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(Securities Code: 8919)
June 10, 2021

To Our Shareholders:

Katsutoshi Arai,
President and CEO
KATITAS Co., Ltd.
4-2 Mihara-cho, Kiryu-shi, Gunma

Notice of the 43rd Ordinary General Meeting of Shareholders

You are cordially invited to attend the 43rd Ordinary General Meeting of Shareholders of KATITAS Co., Ltd. (the “Company”), which will be held as described below.

Since last year, the Japanese government and prefectural governments have been strongly urging people to stay at home to prevent the spread of COVID-19. After carefully considering this situation, we decided to go ahead and hold this General Meeting of Shareholders subject to the implementation of appropriate preventive measures.

In view of the pleas to stay home and the need to prevent infection, we ask our shareholders to exercise their voting rights in writing or via the Internet prior to the date of the meeting and to refrain from attending this General Meeting of Shareholders, regardless of their physical condition.

Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by no later than 6:00 p.m. on Thursday, June 24, 2021, Japan Standard Time.

1. **Date and Time:** Friday, June 25, 2021, at 10:00 a.m. (JST)
2. **Place:** Banquet Hall Daisetsu, 5F ARCADIA ICHIGAYA SHIGAKU KAIKAN
4-2-25, Kudan-kita, Chiyoda-ku, Tokyo
(Please note that the venue for this Ordinary General Meeting of Shareholders is different from last year. Please refer to the map at the end of this notice and ensure that you attend the correct venue.)
3. **Purpose of the Meeting:**

Matters to be reported:

1. The Business Report, the Consolidated Financial Statements and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit and Supervisory Board, for the 43rd fiscal year (from April 1, 2020 to March 31, 2021)
2. The Non-consolidated Financial Statements for the 43rd fiscal year (from April 1, 2020 to March 31, 2021)

Matters to be resolved:

- Proposal No. 1:** Election of Nine Directors
- Proposal No. 2:** Election of Four Audit and Supervisory Board Members
- Proposal No. 3:** Election of Two Substitute Audit and Supervisory Board Members
- Proposal No. 4:** Determination of Compensation for Directors to Grant Them Restricted Stock
- Proposal No. 5:** Payment of Retirement Benefits to Directors and Audit and Supervisory Board Members associated with the Abolishment of the Officers’ Retirement Benefit Plan

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- When attending the meeting, please submit the enclosed voting rights exercise form at the reception desk.
 - Disclosure on the Internet
 - The following items are presented on the website of the Company pursuant to the laws and ordinances and Article 15 of the Articles of Incorporation of the Company, and are not stated in this notice. The attachment to this notice is only part of the documents audited by Audit & Supervisory Board Members and the Accounting Auditor for preparation of their audit reports.
(i) Notes to the Consolidated Financial Statements (ii) Notes to the Non-consolidated Financial Statements
 - Should the need for revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements and the Consolidated Financial Statements arise, the revised versions will be posted on the Company's website.

The Company's website

<http://katitas.jp>

Measures Against COVID-19

<Requests to Shareholders>

- The Company strongly recommends that, to prevent the spread of infection, shareholders refrain from attending this General Meeting of Shareholders and exercise their voting rights in writing or via the Internet, as last year.
- We would appreciate if shareholders who are elderly or have underlying medical conditions and are more vulnerable to the virus, and those who are expecting exercise particular caution.

<Requests to Attending Shareholders>

- Shareholders who do attend the meeting are asked to do so only if they themselves are in good health and they take steps to stop the spread of infection such as wearing a mask.

<The Company's Response>

- At the venue for the General Meeting of Shareholders, the Company will implement preventive measures depending on the situation on the day of the meeting, such as requiring administrative staff to wear masks. Please note that seating at the venue will be limited and the Company may not be able to grant admission to some shareholders.

The Company will publish details of any change in the situation or its response prior to the date of the meeting on the Company's website <The Company's website <http://katitas.jp>>

We thank you for your understanding and cooperation.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1: Election of Nine Directors

The terms of office of all eight currently serving Directors will expire at the conclusion of this General Meeting of Shareholders.

In that regard, the Company proposes the election of nine Directors, increasing the number of Directors by one to strengthen the management structure.

The candidates for Director are as follows:

(Values provided for number of shares are current as of March 31, 2021)

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	Katsutoshi Arai (December 2, 1968)	<p>Apr. 1993 Joined The Sanwa Bank, Limited (currently MUFG Bank, Ltd.)</p> <p>Sept. 1997 Secretary for the office of Motohisa Furukawa, a member of the House of Representatives, Japan</p> <p>Feb. 1999 Joined Bain & Company Japan, Inc.</p> <p>Aug. 2004 Joined Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.)</p> <p>June 2012 Joined Yasuragi Co., Ltd. (currently KATITAS CO., LTD) President and CEO (current position)</p> <p>Mar. 2016 Representative Director and Chairman, REPRICE Co., Ltd.</p> <p>Mar. 2017 Representative Director and President, REPRICE Co., Ltd. (current position)</p>	453,120 shares
2	Shinichi Onizawa (September 8, 1959)	<p>Sept. 1979 Joined SERAMI Ltd.</p> <p>Apr. 1983 Established the Japanese candy store, Ah-Chan</p> <p>Sept. 2000 Joined Daito Trust Construction Co., Ltd.</p> <p>June 2001 Joined Yasuragi Co., Ltd. (currently KATITAS CO., LTD)</p> <p>Jan. 2007 General Manager of Sales Planning Department 2</p> <p>Sept. 2009 Director, General Manager of Sales Headquarters</p> <p>July 2010 Director, General Manager of Sales Headquarters 1</p> <p>Jan. 2011 Director, General Manager of Sales Promotion Headquarters and General Manager of Sales Department 1</p> <p>Apr. 2012 Director, General Manager of Sales Headquarters</p> <p>Apr. 2017 Director, General Manager of Sales Headquarters and General Manager of Urban Sales Department</p> <p>Apr. 2019 Director, General Manager of Sales Headquarters (current position)</p>	260,040 shares

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	Kazuhito Yokota (October 29, 1967)	<p>Apr. 1988 Joined Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.)</p> <p>Oct. 2006 Representative Director and Vice President, CAREER DESIGN CENTER CO., LTD.</p> <p>Aug. 2012 Joined Yasuragi Co., Ltd. (currently KATITAS CO., LTD) General Manager of Administration Headquarters</p> <p>Mar. 2016 Director, REPRICE Co., Ltd. (current position)</p> <p>June 2017 Director, General Manager of Administration Headquarters and General Manager of General Affairs Department, the Company</p> <p>Apr. 2020 Director, General Manager of Administration Headquarters and General Manager of General Affairs Department, the Company (current position)</p>	230,040 shares
4	Harutoshi Oe (August 31, 1968)	<p>Apr. 1992 Joined Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.)</p> <p>Jan. 2013 Joined Yasuragi Co., Ltd. (currently KATITAS CO., LTD) General Manager of Marketing Office</p> <p>Apr. 2019 General Manager of Marketing Office and General Manager of New Business Development Office, the Company</p> <p>June 2019 Director, General Manager of Marketing Office and General Manager of New Business Development office, the Company</p> <p>Apr. 2020 Director, General Manager of Marketing Office, General Manager of New Business Development office, and New Construction Project General Manager (current position)</p>	130,240 shares
5	Takayuki Ushijima (January 30, 1984)	<p>Apr. 2008 Joined Y-CUBE Co., Ltd.</p> <p>May 2009 Joined LIKE Co., Ltd. (currently REPRICE Co., Ltd.)</p> <p>Aug. 2014 Director, General Manager of Sales Department</p> <p>Apr. 2017 Director, Vice President and General Manager of Sales Planning Department</p> <p>June 2017 Director, the Company (current position)</p> <p>Apr. 2019 Director, Vice President and General Manager of Sales Department, REPRICE Co., Ltd. (current position)</p>	50,200 shares

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
6	Toshiyuki Shirai (December 21, 1955)	<p>Apr. 1979 Joined NITORI Co., Ltd. (currently Nitori Holdings Co., Ltd.)</p> <p>May 2001 Director</p> <p>May 2010 Director and Senior Managing Executive Officer</p> <p>May 2012 Director, NITORI USA, Inc.</p> <p>May 2014 Representative Director and Vice-President, Nitori Holdings Co., Ltd.</p> <p> Representative Director and Chief Executive Officer, NITORI Co., Ltd.</p> <p> Representative Director and Chief Executive Officer, NITORI Facility Co., Ltd.</p> <p>May 2015 Representative Director and Chairman, Home Logistics Co., Ltd.</p> <p>Feb. 2016 Representative Director and Chief Executive Officer, Nitori Holdings Co., Ltd. (current position)</p> <p>Mar. 2017 Chairperson, NITORI (CHINA) HOLDING Co., Ltd.</p> <p> Representative Director and Chairman, HOME • DECO CO., LTD.</p> <p>Apr. 2017 Chairperson, NITORI (TAICANG) TRADING & LOGISTICS CO., Ltd.</p> <p>May 2017 Outside Director, the Company (current position)</p> <p>Dec. 2018 Director, N Plus Co., Ltd. (current position)</p> <p>Mar. 2019 Director, NITORI Furniture Co., Ltd. (current position)</p> <p>Feb. 2020 Director, NITORI Co., Ltd. (current position)</p> <p>Mar. 2020 Director, NITORI PUBLIC, Co., Ltd. (current position)</p> <p>July 2020 Director, HOME LOGISTICS Co., Ltd. (current position)</p>	– shares

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	Seiichi Kumagai (February 4, 1952) Candidate for Outside Director	<p>Apr. 1974 Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)</p> <p>Jan. 1995 Joined Japan Management Consultants Association</p> <p>Apr. 2001 Director-General, Secretariat and Director</p> <p>Jan. 2002 Outside Audit and Supervisory Board Member, the Company</p> <p>Aug. 2002 External Auditor, Ascot Corp.</p> <p>Apr. 2006 Senior Managing Director, Japan Management Consultants Association</p> <p> Councilor, General Foundation of Yume-Challenge (current position)</p> <p>July 2006 Audit and Supervisory Board Member, Yutori Servicer Co., Ltd.</p> <p>Apr. 2010 Outside Director, the Company (current position)</p> <p>Apr. 2013 Head of Management Institute, Japan Management Consultants Association</p> <p> Outside Director, Oginoya Co., Ltd. (current position)</p> <p>Mar. 2017 Outside Director, Helix Japan Corporation (current position)</p> <p>Dec. 2017 Corporate Advisor, ASCOT Corp.</p> <p>Apr. 2018 Outside Director, Vesper Corporation (current position)</p> <p>Oct. 2018 Outside Director, Sakura Management, Inc. (current position)</p> <p>Nov. 2018 Representative Director and President, NPC, INC. (current position)</p> <p>Aug. 2019 Outside Audit and Supervisory Board Member, Initias Co., Ltd. (current position)</p>	– shares
8	Hideaki Tsukuda (January 20, 1964) Candidate for Outside Director	<p>Apr. 1986 Joined The Sanwa Bank, Limited (currently MUFG Bank, Ltd.)</p> <p>Jan. 1999 Joined McLagan Partners Asia, Inc.</p> <p>Aug. 2000 Joined Egon Zehnder Co., Ltd.</p> <p>Jan. 2006 Partner</p> <p>Nov. 2010 Representative Director and President</p> <p>Jan. 2015 Member of Global Management Committee</p> <p>Sept. 2018 Executive Managing Director and Chief Operating Officer (part-time), Japan Investment Corporation</p> <p>Nov. 2018 Representative Director and President, Board Advisors Japan, Inc. (current position)</p> <p>June 2019 Outside Director, the Company (current position)</p>	– shares

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
9	* Miwa Suto (August 17, 1963) Candidate for Outside Director	Apr. 1988 Joined Hakuodo Inc. Oct. 1991 Joined Arthur Andersen (currently KPMG AZSA LLC) Oct. 1996 Joined Schrodgers BTV Partners, Inc. (currently MKS Partners, Inc.) Nov. 1997 Joined Bain & Company Apr. 2006 Established Planet Plan Co., Ltd. Representative Director (current position) Apr. 2008 Specially Appointed Professor, Keio University Graduate School of Media and Governance May 2012 Outside Director, ZIGExN Co., Ltd. (current position) June 2016 Outside Director (Audit and Supervisory Committee Member), A.D.Works corporation June 2017 Board Member, Japan Volleyball Association (current position) Mar. 2018 Outside Corporate Auditor, ASICS Corporation Apr. 2019 Specially Appointed Professor, Keio University Graduate School of Media and Governance (current position) Mar. 2020 Outside Director (Audit and Supervisory Committee Member), ASICS Corporation (current position)	– shares

Notes:

- * represents a candidate for new Director.
- The Company and Nitori Holdings Co., Ltd., to which Toshiyuki Shirai belongs, have entered into a capital (holding 34.0% of the Company's total number of issued shares (34.7% held on a proportion of voting rights basis)) and business alliance agreement, and Nitori Holdings Co., Ltd. is thus a specified associated company of the Company. There is no special interest between any other candidates and the Company.
- Seiichi Kumagai, Hideaki Tsukuda and Miwa Suto are the candidates for Outside Director.
- Reasons for nomination as candidates for Director (excluding candidates for Outside Director)
 - The Company requests the election of Katsutoshi Arai as Director because he leads the Group's management as the Company's President and CEO, and fulfills appropriate roles to contribute to improving the Company's corporate value such as making decisions on important management matters and supervising business execution, and the Company expects him to make further contributions in the future. His tenure as Director of the Company will have been nine years at the conclusion of this meeting.
 - The Company requests the election of Shinichi Onizawa as Director because he fulfills appropriate roles as the Director in charge of the Company's sales headquarters to contribute to improving the Company's corporate value such as making decisions on important management matters and supervising business execution, and the Company expects him to make further contributions in the future. His tenure as Director of the Company will have been 11 years and nine months at the conclusion of this meeting.
 - The Company requests the election of Kazuhito Yokota as Director because he fulfills appropriate roles as the Director in charge of the Company's administration headquarters to contribute to improving the Company's corporate value such as making decisions on important management matters and supervising business execution, and the Company expects him to make further contributions in the future. His tenure as Director of the Company will have been four years at the conclusion of this meeting.
 - The Company requests the election of Harutoshi Oe as Director because he properly performs his role as Director of the Company's marketing operations, helping enhance the Company's corporate value by driving areas such as advertising and product strategy and focusing on new business development and the Company expects him to make further contributions in the future. His tenure as Director of the Company will have been two years at the conclusion of this meeting.
 - The Company requests the election of Takayuki Ushijima as Director because he leads REPRICE Co., Ltd., a Group company, as its Vice President, and fulfills appropriate roles as Director of the Company to contribute to improving the Company's corporate value such as making decisions on important management matters, and the Company expects him to make further contributions in the future. His tenure as Director of the Company will have been four years at the conclusion of this meeting.
 - The Company requests the election of Toshiyuki Shirai as non-executive Director this time in order for him to improve the management of the Company using the extensive knowledge and experience related to management that he has developed to date as President and Representative Director of Nitori Holdings Co., Ltd. His tenure as Director of the Company will have been four years and one month at the conclusion of this meeting.
- Reasons for nomination as candidates for Outside Director and expected roles

- i) Seiichi Kumagai has extensive knowledge and experience related to general management as Representative Director and President of NPC, INC. The Company requests his election as Outside Director based on its expectation that he will continue to supervise and give advice on the execution of duties by Directors from a professional perspective with respect to strategies in the housing market and the field of finance, in particular, using his knowledge and experience. His tenure as Outside Director of the Company will have been 11 years and two months at the conclusion of this meeting.
 - ii) Hideaki Tsukuda has extensive knowledge and experience related to general management as Representative Director and President of Board Advisors Japan, Inc. The Company requests his election as Outside Director based on its expectation that he will continue to supervise and give advice on the execution of duties by Directors from a professional perspective with respect to the fields of ESG and human resources utilization, in particular, using his knowledge and experience. If he is elected, the Company intends to have him involved in the appointment of candidates for officers of the Company and the determination of compensation for officers from an objective and neutral position as a member of the Nominating and Compensation Committee. His tenure as Outside Director of the Company will have been two years at the conclusion of this meeting.
 - iii) Miwa Suto has a professional viewpoint as a certified public accountant and extensive knowledge and experience through her track record in researching companies and businesses and strategic consulting activities. The Company requests her election as Outside Director based on its expectation that she will supervise and give advice on the execution of duties by Directors from a professional perspective with respect to marketing and business management, in particular, using her knowledge and experience.
6. Toshiyuki Shirai has received remuneration, etc. as an officer in the past two years from Nitori Holdings Co., Ltd., which is a specified associated company of the Company, and is going to continue receiving this remuneration, etc. in the future.
 7. The Company has designated Seiichi Kumagai and Hideaki Tsukuda as Independent Directors pursuant to the stipulations of the Tokyo Stock Exchange, and has registered them as such with the exchange. If the reelection of Seiichi Kumagai and Hideaki Tsukuda are approved, the Company intends to continue to designate them as Independent Directors. In addition, if the election of Miwa Suto is approved, the Company intends to newly designate her as Independent Director and register her as such with the exchange.
 8. The Company has entered into limited liability agreements with Toshiyuki Shirai, Seiichi Kumagai and Hideaki Tsukuda, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, to limit their liability as provided for in Article 423, Paragraph 1 of the same. The maximum amount of liability based on this agreement shall be the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act, and if the reelection of the three persons is approved, the Company intends to continue the aforementioned agreement with them.
 9. If the election of Miwa Suto is approved, the Company intends to enter into a limited liability agreement with her pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, to limit her liability as provided for in Article 423, Paragraph 1 of the same. The maximum amount of liability based on this agreement shall be the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act.
 10. The Company has entered into a directors and officers liability insurance contract provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, and the summary of details of the directors and officers liability insurance contract is as stated on page 21 of the business report. If the election of candidates for Directors is approved, they will be included in the insured person of the insurance contract.
In addition, when the insurance contract is renewed next time, it intends to be renewed with the same content.

Reference:

Expertise and experience of candidates for Directors (skill matrix)

Key expertise and experience of candidates for Directors are as follows:

No.	Name	Expertise and experience the candidates for Directors have							
		Company management	Personnel affairs	Sales and marketing	Legal affairs and risk management	ESG	Accounting and finance	IT Digital	Experience in architecture and industry
1	Katsutoshi Arai	●		●			●		
2	Shinichi Onizawa			●	●				●
3	Kazuhito Yokota	●	●				●		
4	Harutoshi Oe			●				●	●
5	Takayuki Ushijima		●	●					●
6	Toshiyuki Shirai	●	●	●					
7	Seiichi Kumagai	●		●			●		
8	Hideaki Tsukuda	●	●			●			
9	Miwa Suto			●			●	●	

Proposal No. 2: Election of Four Audit and Supervisory Board Members

The terms of office of all three currently serving Audit and Supervisory Board Members will expire at the conclusion of this General Meeting of Shareholders. In that regard, the Company proposes the election of four Audit and Supervisory Board Members, increasing the number of Audit and Supervisory Board Members by one to strengthen and enhance the audit structure.

The consent of the Audit and Supervisory Board has been obtained in regard to this proposal.

The candidates for Audit and Supervisory Board Members are as follows:

(Values provided for number of shares are current as of March 31, 2021)

No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Toshiki Hayase (December 21, 1972)	<p>Apr. 1991 Joined SELCO Service LLC</p> <p>Mar. 1996 Joined HASHIMOTOGUMI Co., Ltd.</p> <p>June 1999 Joined Miyaki Setsubi Co., Ltd.</p> <p>Nov. 2003 Joined Yasuragi Co., Ltd. (currently KATITAS CO., LTD)</p> <p>Jan. 2006 Chief of Sales Planning Section, Sales Headquarters, the Company</p> <p>Jan. 2010 Chief of Northern Kyushu Area, Sales Headquarters, the Company</p> <p>July 2010 General Manager of Internal Audit Office, the Company</p> <p>June 2015 Audit and Supervisory Board Member, the Company (current position)</p> <p>Mar. 2016 Corporate Auditor, REPRICE Co., Ltd. (current position)</p>	15,340 shares
2	Nobu Fukuda (March 7, 1977)	<p>Apr. 2001 Joined Japan Airlines Co., Ltd.</p> <p>June 2012 Joined NITORI Co., Ltd.</p> <p>Oct. 2014 Manager of Sendaiko Store, Store Sales Department, NITORI Co., Ltd.</p> <p>June 2017 General Manager of Budget Management Office, Nitori Holdings Co., Ltd.</p> <p>Sept. 2018 General Manager of Business Plan Promotion Office, NITORI Holdings Co., Ltd. (current position)</p> <p>June 2019 Outside Audit and Supervisory Board Member, the Company (current position)</p>	– shares
3	Yuki Ichikawa (July 21, 1970) Candidate for Outside Audit and Supervisory Board Member	<p>Apr. 1995 Joined Legal Training and Research Institute of Japan, Supreme Court of Japan</p> <p>Apr. 1997 Joined Hamayotsu & Hamayotsu</p> <p>Apr. 2010 Outside Audit and Supervisory Board Member, the Company (current position)</p> <p>June 2010 Outside Corporate Auditor, Gro-Bels Co., Ltd.(currently Prospect Co., Ltd.)</p> <p>June 2019 Director who is Audit and Supervisory Committee Member (Outside Director), Prospect Co., Ltd.</p> <p>Apr. 2020 Joined SATO New Law Offices (current position)</p> <p>June 2020 Outside Director, Axis Partners, Inc. (current position)</p>	– shares

No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
4	* Tomoko Tsunoda (April 9, 1971) Candidate for Outside Audit and Supervisory Board Member	Oct. 2001 Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) Oct. 2004 Opened a personal accounting office Oct. 2008 Joined Deloitte Touche Tohmatsu LLC Feb. 2014 Opened Tomoko Tsunoda Certified Public Accountant Office Representative CPA of Tomoko Tsunoda Certified Public Accountant Office (current position) Aug. 2017 Outside Director, Shin Corporation June 2018 Outside Director, Housecom Corporation (current position) Aug. 2018 Representative Director, Lumiere Ltd. (current position)	– shares

Notes:

- * represents a candidate for new Audit and Supervisory Board Member.
- The Company and Nitori Holdings Co., Ltd., to which Nobu Fukuda belongs, have entered into a capital (holding 34.0% of the Company's total number of issued shares (34.7% held on a proportion of voting rights basis)) and business alliance agreement, and Nitori Holdings Co., Ltd. is thus a specified associated company of the Company. There is no special interest between any other candidates and the Company.
- Yuki Ichikawa and Tomoko Tsunoda are candidates for Outside Audit and Supervisory Board Member.
- Toshiki Hayase is currently a Full-Time Audit and Supervisory Board Member, and his tenure as Audit and Supervisory Board Member will have been six years at the conclusion of this meeting.
- Yuki Ichikawa and Nobu Fukuda are currently Outside Audit and Supervisory Board Members of the Company, and their tenures as Audit and Supervisory Board Member will have been 11 years and two months and two years at the conclusion of this meeting, respectively.
- Reasons for nomination as candidates for Audit and Supervisory Board Member
 - The reason for nominating Toshiki Hayase as a candidate for Audit and Supervisory Board Member is that he is familiar with internal audit work based on his extensive experience and knowledge as a sales executive of the Company and performs a proper role in strengthening the governance system of the Company through his duties as an Audit and Supervisory Board Member. Therefore, the Company requests his election as Audit and Supervisory Board Member because he is expected to make a further contribution in the future.
 - The reason for nominating Nobu Fukuda as a candidate for Audit and Supervisory Board Member is that he has extensive professional knowledge and experience in the fields of financial affairs and managerial accounting, etc. and performs an appropriate role in strengthening the governance system of the Company from an objective perspective. Therefore, the Company requests his election as Audit and Supervisory Board Member because he is expected to make a further contribution in the future.
 - The reason for nominating Yuki Ichikawa as a candidate for Audit and Supervisory Board Member is that he has extensive professional knowledge and experience in corporate legal affairs as an attorney and performs an appropriate role in strengthening the governance system of the Company from an objective perspective and with independence. Therefore, the Company requests his election as Outside Audit and Supervisory Board Member because he is expected to make a further contribution in the future. Even though he does not have experience of participating directly in corporate management in ways other than being an outside director or an outside corporate auditor, the Company has judged that he will be able to execute his duties as Outside Audit and Supervisory Board Member based on the aforementioned reasons.
 - The reason for nominating Tomoko Tsunoda as a candidate for Audit and Supervisory Board Member is that she has professional knowledge in corporate accounting as a certified public accountant and extensive knowledge and experience as a company manager. Therefore, the Company requests her election as Outside Audit and Supervisory Board Member because she is expected to perform an appropriate role in strengthening the governance system of the Company from an objective perspective and with independence in the future.
- The Company has entered into limited liability agreements with Toshiki Hayase, Nobu Fukuda and Yuki Ichikawa pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act to limit their liability as provided for in Article 423, Paragraph 1 of the same. The maximum amount of liability based on this agreement shall be the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act, and if the reelection of Toshiki Hayase, Nobu Fukuda and Yuki Ichikawa is approved, the Company intends to continue the aforementioned agreement with each of them. In addition, if the election of Tomoko Tsunoda is approved, the Company intends to enter into a limited liability agreement with the same content with her.
- The Company has entered into a directors and officers liability insurance contract provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, and a summary of the details of the directors and officers liability insurance contract is as stated on page 21 of the business report. If the election of candidates for Audit and Supervisory Board Members is approved, they will be included among the insured persons of the insurance contract. In addition, when the insurance contract is next renewed, it intends to be renewed with the same content.

9. The Company has designated Yuki Ichikawa as an Independent Audit and Supervisory Board Member pursuant to the stipulations of the Tokyo Stock Exchange, and has registered him as such with the exchange. If the reelection of Yuki Ichikawa is approved, the Company intends to continue to designate him as Independent Audit and Supervisory Board Member. In addition, Tomoko Tsunoda has met the requirements for Independent Audit and Supervisory Board Member pursuant to the stipulations of the Tokyo Stock Exchange, and, if her election is approved, the Company intends to designate her as Independent Audit and Supervisory Board Member.

Reference:

Expertise and experience of candidates for Audit and Supervisory Board Members (skill matrix)

Key expertise and experience of candidates for Audit and Supervisory Board Members are as follows:

No.	Name	Expertise and experience candidates for Audit and Supervisory Board Members have							
		Company management	Personnel affairs	Sales and marketing	Legal affairs and risk management	ESG	Accounting and finance	IT Digital	Experience in architecture and industry
1	Toshiki Hayase			●	●				●
2	Nobu Fukuda			●			●		
3	Yuki Ichikawa				●	●			
4	Tomoko Tsunoda	●					●		●

Proposal No. 3: Election of Two Substitute Audit and Supervisory Board Members

In order to prepare for cases where there is a shortfall in the number of Audit and Supervisory Board Members stipulated in laws and regulations, the Company proposes the election of two Substitute Audit and Supervisory Board Members in advance.

Please note that the election of candidate Noriyuki Nakanishi is proposed as a substitute for the incumbent Full-Time Audit and Supervisory Board Member Toshiki Hayase, and the election of candidate Kanae Fukushima is proposed as a substitute for Outside Audit and Supervisory Board Members.

In addition, the consent of the Audit and Supervisory Board has been obtained in regard to this proposal.

The candidates for Substitute Audit and Supervisory Board Member are as follows:

(Values provided for number of shares are current as of March 31, 2021)

No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Noriyuki Nakanishi (December 7, 1964)	<p>Apr. 1991 Joined Kyodo Oil Co., Ltd. (currently JXTG Energy Corporation)</p> <p>June 1999 Joined Waseda Co., Ltd.</p> <p>Mar. 2003 Joined Benex Co., Ltd.</p> <p>Sept. 2008 Joined Yasuragi Co., Ltd. (currently KATITAS CO., LTD)</p> <p>June 2010 Chief of General Affairs and HR Section, General Affairs Department</p> <p>June 2011 Executive Officer, General Manager of General Affairs Department</p> <p>Nov. 2011 Executive Officer, General Manager of Administration Department (current position)</p>	37,600 shares
2	Kanae Fukushima (March 30, 1974) Candidate for Substitute Outside Audit and Supervisory Board Member	<p>Apr. 1998 Joined Legal Training and Research Institute of Japan, Supreme Court of Japan</p> <p>Apr. 2000 Assistant Judge of Tokyo District Court</p> <p>Aug. 2004 Assistant Judge of Yokohama District Court, Odawara Branch</p> <p>Aug. 2005 Assistant Judge of Naha District Court and Family Court</p> <p>Apr. 2008 Assistant Judge of Tokyo District Court</p> <p>Apr. 2010 Judge of Tokyo District Court</p> <p>Apr. 2012 Judge of Kobe District Court</p> <p>Apr. 2014 Judge of Tokyo High Court</p> <p>Apr. 2016 Professor of the Legal Training and Research Institute of Japan</p> <p>Apr. 2019 Joined Utsunomiya, Shimizu & Haruki (current position)</p> <p>June 2020 Substitute Statutory Auditor at Solasto Corporation (current position)</p>	– shares

Notes:

- There is no special interest between Noriyuki Nakanishi and the Company and Kanae Fukushima and the Company.
- Kanae Fukushima is a candidate for substitute Outside Audit and Supervisory Board Member.
- Reasons for nomination as candidates for Substitute Audit and Supervisory Board Member
 - The reason for nominating Noriyuki Nakanishi as a candidate for substitute Audit and Supervisory Board Member is that the Company expects that he will utilize the extensive experience and broad insight he has cultivated in the fields of general affairs and legal affairs in auditing.
 - The reason for nominating Kanae Fukushima as a candidate for substitute Outside Audit and Supervisory Board Member is that the Company expects that she will utilize her professional knowledge and experience as an attorney who is a former judge in auditing the Company. Even though she does not have experience of participating directly in corporate management, based on the aforementioned reasons, the Company has judged that she will be able to appropriately execute her duties as Outside Audit and Supervisory Board Member.
- If Noriyuki Nakanishi and Kanae Fukushima assume office as Audit and Supervisory Board Members, the Company intends to enter into limited liability agreements with them pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act to limit their liability as provided for in Article 423, Paragraph 1 of the same. The maximum amount of liability based on this agreement shall be the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act.

5. The Company has entered into a directors and officers liability insurance contract provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, and a summary of the details of the directors and officers liability insurance contract is provided on page 21 of the business report. If Noriyuki Nakanishi and Kanae Fukushima assume the office of Audit and Supervisory Board Member, they will be included among the insured persons of the insurance contract.
6. Kanae Fukushima has met the requirements for Independent Audit and Supervisory Board Member pursuant to the stipulations of the Tokyo Stock Exchange, and, if she has assumed the office of Audit and Supervisory Board Member, the Company intends to designate her as Independent Audit and Supervisory Board Member.

Proposal No. 4: Determination of Compensation for Directors to Grant Them Restricted Stock

Approval has been given for the amount of compensation for the Company's Directors to be (i) 300 million yen or less a year (however, not including employee salaries for Directors who concurrently serve as employees) at the Extraordinary General Meeting of Shareholders held on January 15, 2002, and, aside from this, (ii) 300 million yen or less a year as the amount of stock option compensation of the first series of share acquisition rights at the Extraordinary General Meeting of Shareholders held on July 26, 2013, (iii) 300 million yen or less a year as the amount of stock option compensation of the fourth and fifth series of share acquisition rights at the Extraordinary General Meeting of Shareholders held on March 30, 2017 and (iv) 300 million yen or less a year as the amount of stock option compensation of the sixth series of share acquisition rights at the Extraordinary General Meeting of Shareholders held on September 22, 2017. However, based on recent deliberations and the report of the Nominating and Compensation Committee, which is a voluntary advisory body to the Board of Directors, the Company proposes the approval of newly granting restricted stock to Directors (excluding Non-Executive Directors such as Outside Directors [however, excluding persons who concurrently serve as Executive Director at subsidiaries of the Company]. Hereinafter "Eligible Directors") as compensation, etc. within the framework of the compensation in (i) above for the purpose of giving them an incentive to sustainably enhance the Company's corporate value and further promote the sharing of value with the shareholders.

The current number of the Eligible Directors is five. If Proposal No. 1 is approved as proposed, the number of the Eligible Directors will continue to be five.

1. Issuance or disposition method of restricted stock

The issuance or disposition of restricted stock based on this Proposal is made in such a way that the Company gives monetary compensation claims to the Eligible Directors as compensation, etc. and that the Eligible Directors pay all monetary compensation claims to the Company as property contributed in kind to receive the issuance or disposition of the Company's common shares.

2. Maximum number and maximum amount of restricted stock granted to Eligible Directors

The total number of the Company's common shares to be issued or disposed of as restricted stock based on this Proposal is 20,000 shares or less a year (however, if a share split (including an allotment without contribution of the Company's common shares) or the consolidation of shares of the Company's common shares is conducted after the day when this Proposal is approved and passed, the total number will be adjusted according to the split ratio and the consolidation ratio), and the total amount of monetary compensation to be provided to grant the restricted stock to the Eligible Directors is 40 million yen or less a year. In addition, the specific allocation to each Eligible Director will be determined by the Board of Directors.

The Company will provide monetary compensation claims to be appropriated for property contributed in kind pertaining to the issuance or disposition, and the paid-in amount per share of the issuance or disposition will be determined by the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on a business day before the date of resolution at each meeting of the Board of Directors (If the trade is not concluded on that day, the closing price on the most recent trading day prior to that date) to the extent that it is not particularly advantageous to the Eligible Directors.

3. Overview of restricted stock to be granted to the Eligible Directors

For the purpose of granting restricted stock based on this Proposal, the Company and the Eligible Directors will enter into a restricted stock allotment agreement (hereinafter the "Allotment Agreement") including the following contents.

- (1) The Eligible Directors are not allowed to transfer, establish a security interest on, or otherwise dispose of the Company's common shares allotted under the Allotment Agreement (hereinafter the "Allotted Shares") during the period from the date of delivery of the Allotted Shares to the date when they retire from the position of Director of the Company or any other position set by the Board of Directors of the Company or retire from the Company (however, when there is a day separately set by the Board of Directors of the Company within 6 months of the end of the fiscal year in cases where the Eligible Directors retire from the position or retire from the Company before three months have passed after the end of the fiscal year to which the date of delivery of the Allotted Shares belongs, that day) (hereinafter the "Transfer Restriction Period").
- (2) If the Eligible Directors retire from the position stipulated in (1) above or retire from the Company before the period set by the Board of Directors of the Company (hereinafter the "Service Period") expires, the

Company will automatically acquire the Allotted Shares without consideration, unless there is a reason that is deemed justifiable by the Board of Directors of the Company.

- (3) The Company will lift the Transfer Restriction on all the Allotted Shares when the Transfer Restriction Period has expired on the condition that the Eligible Directors have continuously held the position stipulated in (1) during the Service Period. However, if the Eligible Directors retire from the position stipulated in (1) above or retire from the Company before the Service Period expires for a reason that is deemed justifiable by the Board of Directors of the Company as stipulated in (2) above, the number of the Allotted Shares on which the Transfer Restriction is lifted will be adjusted rationally as needed.
- (4) The Company will acquire the Allotted Shares on which the Transfer Restriction has not been lifted when the Transfer Restriction Period has expired pursuant to the provisions of (3) above, without consideration as a matter of course.
- (5) When there is a violation of laws and regulations, internal rules or the Allotment Agreement or when other grounds specified by the Board of Directors as reasonable grounds for acquiring the Allotted Shares without consideration apply, the Company will automatically acquire the Allotted Shares without consideration.
- (6) Notwithstanding the provisions of (1) above, if a merger agreement in which the Company will become a disappearing company, a share exchange agreement or a share transfer plan in which the Company will become a wholly owned subsidiary, or other matters concerning organizational restructuring, etc. is approved at a General Meeting of Shareholders of the Company (or the Board of Directors of the Company, if there is no need to obtain approval at a General Meeting of Shareholders for the organizational restructuring, etc.) during the Transfer Restriction Period, the Company will lift, prior to the effective date of the organizational restructuring, etc., the Transfer Restriction on the number of Allotted Shares which will be determined rationally by resolution of the Board of Directors of the Company in light of the period from the date of commencement of the Service Period to the date of approval of the organizational restructuring, etc.
- (7) In the case provided for in (6) above, the Company will automatically acquire the Allotted Shares on which the Transfer Restriction has not yet been lifted even immediately after the Transfer Restriction has been lifted pursuant to the provisions of (6) above, without consideration.

4. Reason why it is appropriate to grant restricted stock

The Company will grant restricted stock to the Eligible Directors as compensation, etc. for the purpose of giving them an incentive to sustainably enhance the Company's corporate value and further promote the sharing of value with the shareholders.

At a meeting of the Board of Directors held on February 25, 2021, the Company set the policy for the determination of content of compensation, etc. for individual Directors, and an outline of the policy is provided on page 21 of the business report. However, the Company resolved at a meeting of the Board of Directors held on May 28, 2021 to change the policy as stated in the reference below subject to the approval of this Proposal. In addition, the Company has decided that it is appropriate to grant restricted stock based on this Proposal, given that the total amount of monetary compensation to be paid in order to be appropriated for granting restricted stock based on this Proposal will be within the maximum annual amount in 2. above and that the ratio of restricted stock to be granted based on this Proposal to the total number of issued shares is about 0.03% (the ratio to the total number of issued shares if the maximum number of shares of restricted stock is issued over 10 years is about 0.3%), indicating that the dilution rate is negligible.

(Reference: New policy for the determination of compensation for Directors)

1. Basic policy

The basic policy is to establish a compensation system in which compensation for Directors of the Company fully functions as an incentive to sustainably enhance its corporate value within the framework (Note) of total annual compensation resolved at a General Meeting of Shareholders and to set compensation for individual Directors at an appropriate level, taking into account their position, role, degree of contribution, target attainment level and performance, etc. when determining compensation for individual Directors.

Specifically, compensation for Executive Directors will comprise the basic compensation as fixed compensation, as well as monetary compensation and restricted stock compensation linked to individual performance, and only the basic compensation will be paid to Outside Directors who take on a supervisory function in light of their job responsibilities.

Notes:

- (i) Total annual compensation is determined to be 300 million yen or less by resolution at the Extraordinary General Meeting of Shareholders held on January 15, 2002.
- (ii) Restricted stock compensation is determined to be 40 million yen or less a year and 20,000 shares or less within the framework of (i) above by resolution at the Ordinary General Meeting of Shareholders held on June 25, 2021.

In addition, aside from (i), the resolution on stock option compensations in (iii) through (v) below has been adopted.

- (iii) 300 million yen or less a year as stock option compensation of the first series of share acquisition rights by resolution at the Extraordinary General Meeting of Shareholders held on July 26, 2013
- (iv) 300 million yen or less a year as stock option compensation of the fourth and fifth series of share acquisition rights by resolution at the Extraordinary General Meeting of Shareholders held on March 30, 2017

* However, all of the fifth series of share acquisition rights have already been exercised.

- (v) 300 million yen or less a year as stock option compensation of the sixth series of share acquisition rights by resolution at the Extraordinary General Meeting of Shareholders held on September 22, 2017

The Company intends not to grant stock options to Directors for the time being and will revise this policy again if they will be granted.

2. Policy for the determination of the amount of basic compensation (monetary compensation) for individual Directors (including the policy for the determination of time or conditions for giving compensation, etc.)

The basic compensation for Directors of the Company is monthly fixed compensation, and it will be determined, taking into account their position, role, degree of contribution and target attainment level, etc.

The officers' retirement benefit plan will be abolished with the payment of retirement benefits to Directors and Audit and Supervisory Board Members proportionate to their terms of office until the end of the Ordinary General Meeting of Shareholders to be held on June 25, 2021 (payment will be made when each Director leaves office).

3. Policy for the determination of content and amount of performance-based compensation, etc. and non-monetary compensation, etc. or the determination of a calculation method (including the policy for the determination of time or conditions for giving compensation, etc.)

Performance-based compensation, etc. is monetary compensation linked to the performance of individual Directors for the purpose of raising their awareness of contributing to the Company's performance over the medium to long term. It is provided with the monthly fixed compensation in 2. above by determining the annual amount of monetary compensation, taking into account (1) the degree of achievement of annual budgets for net sales and operating profit (whether it is consolidated or non-consolidated depends on the duties of Director, and the degree of achievement of net sales is an indicator only for certain Directors), (2) the degree of achievement of key KPIs that are emphasized to achieve the budget (the content of KPIs differs depending on the duties of Director) and (3) an evaluation of building the foundations to realize stable growth over the medium to long term (qualitative element), and dividing the annual amount by 12.

In addition, non-monetary compensation, etc. is restricted stock compensation. The number or amount of shares to be allotted to Directors as restricted stock compensation will be determined and allotted by resolution of the Board of Directors once a year within the framework resolved by the General Meeting of Shareholders, taking into account the purpose of the restricted stock compensation system, the scope of responsibility and position of each Eligible Director and other various factors. The Eligible Directors for restricted stock are not allowed to transfer, establish a security interest on, or otherwise dispose of restricted stock granted as compensation until they retire from the position of Director of the Company or any other position set by the Company or retire from the Company. In addition, the Transfer Restriction on all shares will be lifted when the Transfer Restriction Period has expired on the condition that the Eligible Directors had continuously held the position of Director of the Company or any other position set by the Company during the period set by the Board of Directors of the Company (Service Period). However, if the Eligible Directors have relinquished the position of Director of the Company or any other certain position before the Transfer Restriction Period expires for reasons that the Board of Directors of the Company deems justifiable, the Company will adjust the number of shares on which the Transfer Restriction is lifted and the time when the Transfer Restrictions is lifted as necessary in a reasonable manner. In addition, if there is a retirement from the position during the Service Period not based on reasonable grounds, a violation of laws and regulations or internal rules, or any other reason which the Board of Directors of the Company stipulates as

an appropriate reason for acquiring the Allotted Shares without consideration, the Company will acquire the Allotted Shares without consideration.

A rough indication for the ratio of the amounts of basic compensation, performance-based compensation, etc. and non-monetary compensation, etc. is generally 7: 2: 1 (in cases where the performance indicators for individual Directors are achieved 100%. The ratio varies, depending on the Director).

4. Matters concerning the determination of content for compensation, etc. for individual Directors

The President and CEO, to whom the determination of specific content of the amount of compensation for individual Directors is delegated based on the resolution of the Board of Director, will determine the amount of compensation for individual Directors following deliberations at the Nominating and Compensation Committee that includes the President and CEO and independent Outside Directors.

Proposal No. 5: Payment of Retirement Benefits to Directors and Audit and Supervisory Board Members associated with the Abolishment of the Officers' Retirement Benefit Plan

The Company resolved at a Board of Directors meeting held on April 27, 2021 to abolish the officers' retirement benefit plan as part of its review of the officers' compensation system when this General Meeting of Shareholders has concluded, on the condition that Proposal No. 4 is approved. Associated with this, the Company proposes the payment of retirement benefits within a reasonable amount to four Directors of those who will be reelected and one Audit and Supervisory Board Member proportionate to their terms of office until the end of this General Meeting of Shareholders according to the prescribed standards of the Company, on the condition that Proposal No. 1 and Proposal No. 2 will be approved and passed.

The Company proposes that the payment be made when each Director and Audit and Supervisory Board Member leave office and that the specific amount and method of payment be left entirely up to the Board of Directors with respect to Directors and to consultation among Audit and Supervisory Board Members with respect to Audit and Supervisory Board Members.

Career summaries at the Company of Directors and Audit and Supervisory Board Members subject to the payment of retirement benefits are as follows.

Name	Career summary
Katsutoshi Arai	June 2012 President and CEO of the Company (current position)
Shinichi Onizawa	Sept. 2009 Director, the Company (current position)
Kazuhito Yokota	June 2017 Director, the Company (current position)
Harutoshi Oe	June 2019 Director, the Company (current position)
Toshiki Hayase	June 2015 Audit and Supervisory Board Member, the Company (current position)