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(Securities Code: 8160)

June 9, 2023

To our shareholders:

Toyonaru Uchida
Director and President
Kisoji Co., Ltd.
18-13, Shirakane 3-chome, Showa-ku, Nagoya-shi

Notice of the 74th Annual General Meeting of Shareholders

We are pleased to announce the 74th Annual General Meeting of Shareholders of Kisoji Co., Ltd. (the “Company”), which will be held as described 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. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on websites. Please access the following websites to view the information.

The Company’s website:

<https://www.kisoji.co.jp/company/ir/stock.html> (in Japanese)

Website for posted informational materials for the general meeting of shareholders:

<https://d.sokai.jp/8160/teiji/> (in Japanese)

TSE 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 “Kisoji” in “Issue name (company name)” or the Company’s securities code “8160” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting].”

Instead of attending the meeting in person, you may exercise your voting rights either via the Internet, etc. or in writing (via postal mail). Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. on Tuesday, June 27, 2023 (Japan Standard Time).

1. Date and Time: Wednesday, June 28, 2023, at 10:00 a.m. (Japan Standard Time)

2. Venue: 5th Floor Grand Hall of Nagoya Bankers Association
4-2, Marunouchi 2-chome, Naka-ku, Nagoya-shi

3. Purpose of the Meeting

Matters to be reported

1. Business Report and Consolidated Financial Statements for the 74th Term (from April 1, 2022 to March 31, 2023), as well as the results of the audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-Consolidated Financial Statements for the 74th Term (from April 1, 2022 to March 31, 2023)

Matters to be resolved

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Approval of the Merger Agreement between the Company and DAISYOGUN CO., LTD.
- Proposal No. 3:** Amendment to the Articles of Incorporation
- Proposal No. 4:** Election of Eight (8) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 5:** Election of Three (3) Directors Who Are Audit and Supervisory Committee Members

- Proposal No. 6:** Determination of the Amounts of Remuneration, Etc. for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 7:** Determination of the Amounts of Remuneration, Etc. for Directors Who Are Audit and Supervisory Committee Members

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

The Company's basic policy is to continue delivering stable dividends to its shareholders while striving to enhance retained earnings for future business development.

In view of this basic policy, the Company proposes the year-end dividends as follows.

Matters related to year-end dividends

- (1) Type of property distributed as dividends
Cash
- (2) Matters related to allotment of dividend property to shareholders and their aggregate amount
8 yen per common share of the Company; Aggregate amount: 225,294,160 yen
The annual dividend will be 16 yen per share.
- (3) Effective date of dividends of surplus
June 29, 2023

Proposal No. 2: Approval of the Merger Agreement between the Company and DAISYOGUN CO., LTD.

The Company and DAISYOGUN CO., LTD., a wholly-owned subsidiary of the Company (hereinafter referred to as “DAISYOGUN”), have resolved to conduct an absorption-type merger in which the Company will be the surviving company and DAISYOGUN will be the absorbed company at the meetings of their respective Boards of Directors held on September 22, 2022 (hereinafter referred to as the “Merger”), and concluded a merger agreement on the same day.

Based on the current trial calculation, there is a possibility that the Company may record a merger loss as a result of the Merger, therefore we request your approval of the merger agreement pertaining to the Merger.

1. Reasons for conducting the Merger

DAISYOGUN has been operating two main barbecue businesses, “DAISYOGUN” and “Kuidon,” in the Group. Recently, the Company has decided to conduct an absorption-type merger with an aim to increase the speed of its decision-making, disseminate its decisions, concentrate and streamline its management resources by integrating the organization.

2. Outline of the merger agreement

The details of the merger agreement concluded between the Company and DAISYOGUN are as follows.

Merger Agreement (Copy)

Kisoji Co., Ltd. (hereinafter referred to as “Kisoji”) and DAISYOGUN CO., LTD. (hereinafter “DAISYOGUN”) enter into this merger agreement (hereinafter referred to as the “Agreement”) as follows.

Article 1 (Surviving Company and Absorbed Company)

- 1 Kisoji and DAISYOGUN will merge, whereby Kisoji will be the company surviving the absorption-type merger and DAISYOGUN will be the company absorbed in absorption-type merger (hereinafter referred to as the “Merger”), and Kisoji will survive by assuming all the rights and obligations of DAISYOGUN, and DAISYOGUN will dissolve.
- 2 Trade names and addresses of Kisoji and DAISYOGUN are as stated below.
 - (i) Kisoji (company surviving the absorption-type merger)
Trade name: Kisoji Co., Ltd.
Address: 18-13, Shirakane 3-chome, Showa-ku, Nagoya-shi, Aichi
 - (ii) DAISYOGUN (company absorbed in absorption-type merger)
Trade name: DAISYOGUN CO., LTD.
Address: 33-18, Miyakocho 2-chome, Chuo-ku, Chiba-shi, Chiba

Article 2 (Amendment to the Articles of Incorporation)

Kisoji will not amend its articles of incorporation as a result of the Merger.

Article 3 (Merger without Consideration)

The Merger shall be a merger without consideration because it is between Kisoji which is the wholly-owning parent company and DISYOGUN which is the wholly-owned subsidiary. Upon the merger, Kisoji will not allot or deliver shares or other monies to the shareholders of DAISYOGUN.

Article 4 (Capital and Reserve, Etc. to Be Increased)

There will be no increase in capital and reserve of Kisoji as a result of the Merger.

Article 5 (Effective Date of Merger)

The effective date of the Merger shall be July 1, 2023. Provided, however, the date may be changed upon consultation between Kisoji and DAISYOGUN if necessary in the course of merger procedures.

Article 6 (Succession of Corporate Property)

- 1 Based on the balance sheet as of March 31, 2022 and other calculations as of the said date, DAISYOGUN will transfer all of its assets, liabilities, rights, obligations and other legal relationships, to which increases and decreases accrued up to the effective date are reflected, to Kisoji on the effective date of the Merger.
- 2 DAISYOGUN will prepare financial statements for the period from the day following the day on which the balance sheet mentioned in Paragraph 1 was created to the day before the effective date, and report changes in assets and liabilities to Kisoji.

Article 7 (Employees)

Kisoji will succeed the employees of DAISYOGUN as of the effective date in Article 5. Employees' years of service shall be aggregated using the calculation method of DAISYOGUN, and other details shall be determined by Kisoji and DAISYOGUN through consultation.

Article 8 (Approval of Merger)

- 1 Kisoji shall convene a general meeting of shareholders before the day immediately prior to the effective date, and request for resolution on the approval of the Agreement and matters required for the Merger.
- 2 DAISYOGUN shall conduct the Merger without obtaining approval by resolution of its general meeting of shareholders for the Agreement, pursuant to the provisions of Article 784, paragraph (1) of the Companies Act.

Article 9 (Duty of Care)

Kisoji and DAISYOGUN will execute their businesses and manage and operate their assets with the care of a good manager after the conclusion of the Agreement until the effective date, and any acts which have a material impact on their assets or rights and obligations shall only be taken after consultation between Kisoji and DAISYOGUN.

Article 10 (Changes to the Terms and Conditions, and Cancellation)

Kisoji or DAISYOGUN may, after the conclusion of the Agreement and before the effective date, change the terms and conditions of the Agreement or cancel the Agreement after mutual consultation, if there has been a material change in circumstances upon which the execution of the Agreement is based, such as the status of their assets and liabilities or business conditions, or if it has been discovered that there is a material latent defect.

Article 11 (Effect of the Agreement)

The Agreement will cease to be effective if approval of merger at a general meeting of shareholders of Kisoji prescribed in Article 8, Paragraph 1 or approval of relevant government authorities stipulated by laws and regulations is not obtained.

Article 12 (Agreed Court of Jurisdiction)

Kisoji and DAISYOGUN agree that Nagoya District Court shall be the exclusive agreed court of jurisdiction of first instance for any conflicts related to the Agreement.

Article 13 (Good Faith Consultation)

If there is any doubt about matters not stipulated in the Agreement or the interpretation of the provisions of the Agreement, Kisoji and DAISYOGUN shall consult in good faith and promptly resolve the issue.

IN WITNESS WHEREOF, Kisoji and DAISYOGUN shall execute one original of this Agreement by placing their respective signatures and seals thereon, and Kisoji shall keep the original and DAISYOGUN shall keep a copy thereof.

September 22, 2022

| | |
|------------|---|
| Kisoji: | 18-13, Shirakane 3-chome, Showa-ku, Nagoya-shi, Aichi Kisoji Co., Ltd. Toyonaru Uchida Representative Director |
| DAISYOGUN: | 33-18, Miyakocho 2-chome, Chuo-ku, Chiba-shi, Chiba DAISYOGUN CO., LTD. Mitsuhiro Goda Representative Director |

3. Outline of details of matters listed in each item of the provisions of Article 191 of the Regulations for Enforcement of the Companies Act

(1) Particulars regarding the appropriateness of consideration

As the Company owns all of the outstanding shares of DAISYOGUN, the company will not deliver consideration for the Merger upon the Merger. In addition, the amounts of Company's capital and reserve will not change. As DAISYOGUN is a wholly-owned company of the Company, the Company has determined it to be appropriate.

(2) Details of the financial statements, etc., of DAISYOGUN for the most recent business year

The details of the financial statements, etc. of DAISYOGUN for the business year ending March 31, 2022 are as stated on the next page onwards.

(3) Matters concerning disposition, etc. of important properties that occurred after the end of the most recent business year of the Company and DAISYOGUN

There are no applicable items.

Financial Statements, Etc., of the Company Absorbed in Absorption-type Merger for the Most Recent Business Year

Business Report
From April 1, 2021
To March 31, 2022

1. Matters Regarding the Status of the Company

(1) Business Progress and Results

During the business year under review, the Japanese economy continued to be greatly affected by the spread of novel coronavirus (COVID-19) as it had been in the previous business year. The outlook of the economy remains uncertain due to issues such as the improvement of the COVID-19 vaccination rate as well as emergence of new variants of the virus.

The restaurant industry faced shortened business hours, prohibition of alcohol sale and restriction of alcohol sales hours due to the declaration of a state of emergency and pre-emergency measures. Although pre-emergency measures have been lifted in March 2022, the management environment continues to be challenging as people continue to refrain from dining in a large group or having dinner parties.

In light of these circumstances, the Company is striving to create an environment where customers can enjoy their meal with peace of mind while continuing to implement measures against COVID-19, such as ensuring that employees wear masks and conduct individual sanitation check, installing alcohol disinfectant in our restaurants, checking the temperature of customers and employees, and limiting the number of tables available.

The Company revised the menu of DAISYOGUN restaurants in July 2021 and the menu of Kuidon restaurants in November 2021. Furthermore, the Company revised the lunch menu of DAISYOGUN restaurants in February 2022 to meet the needs of our customers.

With regard to expenses, the Company promoted cost optimization measures in the amount of 80 million yen during the business year under review as part of its “Minna no Shiawase Project (Happiness For All Project.)” The prices of beef tongue and other types of meat are soaring and we have been experiencing a price hike rush for various food products and expendables since the fall of 2021. Amid these circumstances, the Company has implemented measures to reduce all reducible costs.

As a result of the above, the Company recorded net sales of 4,848,434 thousand yen, operating loss of 663,264 thousand yen, ordinary profit of 210,211 thousand yen, and profit of 119,855 thousand yen.

(2) Issued to Be Addressed

Given the fact that it remains unclear as to when the COVID-19 pandemic will end, the Company will make efforts to maintain and further improve the quality, improve the service level and thereby achieve the targets for net sales and ordinary profit while continuing to implement infection prevention measures.

(3) Status of Capital Investment, Etc.

In terms of the expansion of restaurant locations, the Company opened Kuidon Matsudo Higashi Branch (as relocation of Kuidon Matsudo Goko Branch which has been closed) and newly opened DAISYOGUN Omiya Higashi-guchi Branch in October 2021.

With regard to renovation, the Company renovated Kuidon Naganumahara Branch in July and Kuidon Omiya Branch in December.

(4) Status of Financing

The Company procured 300,000 thousand yen to be used for capital expenditure from its parent company, Kisoji Co., Ltd. in March. As restrictions are placed on the Company’s restaurant operation due to the declaration of a state of emergency and pre-emergency measures against COVID-19, its working capital has been partially covered with the subsidy for shortened business hours.

(5) Status of Assets, Profit and Loss

| Classification | 5th Term | 6th Term (9 months) | 7th Term |
|-------------------------------|------------------------|------------------------|------------------------|
| | (Business Year 2020/6) | (Business Year 2021/3) | (Business Year 2022/3) |
| Net sales | 4,742,103 thousand yen | 3,665,554 thousand yen | 4,848,434 thousand yen |
| Ordinary profit (loss) | (181,251 thousand yen) | 45,539 thousand yen | 210,211 thousand yen |
| Profit (loss) | (335,884 thousand yen) | (470,366 thousand yen) | 119,855 thousand yen |
| Profit (loss) per share (yen) | (10,496 yen) | (14,698 yen) | 3,745 yen |
| Total assets | 4,574,357 thousand yen | 4,313,155 thousand yen | 4,298,204 thousand yen |
| Net assets | 737,565 thousand yen | 267,199 thousand yen | 387,055 thousand yen |

(Note) The 6th term was an irregular period due to the change of accounting period (the year-end was changed from June 30 to March 31).

(6) Status of Principal Parent Company

The Company is a wholly-owned subsidiary of Kisoji Co., Ltd., therefore one (1) Representative Director and two (2) Directors are dispatched from Kisoji Co., Ltd. There are no applicable items for subsidiaries of the Company.

(7) Principal Business

The Company operates 40 restaurants in Chiba, Tokyo, Kanagawa and Saitama. The Company operates multiple brands including its flagship brand “Yakiniku DAISYOGUN,” and other brands such as “Yakiniku-ya Kuidon,” “Kuidon Shokudo” and “Kushi Sakaba Densuke Honten.”

(8) Status of Restaurants and Employees

| | |
|--|---|
| (i) Head Office and Factory | 2-33-18 Miyakocho, Chuo-ku, Chiba-shi |
| (ii) Restaurants (40 restaurants) | |
| DAISYOGUN Restaurants | |
| Chiba Miyakocho Honten | 2-32-17 Miyakocho, Chuo-ku, Chiba-shi |
| Ichihara Branch | 121-1 Yawata, Ichihara-shi |
| Higashi-Funabashi Branch | 1-599-2 Hasamacho, Funabashi-shi |
| Chiba Fujimi Branch | 2-5-5 Fujimi, Chuo-ku, Chiba-shi |
| Yachiyo Midorigaoka Branch | 2-1-1 Midorigaoka, Yachiyo-shi |
| Inage Sonnou Branch | 170-1 Sonnoucho, Inage-ku, Chiba-shi |
| Keisei Funabashi Ekimae Branch | 4-45-1 Honcho, Funabashi-shi |
| Sasazuka Branch | 1-55-16 Sasazuka, Shibuya-ku, Tokyo |
| DAISYOGUN Hanare Omiya Daimoncho Branch | 2-27 Daimoncho, Omiya-ku, Saitama-shi |
| Musashi-Kosugi Branch | 915-1 Shinmaruko, Nakahara-ku, Kawasaki-shi |
| Omiya Higashi-guchi Branch | FUJI BUILDING 1F, 1-49 Miyacho, Omiya-ku, Saitama-shi |
| Kuidon Restaurants | |
| Ichihara Goi Branch | 5111-2 Goi, Ichihara-shi |
| Soga Branch | 1-10 Imai, Chuo-ku, Chiba-shi |
| Hanamigawa Branch | 2-1 Sakushindai, Hanamigawa-ku, Chiba-shi |
| Naganumahara Branch | 671 Naganumahara, Inage-ku, Chiba-shi |
| Higashichiba Branch | 2-32-5 Higashichiba, Chuo-ku, Chiba-shi |
| Omiya Branch | 4-486-3 Sakuragicho, Omiya-ku, Saitama-shi |
| Ageo Branch | 1-5-6 Koizumi, Ageo-shi |
| Hikifune Branch | 1-6-15 Kyojima, Sumida-ku, Tokyo |
| Wakamatsu Branch | 2157-1 Wakamatsucho, Wakaba-ku, Chiba-shi |
| Funabashi Hasama Branch | 1-152-3 Hasama, Funabashi-shi |
| Kamagaya Branch | 1-3-38 Higashikamagaya, Kamagaya-shi |
| AEON TOWN Yukarigaoka Branch | 6-12-3 Nishi Yukarigaoka, Sakura-shi |
| Shinyurigaoka Branch | 4-15-1 Kamiasao, Asao-ku, Kawasaki-shi |
| Shonandai Branch | 1215 Takakura, Fujisawa-shi |

| | |
|------------------------------|---|
| Tsuzuki Branch | 13-7 Shineicho, Tsuzuki-ku, Yokohama-shi |
| Shinjo Branch | 1018 Shinjo, Nakahara-ku, Kawasaki-shi |
| Nakahara Branch | 6-18-3 Kamikodanaka, Nakahara-ku, Kawasaki-shi |
| Messe Amuse Mall Branch | 1-8 Hibino, Mihama-ku, Chiba-shi |
| Plena Makuhari Branch | 2-4 Hibino, Mihama-ku, Chiba-shi |
| Urayasu Branch | Across Plaza Urayasu Higashino 2F, 3-4-1 Higashino, Urayasu-shi |
| Soka Branch | 2-16-19 Soka, Soka-shi |
| Urawa Minami Branch | 2-2-15 Tsuji, Minami-ku, Saitama-shi |
| Funabashi Miyamoto Branch | 1-22-8 Miyamoto, Funabashi-shi |
| Minami-Nagareyama Branch | 201-1 Ki, Nagareyama-shi |
| Matsudo Higashi Branch | 2-13-8 Goko, Matsudo-shi |
| Izakaya Restaurants | |
| Densuke Honten | Miyuki Nine Building 1F, 1-9-1 Fujimi, Chuo-ku, Chiba-shi |
| Dining Restaurants | |
| C-ONE Branch | 2-24-1 Fujimi, Chuo-ku, Chiba-shi |
| Sales of boxed lunch, etc. | |
| Perie Chiba Perichika Branch | 1-1-1 Shinchiba, Chuo-ku, Chiba-shi |
| Perie Chiba Ekinaka Branch | 1-1-1 Shinchiba, Chuo-ku, Chiba-shi |

(iii) Status of Employees

As of March 31, 2022

| Number of employees | Average age | Average years of service | Average salary |
|---------------------|-------------|--------------------------|------------------|
| 132 | 44 | 6 years and 5 months | 386 thousand yen |

- (Notes) 1. Officers are not included in average age, average years of service and average salary.
2. In addition to the employees listed above, there are 549 part-time employees (on average).

(9) Principle Lenders

As of March 31, 2022

| Lender | Loan Balance (thousand yen) |
|---|-----------------------------|
| The Chiba Bank, Ltd., Chuo Branch | 1,977,980 |
| The Shoko Chukin Bank, Ltd., Chiba Branch | 300,000 |
| Japan Finance Corporation | 300,000 |
| Kisoji Co., Ltd. | 300,000 |
| Total | 2,877,980 |

(10) Other Matters Regarding the Company

There are no applicable items.

2. Matters Regarding Shares

- | | |
|---|------------------|
| (1) Total number of shares authorized to be issued: | 300,000 |
| (2) Total number of outstanding shares: | 32,000 |
| (3) Number of shareholders: | One (1) |
| (4) Status of shareholders: | Kisoji Co., Ltd. |

Note) Amounts are rounded down to the nearest thousand yen in this report.

Statement of Income
From April 1, 2021
To March 31, 2022

(Unit: yen)

| Account Item | Amount | |
|---|-------------|---------------|
| Net sales | | 4,848,434,069 |
| Cost of sales | | 1,860,006,398 |
| Gross profit | | 2,988,427,671 |
| Selling, general and administrative expenses | | 3,651,692,152 |
| Operating loss | | (663,264,481) |
| Non-operating income | | |
| Subsidies for employment adjustment, etc. | 38,322,840 | |
| Subsidies for infection prevention measures, etc. | 850,685,273 | |
| Other | 13,580,013 | 902,588,126 |
| Non-operating expenses | | |
| Interest expenses | 25,699,426 | |
| Other | 3,412,533 | 29,111,959 |
| Ordinary profit | | 210,211,686 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 3,557,630 | 3,557,630 |
| Extraordinary losses | | |
| Impairment losses | 32,842,301 | |
| Loss on retirement of non-current assets | 543,369 | 33,385,670 |
| Profit before income taxes | | 180,383,646 |
| Income taxes - current | 60,827,990 | |
| Income taxes - deferred | (300,299) | 60,527,761 |
| Profit | | 119,855,885 |

Statement of Changes in Equity
From April 1, 2021
To March 31, 2022

(Unit: yen)

| | Shareholders' equity | | |
|------------------------------------|----------------------|-----------------|-------------------|
| | Share capital | Capital surplus | Retained earnings |
| Balance at the beginning of period | 50,000,000 | 1,550,000,000 | (1,332,800,273) |
| Profit | | | 119,855,885 |
| Total changes during period | - | - | 119,855,885 |
| Balance at the end of period | 50,000,000 | 1,550,000,000 | (1,212,944,388) |

| | Shareholders' equity | Total net assets |
|------------------------------------|----------------------------|------------------|
| | Total shareholders' equity | |
| Balance at the beginning of period | 267,199,727 | 267,199,727 |
| Profit | 119,855,885 | 119,855,885 |
| Total changes during period | 119,855,885 | 119,855,885 |
| Balance at the end of period | 387,055,612 | 387,055,612 |

1. Details of Property, Plant and Equipment and Intangible Assets

(Unit: yen)

| Classification | Type of assets | Balance at the beginning of period | Increase during the period | Decrease during the period | Depreciation/ amortization during the period |
|-------------------------------|-------------------------------|------------------------------------|----------------------------|-----------------------------|--|
| Property, plant and equipment | Buildings | 793,964,371 | 268,213,292 | 25,682,816 (25,715,317) | 99,518,407 |
| | Structures | 23,730,122 | 8,730,461 | 2 | 3,298,087 |
| | Tools, furniture and fixtures | 67,719,698 | 76,697,179 | 5,382,885 (4,953,077) | 32,194,708 |
| | Land | 598,210,780 | – | – | – |
| | Leased assets | 186,240,069 | 3,921,000 | 2,173,907 (2,173,907) | 71,646,970 |
| | Other | 1,651,033 | 351,615,983 | 334,522,884 | 707,080 |
| | Total | 1,671,516,073 | 709,177,915 | 367,762,494 (32,842,301) | 207,365,252 |
| Intangible assets | Goodwill | 1,145,654,091 | – | – | 76,376,940 |
| | Other | 26,004,872 | 11,323,841 | – | 11,674,861 |
| | Total | 1,171,658,963 | 11,323,841 | – | 88,051,801 |

| Classification | Type of assets | Carrying amount at the end of period | Accumulated depreciation/amortization | Acquisition cost at the end of period |
|-------------------------------|-------------------------------|--------------------------------------|---------------------------------------|---------------------------------------|
| Property, plant and equipment | Buildings | 936,976,440 | 699,291,761 | 1,636,268,201 |
| | Structures | 29,162,494 | 30,877,293 | 60,039,787 |
| | Tools, furniture and fixtures | 106,839,284 | 338,370,473 | 445,209,757 |
| | Land | 598,210,780 | – | 598,210,780 |
| | Leased assets | 116,340,192 | 477,748,040 | 594,088,232 |
| | Other | 18,037,052 | – | – |
| | Total | 1,805,566,242 | 1,546,287,567 | 3,351,853,809 |
| Intangible assets | Goodwill | 1,069,277,151 | 388,659,846 | 1,457,936,997 |
| | Other | 25,653,852 | 55,909,643 | 81,563,495 |
| | Total | 1,094,931,003 | 444,569,489 | 1,539,500,492 |

(Note) Figures in parentheses in “Decrease during the period” represent the amounts of impairment losses recorded during the period.

2. Details of Provisions

(Unit: yen)

| Account Item | Balance at the beginning of period | Increase during the period | Decrease during the period | Balance at the end of period |
|-----------------------|------------------------------------|----------------------------|----------------------------|------------------------------|
| Provision for bonuses | 11,035,896 | 17,307,725 | 11,035,896 | 17,307,725 |

3. Details of Selling, General and Administrative Expenses

(Unit: yen)

| Account Item | Amount | Remarks |
|--|---------------|---------|
| Salaries and allowances | 498,603,622 | |
| Other salaries | 1,114,745,096 | |
| Officers' remuneration | 68,190,323 | |
| Bonuses | 27,276,728 | |
| Legal welfare expenses | 106,734,712 | |
| Supplies expenses | 199,525,944 | |
| Utilities expenses | 175,536,177 | |
| Rent expenses on land and buildings | 553,953,770 | |
| Commission expenses | 169,105,726 | |
| Depreciation/amortization | 195,479,309 | |
| Amortization of goodwill | 76,376,940 | |
| Other | 466,163,805 | |
| Total selling, general and administrative expenses | 3,651,692,152 | |

Notes to Financial Statements
From April 1, 2021
To March 31, 2022

1. Notes Regarding Matters Related to Significant Accounting Policies

- (1) Basis and method for valuation of assets
 - (i) Securities
Other securities
Securities that do not have a market value: Moving average cost method
 - (ii) Inventories: Last purchase cost method
- (2) Depreciation method for non-current assets
 - (i) Property, plant and equipment (excluding leased assets)
The straight-line method is applied (however, assets with an acquisition cost of 100,000 yen or more and less than 200,000 yen are depreciated equally over three years).
 - (ii) Intangible assets (excluding leased assets)
The straight-line method is applied (however, software (for internal use) is amortized using the straight-line method over its internally estimated useful lives (five years), and goodwill is equally amortized over 20 years).
 - (iii) Leased assets
Lease assets under finance lease transactions which do not transfer ownership to the lessee are depreciated by the straight-line method using the lease term as useful life and with no residual value.
- (3) Recognition criteria for provisions
 - (i) Allowance for doubtful accounts
To provide for losses from the non-payment of accounts and other receivables, an allowance is made for the amount deemed irrecoverable by considering the collectability of receivables designated as potentially irrecoverable on an individual basis.
 - (ii) Provision for bonuses
To provide for the payment of bonuses to employees, an amount corresponding to the estimated bonus payments for the business year under review is recorded.
- (4) Accounting for consumption tax, etc.
Accounting for consumption tax and the local consumption tax is based on the tax-excluded method.

2. Changes in Accounting Policies

(Application of Accounting Standard for Revenue Recognition, Etc.)

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020, hereinafter referred to as the “Revenue Recognition Accounting Standard”), etc. since the beginning of the business year under review, and it recognizes revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services.

As a result, the Company has changed the method of recognizing revenues from some customers from a gross amount basis to a net amount basis. Furthermore, to provide for the use of points given to customers, the Company had previously recorded the amount expected to be used in the future as provision and deducted the amount of provision for point card certificates from its net sales, however, the Company has changed the method to identify points given to customers as performance obligations and allocate the transaction price based on a stand-alone selling price calculated by taking into account the points expected to expire in the future. The impact of these changes on profit and loss of the business year under review was immaterial. The amount corresponding to the provision for point card certificates previously recorded in current liabilities of the balance sheet is now included in “Other” as a contract liability in current liabilities.

The Company follows the transitional treatment stipulated in the proviso of paragraph 84 of the Revenue Recognition Accounting Standard, and as a result of applying the method stipulated in paragraph 86 of the Revenue Recognition Accounting Standard, there is no impact on the balance of retained earnings at the beginning of period.

(Application of Accounting Standard for Fair Value Measurement, Etc.)

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019, hereinafter referred to as the “Fair Value Measurement Accounting Standard”), etc. since the beginning of the business year under review, and prospectively applies new accounting policies prescribed in the Fair Value Measurement Accounting Standard, etc. in accordance with the transitional treatment stipulated in paragraph 19 of the Fair Value Measurement Accounting Standard and paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). This has no impact on the financial statements of the Company.

3. Notes Regarding the Balance Sheet

Accumulated depreciation of property, plant and equipment

1,464,022,067 yen

4. Notes Regarding the Statement of Changes in Equity

Type and number of outstanding shares at the end of the business year under review

Common stock

32,000

Total

32,000

Audit Report

I audited the financial statements and supplementary schedules thereto for the 7th business year from April 1, 2021 to March 31, 2022. and hereby report the method and results of the audit.

Paragraph 33 of the Company's Articles of Incorporation stipulates that the scope of audits by the Audit & Supervisory Board Members shall be limited to accounting matters, therefore the Audit & Supervisory Board Members are not authorized to audit the Business Report.

1. Method and Details of Audit

I interviewed Directors and other relevant persons regarding the execution of their duties related to accounting, and inspected important decision-making documents, etc. related to accounting. I also examined accounting records and related materials, and reviewed the financial statements (Balance Sheet, Statement of Income, Statement of Changes in Equity, and Notes to Financial Statements) and supplementary schedules for the business year under review.

2. Results of Audit

The financial statements and supplementary schedules thereto present fairly, in all material respects, the financial position and results of operations of the Company.

May 18, 2022

DAISYOGUN CO., LTD.
Audit & Supervisory Board Member
Yoshinori Hirano (Seal)

Proposal No. 3: Amendment to the Articles of Incorporation

1. Reason for Amendment

- (1) The Company proposes to transition from a company with an Audit & Supervisory Board to a company with an Audit and Supervisory Committee, in order to strengthen the supervisory function of the Board of Directors by including Audit and Supervisory Committee Members, who are responsible for auditing the execution of duties by Directors and other matters, among members of the Board of Directors, and further enhance corporate governance through an even stronger monitoring structure. Accordingly, the Company proposes to amend the Articles of Incorporation as necessary to transition to a company with an Audit and Supervisory Committee, including the establishment of provisions pertaining to Directors who are Audit and Supervisory Committee Members and the Audit and Supervisory Committee, and the deletion of provisions pertaining to Audit & Supervisory Board Members and the Audit & Supervisory Board.
- (2) The Company also proposes to establish Article 25, Paragraph 1 of the Articles of Incorporation to enable the Company to waive liabilities of Directors by resolution of the Board of Directors to the extent permitted by laws and regulations, in order to invite competent persons as Directors on an ongoing basis and for other purposes. For this amendment, approval of each Audit & Supervisory Board Member has been obtained.
- (3) The Company also proposes to establish Article 39 of the Articles of Incorporation to enable the Company to distribute dividends from surplus, etc. by resolution of the Board of Directors, in order to flexibly implement its capital policy and dividend policy.
- (4) In addition to the foregoing, the Company proposes to make necessary amendments such as revising the wording associated with each of the aforementioned amendments.

2. Details of Amendment

Details of the amendments are as follows.

The amendment to the Articles of Incorporation under this Proposal shall become effective at the conclusion of this General Meeting of Shareholders.

(Underlined parts represent changes.)

| Current Articles of Incorporation | Proposed amendment |
|---|---|
| Chapter 1 General Provisions | Chapter 1 General Provisions |
| Article 1 - 3 (Article omitted) (Organizations) | Article 1 - 3 (Unchanged) (Organizations) |
| Article 4 The Company shall have, in addition to the general meeting of shareholders and Directors, the following organs: (1) Board of Directors (2) <u>Audit & Supervisory Board Members</u> (3) <u>Audit & Supervisory Board</u> (4) <u>Accounting Auditor</u> | Article 4 The Company shall have, in addition to the general meeting of shareholders and Directors, the following organs: (1) Board of Directors (2) <u>Audit and Supervisory Committee</u> (Deleted) (3) <u>Accounting Auditor</u> |
| Article 5 - 6 (Article omitted) (Acquisition of Treasury Shares) | Article 5 - 6 (Unchanged) (Deleted) |
| Article 7 <u>The Company may acquire treasury shares by resolution of the Board of Directors pursuant to the provisions of Article 165, paragraph (2) of the Companies Act.</u> | |
| Article 8 - 20 (Article omitted) | Article 7 - 19 (Unchanged) |
| Chapter 4 Directors and Board of Directors | Chapter 4 Directors and Board of Directors |
| (Number of Directors) | (Number of Directors) |
| Article 21 The Company shall have not more than 12 Directors. | Article 20 (i) The Company shall have not more than 12 Directors <u>(excluding Directors who are Audit and Supervisory Committee Members).</u> (ii) <u>The Company shall have not more than five Directors who are Audit and Supervisory Committee Members.</u> |
| (Newly established) | |

| Current Articles of Incorporation | Proposed amendment |
|---|--|
| <p>(Method of Election of Directors) Article <u>22</u> (i) Directors of the Company shall be elected at a general meeting of shareholders.</p> <p>(ii) (Article omitted) (iii) (Article omitted)</p> <p>(Term of Office of a Director) Article <u>23</u> (i) 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 <u>two</u> years after the election of the Director.</p> <p style="text-align: center;">(Newly established)</p> <p>(ii) <u>The term of office of a Director who is elected as a substitute or to increase the number of Directors shall continue until the time the term of office of incumbent Directors is to expire.</u></p> <p style="text-align: center;">(Newly established)</p> <p>(iii) <u>The term of office of a Director who is elected as a substitute or to increase the number of Directors shall continue until the time the term of office of incumbent Directors is to expire.</u></p> <p style="text-align: center;">(Newly established)</p> <p>Article <u>24</u> (Article omitted) (Remuneration, Etc. of Directors) Article <u>25</u> Remuneration, bonuses and other economic benefits given by the Company in consideration for the execution of duties to Directors shall be determined by resolution of a general meeting of shareholders.</p> | <p>(Method of Election of Directors) Article <u>21</u> (i) Directors of the Company shall be elected at a general meeting of shareholders <u>by distinguishing Directors who are Audit and Supervisory Committee Members from other Directors.</u></p> <p>(ii) (Unchanged) (iii) (Unchanged)</p> <p>(Term of Office of a Director) Article <u>22</u> (i) The term of office of a Director <u>(excluding Directors who are Audit and Supervisory Committee Members)</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 <u>one</u> year after the election of the Director.</p> <p>(ii) <u>The term of office of a Director who is 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 Director.</u></p> <p style="text-align: center;">(Deleted)</p> <p>(iii) <u>The term of office of a Director who is an Audit and Supervisory Committee Member who is elected as the substitute for a Director who was an Audit and Supervisory Committee Member who retired from office before the expiration of the term of office shall continue until the time the term of office of the Director who was an Audit and Supervisory Committee Member who retired from office is to expire.</u></p> <p>(iv) <u>The effective term of a resolution for the election of a substitute Director who is an Audit and Supervisory Committee Member elected in accordance with Article 329, paragraph (3) of the Companies Act shall expire at the commencement of the annual general meeting of shareholders for the last business year terminating within two years after the election of the Director.</u></p> <p>Article <u>23</u> (Unchanged) (Remuneration, Etc. of Directors) Article <u>24</u> Remuneration, bonuses and other economic benefits given by the Company in consideration for the execution of duties to Directors shall be determined by resolution of a general meeting of shareholders <u>by distinguishing Directors who are Audit and Supervisory Committee Members from other Directors.</u></p> |
| | |

| Current Articles of Incorporation | Proposed amendment |
|---|--|
| <p>(Exemption of Directors from Liability) Article <u>26</u></p> <p style="text-align: center;">(Newly established)</p> <p>Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company may enter into an agreement with a Director who is not an executive director, etc. limiting his/her liability for damages under Article 423, paragraph (1) of the same Act; provided, however, that the maximum liability for damages under such agreement shall be an amount as prescribed by laws and regulations.</p> <p>(Notice of Meeting of the Board of Directors) Article <u>27</u></p> <p>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>(Method of Resolution of the Board of Directors) Article <u>28</u></p> <p>(i) (Article omitted)</p> <p>(ii) The Company shall deem that a resolution of the Board of Directors to approve matter(s) proposed by a Director has been adopted if all Directors (limited to those who are entitled to participate in the vote on such matter(s)) agree to the resolution in writing or by electromagnetic record; <u>provided, however, that this shall not apply if an Audit & Supervisory Board Member states otherwise.</u></p> <p>(Minutes of the Meeting of the Board of Directors) Article <u>29</u></p> <p>(i) A summary of the progress of the agenda and results of the meetings of the Board of Directors and other matters stipulated by laws and regulations shall be stated or recorded in the minutes, and Directors <u>and Audit & Supervisory Board Members</u> present at the meetings shall affix their names and seals thereto or electronically sign them.</p> <p>(ii) (Article omitted)</p> <p style="text-align: center;">(Newly established)</p> <p>Article 30 (Article omitted)</p> <p style="text-align: center;"><u>Chapter 5</u> <u>Audit & Supervisory Board Members and Audit & Supervisory Board</u></p> <p>(Number of Audit & Supervisory Board Members) Article <u>31</u></p> <p><u>The Company shall have not more than five Audit & Supervisory Board Members.</u></p> | <p>(Exemption of Directors from Liability) Article <u>25</u></p> <p>(i) <u>Pursuant to the provisions of Article 426, paragraph (1) of the Companies Act, the Company may waive the liability for damages of Directors (including former Directors) under Article 423, paragraph (1) of the same Act by resolution of the Board of Directors to the extent permitted by laws and regulations.</u></p> <p>(ii) Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company may enter into an agreement with a Director who is not an executive director, etc. limiting his/her liability for damages under Article 423, paragraph (1) of the same Act; provided, however, that the maximum liability for damages under such agreement shall be an amount as prescribed by laws and regulations.</p> <p>(Notice of Meeting of the Board of Directors) Article <u>26</u></p> <p>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>(Method of Resolution of the Board of Directors) Article <u>27</u></p> <p>(i) (Unchanged)</p> <p>(ii) The Company shall deem that a resolution of the Board of Directors to approve matter(s) proposed by a Director has been adopted if all Directors (limited to those who are entitled to participate in the vote on such matter(s)) agree to the resolution in writing or by electromagnetic record.</p> <p>(Minutes of the Meeting of the Board of Directors) Article <u>28</u></p> <p>(i) A summary of the progress of the agenda and results of the meetings of the Board of Directors and other matters stipulated by laws and regulations shall be stated or recorded in the minutes, and Directors present at the meetings shall affix their names and seals thereto or electronically sign them.</p> <p>(ii) (Unchanged)</p> <p><u>(Delegation of Decisions on Execution of Important Operations)</u> Article <u>29</u></p> <p><u>Pursuant to Article 399-13, paragraph (6) of the Companies Act, the Company may, by resolution of the Board of Directors, delegate all or part of decisions on the execution of important operations (excluding the matters listed in each item of paragraph (5) of the said Article) to its Directors.</u></p> <p>Article 30 (Unchanged)</p> <p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">(Deleted)</p> |

| Current Articles of Incorporation | Proposed amendment |
|---|--------------------|
| <p><u>(Method of Election of Audit & Supervisory Board Members)</u> <u>Article 32</u> <u>(i) Audit & Supervisory Board Members of the Company shall be elected at a general meeting of shareholders.</u> <u>(ii) 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></p> | (Deleted) |
| <p><u>(Exemption of Audit & Supervisory Board Members from Liability)</u> <u>Article 33</u> <u>Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company may enter into an agreement with an Audit & Supervisory Board Member limiting his/her liability for damages under Article 423, paragraph (1) of the same Act; provided, however, that the maximum liability for damages under such agreement shall be an amount as prescribed by laws and regulations.</u></p> | (Deleted) |
| <p><u>(Term of Office of an Audit & Supervisory Board Member)</u> <u>Article 34</u> <u>(i) 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> <u>(ii) The term of office of an Audit & Supervisory Board Member who is elected as the substitute for an Audit & Supervisory Board Member who retired from office before the expiration of the term of office shall continue until the time the term of office of the Audit & Supervisory Board Member who retired from office is to expire.</u></p> | (Deleted) |
| <p><u>(Full-Time Audit & Supervisory Board Members)</u> <u>Article 35</u> <u>The Audit & Supervisory Board shall appoint full-time Audit & Supervisory Board Member(s) by its resolution.</u></p> | (Deleted) |
| <p><u>(Remuneration, Etc. of Audit & Supervisory Board Members)</u> <u>Article 36</u> <u>Remuneration, bonuses and other economic benefits given by the Company in consideration for the execution of duties to Audit & Supervisory Board Members shall be determined by resolution of a general meeting of shareholders.</u></p> | (Deleted) |
| <p><u>(Notice of Meeting of the Audit & Supervisory Board)</u> <u>Article 37</u> <u>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> | (Deleted) |
| <p><u>(Method of Resolution of the Audit & Supervisory Board)</u> <u>Article 38</u> <u>Unless otherwise stipulated by laws and regulations, resolutions of the Audit & Supervisory Board shall be made by a majority of the votes of Audit & Supervisory Board Members.</u></p> | (Deleted) |

| Current Articles of Incorporation | Proposed amendment |
|---|--|
| <p><u>(Minutes of the Meeting of the Audit & Supervisory Board)</u> <u>Article 39</u> <u>A summary of the progress of the agenda and results of the meetings of the Audit & Supervisory Board and other matters stipulated by laws and regulations shall be stated or recorded in the minutes, and Audit & Supervisory Board Members present at the meetings shall affix their names and seals thereto or electronically sign them.</u></p> | <p>(Deleted)</p> |
| <p><u>(Regulations of the Audit & Supervisory Board)</u> <u>Article 40</u> <u>Matters concerning the Audit & Supervisory Board shall be governed by the Regulations of the Audit & Supervisory Board established by the Audit & Supervisory Board, in addition to applicable laws and regulations and these Articles of Incorporation.</u></p> | <p>(Deleted)</p> |
| <p>(Newly established)</p> | <p><u>Chapter 5</u></p> |
| <p>(Newly established)</p> | <p><u>Audit and Supervisory Committee</u> <u>(Full-Time Audit and Supervisory Committee Members)</u></p> |
| <p>(Newly established)</p> | <p><u>Article 31</u> <u>The Audit and Supervisory Committee may appoint full-time Audit and Supervisory Committee Member(s) by its resolution.</u></p> |
| <p>(Newly established)</p> | <p><u>(Notice of Meeting of the Audit and Supervisory Committee)</u> <u>Article 32</u></p> |
| <p>(Newly established)</p> | <p><u>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>(Newly established)</p> | <p><u>(Minutes of the Meeting of the Audit and Supervisory Committee)</u> <u>Article 33</u></p> |
| <p>(Newly established)</p> | <p><u>A summary of the progress of the agenda and results of the meetings of the Audit and Supervisory Committee and other matters stipulated by laws and regulations shall be stated or recorded in the minutes, and Audit and Supervisory Committee Members present at the meetings shall affix their names and seals thereto or electronically sign them.</u></p> |
| <p>(Newly established)</p> | <p><u>(Regulations of the Audit and Supervisory Committee)</u> <u>Article 34</u></p> |
| <p>(Newly established)</p> | <p><u>Matters concerning the Audit and Supervisory Committee shall be governed by the Regulations of the Audit and Supervisory Committee established by Audit and Supervisory Committee, in addition to applicable laws and regulations and these Articles of Incorporation.</u></p> |
| <p>Chapter 6 Accounting Auditor</p> | <p>Chapter 6 Accounting Auditor</p> |
| <p>Article <u>41</u> - <u>42</u> (Article omitted) (Remuneration, Etc. of Accounting Auditor)</p> | <p>Article <u>35</u> - <u>36</u> (Unchanged) (Remuneration, Etc. of Accounting Auditor)</p> |
| <p>Article <u>43</u> Remuneration, etc. of the Accounting Auditor shall be determined by Representative Director(s) with the consent of the <u>Audit & Supervisory Board.</u></p> | <p>Article <u>37</u> Remuneration, etc. of the Accounting Auditor shall be determined by Representative Director(s) with the consent of the <u>Audit and Supervisory Committee.</u></p> |

| Current Articles of Incorporation | Proposed amendment |
|---|--|
| <p style="text-align: center;">Chapter 7 Calculation</p> <p>Article 44 (Article omitted) (Newly established)</p> <p>(Record Date for Dividends of Surplus)</p> <p>Article 45 The record date for year-end dividends of the Company shall be March 31 of each year. (Newly established)</p> <p>(Newly established)</p> <p><u>(Interim Dividends)</u></p> <p>Article 46 <u>The Company may, by resolution of the Board of Directors, pay interim dividends with a record date of September 30 of each year.</u></p> <p>Article 47 (Article omitted)</p> | <p style="text-align: center;">Chapter 7 Calculation</p> <p>Article 38 (Unchanged) <u>(Organ That Decides Dividends of Surplus, Etc.)</u></p> <p>Article 39 <u>The Company may decide the matters provided in each item of Article 459, paragraph (1) of the Companies Act, including distribution of surplus, by resolution of the Board of Directors, unless otherwise provided by laws and regulations.</u></p> <p>(Record Date for Dividends of Surplus)</p> <p>Article 40</p> <p>(i) The record date for year-end dividends of the Company shall be March 31 of each year.</p> <p><u>(ii) The record date for interim dividends of the Company shall be September 30 of each year.</u></p> <p><u>(iii) In addition to the provisions of the preceding two paragraphs, the Company may distribute dividends of surplus by establishing a record date.</u></p> <p>(Deleted)</p> <p>Article 41 (Unchanged)</p> |

Proposal No. 4: Election of Eight (8) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

If the Proposal No. 3 “Amendment to the Articles of Incorporation” is approved as originally proposed, the Company will become a company with an Audit and Supervisory Committee, and all six (6) of the Directors will retire due to expiration of the term of office at the time the amendment to the Articles of Incorporation takes effect. Accordingly, the Company proposes the election of eight (8) Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same applies to this Proposal) after the transition to a company with an Audit and Supervisory Committee.

This Proposal shall become effective on a condition that the amendment to the Articles of Incorporation described in the Proposal No. 3 “Amendment to the Articles of Incorporation” takes effect.

The candidates for Director are as follows:

| Candidate No. | Name | Positions and responsibilities at the Company |
|---------------|-------------------|---|
| 1 | Motoyuki Yoshie | Chairman and Representative Director Reelection |
| 2 | Toyonaru Uchida | President and Representative Director Reelection |
| 3 | Toshiaki Matsuoka | Managing Director General Manager of Sales Headquarters and General Manager of East Japan Headquarters Reelection |
| 4 | Hiroshi Ohashi | Managing Director General Manager of Administration Headquarters and General Manager of Corporate Planning Division Reelection |
| 5 | Mitsuhiro Goda | Executive Officer President and Representative Director of DAISYOGUN CO., LTD. (New election) |
| 6 | Masaaki Nakane | Executive Officer Deputy General Manager of Sales Headquarters, General Manager of Chubu Headquarters and General Manager of Kisoji Nagoya Sales Division (New election) |
| 7 | Tsuneyoshi Matsui | Outside Director Reelection Outside |
| 8 | Kuniaki Ito | Outside Director Reelection Outside |

| Candidate No. | Name (Date of birth) | Career summary, positions and responsibilities at the Company (significant concurrent positions) | Number of the Company's shares held |
|--|--|--|-------------------------------------|
| 1 | Motoyuki Yoshie (July 18, 1947) Reelection | Apr. 1977 Joined the Company Jun. 1978 General Manager of Product Division of the Company Jul. 1981 Senior Managing Director of the Company Jun. 1987 Representative Director of the Company Jun. 1993 President and Representative Director of the Company Jun. 2006 Chairman and Representative Director of the Company Mar. 2016 Chairman, President and Representative Director of the Company Mar. 2021 Chairman and Representative Director of the Company (current position) | 200,091 |
| <p>Reasons for nomination as a candidate for Director</p> <p>Since assuming the position of President and Representative Director in 1993, Motoyuki Yoshie has led the corporate management of the Company over the years and contributed to the improvement of corporate value. We have nominated him again as a candidate for Director based on his achievements, abilities and extensive experience as a corporate manager, as well as his excellent character and insight.</p> | | | |

| Candidate No. | Name (Date of birth) | Career summary, positions and responsibilities at the Company (significant concurrent positions) | Number of the Company's shares held |
|---|--|---|-------------------------------------|
| 2 | <p style="text-align: center;">Toyonaru Uchida (September 17, 1959) Reelection</p> | <p>Jul. 1996 Joined the Company</p> <p>Jul. 2003 Manger of Operational Reform Promotion Office of the Company</p> <p>Apr. 2010 Manager of Nagoya Factory of the Company</p> <p>Feb. 2013 Executive Officer of the Company stationed in Osaka</p> <p>Jun. 2017 Executive Officer, General Manager of Human Resources Headquarters and General Manager of Human Resources Division of the Company</p> <p>Apr. 2018 Executive Officer, General Manager of Administration General Headquarters, General Manager of Human Resources Headquarters and General Manager of Human Resources Division of the Company</p> <p>Jun. 2018 Executive Officer, General Manager of Administration General Headquarters and General Manager of Human Resources Division of the Company</p> <p>Jun. 2019 Director, General Manager of Administration General Headquarters and General Manager of Human Resources Division of the Company</p> <p>Jul. 2019 Director, General Manager of Administration General Headquarters, General Manager of Human Resources Division and General Manager of Human Resources Development Division of the Company</p> <p>Aug. 2019 Director, General Manager of Human Resources Headquarters, General Manager of Human Resources Division and General Manager of Human Resources Development Division of the Company</p> <p>Oct. 2019 Director, General Manager of Chubu Headquarters of the Company</p> <p>Feb. 2020 Managing Director, General Manager of Chubu Headquarters of the Company</p> <p>Mar. 2021 President and Representative Director of the Company (current position)</p> | 3,000 |
| <p>Reasons for nomination as a candidate for Director</p> <p>Toyonaru Uchida has served in positions responsible for Operational Reform Promotion Office and Nagoya Factory of the Company. He has also served as Executive Officer stationed in Osaka, and has been serving as President and Representative Director since 2021. We have nominated him again as a candidate for Director based on his achievements, abilities and extensive experience as a corporate manager, as well as his excellent character and insight.</p> | | | |

| Candidate No. | Name (Date of birth) | Career summary, positions and responsibilities at the Company (significant concurrent positions) | Number of the Company's shares held |
|---|---|--|-------------------------------------|
| 3 | Toshiaki Matsuoka (September 26, 1964) Reelection | <p>Apr. 1987 Joined the Company</p> <p>Jan. 2003 General Manager of Human Resources Development Division of the Company</p> <p>May 2007 General Manager of Human Resources Headquarters, General Manager of Human Resources Division and General Manager of Human Resources Development Division of the Company</p> <p>Jun. 2008 Executive Officer, General Manager of Human Resources Headquarters, General Manager of Human Resources Division and General Manager of Human Resources Development Division of the Company</p> <p>Jun. 2011 Director, General Manager of Human Resources Headquarters, General Manager of Human Resources Division and General Manager of Human Resources Development Division of the Company</p> <p>Jan. 2012 Director and General Manager of Human Resources and General Affairs Division of the Company</p> <p>Sep. 2016 Director, General Manager of Human Resources Headquarters and General Manager of Human Resources Division of the Company</p> <p>Jun. 2017 Director of the Company stationed in Osaka</p> <p>Jan. 2018 Director, General Manager of West Japan Headquarters of the Company</p> <p>Aug. 2019 Director, General Manager of East Japan Headquarters of the Company</p> <p>Feb. 2020 Managing Director, General Manager of East Japan Headquarters of the Company</p> <p>Jan. 2021 Managing Director, General Manager of East Japan Headquarters of the Company, Vice President and Representative Director of DAISYOGUN CO., LTD.</p> <p>Feb. 2021 Managing Director, General Manager of Sales Headquarters and General Manager of Chubu Headquarters of the Company</p> <p>Sep. 2022 Managing Director, General Manager of Sales Headquarters and General Manager of East Japan Headquarters of the Company (current position)</p> | 3,000 |
| <p>Reasons for nomination as a candidate for Director</p> <p>Toshiaki Matsuoka has served in various positions responsible for Human Resources Development Division and Human Resources Division of the Company, including General Manager of Human Resources Headquarters. He has extensive experience and broad insight, and has been serving as a Director of the Company since 2011. The Company has determined that he is an appropriate person to strongly promote the further improvement of the Company's corporate value, therefore nominated him again as a candidate for Director.</p> | | | |

| Candidate No. | Name (Date of birth) | Career summary, positions and responsibilities at the Company (significant concurrent positions) | Number of the Company's shares held |
|--|--|--|-------------------------------------|
| 4 | Hiroshi Ohashi (July 16, 1963) Reelection | <p>Apr. 1987 Joined the Company</p> <p>May 2010 General Manager of Planning Division of the Company</p> <p>Apr. 2011 Executive Officer, General Manager of Planning Division of the Company</p> <p>Jun. 2013 Director, General Manager of Planning Division, in charge of Accounting Division and Operational Efficiency Center of the Company</p> <p>Jun. 2017 Director, General Manager of Administration General Headquarters and General Manager of Corporate Planning Division of the Company</p> <p>Apr. 2018 Director, General Manager of East Japan Headquarters of the Company</p> <p>Aug. 2019 Director, General Manager of Corporate Planning Headquarters and General Manager of Corporate Planning Division of the Company</p> <p>Feb. 2021 Director, General Manager of Administration Headquarters and General Manager of Corporate Planning Division of the Company</p> <p>Jun. 2022 Managing Director, General Manager of Administration Headquarters and General Manager of Corporate Planning Division of the Company (current position)</p> | 2,000 |
| <p>Reasons for nomination as a candidate for Director</p> <p>Hiroshi Ohashi has served in positions including a position responsible for Corporate Planning Division of the Company. He has extensive experience and broad insight, and has been serving as a Director of the Company since 2013. The Company has determined that he is an appropriate person to strongly promote the further improvement of the Company's corporate value, therefore nominated him again as a candidate for Director.</p> | | | |
| 5 | Mitsuhiro Goda (September 22, 1962) (New election) | <p>Apr. 1993 Joined the Company</p> <p>Oct. 1993 Manager of Kisoji Kannana Kotakecho Store of the Company</p> <p>Apr. 2001 Area Manager of Kisoji Tokyo Sales Division of the Company</p> <p>Sep. 2004 General Manager of Kisoji Tokyo Sales Division No. 1 of the Company</p> <p>Apr. 2011 Assumed the position of Executive Officer of the Company</p> <p>Feb. 2015 Executive Officer, General Manager of Kisoji Nagoya Sales Division of the Company</p> <p>Jul. 2018 Executive Officer, General Manager of Overseas Business Division of the Company</p> <p>May 2019 Executive Officer, General Manager of Suzu Noren Sales Division of the Company</p> <p>Jun. 2020 Executive Officer, General Manager of Kisoji Osaka Sales Division of the Company</p> <p>Feb. 2021 Executive Officer, General Manager of East Japan Headquarters of the Company</p> <p>Sep. 2022 Executive Officer of the Company and President and Representative Director of DAISYOGUN CO., LTD. (current position)</p> | 300 |
| <p>Reasons for nomination as a candidate for Director</p> <p>Mitsuhiro Goda has served in various positions responsible for Kisoji Sales Divisions. He has been serving as an Executive Officer since 2011 and has extensive experience and broad insight. The Company has determined that he is an appropriate person to strongly promote the further improvement of the Company's corporate value, therefore requests to newly elect him as a Director of the Company.</p> | | | |

| Candidate No. | Name (Date of birth) | Career summary, positions and responsibilities at the Company (significant concurrent positions) | Number of the Company's shares held |
|--|---|--|-------------------------------------|
| 6 | Masaaki Nakane (November 23, 1962) (New election) | <p>Dec. 2003 Joined the Company</p> <p>Feb. 2004 Manager of Kisoji Kurokawa Store of the Company</p> <p>Aug. 2005 Area Manager of Kisoji Tokyo Sales Division No. 2 of the Company</p> <p>Jul. 2012 General Manager of Kisoji Nagoya Sales Division of the Company</p> <p>Feb. 2015 General Manager of Kisoji Tokyo Sales Division No. 1 of the Company</p> <p>Jun. 2020 Assumed the position of Executive Officer of the Company</p> <p>Feb. 2021 Executive Officer, General Manager of West Japan Headquarters and General Manager of Kisoji Osaka Sales Division of the Company</p> <p>Feb. 2022 Executive Officer, General Manager of Sales Planning Headquarters and General Manager of Sales Planning Division of the Company</p> <p>Sep. 2022 Executive Officer, Deputy General Manager of Sale Headquarters, General Manager of Chubu Headquarters and General Manager of Kisoji Nagoya Sales Division of the Company (current position)</p> | 0 |
| <p>Reasons for nomination as a candidate for Director</p> <p>Masaaki Nakane has served in various positions responsible for Kisoji Sales Divisions. He has been serving as an Executive Officer since 2020 and has extensive experience and broad insight. The Company has determined that he is an appropriate person to strongly promote the further improvement of the Company's corporate value, therefore requests to newly elect him as a Director of the Company.</p> | | | |
| 7 | Tsuneyoshi Matsui (April 3, 1951) Reelection Outside | <p>Apr. 1974 Joined Toho Gas., Co., Ltd.</p> <p>Jun. 1998 General Manager of Customer Service Division of Toho Gas., Co., Ltd.</p> <p>Apr. 2001 General Manager of Living Distribution Division of Toho Gas., Co., Ltd.</p> <p>Jun. 2004 General Manager of General Affairs Division of Toho Gas., Co., Ltd.</p> <p>Jun. 2006 Executive Officer of Toho Gas., Co., Ltd. and President and Representative Director of Toho Gas Living, Co., Ltd.</p> <p>Jun. 2008 Managing Executive Officer of Toho Gas., Co., Ltd.</p> <p>Jun. 2010 Senior Executive Officer of Toho Gas., Co., Ltd.</p> <p>May 2015 Chairman and Representative Director of Toho Gas Living, Co., Ltd.</p> <p>Jun. 2015 Outside Director of the Company (current position)</p> <p>May 2016 Corporate Advisor of Toho Gas Living, Co., Ltd.</p> <p>Jul. 2016 Representative Director of MA Kikaku K.K. (current position)</p> <p>Aug. 2018 Full-Time Auditor of stmn.inc.</p> | 3,000 |
| <p>Reasons for nomination as a candidate for Outside Director and an outline of expected roles</p> <p>Tsuneyoshi Matsui was involved in corporate management of Toho Gas., Co., Ltd. and Toho Gas Living, Co., Ltd. over the years, and has made outstanding achievements in corporate management. The Company has determined that he will be able to utilize his extensive experience and broad insight in the Company's management decision-making, therefore nominated him again as a candidate for Outside Director.</p> | | | |

| Candidate No. | Name (Date of birth) | Career summary, positions and responsibilities at the Company (significant concurrent positions) | Number of the Company's shares held |
|--|---|--|-------------------------------------|
| 8 | Kuniaki Ito (June 22, 1951) Reelection Outside | <p>Apr. 1974 Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)</p> <p>Mar. 1995 Deputy General Manager of Sales Division No. 10 of The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)</p> <p>Aug. 1995 President and Representative Director of MEIKI SHOKAI K.K. (current position)</p> <p>Feb. 1998 President and Representative Director of Lamitec K.K. (current position)</p> <p>Apr. 2005 President and Representative Director of MEIKI K.K. (current position)</p> <p>Jun. 2015 Outside Director of the Company (current position)</p> | 1,000 |
| <p>Reasons for nomination as a candidate for Outside Director and an outline of expected roles</p> <p>Kuniaki Ito joined The Industrial Bank of Japan, Limited, then served as President and Representative Director of MEIKI SHOKAI K.K., President and Representative Director of Lamitec K.K., and President and Representative Director of MEIKI K.K.. He has made outstanding achievements in corporate management. The Company has determined that he will be able to utilize his extensive experience and broad insight in the Company's management decision-making, therefore nominated him again as a candidate for Outside Director.</p> | | | |

- (Notes)
1. There is no special conflict of interests between each candidate and the Company.
 2. Tsuneyoshi Matsui and Kuniaki Ito are candidates for Outside Directors.
 3. Tsuneyoshi Matsui and Kuniaki Ito are currently Outside Directors of the Company, and their terms of office as Outside Directors will have been eight (8) years at the conclusion of this general meeting of shareholders.
 4. The Company has registered Tsuneyoshi Matsui and Kuniaki Ito as independent officers as stipulated under the rules of the Tokyo Stock Exchange and Nagoya Stock Exchange with the said exchanges.
 5. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with Tsuneyoshi Matsui and Kuniaki Ito limiting their liability for damages under Article 423, paragraph (1) of the same Act. The maximum amount of liability for damages under these agreements is the Minimum Liability Amount stipulated in Article 425, paragraph (1) of the Companies Act. The Company intends to continue these agreements if their reelections are approved.
 6. The Company has concluded a liability insurance contract for officers, etc. stipulated under Article 430-3, paragraph (1) of the Companies Act with an insurance company. The insurance contract will cover damages that may be incurred by the insured due to claims being filed in connection with liabilities for execution of duties or pursuit of such liabilities. Each of the candidates will be included in the insured of the insurance contract. The Company plans to renew the insurance contract with the same coverage upon next renewal.

Proposal No. 5: Election of Three (3) Directors Who Are Audit and Supervisory Committee Members

If the Proposal No. 3 “Amendment to the Articles of Incorporation” is approved as originally proposed, the Company will become a company with an Audit and Supervisory Committee, therefore the Company proposes the election of three (3) Directors who are Audit and Supervisory Committee Members.

For this proposal, approval of the Audit & Supervisory Board has been obtained.

This Proposal shall become effective on a condition that the amendment to the Articles of Incorporation described in the Proposal No. 3 “Amendment to the Articles of Incorporation” takes effect.

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

| Candidate No. | Name | Positions and responsibilities at the Company |
|---------------|------------------|--|
| 1 | Kazuyuki Inamori | Audit & Supervisory Board Member (Full-Time) (New election) |
| 2 | Toyoko Kumada | Outside Audit & Supervisory Board Member (New election) Outside |
| 3 | Yoshinori Hirano | Outside Audit & Supervisory Board Member (New election) Outside |

| Candidate No. | Name (Date of birth) | Career summary, positions and responsibilities at the Company (significant concurrent positions) | Number of the Company's shares held | |
|---|---|---|---|-------|
| 1 | Kazuyuki Inamori (May 12, 1953) (New election) | Apr. 1976 | Joined The Tokai Bank, Limited (currently MUFG Bank, Ltd.) | 100 |
| | | Jun. 2002 | General Manager of Konan Corporate Sales Division of UFJ Bank Limited (currently MUFG Bank, Ltd.) | |
| | | Jun. 2005 | Director and General Manager of Accounting Division of Miyuki Building Co., Ltd. | |
| | | Jun. 2015 | Full-Time Auditor of Miyuki Building Co., Ltd. | |
| | | Jun. 2016 | Joined the Company; General Manager of Compliance Committee | |
| | | Jun. 2019 | Audit & Supervisory Board Member (Full-Time) of the Company (current position) | |
| | | Oct. 2022 | Auditor of TATEBE Meat Industry Co., Ltd. (current position) | |
| <p>Reasons for nomination as a candidate for Director who is Audit and Supervisory Committee Member</p> <p>After working at a financial institution, Kazuyuki Inamori held various important positions such as Director and General Manager of Accounting Division and Auditor at the company he previously worked. After joining the Company, he has served as General Manager of Compliance Committee, and has extensive experience and broad insight. Consequently, the Company has determined that he will be able to adequately execute his duties, therefore nominated him as a candidate for Director who is Audit and Supervisory Committee Member.</p> | | | | |
| 2 | Toyoko Kumada (November 27, 1955) (New election) Outside | Apr. 1985 | Registered as Attorney-at-Law Joined Nankan Law Firm (currently Nankan Kitagawa Kimura) | 1,236 |
| | | Apr. 1996 | Partner at KUMADA LAW-OFFICE (current position) | |
| | | Jun. 2012 | Outside Audit & Supervisory Board Member of the Company (current position) | |
| <p>Reasons for nomination as a candidate for Outside Director who is Audit and Supervisory Committee Member and an outline of expected roles</p> <p>Although Toyoko Kumada does not have direct experience in corporate management, she has made outstanding achievements as a lawyer and has high-level of insight. The Company has determined that she will be able to adequately execute her duties, and therefore nominated her as a candidate for Outside Director who is Audit and Supervisory Committee Member.</p> | | | | |

| Candidate No. | Name (Date of birth) | Career summary, positions and responsibilities at the Company (significant concurrent positions) | Number of the Company's shares held |
|--|---|---|-------------------------------------|
| 3 | Yoshinori Hirano (February 2, 1952) (New election) Outside | <p>Nov. 1976 Joined Marunouchi & Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>Mar. 1982 Registered as a Certified Public Accountant</p> <p>Jun. 1995 Representative Partner of Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>Oct. 2013 Executive Officer of Deloitte Touche Tohmatsu LLC (in charge of Chukyo Area)</p> <p>Sep. 2015 Resigned from Deloitte Touche Tohmatsu LLC</p> <p>Oct. 2015 President of Yoshinori Hirano Certified Public Accountant Office (current position)</p> <p>Jun. 2016 Outside Auditor of Aisan Industry Co., Ltd. (current position) Outside Audit & Supervisory Board Member of the Company (current position)</p> <p>Jun. 2017 Outside Director of KIMURA UNITY CO., LTD. (current position)</p> <p>Jan. 2021 Audit & Supervisory Board Member of DAISYOGUN CO., LTD. (current position)</p> | 0 |
| <p>Reasons for nomination as a candidate for Outside Director who is Audit and Supervisory Committee Member and an outline of expected roles</p> <p>Although Yoshinori Hirano does not have direct experience in corporate management, he has made outstanding achievements as a certified public accountant and has high-level of insight. The Company has determined that he will be able to adequately execute his duties, and therefore nominated him as a candidate for Outside Director who is Audit and Supervisory Committee Member.</p> | | | |

- (Notes)
1. There is no special conflict of interests between each candidate and the Company.
 2. Toyoko Kumada and Yoshinori Hirano are candidates for Outside Directors.
 3. Toyoko Kumada and Yoshinori Hirano are currently Outside Audit & Supervisory Board Member of the Company, and their terms of office as Outside Audit & Supervisory Board Member will have been eleven (11) years for Toyoko Kumada and seven (7) years for Yoshinori Hirano at the conclusion of this general meeting of shareholders.
 4. The Company has registered Toyoko Kumada and Yoshinori Hirano as independent officers as stipulated under the rules of the Tokyo Stock Exchange and Nagoya Stock Exchange with the said exchanges.
 5. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with Toyoko Kumada and Yoshinori Hirano limiting their liability for damages under Article 423, paragraph (1) of the same Act. The maximum amount of liability for damages under these agreements is the Minimum Liability Amount stipulated in Article 425, paragraph (1) of the Companies Act. The Company intends to continue these agreements if their elections are approved.
 6. The Company has concluded a liability insurance contract for officers, etc. stipulated under Article 430-3, paragraph (1) of the Companies Act with an insurance company. The insurance contract will cover damages that may be incurred by the insured due to claims being filed in connection with liabilities for execution of duties or pursuit of such liabilities. Each of the candidates will be included in the insured of the insurance contract. The Company plans to renew the insurance contract with the same coverage upon the next renewal.

[Reference] If the Proposals No. 3 through No. 5 are approved and adopted, the Skill Matrix will be as follows:

| Title | Name | Corporate | Restaurant | Sales | Legal | Finance | HR | Compliance |
|---|-------------------|-----------|------------|-------|-------|---------|----|------------|
| Chairman and Representative Director | Motoyuki Yoshie | • | • | • | | • | • | • |
| President and Representative Director | Toyonaru Uchida | • | • | • | | • | • | • |
| Managing Director | Toshiaki Matsuoka | • | • | • | | | • | • |
| Managing Director | Hiroshi Ohashi | • | • | | • | • | | • |
| Director | Mitsuhiro Goda | | • | • | | | | • |
| Director | Masaaki Nakane | | • | • | | | | • |
| Director | Tsuneyoshi Matsui | • | | • | | | | • |
| Director | Kuniaki Ito | • | | • | | • | | • |
| Director (Full-Time Audit and Supervisory Committee Member) | Kazuyuki Inamori | | • | | | • | | • |
| Director (Audit and Supervisory Committee Member) | Toyoko Kumada | | | | • | | • | • |
| Director (Audit and Supervisory Committee Member) | Yoshinori Hirano | • | | | • | • | | • |

Corporate: Corporate Management

Restaurant: Restaurant Industry

Sales: Sales, Marketing

Legal: Legal Affairs

Finance: Finance, Accounting, IT

HR: Human Resources Management, Human Resources Development

Compliance: Compliance, Risk Management

Proposal No. 6: Determination of the Amounts of Remuneration, Etc. for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

It has been approved by the annual general meeting of shareholders held on June 25, 2015 that the remuneration, etc. for the Company's Directors shall be 300,000,000 yen or less per year, however, if the Proposal No. 3 "Amendment to the Articles of Incorporation" is approved as originally proposed, the Company will become a company with an Audit and Supervisory Committee, therefore the Company once again proposes that remuneration, etc. for the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same applies to this Proposal) shall be 300,000,000 yen or less per year (of which, 30,000,000 yen or less for Outside Directors) after transitioning to a company with an Audit and Supervisory Committee, in view of various circumstances such as recent economic conditions, and that matters such as the specific amount to be paid to each Director and the timing of payment shall be decided by resolution of the Board of Directors.

The Company's basic policy is that remuneration for Directors after transitioning to a company with an Audit and Supervisory Committee shall consist of basic remuneration and performance-linked remuneration based on their positions and individual performance, etc. The amount of remuneration, etc. under this Proposal is to be paid as fixed remuneration and performance-linked remuneration based on the said policy, therefore the Company has determined it to be appropriate. The amount of remuneration, etc. does not include the portion of salaries for Directors concurrently working as employees.

While the Company currently has six (6) Directors, if the Proposal No. 3 "Amendment to the Articles of Incorporation" and the Proposal No. 4 "Election of Eight (8) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)" are approved as originally proposed, the number Directors will be eight (8) (of which two (2) will be Outside Directors).

The details of this Proposal shall become effective on a condition that the amendment to the Articles of Incorporation described in the Proposal No. 3 "Amendment to the Articles of Incorporation" takes effect.

Proposal No. 7: Determination of the Amounts of Remuneration, Etc. for Directors Who Are Audit and Supervisory Committee Members

If the Proposal No. 3 “Amendment to the Articles of Incorporation” is approved as originally proposed, the Company will become a company with an Audit and Supervisory Committee. Therefore the Company proposes that remuneration, etc. for the Company’s Directors who are Audit and Supervisory Committee Members shall be 30,000,000 yen or less per year after transitioning to a company with an Audit and Supervisory Committee, in view of various circumstances such as recent economic conditions, and that matters such as the specific amount to be paid to each Director who are Audit and Supervisory Committee Member and the timing of payment shall be decided through consultation of Directors who are Audit and Supervisory Committee Members.

The Company has determined that the amount of remuneration, etc. under this Proposal is appropriate in light of responsibilities of Directors who are Audit and Supervisory Committee Members.

If the Proposal No. 3 “Amendment to the Articles of Incorporation” and the Proposal No. 5 “Election of Three (3) Directors Who Are Audit and Supervisory Committee Members” are approved as originally proposed, the number Directors who are Audit and Supervisory Committee Members will be three (3).

The details of this Proposal shall become effective on a condition that the amendment to the Articles of Incorporation described in the Proposal No. 3 “Amendment to the Articles of Incorporation” takes effect.