board Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this meeting. Therefore, the Company proposes the election of three Board Directors who are Audit and Supervisory Committee Members.

In addition, the consent of the Audit and Supervisory Committee for this proposal has been obtained.

Candidates for the role of Board Director who is an Audit and Supervisory Committee Member are as follows:

Candidate No.	Name	Current position and responsibility in the Company	Attendance at Board of Directors meetings [FY2023]	Attendance at Audit and Supervisory Committee meetings [FY2023]
1	Kenichi Suzuki	Board Director (Full-time Audit and Supervisory Committee Member) Reelection	15/16 meetings (Attendance rate: 94%)	11/12 meetings (Attendance rate: 92%)
2	Kiyoshi Suzuki	Outside Board Director (Audit and Supervisory Committee Member) Reelection Outside Independent	16/16 meetings (Attendance rate: 100%)	12/12 meetings (Attendance rate: 100%)
3	Daisuke Takaba	Outside Board Director (Audit and Supervisory Committee Member) Reelection Outside Independent	15/16 meetings (Attendance rate: 94%)	11/12 meetings (Attendance rate: 92%)

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
1	<p>Kenichi Suzuki (June 17, 1961)</p> <p>Reelection</p> <p>Tenure as Board Director 5 years (At the conclusion of this General Meeting of Shareholders)</p> <p>Attendance at Board of Directors meetings 15/16 meetings (Attendance rate: 94%)</p> <p>Attendance at Audit and Supervisory Committee meetings 11/12 meetings (Attendance rate: 92%)</p>	<p>July 1986</p> <p>June 1996</p> <p>Apr. 2005</p> <p>Dec. 2005</p> <p>Mar. 2006</p> <p>Apr. 2008</p> <p>Apr. 2011</p> <p>Apr. 2012</p> <p>June 2018</p>	<p>Joined Miyake Certified Public Accountant Office</p> <p>Joined the Company</p> <p>General Manager of Corporate Planning Office</p> <p>Assistant General Manager of Accounting Department</p> <p>General Manager of Internal Audit Office</p> <p>Assistant General Manager of Accounting Department</p> <p>General Manager of Accounting Department and Internal Control Promotion Office</p> <p>General Manager of Accounting Department</p> <p>Board Director (Full-time Audit and Supervisory Committee Member) (current position)</p>	14,000 shares
<p>[Reasons for nomination as candidate for Board Director who is an Audit and Supervisory Committee Member]</p> <p>Kenichi Suzuki has been involved for many years in accounting, internal audit and internal control of the Company, and was appointed Board Director who is Audit and Supervisory Committee Member (Full-time) in June 2018. Taking into comprehensive consideration his track record, his extensive experience, and his broad discernment and abilities in relation to corporate management, the Company has judged that he is capable of appropriately fulfilling his duties in making management decisions and supervising business execution. Therefore, the Company once again nominates him as a candidate for Board Director who is Audit and Supervisory Committee Member.</p>				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	<p>Kiyoshi Suzuki (November 4, 1945)</p> <p>Reelection Outside Independent</p> <p>Tenure as Outside Board Director 8 years (At the conclusion of this General Meeting of Shareholders)</p> <p>Attendance at Board of Directors meetings 16/16 meetings (Attendance rate: 100%)</p> <p>Attendance at Audit and Supervisory Committee meetings 12/12 meetings (Attendance rate: 100%)</p>	<p>Nov. 1970 Joined Price Waterhouse Accounting Firm</p> <p>Oct. 1983 Established Suzuki Certified Public Accountant Office</p> <p>June 2000 Outside Audit and Supervisory Board Member</p> <p>June 2015 Outside Board Director (Audit and Supervisory Committee Member) (current position)</p> <p>(Significant concurrent positions outside the Company) Director of Suzuki Certified Public Accountant Office, certified public accountant, tax accountant Director, Discovery Co., Ltd. Outside Director, SONOCOM Co., Ltd. Outside Director, NICHIEI KOUGYOU Co., Ltd.</p>	151,600 shares
<p>[Reasons for nomination as candidate for Outside Board Director who is an Audit and Supervisory Committee Member and outline of expected roles]</p> <p>Kiyoshi Suzuki is a certified public accountant and tax accountant and has expertise in the areas of finance, accounting, tax affairs and auditing, as well as deep insight and experience suitable for Board Director of the Company. The Company nominates him as a candidate for Outside Board Director because it expects that he will continue to use his knowledge to make management decisions and supervise and provide advice on business execution from an objective standpoint independent of the management.</p> <p>Furthermore, if he is elected, he will take part in the selection of candidates for the Company's Board Directors and in the decision on remuneration, etc. for Board Directors and other matters from an independent standpoint as a member of the Nomination and Remuneration Committees.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	<p>Daisuke Takaba (December 2, 1956)</p> <p>Reelection Outside Independent</p> <p>Tenure as Outside Board Director 8 years (At the conclusion of this General Meeting of Shareholders)</p> <p>Attendance at Board of Directors meetings 15/16 meetings (Attendance rate: 94%) Attendance at Audit and Supervisory Committee meetings 11/12 meetings (Attendance rate: 92%)</p>	<p>Apr. 1988 Registered as an attorney at law at Dai-Ichi Tokyo Bar Association</p> <p>Apr. 1991 Joined Takaba Law Office</p> <p>June 2004 Outside Audit and Supervisory Board Member</p> <p>June 2015 Outside Board Director (Audit and Supervisory Committee Member) (current position)</p> <p>(Significant concurrent positions outside the Company) Director of Takaba Law Office, attorney Corporate Auditor, MIDORISANGYO Co., Ltd.</p>	1,000 shares
<p>[Reasons for nomination as candidate for Outside Board Director who is an Audit and Supervisory Committee Member and outline of expected roles]</p> <p>Daisuke Takaba is an attorney and has expertise in the areas of corporate legal affairs and governance, as well as deep insight and experience suitable for Board Director of the Company. The Company nominates him as a candidate for Outside Board Director because it expects that he will continue to use his knowledge to make management decisions and supervise and provide advice on business execution from an objective standpoint independent of the management.</p> <p>Furthermore, if he is elected, he will take part in the selection of candidates for the Company's Board Directors and in the decision on remuneration, etc. for Board Directors and other matters from an independent standpoint as a member of the Nomination and Remuneration Committees.</p> <p>Daisuke Takaba has no experience of involvement in company management in the past other than by serving as an outside officer. However, the Company judges he will appropriately fulfill his duties as an Outside Board Director based on the above reasons.</p>			

- (Notes)
1. There is no special interest between any of the candidates for Board Directors who are Audit and Supervisory Committee Members and the Company.
 2. In addition to the aforementioned number of times that meetings of the Board of Directors were held, based on Article 370 of the Companies Act and Article 24 of the Company's Articles of Incorporation, there was one written resolution that was deemed a resolution by the Board of Directors.
 3. For each candidate, the number of the Company's shares owned indicates the current number of shares in the shareholder register as of the end of the fiscal year under review (March 31, 2023).
 4. Kiyoshi Suzuki and Daisuke Takaba are candidates for Outside Board Directors.
 5. The Company has notified Tokyo Stock Exchange of Kiyoshi Suzuki and Daisuke Takaba as independent directors/auditors as stipulated by the regulations of Tokyo Stock Exchange. If both candidates are reelected, the Company plans for their designation as independent directors/auditors to continue.
 6. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with Kenichi Suzuki, Kiyoshi Suzuki and Daisuke Takaba to limit their liability for damages under Article 423, paragraph (1) of the same Act to the minimum liability amount provided for under laws and regulations. If three candidates are reelected, the Company plans to renew the said agreement with them.
 7. Kenichi Suzuki will be appointed as a Board Director who is a Full-time Audit and Supervisory Committee Member at the Board of Directors meeting to be held after the conclusion of this General Meeting of Shareholders.

8. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company, thereby covering losses and costs incurred by the insureds including Board Directors who are Audit and Supervisory Committee Members of the Company in cases where they are liable for damages arising from their performance of duties (unless a coverage exclusion in the insurance policy is applied). If each candidate is elected and assumes the office as Board Director who is an Audit and Supervisory Committee Member, each will be an insured in the insurance policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.

Proposal No. 4: Election of Two Substitute Board Directors Who Are Audit and Supervisory Committee Members

It is proposed that two substitute Board Directors who are Audit and Supervisory Committee Members be elected to be ready to fill a vacant position should the number of Board Directors who are Audit and Supervisory Committee Members fall below the number required by laws and regulations.

The Company proposes that Toshinori Nozawa be elected substitute for Kenichi Suzuki, Board Director who is an Audit and Supervisory Committee Member and that Kie Oshiro be elected substitute for Kiyoshi Suzuki and Daisuke Takaba, Outside Board Directors who are Audit and Supervisory Committee Members.

In addition, the consent of the Audit and Supervisory Committee for this proposal has been obtained.

The candidates for substitute Board Directors who are Audit and Supervisory Committee Member are as follows:

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Toshinori Nozawa (December 14, 1962)	Apr. 1986 Joined Nichiei Housing Material Co., Ltd. (currently Nice Corporation)	6,200 shares
		May 2013 Seconded to Fenice Tohoku Home Co., Ltd., Senior Managing Director	
Aug. 2015 Joined the Company, Deputy General Manager of Residence Business Department			
Oct. 2021 Deputy General Manager of Residence Business Department, FJ Next Co., Ltd. (current position)			
[Reasons for nomination as candidate for Board Director] Taking into comprehensive consideration Toshinori Nozawa's many years of engagement in the Real estate development business, which is the mainstay business of the Group, and his experience from his involvement in corporate management in his previous employment, the Company nominates him as a candidate for substitute Board Director who is an Audit and Supervisory Committee Member.			
2	Kie Oshiro (April 4, 1975)	Oct. 2004 Registered as an attorney at law at Daini Tokyo Bar Association Joined LINK LAW OFFICE Kito and Partners	—
		May 2005 Registered as an attorney at law at Dai-Ichi Tokyo Bar Association Joined Takaba Law Office (current position)	
(Significant concurrent positions outside the Company) Attorney at law of Takaba Law Office			
[Reasons for nomination as candidate for Outside Board Director and outline of expected roles] Kie Oshiro has no experience of direct involvement in company management in the past, however, having taken into comprehensive consideration her broad discernment, specialist knowledge and experience, the Company nominates her as a candidate for substitute Outside Board Director who is an Audit and Supervisory Committee Member.			

- (Notes)
1. There is no special interest between any of the candidates and the Company.
 2. Kie Oshiro is a candidate for substitute Outside Board Director. In the event Kie Oshiro is appointed Outside Board Director, the Company plans to notify Tokyo Stock Exchange of Kie Oshiro as independent director/auditor as stipulated by the regulations of Tokyo Stock Exchange.
 3. In the event that each candidate is appointed Board Directors who are Audit and Supervisory Committee Members, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company plans to enter into an agreement with them to limit their liability for damages under Article 423, paragraph (1) of the same Act to the minimum liability amount provided for under laws and regulations.
 4. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company, thereby covering losses and costs incurred by the insureds including Board Directors who are Audit and Supervisory Committee Members

of the Company in cases where they are liable for damages arising from their performance of duties (unless a coverage exclusion in the insurance policy is applied). If each candidate assumes the office as Board Director who is an Audit and Supervisory Committee Member, each will be an insured in the insurance policy.

Proposal No. 5: Final Payment of Retirement Benefits in Conjunction with Abolition of Retirement Benefit Plan for Officers

As part of reviewing the remuneration system for officers, the Company resolved at its meeting of the Board of Directors held on April 27, 2023, that the retirement benefit plan for officers shall be abolished at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes granting the final retirement benefits to three incumbent Board Directors (excluding Board Directors who are Audit and Supervisory Committee Members) and one incumbent Board Director who is an Audit and Supervisory Committee Member, to reward their services during their terms of office until the conclusion of this General Meeting of Shareholders within a reasonable amount under a certain standard set by the Company. It is also proposed that the timing of payment shall be the retirement date of each Board Director (excluding Board Directors who are Audit and Supervisory Committee Members) and a Board Director who is an Audit and Supervisory Committee Member, and that the decisions as to the specific amount of remuneration and method of payment, etc. be left to the Board of Directors for Board Directors (excluding Board Directors who are Audit and Supervisory Committee Members) and to the consultation of the Audit and Supervisory Committee for a Board Director who is an Audit and Supervisory Committee Member.

This proposal aims to grant the final retirement benefits to Board Directors (excluding Board Directors who are Audit and Supervisory Committee Members) and a Board Director who is an Audit and Supervisory Committee Member in conjunction with abolition of the retirement benefit plan for officers to review the officers' remuneration system in line with the policy for determining the details of remuneration, etc. for individual Board Directors (as outlined in "2 (3) Officers, (iv) Total amount of remuneration, etc. for Board Directors" (in Japanese only) in the Business Report), which was resolved at the Board of Directors of the Company beforehand. The Remuneration Committee, the majority of whose members are independent Outside Board Directors, has examined the proposal from various aspects and concluded it is appropriate. Therefore, the Board of Directors considers it reasonable. Career summary of the Board Directors (excluding Board Directors who are Audit and Supervisory Committee Members) and the Board Director who is an Audit and Supervisory Committee Member to receive the final retirement benefit is as follows:

Name	Career summary	
Yukiharu Hida	July 1980	President
	June 2021	Representative Director, Chairman and CEO (current position)
Atsushi Nagai	June 2010	Board Director
	June 2021	Representative Director, President and CEO (current position)
Shigeo Masuko	Feb. 2002	Board Director
	June 2021	Director, Senior Managing Executive Officer (current position)
Kenichi Suzuki	June 2018	Board Director (Full-time Audit and Supervisory Committee Member) (current position)

Proposal No. 6: Determination of Remuneration for the Allotment of Restricted Shares to Board Directors (excluding Board Directors who are Audit and Supervisory Committee Members and Outside Board Directors)

The amount of remuneration, etc. for the Company's Board Directors (excluding Board Directors who are Audit and Supervisory Committee Members) was approved to be up to ¥700 million a year (excluding the employee salary portion of Board Directors who concurrently serve as employees) at the 35th Annual General Meeting of Shareholders held on June 25, 2015.

In order for the Company's Board Directors (excluding Board Directors who are Audit and Supervisory Committee Members and Outside Board Directors; hereinafter "Eligible Board Directors") to share the benefits and risks in stock price fluctuations with shareholders and to be motivated more than ever to contribute to higher stock prices of the Company and corporate value enhancement, the Company would like to allot its common shares that are subject to a certain transfer restriction period, grounds for the Company's acquisition of such shares without contribution, and other factors (hereinafter "Restricted Shares") to Eligible Board Directors as follows.

Accordingly, the Company requests the approval to newly allot the Restricted Shares as remuneration, etc. to Eligible Board Directors within the amount of remuneration, etc. for Board Directors as stated above, comprehensively taking into consideration the contributions of Eligible Board Directors and other factors. The Company has determined the allotment of Restricted Shares by comprehensively taking into consideration various factors, including the contributions of Eligible Board Directors. The maximum number of Restricted Shares to be allotted in each fiscal year as stipulated in 2. below is approximately 0.28% of the total number of issued shares (the ratio to the total number of issued shares would be approximately 2.88% in case the maximum number of Restricted Shares are issued over ten years), which represents a negligible dilution ratio. Therefore, the Company considers the allotment plan reasonable.

If this proposal is approved, the Company's Board of Directors, at a meeting held after the conclusion of this General Meeting of Shareholders, plans to revise the policy for determining the details of remuneration, etc. for individual Board Directors described in "2 (3) Officers, (iv) Total amount of remuneration, etc. for Board Directors" (in Japanese only) in the Business Report to be consistent with the proposal approved by the shareholders. The Company believes that this proposal is in line with the policy that will be revised and is reasonable.

Furthermore, currently, the number of Board Directors (excluding Board Directors who are Audit and Supervisory Committee Members) of the Company is three. Upon approval of Proposal No. 2, the number of Board Directors (excluding Board Directors who are Audit and Supervisory Committee Members) will be three.

Details and maximum number of Restricted Shares for Eligible Board Directors

1. Allotment of and payment for Restricted Shares

The Company shall award Eligible Board Directors the monetary remuneration claims as remuneration, etc. relating to the Restricted Shares within the annual amount described above, based on a resolution of the Company's Board of Directors. Each Eligible Board Director shall receive an allotment of the Restricted Shares by making in-kind contribution of all such monetary remuneration claims.

The amount to be paid in for Restricted Shares shall be determined by the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately before each date of resolution by the Board of Directors regarding the issuance or disposal of shares (if there is no closing price on such date, the closing price on the closest preceding trading day) or any other amount within the extent that the amount will not be particularly advantageous to Eligible Board Directors who subscribe the Restricted Shares.

In addition, the monetary remuneration claims stated above shall be awarded on the condition that Eligible Board Directors agree to the in-kind contributions above and that they have executed an agreement on allotment of Restricted Shares that includes the details set forth in 3. below.

2. Total number of Restricted Shares

The number of Restricted Shares to be allotted in each fiscal year shall be up to 100,000 as the total number of Restricted Shares to be allotted to Eligible Board Directors.

However, said total number of Restricted Shares may be adjusted within a reasonable range in the case that a share split (including an allotment of common shares of the Company without contribution) or a share consolidation of the Company's common shares is conducted on or after the day when this Proposal is approved or whenever there is any other reason that would require the adjustment of the total number of the Restricted Shares to be allotted accordingly.

3. Details of the agreement on allotment of Restricted Shares

The Company shall conclude an agreement on allotment of Restricted Shares with Eligible Board Directors to whom Restricted Shares are allotted following the resolution of the Company's Board of Directors in the allotment of Restricted Shares. The agreement shall include the following provisions.

(1) Details of transfer restrictions

An Eligible Board Director to whom Restricted Shares are allotted may not transfer, create a pledge or a security interest on, transfer as inter vivos gifts, bequeath or otherwise dispose of the Restricted Shares allotted to the Eligible Board Director (hereinafter the "Allotted Shares") to any third party (hereinafter the "Transfer Restrictions") during the period from the day when the Restricted Shares are granted until the retirement or resignation from the position as either Board Director or executive officer at the Company or its subsidiaries (said executive officers limited to individuals who have entered into an entrustment agreement; hereinafter the "entrusted executive officers") (said period hereinafter the "Transfer Restriction Period").

(2) Acquisition of Restricted Shares without contribution

The Company shall acquire, by rights, the Allotted Shares without contribution if an Eligible Board Director to whom Restricted Shares are allotted retires from all of the position as either Board Director or entrusted executive officer of the Company or a subsidiaries thereof on or after the commencement date of the Transfer Restriction Period and before the date preceding the first Annual General Meeting of Shareholders of the Company unless such retirement is due to reasons deemed reasonable by the Board of Directors of the Company. In addition, the

Company shall acquire, by rights, the Allotted Shares for which the Transfer Restrictions have not been lifted, based on the terms provided in (3) Lifting of Transfer Restrictions below, without contribution at the expiration of the Transfer Restriction Period outlined in (1) above, if any.

(3) Lifting of Transfer Restrictions

The Company shall lift the Transfer Restrictions on all of the Allotted Shares at the time of expiration of the Transfer Restriction Period, on the condition that an Eligible Board Director to whom the Restricted Shares are allotted has served as either Board Director or entrusted executive officer of the Company or a subsidiary thereof without a break from the commencement date of the Transfer Restriction Period to the day when the first Annual General Meeting of Shareholders of the Company is held. However, if the Eligible Board Director retires from all of the positions as either Board Director or entrusted executive officer of the Company or a subsidiary thereof during the period from the commencement date of the Transfer Restriction Period until the day preceding the day when the first Annual General Meeting of Shareholders of the Company is held due to reasons deemed reasonable by the Board of Directors of the Company, the Company shall reasonably adjust the number of the Allotted Shares for which the Transfer Restrictions are lifted and the timing to lift the Transfer Restrictions as necessary.

(4) Treatment during reorganization, etc.

In the case that a proposal for a merger agreement under which the Company will be absorbed, a share exchange agreement or a share transfer plan under which the Company will become a wholly owned subsidiary, or other forms of reorganization, etc., of the Company was approved by the Company's General Meeting of Shareholders (or the Company's Board of Directors when such reorganization, etc. does not require approval of the Company's General Meeting of Shareholders) (only in the case where the effective date of such reorganization, etc. comes before the expiration of the Transfer Restriction Period; hereinafter "at the time of approval of reorganization, etc.") during the Transfer Restriction Period, and in case that the Eligible Board Director to whom the Restricted Shares are allotted following such reorganization, etc. retires from all of the positions as either Board Director or entrusted executive officer of the Company or a subsidiary thereof, the Company shall, by a resolution of its Board of Directors, lift the Transfer Restrictions on certain Allotted Shares prior to the effective date of such reorganization, etc. The number of such Allotted Shares subject to the lifting of the Transfer Restrictions shall be reasonably determined in consideration of the period from the commencement date of the Transfer Restriction Period to the day of the approval of such reorganization, etc. In addition, at the time of approval of reorganization, etc., the Company shall acquire, by rights, without contribution the Allotted Shares for which the Transfer Restrictions have not been lifted on the business day preceding the effective date of such reorganization, etc.

The Company intends to allot the same Restricted Shares as described above to the Company's entrusted executive officers and Board Directors of its subsidiaries after the conclusion of this General Meeting of Shareholders.