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(Securities Code: 7173)
June 6, 2022

To Shareholders with Voting Rights:

Hisanobu Watanabe
President
Tokyo Kiraboshi Financial Group, Inc.
10-43 Minamiaoyama 3-chome,
Minato-ku, Tokyo, Japan

**NOTICE OF CONVOCATION OF
THE 8TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

We are pleased to inform you that the 8th Annual General Meeting of Shareholders of the Tokyo Kiraboshi Financial Group, Inc. (the “Company”) will be held for the purposes as described below.

For this year as well, in light of the situation of the novel coronavirus disease (COVID-19) infection, we strongly encourage our shareholders to refrain from attending the General Meeting of Shareholders, giving top priority to the safety of our shareholders.

Please be informed that the video streaming of the Meeting will be posted on the Company’s website at a later date.

You may exercise your voting rights in writing (by mailing the Voting Rights Exercise Form) or by electromagnetic means (the Internet, etc.). Please review the Reference Documents for the General Meeting of Shareholders described hereinafter and exercise your voting rights by Tuesday, June 21, 2022 at 5:00 p.m. Japan time.

- 1. Date and Time:** Wednesday, June 22, 2022 at 10:00 a.m. Japan time
(Reception starts at 9:00 a.m. Japan time)
- 2. Place:** Conference Room on 8th floor, Head Office of Kiraboshi Bank, Ltd.
10-43 Minamiaoyama 3-chome, Minato-ku, Tokyo, Japan
- 3. Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements, and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the Company’s 8th Fiscal Year (from April 1, 2021 to March 31, 2022)
 2. Non-consolidated Financial Statements for the Company’s 8th Fiscal Year (from April 1, 2021 to March 31, 2022)
 - Proposals to be resolved:**
 - Proposal No. 1:** Partial Amendments to the Articles of Incorporation
(Introduction of the System for Electronic Provision of Materials for General Meetings of Shareholders)
 - Proposal No. 2:** Election of Eight (8) Directors
 - Proposal No. 3:** Election of Four (4) Audit & Supervisory Board Members
 - Proposal No. 4:** Election of One (1) Substitute Audit & Supervisory Board Member
 - Proposal No. 5:** Partial Revision to the Performance-Linked Stock Compensation Plan for Directors

4. Guide to Exercising Voting Rights:

Exercise of Voting Rights by Attending the Meeting

When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

Date and time of the Meeting: Wednesday, June 22, 2022 at 10:00 a.m. Japan time
(Reception starts at 9:00 a.m.)

Exercise of Voting Rights by Mail (Writing)

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that it is received within the period for exercise.

Period for exercise: until 5:00 p.m. on Tuesday, June 21, 2022 Japan time.

Exercise of Voting Rights via the Internet, etc.

Please access the Company's designated voting website (<https://www.e-sokai.jp>) using the "Voting Rights Exercise Code" and "Password" on the enclosed Voting Rights Exercise Form, follow the instructions on the voting website, and indicate your vote for or against the proposals within the period for exercise.

Period for exercise: until 5:00 p.m. on Tuesday, June 21, 2022, Japan time.

(1) Handling of Duplicate Voting

If you vote both in writing and via the Internet, etc., only your vote placed via the Internet will be valid. In addition, if you submit your vote multiple times via the Internet, etc., only the last vote to arrive will be valid.

(2) Internet Disclosure

Of the documents required to be attached to this Notice of Convocation, the "Notes to the Non-consolidated Financial Statements" of the Non-consolidated Financial Statements and the "Notes to the Consolidated Financial Statements" of the Consolidated Financial Statements are, in accordance with laws and regulations as well as Article 18 of the Articles of Incorporation of the Company, posted on the Company's website (<https://www.tokyo-kiraboshifg.co.jp/stock/shareholder.html>) on the Internet and are therefore not included with the documents attached to this Notice of Convocation.

Furthermore, the Non-consolidated Financial Statements and the Consolidated Financial Statements shown in the documents attached to this Notice of Convocation are a part of the documents audited by the Accounting Auditor and the Audit & Supervisory Board Members during preparation of the Accounting Auditor's Report and the Audit & Supervisory Board Member's Report.

End

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- ◎ When attending the meetings, please submit the enclosed Voting Rights Exercise Form at the reception desk. Additionally, to conserve resources, please bring this "Notice of Convocation" with you.
 - ◎ Should revisions arise for the Reference Documents for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements, and Consolidated Financial Statements, updated items will be posted on the Company's website (<https://www.tokyo-kiraboshifg.co.jp/>).
 - ◎ On the day of the meeting, air conditioning shall be set at low levels to conserve electricity; we ask that shareholders come dressed in light attire.
 - ◎ The venue opens at 9:00 a.m.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Partial Amendments to the Articles of Incorporation

(Introduction of the System for Electronic Provision of Materials for General Meetings of Shareholders)

1. Reasons for amendments

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022.

Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.

- (1) The proposed Article 18, Paragraph 1 provides that information contained in the reference documents for the general meeting of shareholders, etc. shall be provided electronically.
- (2) The purpose of the proposed Article 18, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (3) The provisions related to the internet disclosure and deemed provision of the reference documents for the general meeting of shareholders, etc. (Article 18 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

Reference: Electronic provision system

The system for electronic provision of materials for general meeting of shareholders will come into effect on September 1, 2022.

The electronic provision system enables the Company to provide materials for general meeting of shareholders* to shareholders by posting the materials on the Company’s website, etc. and sending shareholders a written notice that states that the materials have been posted on the website, etc. together with the URL for the website, etc.

*Materials for general meeting of shareholders refers to reference documents for the general meeting of shareholders, business report, audit report, non-consolidated financial statements, and consolidated financial statements.

2. Details of amendments

The details of the amendments are as follows.

(Underlined parts are to be amended.)

Current	After Amendments
<p><u>(Internet disclosure and deemed provision of reference documents for the general meeting of shareholders, etc.)</u></p> <p><u>Article 18 The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p> <p><Newly established></p> <p><Newly established></p>	<p><Deleted></p> <p><u>(Measures for electronic provision, etc.)</u></p> <p><u>Article 18 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u></p> <p><u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p> <p><u>(Supplementary provisions)</u></p> <p><u>1. The deletion of Article 18 (Internet disclosure and deemed provision of reference documents for the general meeting of shareholders, etc.) of the current Articles of Incorporation and new establishment of Article 18 (Measures for electronic provision, etc.) currently proposed shall come into effect on the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u></p> <p><u>2. Notwithstanding the provisions of the preceding paragraph, Article 18 of the current Articles of Incorporation shall remain in force with respect to a general meeting of shareholders or class meeting of shareholders to be held on a date within six months from the Effective Date.</u></p> <p><u>3. These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders or class meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Proposal No. 2: Election of Eight (8) Directors

The terms of office of the seven (7) incumbent Directors will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, in order to strengthen group management, the Company proposes to increase the number of Directors by one and elect eight (8) Directors.

The candidates for Director are as follows:

Candidate No.		Name	Current position at the Company
1	Reappointment	Hisanobu Watanabe	President
2	Reappointment	Hidenori Tsunehisa	Deputy President
3	Reappointment	Satoru Nobeta	Senior Managing Director
4	New appointment	Takeshi Miura	
5	Reappointment	Nobuyuki Yasuda	Director
6	Reappointment	Yuki Takahashi	Director, Candidate for Outside Director, Independent Director
7	Reappointment	Shoji Nishio	Director, Candidate for Outside Director, Independent Director
8	Reappointment	Shuya Nomura	Director, Candidate for Outside Director, Independent Director

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Hisanobu Watanabe (Aug. 16, 1962) Reappointment	Apr. 1985 Joined the Tokyo Tomin Bank, Limited Jun. 2011 General Manager of Credit Supervisory Division Jul. 2012 Associate Director and General Manager of Credit Supervisory Division Oct. 2013 Associate Director and General Manager of Credit Management Division Jun. 2014 Executive Officer and General Manager of Credit Management Division Oct. 2014 General Manager of Risk Management Division, Tokyo TY Financial Group, Inc. Jun. 2015 Executive Officer and General Manager of Nihonbashi Branch Office, the Tokyo Tomin Bank, Limited Jul. 2016 General Manager of Sales Strategy Division, Tokyo TY Financial Group, Inc. Executive Officer and General Manager of Business Promotion Division, the Tokyo Tomin Bank, Limited Jun. 2017 Director and General Manager of Sales Strategy Division, Tokyo TY Financial Group, Inc. Director Managing Executive Officer, the Tokyo Tomin Bank, Limited May 2018 Deputy President, in charge of Business Strategy Division, Tokyo Kiraboshi Financial Group, Inc. President, Kiraboshi Bank, Ltd. (current position) Jun. 2020 President, Tokyo Kiraboshi Financial Group, Inc. Apr. 2021 President, in charge of Internal Audit Division and Digital Strategy Division (current position) (to present)	Common stock 3,906 shares
<p>Reasons for selection as a candidate for Director</p> <p>Mr. Hisanobu Watanabe possesses operational experience in the business strategy division, digital strategy division as well as sales- and loan-related divisions, etc. of the Group. He also has a wealth of managerial experience as President of the Company and President of Kiraboshi Bank, Ltd. The Company believes he will contribute to the continuous growth of the Group and mid- to long-term improvement of its corporate value by utilizing his strong skills and broad insight to properly and fairly engage in the management and business operations of the Group. Based on these reasons, he has been selected as a candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	Hidenori Tsunehisa (Feb. 12, 1963) Reappointment	Apr. 1987 Joined The Mitsubishi Bank, Ltd. Nov. 1994 Assistant Vice President of Chicago Branch Feb. 2001 Manager, PricewaterhouseCoopers Consultants Co., Ltd. Apr. 2004 Joined the ShinGinko Tokyo, Limited Apr. 2007 Manager in charge of Planning Group Aug. 2008 Operating Officer Jun. 2009 Executive Officer Jun. 2014 Director Executive Officer Jun. 2015 President and CEO Apr. 2016 Director, Tokyo TY Financial Group, Inc. May 2018 Director, Tokyo Kiraboshi Financial Group, Inc. Senior Managing Director, Kiraboshi Bank, Ltd. Apr. 2021 Director, Tokyo Kiraboshi Financial Group, Inc. Senior Managing Director, General Manager of Business Promotion Headquarters (in charge of Corporate Business Promotion Headquarters), Kiraboshi Bank, Ltd. (current position) Jun. 2021 Deputy President, Tokyo Kiraboshi Financial Group, Inc. Apr. 2022 Deputy President, in charge of Corporate Planning Division and Business Strategy Division (to present)	Common stock 5,769 shares
Reasons for selection as a candidate for Director Mr. Hidenori Tsunehisa possesses operational experience in the corporate planning division, business strategy division, etc. of the Group. He also has a wealth of managerial experience as Deputy President of the Company and Senior Managing Director of Kiraboshi Bank, Ltd. The Company believes he will contribute to the continuous growth of the Group and mid- to long-term improvement of its corporate value by utilizing his strong skills and broad insight to properly and fairly engage in the management and business operations of the Group. Based on these reasons, he has been selected as a candidate for Director.			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Satoru Nobeta (Aug. 24, 1960) Reappointment	Apr. 1984 Joined the Industrial Bank of Japan, Limited Apr. 2002 Deputy General Manager of Operation Planning Department, Mizuho Bank, Ltd. Jul. 2003 Deputy General Manager of Corporate Planning Department Apr. 2007 Deputy General Manager of Compliance Administration Department, Mizuho Corporate Bank, Ltd. Apr. 2010 General Manager of Asset Audit Department Apr. 2012 General Manager of International Division, the Tokyo Tomin Bank, Limited (seconded from Mizuho Corporate Bank, Ltd.) Apr. 2013 Joined the Tokyo Tomin Bank, Limited General Manager of International Division Jun. 2014 Director, Executive Officer and General Manager of Operations Administration Division Apr. 2016 Managing Director Jun. 2016 Director, Tokyo TY Financial Group, Inc. Jun. 2017 Senior Managing Director, the Tokyo Tomin Bank, Limited May 2018 Director, Tokyo Kiraboshi Financial Group, Inc. Jun. 2018 Full-time Audit & Supervisory Board Member Jun. 2020 Senior Managing Director Jan. 2021 Director Executive Officer, Kiraboshi Bank, Ltd. Jun. 2021 Director Senior Managing Executive Officer (current position) Apr. 2022 Senior Managing Director, Tokyo Kiraboshi Financial Group, Inc., in charge of Risk Management Division and Partnership Promotion Division (current position) (to present)	Common stock 5, 118 shares
<p>Reasons for selection as a candidate for Director</p> <p>Mr. Satoru Nobeta possesses operational experience in the risk management division, partnership promotion division, etc. of the Group. He also has a wealth of managerial experience as Senior Managing Director and full-time Audit & Supervisory Board Member of the Company and Director of Kiraboshi Bank, Ltd. The Company believes he will contribute to the continuous growth of the Group and mid- to long-term improvement of its corporate value by utilizing his strong skills and broad insight to properly and fairly engage in the management and business operations of the Group. Based on these reasons, he has been selected as a candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	Takeshi Miura (Nov. 22, 1962) New appointment	<p>Apr. 1985 Joined the Tokyo Tomin Bank, Limited</p> <p>Oct. 2010 General Manager of Tamagawagakuen Branch Office</p> <p>Jul. 2012 Associate Director and Joint General Manager of Human Resources Division</p> <p>Jul. 2013 Associate Director and General Manager of Corporate Planning Division</p> <p>Jun. 2014 Executive Officer, General Manager of Corporate Planning Division</p> <p>Oct. 2014 General Manager of Corporate Planning Division, Tokyo Kiraboshi Financial Group, Inc.</p> <p>Jan. 2016 General Manager of Merger Preparatory Office</p> <p>Jun. 2017 Director Managing Executive Officer, the Tokyo Tomin Bank, Limited</p> <p>May 2018 Managing Director of Kiraboshi Bank, Ltd. General Manager of System Integration Preparatory Office and Merger Preparatory Office, Tokyo Kiraboshi Financial Group, Inc.</p> <p>Jul. 2018 Joint General Manager of System Integration Preparatory Office</p> <p>Jun. 2021 Director Senior Executive Officer, Kiraboshi Bank, Ltd. (current position) Senior Managing Director, Kiraboshi Life Design Securities Co., Ltd. (current position) (to present)</p>	Common stock 3,824 Shares
<p>Reasons for selection as a candidate for Director</p> <p>Mr. Takeshi Miura possesses operational experience in the human resource division, public relations division as well as market division, etc. of the Group. He also has a wealth of managerial experience as Director of Kiraboshi Bank, Ltd. The Company believes he will contribute to the continuous growth of the Group and mid- to long-term improvement of its corporate value by utilizing his strong skills and broad insight to properly and fairly engage in the management and business operations of the Group. Based on these reasons, he has been selected as a candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	Nobuyuki Yasuda (May 27, 1964) Reappointment	<p>Apr. 1988 Joined Yachiyo Shinkin Bank</p> <p>Apr. 2010 General Manager of Corporate Planning Division, the Yachiyo Bank, Limited</p> <p>Oct. 2014 General Manager of Group Strategy Division, Tokyo TY Financial Group, Inc. General Manager of Corporate Planning Division, in charge of Tokyo TY FG, the Yachiyo Bank, Limited</p> <p>Jan. 2016 General Manager of Merger Preparatory Office, Tokyo TY Financial Group, Inc.</p> <p>Apr. 2016 Executive Officer, General Manager of Corporate Planning Division, in charge of Tokyo TY FG, the Yachiyo Bank, Limited</p> <p>Apr. 2017 General Manager of Corporate Planning Division, General Manager of Merger Preparatory Office, Tokyo TY Financial Group, Inc. Executive Officer, General Manager of Corporate Planning Division, the Yachiyo Bank, Limited</p> <p>Jun. 2017 Director Executive Officer, General Manager of Corporate Planning Division, the Yachiyo Bank, Limited</p> <p>May 2018 Director Executive Officer, Kiraboshi Bank, Ltd. General Manager of Merger Preparatory Office, Tokyo Kiraboshi Financial Group, Inc.</p> <p>Jul. 2018 Director Executive Officer, General Manager of Shinjuku Head Office Sales Division, Kiraboshi Bank, Ltd.</p> <p>Oct. 2018 Director Executive Officer, General Manager of Shinjuku Head Office Sales Division, General Manager of Higashi-Shinjuku Branch and Nishi-Ohkubo Branch, Kiraboshi Bank, Ltd.</p> <p>Apr. 2020 General Manager of Corporate Planning Division, Tokyo Kiraboshi Financial Group, Inc. Director Executive Officer, General Manager of Corporate Planning Division, Kiraboshi Bank, Ltd.</p> <p>Jun. 2020 Director Managing Executive Officer, General Manager of Corporate Planning Division, Kiraboshi Bank, Ltd.</p> <p>Jun. 2021 Director and General Manager of Corporate Planning Division, Tokyo Kiraboshi Financial Group, Inc. (current position) Director Managing Executive Officer, Kiraboshi Bank, Ltd. (current position) (to present)</p>	Common stock 1,964 shares
<p>Reasons for selection as a candidate for Director</p> <p>Mr. Nobuyuki Yasuda possesses operational experience in the corporate planning division, experience as General Manager of branches, etc. of the Group. He also has a wealth of managerial experience as Director of the Company and Director of Kiraboshi Bank, Ltd. The Company believes he will contribute to the continuous growth of the Group and mid- to long-term improvement of its corporate value by utilizing his strong skills and broad insight to properly and fairly engage in the management and business operations of the Group. Based on these reasons, he has been selected as a candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	Yuki Takahashi (Apr. 25, 1969) Reappointment Candidate for Outside Director Independent Director	Dec. 2003 Joined Bears Co., Ltd. Senior Managing Director Jul. 2009 Director, The Tokyo New Business Conference Aug. 2013 Vice Chairman, Zenkoku Kaji Daiko Service Association Oct. 2016 Vice President and Director, Bears Co., Ltd. (current position) Jun. 2017 Outside Director, Tokyo TY Financial Group, Inc. Apr. 2018 Vice Chairman, The Tokyo New Business Conference (current position) May 2018 Outside Director, Tokyo Kiraboshi Financial Group, Inc. (current position) Apr. 2019 Chairman, National Housekeeping Service Association (current position) (to present)	Common stock — shares
Reasons for selection as a candidate for Outside Director and outline of expected role Ms. Yuki Takahashi has served as a corporate manager of a housekeeping services provider, and due to her wealth of experience, including regarding the promotion of women's participation and advancement in the workplace, lifestyle reform and creation of new businesses, she also holds key positions at various organizations. The Group has concluded that her knowledge can be reflected to improve the Group's products and services, and therefore she has been selected as a candidate for Outside Director.			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	Shoji Nishio (May 13, 1952) Reappointment Candidate for Outside Director Independent Director	Mar. 1978 Joined The Tokyo Chamber of Commerce and Industry Apr. 2006 General Manager of SMEs Regeneration Assistance Division Apr. 2009 General Manager of SMEs Division Dec. 2010 Executive Director Status, General Manager of SMEs Division Apr. 2012 Executive Director, General Manager of SMEs Division Dec. 2013 Executive Director, Head of Secretariat Jun. 2016 Managing Director Jun. 2016 Outside Audit & Supervisory Board Member, TOKYO FOOTBALL CLUB Co., Ltd. May 2019 Outside Audit & Supervisory Board Member, WORLD TRADE CENTER BUILDING, INC. (current position) Jun. 2019 Outside Director, Tokyo Kiraboshi Financial Group, Inc. (current position) Jun. 2020 Outside Member of the Board, Tokyo Big Sight Inc. Apr. 2021 Associate Advisor, The Tokyo Chamber of Commerce and Industry (current position) (to present)	Common stock — shares
Reasons for selection as a candidate for Outside Director and outline of expected role Mr. Shoji Nishio has held the positions as Managing Director, General Manager of SMEs Regeneration Assistance Division and General Manager of SMEs Division at The Tokyo Chamber of Commerce and Industry. He has a wealth of experience in management consultation, regeneration assistance, business succession, etc. for small and medium enterprises. The Group has concluded that his knowledge can be utilized in business management support to the Group's transaction partners and for measures to improve services, and therefore he has been selected as a candidate for Outside Director.			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
8	Shuya Nomura (April 12, 1962) New appointment Candidate for Outside Director Independent Director	Apr. 1989 Full-time Lecturer, Department of Law, Seinan-gakuin University	Common stock — shares
		Apr. 1992 Assistant Professor, Department of Law, Seinan-gakuin University	
		Apr. 1998 Professor, Faculty of Law, Chuo University	
		Apr. 2004 Professor, Graduate School of Law, Chuo University (current position) Registered as attorney-at-law (Daini Tokyo Bar Association) Attorney, Mori Hamada & Matsumoto (current position)	
		Jun. 2014 Outside Director, Mitsubishi UFJ Trust and Banking Corporation	
		Jun. 2016 Outside Director, Audit and Supervisory Committee Member, Mitsubishi UFJ Trust and Banking Corporation (current position)	
		Jun. 2021 Outside Director, Tokyo Kiraboshi Financial Group, Inc. (current position) (to present)	
Reasons for selection as a candidate for Outside Director and outline of expected role Mr. Shuya Nomura has specialized knowledge as a professor of a graduate school and also engages in corporate legal affairs as an attorney. As he also held a number of various positions in public service, and possesses extensive insight and abundant experience. The Group has concluded that his knowledge can be utilized for the overall management of the Group, and therefore he has been selected as a candidate for Outside Director.			

(Notes)

- There are no special conflicts of interest between the Company and the candidates for Director.
- The number of shares of the Company held by each candidate for Director is the number of shares as of the end of the current fiscal year (March 31, 2022). This number includes their portions of shares held by the Tokyo Kiraboshi Financial Group Officers Shareholding Association.
- Ms. Yuki Takahashi, Mr. Shoji Nishio and Mr. Shuya Nomura are candidates for Outside Director.
- The terms of office of Ms. Yuki Takahashi, Mr. Shoji Nishio and Mr. Shuya Nomura as Outside Director will be five (5) years, three (3) years and one (1) year, respectively, at the conclusion of this Annual General Meeting of Shareholders.
- Liability limitation agreements with Outside Directors
Liability limitation agreements have been concluded with Ms. Yuki Takahashi, Mr. Shoji Nishio and Mr. Shuya Nomura, and if they are reappointed as Outside Directors, these agreements will remain effective. A summary of the liability limitation agreements is as follows.
 - Summary of liability limitation agreements
Stipulations are included in the Articles of Incorporation, which allow for the conclusion of liability limitation agreements with Non-executive Directors and Audit & Supervisory Board Members to limit their liability for damages of Article 423, Paragraph 1 of the Companies Act, and the limit of liability under these agreements is the liability amount stipulated by laws and regulations.
- The Company has concluded a directors and officers liability insurance contract with an insurance company. The insurance contract covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability. If each candidate is appointed as Director, all of them will be covered as the insured under the insurance contract. The Company plans to renew the insurance contract with the same contents at the next renewal.
- The Group received consulting services on management from Mr. Shuya Nomura from October 2020 to June 2021 concerning the formulation of the Medium-term Business Plan, and has paid consultation fees of less than 5 million yen per annum. In addition, Kiraboshi Bank, Ltd., a subsidiary bank of the Company, receives advice on legal affairs from Mori Hamada & Matsumoto to which Mr. Shuya Nomura belongs, and pays legal fees in small amounts. However, combining with the fees paid to him, the total amounts are less than 10 million yen per annum, which accounts for less than 1% of net sales of both Kiraboshi Bank, Ltd. and Mori Hamada & Matsumoto, respectively. Therefore, it has been judged that he is independent from management of the Company.
- Ms. Yuki Takahashi, Mr. Shoji Nishio and Mr. Shuya Nomura fulfill the “Standards of independence regarding Outside Officers” defined by the Company, and the Company has registered them as Independent Directors as defined by Article 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc. If they are elected as Outside Directors, they will continue to be Independent Directors.

Proposal No. 3: Election of Four (4) Audit & Supervisory Board Members

The terms of office of the four (4) incumbent Directors will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of four (4) Audit & Supervisory Board Member is proposed.

Additionally, this proposal has received approval from the Audit & Supervisory Board.

The candidates for Director are as follows:

Candidate No.		Name	Current position at the Company	
1	New appointment	Katsuya Tsuboi		
2	New appointment	Hideki Uchida		
3	Reappointment	Nobuko Inaba	Audit & Supervisory Board Member	Candidate for Outside Audit & Supervisory Board Member, Independent Director
4	Reappointment	Kayo Todo	Audit & Supervisory Board Member	Candidate for Outside Audit & Supervisory Board Member, Independent Director

No.	Name (Date of birth)	Past experience, positions, and significant concurrent positions	Number of shares of the Company held
1	Katsuya Tsuboi (Jan. 23, 1961) New appointment	Apr. 1984 Joined the Sanwa Bank, Limited (current MUFG Bank, Ltd.) Mar. 2005 Joined MBIA Japan Limited, Director Oct. 2008 Joined Atradius Crédito y Caución S.A. de Seguros y Reaseguros Japan Branch, General Manager of Credit Department Feb. 2010 Joined Moody's Analytics Japan, Inc. Director (Training Services) May 2010 Joined Citibank Japan Limited, General Manager of Credit Department, Risk Management Division Jun. 2012 Joined the ShinGinko Tokyo, Limited, General Manager of Credit Division, Credit Headquarters Jan. 2016 Executive Officer, General Manager of Risk Management Division and General Manager of Asset Assessment Office, Risk Management Division May 2018 General Manager of Risk Management Division, Tokyo Kiraboshi Financial Group, Inc. Executive Officer, General Manager of Risk Management Division, Kiraboshi Bank, Ltd. Apr. 2020 General Manager of Risk Management Division, Tokyo Kiraboshi Financial Group, Inc. General Manager of Risk Management Division, Kiraboshi Bank, Ltd. Jun. 2020 Full-time Audit & Supervisory Board Member, Kiraboshi Bank, Ltd. Dec. 2021 Audit & Supervisory Board Member, Kiraboshi Bank, Ltd. (current position) Full-time Audit & Supervisory Board Member, UI Bank Co., Ltd. (current position) (to present)	Common stock 1,845 shares
<p>Reasons for selection as a candidate for Audit & Supervisory Board Member</p> <p>Mr. Katsuya Tsuboi possesses operational experience in the risk division, etc. of the Group. He also has extensive operational knowledge and abundant experience as Full-time Audit & Supervisory Board Member of Kiraboshi Bank, Ltd. and Full-time Audit & Supervisory Board Member of UI Bank Co., Ltd. The Company believes he will contribute to the healthy and continuous growth of the Group by utilizing his broad insight to ensure the integrity and appropriateness of the management of the Group. Based on these reasons, he has been selected as a candidate for Audit & Supervisory Board Member.</p>			

No.	Name (Date of birth)	Past experience, positions, and significant concurrent positions	Number of shares of the Company held
2	Hideki Uchida (Nov. 7, 1962) New appointment	Apr. 1987 Joined Yachiyo Shinkin Bank Apr. 2013 General Manager of Atsugi Branch, the Yachiyo Bank, Limited Apr. 2014 General Manager of Human Resources Division Jun. 2017 Executive Officer, General Manager of Human Resources Division May 2018 Executive Officer, General Manager of Human Resources Division, Kiraboshi Bank, Ltd. Apr. 2020 Executive Officer, General Manager of Shinjuku Head Office Sales Division, General Manager of Higashi-Shinjuku Branch and Nishi-Ohkubo Branch Apr. 2022 Advisor (current position) (to present)	Common stock 1,176 shares
<p>Reasons for selection as a candidate for Audit & Supervisory Board Member</p> <p>Mr. Hideki Uchida possesses operational experience in the human resource division, experience as General Manager of branches, etc. of the Group. He also has extensive operational knowledge. The Company believes he will contribute to the healthy and continuous growth of the Group by utilizing his broad insight to ensure the integrity and appropriateness of the management of the Group. Based on these reasons, he has been selected as a candidate for Audit & Supervisory Board Member.</p>			

No.	Name (Date of birth)	Past experience, positions, and significant concurrent positions	Number of shares of the Company held
3	Nobuko Inaba (Sep. 28, 1966) Reappointment Candidate for Outside Audit & Supervisory Board Member Independent Director	Oct. 1993 Joined Century Audit Corporation (currently Ernst & Young ShinNihon LLC) Jul. 1999 Transferred to Banking Inspection Department, Financial Supervisory Agency (currently Inspection Bureau, Financial Services Agency) Jul. 2001 Reinstated to ShinNihon Audit Corporation (currently Ernst & Young ShinNihon LLC) Oct. 2005 Opened Inaba C.P.A. Office Jul. 2007 Established PAS Co., Ltd. (currently Hayabusa Consulting Co., Ltd.) President, PAS Co., Ltd.(current position) Nov. 2010 Established Hayabusa Audit Corporation Senior Partner, Hayabusa Audit Corporation (current position) Jun. 2014 Outside Corporate Auditor, the Yachiyo Bank, Limited Outside Director, THE TOWA BANK, LTD. (current position) Oct. 2014 Outside Corporate Auditor, Tokyo TY Financial Group, Inc. Dec. 2014 Senior Partner, HAYABUSA Tax Corporation (current position) May 2018 Outside Corporate Auditor, Tokyo Kiraboshi Financial Group, Inc. (current position) Jun. 2019 Outside Corporate Auditor, DeNA Co., Ltd. (current position) Jun. 2021 Outside Audit & Supervisory Board Member, Kanematsu Corporation (current position) Jul. 2021 Senior Partner, Yasumori Accounting Firm (current position) (to present)	Common stock — shares
Reasons for selection as a candidate for Outside Audit & Supervisory Board Member As the Company expects Ms. Nobuko Inaba to reflect her advanced expertise as a certified public accountant and a wealth of insight in management as a corporate manager in the auditing structure of the Group, she has been selected as a candidate for Outside Audit & Supervisory Board Member.			

No.	Name (Date of birth)	Past experience, positions, and significant concurrent positions	Number of shares of the Company held
4	Kayo Todo (May 4, 1970) Reappointment Candidate for Outside Audit & Supervisory Board Member Independent Director	Apr. 1997 Registered as attorney-at-law (Dai-Ichi Tokyo Bar Association) Joined KOHWA SOHGOH LAW OFFICES	Common stock — shares
		Jan. 2002 Partner, KOHWA SOHGOH LAW OFFICES (current position)	
		Oct. 2008 Civil Conciliator, Tokyo District Court (part-time judge)	
		Oct. 2014 Outside Corporate Auditor, Tokyo TY Financial Group, Inc.	
		Jun. 2015 Outside Corporate Auditor, JAPAN POST TRANSPORT Co., Ltd. (current position)	
		Jun. 2017 Outside Director, GMO CLICK Holdings, Inc. (currently GMO Financial Holdings, Inc.) (current position)	
		May 2018 Outside Corporate Auditor, Tokyo Kiraboshi Financial Group, Inc. (current position) (to present)	
<p>Reasons for selection as a candidate for Outside Audit & Supervisory Board Member</p> <p>Ms. Kayo Todo has been performing her duties as a partner of a law office. As the Company expects her to conduct objective and neutral audits on legality of management execution, etc. from her professional perspective as an attorney-at-law, she has been selected as a candidate for Outside Audit & Supervisory Board Member.</p>			

(Notes)

1. There are no special conflicts of interest between the Company and the candidates for Audit & Supervisory Board Member.
2. The number of shares of the Company held by each candidate for Audit & Supervisory Board Member is the number of shares as of the end of the current fiscal year (March 31, 2022). This number includes their portions of shares held by the Tokyo Kiraboshi Financial Group Officers Shareholding Association.
3. Ms. Nobuko Inaba and Ms. Kayo Todo are candidates for Outside Audit & Supervisory Board Member.
4. The terms of office of Ms. Nobuko Inaba and Ms. Kayo Todo as Outside Audit & Supervisory Board Members will be seven (7) years and nine (9) months respectively at the conclusion of this Annual General Meeting of Shareholders.
5. Liability limitation agreements with Outside Audit & Supervisory Board Member
Liability limitation agreements have been concluded with Ms. Nobuko Inaba and Ms. Kayo Todo, and if they are reappointed as Outside Audit & Supervisory Board Members, these agreements will remain effective. A summary of the liability limitation agreements is as follows.
 - Summary of liability limitation agreements
Stipulations are included in the Articles of Incorporation, which allow for the conclusion of liability limitation agreements with Non-executive Directors and Audit & Supervisory Board Members to limit their liability for damages of Article 423, Paragraph 1 of the Companies Act, and the limit of liability under these agreements is the liability amount stipulated by laws and regulations.
6. The Company has concluded a directors and officers liability insurance contract with an insurance company. The insurance contract covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability. If each candidate is appointed as Audit & Supervisory Board Member, all of them will be covered as the insured under the insurance contract. The Company plans to renew the insurance contract with the same contents at the next renewal.
7. Kiraboshi Bank, Ltd., a subsidiary bank of the Company, has concluded individual contracts with attorneys who belong to KOHWA SOHGOH LAW OFFICES (the law office at which Ms. Todo works) other than Ms. Todo, to receive legal advice on business matters as necessary, and Kiraboshi Bank, Ltd. pays legal fees to such individual attorneys. However, there is no contractual relationship for legal services between Kiraboshi Bank, Ltd. and the law office as well as Ms. Todo, and Kiraboshi Bank, Ltd. does not pay any legal fees to the law office and Ms. Todo. Therefore, it has been judged that she is independent from management of the Company.
8. Ms. Nobuko Inaba and Ms. Kayo Todo fulfill the “Standards of independence regarding Outside Officers” defined by the Company, and the Company has registered them as Independent Directors as defined by Article 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc. If they are elected as Outside Audit & Supervisory Board Member, they will continue to be Independent Directors.

Proposal No. 4: Election of One (1) Substitute Audit & Supervisory Board Member

The effect of the election of Mr. Kenji Endo, who was elected as Substitute Audit & Supervisory Board Member at the Annual General Meeting of Shareholders held on June 29, 2021, will expire at the beginning of this Annual General Meeting of Shareholders. Accordingly, the election of one (1) Substitute Outside Audit & Supervisory Board Member is proposed to prepare for the case where the number of Audit & Supervisory Board Members falls below the number required by law.

Additionally, this proposal has received approval from the Audit & Supervisory Board.

The candidate for Substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Past experience, positions, and significant concurrent positions	Number of shares of the Company held
Kenji Endo (May 5, 1965) Reappointment Candidate for Substitute Audit & Supervisory Board Member Independent Auditor	Mar. 1998 Completed at Training and Research Institute for Court Officials, Supreme Court Apr. 1998 Registered as attorney-at-law (Tokyo Bar Association) Mar. 1999 Joined ISHIHARA LAW OFFICE Jan. 2008 Opened ENDO LAW OFFICE (to present)	Common stock — shares

Reasons for selection as a candidate for Substitute Outside Audit & Supervisory Board Member
Mr. Kenji Endo has a wealth of experience and specialized knowledge as an attorney, and is well versed in corporate law, and the Company has determined that he would appropriately be able to execute the duties of Outside Audit & Supervisory Board Member. Additionally, to enable him to reflect his specialized knowledge in the Company's auditing, the Company has selected him as a candidate for Substitute Outside Audit & Supervisory Board Member.

(Notes)

- The Board of Directors may resolve to cancel the election with the consent of the Audit & Supervisory Board only before the candidate assumes office.
- There are no special conflicts of interest between the Company and the candidate for Substitute Outside Audit & Supervisory Board Member.
- Mr. Kenji Endo is a candidate for Substitute Outside Audit & Supervisory Board Member.
- Liability limitation agreements with Substitute Outside Audit & Supervisory Board Members
If Mr. Kenji Endo is appointed as Outside Audit & Supervisory Board Member, the Company plans to conclude a liability limitation agreement with him. A summary of the liability limitation agreements is as follows.
 - Summary of liability limitation agreements
Stipulations are included in the Articles of Incorporation which allow for the conclusion of liability limitation agreements with Non-executive Directors and Audit & Supervisory Board Members to limit their liability for damages of Article 423, Paragraph 1 of the Companies Act, and the limit of liability under these agreements is the liability amount stipulated by laws and regulations.
- The Company has concluded a directors and officers liability insurance contract with an insurance company. The insurance contract covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability. If Mr. Kenji Endo is appointed as Outside Audit & Supervisory Board Member, he will be covered as the insured under the insurance contract. The Company plans to renew the insurance contract with the same contents at the next renewal.
- Mr. Kenji Endo fulfills the "Standards of independence regarding Outside Officers" defined by the Company, and if he is appointed as Outside Audit & Supervisory Board Member, the Company plans to register him as Independent Director as defined by Article 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

[Reference] Skill Matrix of Candidates for Director and Audit & Supervisory Board Member

The Company selects candidates for Director who have excellent character, insight, ability, and abundant experience. The Company ensures the overall balance and diversity of the Board of Directors by appointing individuals from various backgrounds without distinguishing between gender, nationality, age, or other factors, from the perspective of contributing to the mid- to long-term improvement of the Group's corporate value and achieving its management strategy (Medium-Term Business Plan).

The Company selects candidates for Audit & Supervisory Board Member who have excellent character, insight, ability, abundant experience and high ethical standards, as well as the necessary knowledge of finance, accounting and legal affairs.

The Company believes that the knowledge, experience, and abilities that the Board of Directors should have in order to achieve the Group's Medium-Term Business Plan differ regarding some of the skills required of internal and outside officers, and has established the following eight skill items for internal and outside officers, respectively. When appointing Directors, the Company bases its considerations on ensuring a combination of Directors with diverse knowledge and backgrounds, in order to make important decisions concerning the Company's mid- to long-term management direction and business strategies, and to ensure a high level of supervision of effectiveness.

■ Internal Officers

Name	Position at the Company	Skill category							
		Corporate management	Sales/ Marketing	Risk management/ Compliance	Finance/ Accounting	IT/ Systems/ DX	Sustainability	Human resource strategy	Markets
Hisanobu Watanabe	President	•	•	•	•	•	•	•	
Hidenori Tsunehisa	Deputy President	•	•		•	•	•	•	•
Satoru Nobeta	Senior Managing Director	•		•	•	•			•
Takeshi Miura	Director	•			•	•		•	•
Nobuyuki Yasuda	Director	•			•				
Katsuya Tsuboi	Full-time Audit & Supervisory Board Member	•		•	•				•
Hideki Uchida	Audit & Supervisory Board Member	•						•	

■ Outside Officers

Name	Position at the Company	Skill category							
		Corporate management	Local economy/ Government	Legal affairs	Finance/ Accounting	IT/ Systems/ DX	Sustainability	Human resource strategy	Markets
Yuki Takahashi	Outside Director	•				•		•	
Shoji Nishio	Outside Director	•	•				•	•	
Shuya Nomura	Outside Director	•		•	•				
Nobuko Inaba	Outside Audit & Supervisory Board Member	•			•				•
Kayo Todo	Outside Audit & Supervisory Board Member	•		•					

(Note) The above matrix does not represent all the knowledge and experience possessed by each individual.

(Reference)

1. Qualifications and nomination/dismissal procedures for candidates for Director and CEO and candidates for Audit & Supervisory Board Member

The Company has voluntarily established a “Nomination and Compensation Council” chaired by an Outside Director and composed of a majority of Outside Directors as an advisory body with the intent of securing objectivity and transparency regarding personnel matters and remuneration of Directors. The Company has put in place a system and procedures where selection and dismissal of Directors, amounts of remuneration for Directors, etc., including performance-linked compensation plan, are considered in the “Nomination and Compensation Council,” and based on the consideration, personnel matters of and remuneration for Directors are determined by the Board of Directors of the Company.

(1) Qualifications for Directors and CEO as well as Audit & Supervisory Board Members

- 1) Directors of the Company and subsidiary banks must be a person with superior personality, insights, abilities, wealth of experience, and high ethics.
- 2) CEO of the Company and subsidiary banks is selected from among Directors as a person who can appropriately fulfill the duties and responsibilities as CEO.
- 3) Audit & Supervisory Board Members of the Company and subsidiary banks must be a person with necessary knowledge of finance, accounting and legal affairs in addition to superior personality, insights, abilities, wealth of experience, and high ethics.

(2) Nomination procedures for Directors and CEO as well as Audit & Supervisory Board Members

- 1) Candidates for Director of the Company are fairly, transparently, and stringently considered in the “Nomination and Compensation Council,” and are determined by deliberation of the Board of Directors of the Company based on the results of this consideration.
- 2) Candidates for Director of the subsidiary banks are fairly, transparently, and stringently considered in the “Nomination and Compensation Council,” and are determined by deliberation of the Board of Directors of each subsidiary bank based on the results of this consideration.
- 3) CEO of the Company and the subsidiary banks is fairly, transparently, and stringently considered in the “Nomination and Compensation Council” from among Directors of each company based on the qualifications for CEO, and is determined by deliberation of the Board of Directors of the Company or each subsidiary bank based on the results of this consideration.
- 4) Candidates for Audit & Supervisory Board Member of the Company are recommended by the Board of Directors of the Company, and candidates are selected upon receiving approval from the Audit & Supervisory Board of the Company.
- 5) Candidates for Audit & Supervisory Board Member of the subsidiary banks are recommended by the Board of Directors of each subsidiary bank, and candidates are selected upon receiving approval from the Audit & Supervisory Board of each subsidiary bank.

(3) Dismissal procedures for Directors and CEO

- 1) Proposal for dismissal of Directors of the Company and the subsidiary banks is fairly, transparently, and stringently considered in the “Nomination and Compensation Council” based on the below standards of dismissal, and is determined by deliberation of the Board of Directors of each company based on the results of this consideration.
<Standards in dismissal of Directors >
 - i) In the case where a Director has committed, or has been recognized to commit, an act that violates public order and morality, including the case where a Director is recognized to have a relationship with antisocial forces
 - ii) In the case where a Director has violated laws and regulations or the Articles of Incorporation or other regulations of the Group, and has significantly damaged corporate value of the Group.
 - iii) In the case where significant interference has occurred in the execution of duties.
 - iv) In the case where a Director is considered to lack a qualification stipulated in the qualifications for Director.
- 2) Proposal for dismissal of CEO of the Company and the subsidiary banks is fairly, transparently, and stringently considered, in principle, in the “Nomination and Compensation Council” based on the standards in dismissal of Directors, and is determined by deliberation of the Board of Directors of each company.

(4) Summary of advisory results of selection and dismissal of candidates

When the “Nomination and Compensation Council” conducts consideration of election and dismissal of candidates for Director and CEO, meeting members will directly assess each subject personnel as required, as well as summarize the consideration results upon utilization of the internal evaluation documents, etc., of the subsidiary banks.

2. Standards of independence regarding Outside Officers

The Group determines independence regarding Outside Directors and Outside Audit & Supervisory Board Members based on the following standards.

1. (1) The person is not an Executive Director, Executive Officer, or a manager or other employee (collectively hereinafter the “Business Executors, etc.”) of the Group, and was not a Business Executor, etc., of the Group within 10 years prior to appointment.
However, for candidates for Outside Audit & Supervisory Board Member, the requirement of not having been a Non-executive Director (Note 1) of the Group within 10 years prior to appointment is added.
 - (2) For Outside Directors that were Non-executive Directors or Audit & Supervisory Board Members of the Group within 10 years prior to appointment, these persons must not have been a Business Executors, etc., of the Group within 10 years prior to appointment to that position.
For Outside Audit & Supervisory Board Members that were Audit & Supervisory Board Members of the Group within 10 years prior to appointment, these persons must not have been Business Executors, etc., or Non-executive Directors within 10 years prior to appointment to that position.
 - (3) The person is not a spouse or a relative to within the second degree of an Officer, etc. (Note 2), manager or other important employee (excluding those who are Officers, etc.)
 2. The person is not a major shareholder (Note 3) of the Company or an Officer, etc., or employee (excluding those who are Officers, etc.) of a company of which the Group is a major shareholder.
 3. (1) The person does not hold the Group as a major transaction partner (Note 4) and is not the parent company or a significant subsidiary, and if that person is a company, is not a Business Executor, etc., of said company and was not a Business Executor, etc., within the past three years.
 - (2) The person is not a major transaction partner of the Group and is not the parent company or a significant subsidiary, and if that person is a company, is not a Business Executor, etc., of said company and was not a Business Executor, etc., within the past three years.
 - (3) The person is not an employee, etc., of an organization that receives donations, etc., over a certain amount (an average of 10 million yen per annum for the past three years or 30% of average annual expenses of said organization, whichever is higher) from the Group.
 4. The person is not an Officer, etc., of a company, parent company of said company, or subsidiary of said company that receives Officers, etc., from the Group.
 5. The person is not the Accounting Auditor of the Group or an employee, etc., of said Accounting Auditor and was not responsible for the audit operations of the Group within the past three years as said employee, etc.
 6. The person is an attorney, certified public accountant, or other consultant, etc., who has not received more than an average of 10 million yen per annum for the past three years aside from officer remuneration in cash or other property as profit from the Group. Additionally, the person is not an employee, etc., of an advisory firm such as a legal office, etc., that holds the Group as a major transaction partner (an advisory firm that received payment from the Group of 2% or more of its consolidated net sales on average over the past three fiscal years).
 7. The person is not a person with which a constant, substantial conflict of interest with general shareholders of the Company may arise for reasons other than those considered above.
- (Note 1) A “Non-executive Director” refers to Directors that are not Executive Directors.
- (Note 2) An “Officer, etc.,” refers to Directors (including Outside Directors), Audit & Supervisory Board Members (including Outside Audit & Supervisory Board Members), Executive Officers, Counselors, and Advisors.
- (Note 3) A “major shareholder” is a person or company, etc., that directly or indirectly possessed or possesses voting rights equal to 10% or more of total voting rights as of the end of the most recent fiscal year.
- (Note 4) A “major transaction partner” is determined on the standard of 2% or more of annual consolidated net sales (annual consolidated ordinary income for the Company) as of the end of the most recent fiscal year.

Proposal No. 5: Partial Revision to the Performance-Linked Stock Compensation Plan for Directors

1. Reasons for the Proposal and Reasons for Judging the Said Revision to Be Reasonable

Compensation for Directors of the Company comprises “fixed compensation,” “performance-linked compensation (cash compensation)” and “performance-linked compensation (stock compensation),” of which a plan for “performance-linked compensation (stock compensation)” (hereinafter, the “Plan”) was introduced following approval at the 4th Annual General Meeting of Shareholders held on June 28, 2018. Shareholders are asked to give approval for the partial revision of this Plan. We would also like to ask shareholders to entrust the determination of the details within the framework below to the Board of Directors.

The Plan was introduced aiming to make the linkage of compensation for Directors to performance and share value of the Company clearer and raising the willingness of Directors to contribute to the expansion of medium- and long-term performance and the improvement of corporate value by sharing profits and risks resulting from the fluctuations in stock prices with our shareholders. The Company is aiming to further improve the incentive effect by changing the timing of the delivery of the Company’s shares to Directors under this Plan from the time of retirement to the time of taking up appointment, and by attaching restrictions on the transfer of such shares until retirement.

The Board of Directors of the Company, at a meeting held on June 28, 2018, established a policy for determining the content of compensation, etc. for individual Directors, an overview of which is described from pages 51 to 53 of the Business Report, and the Company does not intend to change this policy if this proposal is approved. The details in this proposal are necessary and reasonable to pay compensation, etc. consistent with this policy. Based on the above, the Company believes that the details in this proposal are appropriate.

The persons subject for this Plan shall continue to be Directors, excluding Outside Directors. If Proposal No. 2: “Election of Eight (8) Directors” is approved as originally proposed,] the number of Directors subject to this Plan will be five (hereinafter, “Directors” shall not include Outside Directors).

2. Amounts of Compensations and Others under the Plan

(1) Overview of the Plan

The Plan is a performance-linked stock compensation plan under which a trust established and funded by cash contributed by the Company (the trust has already been established, hereinafter, the “Trust”) acquires the Company’s shares (common stock of the Company, and the same shall apply hereinafter), and the Company’s shares in the number equivalent to the number of points granted by the Company to each Director will be delivered to each Director.

The timing of delivery of the Company’s shares to Directors under the Plan was originally set at the time of their retirement. If this proposal is approved as originally proposed, the Company’s shares equivalent to the points to be granted to Directors as compensation for the execution of their duties during the period after this General Meeting of Shareholders shall be delivered, not at the time when they retire, but within a specified period (within the fiscal year during which points are granted in principle) after each date on which points are granted (each fiscal year in principle), and shares shall be subject to restrictions on transfer during the period until their retirement. In this proposal, “retirement” means retirement from a Director of the Company or any other position determined by the Board of Directors.

(2) Upper limit of cash to be contributed by the Company

The Company extended the applicable period for the Plan and extended the trust period for the Trust by two years and eight months, based on a resolution (hereinafter, the “Original Resolution”) on the Plan at the 4th Annual General Meeting of Shareholders held on June 28, 2018 (the Trust is due to end on April 30, 2024). During this two-year and eight-month period, the Company will make additional contributions of cash to the Trust of up to 229 million yen, as funds to acquire the Company’s shares necessary for delivery to Directors under the Plan. When extending the trust period, the Company made additional contributions to the Trust of funds to acquire the Company’s shares necessary for delivery to Directors under the Plan prior to the changes in this proposal. However, if the number of the Company’s shares in the Trust is expected to be insufficient for the number of the Company’s shares to be delivered to the Directors under the Plan, further contribution may be added within the limit of such maximum amount.

Furthermore, shares already acquired by the Trust’s trustee based on the Original Resolution may be delivered to Directors under the Plan as revised by this proposal.

In addition, at the expiration of the trust period (the trust period is currently due to end on April 30, 2024, but if the Plan is continued by extending the trust period through the following procedures, at the expiration of the extended trust period), the Trust may be continued each time by extending the trust period up to three years by resolution of the Board of Directors of the Company (including a case where

the trust period will be practically extended by transferring trust assets of the Trust to a trust to be established by the Company for the same purpose as that of the Trust; the same shall apply hereinafter). In such a case, the Company will make additional contributions of cash to the Trust within the limit of the amount obtained by multiplying 86 million yen by the number of years of the extended trust period, as funds to acquire the Company's shares necessary for delivery to Directors under the Plan. In addition, in this case, the applicable period will be extended in accordance with such continuation of the Trust and extension of the trust period, and grant of points and delivery of the Company's shares described in (3) below will be continued within the extended trust period.

Even if the Trust is not continued, if there are Directors, who have been provided with points under the Plan prior to the changes, but who have not yet retired at the end of the trust period, the trust period of the Trust may be extended until the said Directors retire and delivery of the Company's shares is complete.

(3) Calculation method and upper limit of the Company's shares to be delivered to Directors

1) Granting method, etc. of points for Directors

Pursuant to share delivery regulations to be established by the Board of Directors of the Company, the Company will grant points to each Director in accordance with his/her position, degree of achievement for performance targets, etc. on the point granting day (every fiscal year, in principle), which is specified in the share delivery regulations, during the trust period.

However, the upper limit of the total number of points to be granted to Directors by the Company will be 73,000 points per fiscal year, the same as the Original Resolution.

2) Delivery of the Company's shares in accordance with the number of points granted

The Company's shares will be delivered to Directors in accordance with the number of points granted in 1) above, through the procedures described in 3) below. (However, the Company's shares in proportion to the points granted as consideration for the execution of duties during the period prior to this General Meeting of Shareholders under the Plan before the changes will be delivered in accordance with the Original Resolution.)

One point is equivalent to one share of the Company. However, if events occur, including a share split or stock consolidation, which rationally require adjustment of the number of the Company's shares per point, adjustment will be made in accordance with the split ratio or consolidation ratio, etc. to the number of the Company's shares per point.

3) Delivery of the Company's shares to Directors

Each Director will, subject to the condition of concluding an agreement on the restriction of share transfer described in 3. below with the Company and having taken other prescribed procedures, in principle, acquire beneficiary rights of the Trust each fiscal year during the trust period (each time the points described in 1) above are granted, within the fiscal year during which points are granted in principle), and receive delivery of the Company's shares stated in 2) above from the Trust. However, as stated in 2) above, for the Company's shares in proportion to the points granted as consideration for the execution of duties during the period prior to this General Meeting of Shareholders Meeting under the Plan before the changes, each Director will, in principle, take specified procedures at the time of retirement to acquire beneficiary rights of the Trust and receive delivery from the Trust in accordance with the Original Resolution.

Further, in the event where the Company's shares in the Trust are converted into money in some cases, including a case where a tender offer for the Company's shares in the Trust is accepted and settled, money may be delivered instead of the Company's shares.

(4) Exercise of voting rights

Based on the direction of the trust administrator who is independent of the Company and Officers of the Company, voting rights for the Company's shares in the Trust shall not be exercised uniformly. This method is aimed at ensuring the neutrality in management of the Company concerning the exercise of voting rights for the Company's shares in the Trust.

(5) Handling of dividends

Dividends paid on the Company's shares in the Trust will be received by the Trust and appropriated for the payment of expenses to acquire the Company's shares, trust fees of the trustee pertaining to the Trust, etc.

3. Agreement on the restriction of transfer of the Company's shares delivered to Directors

If this proposal is approved as originally proposed, the Company and Directors will conclude an agreement on the restriction of share transfers (hereinafter, "Share Transfer Restriction Agreement") that includes the following details (the Company's shares will be delivered to each Director on the condition of concluding a Share Transfer Restriction Agreement) regarding the Company's shares to be delivered as

consideration for the execution of duties during the period after this General Meeting of Shareholders in proportion to the points granted in accordance with 2. (3) 1) above.

However, if the Company's shares are delivered under this Plan after retirement, such as when a Director retires during a period of execution of duties subject to points to be granted, the Company's shares will be delivered without any restrictions on transfer. A certain ratio of the Company's shares may be delivered in cash instead of the Company's shares, after the Company sells them and converts into money under the Trust for the purpose of deducting funds to pay withholding income tax, etc. from income at source.

(1) Transfer restriction period

Directors must not transfer, establish collateral, or otherwise dispose of (hereinafter, "Transfer Restrictions") the Company's shares delivered under this Plan (hereinafter, "Delivered Shares") during the period from the date of delivery (or each date delivered if delivered multiple times) until the date of retirement (hereinafter, the "Transfer Restriction Period").

During the Transfer Restriction Period, Directors shall manage the Delivered Shares in an account at a stockbroker designated by the Company for the purpose of managing the Delivered Shares separately from shares already held by Directors.

(2) Acquisition of Delivered Shares without contribution

- 1) If a Director attempts to dispose of all or some of the Delivered Shares by transfer, provision as collateral or any other method, in breach of the Transfer Restrictions, the Company will automatically acquire all of the Delivered Shares without contribution.
- 2) If a Director falls under any of i) to iv) below during the Transfer Restriction Period, the Company will automatically acquire all of the Delivered Shares without contribution at the time when the Director falls under i) to iv).
 - i) When a Director is sentenced to imprisonment or a heavier punishment
 - ii) When a petition for commencement of bankruptcy proceedings, civil rehabilitation proceedings or other similar proceedings is filed against a Director
 - iii) When a Director is subject to a petition for seizure, provisional seizure, provisional disposition, compulsory execution or auction, or is subject to a disposition for delinquency of taxes and public dues
 - iv) When a Director resigns from the position of Director due to reasons other than justifiable reasons such as the expiration of term, mandatory retirement age, death.
- 3) If a Director falls under either i) or ii) below during the Transfer Restriction Period, the Company will automatically acquire all of the Delivered Shares without contribution, by giving written notice to the Director that it will acquire the Delivered Shares without contribution, upon the arrival of such notice.
 - i) If the Company's Board of Directors determines that a Director has been engaged in a business that competes with the business of the Company or the Group, or has been appointed as an officer or employee of a corporation or other organization that competes with the business of the Company or the Group (except when prior written consent has been obtained from the Company)
 - ii) If the Board of Directors of the Company determines that a Director has violated laws and regulations, internal rules of the Company or the Group, or the Share Transfer Restriction Agreement in a material aspect, or the Board of Directors of the Company otherwise determines that it is appropriate for the Company to acquire the Delivered Shares without contribution

(3) Handling when reorganizing, etc.

If any of the matters set forth in i) to vi) below are approved by a General Meeting of Shareholders of the Company (or by the Board of Directors if approval of a General Meeting of Shareholders is not required in the case of ii), and in the case of iv)) during the Transfer Restriction Period (limited to when the date set forth in i) to vi) below (hereinafter, the "Effective Date of the Reorganization, etc.") falls prior to the expiration of the Transfer Restriction Period), notwithstanding the above, the Transfer Restrictions will be lifted for the Delivered Shares at the time immediately preceding the business day prior to the Effective Date of Reorganization, etc.

- i) Merger agreement in which the Company is the disappearing company: effective date of the merger
- ii) Absorption-type company split agreement or incorporation-type company split plan in which the Company is the splitting company (limited to when the Company delivers all or some of the split consideration to be delivered following the company split to the Company's shareholders on the effective date of the company split): effective date of the company split
- iii) Share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary: effective date of share exchange or share transfer

- iv) Share consolidation (limited to when the Delivered Shares held by Directors following the consolidation of shares is only a fraction of less than one share): effective date of share consolidation
 - v) Acquisition of all of the Company's common stock by attaching to the Company's common stock a class-wide call for acquisition provision provided for in Article 108, Paragraph (1), Item (vii) of the Companies Act: acquisition date stipulated in Article 171, Paragraph (1), Item (iii) of the Companies Act
 - vi) Demand for a cash-out targeting the Company's common stock (meaning a demand for a cash-out set forth in Article 179, Paragraph (2) of the Companies Act: acquisition date stipulated in the Article 179-2, Paragraph (1), Item (v) of the Companies Act
- (4) Other matters established by the Board of Directors

In addition to the above, the Share Transfer Restriction Agreement will include the method of manifestation of intention and notification, the method of revising the Share Transfer Restriction Agreement, and other matters established by the Board of Directors.