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(Securities Code: 9081)

June 7, 2022

To Our Shareholders:

Yasunori Hori, Representative Director and President  
**Kanagawa Chuo Kotsu Co., Ltd.**  
6-18 Yaezaki-cho, Hiratsuka City, Kanagawa Prefecture

## **Notice of the 148th Annual General Meeting of Shareholders**

It is a pleasure to inform you that the 148th Annual General Meeting of Shareholders of Kanagawa Chuo Kotsu Co., Ltd. (the “Company”) will be held as below.

**From the perspective of preventing the spread of novel coronavirus (COVID-19), we request our shareholders to refrain from attending the meeting in person on the day, and instead, exercise their voting rights prior to the meeting either in writing, via the Internet, or by other measures. You are kindly requested to review the “Reference Documents for the General Meeting of Shareholders” as below and exercise your voting rights by no later than Tuesday, June 28, 2022 at 5 p.m.**

**1. Date and Time:** Wednesday, June 29, 2022 at 10:00 a.m. (JST)

**2. Venue:** Yuri-no-ma, 2nd Floor, Grand Hotel Kanachu Hiratsuka  
6-18 Yaezaki-cho, Hiratsuka City, Kanagawa Prefecture

The number of seats available will be limited to allow sufficient space between each other with a view to preventing the spread of infection. Accordingly, there is a possibility that you will not be able to enter the venue even if you come on the day. Your prior understanding would be appreciated.

### **3. Purpose of the Meeting**

#### **Items to be reported:**

1. Report on the Business Report, Consolidated Financial Statements, and Audit Reports of Consolidated Financial Statements by the Accounting Auditor and Audit & Supervisory Board for the 148th term (from April 1, 2021 to March 31, 2022)
2. Report on the Non-consolidated Financial Statements for the 148th term (from April 1, 2021 to March 31, 2022)

#### **Items to be resolved:**

- |                       |  |
|-----------------------|--|
| <b>Proposal No. 1</b> | Appropriation of Surplus   |
| <b>Proposal No. 2</b> | Partial Amendments to the Articles of Incorporation  |
| <b>Proposal No. 3</b> | Election of Four Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)                               |
| <b>Proposal No. 4</b> | Election of Three Directors Who Are Audit and Supervisory Committee Members  |
| <b>Proposal No. 5</b> | Election of One Director Who Is a Substitute Audit and Supervisory Committee Member  |
| <b>Proposal No. 6</b> | Setting the Maximum Amount of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) |
| <b>Proposal No. 7</b> | Setting the Maximum Amount of Remuneration for Directors Who Are Audit and Supervisory Committee Members                       |

- If you are attending the meeting in person on the day, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- Pursuant to laws and regulations, as well as Article 16 of the Articles of Incorporation of the Company, the “Notes to Consolidated Financial Statements” and “Notes to Non-consolidated Financial Statements” are posted on the Company’s website on the Internet (<https://www.kanachu.co.jp/kanachu/ir/>); therefore, they are not included in the documents attached to this Notice. These items represent part of the Consolidated Financial Statements and Non-consolidated Financial Statements, which have been audited by the Accounting Auditor and Audit & Supervisory Board Members.
- If revisions to the contents of the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements are required, the Company will post the revised documents on its website (<https://www.kanachu.co.jp/kanachu/ir/>).

## Reference Documents for the General Meeting of Shareholders

### Proposals and Reference Information

#### Proposal No. 1 Appropriation of Surplus

The Company's basic policy is to pay dividends by comprehensively taking into account indicators such as consolidated dividend payout ratio and ratio of dividends to net assets. At the same time, it strives to secure the internal reserves necessary for strengthening the management base in preparation for future business investment and changes in the management environment.

In accordance with the basic policy, the Company proposes to pay a year-end dividend for the 148th term as follows:

(i) Type of dividend property

Cash

(ii) Allotment of dividend property and their aggregate amount

¥20 per common share of the Company Aggregate amount: ¥245,435,140

Since the Company has already paid an interim dividend of ¥20 per common share, the total annual dividend for the fiscal year under review will be ¥40 per common share, including the interim dividend.

(iii) Effective date of dividend of surplus

June 30, 2022

## **Reference Information Common to Proposal No. 2 Through Proposal No. 7**

In order to further strengthen corporate governance, the Company proposes to transition to a company with an Audit and Supervisory Committee. Proposal No. 2 through Proposal No. 7, which are to be proposed at this meeting, are all related to the said transition. Therefore, in proposing these items, we would like to explain the characteristics of a company with an Audit and Supervisory Committee, the reasons for the transition to a company with an Audit and Supervisory Committee, and the system after the transition, as follows.

### **1. Characteristics of a Company with Audit and Supervisory Committee**

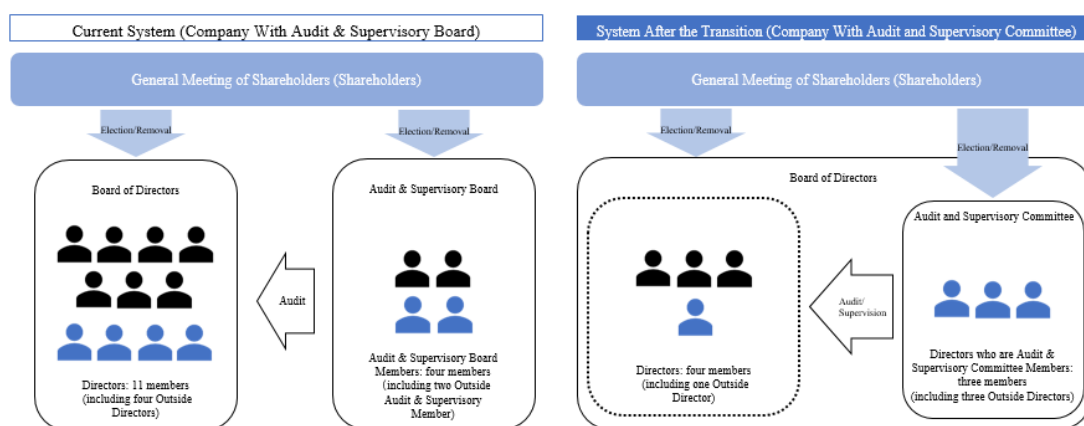
- (1) A company with an Audit and Supervisory Committee does not have a conventional Audit & Supervisory Board Members and Audit & Supervisory Board, but instead has an Audit and Supervisory Committee consisting of three or more Directors who are Audit and Supervisory Committee Members, the majority of whom are Outside Directors.
- (2) Directors who are Audit and Supervisory Committee Members are elected at the General Meeting of Shareholders separately from Directors who are not Audit and Supervisory Committee Members, and as Directors with voting rights at the Board of Directors, they are involved in making decisions on proposals for the election and dismissal of Directors who are not Audit and Supervisory Committee Members, the selection and dismissal of Representative Directors and other decisions concerning the execution of business (excluding decisions that are delegated to Directors). The Audit and Supervisory Committee, in addition to auditing the Directors' performance of their duties, has the right to express its opinion at the General Meeting of Shareholders on the election and dismissal of Directors who are not Audit and Supervisory Committee Members, as well as on their remuneration. In these respects, the Audit and Supervisory Committee and its members have a stronger supervisory function than an Audit & Supervisory Board with Audit & Supervisory Board Members.
- (3) In a company with an Audit and Supervisory Committee, if the majority of the Directors are Outside Directors, or if the Articles of Incorporation so stipulate, the Board of Directors may, by resolution, delegate all or part of the decisions on the execution of important business to the Directors. This enables swift decision-making in business execution, while also allowing the Board of Directors to focus on supervision of execution of business.

### **2. Reasons for the Transition**

The Company has been working to achieve sustainable growth and enhance its medium- and long-term corporate value by making transparent, fair, swift, and resolute decisions and improving corporate governance in order to fulfill its responsibilities to its various stakeholders, including shareholders, customers, employees, and local communities.

In order to accurately respond to changes in the business environment surrounding the Company, the Company will transition to a company with an Audit and Supervisory Committee to further strengthen corporate governance, which will further enhance the effectiveness of the auditing and supervisory functions of the Board of Directors by allowing officers responsible for auditing to become members of the Board of Directors and thus have voting rights at meetings of the Board of Directors, and by delegating part of the execution of business by the Board of Directors to the Directors, thereby enabling even more swift decision-making in management.

### 3. System After the Transition



- Notes:
1. The numbers in “Current System” indicate the number of persons as of March 31, 2022.
  2. The numbers in “System After the Transition” indicate the number of candidates proposed in Proposal No. 3 and Proposal No. 4.

## Proposal No. 2 Partial Amendments to the Articles of Incorporation

### 1. Reasons for the proposal

- (1) In order to further strengthen corporate governance, the Company will transition to a company with an Audit and Supervisory Committee. In accordance with this transition, the Company will establish new provisions for Directors who are Audit and Supervisory Committee Members and the Audit and Supervisory Committee, delete provisions for the Audit & Supervisory Board Members and the Audit & Supervisory Board, and establish new provisions for delegation of decisions on the execution of important business to Directors in order to enable flexible decision-making.
- (2) Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to the Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format.
  - (i) Article 16 (Measures, etc. for Providing Information in Electronic Format), Paragraph (1) in the Proposed amendments shall be newly established, as the Articles of Incorporation will need to stipulate that the Company shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.
  - (ii) Article 16 (Measures, etc. for Providing Information in Electronic Format), Paragraph (2) in the Proposed amendments shall be newly established. The purpose of the amendment is to enable the Company, among matters that are subject to measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format, to limit the scope of matters that are included in the documents delivered to shareholders who have requested delivery of documents to the scope specified by the applicable Ordinance of the Ministry of Justice.
  - (iii) Since Article 16 of the current Articles of Incorporation (the provisions for Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) will no longer be required, it will be deleted.
  - (iv) Supplementary provisions regarding the aforementioned establishment and the effect of provisions to be deleted will be established.  
These supplementary provisions shall be deleted after the expiration date.
- (3) Other necessary changes, such as changes in the number of articles in accordance with the above changes, will be made.

### 2. Details of the amendments

Details of the amendments are as follows: The amendment to the Articles of Incorporation for this proposal can only take effect at the conclusion of this meeting.

(Underlined parts indicate changes.)

Current Articles of Incorporation	Proposed amendments
<p>Article 4. (Organs)</p> <p>The Company shall have, in addition to the general meeting of shareholders and Directors, the following organs:</p> <p>(1) Board of Directors</p> <p><u>(2) Audit &amp; Supervisory Board Member(s)</u></p> <p><u>(3) Audit &amp; Supervisory Board</u></p> <p><u>(4) Accounting Auditor</u></p> <p>Article 11. (Shareholder Register Administrator)</p> <p>1. The Company shall have a shareholder register administrator.</p>	<p>Article 4. (Organs)</p> <p>The Company shall have, in addition to the general meeting of shareholders and Directors, the following organs:</p> <p>(1) Board of Directors</p> <p style="text-align: center;">&lt;Deleted&gt;</p> <p><u>(2) Audit and Supervisory Committee</u></p> <p><u>(3) Accounting Auditor</u></p> <p>Article 11. (Shareholder Register Administrator)</p> <p>1. The Company shall have a shareholder register administrator.</p>

Current Articles of Incorporation	Proposed amendments
<p>2. The shareholder register administrator and the place of business thereof shall be designated <u>by resolution of the Board of Directors</u> and public notice thereof shall be given.</p> <p>3. The preparation and keeping of the shareholder register and the share acquisition right register of the Company and other administration relating thereto shall be outsourced to the shareholder register administrator, and shall not be handled by the Company itself.</p>	<p>2. The shareholder register administrator and the place of business thereof shall be designated by <u>the Board of Directors or Directors delegated by resolution of the Board of Directors</u> and public notice thereof shall be given.</p> <p>3. The preparation and keeping of the shareholder register and the share acquisition right register of the Company and other administration relating thereto shall be outsourced to the shareholder register administrator, and shall not be handled by the Company itself.</p>
<p>Article 12. (Share-Handling Regulations)</p> <p>The Company's procedures for exercising shareholder rights, other handling of shares, and the fees shall be governed by the Share-Handling Regulations established <u>by the Board of Directors</u>, in addition to applicable laws and regulations and these Articles of Incorporation.</p>	<p>Article 12. (Share-Handling Regulations)</p> <p>The Company's procedures for exercising shareholder rights, other handling of shares, and the fees shall be governed by the Share-Handling Regulations established by <u>the Board of Directors or Directors delegated by resolution of the Board of Directors</u>, in addition to applicable laws and regulations and these Articles of Incorporation.</p>
<p><u>Article 16. (Internet Disclosure and Deemed Provision of Reference Documents of the General Meeting of Shareholders, Etc.)</u></p> <p><u>When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or presented in the reference documents for the general meeting of shareholders, business report, financial statements and consolidated financial statements through the Internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p> <p style="text-align: center;">&lt;Newly established&gt;</p>	<p style="text-align: center;">&lt;Deleted&gt;</p> <p><u>Article 16. (Measures, etc. for Providing Information in Electronic Format)</u></p> <p><u>1. When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u></p> <p><u>2. Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p>
<p>Article 19. (Number of Directors <u>and Method of Election</u>)</p> <p>1. The Company shall have no more than <u>11</u> Directors, <u>who shall be elected at the general meeting of shareholders.</u></p> <p style="text-align: center;">&lt;Newly established&gt;</p>	<p>Article 19. (Number of Directors)</p> <p>1. The Company shall have no more than <u>seven</u> Directors <u>(excluding Directors who are Audit and Supervisory Committee Members).</u></p> <p><u>2. The Company shall have no more than four Directors who are Audit and Supervisory Committee Members.</u></p>

Current Articles of Incorporation	Proposed amendments
<p><u>2. Resolutions on the election of the preceding Paragraph shall be made by a majority of the votes of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present.</u></p> <p><u>3. Resolutions for the election of Directors shall not be conducted by cumulative voting.</u></p> <p style="text-align: center;">&lt;Newly established&gt;</p>	<p style="text-align: center;">&lt;Deleted&gt;</p> <p style="text-align: center;">&lt;Deleted&gt;</p>
<p>Article <u>20</u>. (Term of Office)</p> <p>1. The term of office of a Director shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within one year after the election of the Director.</p> <p style="text-align: center;">&lt;Newly established&gt;</p> <p style="text-align: center;">&lt;Newly established&gt;</p>	<p>Article <u>20</u>. (Method of Election)</p> <p><u>1. Directors who are Audit and Supervisory Committee Members are elected separately from Directors who are not Audit and Supervisory Committee Members at the General Meeting of Shareholders.</u></p> <p><u>2. Resolutions on the election of a Director shall be made by a majority of the votes of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present.</u></p> <p><u>3. Resolutions for the election of Directors shall not be conducted by cumulative voting.</u></p>
<p>Article <u>21</u>. (Regulations of the Board of Directors)</p> <p>Matters concerning the Board of Directors shall be governed by the Regulations of the Board of Directors established by the Board of Directors, in addition to applicable laws and regulations and these Articles of Incorporation.</p>	<p>Article <u>21</u>. (Term of Office)</p> <p>1. The term of office of a Director (<u>excluding Directors who are Audit and Supervisory Committee Members</u>) shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within one year after the election of the Director.</p> <p><u>2. The term of office of Directors who are Audit and Supervisory Committee Members shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within two years after the election of the Director.</u></p> <p><u>3. The term of office of a Director who is an Audit and Supervisory Committee Member who is elected as the substitute for a Director who is an Audit and Supervisory Committee Member who retired from office before the expiration of the term of office shall continue until the time the term of office of the Director who is an Audit and Supervisory Committee Member who retired from office is to expire.</u></p> <p style="text-align: center;">&lt;Deleted&gt;</p> <p>Article <u>22</u>. (Regulations of the Board of Directors)</p> <p style="text-align: center;">&lt;The article is unchanged&gt;</p>



Current Articles of Incorporation	Proposed amendments
<p>Article <u>22</u>. (Meetings of the Board of Directors)</p> <ol style="list-style-type: none"> <li>1. When convening a meeting of the Board of Directors, a notice shall be dispatched to each Director <u>and each Audit &amp; Supervisory Board Member</u> at least three days before the day of the meeting. However, this period may be reduced in case of urgent need.</li> <li>2. With the consent of all Directors <u>and Audit &amp; Supervisory Board Members</u>, a meeting of the Board of Directors may be held without following the convening procedures.</li> </ol> <p>Article <u>23</u>. (Omission of Resolutions of the Board of Directors)</p> <p>The Company shall deem that a resolution of the Board of Directors has been made in cases where the requirements set forth in Article 370 of the Companies Act have been fulfilled.</p> <p>Article <u>24</u>. (Representative Director, Etc.)</p> <ol style="list-style-type: none"> <li>1. The Board of Directors shall appoint representative Director(s) by its resolution.</li> <li>2. The Board of Directors may appoint, by its resolution, one Director and Chairman, one Director and President, <u>and a few Corporate Advisers</u>.</li> </ol> <p style="text-align: center;">&lt;Newly established&gt;</p> <p>Article <u>25</u>. (Remuneration, Etc.)</p> <p>Remuneration, bonuses and other economic benefits given by the Company in consideration for the execution of duties (<u>hereinafter referred to as the “Remuneration, Etc.”</u>) to Directors shall be determined by resolution of a general meeting of shareholders.</p> <p>Article <u>26</u>. (Limited Liability Agreements with Directors)</p> <p>The Company may enter into an agreement with Directors (excluding Executive Directors, etc.) to limit the said Directors’ liability under Article 423, Paragraph (1) of the Companies Act to the amount stipulated by laws and regulations, if the said Directors have acted in good faith and without gross negligence in performing their duties.</p>	<p>Article <u>23</u>. (Meetings of the Board of Directors)</p> <ol style="list-style-type: none"> <li>1. When convening a meeting of the Board of Directors, a notice shall be dispatched to each Director at least three days before the day of the meeting. However, this period may be reduced in case of urgent need.</li> <li>2. With the consent of all Directors, a meeting of the Board of Directors may be held without following the convening procedures.</li> </ol> <p>Article <u>24</u>. (Omission of Resolutions of the Board of Directors)</p> <p style="text-align: center;">&lt;The article is unchanged&gt;</p> <p>Article <u>25</u>. (Representative Director, Etc.)</p> <ol style="list-style-type: none"> <li>1. The Board of Directors shall appoint, by its resolution, representative Director(s) <u>from Directors (excluding Directors who are Audit and Supervisory Committee Members)</u>.</li> <li>2. The Board of Directors may appoint, by its resolution, one Director and Chairman and one Director and President <u>from Directors (excluding Directors who are Audit and Supervisory Committee Members)</u>.</li> </ol> <p>Article <u>26</u>. (<u>Delegation of Decisions on Execution of Important Operations</u>)</p> <p><u>Pursuant to the provisions of Article 399-13, Paragraph (6) of the Companies Act, the Company may, by the resolution of the Board of Directors, delegate all or part of the decisions on the execution of important business (excluding the matters listed in each item of Paragraph (5) of the same Article) to the Directors.</u></p> <p>Article <u>27</u>. (Remuneration, Etc.)</p> <p>Remuneration, bonuses and other economic benefits given by the Company in consideration for the execution of duties to Directors shall be determined, by resolution of a general meeting of shareholders, <u>distinguishing between Directors who are Audit and Supervisory Committee Members and the other Directors</u>.</p> <p>Article <u>28</u>. (Limited Liability Agreements with Directors)</p> <p style="text-align: center;">&lt;The article is unchanged&gt;</p>

Current Articles of Incorporation	Proposed amendments
<p style="text-align: center;">Chapter V  <u>Audit &amp; Supervisory Board Members</u>  <u>and Audit &amp; Supervisory Board</u></p> <p><u>Article 27. (Number of Audit &amp; Supervisory Board Members and Method of Election)</u></p> <p>1. <u>The Company shall have no more than four Audit &amp; Supervisory Board Members who shall be elected at the general meeting of shareholders.</u></p> <p>2. <u>Resolutions on the election of the preceding Paragraph shall be made by a majority of the votes of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present.</u></p> <p><u>Article 28. (Term of Office)</u></p> <p>1. <u>The term of office of an Audit &amp; Supervisory Board Member shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within four years after the election of the Audit &amp; Supervisory Board Member.</u></p> <p>2. <u>The term of office of an Audit &amp; Supervisory Board Member who is elected as a substitute for an Audit &amp; Supervisory Board Member who retired from office before the expiration of the term of office shall continue until the time the term of office of the Audit &amp; Supervisory Board Member who retired from office is to expire.</u></p> <p><u>Article 29. (Full-Time Audit &amp; Supervisory Board Members)</u></p> <p><u>The Audit &amp; Supervisory Board shall appoint full-time Audit &amp; Supervisory Board Member(s) by its resolution.</u></p> <p><u>Article 30. (Regulations of the Audit &amp; Supervisory Board)</u></p> <p>Matters concerning the <u>Audit &amp; Supervisory Board</u> shall be governed by the <u>Regulations of the Audit &amp; Supervisory Board</u> established by the <u>Audit &amp; Supervisory Board</u>, in addition to applicable laws and regulations and these Articles of Incorporation.</p> <p><u>Article 31. (Meeting of the Audit &amp; Supervisory Board)</u></p> <p>1. <u>When convening an Audit &amp; Supervisory Board, a notice shall be dispatched to each Audit &amp; Supervisory Board Member at least three days before the day of the board. However, this period may be reduced in case of urgent need.</u></p> <p>2. <u>With the consent of all Audit &amp; Supervisory Board Members, a meeting of the Audit &amp; Supervisory Board</u></p>	<p style="text-align: center;">Chapter V  <u>Audit and Supervisory Committee</u></p> <p style="text-align: center;">&lt;Deleted&gt;</p> <p style="text-align: center;">&lt;Deleted&gt;</p> <p><u>Article 29. (Full-Time Audit and Supervisory Committee Members)</u></p> <p><u>The Audit and Supervisory Committee may appoint full-time Audit and Supervisory Committee Member(s) by its resolution.</u></p> <p><u>Article 30. (Regulations of the Audit and Supervisory Committee)</u></p> <p>Matters concerning the <u>Audit and Supervisory Committee</u> shall be governed by the <u>Regulations of the Audit and Supervisory Committee</u> established by the <u>Audit and Supervisory Committee</u>, in addition to applicable laws and regulations and these Articles of Incorporation.</p> <p><u>Article 31. (Meeting of the Audit and Supervisory Committee)</u></p> <p>1. <u>When convening an Audit and Supervisory Committee, a notice shall be dispatched to each Audit and Supervisory Committee Member at least three days before the day of the committee. However, this period may be reduced in case of urgent need.</u></p> <p>2. <u>With the consent of all Audit and Supervisory Committee Members, a meeting of the Audit and</u></p>

Current Articles of Incorporation	Proposed amendments
may be held without following the convening procedures.	<u>Supervisory Committee</u> may be held without following the convening procedures.
<p><u>Article 32. (Remuneration, Etc.)</u></p> <p><u>The Remuneration, Etc. to Audit &amp; Supervisory Board Members shall be determined by resolution of a general meeting of shareholders.</u></p> <p><u>Article 33. (Limited Liability Agreements with Audit &amp; Supervisory Board Members)</u></p> <p><u>The Company may enter into an agreement with Audit &amp; Supervisory Board Members to limit the said Audit &amp; Supervisory Board Members' liability under Article 423, Paragraph (1) of the Companies Act to the amount stipulated by laws and regulations, if the said Audit &amp; Supervisory Board Members have acted in good faith and without gross negligence in performing their duties.</u></p> <p>Article <u>34.</u> (Method of Election)</p> <p>An Accounting Auditor shall be elected at a general meeting of shareholders.</p> <p>Article <u>35.</u> (Term of Office)</p> <p>1. The term of office of an Accounting Auditor shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within one year after the election of the Accounting Auditor.</p> <p>2. If no resolution is made at the annual general meeting of shareholders in the preceding paragraph, it shall be deemed that the Accounting Auditor is reappointed at the said annual general meeting of shareholders</p> <p>Article <u>36.</u> (Limited Liability Agreements with Accounting Auditor)</p> <p>The Company may enter into an agreement with the Accounting Auditor to limit the said Accounting Auditor's liability under Article 423, Paragraph (1) of the Companies Act to the amount stipulated by laws and regulations, if the said Accounting Auditor has acted in good faith and without gross negligence in performing his or her duties.</p> <p>Article <u>37.</u> (Business Year)</p> <p>The business year of the Company shall commence on April 1 of each year and end on March 31 of the following year.</p> <p>Article <u>38.</u> (Record Date for Dividends of Surplus)</p> <p>The record date for year-end dividends of the Company shall be March 31 of each year.</p> <p>Article <u>39.</u> (Interim Dividend)</p> <p>The Company may, by resolution of the Board of Directors, pay an interim dividend with September 30 of each year as the record date.</p>	<p>&lt;Deleted&gt;</p> <p>&lt;Deleted&gt;</p> <p>Article <u>32.</u> to Article <u>38.</u></p> <p>&lt;The article number is changed, but the article is unchanged&gt;</p>

Current Articles of Incorporation	Proposed amendments
<p>Article <u>40</u>. (Prescription for Payment of Dividends)</p> <p>In cases where the dividend property is monetary and the dividends have not been received after the lapse of three full years from the date of commencement of payment thereof, the Company shall be exempt from the obligation to pay such dividends.</p>	<p><u>(Supplementary Provisions)</u></p> <ol style="list-style-type: none"> <li>1. The deletion of Article 16 of the Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents of the General Meeting of Shareholders, Etc.) and the new establishment of Article 16 (Measures, etc. for Providing Information in Electronic Format) shall come into effect on September 1, 2022.</li> <li>2. Notwithstanding the provision(s) of the preceding paragraph, Article 16 of the Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) shall remain effective regarding any general meeting of shareholders held on a date within six months from September 1, 2022.</li> <li>3. These Supplementary Provisions shall be deleted on the date when six months have elapsed from September 1, 2022 or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</li> </ol>

**Proposal No. 3** Election of Four Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all 11 Directors will expire at the conclusion of this meeting. Subject to the approval and adoption of Proposal No. 2 “Partial Amendments to the Articles of Incorporation” in its original form, the Company will transition to a company with an Audit and Supervisory Committee. Therefore, the Company proposes the election of four Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies to the rest of this proposal).

The candidates for Director have been determined by the Board of Directors after deliberations at the Nomination and Remuneration Committee, the majority of whose members are Outside Directors.

This proposal, however, can only take effect after Proposal No. 2 “Partial Amendment to the Articles of Incorporation” takes effect.

The candidates for Director are as follows:

Candidate No.	Name	Current position and responsibilities in the Company	
1	Yasunori Hori	Director and President Executive Officer and President (Representative Director)	Re-election
2	Yoshiyuki Oki	Director Senior Managing Executive Officer Group Management Department, in charge of Real Estate Department	Re-election
3	Masayuki Imai	Director Senior Managing Executive Officer in charge of Corporate Strategy Department, Transportation Planning Department, and Transportation Sales Department Head of Corporate Strategy Department	Re-election
4	Koji Hoshino	Director	Re-election Outside

Candidate No.	Name (Date of birth)	Career summary, and position and responsibilities in the Company		Number of the Company's shares owned
1	Yasunori Hori (September 24, 1956)  Re-election  Attendance at Board of Directors meetings 12/12	Apr. 1979	Joined the Company	9,500
		June 2001	Director and Head of Human Resources Department (delegated)	
		June 2002	Head of Transportation Department (delegated)	
		June 2003	Managing Director and Head of Transportation Department (delegated)	
		June 2011	Senior Managing Director	
		June 2016	Representative Director and President (to present)	
		Apr. 2019	Executive Officer	
		June 2019	Executive Officer and President (to present)	
	■Relationship of special interest with the Company There is no special interest between the candidate and the Company. ■Reasons for nomination as candidate for Director Since joining the Company, Mr. Hori has not only accumulated experience and track records primarily in the Human Resources and Transportation departments to gain extensive knowledge, but also been in charge of departments including Accounting and Real Estate to appropriately perform duties and fulfill responsibilities as Director. He currently serves as Representative Director and President of the Company and has excellent capabilities as a company executive. Based on the above, we believe he will continue to contribute to the management of the Company and, accordingly, request his election as Director.			
	2	Yoshiyuki Oki (April 27, 1961)  Re-election  Attendance at Board of Directors meetings 12/12	Apr. 1984	Joined the Company
June 2008			Director and Head of Business Planning Department (delegated)	
June 2009			Head of Business Department (delegated)	
May 2010			Head of Corporate Planning Department (delegated)	
June 2013			Managing Director	
Apr. 2019			Executive Officer	
June 2019			Director (to present)	
June 2019			Managing Executive Officer	
Apr. 2020			Senior Managing Executive Officer (to present)	
Apr. 2021			Head of General Affairs Department (delegated)	
■Responsibilities In charge of Group Management Department and Real Estate Department				
■Relationship of special interest with the Company There is no special interest between the candidate and the Company. ■Reasons for nomination as candidate for Director Since joining the Company, Mr. Oki has not only accumulated experience and track records primarily in the accounting division to gain extensive knowledge, but also been in charge of departments including Corporate Planning and Human Resources to appropriately perform duties and fulfill responsibilities as Director. He also has excellent capabilities as a company executive, having served as Outside Statutory Auditor and Outside Director of Nissan Shatai Co., Ltd. Based on the above, we believe he will continue to contribute to the management of the Company and, accordingly, request his election as Director.				

Candidate No.	Name (Date of birth)	Career summary, and position and responsibilities in the Company		Number of the Company's shares owned
3	Masayuki Imai (August 7, 1968)  Re-election  Attendance at Board of Directors meetings 12/12	Apr. 1992 June 2016 June 2017 June 2017 June 2018 Apr. 2019 Apr. 2020 Apr. 2022	Joined the Company Head of Corporate Planning Department Director (to present) Head of Corporate Planning Department (delegated) Head of Corporate Strategy Department (delegated) (to present) Executive Officer Managing Executive Officer Senior Managing Executive Officer (to present) ■Responsibilities In charge of Corporate Strategy Department, Transportation Planning Department, and Transportation Sales Department ■Significant concurrent positions outside the Company Outside Director of Nissan Shatai Co., Ltd. Representative Director and President of Oyama Kanko Dentetsu Co., Ltd.	2,700
	■Relationship of special interest with the Company There is no special interest between the candidate and the Company. ■Reasons for nomination as candidate for Director Since joining the Company, Mr. Imai has accumulated experience and track records primarily in the accounting division. He currently serves as the Head of the Corporate Strategy Department to gain extensive knowledge on the management policies and business strategies of the Company and the Group, and has been appropriately performing duties and fulfilling responsibilities as Director. Based on the above, we believe he will continue to contribute to the management of the Company and, accordingly, request his election as Director.			
4	Koji Hoshino (April 26, 1955)  Re-election Outside  Attendance at Board of Directors meetings 10/12	Apr. 1978 June 2003 June 2008 June 2010 June 2013 June 2013 June 2015 Apr. 2017 June 2017	Joined Odakyu Electric Railway Co., Ltd. Executive Officer Director President & CEO (Representative Director) of Odakyu Bus Co., Ltd. Managing Director of Odakyu Electric Railway Co., Ltd. Executive Officer (to present) Executive Director President & CEO (Representative Director) (to present) Director of the Company (to present) ■Significant concurrent positions outside the Company President & CEO (Representative Director) of Odakyu Electric Railway Co., Ltd.	-
	■Relationship of special interest with the Company The candidate serves as President & CEO (Representative Director) of Odakyu Electric Railway Co., Ltd. (“Odakyu Electric Railway”). The Company deals in real estate leases, etc. with Odakyu Electric Railway which engages in businesses of the same business category in the real estate business as the Company does. ■Reasons for nomination as candidate for Outside Director and outline of the expected roles As part of the Odakyu Group, the Company believes running its businesses in cooperation with Odakyu Electric Railway Co., Ltd. will create synergy with railways. The Company requests his election as Outside Director in order to capitalize on his extensive experience and knowledge as the company executive of Odakyu Electric Railway in the management of the Company and improve the function of its Board of Directors. The Company judges he will be able to appropriately fulfill such roles. If he is elected, the Company expects him to continue to assume a supervisory function in the process of selecting candidates for its officers and making decisions on officer remuneration as a member of the Nomination and Remuneration Committee.			

Notes: 1. Koji Hoshino currently serves as an Outside Director of the Company, and at the conclusion of this meeting, his tenure as an Outside Director will be five years.

2. The Company has entered into a Directors and officers liability insurance contract with an insurance company in accordance with Article 430-3, Paragraph (1) of the Companies Act, to cover damages and litigation expenses that may occur to an insured person, including the Company's Director, due to the insured person being held liable for the execution (including non-execution) of his/her duties and that are available by law. If the respective candidate is elected and takes office as Director, he/she will be insured under the said contract. The said contract is planned to be renewed in June 2022.



**Proposal No. 4**      Election of Three Directors Who Are Audit and Supervisory Committee Members

Subject to the approval and adoption of Proposal No. 2 “Partial Amendments to the Articles of Incorporation” in its original form, the Company will transition to a company with an Audit and Supervisory Committee. Therefore, the Company proposes the election of three Directors who are Audit and Supervisory Committee Members.

The Audit & Supervisory Board has agreed on this proposal. The candidates for Directors who are Audit and Supervisory Committee Members have been determined by the Board of Directors after deliberations at the Nomination and Remuneration Committee, the majority of whose members are Outside Directors.

This proposal, however, can only take effect after Proposal No. 2 “Partial Amendment to the Articles of Incorporation” takes effect.

Candidates for the role of Director who is an Audit and Supervisory Committee Member are as follows:

Candidate No.	Name	Current position and responsibilities in the Company	
1	Hiroko Kaneko	Director	New election Outside Independent officer
2	Akira Tsujioka	Audit & Supervisory Board Member	New election Outside Independent officer
3	Michio Shibuya	Audit & Supervisory Board Member	New election Outside Independent officer

Candidate No.	Name (Date of birth)	Career summary, and position and responsibilities in the Company	Number of the Company's shares owned
1	Hiroko Kaneko (March 28, 1958)  New election Outside Independent officer  Attendance at Board of Directors meetings 12/12	<p>Apr. 1980      Joined Sapporo Television Broadcasting Co., Ltd.</p> <p>Oct. 1989      Joined Showa Ota &amp; Co. (current Ernst &amp; Young ShinNihon LLC)</p> <p>Feb. 1993      Registered as certified public accountant</p> <p>May 2007      Partner of Ernst &amp; Young ShinNihon LLC (current Ernst &amp; Young ShinNihon LLC)</p> <p>July 2010      Senior Partner</p> <p>Apr. 2018      Professor at Faculty of Commerce, Waseda University (to present)</p> <p>June 2018      External Audit &amp; Supervisory Board Member of The Shoko Chukin Bank, Ltd. (to present)</p> <p>June 2019      Director of the Company (to present)</p> <p>June 2020      Outside Audit &amp; Supervisory Board Member of Mitsubishi UFJ Lease &amp; Finance Company Limited</p> <p>Apr. 2021      Outside Director of Mitsubishi HC Capital Inc. (to present)</p> <p>Mar. 2022      Member of the Board (Outside) of The Yokohama Rubber Co., Ltd. (to present)</p> <p>■Significant concurrent positions outside the Company Professor at Faculty of Commerce, Waseda University External Audit &amp; Supervisory Board Member of The Shoko Chukin Bank, Ltd. Outside Director of Mitsubishi HC Capital Inc. Member of the Board (Outside) of The Yokohama Rubber Co., Ltd.</p>	700
<p>■Relationship of special interest with the Company There is no special interest between the candidate and the Company.</p> <p>■Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member, and outline of the expected roles She has never been involved in the management of a company in the past except as an outside officer. However, the Company requests her election to make use of her extensive financial and accounting insight and considerable audit experience in the management of the Company and to increase the effectiveness of the audit and supervisory functions of the Board of Directors from an independent and fair perspective. The Company judges she will be able to appropriately fulfill such roles. If she is elected, the Company expects her to continue to assume a supervisory function in the process of selecting candidates for its officers and making decisions on officer remuneration as a member of the Nomination and Remuneration Committee.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibilities in the Company		Number of the Company's shares owned
2	Akira Tsujioka (November 23, 1954)  New election Outside Independent officer  Attendance at Board of Directors meetings 12/12	Apr. 1977	Joined Ministry of Transport (current Ministry of Land, Infrastructure, Transport and Tourism)	200
		May 1988	First Secretary of Embassy of Japan in Canada, Ministry of Foreign Affairs of Japan	
		July 1994	Head of First Automobile Department, Kanto District Transport Bureau	
		June 1995	Counselor of Cabinet Legislation Bureau	
		Aug. 2002	Counsellor of Minister's Secretariat, Ministry of Land, Infrastructure, Transport and Tourism	
		July 2007	Director-General of Aircraft and Railway Accident Investigation Commission	
		July 2008	Administrative Director of Scheduled Airlines Association of Japan	
		June 2019	Audit & Supervisory Board Member of the Company (to present)	
<p>■Relationship of special interest with the Company There is no special interest between the candidate and the Company.</p> <p>■Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member, and outline of the expected roles He has never been involved in the management of a company in the past. However, the Company requests his election to increase the effectiveness of the audit and supervisory functions of the Board of Directors from an independent and fair perspective because he has a wealth of knowledge from his extensive experience and track record in providing guidance and supervision to related industries through transportation and other government agencies. The Company judges he will be able to appropriately fulfill such roles. If he is elected, the Company expects him to assume a supervisory function in the process of selecting candidates for its officers and making decisions on officer remuneration as a member of the Nomination and Remuneration Committee.</p>				
3	Michio Shibuya (June 5, 1945)  New election Outside Independent officer  Attendance at Board of Directors meetings 12/12	Sept. 1972	Registered as certified public accountant	200
		Apr. 1974	Joined Showa Audit Corporation (current Ernst & Young ShinNihon LLC)	
		May 1991	Representative Partner of Showa Ota & Co. (current Ernst & Young ShinNihon LLC)	
		May 2000	Executive Director of Shin Nihon & Co. (current Ernst & Young ShinNihon LLC)	
		June 2010	Outside Audit & Supervisory Board Member of Business Brain Showa-ota Inc.	
		June 2015	Outside Audit & Supervisory Board Member of Shinsei Bank, Limited	
		May 2020	Outside Audit & Supervisory Board Member of HIDAY HIDAKA Corp. (to present)	
		June 2020	Audit & Supervisory Board Member of the Company (to present)	
<p>■Relationship of special interest with the Company Outside Audit &amp; Supervisory Board Member of HIDAY HIDAKA Corp.</p> <p>■Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member, and outline of the expected roles He has never been involved in the management of a company in the past except as an outside officer. However, the Company requests his election to make use of his extensive financial and accounting insight and considerable audit experience in the management of the Company and to increase the effectiveness of the audit and supervisory functions of the Board of Directors from an independent and fair perspective. The Company judges he will be able to appropriately fulfill such roles. If he is elected, the Company expects him to assume a supervisory function in the process of selecting candidates for its officers and making decisions on officer remuneration as a member of the Nomination and Remuneration Committee.</p>				

Notes: 1. Hiroko Kaneko plans to retire as External Audit & Supervisory Board Member of The Shoko Chukin Bank, Ltd. on June 21, 2022.

2. The Company has submitted notification to the Tokyo Stock Exchange that Hiroko Kaneko, Akira Tsujioka, and Michio Shibuya have been designated as independent officer as provided for by the aforementioned exchange.

3. Hiroko Kaneko currently serves as an Outside Director of the Company, and at the conclusion of this meeting, her tenure as an Outside Director will be three years.
4. Akira Tsujioka and Michio Shibuya currently serve as Outside Audit & Supervisory Board Members of the Company. The tenure of Mr. Tsujioka as an Outside Audit & Supervisory Board Member will be three years at the conclusion of this meeting, while that of Mr. Shibuya will be two years at the conclusion of this meeting.
5. The Company has entered into a Directors and officers liability insurance contract with an insurance company in accordance with Article 430-3, Paragraph (1) of the Companies Act, to cover damages and litigation expenses that may occur to an insured person, including the Company's Director, due to the insured person being held liable for the execution (including non-execution) of his/her duties and that are available by law. If the respective candidate is elected and takes office as Director, he/she will be insured under the said contract. The said contract is planned to be renewed in June 2022.

# <Reference Information>

## Skill Matrix of Candidates for Directors

The Company believes that the skills required of Directors of the Company are professional skills related to each of the following items: “Company Management & Corporate Strategies,” “Finance & Accounting,” “Personnel & Labor Relations” and “Governance & Risk Management,” which are necessary in order to quickly respond to changes in the business environment and strengthen the supervisory functions of the Board of Directors, as well as “Sustainability (ESG),” which is described in the basic policy of the Group’s medium-term management plan, and “Transportation Business” and “Real Estate Business,” which are highly important businesses.

If the proposals for election are approved and adopted at this meeting, the composition of the Board of Directors as a whole will help to realize the management philosophy and increase corporate value.

Name	Company Management & Corporate Strategies	Finance & Accounting	Personnel & Labor Relations	Governance & Risk Management	Sustainability (ESG)	Transportation Business	Real Estate Business
Yasunori Hori	●		●	●	●	●	●
Yoshiyuki Oki	●	●	●	●			●
Masayuki Imai	●	●		●	●	●	
Koji Hoshino	●		●	●		●	
Hiroko Kaneko		●		●			
Akira Tsujioka				●		●	
Michio Shibuya		●		●			

Note: The above list represents areas in which each person has specialized knowledge based on their experience, etc., and does not represent all the knowledge they possess.

**Proposal No. 5** Election of One Director Who Is a Substitute Audit and Supervisory Committee Member

Subject to the approval and adoption of Proposal No. 2 “Partial Amendments to the Articles of Incorporation” in its original form, the Company will transition to a company with an Audit and Supervisory Committee.

Therefore, the Company proposes the election of one Director who is a substitute Audit and Supervisory Committee Member in case of a shortage in the number of Directors who are Audit Supervisory Committee Members as stipulated in laws and regulations.

This proposal has been agreed by the Audit & Supervisory Board. The candidate for Director who is a substitute Audit and Supervisory Committee Member has been determined by the Board of Directors after deliberations at the Nomination and Remuneration Committee, the majority of whose members are Outside Directors.

This proposal, however, can only take effect after Proposal No. 2 “Partial Amendment to the Articles of Incorporation” takes effect.

Candidate for the role of Director who is a substitute Audit and Supervisory Committee Member is as follow:

Name (Date of birth)	Career summary		Number of the Company’s shares owned
Shigeyuki Amimoto (March 28, 1957)  Outside	May 1985 May 1986 May 2003 July 2017	Registered as certified public accountant Joined Century Audit Corporation (current Ernst & Young ShinNihon LLC) Representative Partner of Shin Nihon & Co. (current Ernst & Young ShinNihon LLC) Opened Shigeyuki Amimoto Certified Public Accountants Office (to present)	-
<p>■Relationship of special interest with the Company There is no special interest between the candidate and the Company.</p> <p>■Reasons for nomination as candidate for Outside Director who is a substitute Audit and Supervisory Committee Member, and outline of the expected roles He has never been involved in the management of a company in the past. However, the Company requests his election to make use of his extensive financial and accounting insight and considerable audit experience in the management of the Company and to increase the effectiveness of the audit and supervisory functions of the Board of Directors from an independent and fair perspective. The Company judges he will be able to appropriately fulfill such roles.</p>			

Note: The Company has entered into a Directors and officers liability insurance contract with an insurance company in accordance with Article 430-3, Paragraph (1) of the Companies Act, to cover damages and litigation expenses that may occur to an insured person due to the insured person being held liable for the execution (including non-execution) of his/her duties and that are available by law. If the candidate takes office as a Director who is an Audit and Supervisory Committee Member, he will be insured under the said contract.

**Proposal No. 6**      Setting the Maximum Amount of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Subject to the approval and adoption of Proposal No. 2 “Partial Amendments to the Articles of Incorporation” in its original form, the Company will transition to a company with an Audit and Supervisory Committee.

At the 132nd annual general meeting of shareholders held on June 29, 2006, it was approved that the maximum amount of remuneration for Directors of the Company shall be 25 million yen per month (300 million yen per year), and this amount remains unchanged to this day. However, due to the transition to a company with an Audit and Supervisory Committee, the Company has decided to establish a new maximum amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies to the rest of this proposal) instead of the current maximum amount. Accordingly, the Company proposes to revise the maximum remuneration from a monthly basis to an annual basis and a maximum of 240 million yen per year (including 50 million yen for Outside Directors).

A summary of the Company’s policy for determining remuneration, etc. for individual Directors for the 148th fiscal year is provided on page 45 of the Business Report (in Japanese only). If this proposal is approved, the Company plans to change its compensation structure. It will consist of base compensation based on job responsibilities and performance-linked compensation that accurately reflects the achievement of business results.

The Company believes that the contents of this proposal are appropriate because they are necessary and reasonable to grant compensation, etc. in accordance with the said policy, and because they were established in consideration of various circumstances, including the recent economic situation.

As in the past, the Company proposes the amount of remuneration for Directors shall not include the portion of employee’s salary for Directors who concurrently serve as employees.

The current number of Directors is 11 (including four Outside Directors). However, subject to the approval and adoption of Proposal No. 2 “Partial Amendments to the Articles of Incorporation” and Proposal No. 3 “Election of Four Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” in their original forms, the number of Directors related to this Proposal will be four (including one Outside Director).

This proposal, however, can only take effect after Proposal No. 2 “Partial Amendment to the Articles of Incorporation” takes effect.

**Proposal No. 7**      Setting the Maximum Amount of Remuneration for Directors Who Are Audit and Supervisory Committee Members

Subject to the approval and adoption of Proposal No. 2 “Partial Amendments to the Articles of Incorporation” in its original form, the Company will transition to a company with an Audit and Supervisory Committee.

Therefore, the Company proposes a maximum of 84 million yen annually for the amount of remuneration for Directors who are Audit and Supervisory Committee Members.

The Company believes that the contents of this proposal are appropriate because this proposal was determined in consideration of the job responsibilities of Directors who are Audit and Supervisory Committee Members and various circumstances, including the recent economic situation.

Subject to the approval and adoption of Proposal No. 2 “Partial Amendments to the Articles of Incorporation” and Proposal No. 4 “Election of Three Directors Who Are Audit and Supervisory Committee Members” in their original forms, the number of Directors who are Audit and Supervisory Committee Members will be three.

This proposal, however, can only take effect after Proposal No. 2 “Partial Amendment to the Articles of Incorporation” takes effect.