

Securities Code: 2733

June 7, 2021

To our shareholders:

Hiroaki Suzuki, Representative Director and President

ARATA CORPORATION

6-3-2 Toyo, Koto-ku, Tokyo

Notice of the 19th Annual General Meeting of Shareholders

We hereby inform you of the 19th Annual General Meeting of Shareholders of ARATA CORPORATION (the “Company”) will be held as described below.

Please note that you may exercise your voting rights via the Internet or in writing instead of attending the meeting on the day of the meeting. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights accordingly.

Exercise of Voting Rights

Voting via the Internet

Please submit your approval or disapproval of the proposals by 5:30 p.m. on Wednesday, June 23, 2021 (JST).

Voting in writing

Please indicate your approval or disapproval of the proposals in the enclosed voting form and then return the form to the Company so that your vote is received by 5:30 p.m. on Wednesday, June 23, 2021 (JST).

Voting by attending the General Meeting of Shareholders

Please bring the enclosed voting form to the meeting and submit it at the reception desk. Please bring this notice of convocation with you when you attend the meeting on the day.

1. Date and Time: 10:00 a.m. Thursday, June 24, 2021

2. Venue: Floor 4, East Net Building, Large Conference Room of ARATA CORPORATION
7-1-2 Toyo, Koto-ku, Tokyo

3. Purpose of the Meeting

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 19th fiscal year (from April 1, 2020 to March 31, 2021), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 19th fiscal year (from April 1, 2020 to March 31, 2021)

Matters to be resolved

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| Proposal No. 1 | Partial Amendments to the Articles of Incorporation |
| Proposal No. 2 | Election of 11 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) |
| Proposal No. 3 | Election of Three Directors Who Are Audit and Supervisory Committee Members |
| Proposal No. 4 | Election of One Director Who Is a Substitute Audit and Supervisory Committee Member |
| Proposal No. 5 | Establishment of the Amount of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) |
| Proposal No. 6 | Establishment of the Amount of Remuneration for Directors Who Are Audit and Supervisory Committee Members |
| Proposal No. 7 | Establishment of the Amount of Performance-linked and Share-based Remuneration, Etc. for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) |

- If you are attending the meeting, please submit the enclosed voting form at the reception desk.
- If the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements and the Consolidated Financial Statements are revised, revised contents will be posted on the Company's website.

Company website: <https://www.arata-gr.jp/en/>

Reference Documents for General Meeting of Shareholders

Proposal No. 1 Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

The Company will transition to a Company with an Audit and Supervisory Committee in order to further improve the transparency of management and expedite the decision-making and active participation in the Board of Directors by strengthening the supervisory function of the Board of Directors and corporate governance.

Accordingly, the Company will make required changes, including the establishment of new provisions for the Audit and Supervisory Committee and Audit and Supervisory Committee Members, as well as the deletion, etc. of provisions for the Audit & Supervisory Board and Audit & Board Supervisory Board Members.

Upon the above changes, moreover, it will make the required changes including an adjustment of article numbers.

2. Details of the amendments

The content of the change shall be as set forth below: This proposal shall take effect upon the conclusion of this meeting.

(Changed parts are indicated by underlining.)

Current Articles of Incorporation	Proposed Amendments
Chapter I General Provisions Article 1 - Article 4 (Provision omitted)	Chapter I General Provisions Article 1 - Article 4 (Unchanged)
Chapter II Shares Article 5 - Article 7 (Provision omitted)	Chapter II Shares Article 5 - Article 7 (Unchanged)
<u>(Purchase of Treasury Stock)</u> <u>Article 8</u> <u>In accordance with the provisions of Article 165, paragraph (2) of the Companies Act, the Company may acquire its treasury stock by resolution of the Board of Directors.</u>	(Deleted)
Article 9 - Article 11 (Provision omitted)	Article 8 - Article 10 (Unchanged)
Chapter III General Meeting of Shareholders Article 12 - Article 18 (Provision omitted)	Chapter III General Meeting of Shareholders Article 11 - Article 17 (Unchanged)
Chapter IV Directors and Board of Directors (Establishment of the Board of Directors) Article 19 (Provision omitted) (Number of Directors) Article 20 The Company shall have not more than 15 Directors.	Chapter IV Directors and Board of Directors (Establishment of the Board of Directors) Article 18 (Unchanged) (Number of Directors) Article 19 1 The Company shall have not more than 15 Directors <u>(excluding Directors who are Audit and Supervisory Committee Members).</u> 2 <u>The Company shall have not more than five Directors who are Audit and Supervisory Committee Members (hereinafter referred to as "Audit and Supervisory Committee Members").</u>
(New provision)	
(Election of Directors) Article 21 1 Directors shall be elected by resolution of a General Meeting of Shareholders.	(Election of Directors) Article 20 1 Directors shall be elected by resolution of a General Meeting of Shareholders, <u>distinguishing between Audit and Supervisory Committee Members and other Directors.</u>
2 (Provision omitted)	2 (Unchanged)
3 (Provision omitted)	3 (Unchanged)

Current Articles of Incorporation	Proposed Amendments
<p>(Term of office of Directors) Article <u>22</u> The term of office of a Director shall expire at the conclusion of the Annual General Meeting of Shareholders for the last business year out of the business years terminating within one year after the election of the Director.</p> <p>(New provision)</p> <p>(New provision)</p> <p>(New provision)</p> <p>(Exemption of Directors From Liability) Article <u>23</u> (Provision omitted) (Representative Directors and Directors With Special Titles) Article <u>24</u> 1 The Company shall appoint a Representative Director by resolution of the Board of Directors.</p> <p>2 (Provision omitted)</p> <p>3 The Board of Directors, by its resolution, may appoint Chairman of the Board of Directors, Vice Chairman of the Board of Directors, <u>Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer (CFO) and Chief Information Officer (CIO), etc.</u> from <u>Directors</u>.</p> <p>Article <u>25</u> - Article <u>26</u> (Provision omitted) (Notice of Meeting of the Board of Directors) Article <u>27</u> 1 When convening a meeting of the Board of Directors, a notice shall be dispatched to each Director <u>and each Audit & Supervisory Board Member</u> at least three days before the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.</p> <p>2 With the consent of all Directors <u>and Audit & Supervisory Board Members</u>, a meeting of the Board of Directors may be held without following the convening procedures.</p> <p>(Method for Making Resolutions of the Board of Directors) Article <u>28</u> (Provision omitted) (Omission of Resolutions of the Board of Directors) Article <u>29</u> The Company may, when all Directors indicate their consent for a proposal in writing or by electromagnetic record, deem such indication to be the resolution of the Board of Directors adopting the proposal, <u>unless Audit & Supervisory Board Members have stated their objection to that proposal.</u></p>	<p>(Term of office of Directors) Article <u>21</u> 1 The term of office of a Director <u>(excluding a Director who is an Audit and Supervisory Committee Member)</u> shall expire at the conclusion of the Annual General Meeting of Shareholders for the last business year out of the business years terminating within one year after the election of the Director.</p> <p>2 <u>Notwithstanding the provision of the preceding paragraph, the term of office of an Audit and Supervisory Committee Member shall expire at the conclusion of the Annual General Meeting of Shareholders for the last business year out of the business years terminating within two years after the election of the Audit and Supervisory Committee Member.</u></p> <p>3 <u>The term of office of an Audit and Supervisory Committee Member elected as a substitute shall continue until the expiration of the term of office of the retired Audit and Supervisory Committee Member.</u></p> <p>4 <u>The effective period of the resolution for the election of substitute Audit and Supervisory Committee Member elected under Article 329, paragraph (3) of the Companies Act shall be until the commencement of the Annual General Meeting of Shareholders for the last business year ending within two years after said election, unless shortened by said resolution.</u></p> <p>(Exemption of Directors From Liability) Article <u>22</u> (Unchanged) (Representative Directors and Directors With Special Titles) Article <u>23</u> 1 The Company shall appoint a Representative Director by resolution of the Board of Directors <u>from Directors (excluding who are Audit and Supervisory Committee Members).</u></p> <p>2 (Unchanged)</p> <p>3 The Board of Directors, by its resolution, may appoint Chairman of the Board of Directors, Vice Chairman of the Board of Directors, <u>and other Directors with special titles</u> from among Directors <u>(excluding Directors who are Audit and Supervisory Committee Members).</u></p> <p>Article <u>24</u> - Article <u>25</u> (Unchanged) (Notice of Meeting of the Board of Directors) Article <u>26</u> 1 When convening a meeting of the Board of Directors, a notice shall be dispatched to each Director at least three days before the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.</p> <p>2 With the consent of all Directors, a meeting of the Board of Directors may be held without following the convening procedures.</p> <p>(Method for Making Resolutions of the Board of Directors) Article <u>27</u> (Unchanged) (Omission of Resolutions of the Board of Directors) Article <u>28</u> The Company may, when all Directors indicate their consent for a proposal in writing or by electromagnetic record, deem such indication to be the resolution of the Board of Directors adopting the proposal.</p>

Current Articles of Incorporation	Proposed Amendments
(New provision)	<u>(Delegation of Decision regarding Execution of Duties to a Director)</u> <u>Article 29</u> <u>The Company may delegate all or part of decisions on the execution of important business (excluding matters listed in items of Article 399-13, paragraph (5) of the Companies Act) by the resolution of Board of Directors, pursuant to paragraph (6) of the same Article.</u>
(Minutes of Board of Directors Meeting) Article 30 The substance of the proceedings of a meeting of the Board of Directors and results thereof as well as other matters prescribed by laws and regulations shall be described or recorded in the minutes, and the Directors <u>and Audit & Supervisory Board Members</u> present at the meeting shall affix their names and seals or electronic signatures thereto.	(Minutes of Board of Directors Meeting) Article 30 The substance of the proceedings of a meeting of the Board of Directors and results thereof as well as other matters prescribed by laws and regulations shall be described or recorded in the minutes, and the Directors present at the meeting shall affix their names and seals or electronic signatures thereto.
(Regulations of the Board of Directors) Article 31 (Provision omitted)	(Regulations of the Board of Directors) Article 31 (Unchanged)
(Remuneration, Etc. to Directors) Article 32 The Remuneration, Etc. to Directors shall be determined by resolution of a General Meeting of Shareholders.	(Remuneration, Etc. to Directors) Article 32 The Remuneration, Etc. to Directors shall be determined by resolution of a General Meeting of Shareholders, <u>distinguishing between Audit and Supervisory Committee Members and other Directors.</u>
Chapter V <u>Audit & Supervisory Board Members and Audit & Supervisory Board</u>	Chapter V <u>Audit and Supervisory Committee</u>
(Establishment of <u>the Audit & Supervisory Board Members and Audit & Supervisory Board</u>) Article 33 The Company shall establish <u>the Audit & Supervisory Board Members and Audit & Supervisory Board.</u>	(Establishment of <u>the Audit and Supervisory Committee</u>) Article 33 The Company shall establish <u>the Audit and Supervisory Committee.</u>
(<u>Number of Audit & Supervisory Board Members</u>) <u>Article 34</u> <u>The Company shall have not more than five Audit & Supervisory Board Members.</u>	(Deleted)
(<u>Method of Election of Audit & Supervisory Board Members</u>) <u>Article 35</u> <u>1 Audit & Supervisory Board Members shall be elected by resolution of a General Meeting of Shareholders.</u> <u>2 Resolutions on the election of an Audit & Supervisory Board Member shall be made by a majority of the votes of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present.</u> <u>3 Pursuant to the provisions of Article 329, paragraph (3) of the Companies Act, the Company may elect a substitute Audit & Supervisory Board Member at General Meeting of Shareholders in case the number of Audit & Supervisory Members falls short of the number set forth in laws and regulations.</u> <u>4 The effective period of the resolution for the election of substitute Audit & Supervisory Board Member as set forth in the preceding paragraph shall be until the commencement of the Annual General Meeting of Shareholders for the last business year ending within four years after said resolution, unless shortened by said resolution.</u>	(Deleted)
(<u>Term of Office of Audit & Supervisory Board Member</u>)	(Deleted)

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 36</u></p> <p><u>1 The term of office of an Audit & Supervisory Board Member shall expire at the conclusion of the Annual General Meeting of Shareholders for the last business year out of the business years terminating within four years after the election of the Audit & Supervisory Board Member.</u></p> <p><u>2 The term of office of an Audit & Supervisory Board Member elected as a substitute for an Audit & Supervisory Board Member who retired from office before the expiration of the term of office shall continue until the expiration of the term of office of the retired Audit & Supervisory Board Member. Provided, however, that if the substitute Audit & Supervisory Board Member elected pursuant to paragraph 3 of the preceding Article assumes the office of Audit & Supervisory Board Member, the term of his or her office may not exceed the time of conclusion of the Annual General Meeting of Shareholders for the last business year out of the business years terminating within four years after the election of the substitute Audit & Supervisory Board Member.</u></p> <p><u>(Exemption of Audit & Supervisory Board Members From Liability)</u></p> <p><u>Article 37</u></p> <p><u>1 The Company may, by resolution of the Board of Directors, exempt Audit & Supervisory Board Members (including those who were Audit & Supervisory Board Members in the past) from liability for damages under Article 423, paragraph (1) of the Companies Act to the extent of the amount obtained by deducting the minimum liability amount stipulated in laws and regulations from the amount of liability, if the requirements stipulated in laws and regulations are met.</u></p> <p><u>2 Pursuant to the provisions Article 427, paragraph (1) of the Companies Act, the Company may enter into a contract with each of the Audit & Supervisory Board Members to limit the liability for compensation of damages as set forth in Article 423, paragraph (1) of the same Act; provided, however, that the amount of limit of liability under such contract shall be the total amount set forth in the items of Article 425, paragraph (1) of the same Act.</u></p> <p><u>(Full-Time Audit & Supervisory Board Members)</u></p> <p><u>Article 38</u></p> <p><u>The Audit & Supervisory Board shall appoint full-time Audit & Supervisory Board Member(s) among Audit & Supervisory Board Members.</u></p> <p><u>(Notice of Meeting of the Audit & Supervisory Board)</u></p> <p><u>Article 39</u></p> <p><u>1 When convening a meeting of the Audit & Supervisory Board, a notice shall be dispatched to each Audit & Supervisory Board Member at least three days before the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.</u></p> <p><u>2 With the consent of all Audit & Supervisory Board Members, a meeting of the Audit & Supervisory Board may be held without following the convening procedures.</u></p> <p><u>(Method for Making Resolutions of the Audit & Supervisory Board)</u></p>	<p>(Deleted)</p> <p><u>(Full-Time Audit and Supervisory Committee Members)</u></p> <p><u>Article 34</u></p> <p><u>The Audit and Supervisory Committee, by its resolution, may appoint full-time Audit and Supervisory Committee Member(s).</u></p> <p><u>(Notice of Meeting of Audit and Supervisory Committee)</u></p> <p><u>Article 35</u></p> <p><u>1 When convening a meeting of the Audit and Supervisory Committee, a notice shall be dispatched to each Audit and Supervisory Committee Member at least three days before the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.</u></p> <p><u>2 With the consent of all Audit and Supervisory Committee Members, a meeting of the Audit and Supervisory Committee may be held without following the convening procedures.</u></p> <p><u>(Method for Making Resolutions of the Audit and Supervisory Committee)</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>Article 40 Resolutions of <u>the Audit & Supervisory Board</u> shall, <u>unless otherwise provided for in laws and regulations</u>, be made by a majority of <u>the Audit & Supervisory Board Members</u>.</p> <p>(Minutes of <u>Board of Audit & Supervisory Meeting</u>)</p> <p>Article 41 The substance of the proceedings of a <u>meeting of the Board of Audit & Supervisory</u> and results thereof as well as other matters prescribed by laws and regulations shall be described or recorded in the minutes, and <u>the Audit & Supervisory Board Members</u> present at the meeting shall affix their names and seals or electronic signatures thereto.</p> <p>(Regulations of <u>the Audit & Supervisory Board</u>)</p> <p>Article 42 Matters concerning <u>the Audit & Supervisory Board</u> shall be governed by <u>the Regulations of the Audit & Supervisory Board</u> established by <u>the Audit & Supervisory Board</u>, in addition to applicable laws and regulations and these Articles of Incorporation.</p> <p>(<u>Remuneration, Etc. to Audit & Supervisory Board Members</u>)</p> <p>Article 43 <u>The Remuneration, Etc. to Audit & Supervisory Board Members shall be determined by resolution of a General Meeting of Shareholders.</u></p> <p style="text-align: center;">Chapter VI Financial Auditor</p> <p>(Establishment of the Financial Auditor)</p> <p>Article 44 - Article 46 (Provision omitted)</p> <p>(Remuneration, Etc. to Financial Auditor)</p> <p>Article 47 The Remuneration, Etc. to Financial Auditor shall be determined by Directors after obtaining the consent of <u>the Audit & Supervisory Board</u>.</p> <p>(Exemption of Financial Auditor From Liability)</p> <p>Article 48 (Provision omitted)</p> <p style="text-align: center;">Chapter VII Accounts</p> <p>(Business Year)</p> <p>Article 49 (Provision omitted)</p> <p>(<u>Organizational Body to Determine Dividends of Surplus, Etc.</u>)</p> <p>Article 50 <u>Unless otherwise provided for by laws and regulations, the Company shall, by resolution of the Board of Directors without obtaining a resolution at a General Meeting of Shareholders, determine dividends of surplus and other matters set forth in the items of Article 459, paragraph (1) of the Companies Act.</u></p> <p style="text-align: center;">(New provision)</p> <p>(<u>Record Date for Dividends of Surplus</u>)</p> <p>Article 51</p> <p>1 <u>The record date for year-end dividends of the Company shall be March 31 of each year.</u></p> <p>2 <u>The record date for interim dividends of the Company shall be September 30 of each year.</u></p>	<p>Article 36 Resolutions of <u>the Audit and Supervisory Committee</u> shall be made by a majority of the Audit and Supervisory Committee Members present at the meeting <u>where a majority of the Audit and Supervisory Committee Members are present.</u></p> <p>(Minutes of <u>Audit and Supervisory Committee Meeting</u>)</p> <p>Article 37 The substance of the proceedings of a <u>meeting of the Audit and Supervisory Committee</u> and results thereof as well as other matters prescribed by laws and regulations shall be described or recorded in the minutes, and <u>the Audit and Supervisory Committee Members</u> present at the meeting shall affix their names and seals or electronic signatures thereto.</p> <p>(Regulations of <u>the Audit and Supervisory Committee</u>)</p> <p>Article 38 Matters concerning <u>the Audit and Supervisory Committee</u> shall be governed by <u>the Regulations of the Audit and Supervisory Committee</u> established by <u>the Audit and Supervisory Committee</u>, in addition to applicable laws and regulations and these Articles of Incorporation.</p> <p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">Chapter VI Financial Auditor</p> <p>(Establishment of the Financial Auditor)</p> <p>Article 39 - Article 41 (Unchanged)</p> <p>(Remuneration, Etc. to Financial Auditor)</p> <p>Article 42 The Remuneration, Etc. to Financial Auditor shall be determined by <u>Representative</u> Directors after obtaining the consent of <u>the Audit and Supervisory Committee</u>.</p> <p>(Exemption of Financial Auditors From Liability)</p> <p>Article 43 (Unchanged)</p> <p style="text-align: center;">Chapter VII Accounts</p> <p>(Business Year)</p> <p>Article 44 (Unchanged)</p> <p>(<u>Dividends of Surplus, Etc.</u>)</p> <p>Article 45</p> <p>1 <u>The Company may, by resolution of the Board of Directors, determine the matters listed in the items of Article 459, paragraph (1) of the Companies Act.</u></p> <p>2 <u>The Company may pay dividends of surplus in cash (hereinafter referred to as “dividends”) to shareholders or registered pledgees whose names appear or are recorded in the latest shareholder registry as of March 31 or September 30 of each year.</u></p> <p style="text-align: center;">(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>3 In addition to the provisions of the preceding two paragraphs, the Company may pay dividends of surplus by setting a record date.</u></p> <p>(Prescription for Payment of <u>Year-end Dividends, Etc.</u>)</p> <p>Article <u>52</u></p> <p>1 In cases where the dividends <u>and interim dividends</u> have not been received after the lapse of three full years from the date of commencement of payment thereof, the Company shall be exempt from the obligation to pay such dividends.</p> <p>2 (Provision omitted)</p> <p style="padding-left: 40px;">(New provision)</p>	<p>(Prescription for Payment of Dividends)</p> <p>Article <u>46</u></p> <p>1 In cases where the dividends have not been received after the lapse of three full years from the date of commencement of payment thereof, the Company shall be exempt from the obligation to pay such dividends.</p> <p>2 (Unchanged)</p> <p><u>Supplementary Provisions</u></p> <p><u>(Transitional Measures for Exemption of Audit & Supervisory Board Members from Liability)</u></p> <p><u>1 The Company may, by resolution of the Board of Directors, exempt Audit & Supervisory Board Members (including those who were Audit & Supervisory Board Members in the past) from liability for damages related to actions before the conclusion of the 19th Annual General Meeting of Shareholders as prescribed in Article 423, paragraph (1) of the Companies Act to the extent permitted by laws and regulations.</u></p> <p><u>2 Agreements limiting liability for damages related to actions by Audit & Supervisory Board Members (including those who were Audit & Supervisory Board Members in the past) before the conclusion of the 19th Annual General Meeting of Shareholders as prescribed in Article 423, paragraph (1) of the Companies Act shall be governed by the provision of Article 37, paragraph 2 of the Articles of Incorporation before amendments pursuant to the resolution of the same Annual General Meeting of Shareholders.</u></p>



Proposal No. 2 Election of 11 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)



If Proposal No. 1 “Partial Amendments to the Articles of Incorporation” is approved and adopted as originally proposed, the Company will transition to a Company with an Audit and Supervisory Committee, and the terms of office of all nine Directors will expire when the amendments to the Articles of Incorporation take effect, pursuant to the provisions of Article 332, paragraph (7), item (i) of the Companies Act.



Accordingly, the Company proposes the election of 11 Directors (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply hereinafter for this proposal).



This proposal shall take effect on condition that the amendments to the Articles of Incorporation under Proposal No. 1 “Partial Amendments to the Articles of Incorporation” take effect. The candidates for Director are as follows:

Candidate No.	Name	Current position and responsibility in the Company		Number of times of attendance at Board of Directors meetings
1	Nobuyuki Hatanaka	Chairman of the Board of Directors	Reelection	12/12 times
2	Hiroaki Suzuki	Representative Director and President, and General Manager of Corporate Strategy Planning	Reelection	12/12 times
3	Yoichi Suzuki	Representative Director and Executive Vice President, Head of Administration, and Head of DX Promotion	Reelection	12/12 times
4	Toshiyuki Omote	Director and Executive Vice President, and General Manager of Sales	Reelection	12/12 times
5	Takahiro Furiyoshi	Director and Managing Executive Officer, General Manager of Business Development and Manager of Development Strategy	Reelection	12/12 times
6	Yoshiro Uryu	Managing Executive Officer, General Manager of Human Resource, and Manager of Personnel	New election	-/-
7	Hidetaka Hatanaka	Managing Executive Officer, General Manager of Product Merchandising	New election	-/-
8	Akihito Mizuno	Director President and CEO of Japell Co., Ltd.	Reelection	10/10 times
9	Yoshihisa Aoki	Outside Director	Independent Outside Reelection	12/12 times
10	Hideo Ishii	Outside Director	Independent Outside Reelection	12/12 times
11	Akira Iwasaki	Outside Director	Independent Outside Reelection	10/10 times


Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	 <p>Nobuyuki Hatanaka August 1, 1949 Reelection Tenure as Director 15 years</p>	<p>Apr. 1972 Joined Tomen Corporation Jun. 1974 Joined Syukosha Corporation Dec. 1998 Representative Director and President Jan. 2002 Chairman and Executive Director of Ito-Yasu Corporation Apr. 2004 Representative Director and President of SISCO CORPORATION Oct. 2006 Representative Director and Executive Vice President of the Company Apr. 2007 Representative Director and President Apr. 2017 Representative Director and Chairman & CEO Jun. 2019 Chairman of the Board of Directors (current position)</p>	459,854 shares
<p>Reasons for nomination</p> <p>After assuming the office as Representative Director and President in 2007, Nobuyuki Hatanaka was responsible for the Company's management. He strove for expansion and growth of the Company's business with his superior management skills and leadership, and led the Company to its current growth path. From 2017, he took charge of the Group as Representative Director and Chairman & CEO and since 2019 and has been showing the right direction for the Group as Chairman of the Board of Directors while leading deliberations informed by the opinions of Outside Directors as Chair of the voluntarily established Nomination and Compensation Committees. The Company therefore judges that he is the right person to enhance corporate value of the Company, and nominates him as a candidate for Director.</p>			
2	 <p>Hiroaki Suzaki October 25, 1955 Reelection Tenure as Director 5 years</p>	<p>Apr. 1978 Joined Daika Corporation Apr. 2008 Executive Officer and General Manager of Products Department of Sales Division of the Company Apr. 2014 Managing Executive Officer and President of Chubu Branch Jun. 2016 Director and Managing Executive Officer, and President of Chubu Branch Jan. 2017 Director and Executive Vice President, and Acting General Manager of Sales Management Apr. 2017 Representative Director and President & COO Jun. 2019 Representative Director and President Apr. 2021 Representative Director and President, and General Manager of Corporate Strategy Planning (current position)</p>	5,700 shares
<p>Reasons for nomination</p> <p>Hiroaki Suzaki has worked in the sales and the product divisions since joining the Company, and has extensive business experience and knowledge in the Company. He has assumed the office as Representative Director and President & COO since 2017, has led the Company's management since then. He has steadily built excellent business records and has produced successful results. In addition, he contributed to achieving the targets of the Company's medium-term management plan that ended in the fiscal year ended March 2020, and is currently promoting each strategy in the Medium-Term Management Plan 2023 towards the Long-Term Management Vision 2030. Based on the above, the Company judges that he is expected to demonstrate a strong leadership, which will contribute to future business growth of the Company and is the right person to enhance corporate value of the Company, and nominates him as a candidate for Director.</p>			


Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	 Yoichi Suzuki April 23, 1953 Reelection Tenure as Director 19 years	<div><div>Jun. 1980</div><div>Joined Ito-I Corporation</div></div> <div><div>Apr. 2002</div><div>Director and Advisory Member of the Company</div></div> <div><div>Jun. 2004</div><div>Senior Managing Director and General Manager of Operations</div></div> <div><div>Apr. 2007</div><div>Representative Director and Senior Managing Executive Officer, General Manager of Administration, and Head of Internal Control Office</div></div> <div><div>Apr. 2009</div><div>Representative Director and Executive Vice President, and General Manager of Administration</div></div> <div><div>Apr. 2015</div><div>Representative Director and Executive Vice President, General Manager of Administration and General Manager of Systems</div></div> <div><div>Apr. 2018</div><div>Representative Director and Executive Vice President, and General Manager of Administration</div></div> <div><div>Apr. 2021</div><div>Representative Director and Executive Vice President, Head of Administration, and Head of DX Promotion (current position)</div></div>	63,303 shares
	<p>Reasons for nomination</p> <p>Since joining the Company, Yoichi Suzuki has worked mainly in administrative divisions and has extensive business experience and knowledge in the Company. He assumed the office as a Representative Director in 2007, and has strengthened the management base such as administrative, business planning and system divisions. In his current role as Representative Director and Executive Vice President, Head of Administration, and Head of DX Promotion, he has been focusing on enhancing the administrative divisions, improving the CSR systems, promoting IR activities and promoting business structure reform through DX. The Company therefore judges that he is the right person to enhance the corporate value of the Company, and nominates him as a candidate for Director.</p>		
4	 Toshiyuki Omote October 20, 1956 Reelection Tenure as Director 3 years	<div><div>Apr. 1979</div><div>Joined Daika Corporation</div></div> <div><div>Apr. 2004</div><div>Manager in charge of Wide-Area Mass Sales Department of East Japan of Sales Division of the Company</div></div> <div><div>Oct. 2006</div><div>Manager of Wide-Area Mass Sales Department of Sales Division</div></div> <div><div>Apr. 2010</div><div>Executive Officer and Manager of Wide-Area Mass Sales Department of Sales Division</div></div> <div><div>Apr. 2015</div><div>Managing Executive Officer and Manager of Wide-Area Mass Sales Department 1 of Sales Division</div></div> <div><div>Apr. 2018</div><div>Managing Executive Officer and General Manager of Sales</div></div> <div><div>Jun. 2018</div><div>Director and Managing Executive Officer, and General Manager of Sales</div></div> <div><div>Apr. 2019</div><div>Director and Senior Managing Executive Officer, and General Manager of Sales</div></div> <div><div>Apr. 2020</div><div>Director and Executive Vice President, and General Manager of Sales (current position)</div></div>	3,200 shares
	<p>Reasons for nomination</p> <p>Since joining the Company, Toshiyuki Omote has held several managerial positions in the sales division. Since 2010 he has served as Executive Officer and Manager of Wide-Area Mass Sales Department of Sales Division, and has played a part in strengthening the Company's sales activities and in achieving growth of its business. In his current role as Director and Executive Vice President, and General Manager of Sales, he works on the strategies for expanding its business and profits through strengthening its sales capabilities, as he has been doing to date. The Company therefore judges that he is the right person to enhance corporate value of the Company, and nominates him as a candidate for Director.</p>		

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
5	 <p>Takahiro Furiyoshi July 17, 1965 Reelection</p> <p>Tenure as Director 6 years</p>	<p>Apr. 1989 Joined Procter & Gamble Far East, Inc.</p> <p>Mar. 1993 Joined Daika Corporation</p> <p>Apr. 2010 General Manager of Wide-Area Mass Sales Department of the Company</p> <p>Apr. 2014 Executive Officer, General Manager of Tokyo Metropolitan Area, and President of Kanto Branch</p> <p>Jun. 2015 Director and Managing Executive Officer, and General Manager of Sales</p> <p>Apr. 2017 Director and Managing Executive Officer, and General Manager of Business Development</p> <p>Apr. 2019 Director and Managing Executive Officer, General Manager of Business Development, Manager of Development Strategy, and Manager of EC Business</p> <p>Apr. 2021 Director and Managing Executive Officer, General Manager of Business Development, and Manager of Development Strategy (current position)</p>	21,950 shares
<p>Reasons for nomination</p> <p>Since joining the Company Takahiro Furiyoshi has worked in the sales division, is well vested in things on logistics sites, and has specialist knowledge in the field. Since 2015, he has been engaged as General Manager of Sales in strengthening sales activities and has played a significant part in expansion of the business. Currently, he is engaged as Director and Managing Executive Officer, General Manager of Business Development, and Manager of Development Strategy in development of new business and growth of the overseas business, which will be the pillars of its future operations. The Company therefore judges that he is the right person to enhance the corporate value of the Company, and nominates him as a candidate for Director.</p>			
6	 <p>Yoshiro Uryu January 16, 1970 New election</p> <p>Tenure as Director - years</p>	<p>Apr. 1994 Joined RYOSHOKU LIMITED (currently Mitsubishi Shokuhin Co., Ltd.)</p> <p>Apr. 1999 Joined Sunvic Corporation</p> <p>Apr. 2011 Branch Manager of Fukuoka Office, Kyushu Branch of the Company</p> <p>Apr. 2016 Executive Officer and President of Kyushu Branch</p> <p>Oct. 2017 Executive Officer and General Manager of Business Process Reform</p> <p>Apr. 2019 Executive Officer and General Manager of Corporate Strategy Planning</p> <p>Apr. 2020 Managing Executive Officer and General Manager of Corporate Strategy Planning</p> <p>Apr. 2021 Managing Executive Officer, General Manager of Human Resource, and Manager of Personnel (current position)</p>	31,354 shares
<p>Reasons for nomination</p> <p>Yoshiro Uryu has worked in the sales and business planning divisions since joining the Company, and has extensive business experience and knowledge in the Company. He had managed a branch as President of Kyushu Branch from 2016, and from 2019, played a part as General Manager of Corporate Strategy Planning in strengthening the Company's sales activities and in achieving growth of its business. In his current role as Managing Executive Officer, General Manager of Human Resource, and Manager of Personnel, he has worked on development of human resources who will lead the Company in the future. The Company therefore judges that he is the right person to enhance the corporate value of the Company, and nominates him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)		Number of the Company's shares owned
7	<div><p>Hidetaka Hatanaka June 18, 1975 New election</p><p>Tenure as Director - years</p></div>	Apr. 1999	Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)	49,335 shares
		Aug. 2004	Joined SISCO CORPORATION	
		Apr. 2010	Advisory Member and Branch Manager of Kansai Office of the Company	
		Apr. 2012	Advisory Member and Vice President of Kansai Branch	
		Apr. 2015	Advisory Member and President of Kansai Branch of the Company	
		Apr. 2016	Executive Officer and President of Kansai Branch	
		Apr. 2018	Executive Officer, General Manager of Product Merchandising, Manager of Products, and Manager of Product Development	
		Apr. 2020	Managing Executive Officer, General Manager of Product Merchandising (current position)	
Reasons for nomination Since joining the Company, Hidetaka Hatanaka has worked in the sales and product divisions, and has extensive business experience and knowledge in the Company. Since 2015, he has played a part as President of Kansai Branch in strengthening the Company's sales activities and in achieving growth of its business. Since 2018, as General Manager of Product Merchandising, he has worked on enhancing the handling of attractive products which are at the core of the Company. The Company therefore judges that he is the right person to enhance the corporate value of the Company, and nominates him as a candidate for Director.				
8	<div><p>Akihito Mizuno December 20, 1963 Reelection</p><p>Tenure as Director 1 year</p></div>	Apr. 1986	Joined Japell Co., Ltd.	2,908 shares
		Jun. 2010	Director, General Manager of West Japan Sales Division	
		Jun. 2013	Managing Director and General Manager of Sales Division	
		Jun. 2015	Senior Managing Director, General Manager of Sales Division	
		Jun. 2016	President and CEO (current position)	
		Apr. 2017	President and CEO of Japell Partnership Service Co., Ltd. (current position)	
		Jun. 2020	Director of the Company (current position)	
		(Significant concurrent positions outside the Company)		
		President and CEO of Japell Co., Ltd.		
		President and CEO of Japell Partnership Service Co., Ltd.		
Reasons for nomination Since 2016, Akihito Mizuno has served as President and CEO of Japell Co., Ltd., the leading specialist wholesaler of pet products and a subsidiary of the Company, and has been instrumental in driving the company's business growth and raising its position in the industry under his strong leadership. In anticipation of adequate advice being given by him on execution of the business based on his abundant knowledge and experience, the Company judges that he is the right person to enhance corporate value of the Company, and nominates him as a candidate for Director.				

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
9	 <p>Yoshihisa Aoki January 17, 1952 Independent Outside Reelection</p> <p>Tenure as Director 4 years</p>	<p>Apr. 1974 Joined ITOCHU Corporation</p> <p>Jun. 2006 Managing Executive Officer</p> <p>Jun. 2009 Managing Director</p> <p>Apr. 2010 Representative Director, Senior Managing Executive Officer, and President of Food Company</p> <p>Mar. 2017 Administrative Officer (current position)</p> <p>Jun. 2017 Outside Director of the Company (current position)</p> <p>Mar. 2019 Outside Director of Otsuka Holdings Co., Ltd. (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Outside Director of Otsuka Holdings Co., Ltd.</p>	- shares
	<p>Reasons for nomination and summary of expected roles</p> <p>As a Representative Director at ITOCHU Corporation's Food Company, Yoshihisa Aoki has a high level of insight into corporate management overall. Using his abundant knowledge in growth strategy and overseas business in particular, he is expected to ensure the reasonableness and appropriateness of decision making through supervision and advice concerning the overall implementation process from strategic planning and the Company's overseas strategy from a global viewpoint. Moreover, if he is elected, the Company plans to continue to see him involved in the appointment of candidates for its officers and the decision on their remuneration as a Nomination and Compensation Committee Member from an independent standpoint.</p>		

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
10	 <p>Hideo Ishii October 6, 1954 Independent Outside Reelection</p> <p>Tenure as Director 3 years</p>	<p>Apr. 1978 Joined the Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)</p> <p>Apr. 2002 General Manager of Human Resources Department and Head of Human Resources Training Office of Business Planning Group of Mizuho Securities Co., Ltd.</p> <p>Apr. 2004 General Manager of Head Office Sales Department 1 of Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)</p> <p>Apr. 2007 Executive Officer and General Manager of Fukuoka Sales Department</p> <p>Apr. 2008 Managing Executive Officer of Kowa Real Estate Co., Ltd. (currently Nippon Steel Kowa Real Estate Co., Ltd.)</p> <p>Oct. 2010 Senior Managing Director</p> <p>Jun. 2013 Director and President of Japan Investor Solutions & Technologies Co., Ltd.</p> <p>Mar. 2018 Outside Director (Audit and Supervisory Committee Member) of ROYAL HOLDINGS Co., Ltd. (current position)</p> <p>Jun. 2018 Outside Director of the Company (current position)</p> <p>(Significant concurrent positions outside the Company) Outside Director (Audit and Supervisory Committee Member) of ROYAL HOLDINGS Co., Ltd.</p>	- shares
<p>Reasons for nomination and summary of expected roles</p> <p>As Director and President at Japan Investor Solutions & Technologies Co., Ltd., Hideo Ishii has abundant insight into corporate management overall. Using his abundant knowledge in growth strategy and organizational management in particular, he is expected to ensure the reasonableness and appropriateness of decision making through supervision and advice concerning the overall implementation process from strategic planning and organizational management, which includes the control environment. Moreover, if he is elected, the Company plans to continue to see his involved in the appointment of candidates for its officers and the decision on their remuneration as a Nomination and Compensation Committee Member from an independent standpoint.</p> <p>It has been more than 13 years since his retirement from Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.) in March 2008, and the Company therefore judges there is no problem in his independence and plans to notify his appointment as an independent officer as provided for by the Tokyo Stock Exchange.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
11	 <p>Akira Iwasaki April 1, 1952 Independent Outside Reelection</p> <p>Tenure as Director 1 year</p>	<p>Apr. 1974 Joined IBM Japan, Ltd.</p> <p>Apr. 2004 Member of the Board in charge of Industry Solutions</p> <p>Feb. 2007 Executive Officer of Japan Post Holdings Co., Ltd.</p> <p>Jun. 2008 Managing Executive Officer and CIO of Japan Post Network Co., Ltd. (currently JAPAN POST Co., Ltd.)</p> <p>Jun. 2008 Managing Executive Officer (concurrent service) and Deputy CIO of Japan Post Bank Co., Ltd.</p> <p>Jun. 2009 Senior Managing Executive Officer and CIO of Japan Post Network Co., Ltd. (currently Japan Post Co., Ltd.)</p> <p>Jun. 2009 Senior Managing Executive Officer (concurrent service) and Deputy CIO of Japan Post Bank Co., Ltd.</p> <p>Aug. 2010 Senior Director of Cisco Systems G.K.</p> <p>Aug. 2012 Senior Managing Executive Officer of salesforce.com Co., Ltd.</p> <p>Apr. 2018 External Director of FRONTIER INTERNATIONAL INC. (current position)</p> <p>Jun. 2019 Outside Director of Maeda Road Construction Co., Ltd.</p> <p>Jun. 2020 Outside Director of the Company (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>External Director of FRONTIER INTERNATIONAL INC.</p>	- shares
<p>Reasons for nomination and summary of expected roles</p> <p>Akira Iwasaki has served as Executive Officer and CIO at multiple companies related to finance and systems, and has abundant insight into corporate management. Using his abundant knowledge in IT in particular, he is expected to ensure the reasonableness and appropriateness of decision making through supervision and advice concerning growth strategy and organizational management based on the understanding of issues from an IT viewpoint, and by demonstrating the direction for further sophistication and efficiency. Moreover, if he is elected, the Company plans to continue to see him involved in the appointment of candidates for its officers and the decision on their remuneration as a Nomination and Compensation Committee Member from an independent standpoint.</p>			


- Notes
1. There is no special interest between any of the candidates and the Company.
 2. Yoshihisa Aoki, Hideo Ishii and Akira Iwasaki are candidates for outside Director.
 3. The Company has entered into a limited liability agreement with Yoshihisa Aoki, Hideo Ishii and Akira Iwasaki under the provisions of Article 423, paragraph (1) of the Companies Act, pursuant to the provisions of Article 427, paragraph (1) of the same Act. The maximum liability for damages based on this agreement is limited to the amount prescribed in Article 425, paragraph (1) of the Companies Act. If the reappointment of Yoshihisa Aoki, Hideo Ishii and Akira Iwasaki is approved, the Company plans to continue this agreement with them.
 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, making all Directors insureds. This insurance policy covers the legally mandated amount of indemnification and litigation expenses to be borne by an insured (however, there are reasons for coverage exclusion, such as exclusion of coverage for any damage resulting from performance of a criminal act, a fraudulent act, or the like with full knowledge of its violation of laws and regulations, and rules), and all the premiums for insureds are fully borne by the Company. If each candidate assumes the office of Director, each of them will be included in the policy as an insured. The Company plans to renew the said policy with the same kind of details during their terms of office.
 5. The Company has submitted notification to the Tokyo Stock Exchange that Yoshihisa Aoki, Hideo Ishii and Akira Iwasaki have been appointed as independent officers as provided for by the aforementioned exchange. If Yoshihisa Aoki, Hideo Ishii and Akira Iwasaki are reappointed, the Company plans for their appointment as independent officers to continue.


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


If Proposal No. 1 “Partial Amendments to the Articles of Incorporation” is approved and adopted as originally proposed, the Company will transition to a Company with an Audit and Supervisory Committee, and the terms of office of all four Audit & Supervisory Board Members will expire when the amendments to the Articles of Incorporation take effect, pursuant to the provisions of Article 336, paragraph (4), item (ii) of the Companies Act. In that regard, the Company proposes the election of three Directors who are Audit and Supervisory Committee Members.

The Audit & Supervisory Board has already given its consent to this proposal.

The resolution for this proposal shall take effect on condition that the amendments to the Articles of Incorporation under Proposal No. 1 “Partial Amendments to the Articles of Incorporation” take effect. The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

Candidate No.	Name (Date of birth)	Career summary and major positions, etc. (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	 <p>Mikihisa Ito May 5, 1955 New election</p> <p>Tenure as Audit & Supervisory Board Member 3 years</p>	<p>Apr. 1980 Joined Lion Corporation</p> <p>Apr. 1982 Joined Ito-Yasu Corporation</p> <p>Sep. 2002 Representative Director and President</p> <p>Jun. 2008 Director and Managing Executive Officer, and President of Kyushu Branch of the Company</p> <p>Oct. 2011 Director and Managing Executive Officer, Deputy General Manager of Sales, and Manager of International Business</p> <p>Jun. 2018 Audit & Supervisory Board Member (current position)</p>	47,624 shares
<p>Reasons for nomination</p> <p>Mikihisa Ito has worked in the sales division and international business since joining the Company, and has extensive business experience and knowledge in the Company. Concurrently serving as Director and Managing Executive Officer, and President of Kyushu Branch in 2008, Deputy General Manager of Sales in 2011 and Manager of International Business in October 2011, he played a part in strengthening the Company's sales activities and in achieving growth of its business. He has been monitoring the Company's business as a whole, contributing to appropriate audits of it as an Audit & Supervisory Board Member of the Company since 2018. The Company therefore nominates him as a candidate for Director who is an Audit and Supervisory Committee Member.</p>			

Candidate No.	Name (Date of birth)	Career summary and major positions, etc. (Significant concurrent positions outside the Company)	Number of the Company's shares owned
2	 <p>Satoshi Hiramitsu May 14, 1967 Independent Outside New election</p> <p>Tenure as Audit & Supervisory Board Member 9 years</p>	<p>Apr. 1990 Joined The Tokai Bank, Limited (currently MUFG Bank, Ltd.)</p> <p>Nov. 1993 Joined Chuo Audit Corporation</p> <p>Sep. 2003 Joined Masanobu Nakano CPA Office</p> <p>Apr. 2005 Joined Tax Accounting Corporation TAS</p> <p>Jun. 2012 Outside Audit & Supervisory Board Member of the Company (current position)</p> <p>Nov. 2014 Representative Partner of Tax Accounting Corporation TAS</p> <p>Jun. 2019 Outside Corporate Auditor of FUJITEC CO., LTD. (current position)</p> <p>Dec. 2019 President of Tax Accounting Corporation TAS (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>President of Tax Accounting Corporation TAS</p> <p>Outside Corporate Auditor of FUJITEC CO., LTD.</p>	- shares
	<p>Reasons for nomination and summary of expected roles</p> <p>Satoshi Hiramitsu has a high level of specialized knowledge as a Certified Public Accountant. Using his specialized knowledge in accounting in particular, he is expected to ensure the reasonableness and appropriateness of decision making through supervision and advice concerning the numerical plan of the business strategy as a Certified Public Accountant, and by demonstrating the direction of the control environment for organizational management. Moreover, if he is elected, the Company plans to continue to see him involved in the appointment of candidates for its officers and the decision on their remuneration as a Nomination and Compensation Committee Member from an independent standpoint. He has never been involved in the management of a company other than serving as an outside officer. However, the Company judges he will appropriately fulfill his duties as an outside Director who is an Audit and Supervisory Committee Member based on the above reasons.</p> <p>It has been 27 years since his resignation from The Tokai Bank, Limited (currently MUFG Bank, Ltd.) in October 1993, and the Company therefore judges there is no problem in his independence and plans to notify his appointment as an independent officer as provided for by the Tokyo Stock Exchange.</p>		

Candidate No.	Name (Date of birth)	Career summary and major positions, etc. (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	 <p>Tomoko Sakamoto May 11, 1974 Independent Outside New election</p> <p>Tenure as Audit & Supervisory Board Member 1 year</p>	<p>Apr. 2000 Registered as an attorney at law, joined Kitahama Law Office</p> <p>Oct. 2003 Joined Yanagida & Nomura Law Office (currently Yanagida & Partners)</p> <p>Nov. 2006 Joined Iwata Godo Attorneys and Counsellors at Law</p> <p>Jul. 2011 Partner (current position)</p> <p>Jun. 2015 Outside Director of The Yachiyo Bank, Limited (currently Kiraboshi Bank, Ltd.)</p> <p>Dec. 2018 Outside Audit & Supervisory Board Member of FCE Holdings (current position)</p> <p>Jun. 2019 Outside Audit & Supervisory Board Member of Fuji Oil Company, Ltd. (current position)</p> <p>Jun. 2020 Outside Audit & Supervisory Board Member of the Company (current position)</p> <p>(Significant concurrent positions outside the Company) Partner of Iwata Godo Attorneys and Counsellors at Law Outside Audit & Supervisory Board Member of Fuji Oil Company, Ltd.</p>	- shares
<p>Reasons for nomination and summary of expected roles</p> <p>Tomoko Sakamoto has abundant experience and high-level specialized knowledge concerning corporate legal affairs as an attorney at law. Using her specialized knowledge in compliance and governance in particular, she is expected to ensure the reasonableness and appropriateness of decision making through supervision and advice from the viewpoint of strengthening governance that requires organizational management and the viewpoint of observing compliance, and by demonstrating the correct direction as a listed company. Moreover, if she is elected, the Company plans to continue to see her involved in the appointment of candidates for its officers and the decision on their remuneration as a Nomination and Compensation Committee Member from an independent standpoint. She has never been involved in the management of a company other than serving as an outside officer. However, the Company judges she will appropriately fulfill her duties as an outside Director who is an Audit and Supervisory Committee Member based on the above reasons.</p>			

- Notes
1. There is no special interest between any of the candidates and the Company.
 2. Satoshi Hiramitsu and Tomoko Sakamoto are candidates for outside Director.
 3. The Company has entered into a limited liability agreement with Mikihisa Ito, Satoshi Hiramitsu and Tomoko Sakamoto under the provisions of Article 423, paragraph (1) of the Companies Act, pursuant to the provisions of Article 427, paragraph (1) of the same Act. The maximum liability for damages based on this agreement is limited to the amount prescribed in Article 425, paragraph (1) of the Companies Act. If the appointment of Mikihisa Ito, Satoshi Hiramitsu and Tomoko Sakamoto is approved, the Company plans to continue this agreement with them.
 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, making all Directors who are Audit and Supervisory Committee Members insureds. This insurance policy covers the legally mandated amount of indemnification and litigation expenses to be borne by an insured (however, there are reasons for coverage exclusion, such as exclusion of coverage for any damage resulting from performance of a criminal act, a fraudulent act, or the like with full knowledge of its violation of laws and regulations, and rules), and all the premiums for insureds are fully borne by the Company. If each candidate assumes the office of Director who is Audit and Supervisory Committee Member, each of them will be included in the policy as an insured. The Company plans to renew the said policy with the same kind of details during their terms of office.
 5. The Company has submitted notification to the Tokyo Stock Exchange that Satoshi Hiramitsu and Tomoko Sakamoto have been appointed as independent officers as provided for by the aforementioned exchange. If the appointment of Satoshi Hiramitsu and Tomoko Sakamoto is approved, the Company plans for their appointment as independent officers to continue.


Proposal No. 4 Election of One Director Who Is a Substitute Audit and Supervisory Committee Member

The Company will transition to a Company with an Audit and Supervisory Committee on condition that Proposal No. 1 “Partial Amendments to the Articles of Incorporation” is approved and adopted. Accordingly, the Company requests approval for the prior election of one Director who is a substitute Audit and Supervisory Committee Member to be ready to fill a vacant position should the number of Directors who are Audit and Supervisory Committee Members fall below the number required by laws and regulations.

Regarding the effect of this election, the election may be cancelled by a resolution of the Board of Directors of the Company only before the assumption of the position after obtaining the consent of the Audit and Supervisory Committee.

In addition, the Audit & Supervisory Board has already given its consent to this proposal in advance. This proposal shall take effect when Proposal No. 1 “Partial Amendments to the Articles of Incorporation” takes effect.

The candidate for Director who is Substitute Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Career summary and major positions, etc. (Significant concurrent positions outside the Company)	Number of the Company's shares owned
 <p>Shuichi Okada July 20, 1970 Independent Outside New election</p> <p>Tenure as Audit & Supervisory Board Member - years</p>	<p>Apr. 2000 Registered with the Daini Tokyo Bar Association as an attorney at law</p> <p>Apr. 2006 Partner of Kano & Okada Law Office (current position)</p> <p>Apr. 2010 Member of Monitoring Committee for Ministry of Agriculture, Forestry and Fisheries Tender Offers, etc.</p> <p>Apr. 2012 Judicial commissioner of Tokyo Summary Court</p> <p>Apr. 2013 Advisor of Consumer Affairs Consulting Service of Tokyo Metropolitan Comprehensive Consumer Center</p> <p>Apr. 2017 Deputy Chair of the Daini Tokyo Bar Association</p> <p>(Significant concurrent positions outside the Company) Partner of Kano & Okada Law Office</p>	- shares
<p>Reasons for nomination and summary of expected roles</p> <p>Shuichi Okada has had an extensive career as an attorney at law, and possesses a high level of specialist insight. The Company therefore judges that he can be expected to utilize such capabilities in enhancement of the Company's governance and compliance, and nominates him as a candidate for substitute Director who is an Audit and Supervisory Committee Member. He has never been involved in the management of a company. However, the Company judges that he will appropriately fulfill his duties as an outside Director who is an Audit and Supervisory Committee Member based on the above reasons.</p>		

- Notes
1. There is no special interest between Shuichi Okada and the Company.
 2. Shuichi Okada is a candidate for substitute outside Director.
 3. If Shuichi Okada assumes the office of Director who is an Audit and Supervisory Committee Member, the Company plans to submit notification to the Tokyo Stock Exchange concerning his appointment as an independent officer as per the rules of the aforementioned exchange.
 4. If Shuichi Okada assumes the office of Director who is an Audit and Supervisory Committee Member, the Company plans to enter into a limited liability agreement with him under the provisions of Article 423, paragraph (1) of the Companies Act, pursuant to the provisions of Article 427, paragraph (1) of the same Act. The maximum amount of liability for damages under this agreement is limited to the amount provided for under Article 425, paragraph (1) of the Companies Act.

Proposal No. 5 Establishment of the Amount of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The amount of monetary remuneration for Directors of the Company was resolved as within the annual amount of 500 million yen (excluding the employee salary portion) at the 4th Annual General Meeting of Shareholders on June 29, 2006, and has been the same to date.

Now, the Company will transition to a Company with an Audit and Supervisory Committee on condition that Proposal No. 1 “Partial Amendments to the Articles of Incorporation” is approved and adopted.

Accordingly, the Company proposes that the current decision on the amount of remuneration for Directors should be abolished to newly establish the amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) upon the transition to a Company with an Audit and Supervisory Committee, and the amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) should be determined as within the amount of 500 million yen (of which, the annual amount of 120 million yen for outside Directors), taking into account economic conditions and other circumstances.

If this proposal is approved, the Company will change parts stating “Directors” as eligible persons to “Directors (excluding Directors who are Audit and Supervisory Committee Members)” with regard to the policy to decide the content of the individual remuneration, etc. for Directors described in “(iii) Director and Audit & Supervisory Board Member remuneration, etc.” on page 22 of the Business Report (in Japanese only), at the meeting of the Board of Directors after the conclusion of this meeting in order to make it consistent with the approved content.

This proposal shall decide the upper limit on remuneration for Directors (excluding Directors who are Audit and Supervisory Members) within a reasonable range, taking into account economic conditions, the size of the Company, the number of Directors and levels at other companies among other things.

As stated above, moreover, since we will change the policy to decide the content of remuneration, etc. for individual Directors, this proposal is deemed necessary and appropriate in order to decide the content of remuneration for individual Directors in accordance with such policy after the change.

Regarding employee-Directors, the amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall not include portion of employee salaries. If Proposal No. 1 “Partial Amendments to the Articles of Incorporation” and Proposal No. 2 “Election of 11 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” are approved as originally proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) will be 11 (of which three will be outside Directors).

This proposal shall take effect when Proposal No. 1 “Partial Amendments to the Articles of Incorporation” takes effect.

Proposal No. 6 Establishment of the Amount of Remuneration for Directors Who Are Audit and Supervisory Committee Members

The Company will transition to a Company with an Audit and Supervisory Committee on condition that Proposal No. 1 “Partial Amendments to the Articles of Incorporation” is approved and adopted.

Accordingly, the Company proposes that upon the transition to a Company with an Audit and Supervisory Committee, the amount of remuneration for Directors who are Audit and Supervisory Committee Members should be determined as within the annual amount of 120 million yen, taking into account their duties and responsibilities of Directors who are Audit and Supervisory Committee Members.

This proposal shall decide the upper limit on remuneration for Directors who are Audit and Supervisory Committee Members within a reasonable range, taking into account the duties of Directors who are Audit and Supervisory Committee Members and the level of remuneration for Directors (excluding Directors who are Audit and Supervisory Members). The Company therefore deems it necessary and reasonable.

If Proposal No. 1 “Partial Amendments to the Articles of Incorporation” and Proposal No. 3 “Election of Three Directors Who Are Audit and Supervisory Committee Members” are approved as originally proposed, the number of Directors who are Audit and Supervisory Committee Members will be three.

This proposal shall take effect when Proposal No. 1 “Partial Amendments to the Articles of Incorporation” takes effect.

Proposal No. 7 Establishment of the Amount of Performance-linked and Share-based Remuneration, Etc. for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The Company will transition to a Company with an Audit and Supervisory Committee if Proposal No. 1 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed.

The Company received approval at the 12th Annual General Meeting of Shareholders held on June 27, 2014 for the introduction of the performance-linked share-based remuneration plan for Directors (excluding outside Directors) and Executive Officers of the Company called “Board Benefit Trust (BBT)” (hereinafter referred to as the “Plan”), and at the 17th Annual General Meeting of Shareholders held on June 26, 2019 for the partial revision of the Plan. However, the Company requests your approval for the establishment of the upper limit on remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members, and outside Directors) and Executive Officers under the Plan, instead of the current upper limit on remuneration for Directors and Executive Officers under the Plan, upon the transition to a Company with an Audit and Supervisory Committee.

Specifically, the Company requests your approval for the calculation method for the amount and content of remuneration, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members, and outside Directors) under the Plan, separately from the maximum amount of remuneration, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members), for which the Company requests your approval as Proposal No. 5. It should be noted that the details of the Plan shall be entrusted to the Board of Directors.

This proposal is made procedurally upon the transition to a Company with an Audit and Supervisory Committee. Since the content of the upper limit on remuneration under the Plan is substantially the same as the content approved at the 17th Annual General Meeting of Shareholders held on June 26, 2019, the Company believes this upper limit is appropriate, and it is in accordance with the policy to decide the content of remuneration, etc. for officers described in “(iii) B. Policy for decision on the content of remuneration, etc. for officers” on page 22 of the Business Report (in Japanese only).

If Proposal No. 1 and Proposal No. 2 are approved as originally proposed, the number of Directors eligible for the Plan will be eight.

This proposal shall take effect on condition that the amendments to the Articles of Incorporation under Proposal No. 1 “Partial Amendments to the Articles of Incorporation” take effect.

Specific Calculation Method for Amount of Remuneration, etc. for and Specific Content of the Plan

(1) Outline of the Plan

The Plan is a share-based remuneration plan under which the Company’s shares are acquired through a trust (hereinafter referred to as the “Trust”) using money contributed by the Company as the funds, and Directors, etc. (*) of the Company are provided with the Company’s shares and an amount of money equivalent to the market value of the Company’s shares (hereinafter referred to as “Company’s Shares, etc.”) through the Trust in accordance with the Regulations on Providing Shares to Officers established by the Board of Directors of the Company. Directors, etc. of the Company shall receive the Company’s Shares, etc. upon their retirement from office, in principle.

* Directors, etc. shall mean Directors (excluding outside Directors) and Executive Officers of the Company before the revision, and mean Directors (excluding Directors who are Audit and Supervisory Committee Members, and outside Directors) and Executive Officers of the Company after the revision. The same applies hereinafter.

(2) Persons eligible for the Plan

Directors (excluding Directors who are Audit and Supervisory Committee Members and outside Directors) and Executive Officers

(3) Trust amount

The Company, based on the resolution approved at the 17th Annual General Meeting of Shareholders held on June 26, 2019, contributed approximately 368 million yen at the time of the commencement of the Trust as the funds required in order for the Trust to acquire, in advance for a certain specific period of time, such number of shares of the Company as is reasonably expected to be required to provide under the Plan, and

established the Trust with the beneficiaries as people such as Directors, etc. who have retired from office and fulfill the beneficiary requirements set forth in the Regulations on Providing Shares to Officers.

The Company shall, after the partial revision of the Plan by resolution on this proposal, continue the Trust in order to provide the Company's Shares, etc. in accordance with (5) and (6) below, and shall make additional contribution to the Trust as the funds required in order for the Trust to acquire, in advance for a certain specific period of time, such number of shares as is reasonably expected to be required to provide going forward in such a manner. The Trust, as described in (4) below, shall acquire shares of the Company using money contributed by the Company as the funds.

Specifically, if this proposal is approved, the Company will make additional contribution to the Trust, of the required funds described above for the five fiscal years from the fiscal year ended March 31, 2020 to the year ending March 31, 2024 (hereinafter referred to as the "Next Applicable Period").

In addition, even after the Next Applicable Period has elapsed, the Company shall make additional contributions to the Trust, of the funds deemed necessary in order for the Trust to acquire in advance such number of shares as is reasonably expected to be required to provide Directors, etc. under the Plan for, in principle, each five fiscal year period (hereinafter referred to as "Each Applicable Period") until the termination of the Plan. However, in the case of making such additional contribution, if the Company's shares (excluding a number of the Company's shares equivalent to points granted to Directors, etc. that have not yet been provided to them) and money remain in the Trust (such shares and money are collectively referred to as the "Remaining Shares, etc.") on the day immediately preceding the start date of Each Applicable Period, the Remaining Shares, etc. shall be appropriated as funds for the providing under the Plan or the acquisition of shares during the subsequent applicable period, and therefore, the amount of additional contribution shall be calculated for Each Applicable Period in consideration of the Remaining Shares, etc. When the Company decides to make additional contribution, it shall make a disclosure in a timely and appropriate manner.

Furthermore, as the maximum number of points to be granted to Directors, etc. under the Plan will be a total of 70,000 points per fiscal year, as stated in (5) below, the Company, for Each Applicable Period, shall contribute to the Trust the funds reasonably expected to be required for the acquisition of not more than a reasonable number of shares, for which an adjustment from 350,000 shares has been performed as described above, in consideration of the Remaining Shares, etc.

- (4) Method of acquisition of the Company's shares and number of shares to be acquired by the Trust
- The Trust shall acquire the Company's shares through the stock market on which the Company's shares are listed or by way of subscribing to the disposition of the Company's treasury shares, using the money contributed in accordance with (3) above as the funds.
- For the Next Applicable Period, up to 320,000 shares shall be acquired, in consideration of the Remaining Shares, etc.
- (5) Specific calculation method of the number of the Company's Shares, etc. to be provided to Directors, etc.
- Directors, etc. shall be granted points for each fiscal year in the number determined by their position in accordance with the Regulations on Providing Shares to Officers. The upper limit of total points granted to Directors, etc. for each fiscal year shall be 70,000 points (of which, 30,000 points for Directors (excluding Directors who are Audit and Supervisory Committee Members and outside Directors)). This has been decided by comprehensively taking into account the current share price level of the Company, as well as the trend and outlook in the number of Directors, etc. of the Company, and other factors, and the Company judges it is appropriate.
- Each point granted to the Directors, etc. shall be converted into one common share of the Company at the time of providing shares as explained in (6) below (provided, however, in the case where the Company's shares become the subject of a share split, allotment of shares without contribution, consolidation of shares, etc., the upper limit number of points and accumulated number of points granted, or the conversion rate shall be adjusted in a reasonable manner in proportion to the relevant share split ratio or others).
- The number of points of Directors, etc. serving as basis for the calculation of the number of shares to be provided shall be calculated by multiplying the total number of points granted to the applicable Directors, etc. until the time of their retirement from office by the prescribed coefficient established for each reason for

retirement from office (the coefficient is not to exceed 1) (hereinafter, the points calculated in this manner are referred to as “Defined Number of Points”).

- (6) The providing of the Company’s Shares, etc. and specific calculation method for the amount of remuneration, etc.

If a Director, etc. of the Company retires from office and fulfills the beneficiary requirements stipulated in the Regulations on Providing Shares to Officers, the Director, etc. may receive the Company’s shares from the Trust after his/her retirement from office in accordance with the “Defined Number of Points” as specified in (5) above, by completion of the prescribed beneficiary vesting procedures. However, if a Director, etc. fulfills the requirements stipulated in the Regulations on Providing Shares to Officers, he/she will receive provision of money equivalent to the market value of the Company’s shares instead of the Company’s shares for a certain percentage of the points. For this case, the Trust may sell the Company’s shares in order to provide money. However, it is specified that this shall not apply if removal of a Director (excluding Directors who are Audit and Supervisory Committee Members, and outside Directors) is resolved by resolution at the General Meeting of Shareholders, and if a Director, etc. retires from office as a result of his or her breach of duty as Director and Executive Officer.

The basis for the amount of remuneration, etc. to be received by Directors, etc. shall be an amount determined by multiplying the total number of points granted to each Director, etc. by the book value of one share of the Company’s shares held by the Trust (provided, however, in the case where the Company’s shares become the subject of a share split, allotment of shares without contribution, consolidation of shares, etc., a reasonable adjustment shall be made according to a relevant share split ratio or others). If money is exceptionally provided pursuant to the Regulations on Providing Shares to Officers and the provision is deemed appropriate, an amount of money to which the money concerned is added shall be provided.