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Stock Exchange Code 2930
May 7, 2021

To our shareholders:

Katsuhisa Kinoshita
Representative Director & President
Kitanotatsujin Corporation
1-6 Kita-1-jonishi, Chuo-ku, Sapporo, Hokkaido

NOTICE OF THE 20th ANNUAL GENERAL MEETING OF SHAREHOLDERS

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

Please be informed that the 20th Annual General Meeting of Shareholders of Kitanotatsujin Corporation (the “Company”) will be held for the purposes as described below.

If you do not attend the meeting due to various reasons including the spread of COVID-19, you can exercise your voting rights in writing. Please review the attached Reference Documents for the General Meeting of Shareholders, indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form, and send it to us so that it is received by 6:00 p.m. on Monday, May 24, 2021, Japan time.

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- 1. Date and Time:** Tuesday, May 25, 2021 at 10:00 a.m. Japan time
(Reception will open at 9:00 a.m.)
- 2. Place:** JA Conference HALL at 6F, JA KYOSAI BUILDING located at
1-1 Kita-4-jonishi, Chuo-ku, Sapporo, Hokkaido, Japan
(Please see the guide map of the venue at the end of this document.) (Japanese only)
- 3. Meeting Agenda:**
- Matters to be reported:** The Business Report and Non-consolidated Financial Statements for the Company’s 20th Fiscal Year (March 1, 2020 – February 28, 2021)
- Proposals to be resolved:**
- Proposal 1:** Distribution of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Six Directors (Excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 4:** Election of Three Directors who are Audit and Supervisory Committee Members
- Proposal 5:** Election of One Substitute Director who is an Audit and Supervisory Committee Member
- Proposal 6:** Determination of the Amount of Remuneration for Directors (Excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 7:** Determination of the Amount of Remuneration for Directors who are Audit and Supervisory Committee Members
- Proposal 8:** Determination of Remuneration for Granting Restricted Stock to Directors (Excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)

4. Matters related to disclosure on the Internet

Of the documents to be provided with this Notice of Convocation, the following items are posted on the Company's website in accordance with the stipulations of laws and regulations as well as Article 19 of the Company's Articles of Incorporation, and are not included in the attachment to this Notice. Furthermore, the attachment to this Notice is a subset of the documents audited by the Audit & Supervisory Board and the Accounting Auditor in preparing their audit reports.

- Non-consolidated Financial Statements

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- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Furthermore, please bring this Notice as reference materials for the proceedings.
 - Should the Reference Documents for the General Meeting of Shareholders, Business Report, and Non-consolidated Financial Statements require revisions, the revised items will be posted on the Company's website.

The Company's website (<https://www.kitanotatsujin.com/>)

Reference Documents for the General Meeting of Shareholders

Proposal 1: Distribution of Surplus

The Company proposes the distribution of surplus as follows:

Matters concerning the year-end dividend

In consideration of the business performance during the fiscal year under review, future business development and other factors, the year-end dividend for the 20th fiscal year is proposed as follows:

Type of dividend property

Cash

Items related to the allocation of dividend property and its total amount

¥1.2 per common share of the Company

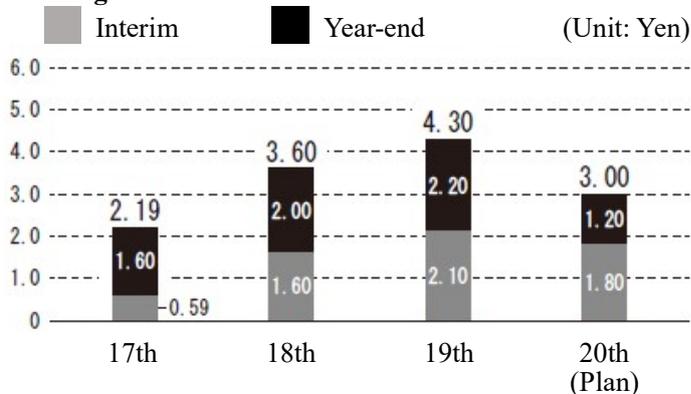
Total amount: ¥166,760,160

Date the distribution of surplus comes into effect

May 26, 2021

<Reference>

Changes in the dividend



(Note) The Company executed a 2-for-1 stock split for common shares as of April 1, 2017, a 2-for-1 stock split for common shares as of November 6, 2017, and a 3-for-1 stock split for common shares as of February 15, 2018. The dividends per share are calculated on the assumption that these stock splits were carried out at the beginning of the 17th fiscal period. (Fractions less than one sen are rounded up.)

Dividend policy

The Company recognizes that the return of profits to shareholders is an important management issue, and operates on a basic policy of working to return profits to shareholders by paying dividends of approximately 30% of dividend payout ratio, taking into consideration the strengthening of its business foundation and the enhancement of its internal reserves.

Internal reserves will be effectively invested in strengthening the business foundation and further business expansion.

Proposal 2: Partial Amendments to the Articles of Incorporation

(1) Reasons for the amendments

- 1) The Company intends to transition to a Company with an Audit and Supervisory Committee from a perspective to further enhance corporate governance.

As announced in “Notice of Stock Acquisition (Making into Subsidiary) of ASHIGARU Co., Ltd.” and “Notice of Stock Acquisition (Making into Subsidiary) of FM NORTH WAVE CO., LTD.” on February 15, 2021, the Company concluded stock transfer agreements with ASHIGARU Co., Ltd., a company that manufactures and sells beauty home appliances and other products, and FM NORTH WAVE CO., LTD., a radio station involved in mainstay radio broadcasting and advertising broadcasts, etc., to make both companies into subsidiaries.

Accordingly, the Company will establish new provisions regarding Audit and Supervisory Committee Members and the Audit and Supervisory Committee, delete provisions regarding Audit & Supervisory Board Members and the Audit & Supervisory Board, and establish new provisions regarding the delegation of decision authorization in the execution of important operations as required for the transition to a Company with an Audit and Supervisory Committee, as well as include additional entries in the purposes listed in Article 2 of the current Articles of Incorporation in order to prepare for the expansion of the business content resulting from the conclusion of the share transfer agreements to make these companies into subsidiaries.

- 2) The amendments to the Articles of Incorporation in this proposal shall take effect at the conclusion of this General Meeting of Shareholders.

(2) Description of the amendments

A description of the amendments is as follows:

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
CHAPTER I. GENERAL PROVISIONS	CHAPTER I. GENERAL PROVISIONS
Article 1 (Omitted)	Article 1 (Unchanged)
(Purposes)	(Purposes)
Article 2 The purpose of the Company shall be to engage in the following businesses: 1. – 3. (Omitted) 4. <u>Sales and manufacturing</u> of processed foods, fresh foods, health foods, dietary supplements, functional nutrition foods, foods for specified health uses, health appliances, cosmetics, beauty products, pet products, nursing care products, alcoholic beverages <u>and miscellaneous daily necessities</u> ;	Article 2 (Unchanged) 1. – 3. (Unchanged) 4. <u>Planning, sales, manufacturing, importing/exporting and import/export agency services</u> of processed foods, fresh foods, health foods, dietary supplements, functional nutrition foods, foods for specified health uses, health appliances, <u>home appliance products</u> , cosmetics, beauty products, pet products, nursing care products, alcoholic beverages, <u>apparel and miscellaneous goods</u> ;
(Newly established)	5. <u>Main station broadcast and advertising broadcast via VHF radio</u> ;
(Newly established)	6. <u>Production and sales of broadcast programs, sales of broadcast time</u> ;
(Newly established)	7. <u>Planning and production of publications, audio recordings, video recordings and records, and sales of those products</u> ;
(Newly established)	8. <u>Planning, production, exhibition, promotion and contracting of movies, music, arts and sports, etc., and management and promotion of artists and talents</u> ;

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p> <p><u>5.</u> Any businesses incidental or relating to any of the foregoing.</p>	<p><u>9. Planning, production, reproduction and sales of various software using images, audio, text, etc., and provision of information services for the broadcasting and telecommunication, etc., of this software;</u></p> <p><u>10. Planning and development of mail-order sales/mediation and product sales using broadcasting and telecommunication;</u></p> <p><u>11. Provision of fixed and mobile telecommunication services;</u></p> <p><u>12. Cable television broadcasting;</u></p> <p><u>13. Acquisition, transfer and licensing of copyrights, neighboring rights and industrial property rights;</u></p> <p><u>14. Sales of usage rights for copyrighted works, trademarks, etc., and sales of related products using reproductions;</u></p> <p><u>15. Travel business and travel agency business in compliance with the Travel Agency Law;</u></p> <p><u>16. Management and administration of restaurants, food and drink establishments, live houses, lodging facilities, sports facilities and amusement facilities;</u></p> <p><u>17. Music production services;</u></p> <p><u>18. Temporary staffing services;</u></p> <p><u>19. Advertising business and advertising agency business;</u></p> <p><u>20.</u> (Unchanged)</p>
<p>Article 3 (Omitted)</p>	<p>Article 3 (Unchanged)</p>
<p>(Establishment of Organs)</p> <p>Article 4 The Company shall have the following organs in addition to general meeting of shareholders and Directors:</p> <p>(1) Board of Directors;</p> <p>(2) <u>Audit & Supervisory Board Members;</u></p> <p>(3) <u>Audit & Supervisory Board; and</u></p> <p>(4) Accounting Auditor</p>	<p>(Establishment of Organs)</p> <p>Article 4 (Unchanged)</p> <p>(1) Board of Directors;</p> <p>(2) <u>Audit and Supervisory Committee; and</u></p> <p>(Deleted)</p> <p>(3) Accounting Auditor</p>
<p>(Method of Public Notice)</p> <p>Article 5 Public notices of the Company shall be electronic public notices; provided, however, that if the Company is unable to issue an electronic public notice due to an accident or any other unavoidable reason, public notices of the Company shall be issued in the <i>Nihon Keizai Shimbun</i>.</p>	<p>(Method of Public Notice)</p> <p>Article 5 (Unchanged)</p>
<p>CHAPTER II. SHARES</p>	<p>CHAPTER II. SHARES</p>
<p>Article 6 – Article 10 (Omitted)</p>	<p>Article 6 – Article 10 (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Share Handling Regulations)</p> <p>Article 11</p> <p><u>The class of shares certificates, changes in the names of shareholders and other matters recorded in the register of shareholders, and other procedures and fees relating to shares</u> of the Company shall be governed by, in addition to laws and regulations or these Articles of Incorporation, the Share Handling Regulations adopted or amended by resolution of the Board of Directors of the Company.</p>	<p>(Share Handling Regulations)</p> <p>Article 11</p> <p><u>Procedures for exercising shareholder rights and other procedures and fees related to shares</u> of the Company shall be governed by, in addition to laws and regulations or these Articles of Incorporation, the Share Handling Regulations adopted or amended by resolution of the Board of Directors of the Company.</p>
<p>(Transfer Agent)</p> <p>Article 12</p> <ol style="list-style-type: none"> 1. The Company shall appoint a transfer agent. 2. The transfer agent and its business office shall be designated by resolution of the Board of Directors of the Company. 3. Preparation and retention of the register of shareholders and the ledger of stock acquisition rights of the Company, as well as any other business with respect to the ledger of <u>share acquisition rights</u> of the Company, shall be entrusted to the transfer agent and shall not be handled by the Company. 	<p>(Transfer Agent)</p> <p>Article 12</p> <ol style="list-style-type: none"> 1. (Unchanged) 2. (Unchanged) 3. Preparation and retention of the register of shareholders and the ledger of stock acquisition rights of the Company, as well as any other business with respect to <u>the register of shareholders and the ledger of stock acquisition rights</u> of the Company, shall be entrusted to the transfer agent and shall not be handled by the Company.
<p>CHAPTER III. GENERAL MEETING OF SHAREHOLDERS</p>	<p>CHAPTER III. GENERAL MEETING OF SHAREHOLDERS</p>
<p>Article 13 – Article 18 (Omitted)</p>	<p>Article 13 – Article 18 (Unchanged)</p>
<p>(Disclosure via the Internet of the Reference Documents for the General Meeting of Shareholders, etc. and the Deemed Provision of Information)</p> <p>Article 19</p> <p>The Company shall be deemed to have provided the shareholders with the necessary information with respect to the matters to be stated or indicated in the reference documents for the general meeting of shareholders, the business reports, <u>and</u> the non-consolidated financial statements, by disclosing such information via the Internet in accordance with the Ordinance of the Ministry of Justice.</p>	<p>(Disclosure via the Internet of the Reference Documents for the General Meeting of Shareholders, etc. and the Deemed Provision of Information)</p> <p>Article 19</p> <p>The Company shall be deemed to have provided the shareholders with the necessary information with respect to the matters to be stated or indicated in the reference documents for the general meeting of shareholders, the business reports, the non-consolidated financial statements, <u>and the consolidated financial statements</u>, by disclosing such information via the Internet in accordance with the Ordinance of the Ministry of Justice.</p>
<p>CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS</p>	<p>CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS</p>
<p>(Number of Directors)</p> <p>Article 20</p> <p>The number of Directors of the Company shall not exceed seven.</p> <p>(Newly established)</p>	<p>(Number of Directors)</p> <p>Article 20</p> <ol style="list-style-type: none"> 1. The number of Directors (<u>excluding Directors who are Audit and Supervisory Committee Members</u>) of the Company shall not exceed seven. 2. <u>The number of Directors who are Audit and Supervisory Committee Members of the Company shall not exceed four.</u>

Current Articles of Incorporation	Proposed Amendments
<p>(Election of Directors) Article 21</p> <ol style="list-style-type: none"> 1. The election of Directors shall be resolved by a majority vote of the attending shareholders who hold one-third or more of the voting rights of shareholders entitled to exercise voting rights. 2. Resolutions for the election of Directors shall not be by cumulative voting. <p>(Term of Office of Directors) Article 22</p> <ol style="list-style-type: none"> 1. The term of office of a Director shall expire upon conclusion of the ordinary general meeting of shareholders held with respect to the last business year ending within <u>two years</u> from his/her election. <p>(Newly established)</p> <ol style="list-style-type: none"> <u>2.</u> The term of office of a Director who is elected as a substitute or for the purpose of an increase of the number of Directors shall be the remaining terms of office of other incumbent Directors. <p>(Newly established)</p> <p>Article 23 (Omitted)</p> <p>(The Board of Directors) Article 24</p> <ol style="list-style-type: none"> 1. (Omitted) 2. Notice of convocation of a meeting of the Board of Directors shall be sent to each Director <u>and Audit & Supervisory Board Member</u> at least three days prior to the meeting; provided, however, that in the event of urgency, such period may be shortened. <p>(Newly established)</p> <ol style="list-style-type: none"> <u>3.</u> (Omitted) <u>4.</u> The matters concerning the operation of the Board of Directors and other matters shall be governed by the Board of Directors Regulations adopted or amended by the Board of Directors. 	<p>(Election of Directors) Article 21</p> <ol style="list-style-type: none"> 1. The election of Directors shall be resolved by a majority vote of the attending shareholders who hold one-third or more of the voting rights of shareholders entitled to exercise voting rights, <u>distinguishing Directors who are Audit and Supervisory Committee Members from other Directors.</u> 2. Resolutions for the election of Directors shall not be by cumulative voting. <p>(Term of Office of Directors) Article 22</p> <ol style="list-style-type: none"> 1. The term of office of a Director (<u>other than Director who is an Audit and Supervisory Committee Member</u>) shall expire upon conclusion of the ordinary general meeting of shareholders held with respect to the last business year ending within <u>one year</u> from his/her election. <u>2. The term of office of a Director who is an Audit and Supervisory Committee Member shall expire upon conclusion of the ordinary general meeting of shareholders held with respect to the last business year ending within two years after his/her election.</u> <u>3. The term of office of a Director (other than Director who is an Audit and Supervisory Committee Member) who is elected as a substitute or for the purpose of an increase of the number of Directors shall be the remaining terms of office of other incumbent Directors (excluding Directors who are Audit and Supervisory Committee Members).</u> <u>4. The term of office of a Director who is an Audit and Supervisory Committee Member elected as a substitute of a retired Director who is an Audit and Supervisory Committee Member shall be the remaining term of office of the resigned Director who is an Audit and Supervisory Committee Member.</u> <p>Article 23 (Unchanged)</p> <p>(The Board of Directors) Article 24</p> <ol style="list-style-type: none"> 1. (Unchanged) 2. Notice of convocation of a meeting of the Board of Directors shall be sent to each Director at least three days prior to the meeting; provided, however, that in the event of urgency, such period may be shortened. <u>3. When the consent of all Directors is obtained in advance, a meeting of the Board of Directors may be held without following the procedures for convening a meeting.</u> <u>4.</u> (Unchanged) <u>5.</u> The matters concerning the operation of the Board of Directors and other matters shall be governed by, <u>in addition to laws and regulations or these Articles of Incorporation,</u> the Board of Directors Regulations adopted or amended by the Board of Directors.

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p><u>(The Audit and Supervisory Committee)</u></p> <p><u>Article 25</u></p> <p><u>1. Notice of convocation of a meeting of the Audit and Supervisory Committee shall be sent to each Audit and Supervisory Committee Member at least three days prior to the meeting; provided, however, that in the event of urgency, such period may be shortened.</u></p> <p><u>2. When the consent of all Audit and Supervisory Committee Members is obtained in advance, a meeting of the Audit and Supervisory Committee may be held without following the procedures for convening a meeting.</u></p> <p><u>3. The matters concerning the operation of the Audit and Supervisory Committee and other matters shall be governed by, in addition to laws and regulations or these Articles of Incorporation, the Audit and Supervisory Committee Regulations adopted or amended by the Audit and Supervisory Committee.</u></p>
(Newly established)	<p><u>(Delegation of Decision Authorization of Execution of Important Operations)</u></p> <p><u>Article 26</u></p> <p><u>Pursuant to Article 399-13, Paragraph 6 of the Companies Act, the Company may delegate by resolution of the Board of Directors all or part of decision authorization of execution of important operations (excluding the matters listed in each item of Article 399-13, Paragraph 5 of the same Act) to Directors.</u></p>
(Remuneration etc.)	(Remuneration etc.)
<p><u>Article 25</u></p> <p>The amount of remuneration, bonuses and any other proprietary benefits to be granted to Directors by the Company in consideration of their performance of duty (hereinafter referred to as “remuneration etc.”) shall be determined by resolution of the general meeting of shareholders.</p> <p><u>Article 26</u></p> <p>(Omitted)</p> <p><u>CHAPTER V. AUDIT & SUPERVISORY BOARD MEMBERS AND AUDIT & SUPERVISORY BOARD</u></p>	<p><u>Article 27</u></p> <p>The amount of remuneration, bonuses and any other proprietary benefits to be granted to Directors by the Company in consideration of their performance of duty (hereinafter referred to as “remuneration etc.”) shall be determined by resolution of the general meeting of shareholders, <u>while making distinction between Directors who are Audit and Supervisory Committee Members and other Directors.</u></p> <p><u>Article 28</u></p> <p>(Unchanged)</p> <p>(Deleted)</p>
(Number of Audit & Supervisory Board Members)	(Deleted)
(Election of Audit & Supervisory Board Members)	(Deleted)

Current Articles of Incorporation	Proposed Amendments
<p><u>(Term of Office of Audit & Supervisory Board Members)</u> <u>Article 29</u> 1. <u>The term of office of an Audit & Supervisory Board Member shall expire upon conclusion of the ordinary general meeting of shareholders held with respect to the last business year ending within four years from his/her election.</u> 2. <u>The term of office of an Audit & Supervisory Board Member who is elected as a substitute of an Audit & Supervisory Board Member who resigned before the expiration of his/her term of office shall be the remaining term of office of the retired Audit & Supervisory Board Member.</u></p>	(Deleted)
<p><u>(Full-time Audit & Supervisory Board Members)</u> <u>Article 30</u> <u>The Audit & Supervisory Board shall elect by resolution one or more full-time Audit & Supervisory Board Members.</u></p>	(Deleted)
<p><u>(The Audit & Supervisory Board)</u> <u>Article 31</u> 1. <u>A meeting of the Audit & Supervisory Board shall be convened and chaired by a full-time Audit & Supervisory Board Member.</u> 2. <u>Notice of convocation of a meeting of the Audit & Supervisory Board shall be sent to each Audit & Supervisory Board Member at least three days prior to the meeting; provided, however, that in the event of urgency, such period may be shortened.</u> 3. <u>The matters concerning the operation of the Audit & Supervisory Board and other matters shall be governed by the Audit & Supervisory Board Regulations adopted or amended by the Audit & Supervisory Board.</u></p>	(Deleted)
<p><u>(Remuneration etc.)</u> <u>Article 32</u> <u>The amount of remuneration etc. to be granted to Audit & Supervisory Board Members shall be determined by resolution of the general meeting of shareholders.</u></p>	(Deleted)
<p><u>(Exemption of Liabilities of Audit & Supervisory Board Members)</u> <u>Article 33</u> 1. <u>Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may release Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) from liabilities for damages arising from negligence in the performance of their duties to the extent permitted by laws and regulations, by resolution of the Board of Directors of the Company.</u></p>	(Deleted)

Current Articles of Incorporation	Proposed Amendments
<p><u>2. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with each Audit & Supervisory Board Member to the effect that any liability for damages of such Audit & Supervisory Board Member arising from negligence in the performance of his/her duties shall be limited; provided, however, that the limit of the liability shall be an amount set by laws and regulations.</u></p>	
<p>CHAPTER <u>VI</u>, ACCOUNTING AUDITOR</p>	<p>CHAPTER <u>V</u>, ACCOUNTING AUDITOR</p>
<p>Article <u>34</u> – Article <u>35</u> (Omitted)</p>	<p>Article <u>29</u> – Article <u>30</u> (Unchanged)</p>
<p>(Remuneration etc.)</p>	<p>(Remuneration etc.)</p>
<p>Article <u>36</u> Remuneration, etc. for an Accounting Auditor is determined by the Director & President with consent of the <u>Audit & Supervisory Board</u>.</p>	<p>Article <u>31</u> Remuneration, etc. for an Accounting Auditor is determined by the Director & President with consent of the <u>Audit and Supervisory Committee</u>.</p>
<p>CHAPTER <u>VII</u>, ACCOUNTS</p>	<p>CHAPTER <u>VI</u>, ACCOUNTS</p>
<p>Article <u>37</u> (Omitted)</p>	<p>Article <u>32</u> (Unchanged)</p>
<p>(Distribution from Surplus)</p>	<p>(<u>Record Date for Distribution from Surplus</u>)</p>
<p>Article <u>38</u> 1. The Company may, by resolution of the general meeting of shareholders, pay a year-end dividend to the shareholders or the registered share pledgees listed or recorded in the registers of shareholders as of the last day of each business year. 2. In addition to the provision of the above paragraph, the Company may, by a resolution of the Board of Directors, pay interim dividend to the shareholders or the registered share pledgees listed or recorded in the final shareholder register as of August 31 of each year. (Newly established)</p>	<p>Article <u>33</u> 1. (Unchanged) 2. (Unchanged) 3. <u>In addition to the provision of the above two paragraphs, the Company may distribute surplus by specifying any other record date to the shareholders or the registered share pledgees listed or recorded in the shareholder register on the record date.</u></p>
<p>(Newly established)</p>	<p>(<u>Expiration Period for Dividend Property</u>)</p>
	<p>Article <u>34</u> <u>If dividends, which are to be paid in cash, are not claimed within three years from the date of commencement of payment thereof, the Company shall be relieved of the obligation to make such payment.</u></p>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p style="text-align: center;"><u>SUPPLEMENTARY PROVISIONS</u></p> <p><u>(Transitional Measures concerning the Exemption of Liabilities for Audit & Supervisory Board Members)</u></p> <p><u>The Company may release Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) before transition to a Company with an Audit and Supervisory Committee from liabilities for damages arising from negligence in the performance of their duties to the extent permitted by laws and regulations, by resolution of the Board of Directors of the Company.</u></p>

Proposal 3: Election of Six Directors (Excluding Directors who are Audit and Supervisory Committee Members)

If Proposal 2 “Partial Amendment to the Articles of Incorporation” is approved as originally proposed, the Company will transition to a Company with an Audit and Supervisory Committee, and the terms of office of all six Directors will expire when those amendments take effect.

Accordingly, the election of six Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter, the same applies in this proposal) is proposed. This proposal will become effective under the condition that the amendments to the Articles of Incorporation in Proposal 2 “Partial Amendment to the Articles of Incorporation” take effect.

The candidates for Directors are as follows:

No.	Name	Current positions and responsibilities at the Company	Candidate attributes
1	Katsuhisa Kinoshita	Representative Director & President General Manager of Online Marketing Department	Reappointment
2	Asako Horikawa	Director & Vice President General Manager of Products Department General Manager of Customer Service Department Managing Director of Tokyo Branch Office	Reappointment
3	Maki Iimori	Director General Manager of Human Resources and General Affairs Department	Reappointment
4	Takahito Kudo	Director General Manager of Administration Department	Reappointment
5	Koichi Shima	Director	Reappointment
6	Kei Taoka	—	New appointment

No.	Name (Date of birth)	Past experience, positions, and responsibilities in the Company (Significant concurrent positions)	Number of shares of the Company held
1	Katsuhisa Kinoshita (October 12, 1968)	April 1992 Joined Recruit Co., Ltd. December 1999 Established limited partnership company Saimart as a general partner May 2002 Established the Company as Representative Director & President November 2020 Representative Director & President and General Manager of Online Marketing Department (current position)	72,055,400
		[Reason for nomination as candidate for Director] Katsuhisa Kinoshita has served as Representative Director since the Company was first founded and has driven the Company's growth as the General Manager in charge of the Online Marketing Department with his wealth of experience and knowledge in the Internet mail-order business. Based on the above, the Company has judged that he is an appropriate resource for achieving sustainable growth for the Company moving forward, and therefore requests his continued election as Director.	
2	Asako Horikawa (May 17, 1981)	May 2005 Joined GEOS Corporation July 2006 Joined the Company January 2009 Executive Officer and General Manager of Sales Department May 2009 Director and General Manager of Sales Department March 2015 Senior Managing Director and General Manager of Sales Department April 2019 Senior Managing Director, General Manager of Sales Department, and Managing Director of Tokyo Branch Office May 2020 Director & Vice President, General Manager of Sales Department, and Managing Director of Tokyo Branch Office November 2020 Director & Vice President, General Manager of Products Department, General Manager of Customer Service Department, and Managing Director of Tokyo Branch Office (current position)	564,000
		[Reason for nomination as candidate for Director] Asako Horikawa is the General Manager in charge of the Products Department and the Customer Service Department of the Company, and possesses a wealth of operational experience in the Internet mail-order business and knowledge on management. Based on the above, the Company has judged that she is an appropriate resource for achieving sustainable growth for the Company moving forward, and therefore requests her continued election as Director.	
3	Maki Iimori (May 29, 1977)	April 2002 Joined Jiji Japanese Language School December 2007 Joined HLC Co., Ltd. October 2014 Joined the Company April 2018 Executive Officer May 2020 Director and General Manager of Human Resources and General Affairs Department (current position)	—
		[Reason for nomination as candidate for Director] Maki Iimori is the General Manager in charge of the Human Resources and General Affairs Department of the Company, and possesses a wealth of experience and knowledge in this field. Based on the above, the Company has judged that she is an appropriate resource for achieving sustainable growth for the Company moving forward, and therefore requests her continued election as Director.	
4	Takahito Kudo (June 9, 1984)	April 2011 Joined Sakura Sogo Kaikei Tax Accountant Corporation July 2011 Joined Ecomott Inc. October 2013 General Manager of Administrative Department July 2015 Director and General Manager of Administrative Department March 2020 Joined the Company as Executive Officer May 2020 Director and General Manager of Administration Department (current position)	5,000
		[Reason for nomination as candidate for Director] Takahito Kudo has been involved in management as Director and General Manager of the Administrative Department of a listed company, and possesses a wealth of experience and knowledge in the fields of accounting and finance, including official qualifications as a Certified Public Accountant. Based on the above, the Company has judged that he is an appropriate resource for achieving sustainable growth for the Company moving forward, and therefore requests his continued election as Director.	

No.	Name (Date of birth)	Past experience, positions, and responsibilities in the Company (Significant concurrent positions)	Number of shares of the Company held
5	Koichi Shima (December 5, 1957)	<p>May 1983 Joined Japan Recruit Center Co., Ltd. (current Recruit Holdings Co., Ltd.)</p> <p>June 1997 Board Director in charge of administrative sections of Recruit From A Co., Ltd. (current Recruit Jobs Co., Ltd.)</p> <p>April 2001 General Manager of Finance Department of Recruit Co., Ltd. (current Recruit Holdings Co., Ltd.)</p> <p>April 2003 Corporate Executive Officer in charge of finance, general affairs, and legal affairs</p> <p>January 2006 Corporate Executive Officer and General Manager of Marketing Office</p> <p>April 2008 President and Representative Director of Recruit Media Communications Co., Ltd.</p> <p>June 2010 Audit & Supervisory Board Member (standing) of Recruit Co., Ltd.</p> <p>November 2015 Executive Director of Japan Audit & Supervisory Board Members Association</p> <p>September 2016 Outside Corporate Auditor of GREE, Inc. Outside Director of Ligua Inc. (current position)</p> <p>December 2016 External Director of TOKYO ICHIBAN FOODS CO., LTD.</p> <p>December 2017 Outside Director of D. I. SYSTEM Co., Ltd.</p> <p>May 2020 Outside Director of the Company (current position)</p> <p>June 2020 Outside Director of Cosmos Initia Co., Ltd. (current position)</p> <p>September 2020 Outside Director (Audit and Supervisory Committee Member) of GREE, Inc. (current position)</p>	—
<p>[Reason for nomination as candidate for Outside Director and his expected roles]</p> <p>Koichi Shima has served as the representative in charge of the administrative sections, Director and Audit & Supervisory Board Member at Recruit Co., Ltd. (current Recruit Holdings Co., Ltd.) and its group companies, and possesses a positive track record and expertise as an outside officer at several listed companies, having been involved in supervising or auditing the execution of duties by Directors, etc. The Company expects him to strengthen the functions of the Board of Directors of the Company by supervising the execution of duties by Directors, etc. from an independent perspective based on this experience, and therefore requests his continued election as Outside Director.</p>			
6	Kei Taoka (August 24, 1968)	<p>April 1992 Joined Recruit Co., Ltd.</p> <p>March 2002 Senior Vice President of Pokemon USA, Inc. (current Pokemon Company International)</p> <p>September 2004 Associate Consultant of McKinsey Japan</p> <p>April 2005 Executive Officer of Natural Lawson, Inc.</p> <p>April 2007 Managing Executive Officer of IMJ Corporation</p> <p>July 2010 President and Representative Director of JIMOS CO., LTD.</p> <p>May 2018 Senior Executive Officer of Nitori Holdings Co., Ltd.</p> <p>January 2019 COO of ETVOS Co., Ltd.</p> <p>October 2020 Executive Officer of Hitachi Global Life Solutions, Inc.</p> <p>April 2021 Managing Director (current position)</p>	—
<p>[Reason for nomination as candidate for Outside Director and his expected roles]</p> <p>Kei Taoka has been involved in corporate management and the execution of duties as Executive Officer at several companies, including Natural Lawson, Inc. and Nitori Holdings Co., Ltd., and possess a positive track record and expertise as Director at companies that handle cosmetics such as JIMOS CO., LTD. and ETVOS Co., Ltd. The Company expects him to strengthen the functions of the Board of Directors of the Company by supervising the execution of duties by Directors, etc. from an independent perspective based on this experience, and therefore requests his continued election as Outside Director.</p>			

- (Notes)
1. There is no special interest between each candidate and the Company.
 2. Candidate Katsuhisa Kinoshita corresponds to the “Parent Company, etc.” as stipulated in Article 2, Item 4-2 of the Companies Act.
 3. Candidate Maki Iimori’s name on the family register is Maki Kato.
 4. Koichi Shima and Kei Taoka are candidates for Outside Directors.
 5. Koichi Shima is currently an Outside Director of the Company, and his term of office as Outside Director will be one year at the conclusion of this General Meeting of Shareholders.
 6. The Company has entered into a contract with Koichi Shima in accordance with Article 427, Paragraph 1 of the Companies Act to limit his liabilities for damages pursuant to Article 423, Paragraph 1 of the same Act. The maximum amount of liability for damages pursuant to the contract is the minimum amount stipulated by Article 425, Paragraph 1 of the Companies Act. In the event that his reappointment is approved, the Company plans to continue the contract with

- him. Additionally, in the event that Kei Taoka is elected, the Company plans to conclude a similar contract with him.
7. The Company has entered into a directors and officers liability insurance (the “D&O Insurance”) with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act to cover damages, etc. (excluding damages corresponding to exemption clauses stipulated in the insurance contract) in the event that a claim for damages is made against Directors and other officers due to acts in the course of their duties. The Company bears the entire premium of the D&O Insurance. If the candidates for Directors are elected and assume office, all of them will become insured persons under the D&O Insurance. The term of the D&O Insurance is one year and the Company plans to renew it before the expiration of the term by resolution of the Board of Directors.
 8. The Company has designated Koichi Shima as an Independent Director as stipulated under the regulations of the Tokyo Stock Exchange and has registered him as such in the Exchange. Upon the approval of his reappointment, he will continue to be an Independent Director. In addition, Kei Taoka also satisfies the requirements of Independent Director as stipulated under the regulations of the Tokyo Stock Exchange. Upon the approval of his election, the Company will designate him as an Independent Director.
 9. Director Yukio Takaoka will retire due to the expiry of his term of office upon the conclusion of this General Meeting of Shareholders.

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

If Proposal 2 “Partial Amendment to the Articles of Incorporation” is approved as originally proposed, the Company will transition to a Company with an Audit and Supervisory Committee.

Accordingly, the election of three Directors who are Audit and Supervisory Committee Members is proposed.

The Audit & Supervisory Board has previously given its approval to this proposal.

This proposal will become effective under the condition that the amendments to the Articles of Incorporation in Proposal 2 “Partial Amendment to the Articles of Incorporation” take effect.

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

No.	Name (Date of birth)	Past experience, positions, and responsibilities in the Company (Significant concurrent positions)	Number of shares of the Company held
1	Noboru Sada (May 19, 1950)	July 2000 Director of Planning and Administration Division, Planning and Administration Department of Hokkaido Local Finance Bureau	14,400
		July 2003 Head of Otaru Sub-Office	
		July 2005 Head of Hakodate Finance Office	
		July 2006 Senior Managing Director of Sapporo Securities Exchange	
		October 2016 Adviser	
		March 2017 Retired from Adviser	
		May 2017 Full-time Outside Audit & Supervisory Board Member of the Company (current position)	
[Reason for nomination as candidate for Outside Director and his expected roles] Although Noboru Sada does not have direct experience participating in corporate management, he has been involved in financial administration for many years and possesses a wealth of experience and expertise cultivated as Senior Managing Director of Sapporo Securities Exchange. Based on this, the Company has judged that his insight can be utilized to strengthen the audit system of the Company, and therefore requests his election as Outside Director.			
2	Shogo Jinno (July 19, 1968)	October 1994 Joined Sapporo Office of Asahi & Co. (current KPMG AZSA LLC)	—
		January 2005 Opened Jinno Certified Public Accountant Office as Director (current position)	
		January 2005 Established Hokuto & Co. as Representative Partner and Director (current position)	
		June 2008 Representative Partner of Sapporo Audit Corporation (current position)	
		May 2010 Outside Audit & Supervisory Board Member of the Company (current position)	
		May 2013 Outside Audit & Supervisory Board Member of Gene Techno Science Co.,Ltd.	
		May 2018 Outside Corporate Auditor of GRAPHIC HOLDINGS CO., LTD. (current position)	
[Reason for nomination as candidate for Outside Director and his expected roles] Although Shogo Jinno does not have direct experience participating in corporate management, he possesses a wealth of experience and broad expertise as a Certified Public Accountant and a tax accountant, and is well versed in corporate finance. Based on this, the Company has judged that his insight can be utilized to strengthen the audit system of the Company, and therefore requests his election as Outside Director.			

No.	Name (Date of birth)	Past experience and positions in the Company (Significant concurrent positions)	Number of shares of the Company held	
3	Ryuichi Kobayashi (May 7, 1947)	March 1999	Counsellor of General Affairs Department and General Manager of General Affairs Division of Hokkaido Prefectural Police Headquarters	9,000
		March 2001	Counsellor of Kushiro Area Headquarters and General Manager of Police Administration Division of Hokkaido Prefectural Police	
		March 2002	Chief of Sapporo Area Kita Police Station	
		March 2004	President of Police School	
		March 2005	General Manager of Community Section of Hokkaido Prefectural Police Headquarters	
		March 2006	Chief of Kushiro Area Headquarters of Hokkaido Prefectural Police	
		April 2007	Joined Itogumi Construction Co., Ltd. as Administration Officer	
		June 2014	Senior Managing Director of Hokkaido Prefectural Police Welfare Association	
		May 2015	Outside Audit & Supervisory Board Member of the Company (current position)	
		June 2018	Vice Chairman of Hokkaido Prefectural Police Welfare Association (current position)	
		January 2020	Outside Director of REBUNESE Co.,Ltd. (current position)	
[Reason for nomination as candidate for Outside Director and his expected roles] Although Ryuichi Kobayashi does not have direct experience participating in corporate management, he possesses a wealth of experience and expertise accumulated through his service as a police administrator for many years. Based on this, the Company has judged that his insight can be utilized to strengthen the audit system of the Company, and therefore requests his election as Outside Director.				

- (Notes)
1. There is no special interest between each candidate and the Company.
 2. Noboru Sada, Shogo Jinno, and Ryuichi Kobayashi are candidates for Outside Directors.
 3. The Company has entered into contracts with Noboru Sada, Shogo Jinno, and Ryuichi Kobayashi in accordance with Article 427, Paragraph 1 of the Companies Act to limit their liabilities for damages pursuant to Article 423, Paragraph 1 of the same Act. The maximum amount of liability for damages pursuant to the contracts is the minimum amount stipulated by Article 425, Paragraph 1 of the Companies Act. In the event that they are elected, the Company plans to conclude the same contracts with them.
 4. The Company has entered into a directors and officers liability insurance (the "D&O Insurance") with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act to cover damages, etc. (excluding damages corresponding to exemption clauses stipulated in the insurance contract) in the event that a claim for damages is made against Directors and other officers due to acts in the course of their duties. The Company bears the entire premium of the D&O Insurance. If the candidates for Directors are elected and assume office, all of them will become insured persons under the D&O Insurance. The term of the D&O Insurance is one year and the Company plans to renew it before the expiration of the term by resolution of the Board of Directors.
 5. The Company has designated Ryuichi Kobayashi as an Independent Auditor as stipulated under the regulations of the Tokyo Stock Exchange and has registered him as such in the Exchange. Upon the approval of his election, he will continue to be an Independent Director/Auditor. In addition, Noboru Sada and Shogo Jinno also satisfy the requirements of Independent Directors/Auditors as stipulated under the regulations of the Tokyo Stock Exchange. Upon the approval of their election, the Company will designate them as Independent Directors/Auditors.

Reference

The composition of the Board of Directors and the areas the Company expects from Directors when Proposal 3 and 4 are approved as originally proposed in this General Meeting of Shareholders are as follows:

Name	Audit and Supervisory Committee Member	Outside	Term of office	Areas the Company expects from Directors				
				Corporate management and business strategy	Audit	Products	Marketing	Customer satisfaction
Katsuhisa Kinoshita			19 years	X		X	X	X
Asako Horikawa			12 years	X		X		X
Maki Iimori			1 year	X				
Takahito Kudo			1 year	X				
Koichi Shima		X	1 year	X				
Kei Taoka		X	0 years	X		X	X	X
Noboru Sada	X	X	4 years		X			
Shogo Jinno	X	X	11 years		X			
Ryuichi Kobayashi	X	X	6 years		X			

Note: The term of office of candidates expected to assume office as Audit and Supervisory Committee Members is their term of office as Audit & Supervisory Board Members.

Name	Areas the Company expects from Directors						Nomination and Remuneration Committee
	Finance*	Financial affairs and accounting	Personnel affairs, labor management, and human development	Diversity	DX	Legal affairs, compliance, and risk management	
Katsuhisa Kinoshita			X			X	X
Asako Horikawa				X		X	
Maki Iimori			X	X		X	
Takahito Kudo	X	X				X	X
Koichi Shima	X	X	X			X	X
Kei Taoka			X		X	X	X
Noboru Sada	X					X	X
Shogo Jinno		X				X	
Ryuichi Kobayashi						X	

* Knowledge of capital markets, professional experience in fundraising, etc.

Notes:

- The above table is not a complete representation of the knowledge and experience possessed by each Director.
- The composition of the Nomination and Remuneration Committee will be officially decided by the Board of Directors following the conclusion of this General Meeting of Shareholders.

Proposal 6: Determination of the Amount of Remuneration for Directors (Excluding Directors who are Audit and Supervisory Committee Members)

If Proposal 2 “Partial Amendment to the Articles of Incorporation” is approved as originally proposed, the Company will transition to a Company with an Audit and Supervisory Committee.

The annual maximum amount of remuneration for Directors of the Company was approved as ¥250,000 thousand (excluding employee salaries for Directors concurrently serving as employees) at the 6th Annual General Meeting of Shareholders held on March 5, 2008, and this amount has remained unchanged. Along with the transition to a Company with an Audit and Supervisory Committee, the Company proposes to abolish this remuneration and set a new maximum amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) of ¥250,000 thousand per annum (including the maximum amount of ¥20,000 thousand per annum for Outside Directors), taking into consideration the amount of Directors’ remuneration thus far and various factors such as recent economic conditions. The Company has defined its basic policy related to the remuneration, etc. for each individual Director at a meeting of the Board of Directors held on April 28, 2021. The amount of remuneration under this proposal is in line with this policy, and the Company has judged that the amount is appropriate.

The Company cordially requests shareholders to approve that the specific amount for each Director (excluding Directors who are Audit and Supervisory Committee Members), timing of payment, etc. shall be determined by the Board of Directors.

Note that the amount of the remuneration shall exclude employee salaries for Directors concurrently serving as employees.

The number of current Directors is six (including two Outside Directors), while the number of Directors under this proposal shall be six (including two Outside Directors), subject to the approval of Proposal 2 and Proposal 3 as originally proposed.

This proposal shall become effective under the condition that the amendments to the Articles of Incorporation in Proposal 2 “Partial Amendment to the Articles of Incorporation” take effect.

Proposal 7: Determination of the Amount of Remuneration for Directors who are Audit and Supervisory Committee Members

If Proposal 2 “Partial Amendment to the Articles of Incorporation” is approved as originally proposed, the Company will transition to a Company with an Audit and Supervisory Committee.

Accordingly, the Company proposes to set a maximum amount of remuneration for Directors who are Audit and Supervisory Committee Members of ¥30,000 thousand per annum, taking into consideration various factors such as recent economic conditions. The Company has defined its basic policy related to the remuneration, etc. for each individual Director at a meeting of the Board of Directors held on April 28, 2021. The amount of remuneration under this proposal is in line with this policy, and the Company has judged that the amount is appropriate.

The number of Directors who are Audit and Supervisory Committee Members under this proposal shall be three, subject to the approval of Proposal 2 and Proposal 4 as originally proposed.

This proposal shall become effective under the condition that the amendments to the Articles of Incorporation in Proposal 2 “Partial Amendment to the Articles of Incorporation” take effect.

Proposal 8: Determination of Remuneration for Granting Restricted Stock to Directors (Excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)

The Company is requesting the approval of the maximum amount of remuneration for Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members) to be ¥250,000 thousand per annum (including an maximum amount of ¥20,000 thousand per annum for Outside Directors (excluding Directors who are Audit and Supervisory Committee Members); however, this amount does not include employee salaries for Directors concurrently serving as employees) in Proposal 6 “Determination of the Amount of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members).” The Company cordially requests shareholders to approve the payment of a new remuneration for granting restricted stock to Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter, referred to as “Eligible Directors”), separately from the above-mentioned remuneration, in order to give Directors an incentive to sustainably enhance the corporate value of the Company and promote further shared value between Directors and shareholders.

This proposal shall become effective under the condition that the amendments to the Articles of Incorporation in Proposal 2 “Partial Amendment to the Articles of Incorporation” take effect. Additionally, the number of current Directors is six (including two Outside Directors), while the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be six (including two Outside Directors), subject to the approval of Proposal 3 as originally proposed.

Under this proposal, Eligible Directors shall receive common shares of the Company through issuance or disposal, pursuant to a resolution of the Board of Directors of the Company, and the total number of common shares of the Company to be issued or disposed of in this way shall not exceed 100,000 shares per annum (however, if, on or after the date this proposal is approved and passed, a share split (including a gratis allotment of common shares of the Company) or consolidation of shares is conducted in regard to the Company’s common shares, or if other circumstances arise that necessitate an adjustment to the total number of common shares of the Company to be issued or disposed of as restricted stock, the Company shall adjust the total number of shares within a reasonable range). The specific timing of payment and allocation to each Eligible Director shall be determined by the Board of Directors.

In addition, the total amount of common shares of the Company to be issued or disposed of for granting restricted stock shall be an amount not to exceed ¥50,000 thousand per annum (when granting restricted stock, common shares are issued or treasury shares disposed of as remuneration, etc. for Directors of the Company, and no cash payment shall be required in exchange for the shares available for subscription. As such, the amount of remuneration for Eligible Directors shall be calculated per share based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day before the date of each resolution by the Board of Directors (if there are no trades on that day, the closing price on the most recent preceding trading day)). In addition, when issuing or disposing of common shares of the Company in this way, the Company shall enter into a restricted stock allotment agreement (the “Allotment Agreement”) which includes the contents outlined as below with Eligible Directors.

(1) Eligible Directors shall not transfer, pledge, or otherwise dispose of the Company’s common shares allocated under the Allocation Agreement (the “Allocated Shares”) during the period (the “Transfer Restriction Period”) from the issuance dates of the restricted stock to the dates on which they lose the position of Director or any other positions defined by the Board of Directors of the Company (hereinafter collectively “Transfer Restrictions”).

(2) If Eligible Directors lose any positions described in (1) above before the expiration of a period separately defined by the Board of Directors of the Company (the “Service Period”), the Company shall rightfully acquire the Allocated Shares at no cost, unless there are reasons that the Board of Directors of the Company finds justifiable.

(3) The Company shall lift the Transfer Restrictions of all of the Allocated Shares upon the expiration of the Transfer Restriction Period, on the condition that the Eligible Director has continuously remained in Director of the Company or other positions defined by the Board of Directors of the Company throughout the Service Period. However, if the Eligible Director has lost any positions described in (1) above before the expiration of the Service Period, for reasons that the Board of Directors of the Company finds justifiable as set forth in (2) above, the Company shall rationally adjust the number of the Allocated Shares from which the Transfer Restrictions will be lifted, and the lifting timing as necessary.

(4) The Company shall rightfully acquire at no cost the Allocated Shares from which the Transfer Restrictions have not been lifted at the expiration of the Transfer Restriction Period in accordance with the provision of (3) above.

(5) If, during the Transfer Restriction Period, matters relating to a merger agreement under which the Company will be the absorbed entity, a share exchange agreement or share transfer plan under which the Company will become a wholly owned subsidiary, or any other corporate reorganizations, are approved at a General Meeting of Shareholders of the Company (or at a meeting of the Board of Directors of the Company when an approval at a General Meeting of Shareholders is not required for such corporate reorganizations), the Company shall lift the Transfer Restrictions on the Allocated Shares, whose number is reasonably determined by a resolution of the Board of Directors of the Company, prior to the effective date of such corporate reorganizations.

(6) In the case prescribed in (5) above, the Company shall rightfully acquire at no cost the Allocated Shares from which the Transfer Restrictions were not removed at the time immediately after the Transfer Restrictions were lifted in accordance with the provision of (5) above.

(7) The methods of expressing an intention and giving a notification under the Allocation Agreement, the method of amending the Allocation Agreement, and other matters to be determined by the Board of Directors shall be included in the Allocation Agreement.

The Company defined the basic policy related to the remuneration, etc. for each individual Director at a meeting of the Board of Directors held on April 28, 2021. The granting of Allocated Shares under this proposal is in line with this policy, and the Company intends not to change the policy even if this proposal is approved. In addition, as described above, the amount to be determined based on the market price as of the business day before the date of resolution by the Board of Directors in relation to the allocation of the value of the Allocated Shares is within the range of the above-mentioned per annum amount, and the dilution rate is insignificant. As such, the Company has therefore judged that the amount involved in the granting of the Allocated Shares is appropriate.