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(Stock code: 8273)

May 10, 2021

To our shareholders:

Yasuaki Yamanishi
President and Representative Director
IZUMI CO., LTD.
3-3-1 Futabanosato, Higashi-ku, Hiroshima, Japan

Notice of the 60th Annual General Meeting of Shareholders

We are pleased to announce the 60th Annual General Meeting of Shareholders of IZUMI CO., LTD. (the “Company”), which will be held as indicated below.

Instead of attending the meeting in person, you may exercise your voting rights either in writing or on the Internet. Please review the following Reference Document for the General Meeting of Shareholders, and exercise your voting rights by 6:00 p.m. on Tuesday, May 25, 2021 (JST).

1. Date and Time: Wednesday, May 26, 2021, at 10:00 a.m. (JST) (reception starts at 9:00 a.m.)

2. Venue: 6th Floor, youme Hall, Head office of the Company
3-3-1 Futabanosato, Higashi-ku, Hiroshima, Japan

3. Purpose of the Meeting

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 60th fiscal year (from March 1, 2020 to February 28, 2021), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 60th fiscal year (from March 1, 2020 to February 28, 2021)

Matters to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Election of Eight Directors
- Proposal No. 3:** Election of One Audit & Supervisory Board Member
- Proposal No. 4:** Payment of Retirement Benefits to Retiring Directors and a Retiring Audit & Supervisory Board Member
- Proposal No. 5:** Determination of Remuneration for Granting Restricted Shares to Directors (Excluding Outside Directors)
- Proposal No. 6:** Final Payment of Retirement Benefits to Directors in Conjunction with Abolition of Retirement Benefit Plan for Officers
- Proposal No. 7:** Revision of Remuneration Amount for Audit & Supervisory Board Members

* The following items are not provided in the appendix to the reported matters because they have been posted on the Company’s website (<https://www.izumi.co.jp>) (Japanese only), pursuant to the provisions of applicable laws and regulations and Article 13 of the Articles of Incorporation.

- Consolidated Statement of Changes in Net Assets and Notes to Consolidated Financial Statements in the Consolidated Financial Statements
- Non-consolidated Statement of Changes in Net Assets and Notes to Non-consolidated Financial Statements in the Financial Statements

Therefore, the documents attached to this notice constitute a part of the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Audit & Supervisory Board Members and the Financial Auditor in preparing its Audit Report.

* If any amendments are made to the Reference Document for the General Meeting of Shareholders, the Business Report, Consolidated Financial Statements or Non-consolidated Financial Statements, such amendments will be posted on the Company’s website (<https://www.izumi.co.jp>). (Japanese only)

Reference Document for the General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1: Appropriation of Surplus

The Company regards the appropriate return of profits as an important priority and intends to determine the appropriation of surplus while taking into account business performance trends and other factors. The Company proposes to pay a year-end dividend for the current fiscal year of ¥43 per share as follows, as the Company achieved a solid business performance and intends to return the profits to its shareholders. Also, the annual dividend per share, including the interim dividend (¥40 per share), will be ¥83 per share.

In addition, the Company intends to utilize internal reserves for strategic investments in growth fields while strengthening its financial structure, such as by reducing interest-bearing liabilities.

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|-------------------------------------------------------------------------------|----------------------------------------------------------------------|
| (1) Type of dividend property | Cash |
| (2) Allotment of dividend property to shareholders and their aggregate amount | ¥43 per common share of the Company
Total payment: ¥3,081,255,042 |
| (3) Effective date of dividends of surplus | May 27, 2021 |

Proposal No. 2: Election of Eight Directors

The terms of office of all seven Directors will expire at the conclusion of this General Meeting of Shareholders. In that regard, the Company proposes the election of eight Directors, with Outside Directors, who are expected to exercise the supervisory function from an objective viewpoint independent of the execution of business, increased by one to three Outside Directors, in order to ensure management transparency and further enhance corporate governance.

The candidates for Director are as follows.

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Yasuaki Yamanishi (July 31, 1946) Reelection	<p>Dec. 1977 Joined the Company</p> <p>May 1981 Director of the Company</p> <p>May 1982 Managing Director of the Company</p> <p>Apr. 1984 Senior Managing Director of the Company</p> <p>May 1988 Representative Senior Managing Director of the Company</p> <p>May 1991 Deputy President and Representative Director of the Company</p> <p>Mar. 1993 President and Representative Director of the Company (current position)</p>	2,037,240 shares
<p>[Reasons for nomination as a candidate for Director]</p> <p>Yasuaki Yamanishi has conducted important operations and decision-making on management as President and Representative Director. The Company judged that he can fulfill his role of supervising key management decisions and the execution of business for the Company's sustainable growth and the increase of medium- to long-term corporate value as he has extensive experience, proven results and wide-ranging insight related to management in general. Therefore, the Company proposes his election as Director.</p>			
2	Yuichiro Kajihara (February 8, 1965) Reelection	<p>Mar. 1987 Joined the Company</p> <p>Feb. 2006 Executive Officer and Sales Department Manager of the Kyushu zone of the Company</p> <p>May 2007 Director and Sales Department Manager of the Kyushu zone of the Company</p> <p>Mar. 2010 Managing Director and Sales Department Manager of the Kyushu zone of the Company</p> <p>May 2013 Senior Managing Director and Marketing Division Manager of the Company</p> <p>Mar. 2016 Senior Managing Director and Sales Division Manager of the Company</p> <p>Mar. 2021 Director and Senior Managing Executive Officer and GMS Division Manager of the Company (current position)</p>	6,088 shares
<p>[Reasons for nomination as a candidate for Director]</p> <p>Yuichiro Kajihara has conducted important operations and decision-making on management as Sales Division Manager. The Company judged that he can fulfill his role of supervising key management decisions and the execution of business for promoting GMS reform, a pillar of the Company's growth, through organizational reform in FY2021 as well as the Company's sustainable growth and the increase of medium- to long-term corporate value as he has extensive experience, proven results and wide-ranging insight in sales division. Therefore, the Company proposes his election as Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Tatsuya Mikamoto (November 7, 1958) Reelection	<p>Apr. 1981 Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)</p> <p>Apr. 2010 Director and Head of the Fukuoka Corporate Finance Department of Sumitomo Mitsui Banking Corporation</p> <p>Apr. 2012 Director and Head of the Kyushu Corporate Finance Division of Sumitomo Mitsui Banking Corporation</p> <p>May 2013 Senior Managing Director and Administration Division Manager of the Company</p> <p>July 2014 Senior Managing Director, Administration Division Manager and Group Administrative Controller of the Company</p> <p>Jan. 2019 Senior Managing Director, Administration Division and Group Management Division Manager of the Company</p> <p>July 2020 Senior Managing Director and Administration Division Manager of the Company</p> <p>Mar. 2021 Director and Senior Managing Executive Officer and Administration Division Manager of the Company (current position)</p>	2,750 shares
		<p>[Reasons for nomination as a candidate for Director]</p> <p>Tatsuya Mikamoto has conducted important operations and decision-making on management as Administration Division Manager. The Company judged that he can fulfill his role of supervising key management decisions and the execution of business for the Company's sustainable growth and the increase of medium- to long-term corporate value as he has extensive experience, proven results and wide-ranging insight in administration division. Therefore, the Company proposes his election as Director.</p>	
4	Hiroshi Kuromoto (March 25, 1960) Reelection	<p>Apr. 1982 Joined the Company</p> <p>Aug. 2003 Department Manager of the Tenant Administration Department of the Company</p> <p>Jan. 2009 Executive Officer and Development Division Manager of the Company</p> <p>May 2020 Director and Development Division Manager of the Company (current position)</p>	4,590 shares
		<p>[Reasons for nomination as a candidate for Director]</p> <p>Hiroshi Kuromoto has conducted important operations and decision-making on management as Development Division Manager. The Company judged that he can fulfill his role of supervising key management decisions and the execution of business for the Company's sustainable growth and the increase of medium- to long-term corporate value as he has extensive experience, proven results and wide-ranging insight in development division. Therefore, the Company proposes his election as Director.</p>	

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
5	Shigeki Machida (April 23, 1967) New election	<p>Apr. 1991 Joined the Company</p> <p>Aug. 2009 Store Manager of the Company's Yatsushiro store</p> <p>Mar. 2010 Section Manager of Hiroshima South and Shikoku zone of the Company</p> <p>Aug. 2010 Household Goods Department Manager of the Company</p> <p>June 2013 Executive Officer and Department Manager of Kyushu zone of the Company</p> <p>Feb. 2014 Executive Officer and Clothing Business Department Manager of the Company</p> <p>Apr. 2020 Senior Executive Officer and Clothing Business Department Manager of the Company</p> <p>Nov. 2020 Senior Executive Officer and Corporate Planning Department Manager of the Company (current position)</p>	7,845 shares
		<p>[Reasons for nomination as a candidate for Director]</p> <p>Shigeki Machida has conducted important operations and decision-making on management as Corporate Planning Department Manager. The Company judged that he can fulfill his role of supervising key management decisions and the execution of business for the Company's sustainable growth and the increase of medium- to long-term corporate value as he has the ability to administer important projects including the formulation of our Medium-Term Management Plan, as well as extensive experience, proven results and wide-ranging insight in sales division. Therefore, the Company proposes his election as Director.</p>	
6	Akio Nitōri (March 5, 1944) Reelection Outside Director Independent Officer	<p>Mar. 1972 Founded NITORI Furniture Wholesale Center Co., Ltd. (currently Nitōri Holdings Co., Ltd.), Senior Managing Director</p> <p>May 1978 Representative Director & President of NITORI Furniture Wholesale Center Co., Ltd.</p> <p>May 2014 Representative Director & Chairperson of Nitōri Co., Ltd. (current position)</p> <p>Feb. 2016 Representative Director & Chairperson (CEO) of Nitōri Holdings Co., Ltd. (current position)</p> <p>May 2016 Outside Director of KOHNAN SHOJI CO., LTD. (current position)</p> <p>May 2017 Director & Senior Advisor of Home Logistics Co., Ltd. (current position)</p> <p> Outside Director of the Company (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Representative Director & Chairperson (CEO) of Nitōri Holdings Co., Ltd.</p> <p>Representative Director & Chairperson of Nitōri Co., Ltd.</p> <p>Director & Senior Advisor of Home Logistics Co., Ltd.</p> <p>Outside Director of KOHNAN SHOJI CO., LTD.</p>	– shares
		<p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles]</p> <p>As Representative Director & Chairperson (CEO) of Nitōri Group's Nitōri Holdings Co., Ltd., Japan's top manufacturer, distribution and retailer of furniture and interior goods, Akio Nitōri has extensive experience, proven results and wide-ranging insight related to corporate management. The Company judged that he can bring an objective viewpoint independent of the management team that executes business and make a large contribution to the running of the Company. Therefore, the Company proposes his election as Outside Director.</p>	

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
7	Kunihiko Yoneda (July 18, 1957) Reelection Outside Director Independent Officer	<p>Apr. 1989 Associate Professor of the Faculty of Commercial Sciences of Hiroshima Shudo University</p> <p>Apr. 2008 Professor of the Faculty of Commercial Sciences of Hiroshima Shudo University (current position)</p> <p>Apr. 2010 Dean of the Faculty of Commercial Sciences of Hiroshima Shudo University</p> <p>May 2015 Outside Director of the Company (current position)</p> <p>(Significant concurrent positions outside the Company) Professor, Faculty of Commercial Sciences, Hiroshima Shudo University</p>	– shares
		<p>[Reasons for nomination as a candidate for Outside Director, reasons for judging the candidate capable of appropriately fulfilling duties, and overview of expected roles]</p> <p>As a university professor specializing in business administration, Kunihiko Yoneda has wide-ranging knowledge and high-level insight in corporate management. The Company judged that he can bring an objective viewpoint independent of the management team that executes business and make a large contribution to the running of the Company. Therefore, the Company proposes his election as Outside Director. He has never been directly involved in the management of a company; however, the Company judged that he would appropriately fulfill his duties as an Outside Director responsible for the supervisory function from the perspective of business administration, which includes corporate governance, for the above reasons.</p>	
8	Naomi Aoyama (May 27, 1966) New election Outside Director Independent Officer	<p>Apr. 1989 Joined Toshiba Corporation</p> <p>Apr. 2000 Joined eLife Inc., General Manager of New Business Development Department</p> <p>June 2004 Established Stylebis Ltd., Representative Director (current position)</p> <p>June 2005 Outside Director of Kenko.com, Inc.</p> <p>June 2012 Retired from Outside Director of Kenko.com, Inc.</p> <p>Mar. 2017 Outside Director of Senshukai Co., Ltd. (current position)</p> <p>(Significant concurrent positions outside the Company) Representative Director of Stylebis Ltd. Outside Director of Senshukai Co., Ltd.</p>	100 shares
		<p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles]</p> <p>After working for Toshiba Corporation and eLife Inc., Naomi Aoyama founded Stylebis Ltd. and is running the business of e-commerce, social media, inbound consulting, and advisory services. She has extensive experience in marketing from the perspective of consumers.</p> <p>She has also served as Outside Director for Kenko.com, Inc., and is currently serving as Outside Director for Senshukai Co., Ltd.</p> <p>Her fields of expertise include (1) introducing and disseminating e-commerce from the perspective of customers; (2) designing communication between businesses and consumers and utilizing social media; and (3) promoting the success of women. The Company expects that she can reflect her advanced and extensive discernment, experience, etc. she has cultivated in our management particularly in areas including strategies for the expansion of digital investment and measures for the success of women in human resource development in our Medium-Term Management Plan for sustainable improvement of corporate value. Therefore, the Company judged that she is a human resource suitable to supervising our business execution and nominated her as a candidate for Outside Director.</p>	

Notes: 1. Between the Company and Nitori Holdings Co., Ltd. and Nitori Co., Ltd., for which Akio Nitori serves as a business executor, there is a business relationship based on a land and building lease contract. However, the amount of this transaction accounts for less than 1.0% of the consolidated net sales. He serves as Outside Director of KOHNAN SHOJI CO., LTD. Although there is a business relationship based on a building lease contract between the Company and KOHNAN SHOJI CO., LTD., the amount of this transaction accounts for less than 1.0% of the consolidated net sales. He is also Director & Senior Advisor of Home Logistics Co., Ltd., which is an affiliate of Nitori Holdings Co., Ltd., but

there is no business relationship between the Company and Home Logistics Co., Ltd. There is no special interest between any other candidates for Director and the Company.

2. Nitori Holdings Co., Ltd., where Akio Nitori serves as Representative Director & Chairperson, swiftly carried out a voluntary recall of some products containing diatomaceous earth sold at group stores as it was discovered that the products contained an amount of asbestos that is above the legal limit. He regularly offered recommendations from the perspectives of the importance of complying with the laws and regulations as well as compliance-oriented management, and after this matter was discovered, he worked in a timely and appropriate manner to reinforce internal control for the removal of all actions linked to legal violations and prevent reoccurrence.
3. Akio Nitori, Kunihiko Yoneda, and Naomi Aoyama are candidates for Outside Director.
4. The Company has entered into limited liability agreements with Akio Nitori and Kunihiko Yoneda under Article 427, paragraph (1) of the Companies Act as provided for in the Articles of Incorporation. If their reelection is approved, the Company plans to renew these agreements. The maximum amount of liability for damages under these agreements is the amount provided for under laws and regulations. In addition, if the election of Naomi Aoyama is approved and adopted, the Company plans to enter into the same limited liability agreement with her.
5. The Company has entered into a directors and officers liability insurance policy with an insurance company, thereby covering losses including shareholder derivative suit that will be assumed by the insured. All the candidates for Director will be included as the insureds in the insurance policy. In addition, the Company plans to renew the insurance policy with the same content upon the next policy renewal.
6. The Company has submitted notification to the Tokyo Stock Exchange that Akio Nitori and Kunihiko Yoneda have been designated as independent officers as provided for by the aforementioned exchange. If they are reelected, the Company plans for their designation as independent officers to continue. If the election of Naomi Aoyama as Director is approved and adopted, the Company will submit notification to the Tokyo Stock Exchange that she has been designated as an independent officer as provided for by the aforementioned exchange.
7. Tenure as Director of the Company (until the conclusion of this General Meeting of Shareholders)
Akio Nitori's tenure since assuming office as Director of the Company will have been four years.
Kunihiko Yoneda's tenure since assuming office as Director of the Company will have been six years.

Proposal No. 3: Election of One Audit & Supervisory Board Member

At the conclusion of this General Meeting of Shareholders, the term of office of Audit & Supervisory Board Member Kuniaki Kawamoto will expire. Therefore, the Company proposes the election of one new Audit & Supervisory Board Member.

In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidate for Audit & Supervisory Board Member is as follows.

Name (Date of birth)	Career summary and position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
<p>Masami Kawanishi (June 20, 1955)</p> <p>New election</p>	<p>Apr. 1978 Joined The Hiroshima Bank, Ltd.</p> <p>July 2006 General Manager of Kanayamacho Branch of The Hiroshima Bank, Ltd.</p> <p>Apr. 2009 Joined the Company, Executive Officer and Finance Department Manager</p> <p>Apr. 2010 Executive Officer, Finance Department Manager and Accounting Department Manager of the Company</p> <p>Oct. 2010 Executive Officer and Administration Controller of the Administration Division of the Company</p> <p>Apr. 2011 Executive Officer, Finance Department Manager, Accounting Department Manager and Corporate Administration Department Manager of the Company</p> <p>Sept. 2016 Finance Department Manager, Accounting Department Manager and Corporate Administration Department Manager of the Company</p> <p>Mar. 2019 Finance Department Manager and Accounting Department Manager of the Company</p> <p>Apr. 2021 Finance and Accounting Department Advisor of the Company (current position)</p>	<p>1,418 shares</p>
<p>[Reasons for nomination as a candidate for Audit & Supervisory Board Member]</p> <p>Masami Kawanishi has served as the head of the finance, accounting, and corporate administration divisions of the Company and its Group companies, and has extensive experience and expertise related to finance, accounting, internal control, and corporate governance. The Company expects that he can contribute to the establishment of the Group's governance system.</p> <p>The Company also judged that he can actively exchange information with and closely cooperate with Outside Audit & Supervisory Board Members and the Financial Auditor by utilizing his experience as the head of the finance and accounting divisions in order to perform highly effective audits.</p>		

- Notes:
1. There is no special interest between the candidate for Audit & Supervisory Board Member and the Company.
 2. Masami Kawanishi is a candidate for Audit & Supervisory Board Member.
 3. If the election of Masami Kawanishi as Audit & Supervisory Board Member is approved and adopted, as provided for in the Articles of Incorporation, and pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company plans to enter into an agreement with him to limit his liability for damages under Article 423, paragraph (1) of the Companies Act. The maximum amount of liability for damages under this agreement is the amount provided for under laws and regulations.
 4. The Company has entered into a directors and officers liability insurance policy with an insurance company, thereby covering losses including shareholder derivative suit that will be assumed by the insured. The candidate for Audit & Supervisory Board Member will be included as the insured in the insurance policy. In addition, the Company plans to renew the insurance policy with the same content upon the next policy renewal.

Proposal No. 4: Payment of Retirement Benefits to Retiring Directors and a Retiring Audit & Supervisory Board Member

Masahiko Honda retired as Director on July 1, 2020, Toyomi Nakamura will retire as Director at the conclusion of this General Meeting of Shareholders due to the expiration of his term of office, and Kuniaki Kawamoto will retire as Audit & Supervisory Board Member at the conclusion of this Meeting due to the expiration of his term of office. The Company would like to pay them a reasonable amount of retirement benefits to reward them for their services during their terms in accordance with the Company's internal rules.

The Company proposes that the specific amount, timing, method, etc., of payment be decided through discussions of the Board of Directors in the case of the retiring Directors, and through discussions of the Audit & Supervisory Board Members in the case of the retiring Audit & Supervisory Board Member.

The reason why it is reasonable to pay the retirement benefits to Masahiko Honda and Toyomi Nakamura is that they have made efforts to improve business performance and corporate value of the Company as executive Directors. The amount of payment has been calculated based on their fixed monthly remuneration, tenure, and positions under the officer regulations.

The career summaries of the retiring Directors and retiring Audit & Supervisory Board Member are as follows.

Name	Career summary	
Masahiko Honda	May 2016 July 2020	Director of the Company Retired by resignation
Toyomi Nakamura	May 2013 Mar. 2019 Mar. 2021	Director of the Company Managing Director of the Company Director of the Company to the present
Kuniaki Kawamoto	May 2005	Full-time Audit & Supervisory Board Member of the Company to the present

Proposal No. 5: Determination of Remuneration for Granting Restricted Shares to Directors (Excluding Outside Directors)

The 57th Annual General Meeting of Shareholders held on May 25, 2018, approved setting the amount of remuneration for Directors of the Company to not more than ¥500 million per annum (including ¥30 million for Outside Directors, not including salaries for employees who also serve as Directors). The Company hereby requests approval for the payment of remuneration for newly granting shares with transfer restrictions (“restricted shares”) to Directors of the Company within the limit of remuneration mentioned above in order to grant them incentives to sustainably improve corporate value of the Company and further promote shared value with shareholders.

The total amount of monetary remuneration to be paid to Directors of the Company (excluding Outside Directors, hereinafter referred to as “Eligible Directors”) for granting restricted shares based on this proposal shall not exceed ¥100 million per annum, the level of amount deemed as reasonable in light of said objectives, within the limit of remuneration mentioned above for Eligible Directors. The specific timing and amount of the payment to each Eligible Director shall be decided by the Board of Directors.

While there are currently seven Directors (including two Outside Directors), there will be eight Directors (including three Outside Directors) if Proposal No. 2 is approved and adopted in its original form.

In addition, Eligible Directors shall provide all of the monetary remuneration claims to be provided under this proposal as property contributed in kind, in accordance with the resolution of the Board of Directors of the Company, and shall receive common shares of the Company that shall be issued or disposed of by the Company. The total number of common shares of the Company to be issued or disposed of thereby shall not exceed 50,000 shares per year (however, on or after the date of approval and adoption of this proposal, if a split (including allotment without contribution) or consolidation of common shares of the Company is conducted, or if there arises other necessity to adjust the total number of common shares of the Company that are to be issued or disposed of as restricted shares, this total number shall be adjusted to the extent reasonable). The paid-in amount per share shall be based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day immediately before each date of resolution by the Board of Directors (if there is no closing price on such date, the closing price on the closest preceding trading day), and determined by the Board of Directors to the extent not particularly favorable to Eligible Directors. For the issuance or disposal of the common shares of the Company, an agreement on allotment of restricted shares that includes the provisions as summarized below (hereinafter referred to as the “Allotment Agreement”) shall be entered into between the Company and each Eligible Director.

- (1) Eligible Directors shall not conduct transfer, creation of a security interest on, or other disposal (hereinafter collectively referred to as “transfer restrictions”) of common shares of the Company allotted under the Allotment Agreement (hereinafter referred to as the “Allotted Shares”) during the period from the date on which the restricted shares are delivered until the date on which they lose the position of Director of the Company and other positions specified by the Board of Directors of the Company (hereinafter referred to as the “Restriction Period”).
- (2) If Eligible Directors lose all the positions mentioned in (1) above before the expiration of the period separately specified by the Board of Directors of the Company (hereinafter referred to as the “Service Period”), the Company shall automatically acquire such Allotted Shares without contribution, unless there are any reasons the Board of Directors deems justifiable.
- (3) The Company shall lift the transfer restrictions on all of the Allotted Shares upon expiration of the Restriction Period, provided that Eligible Directors have remained in any of the positions mentioned in (1) above continuously throughout the Service Period. However, if Eligible Directors lose all the positions specified in (1) above before the expiration of the Service Period due to reasons the Board of Directors of the Company deems justifiable provided in (2) above, the Company shall rationally adjust the number of the Allotted Shares on which the transfer restrictions are to be lifted and the timing of lifting the transfer restrictions as needed.
- (4) The Company shall automatically acquire without contribution the Allotted Shares on which the transfer restrictions have not been lifted at the expiration of the Restriction Period in accordance with the provisions in (3) above.
- (5) Notwithstanding the provisions in (1) above, if, during the Restriction Period, matters relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. are approved at the Company’s General Meeting of Shareholders (or at a meeting of its Board of Directors in cases where approval by the General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company shall lift the transfer restrictions on the Allotted Shares with the number of shares that is reasonably

determined by resolution of the Board of Directors of the Company prior to the date on which the reorganization, etc. becomes effective.

- (6) In cases provided for in (5) above, the Company shall automatically acquire without contribution the Allotted Shares on which the transfer restrictions have not been lifted as of the time immediately after the transfer restrictions were lifted in accordance with the provisions in (5) above.
- (7) Procedures for conveying intentions and notifications concerning the Allotment Agreement, procedures for revising the Allotment Agreement, and other matters specified by the Board of Directors shall be included in the terms and conditions of the Allotment Agreement.

While the Company has decided on the basic policy related to the contents of remuneration, etc. for each Director in the Board of Directors meeting held on February 9, 2021, the grant of the Allotted Shares based on this proposal is in line with this policy, and the amendment of this policy is not planned even if this proposal is approved. In addition, because the paid-in amount of the Allotted Shares is to the extent not particularly favorable as mentioned earlier and the dilution rate is insignificant, the Company judged that the granting of the Allotted Shares is reasonable.

(Reference information)

The Company also plans to introduce a restricted share-based remuneration plan similar to the plan mentioned above for Executive Officers of the Company other than Eligible Directors, provided that this proposal is approved and adopted by this General Meeting of Shareholders.

Proposal No. 6: Final Payment of Retirement Benefits to Directors in Conjunction with Abolition of Retirement Benefit Plan for Officers

As part of the revision of the officer remuneration plan, the Company resolved in the Board of Directors meeting held on February 9, 2021, to abolish the retirement benefit plan for officers at the conclusion of this General Meeting of Shareholders provided that Proposal No. 2 “Election of Eight Directors” and Proposal No. 5 “Determination of Remuneration for Granting Restricted Shares to Directors (Excluding Outside Directors)” are approved and adopted by this General Meeting of Shareholders in their original form.

In conjunction with this, the Company would like to pay retirement benefits to President and Representative Director Yasuaki Yamanishi, Director and Senior Managing Executive Officer and GMS Division Manager Yuichiro Kajihara, Director and Senior Managing Executive Officer and Administration Division Manager Tatsuya Mikamoto, Director and Development Division Manager Hiroshi Kuromoto, Director Akio Nitori, and Director Kunihiko Yoneda, who are during their terms of office, in reasonable amounts corresponding to their respective tenure from the time of assuming the office to the conclusion of this General Meeting of Shareholders in accordance with the Company’s internal rules, in order to reward their services. The Company proposes that the timing of payment be at the time of retirement of each Director, and the specific amount, method, etc., of payment be decided through discussions of the Board of Directors.

This proposal can only take effect after Proposal No. 5 “Determination of Remuneration for Granting Restricted Shares to Directors (Excluding Outside Directors)” is approved and adopted by this General Meeting of Shareholders in its original form.

The reason why it is reasonable to make the final payment of retirement benefits is that Yasuaki Yamanishi, Yuichiro Kajihara, Tatsuya Mikamoto, and Hiroshi Kuromoto have made efforts to improve business performance and corporate value of the Company as executive Directors and that Akio Nitori and Kunihiko Yoneda have appropriately made comments necessary for deliberation of proposals, etc. as Outside Directors from an objective viewpoint independent of the management team that executes business. The amount of payment has been calculated based on their fixed monthly remuneration, tenure, and positions under the officer regulations.

The career summaries of the Directors to whom the final payment is made in conjunction with the abolition of the retirement benefit plan for officers are as follows.

Name	Career summary	
Yasuaki Yamanishi	May 1981	Director of the Company
	May 1982	Managing Director of the Company
	Apr. 1984	Senior Managing Director of the Company
	May 1988	Representative Senior Managing Director of the Company
	May 1991	Deputy President and Representative Director of the Company
	Mar. 1993	President and Representative Director of the Company (current position)
Yuichiro Kajihara	May 2007	Director of the Company
	Mar. 2010	Managing Director of the Company
	May 2013	Senior Managing Director of the Company
	Mar. 2021	Director and Senior Managing Executive Officer of the Company (current position)
Tatsuya Mikamoto	May 2013	Senior Managing Director of the Company
	Mar. 2021	Director and Senior Managing Executive Officer of the Company (current position)
Hiroshi Kuromoto	May 2020	Director of the Company (current position)
Akio Nitori	May 2017	Outside Director of the Company (current position)
Kunihiko Yoneda	May 2015	Outside Director of the Company (current position)

Proposal No. 7: Revision of Remuneration Amount for Audit & Supervisory Board Members

For the amount of remuneration for Audit & Supervisory Board Members of the Company, approval was obtained for an amount not exceeding ¥20 million per annum in the 33rd Annual General Meeting of Shareholders held on May 26, 1994, and this amount has been adopted to the present. However, the Company proposes to revise it to an amount not exceeding ¥50 million per annum, taking into account various reasons such as response to laws and regulations including the amended Companies Act and the Corporate Governance Code, increase of duties to be exercised by Audit & Supervisory Board Members due to expansion of business through the high growth achieved by the Group, and future increase of remuneration and the number of Audit & Supervisory Board Members due to those factors.

The current number of Audit & Supervisory Board Members is three.