

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Stock Exchange Code 2749)
June 9, 2022

To Shareholders with Voting Rights:

Tohru Sakai
President and Representative Director
JP-HOLDINGS, INC.
3-15-31 Aoi, Higashi-ku, Nagoya City

**NOTICE OF
THE 30TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

This is to notify you that the 30th Annual General Meeting of Shareholders of JP-HOLDINGS, INC. (the “Company”) will be held for the purposes as described below.

We cordially ask you to exercise your voting rights in advance in writing or via the Internet and refrain from attending the Meeting in person, regardless of your health conditions, from a viewpoint of prevention of the spread of COVID-19 infections.

Please review the Reference Documents for the Annual General Meeting of Shareholders and exercise your voting rights by no later than 6:00 p.m. on Monday, June 27, 2022, Japan time.

If you plan to attend the Meeting in person, please check the infection status, consider your health condition on the day of the Meeting, and take cautious measures as much as possible for prevention of infections, such as wearing face masks.

In addition, in order to provide sufficient distance between each seat of shareholders, there might not be enough seats available. Please be advised that entry to the meeting venue cannot be guaranteed in the event that all seats are filled.

- 1. Date and Time:** Tuesday, June 28, 2022, at 10:00 a.m. Japan time
- 2. Venue:** Season Terrace Hall, 3rd Floor, Annex Building, Shinagawa Season Terrace
1-2-70 Konan, Minato-ku, Tokyo
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report, Consolidated Financial Statements for the Company’s 30th Fiscal Year (April 1, 2021 - March 31, 2022) and the results of audits by the Accounting Auditor and Audit & Supervisory Committee of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 30th Fiscal Year (April 1, 2021 - March 31, 2022)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Nine (9) Directors (excluding Directors who are Audit & Supervisory Committee Members)
- Proposal 4:** Election of Five (5) Directors who are Audit & Supervisory Committee Members
- Proposal 5:** Determination of Remuneration relating to Restricted Shares and Performance-linked Restricted Shares for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors)

4. Precautions upon Exercising Voting Rights

If you indicate neither approve nor disapprove for a proposal on the Voting Rights Exercise Form, your vote shall be treated as “approve.”

5. Other Matters Decided upon Convocation

- 1) If you exercise your voting rights by submitting more than one Voting Rights Exercise Form, the Voting Rights Exercise Form that arrives at the Company last shall be deemed as the valid exercise of voting rights.
- 2) If you exercise your voting rights more than once via the Internet, the last exercise of voting rights shall be deemed as the valid exercise of voting rights.
- 3) If you exercise your voting rights both via the Internet and in writing (by submitting the Voting Rights Exercise Form), the exercise via the Internet shall be deemed as the valid exercise of voting rights.
- 4) If you wish to make a diverse exercise of your voting rights, please notify the Company in writing of your intention of making a diverse exercise of your voting rights and the reasons therefor at least three days prior to the date of the Annual General Meeting of Shareholders.
- 5) For individual shareholders to exercise voting rights by proxy, in principle, it is necessary to submit the following documents 1) to 3).
 - 1) Voting Rights Exercise Form of the proxy
 - 2) Document evidencing authority of the proxy (letter of attorney with the signature of the shareholder who assigns the power of attorney to the proxy or with the name of the shareholder who assigns the power of attorney to the proxy and the seal affixed)
 - 3) Voting Rights Exercise Form of the shareholder who assigns the power of attorney to the proxy or the seal registration certificate corresponding to the seal affixed to the letter of attorney, or a copy of an official document for identification of the shareholder who assigns the power of attorney to the proxy, including but not limited to a passport, a driver’s license, and a health insurance card
- 6) For corporate shareholders to exercise voting rights by proxy, in principle, it is necessary to submit the following documents 1) and 2).
 - 1) Document evidencing authority of the proxy (letter of attorney or notice of representation with the signature of the representative of the corporation or with the name of the representative of the corporation and the seal affixed)
 - 2) Voting Rights Exercise Form of the shareholder who assigns the power of attorney to the proxy or the seal registration certificate corresponding to the seal affixed to the letter of attorney or the notice of representation
- 7) The number of proxies shall be one and the proxy shall be a shareholder with voting rights at this General Meeting of Shareholders, pursuant to Article 15, Paragraph 1 of the Company’s Articles of Incorporation.
- 8) Out of the documents to be provided associated with this Notice, Overview of the System to Ensure the Appropriateness of Operations and the Status of the Implementation of the System, Consolidated Statement of Changes in Shareholders’ Equity and Notes to the Consolidated Financial Statements, and Non-consolidated Statement of Changes in Shareholders’ Equity and Notes to the Non-consolidated Financial Statements are not included in this Notice or the reference documents for the Annual General Meeting of Shareholders. These documents are posted on the Company’s website at <https://www.jp-holdings.co.jp>, in accordance with laws and regulations in addition to Article 13 of the Company’s Articles of Incorporation.
- 9) The Company will implement measures necessary to prevent the spread of infections, depending on the situation of COVID-19 infections on the day of the Meeting. Going forward, in the event that a significant change in the proceeding of the Meeting arises, we will disclose it on the Company’s Internet website, the same way as noted in (8).

* Any revisions to the Reference Documents for the Annual General Meeting of Shareholders and the Business Report, the Non-consolidated Financial Statements and the Consolidated Financial Statements will be posted on the Company’s Internet website at <https://www.jp-holdings.co.jp>

Reference Documents for the Annual General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

With respect to the year-end dividends for the 30th fiscal year, we propose the appropriation of surplus as follows, comprehensively taking into account the performance of the fiscal year under review, the internal reserves necessary for future business expansion, as well as the enhancement of financial soundness, among other factors.

(i) Type of dividend assets

Cash

(ii) Matters concerning the allocation of dividend assets to shareholders and the total amount thereof

4.50 yen per share of the Company's ordinary shares

Total amount: 393,609,119 yen

(iii) Effective date of dividend of surplus

June 29, 2022

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for proposal

The amended provisions stipulated in the proviso to Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for General Meetings of Shareholders, the Articles of Incorporation of the Company shall be amended as follows.

- (1) The proposed Article 13, Paragraph 1 provides that information contained in the reference documents for the General Meeting of Shareholders, etc. shall be provided electronically.
- (2) The proposed Article 13, Paragraph 2 establishes a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (3) The provisions related to the disclosure of reference documents for General Meetings of Shareholders, etc., through the Internet (Article 13 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed amendments
<p><u>(Disclosure of Reference Documents for General Meetings of Shareholders, etc., through the Internet)</u> <u>Article 13 When convening a General Meeting of Shareholders, the Company may disclose information that should be presented or displayed in the reference documents for shareholders, business reports, consolidated and non-consolidated financial statements, through a method using the Internet, in accordance with the provisions of the Ministry of Justice Order.</u></p> <p style="text-align: center;"><Newly established></p> <p style="text-align: center;"><Newly established></p>	<p style="text-align: center;"><Deleted></p> <p>(Measures for Electronic Provision of Information, Etc.) <u>Article 13 When convening a General Meeting of Shareholders, the Company shall provide information contained in the reference documents for the General Meeting of Shareholders, etc. electronically.</u> <u>2) Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ministry of Justice Order in the paper copy to be sent to shareholders who have requested it by the record date for vesting voting rights.</u></p> <p>(Supplementary Provisions) <u>1. The deletion of Article 13 (Disclosure of Reference Documents for General Meetings of Shareholders, etc., through the Internet) of the Articles of Incorporation before amendment and the establishment of Article 13 (Measures for Electronic Provision of Information, Etc.) of the Articles of Incorporation after amendment shall come into effect on the date of enforcement of the amended provisions stipulated in the proviso to Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u></p>

Current Articles of Incorporation	Proposed amendments
	<p data-bbox="815 215 1414 465"><u>2. Notwithstanding the provisions of the preceding paragraph, Article 13 (Disclosure of Reference Documents for General Meetings of Shareholders, etc., through the Internet) of the Articles of Incorporation before amendment shall remain in force with respect to a General Meeting of Shareholders to be held on a date within six (6) months from the Effective Date.</u></p> <p data-bbox="815 472 1414 622"><u>3. These supplementary provisions shall be deleted after the lapse of six (6) months from the Effective Date or three (3) months from the date of the General Meeting of Shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Proposal 3: Election of Nine (9) Directors (excluding Directors who are Audit & Supervisory Committee Members)

The terms of office of all eight (8) Directors (excluding Directors who are Audit & Supervisory Committee Members; hereinafter, the same apply in this Proposal) will expire at the close of this Annual General Meeting of Shareholders. Accordingly, we propose that nine (9) Directors be elected, adding two (2) Outside Directors to strengthen the management supervisory function. The nomination of the candidates for Director has been determined by the Board of Directors upon recommendations from the Nomination Committee, a voluntary committee chaired by an Independent Outside Director and a majority of which comprises Independent Outside Directors. While the Audit & Supervisory Committee deliberated on this proposal, there is no particular matter on which they should state their opinions at the General Meeting of Shareholders pursuant to the provisions of the Companies Act.

Candidates for Director are as follows.

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
1	Tohru Sakai (September 26, 1973)	<p>July 1996 Joined Pacific Rim Corporation (U.S.) Assumed office as Director</p> <p>April 2001 Joined ATRIUM Co., Ltd. Subsequently, assumed office as Executive Officer and General Manager of Strategic Investment Division</p> <p>July 2011 Founded Futamatsuya USA Inc. (U.S.) April 2012 Founded Star Capital Inc. December 2017 Founded Mirai Capital Co., Ltd. Assumed office as Representative Director Founded Mother Care Japan Co., Ltd. Assumed office as Representative Director</p> <p>June 2018 Director, the Company July 2018 Director, Japan Nursery Service Inc. Director, J Planning Sale Inc. Director, J Cast Inc. (to present) Director, Japan Nursery Institute for General Research Inc. (to present)</p> <p>September 2018 President and Representative Director, J Kitchen Inc.</p> <p>December 2018 Director, Amenity Life Inc. April 2019 President and Representative Director, J Planning Sale Inc.</p> <p>August 2019 Senior Managing Director, the Company June 2020 President and Representative Director, the Company (to present) July 2020 Director, J Kitchen Inc. Director, J Planning Sale Inc.</p> <p>June 2021 President and Director, Japan Nursery Service Inc. September 2021 President and Representative Director, J Kitchen Inc. President and Representative Director, J Planning Sale Inc. (to present)</p> <p>October 2021 President and Representative Director, and General Manager, Operation Department, J Kitchen Inc.</p> <p>April 2022 President and Representative Director, Japan Nursery Service Inc. (to present) President and Representative Director, J Kitchen Inc. (to present)</p>	-
<p>[Reasons for nomination as a candidate for Director] Mr. Tohru Sakai has led the Company's management as President and significantly contributed to improving the performance of the Company. The Company expects that by leveraging the wealth of experience and achievements he has thus accumulated, he as Director will be able to make appropriate decisions and supervise the performance of duties regarding important matters on the Company's management in general, while also continuing to contribute to the Group's growth and the enhancement of corporate value. Accordingly, the Company renominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
2	Ryoji Tsutsumi (December 20, 1972)	<p>April 1993 Joined Toyo Reinetsu Co. Ltd.</p> <p>April 2004 Joined ATRIUM Co., Ltd.</p> <p>April 2017 Joined Daitokentaku Partners Co., Ltd.</p> <p>October 2017 Joined ATM Japan, Ltd. General Manager, Accounting and Finance Division.</p> <p>January 2019 Joined the Company General Manager, Finance and Accounting Department, Administration Division</p> <p>April 2020 General Manager, Administration Division, and General Manager, Finance and Accounting Department, the Company</p> <p>June 2020 Director, General Manager, Administration Division, and General Manager, Finance and Accounting Department, the Company</p> <p>July 2020 Director, Japan Nursery Service Inc. Director, J Cast Inc. (to present) Director, Japan Nursery Institute for General Research Inc. (to present)</p> <p>August 2020 Director, General Manager, Administration Division, General Manager, Finance and Accounting Department, and General Manager, System Department, the Company</p> <p>May 2021 Director, Amenity Life Inc.</p> <p>July 2021 Director, J Planning Sale Inc. (to present) Director, J Kitchen Inc. (to present)</p> <p>October 2021 Director, General Manager, Administration Division, and General Manager, System Department, the Company (to present) Director, General Manager, Administration Division, and General Manager, System Department, Japan Nursery Service Inc.</p> <p>April 2022 Director, General Manager, Administration Division, General Manager, Operations Reform Department, and General Manager, System Department, Japan Nursery Service Inc. (to present)</p>	800
<p>[Reasons for nomination as a candidate for Director] Mr. Ryoji Tsutsumi has a wealth of experience and knowledge at administration divisions, has supervised the Group's administration divisions, and has contributed to streamlining overall work and to strengthening the management base. He has been greatly contributing to the business management of the Group, and thus the Company expects him to promote the Group's management and renominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
3	<div data-bbox="263 985 454 1019" style="border: 1px solid black; padding: 2px;">Outside Director</div> Shotaro Seki (July 12, 1929)	<p>April 1953 Joined Yamatane Securities Co., Ltd. (current SMBC Nikko Securities Inc.)</p> <p>December 1985 President and Representative Director, Yamatane Investment Management Co., Ltd.</p> <p>June 1992 President and Representative Director, Yamatane Securities Co., Ltd. (current SMBC Nikko Securities Inc.)</p> <p>November 1994 Director (Financial Affairs), Waseda University</p> <p>September 1995 Vice President, Executive Director (Financial Affairs), Waseda University</p> <p>June 2000 Nonexecutive Director, The Tokyo Foundation</p> <p>January 2002 President, NPO Bridge in Asia</p> <p>December 2003 Vice President, University Management Association in 21st Century</p> <p>November 2004 Vice President, Executive Director, Waseda University</p> <p>October 2006 Visiting Scholar, Waseda Institute of the Policy of Social Safety (to present)</p> <p>November 2006 Director, Yugi Sangyo Kenzenka Suishinkikou (to present)</p> <p>December 2006 Trustee, Toyo University</p> <p>April 2009 Director, University of Niigata Prefecture</p> <p>December 2009 Executive Trustee, Toyo University</p> <p>December 2010 Trustee, General Incorporated Foundation The Japan Uzbekistan Silk Road Foundation (to present)</p> <p>October 2011 Director and Principal, Educational Corporation Kankyo Zokei Gakuen ICS College of Arts</p> <p>April 2012 Vice Chairman, Educational Corporation Kankyo Zokei Gakuen</p> <p>April 2014 Vice Chairman and President, Educational Corporation Kankyo Zokei Gakuen</p> <p>June 2014 Member, University Reform Governance Promotion Committee, Ministry of Education, Culture, Sports, Science and Technology</p> <p>January 2015 Councilor, Foundation for International Transfer of Skills and Knowledge in Construction (to present)</p> <p>July 2016 Advisor, Japan Educational Foundation Tokyo Online University (to present)</p> <p>December 2016 Member, Committee for Discussion of Measures for Promoting University Governance Reform, Ministry of Education, Culture, Sports, Science and Technology</p> <p>May 2017 Chairman, NPO MusicaFresca (to present)</p> <p>October 2017 Member, Committee for Discussion of Measures for Promoting University Governance Reform, Ministry of Education, Culture, Sports, Science and Technology</p> <p>October 2018 Outside Director, the Company (to present)</p> <p>July 2019 Director, Tokyo New City Orchestra (to present)</p> <p>September 2019 Director and Senior Advisor, Educational Corporation Kankyo Zokei Gakuen ICS College of Arts (to present)</p> <p>April 2021 Institute for Development of Early Childhood Education, Comprehensive Research Organization, Waseda University (to present)</p>	-
<p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles] Mr. Shotaro Seki has been providing advice on supervision of the management of the Company and overall management, capitalizing on his wealth of experience and knowledge of education and governance. The Company expects him to continue to provide useful advice and thus renominated him as a candidate for Outside Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
4	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside Director</div> Tadakazu Sahara (April 9, 1947)	April 1970 Joined Daiwa Securities Co., Ltd. (current Daiwa Securities Group Inc.) June 2000 Director, Daiwa Investor Relations Co. Ltd. April 2006 Managing Director, Daiwa Investor Relations Co. Ltd. April 2007 Opened Office Sahara May 2007 General Manager, Information Security Office, the Company (until April 2008) May 2008 Advisor, General Solutions Co., Ltd. (current Fisco Ltd.) January 2009 Director, General Solutions Co., Ltd. (current Fisco Ltd.) October 2018 Outside Audit and Supervisory Board Member, the Company June 2020 Outside Director, the Company (to present)	10,000
[Reasons for nomination as a candidate for Outside Director and overview of expected roles] Mr. Tadakazu Sahara has a wealth of work experience at financial institutions, and a wide range of knowledge of communication with stakeholders, etc. cultivated through his career at IR activity consulting company. He has been providing advice on overall management including advice on transmission of information for stakeholders. The Company expects him to continue to provide useful advice and thus renominated him as a candidate for Outside Director.			
5	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside Director</div> Reiho Kashiwame (June 16, 1952)	April 1976 Joined Chiba Prefectural Government April 1986 Joined Ministry of Health and Welfare (current Ministry of Health, Labour and Welfare) April 1994 Assistant Professor, College of Social Studies (current College of Integrated Human and Social Welfare Studies), Shukutoku University April 1997 Professor, Shukutoku University (to present) Professor, Graduate School, Shukutoku University (to present) General Manager, Department of Child and Family Policy Research, Japan Child and Family Research Institute April 2006 Advisor, Ishikawa Prefectural Government April 2009 Technical Advisor, City of Urayasu (in charge of Child Care Support) (to present) June 2013 Director, Social Welfare Corporation Kobokan (to present) December 2014 Vice Chairman, Tokyo Child Welfare Council (to present) September 2015 Chairperson, Child and Parenting Board of Tokyo Metropolitan Government June 2020 Outside Director, the Company (to present)	-
[Reasons for nomination as a candidate for Outside Director and overview of expected roles] Although he has no direct experience in corporate management, Mr. Reiho Kashiwame has many years of experience and professional knowledge of child welfare and child education. He has been providing useful advice on overall management of the Group, particularly on nursery services. The Company expects him to continue to provide useful advice and thus renominated him as a candidate for Outside Director.			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
6	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside Director</div> Toru Kobayashi (February 9, 1967)	April 1989 Joined Chukyo Publishing Co., Ltd. September 1990 Joined Gakken Co., Ltd. (current GAKKEN HOLDINGS CO., LTD.) October 2011 General Manager, Human Resources Strategy Office, GAKKEN HOLDINGS CO., LTD. August 2014 General Manager, Secretariat Office, GAKKEN HOLDINGS CO., LTD. April 2015 General Manager, Management Strategy Office, GAKKEN HOLDINGS CO., LTD. December 2016 Corporate Officer, GAKKEN HOLDINGS CO., LTD. (to present) <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside Director</div> October 2017 President and Representative Director, Gakken E-mirai Co., Ltd. (to present) February 2018 Director, Textbook Publishers Association of Japan (to present) June 2018 Director, Japan Association for Promotion of Educational Technology (to present) Director, Bosai Kyoiku Suishin Kyokai (to present) March 2019 Director, KIDS DESIGN ASSOCIATION (to present) April 2020 Infant Education and Childcare Goods Association (to present) June 2021 Outside Director, the Company (to present) Board Member, General Incorporated Association ICT CONNECT 21 (to present)	-
[Reasons for nomination as a candidate for Outside Director and overview of expected roles] Mr. Toru Kobayashi has many years of experience and knowledge of infant and child education. The Company expects that he can continue to provide useful advice on overall management of the Group, particularly on nursery services, and thus renominated him as a candidate for Outside Director.			
7	<div style="border: 1px solid black; padding: 2px; display: inline-block;">New Candidate</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside Director</div> Hideyuki Ikari (October 16, 1957)	March 1981 Joined Gakken Co., Ltd. (current GAKKEN HOLDINGS CO., LTD.) April 2003 General Manager, Education System Business Department, Gakken Co., Ltd. (current GAKKEN HOLDINGS CO., LTD.) January 2007 President and Representative Director, Kenshu Publishing Co., Ltd. <div style="border: 1px solid black; padding: 2px; display: inline-block;">New Candidate</div> April 2009 General Manager, Home Education Business Department, Gakken Co., Ltd. (current GAKKEN HOLDINGS CO., LTD.) <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside Director</div> July 2014 President and Representative Director, Gakken Education Publishing Co., Ltd. (current Gakken Plus Co., Ltd.) October 2014 Corporate Officer, GAKKEN HOLDINGS CO., LTD. December 2014 Director, GAKKEN HOLDINGS CO., LTD. December 2020 Managing Director, GAKKEN HOLDINGS CO., LTD. (to present)	-
[Reasons for nomination as a candidate for Outside Director and overview of expected roles] Mr. Hideyuki Ikari has many years of experience and knowledge of formulating strategies for educational contents. The Company expects that he can provide useful advice on overall management of the Group, particularly on nursery services, and thus newly nominated him as a candidate for Outside Director.			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
8	<p><u>New Candidate</u> <u>Outside Director</u></p> <p>Chie Yamazaki (September 13, 1969)</p>	<p>April 1992 Joined Gakken Co., Ltd. (current GAKKEN HOLDINGS CO., LTD.)</p> <p>October 2015 Director, Gakken Area Market Co., Ltd.</p> <p>June 2019 Director, GI Village Co., Ltd. (to present)</p> <p>October 2019 Director, Gakken Cocofump Nursery Co., Ltd.</p> <p>March 2020 Outside Director, Ichishin Labo Co., Ltd.</p> <p>October 2020 Director, Gakken E-mirai Co., Ltd. (to present)</p> <p>November 2020 Director, Gakken Cocofump Holdings Co., Ltd. (current Gakken Cocofump Co., Ltd.) President and Representative Director, Gakken Cocofump Nursery Co., Ltd. (to present)</p>	-
<p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles] Ms. Chie Yamazaki has many years of experience and knowledge of infant and child education. The Company expects that she can provide useful advice on overall management of the Group, particularly on nursery services, and thus newly nominated her as a candidate for Outside Director.</p>			
9	<p><u>New Candidate</u> <u>Outside Director</u></p> <p>Yasumine Satake (December 1, 1953)</p>	<p>April 1976 Joined The Mitsubishi Bank, Ltd. (current MUFG Bank, Ltd.)</p> <p>March 1993 Deputy General Manager, Singapore Branch, The Mitsubishi Bank, Ltd. (current MUFG Bank, Ltd.)</p> <p>July 1997 General Manager, Planning Department, Tokyo-Mitsubishi Asset Management Co., Ltd. (current Mitsubishi UFJ Kokusai Asset Management Co., Ltd.)</p> <p>October 2000 General Manager, Asset Management Service Department, The Bank of Tokyo-Mitsubishi, Ltd. (current MUFG Bank, Ltd.)</p> <p>July 2002 General Manager, Invest Banking and Asset Management Planning Department, The Bank of Tokyo-Mitsubishi, Ltd. (current MUFG Bank, Ltd.)</p> <p>July 2004 Representative Director and President, Mitsubishi-Tokyo Wealth Management Securities Co., Ltd. (current Mitsubishi UFJ Securities Holdings Co., Ltd.)</p> <p>September 2004 Representative Director and Chairman, Mitsubishi-Tokyo Wealth Management Bank (Switzerland), Ltd. (current Mitsubishi UFJ Wealth Management Bank (Switzerland), Ltd.)</p> <p>August 2008 Director and Chairman, The Tokyo Star Bank, Limited</p> <p>June 2015 Outside Director, SBI Holdings, Inc.</p> <p>July 2017 Outside Audit and Supervisory Board Member, SBI Sumishin Net Bank, Ltd.</p> <p>June 2020 Outside Director, Audit & Supervisory Committee Chair, Suruga Bank Ltd. (to present)</p>	-
<p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles] Mr. Yasumine Satake has long been engaged in reforming and refining the financial environment through the planning and execution of new businesses and the promotion of business integration in the drastically changing financial industry. The Company expects that he can provide useful advice on overall management of the Group, and thus newly nominated him as a candidate for Outside Director.</p>			

(Notes)

1. Mr. Hideyuki Ikari, Ms. Chie Yamazaki, and Mr. Yasumine Satake are new candidates for Outside Director.
2. Mr. Shotaro Seki, Mr. Tadakazu Sahara, Mr. Reiho Kashiwame, Mr. Toru Kobayashi, Mr. Hideyuki Ikari, Ms. Chie Yamazaki, and Mr. Yasumine Satake are candidates for Outside Director. The Company has designated Mr. Shotaro Seki, Mr. Tadakazu Sahara, and Mr. Reiho Kashiwame as Independent Directors as defined by Tokyo Stock Exchange, Inc. and submitted notifications. If Mr. Yasumine Satake is elected as proposed, the Company intends to submit him as a new Independent Director to the said exchange.
3. Mr. Shotaro Seki, Mr. Tadakazu Sahara, Mr. Reiho Kashiwame, and Mr. Toru Kobayashi currently serve as Outside Directors of the Company. Mr. Shotaro Seki will have served as Outside Directors of the Company for three (3) years and eight (8) months, Mr. Tadakazu Sahara for three (3) years and eight (8) months including one (1) year and eight (8) months as Outside Audit and Supervisory Board Member, Mr. Reiho Kashiwame for two (2) years, and Mr. Toru Kobayashi for one (1) year at the close of this Annual General Meeting of Shareholders.
4. Pursuant to provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into contracts with Mr. Shotaro Seki, Mr. Tadakazu Sahara, Mr. Reiho Kashiwame, and Mr. Toru Kobayashi that limit their liabilities for damages stipulated in Article 423, Paragraph 1 of the Companies Act, under which the amount of their liabilities for damages is limited to six (6) million yen or to the amount stipulated by laws and regulations, whichever is higher. If their reelection is approved, the Company intends to continue the said liability limitation contracts with them. In addition, if the election of Mr. Hideyuki Ikari, Ms. Chie Yamazaki, and Mr. Yasumine Satake is approved, the Company intends to enter the same liability limitation contracts with each of them.
5. The Company has entered into directors and officers liability insurance contract with an insurance company that insure all Directors. The insurance policy will cover any damages that may result from the insured assuming responsibilities regarding the execution of their duties or receiving claims pertaining to the pursuit of such responsibilities. However, there are certain exemptions, such as the insurance contract does not cover damages arising from acts committed by the insured with the knowledge of their illegality. In the event that each candidate is appointed as a Director, he or she will be included as the insured under the insurance contract. The Company plans to renew the insurance contract with the same content at the next renewal.
6. Mr. Reiho Kashiwame concurrently serves as Vice Chairman for Tokyo Child Welfare Council, which has a committee that reviews permits of nursery schools in Tokyo. Mr. Toru Kobayashi, Mr. Hideyuki Ikari, and Ms. Chie Yamazaki are business executors of GAKKEN HOLDINGS CO., LTD. which is the major shareholder of the Company and GAKKEN group companies. The Company has entered into a business alliance agreement with GAKKEN HOLDINGS CO., LTD., and there are transactions between the Group and GAKKEN group companies. No special interest exists between each of the other candidates and the Company.

Proposal 4: Election of Five (5) Directors who are Audit & Supervisory Committee Members

The terms of office of all five (5) Directors who are Audit & Supervisory Committee Members will expire at the close of this Annual General Meeting of Shareholders. Accordingly, we propose that five (5) Directors who are Audit & Supervisory Committee Members be elected.

The Audit & Supervisory Committee has consented to this proposal.

Candidates for Directors who are Audit & Supervisory Committee Members are as follows.

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
1	Hakubun Seki (January 21, 1952)	<p>May 1977 Joined International Cooperation Editorial Department, Editorial Division, Kogyo Jiji Tsushinsha Co., Ltd.</p> <p>October 1980 Part-time Director, Totaku Engineering, Inc.</p> <p>June 1981 Director, Doboku Tsushinsha Co., Ltd.</p> <p>May 1983 Director, General Manager of Planning Dept., Totaku Engineering, Inc.</p> <p>April 1987 Director, Executive Manager, Urban Development Co., Ltd.</p> <p>May 1988 President and Representative Director, Totaku Engineering, Inc.</p> <p>April 1990 Managing Director, Urban Development Co., Ltd.</p> <p>March 1991 Representative Director, Urban Development Co., Ltd.</p> <p>May 1997 Director, SOHATSU Corporation</p> <p>July 2000 Advisory, ATRIUM Co., Ltd.</p> <p>February 2002 Advisory, A.M. Fund Management Co., Ltd.</p> <p>March 2004 Representative Director, SOHATSU Facility Management Co., Ltd. (to present)</p> <p>November 2006 Director and Chairman, LIU Corporation (to present)</p> <p>February 2007 Advisory, ATRIUM Construction Co., Ltd.</p> <p>August 2017 Representative Director, SOHATSU Corporation (to present)</p> <p>September 2017 Representative Director and Chairman, Totaku Engineering Inc. (to present)</p> <p>October 2018 Audit and Supervisory Board Member (Full-time), the Company Audit and Supervisory Board Member, Japan Nursery Service Inc. (to present) Audit and Supervisory Board Member, J Kitchen Inc. (to present). Audit and Supervisory Board Member, J Planning Sale Inc. (to present) Audit and Supervisory Board Member, J Cast Inc. (to present) Audit and Supervisory Board Member, Japan Nursery Institute for General Research Inc. (to present) Audit and Supervisory Board Member, Amenity Life Inc.</p> <p>June 2020 Director (Audit & Supervisory Committee Member), the Company (to present)</p>	-
<p>[Reasons for nomination as a candidate for Director who is Audit & Supervisory Committee Member] Mr. Hakubun Seki has in-depth knowledge of corporate management cultivated through his wealth of experience as corporate manager over many years. He has been capitalizing on his knowledge to conduct audits from various angles and work to secure the soundness and appropriateness of management. Considering his knowledge and achievement, the Company believes that he is qualified to serve as Director who is Audit & Supervisory Committee Member, and renominated him as a candidate for Director who is Audit & Supervisory Committee Member.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
2	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside Director</div> Hidehiro Katsumata (September 8, 1956)	December 1983 Joined Daiwa Securities Co., Ltd. (current Daiwa Securities Group Inc.) August 1999 Joined ING Barings Securities Japan Ltd. April 2003 Joined The Royal Bank of Scotland Plc April 2011 President, Food Stuff Research Institute Co., Ltd. (to present) February 2012 Representative Director, Yamato Consulting Group Co., Ltd. April 2018 Director, The Japan Hong Kong Society October 2018 Audit and Supervisory Board Member, the Company February 2020 City Council Member, Gotemba City (to present) April 2020 Auditor, The Japan Hong Kong Society June 2020 Outside Director (Audit & Supervisory Committee Member), the Company (to present)	-
<p>[Reasons for nomination as a candidate for Outside Director who is Audit & Supervisory Committee Member and overview of expected roles]</p> <p>Mr. Hidehiro Katsumata has a wealth of experience at financial institutions in Japan and overseas, and a wide range of knowledge and extended experience as manager over many years. He has been capitalizing on his experience and knowledge to conduct audits from various angles and work to secure the soundness and appropriateness of management. Considering his knowledge and achievement, the Company believes that he is qualified to serve as Audit & Supervisory Committee Member, and renominated him as a candidate for Director who is Audit & Supervisory Committee Member.</p>			
3	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside Director</div> Toshihiko Itami (September 2, 1953)	April 1980 Appointed to Public Prosecutor, Tokyo District Public Prosecutors Office April 2005 Director, Public Safety Bureau, Tokyo District Public Prosecutors Office June 2010 Director, Administration Bureau, Supreme Public Prosecutors Office July 2012 Chief Prosecutor, Tokyo District Public Prosecutors Office July 2014 Deputy Prosecutor-General, Supreme Public Prosecutors Office December 2015 Superintending Prosecutor, Osaka High Public Prosecutors Office November 2016 Registered as attorney Advisor, Nagashima Ohno & Tsunematsu March 2018 Outside Corporate Auditor, Hokkoku Shimbun June 2018 Outside Director, Seven Bank Ltd. (to present) Outside Director, TODA CORPORATION (to present) June 2020 Outside Director (Audit & Supervisory Committee Member), the Company (to present)	-
<p>[Reasons for nomination as a candidate for Outside Director who is Audit & Supervisory Committee Member and overview of expected roles]</p> <p>Although he has no direct experience in corporate management, Mr. Toshihiko Itami has a wealth of experience and highly professional knowledge cultivated through many years of engagement in corporate governance and corporate compliance as public prosecutor and attorney, and he has been providing appropriate advice on the management of the Company from an objective viewpoint. Considering his knowledge and achievement, the Company believes that he is qualified to serve as Audit & Supervisory Committee Member, and renominated him as a candidate for Director who is Audit & Supervisory Committee Member.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
4	<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Outside Director</div> Akinori Tsuruya (June 8, 1957)	April 1983 Joined National Police Agency March 1998 Director, Police Administration, Police Headquarters, Ibaraki Police August 1999 Officer, Info-Communications Planning Division, Info-Communications Bureau, National Police Agency February 2001 Director, Criminal Department, Police Headquarters, Hyogo Prefectural Police February 2003 Deputy Director for International Affairs, Cabinet Intelligence and Research Office April 2007 Chief of Police Headquarters, Wakayama Prefectural Police August 2008 Director, International Investigations (Head of Tokyo Office, International Criminal Police Organization), National Police Agency June 2013 Director, Shikoku Finance Bureau, Ministry of Finance, JAPAN September 2016 Director, Kinki Region Police Bureau November 2017 Advisor, Prudential Life Insurance Company (to present) April 2018 Outside Director, Unicafe Inc. April 2018 Outside Director, Hinode Holdings Co., Ltd.(to present) June 2018 Advisor, Prudential Holdings of Japan, Inc.(to present) April 2020 Advisor, UCC Holdings Co., Ltd.(to present) June 2020 Outside Director (Audit & Supervisory Committee Member), the Company (to present) August 2020 Deputy President, Public Interest Incorporated Foundation Asia Symbiosis Educational Foundation (to present) January 2021 Managing Director, General Incorporated Association Medical Check Promotion Organization (to present)	-
<p>[Reasons for nomination as a candidate for Outside Director who is Audit & Supervisory Committee Member and overview of expected roles]</p> <p>Although he has no direct experience in corporate management, Mr. Akinori Tsuruya has a wide range of knowledge of risk management and compliance, and he has been providing appropriate advice on the management of the Company from an objective viewpoint. Considering his knowledge and achievement, the Company believes that he is qualified to serve as Audit & Supervisory Committee Member, and renominated him as a candidate for Director who is Audit & Supervisory Committee Member.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
5	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside Director</div> Masaru Yaita (February 20, 1948)	April 1970 Joined Marubun Corporation April 1979 Joined Sukenori Mori Certified Public Accountant Office May 1979 Registered as tax accountant July 1982 Registered as certified public accountant December 1982 Partner, TKA Takeshi Iizuka Audit Corporation August 1988 Joined KPMG Japan Inc. October 1990 Joined Kokusai Securities Inc. (current Mitsubishi UFJ Securities Holdings Co., Ltd.) December 2002 Joined Ernst & Young ShinNihon LLC December 2005 Executive Officer and General Manager, Finance Division, H.S. Securities. Co., Ltd. (current HS Holdings Co., Ltd.) December 2010 Representative Liquidator, Orient Securities Co., Ltd. December 2010 Corporate Auditor, H.S. Loan Recovery Co., Ltd. (to present) June 2020 Director (Audit & Supervisory Committee Member), the Company (to present)	-
<p>[Reasons for nomination as a candidate for Outside Director who is Audit & Supervisory Committee Member and overview of expected roles]</p> <p>Although he has no direct experience in corporate management, Mr. Masaru Yaita has a wealth of experience and knowledge of accounting and taxation areas as tax accountant and certified public accountant, and he has been providing appropriate advice on supervision of the management of the Company and management in general. Considering his knowledge and achievement, the Company believes that he is qualified to serve as Audit & Supervisory Committee Member, and renominated him as a candidate for Director who is Audit & Supervisory Committee Member.</p>			

(Notes)

1. Mr. Hidehiro Katsumata, Mr. Toshihiko Itami, Mr. Akinori Tsuruya, and Mr. Masaru Yaita are candidates for Outside Director. The Company has designated them as Independent Director as defined by Tokyo Stock Exchange, Inc. and submitted notifications.
2. Mr. Hidehiro Katsumata, Mr. Toshihiko Itami, Mr. Akinori Tsuruya, and Mr. Masaru Yaita currently serve as Outside Directors who are Audit & Supervisory Committee Members of the Company. They will have served as Outside Directors who are Audit & Supervisory Committee Members for two (2) years at the close of this Annual General Meeting of Shareholders.
3. Pursuant to provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into contracts with Mr. Hidehiro Katsumata, Mr. Toshihiko Itami, Mr. Akinori Tsuruya, and Mr. Masaru Yaita that limit their liabilities for damages stipulated in Article 423, Paragraph 1 of the Companies Act, under which the amount of their liabilities for damages is limited to six (6) million yen or to the amount stipulated by laws and regulations, whichever is higher. If their reelection is approved, the Company intends to continue the said liability limitation contracts with them.
4. The Company has entered into directors and officers liability insurance contract with an insurance company that insure all Directors. The insurance policy will cover any damages that may result from the insured assuming responsibilities regarding the execution of their duties or receiving claims pertaining to the pursuit of such responsibilities. However, there are certain exemptions, such as the insurance contract does not cover damages arising from acts committed by the insured with the knowledge of their illegality. In the event that each candidate is appointed as a Director, he or she will be included as the insured under the insurance contract. The Company plans to renew the insurance contract with the same content at the next renewal.
5. No special interest exists between each of the candidates and the Company.

Proposal 5: Determination of Remuneration relating to Restricted Shares and Performance-linked Restricted Shares for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors)

The Annual General Meeting of Shareholders held on June 25, 2020 approved that the maximum amount of remuneration for the Company's Directors (excluding Directors who are Audit & Supervisory Committee Members) would be 250 million yen per year (including 50 million yen for Outside Directors; excluding the salary for the employee status of Directors concurrently serving as employees).

The Company now proposes to pay the following remuneration to Directors of the Company (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors; hereinafter "Eligible Directors") to further boost their motivation to contribute to raising stock prices and enhance corporate value. The proposed remuneration allots to Eligible Directors (i) common shares of the Company subject to a given period of restriction on transfer and provisions stipulating conditions that the Company may acquire them without consideration (hereinafter "Restricted Shares"); (ii) and a number of common shares of the Company in accordance with the level of achievement of targets and other criteria such as numerical performance targets specified by the Company's Board of Directors in each fiscal year, which is the performance assessment period (hereinafter "Performance-linked Restricted Shares").

Accordingly, the Company proposes to set the total amount of monetary remuneration claims to be granted to Eligible Directors as remuneration related to Restricted Shares and Performance-linked Restricted Shares at a maximum of 5,500,000 yen per year and 30,500,000 yen per year, respectively, separately from the amount of Directors' remuneration mentioned above, comprehensively taking into account matters such as the level of contribution by Eligible Directors to the Company.

The allocation of Restricted Shares and Performance-linked Restricted Shares will be decided upon comprehensively taking into account matters such as the level of contribution by the Eligible Directors to the Company, and the Company believes the contents thereof to be appropriate.

The Company decided the policy for determining the contents of remuneration for individual Directors at the Company's Board of Directors meetings held on February 26, 2021 and November 22, 2021, an overview of which can be found on page 40 of the business report in Japanese. If this proposal is approved, the Company plans to make necessary changes to the policy in line with the approved details at the Company's Board of Directors after the close of this General Meeting of Shareholders.

There are currently eight (8) Directors (excluding Directors who are Audit & Supervisory Committee Members; including five (5) Outside Directors)) and if Proposal 5 is approved as proposed, there will be nine (9) Directors (excluding Directors who are Audit & Supervisory Committee Members; including seven (7) Outside Directors).

Specific Details and Maximum Number of Restricted Shares and Performance-Linked Restricted Shares for Eligible Directors

◆ Restricted Shares

1. Allotment of Restricted Shares and Required Payment

The Company shall grant monetary remuneration claims within the scope of the above-mentioned annual amount to Eligible Directors as remuneration related to Restricted Shares based on a resolution by the Company's Board of Directors, and Eligible Directors shall receive an allotment of Restricted Shares by paying in all of these monetary remuneration claims as contributions in kind.

The amount to be paid in for Restricted Shares shall be determined by the Company's Board of Directors within an amount that will not be particularly advantageous to the Eligible Directors who subscribe for the said Restricted Shares, based the closing price of the Company's common shares at the Tokyo Stock Exchange on the business day before the day of the resolution by the Company's Board of Directors regarding the issuance or disposal of the Restricted Shares (in the event that no trading was conducted on the same day, then the closing price on the most recent trading day preceding that day).

Furthermore, the above-mentioned monetary remuneration claims shall be granted under the condition that the Eligible Directors agree to pay them in as contributions in kind as stated above, and have entered into a Restricted Shares allotment agreement that includes the details specified in 3 below.

2. Total Number of Restricted Shares

The total number of Restricted Shares allotted to Eligible Directors shall be a maximum of 26,100 shares each fiscal year.

However, if, on or after the day this proposal is resolved, the Company's common shares undergo a stock split (including a gratis allotment of the Company's common shares), reverse stock split, or any

other case similar thereto that requires an adjustment of the total number of Restricted Shares to be allotted, the total number of the Restricted Shares may be reasonably adjusted.

3. Details of Restricted Share Allotment Agreement

When allotting Restricted Shares based on a resolution by the Company's Board of Directors, the Company and Eligible Directors, the recipient, shall enter into a Restricted Shares allotment agreement including the following details:

(1) Details of Restrictions on Transfer

An Eligible Director who has received allotment of Restricted Shares may not transfer, pledge, establish a transfer security interest on, give as an inter vivos gift, bequeath, or otherwise dispose of the Restricted Shares that were allotted to said Eligible Director (hereinafter "Allotted Shares I") to a third party (hereinafter "Restriction") during the period from the day the Restricted Shares are issued until the day the Eligible Director steps down as Director of the Company (hereinafter "Restriction Period I").

(2) Acquisition of Restricted Shares without Consideration

If an Eligible Director who has received an allotment of Restricted Shares steps down as Director of the Company during the period from the first day of Restriction Period I until the day before the day of the first Annual General Meeting of Shareholders of the Company held after that, the Company shall automatically acquire Allotted Shares I without consideration, unless there is a reason deemed justifiable by the Company's Board of Directors.

Furthermore, if there are Allotted Shares I for which the Restriction has not been not removed in accordance with the rules for removing the Restriction in (3) below when Restriction Period I in (1) above expires, the Company shall automatically acquire said shares without consideration.

(3) Removal of Restriction

The Company shall remove the Restriction for all Allotted Shares I when Restriction Period I expires, under the condition that the Eligible Directors who received the allotment of Restricted Shares continuously held the position of Director of the Company from the first day of Restriction Period I until the day of the first Annual General Meeting of Shareholders of the Company held after that.

However, if said Eligible Director steps down as Director of the Company during the period from the first day of Restriction Period I until the day the first Annual General Meeting of Shareholders of the Company is held after that for a reason deemed justifiable by the Company's Board of Directors, the number of Allotted Shares I for which the Restriction is to be removed and the timing of removing the Restriction shall be reasonably adjusted as necessary.

(4) Treatment in Organizational Restructuring, etc.

In the event a proposal regarding a merger agreement under which the Company becomes a non-surviving company, share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary, or other organizational restructuring is approved during Restriction Period I by the Company's General Meeting of Shareholders (or the Company's Board of Directors if approval for said organizational restructuring by the Company's General Meeting of Shareholders is not required), the Company shall remove the Restriction by resolution of the Company's Board of Directors on a reasonably defined number of Allotted Shares I in line with the period from the first day of Restriction Period I until the day said organizational restructuring is approved, before the effective date of said organizational restructuring.

In this case, the Company shall automatically acquire without consideration any Allotted Shares I for which the Restriction has not been removed immediately after the Restriction is removed in accordance with the foregoing provisions.

◆ Performance-linked Restricted Shares

1. Allotment of Performance-linked Restricted Shares and Required Payment

Monetary remuneration claims for issuing Performance-linked Restricted Shares shall be granted to Eligible Directors in accordance with the level of achievement of targets and other criteria such as numerical performance targets specified by the Company's Board of Directors in each fiscal year, which is the performance assessment period (hereinafter "Applicable Period"). Therefore, whether or not said monetary remuneration claims will be granted to each Eligible Director, the amount of the monetary remuneration claims for issuing Performance-linked Restricted Shares to be granted, and the number of Performance-linked Restricted Shares to be issued (hereinafter "Number of Shares for Issuance") is not

determined at the beginning of the Applicable Period. Each Eligible Director shall receive an allotment of Performance-linked Restricted Shares by paying in all of these monetary remuneration claims as contributions in kind.

Furthermore, the above-mentioned monetary remuneration claims shall be granted under the condition that the Eligible Directors agree to pay them in as contributions in kind as stated above, and the Eligible Directors (excluding, however, those who stepped down as Director due to the expiry of their term of office at the close of the first Annual General Meeting of Shareholders held after the Applicable Period expires) have entered into a Performance-linked Restricted Shares allotment agreement that includes the details specified in 5 below.

The first Applicable Period shall be the 31st fiscal year (April 1, 2022 to March 31, 2023), after which Performance-linked Restricted Shares may be allotted for each subsequent fiscal year, as a new Applicable Period.

2. Total Number of Performance-linked Restricted Shares

The total number of Performance-linked Restricted Shares to be allotted to Eligible Directors during each Applicable Period shall be a maximum of 144,550 shares.

However, if, on or after the day this proposal is resolved, the Company's common shares undergo a stock split (including a gratis allotment of the Company's common shares), reverse stock split, or any other case similar thereto that requires an adjustment of the total number of Performance-linked Restricted Shares to be allotted, the total number of the Performance-linked Restricted Shares may be reasonably adjusted.

3. Method of Calculation of Number of Shares for Issuance

The Company's Board of Directors shall determine the indicators necessary for calculating the Number of Shares for Issuance, such as numerical targets, used in the allotment of Performance-linked Restricted Shares.

Specifically, the Number of Shares for Issuance for each Eligible Director shall be calculated based on the following formula; provided, however, the number shall be rounded up if there are fractions of less than one share.

If the number of Performance-linked Restricted Shares to be issued to each Eligible Director calculated based on the following formula exceeds the total number of Performance-linked Restricted Shares to be allotted to the above-mentioned Eligible Directors or exceeds the total amount of monetary remuneration claims to be granted, the number of Performance-linked Restricted Shares allotted to each Eligible Director and the amount of monetary remuneration claims shall be adjusted with a reasonable method specified by the Company's Board of Directors, such as proportional distribution, within a scope that does not exceed said total number and total amount.

<Method for Calculating Number of Shares for Issuance to Eligible Directors>

Individual basic remuneration*1 × ratio of granting*2 ÷ amount to be paid in per share

*1. Determined by the Company's Board of Directors in accordance with each Eligible Directors' position, duties, and other factors.

*2. Ratio of granting = ratio of granting in line with the level of achievement of net sales (0% - 20%)

+ ratio of granting in line with the level of achievement of operating income (0% - 20%)

+ ratio of granting in line with the level of achievement of income before income taxes (0% - 20%).

4. Issuance Requirements

When the Applicable Period expires and the following issuance requirements are met, the Company shall grant each Eligible Director monetary remuneration claims, all of which shall be paid in as contribution in kind, and issue Performance-linked Restricted Shares to the Eligible Director.

Performance-linked Restricted Shares shall be issued through the issuance of new shares or disposal of treasury shares, and the amount to be paid in shall be determined by the Board of Directors within a scope that will not be particularly advantageous to Eligible Directors, based on a simple average of the closing price of the Company's common shares at the Tokyo Stock Exchange over one month up to the business day immediately preceding the day of the Board of Directors resolution on the allotment of Performance-linked Restricted Shares.

Eligible Directors must have:

(1) Continuously held the position of Director of the Company until the close of the first Annual General Meeting of Shareholders held after the Applicable Period expires

- (2) Committed no specified misconduct
- (3) Fulfilled other requirements set by the Company's Board of Directors

In the event a proposal regarding a merger agreement under which the Company becomes a non-surviving company, share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary, or other organizational restructuring is approved during the Applicable Period by the Company's General Meeting of Shareholders (or the Company's Board of Directors if approval for said organizational restructuring by the Company's General Meeting of Shareholders is not required), the Performance-linked Restricted Shares shall not be issued for said Applicable Period.

5. Details of Performance-linked Restricted Share Allotment Agreement

(1) Details of Restriction on Transfer

An Eligible Director who has received allotment of Performance-linked Restricted Shares may not transfer, pledge, establish a transfer security interest on, give as an inter vivos gift, bequeath, or otherwise dispose of the Performance-linked Restricted Shares that were allotted to said Eligible Director (hereinafter "Allotted Shares II") to a third party during the period from the day the Performance-linked Restricted Shares are issued until the day the Eligible Director steps down as Director of the Company (hereinafter "Restriction Period II").

(2) Acquisition of Performance-linked Restricted Shares without Consideration

If an Eligible Director who received an allotment of Performance-linked Restricted Shares steps down as Director of the Company, the Company shall automatically acquire the Allotted Shares II without consideration, unless there is a reason deemed justifiable by the Company's Board of Directors.

Furthermore, if there are any Allotted Shares II for which the Restriction has not been removed in accordance with the rules for removing the Restriction in (3) below when Restriction Period II in (1) above expires, the Company shall automatically acquire said shares without consideration.

(3) Removal of Restriction

When Restriction Period II expires, the Company shall remove the Restriction for all Allotted Shares II held by Eligible Directors at that time.

However, the timing for removing the Restriction shall be reasonably adjusted as necessary if said Eligible Director steps down as a Director of the Company due a reason deemed justifiable by the Company's Board of Directors.

(4) Treatment in Organizational Restructuring, etc.

In the event a proposal regarding a merger agreement under which the Company becomes a non-surviving company, share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary, or other organizational restructuring is approved during Restriction Period II by the Company's General Meeting of Shareholders (or the Company's Board of Directors if approval for said organizational restructuring by the Company's General Meeting of Shareholders is not required), the Company shall remove the Restriction on all Allotted Shares II by resolution of the Company's Board of Directors before the effective date of said organizational restructuring.