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## ***To Our Shareholders***

We would like to express our appreciation for your continued support and patronage. SBI Sumishin Net Bank became the first digital bank in Japan to be listed on the Standard Market of the Tokyo Stock Exchange on March 29, 2023. We would like to express our heartfelt gratitude to all of our shareholders for their support.

While the speed of changes such as cashless transactions and digitalization has accelerated due to the COVID-19 pandemic, we achieved in the fiscal year ended March 31, 2023 a deposit balance of 7,975.4 billion yen (up 12% year on year), the number of deposit accounts of 6.146 million (up 15% year on year), mortgage loans originated of 1,485.2 billion yen (up 20% year on year), and ordinary profit of 29.39 billion yen (up 26% year on year), all reaching record highs.

Furthermore, our Banking as a Service (BaaS) business, launched in 2020 as Japan's first, realized alliances with a total of ten companies centering on major players in various industries, such as aviation, home appliances, real estate, life insurance, and securities. We made the business profitable two years after its launch.

To continue to be the bank of choice for our customers and realize a society where affluence circulates with technology and the spirit of integrity, we will actively contribute to society and achieve sustainable growth as a tech company that is more than a bank. We appreciate your continued guidance and encouragement.

May 2023

Noriaki Maruyama  
President & CEO  
SBI Sumishin Net Bank, Ltd.



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***To Shareholders with Voting Rights:***

Securities code: 7163

June 1, 2023

(Date of Commencement of electronic provision of measures: May 25, 2023)

Noriaki Maruyama

President & CEO

SBI Sumishin Net Bank, Ltd.

6-1, Roppongi 1-chome, Minato-ku, Tokyo, Japan

NOTICE OF CONVOCATION OF  
THE 16TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We hereby inform you that the 16th Ordinary General Meeting of Shareholders (the "Shareholders' Meeting") of SBI Sumishin Net Bank, Ltd. (the "Company") will be held as described below.

For this Shareholders' Meeting, we electronically provide documents, including the Reference Documents, etc., and post them on the websites below. You are kindly requested to access any of the websites and see the documents.

**[Our Company's website]**

<https://www.netbk.co.jp/contents/company/en/ir/stock/meeting/>

**[Website for the Reference Documents for the General Meeting of Shareholders]**

<https://d.sokai.jp/7163/teiji/>

**[Tokyo Stock Exchange's website (Listed Company Search)]**

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

(Please access the Tokyo Stock Exchange's website above, enter and search for "SBI Sumishin Net Bank" in the "Issue name (company name)" field or "7163," the securities code of the Company, in the "Code" field, select "Basic information" and "Documents for public inspection/PR information," in that order, and see the information posted in "[Notice of General Shareholders Meeting / Informational Materials for a General Shareholders Meeting]" under "Filed information available for public inspection.")

In lieu of attending Shareholders' Meeting in person, you may exercise your voting rights via the Internet or in writing (by mail). Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights no later than 5 p.m. on Monday, June 19, 2023, Japan

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time.

1. Date and Time: Tuesday, June 20, 2023 from 10:00 a.m., Japan time  
(Reception begins from 9:30 a.m.)
2. Place: Rooms H and I of BELLESALLE Roppongi Grand Conference Center  
9th Floor, Sumitomo Fudosan Roppongi Grand Tower  
2-1 Roppongi 3-chome, Minato-ku, Tokyo, Japan
3. Shareholders' Meeting Agenda:  
[Matters to be reported]
  1. The Business Report and Consolidated Financial Statements for the Company's 16th Fiscal Year (April 1, 2022 - March 31, 2023) and results of audits by the Accounting Auditor and the Audit and Supervisory Board of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company's 16th Fiscal Year (April 1, 2022 - March 31, 2023)  
[Proposals to be resolved]
  - Proposal 1: Election of Ten(10) Directors
  - Proposal 2: Revision of Amount of Remuneration for Directors
  - Proposal 3: Revision of Amount of Remuneration for Auditors
  - Proposal 4: Determination of Remuneration for Granting Restricted Shares to Directors
4. Matters Determined for Convocation of Shareholders' Meeting (Guidance on Exercising Voting Rights)
  - (1) If you exercise your voting rights in writing (by post) and you do not indicate whether you vote for or against a proposal on the Voting Rights Exercise Form, it shall be treated as a vote for the proposal.
  - (2) If you exercise your voting rights multiple times via the Internet, the last vote you exercised shall be deemed and treated as the valid one.
  - (3) If you exercise your voting rights via the Internet and in writing (by mail), the voting rights exercised via the Internet shall be deemed and treated as the valid one, regardless of the date and time your vote arrives.
  - (4) You can exercise your voting rights by proxy. In that case, you may designate another shareholder with voting rights as your proxy, and the proxy may attend Shareholders' Meeting. Please note that a document certifying the proxy's authority must be submitted.
  - (5) If you wish to make a diverse exercise of your voting rights, please notify the Company in writing or by electronic means of your intention of making a diverse exercise of your voting rights and the reasons thereof by three days prior to Shareholders' Meeting.

➤ When attending Shareholders' Meeting in person, please submit the Voting Rights Exercise Form

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at the reception desk.

- Should the documents electronically provided require revisions, a statement to that effect and the matters before and after the revisions will be posted on the websites mentioned on two pages before.
- This notice of convocation also serves as the paper copy containing the documents electronically provided to be sent to shareholders who have requested it. In accordance with laws and regulations and Article 16, Paragraph 2 of the Company's Articles of Incorporation, however, the paper copy does not contain the items below.
  - (1) "The Systems to Ensure the Appropriateness of Operations and Their Operation Status" in the Business Report
  - (2) "Non-consolidated Statements of Changes in Net Assets" and "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial Statements
  - (3) "Consolidated Statements of Changes in Net Assets" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements

The Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements contained in the paper copy are part of the documents audited by the Accounting Auditor and the Auditors in the preparation of their respective audit reports.

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## Guidance on Exercising Voting Rights

A voting right for Shareholders' Meeting is an important right of shareholders.

Please exercise your voting rights after reviewing the Reference Documents for Shareholders' Meeting.

There are three ways to exercise your voting rights as described below.

Attend to Shareholders' Meeting	Exercise Your Voting Rights in Writing (by Mail)	Exercise Your Voting Rights via the Internet
Please submit the enclosed Voting Rights Exercise Form at the reception desk.	Please indicate your votes for or against each of the proposals on the enclosed Voting Rights Exercise Form and send it back by mail.	Please indicate your votes for or against each of the proposals in accordance with the instructions on the next page.
Date and time: Tuesday, June 20, 2023 from 10 a.m., Japan time (Reception begins from 9:30 a.m.)	Deadline for Exercise: The Voting Rights Exercise Form must be received no later than Monday, June 19, 2023 at 5 p.m., Japan time.	Deadline for Exercise: Your voting rights must be exercised no later than Monday, June 19, 2023 at 5 p.m., Japan time.

## Guidance on Filling Out the Voting Rights Exercise Form


If you exercise your voting rights both in writing (by mail) and via the Internet, the voting rights exercised via the Internet shall be deemed valid. In addition, if you exercise your voting rights multiple times via the Internet, your last vote shall be deemed valid.

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## Information on Acceptance of Advance Questions and Online Live Streaming

We will accept questions from shareholders in advance online prior to Shareholders' Meeting.

Additionally, we will live stream the Shareholders' Meeting online so that shareholders can watch the Shareholders' Meeting on their smartphones or their PCs from anywhere. Shareholders will not be able to exercise their voting rights through live streaming. If you are going to watch the live stream, please exercise your voting rights in writing or by electronic means (via the Internet) no later than 5 p.m. on Monday, June 19, 2023, Japan time.

Period of accepting advance questions	From May 25, 2023 to 5:00 p.m., June 13, 2023
Date and time of live streaming	Tuesday, June 20, 2023, from 10:00 a.m. to the end of the briefing on current management information (The streaming website is scheduled to open around 9:50 a.m. on the same day.)
Method of submitting questions / Method of watching live stream	<p>(1) Please access the website using the following URL or QR code from your smartphone, tablet, or personal computer. URL: <a href="https://v.srdb.jp/7163/2023soukai/">https://v.srdb.jp/7163/2023soukai/</a></p> <p>(2) Please enter the following ID and password on the website. ID: SSNBsoukai Password: 20230620</p> 
Notes	<ul style="list-style-type: none"> <li>• We plan to answer questions received on the day of the Meeting or post the answers on our corporate website after the Shareholders' Meeting. Please note that similar questions will be answered together, and we will not be able to answer all questions.</li> <li>• Please note that you may not be able to watch the live stream or have problems with the video or audio</li> </ul>

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	<p>depending on the device you are using or the Internet communication environment.</p> <ul style="list-style-type: none"><li>• If live streaming is canceled for some reason, we will make an announcement on our corporate website.</li></ul>
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### Regarding a Briefing on Current Management Information

After the end of the Shareholders' Meeting, we will hold a briefing on current management information at the same venue.

The briefing on current management information will be held by President & CEO Noriaki Maruyama to explain the SBI Sumishin Net Bank Group(the "Group")'s business, recent business conditions, and future prospects.

Please attend the briefing session after the Shareholders' Meeting.



President & CEO Noriaki Maruyama

#### (Notes)

- The briefing on current management information will be live streamed online following the Shareholders' Meeting. The streaming site, login ID, and password are the same as those for the Shareholders' Meeting.
- As we do for the Shareholders' Meeting, we will accept questions for the briefing session in advance. Please note that similar questions will be answered together, and we may not be able to answer all questions.

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## Reference Documents for the Shareholders' Meeting

### • **Proposal 1: Election of Ten (10) Directors**

As the terms of office of all ten Directors will expire at the conclusion of this Shareholders' Meeting, the Company proposes electing ten Directors. The proposal was referred to the Nomination and Compensation Committee, a committee chaired by an Independent Outside Director where Independent Outside Directors form a majority of the members. Having received a report from the committee, the Board of Directors decided to submit the proposal to the Shareholders' Meeting.

The candidates for Director are as follows.

No.	Name	New candidate/ Reappointment	Current position and responsibility at the Company	Tenure as Director
1	Kenji Yamada	Reappointment	Representative Director and Chairman	2 years and 2 months
2	Noriaki Maruyama	Reappointment	Representative Director, President & CEO	9 years and 2 months
3	Tomokazu Yokoi	Reappointment	Director and Managing Executive Officer	13 years and 11 months
4	Gen Ozaki	Reappointment	Director and Managing Executive Officer	3 years and 5 months
5	Manatomo Yoneyama	Reappointment	Outside Director	2 years and 2 months
6	Tomoya Asakura	Reappointment	Outside Director	1 year and 5 months
7	Yukihito Machida	Reappointment	Outside Director (Independent Officer)	2 years and 5 months
8	Hitoshi Hatta	Reappointment	Outside Director (Independent Officer)	2 years and 5 months
9	Tomohisa Takeda	Reappointment	Outside Director (Independent Officer)	2 years and 5 months
10	Tamotsu Moriyama	Reappointment	Outside Director (Independent Officer)	2 years and 5 months

\* The tenure as Director represents the number of years each Director will have been in office at the conclusion of this Shareholders' Meeting.

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(Candidates' Career Summaries)

**Candidate No.1**

**Reappointment**

<b>Kenji Yamada</b>		
(September 23, 1962)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Apr. 1985	Joined The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited)
	May 2008	General Manager of Kawanishi Branch, The Sumitomo Trust and Banking Co., Ltd.
	May 2010	General Manager of Kobe Branch, The Sumitomo Trust and Banking Co., Ltd.
	Feb. 2013	General Manager of Kobe Branch and General Manager of Kobe-Sannomiya Branch, Sumitomo Mitsui Trust Bank, Limited
	Apr. 2013	General Manager of Retail Planning Department, Sumitomo Mitsui Trust Bank, Limited
	Apr. 2014	Executive Officer and General Manager of Retail Planning Department, Sumitomo Mitsui Trust Bank, Limited
	Apr. 2015	Executive Officer, General Manager of Nagoya Business Department and General Manager of Nagoya-Sakae Branch, Sumitomo Mitsui Trust Bank, Limited
	Oct. 2016	Executive Officer, General Manager of Umeda Branch and General Manager of Hankyu-Umeda Branch, Sumitomo Mitsui Trust Bank, Limited
	Apr. 2018	Director and President, Sumitomo Mitsui Trust General Service Co., Ltd.
	Jun. 2018	Director and President, Sumitomo Mitsui Trust Business Service Co., Ltd.
	Apr. 2021	Chairman, the Company (to present)
Tenure as Director	2 years and 2 months (at the conclusion of the Meeting)	

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Number of shares of the Company held	0
Attendance at meetings of the Board of Directors	23/23 meetings (100%)
Reasons for nomination	Mr. Kenji Yamada has been involved in banking business for 33 years since he joined The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited). He has also served as Director and President of two group companies of Sumitomo Mitsui Trust Bank, Limited and has abundant experience and knowledge as a management executive. He has been serving as Chairman of the Company since 2021. The Company believes that he is well qualified to be Director as he has the knowledge necessary for the Company's management.

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## Candidate No.2

## Reappointment

<b>Noriaki Maruyama</b>		
(May 12, 1965)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Apr. 1989	Joined The Tokai Bank, Ltd. (currently MUFG Bank, Ltd.)
	Feb. 2000	Joined E-Loan, Inc. (currently SBI Holdings, Inc.)
	Apr. 2001	Director, GOODLOAN Co., Ltd. (currently ARUHI Corporation)
	Mar. 2005	Representative Director and COO, Good Mortgage Corporation (currently ARUHI Corporation)
	Jun. 2006	Director, SBI Holdings, Inc.
	Jun. 2007	Director and Executive Officer, SBI Holdings, Inc.
	Apr. 2012	Representative Director, President, CEO and COO, SBI Mortgage Co., Ltd. (currently ARUHI Corporation)
	Jun. 2013	Director & Managing Executive Officer, SBI Holdings, Inc.
	Mar. 2014	Chairman of the Board, Representative Director, and CEO, SBI Mortgage Co., Ltd. (currently ARUHI Corporation)
	Apr. 2014	President & CEO, the Company (to present)
	Dec. 2022	Director, THEMIX Data, Inc. (to present)
		(Significant concurrent positions)
		Director, THEMIX Data, Inc.
Tenure as Director	9 years and 2 months (at the conclusion of the Meeting)	
Number of shares of the Company held	0	
Attendance at meetings	23/23 meetings (100%)	

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of the Board of Directors	
Reasons for nomination	Mr. Noriaki Maruyama worked at The Tokai Bank, Ltd. (currently MUFG Bank, Ltd.) for 11 years. He subsequently participated in the launch of Japan's first loan comparison website and contributed to its listing as a director of the parent company. After creating the mortgage bank market in Japan by launching Japan's first mortgage bank in 2021, he has been serving as President & CEO of the Company since 2014. The Company believes that he is well qualified to be Director as he has knowledge of the banking business and sufficient experience as a management executive.

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### Candidate No.3

### Reappointment

<b>Tomokazu Yokoi</b>		
(November 27, 1967)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Apr. 1990	Joined The Tokai Bank, Ltd. (currently MUFG Bank, Ltd.)
	May 2005	Joined Good Mortgage Corporation (currently ARUHI Corporation)
	Jun. 2007	Director, SBI Mortgage Co., Ltd. (currently ARUHI Corporation)
	Jun. 2009	Joined SBI Holdings, Inc.
	Jun. 2009	Seconded to the Company
	Jun. 2009	Director and Executive Officer, the Company
	Jan. 2021	Director and Managing Executive Officer, General Manager of Corporate Division, the Company (to present)
Tenure as Director	13 years and 11 months (at the conclusion of the Meeting)	
Number of shares of the Company held	0	
Attendance at meetings of the Board of Directors	23/23 meetings (100%)	
Reasons for nomination	Mr. Tomokazu Yokoi worked at The Tokai Bank, Ltd. (currently MUFG Bank, Ltd.) for 15 years and gained experience in mortgage banking. He subsequently has been serving as Director of the Company for 13 years since 2009. The Company believes that he is well qualified to be Director as he has sufficient experience and knowledge as Director of the Company.	

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#### Candidate No.4

#### Reappointment

Gen Ozaki		
(August 15, 1968)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Apr. 1991	Joined The Hokkaido Takushoku Bank, Ltd.
	Nov. 1998	Joined The Chuo Trust & Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited)
	Nov. 2012	Seconded to the Company
	Jan. 2020	Director and Executive Officer, the Company
	Jan. 2021	Director and Managing Executive Officer, the Company (to present)
Tenure as Director	3 years and 5 months (at the conclusion of the Meeting)	
Number of shares of the Company held	0	
Attendance at meetings of the Board of Directors	23/23 meetings (100%)	
Reasons for nomination	Mr. Gen Ozaki moved to The Chuo Trust & Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited) after joining The Hokkaido Takushoku Bank, Ltd. and has been participating in the Company since 2012. The Company believes that he is well qualified to be Director as he has gained more than 30 years of experience in banking business practice and more than 3 years of experience as Director of the Company and has sufficient experience and knowledge as Director of the Company.	

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## Candidate No.5

## Reappointment Outside Director

<b>Manatomo Yoneyama</b>		
(January 25, 1968)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Apr. 1991	Joined The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited)
	Jan. 2016	General Manager of Finance Product Solution Department, Sumitomo Mitsui Trust Bank, Limited
	Apr. 2017	General Manager of Business Process Planning Department, Sumitomo Mitsui Trust Holdings, Inc. General Manager of Business Process Management Department, Sumitomo Mitsui Trust Bank, Limited
	Apr. 2019	Executive Officer and General Manager of Corporate Planning Department, Sumitomo Mitsui Trust Holdings, Inc. Executive Officer and General Manager of Corporate Planning Department, Sumitomo Mitsui Trust Bank, Limited
	Apr. 2021	Managing Executive Officer, Sumitomo Mitsui Trust Holdings, Inc. (to present) Director and Managing Executive Officer, Sumitomo Mitsui Trust Bank, Limited (to present) Appointed Outside Director, the Company (to present)
		(Significant concurrent positions)
		Managing Executive Officer, Sumitomo Mitsui Trust

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	Holdings, Inc.
	Director and Managing Executive Officer, Sumitomo Mitsui Trust Bank, Limited
Tenure as Director	2 years and 2 months (at the conclusion of the Meeting)
Number of shares of the Company held	0
Attendance at meetings of the Board of Directors	23/23 meetings (100%)
Reasons for nomination and outline of expected roles	Mr. Manatomo Yoneyama has held key positions in various fields such as overseas posts, system development, and corporate planning after joining The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited) in 1991. He has been serving as Director and Managing Executive Officer of Sumitomo Mitsui Trust Bank, Limited since 2021. The Company expects him to provide advice and supervision for the Company's management based on his extensive experience and achievements in the banking business, and therefore proposes reappointing him Outside Director.

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## Candidate No.6

## Reappointment Outside Director

<b>Tomoya Asakura</b>		
(March 16, 1966)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Apr. 1989	Joined The Hokkaido Takushoku Bank, Ltd.
	Jan. 1990	Joined Merrill Lynch Japan Incorporated (currently BofA Securities Japan Co., Ltd.)
	Jun. 1995	Joined SOFTBANK CORP. (currently SoftBank Group Corp.)
	Nov. 1998	Joined Morningstar Japan K.K. (currently SBI Global Asset Management Co., Ltd.)
	Jul. 2004	Representative Director and President, Morningstar Japan K.K. (currently SBI Global Asset Management Co., Ltd.)
	Dec. 2005	Representative Director and COO, Morningstar Japan K.K. (currently SBI Global Asset Management Co., Ltd.)
	May 2009	Representative Director and President, Morningstar Asset Management Co., Ltd. (currently Wealth Advisor Co., Ltd.) (to present)
	Apr. 2011	Director, SBI Asset Management Co., Ltd. (to present)
	Jul. 2012	Representative Director, President & CEO, Morningstar Japan K.K. (currently SBI Global Asset Management Co., Ltd.) (to present)
	Nov. 2015	Director, SBI Energy Co., Ltd. (to present)
	Feb. 2016	Executive Chairman, SBI Estate Finance Co., Ltd. (to present)
	Jun. 2017	Director, SBI Insurance Group Co., Ltd. (to present)
	Mar. 2018	Director, SBI CoVenture Asset Management Co., Ltd. (currently SBI Alternative Asset Management Co., Ltd.) (to present)
	Feb. 2019	Director, Carret Holdings, Inc. (to present)
	Feb. 2019	Director, SBI Regional Business Succession Investment Co., Ltd. (to present)
	Jun. 2019	Director, SBI Global Asset Management Co., Ltd. (currently SBI Asset Management Group Co., Ltd.) (to present)
	Jun. 2020	Director, SBI NEO FINANCIAL SERVICES Co., Ltd. (to present)
	Dec. 2021	Outside Director, the Company (to present)
	Jul. 2022	Director and Senior Executive Vice President, SBI Holdings, Inc. (to present)
	Jan. 2023	Director, Okasan Asset Management Co., Ltd. (to present)
	(Significant concurrent positions)	
	Director and Senior Executive Vice President, SBI Holdings, Inc.	

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	Representative Director, President & CEO, SBI Global Asset Management Co., Ltd.
	Director, SBI Asset Management Co., Ltd.
	Representative Director and President, Wealth Advisor Co., Ltd.
	Director, SBI Insurance Group Co., Ltd.
	Director, SBI Energy Co., Ltd.
	Executive Chairman, SBI Estate Finance Co., Ltd.
	Director, SBI Alternative Asset Management Co., Ltd.
	Director, Carret Holdings, Inc.
	Director, SBI Regional Business Succession Investment Co., Ltd.
	Director, SBI Asset Management Group Co., Ltd.
	Director, SBI NEO FINANCIAL SERVICES Co., Ltd.
	Director, Okasan Asset Management Co., Ltd.
Tenure as Director	1 year and 5 months (at the conclusion of the Meeting)
Number of shares of the Company held	0
Attendance at meetings of the Board of Directors	23/23 meetings (100%)
Reasons for nomination and outline of expected roles	<p>Mr. Tomoya Asakura has outstanding insight and abundant experience in investment trusts and other financial products. As Representative Director of Morningstar Japan K.K. (currently SBI Global Asset Management Co., Ltd.) since July 2004, he has demonstrated excellent management skills and built a solid business foundation for the corporate group. The Company expects him to provide advice and supervision for the Company's management based on his extensive insight and abundant experience in all aspects of management, and therefore proposes reappointing him Outside Director.</p>

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## Candidate No.7

### Reappointment Independent Outside Director

<b>Yukihito Machida</b>		
(August 29, 1971)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Mar. 1998	Completed judicial apprentice training (50th term)
	Apr. 1998	Registered as attorney-at-law (Tokyo Bar Association)
	Apr. 1998	Joined Tokyo City Law & Tax Partners (currently City-Yuwa Partners)
	Apr. 1999	Joined Nishimura & Asahi
	Sep. 2003	Studied at University of Southern California Gould School of Law (LL.M.)
	Sep. 2004	Seconded to LeBoeuf, Lamb, Greene & MacRae, L.L.P.
	Aug. 2005	Registered as attorney-at-law in New York State
	Oct. 2005	Seconded to Corporate Accounting and Disclosure Division, Planning and Coordination Bureau, Financial Services Agency
	Jan. 2020	Joined Atsumi & Sakai (to present)
	Jan. 2021	Outside Director, the Company (to present)
	(Significant concurrent positions)	
	Attorney-at-law, Atsumi & Sakai	
Tenure as Director	2 years and 5 months (at the conclusion of the Meeting)	
Number of shares of the Company held	0	
Attendance at meetings of the Board of Directors	23/23 meetings (100%)	
Reasons for nomination and outline of expected roles	Mr. Yukihito Machida is an attorney-at-law specializing in financial laws (registered in Japan and New York) and has experience of being seconded to the Financial Services	

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	<p>Agency. The Company has determined that he is a suitable person to appropriately provide supervision and advice focusing on corporate legal affairs and appointed him Outside Director. The Company expects him to provide advice and supervision for the Company's management based on his extensive insight and abundant experience as a legal expert, and therefore proposes reappointing him Outside Director.</p> <p>Although he has no experience of being involved in company management other than as an outside officer, the Company believes that he will be able to appropriately perform his duties as Outside Director for the above reasons.</p> <p>He has been designated as an independent officer as he satisfies the independence standards set by the Tokyo Stock Exchange and the Company's "Criteria for Determining the Independence of Outside Officers."</p>
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## Candidate No.8

### Reappointment Independent Outside Director

<b>Hitoshi Hatta</b>		
(March 21, 1955)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Apr. 1980	Joined the Ministry of Finance
	Jul. 2008	Director General of Fukuoka Local Finance Branch Bureau
	Jul. 2009	Director, Workers' Life Department, Labour Standards Bureau, Ministry of Health, Labour and Welfare
	Jul. 2011	Director, Treasury Department, Deposit Insurance Corporation of Japan
	Jul. 2013	Director-General, Yokohama Customs
	Oct. 2014	Secretary-General, The Financial Futures Association of Japan
	May 2016	Corporate Advisor, LIFENET INSURANCE COMPANY
	Jun. 2016	Executive Managing Director and Executive Officer, LIFENET INSURANCE COMPANY
	Oct. 2016	Executive Managing Director, Executive Officer, CCO and CISO, LIFENET INSURANCE COMPANY
	Jan. 2021	Outside Director, the Company (to present)
Tenure as Director	2 years and 5 months (at the conclusion of the Meeting)	
Number of shares of the Company held	0	
Attendance at meetings of the Board of Directors	23/23 meetings (100%)	
Reasons for nomination and outline of expected roles	Mr. Hitoshi Hatta has abundant experience and knowledge related to government financial administration, including experience at the Financial Services Agency, as well as other experience such as a compliance officer at LIFENET INSURANCE COMPANY. The Company has determined that	

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	<p>he is a suitable person to appropriately provide supervision and advice on compliance and risk management, and overall business execution based on his experience in government financial administration and financial business management, and appointed him Outside Director. The Company expects him to provide advice and supervision for the Company's management based on his abundant experience in government administration and experience as a director of a listed company, and therefore proposes reappointing him Outside Director.</p> <p>He has been designated as an independent officer as he satisfies the independence standards set by the Tokyo Stock Exchange and the Company's "Criteria for Determining the Independence of Outside Officers."</p>
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## Candidate No.9

## Reappointment Independent Outside Director

<b>Tomohisa Takeda</b>		
(November 8, 1957)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Apr. 1981	Joined the Bank of Japan
	Apr. 2003	Branch Manager of Takamatsu Branch, the Bank of Japan
	Apr. 2005	Associate Director-General, Secretariat of the Policy Board, the Bank of Japan
	Apr. 2006	Director-General for Management Strategy, Budget and Accounting, Secretariat of the Policy Board, the Bank of Japan
	Jul. 2010	Director-General, Information System Services Department, the Bank of Japan
	Apr. 2013	Executive Director, the Bank of Japan
	Nov. 2018	Registered as attorney-at-law (joined Dai-Ichi Tokyo Bar Association) Established Tomohisa Takeda Law Office, Director (to present)
	Jan. 2021	Outside Director, the Company (to present)
	(Significant concurrent positions)	
	Attorney-at-law, Tomohisa Takeda Law Office	
Tenure as Director	2 years and 5 months (at the conclusion of the Meeting)	
Number of shares of the Company held	0	
Attendance at meetings of the Board of Directors	23/23 meetings (100%)	
Reasons for nomination and outline of expected roles	After joining the Bank of Japan, Mr. Tomohisa Takeda served as Director-General for Management Strategy, Budget and Accounting of the Secretariat of the Policy Board, Director-General of the Information System	

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	<p>Services Department, and Executive Director at the Bank of Japan. He is also a qualified attorney-at-law. As he has abundant experience, knowledge, etc. in system development and operation, formulation of management plans, budgeting, settlement of accounts and internal control such as human resources, the Company has determined that he is a suitable person to appropriately provide supervision and advice on overall business execution of the Company, with focus on the IT and system areas, and appointed him Outside Director. The Company expects him to provide advice and supervision for the Company's management based on his abundant experience in government financial administration, etc., and therefore proposes reappointing him Outside Director. He has been designated as an independent officer as he satisfies the independence standards set by the Tokyo Stock Exchange and the Company's "Criteria for Determining the Independence of Outside Officers."</p>
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**Candidate No.10**

**Reappointment  
Independent Outside Director**

<b>Tamotsu Moriyama</b>		
(March 24, 1973)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Oct. 1994	Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC)
	Jan. 2001	Joined Stern Stewart & Co.
	Jan. 2002	Joined Nomura Wasserstein Perella Co., Ltd. (currently Nomura Securities Co., Ltd.)
	Jan. 2007	Joined Frontier Management Inc.
	Apr. 2013	Established Maxus Corporate Advisory Inc., President and Representative Director (to present)
	Aug. 2015	Outside Director, PROPOLIFE INC. (currently PROPOLIFE GROUP INC.) (to present)
	Jan. 2021	Outside Director, the Company (to present)
	(Significant concurrent positions)	
	President and Representative Director, Maxus Corporate Advisory Inc.	
	Outside Director, PROPOLIFE GROUP INC.	
Tenure as Director	2 years and 5 months (at the conclusion of the Meeting)	
Number of shares of the Company held	0	
Attendance at meetings of the Board of Directors	23/23 meetings (100%)	
Reasons for nomination and outline of expected roles	Mr. Tamotsu Moriyama serves as Representative Director of a company with extensive experience and achievements as an M&A advisor. He has abundant experience and insight as a certified public accountant (Japan and the United States), in addition to experience and insight in corporate management, while also having a track record of	

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	<p>involvement in corporate restructuring at financial institutions. The Company has determined that he is a suitable person to appropriately provide supervision and advice on the Company's medium- to long-term strategies and group management policies, etc., and appointed him Outside Director. The Company expects him to provide advice and supervision for the Company's management based on his abundant experience in business executives and financial institution management, and therefore proposes reappointing him Outside Director.</p> <p>He has been designated as an independent officer as he satisfies the independence standards set by the Tokyo Stock Exchange and the Company's "Criteria for Determining the Independence of Outside Officers."</p>
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(Notes)

1. No conflict of interest exists between the Company and each candidate.
2. Mr. Manatomo Yoneyama, Mr. Tomoya Asakura, Mr. Yukihiro Machida, Mr. Hitoshi Hatta, Mr. Tomohisa Takeda, and Mr. Tamotsu Moriyama are candidates for Outside Director.
3. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Mr. Manatomo Yoneyama, Mr. Tomoya Asakura, Mr. Yukihiro Machida, Mr. Hitoshi Hatta, Mr. Tomohisa Takeda, and Mr. Tamotsu Moriyama to limit their liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act. The limit of liability for damages under the agreement is the minimum amount of liability as prescribed by Article 425, Paragraph 1 of the Companies Act. If the reappointment of each candidate is approved, the Company will continue the agreement with them.
4. Upon the reappointment of Mr. Yukihiro Machida, Mr. Hitoshi Hatta, Mr. Tomohisa Takeda, and Mr. Tamotsu Moriyama, the Company will continue to designate each of them as an independent officer.
5. The Company has entered into a directors and officers liability insurance agreement with an insurance company under Article 430-3, Paragraph 1 of the Companies Act for Directors, Auditors, and Executive Officers of the Company and subsidiaries of the Company as the insured persons. The insurance premiums are all paid by the Company. The insurance agreement covers compensation for damages and litigation costs in the event that the insured is sued by a third party or shareholder for damages. However, as a measure to ensure that the appropriate performance of duties by the insured is not impaired, damages, etc. arising from criminal acts of the insured, acts committed by the insured with the knowledge of violating laws and regulations, and the insured illegally obtaining personal benefits or favors are not covered by the insurance agreement. Mr. Kenji Yamada, Mr. Noriaki Maruyama, Mr. Tomokazu Yokoi, Mr. Gen Ozaki, Mr. Manatomo Yoneyama, Mr. Tomoya Asakura, Mr. Yukihiro Machida, Mr. Hitoshi Hatta, Mr. Tomohisa Takeda, and Mr. Tamotsu Moriyama are currently Directors of the Company and insured by the above insurance agreement. Upon the reappointment of each candidate, they will continue to be insured by the insurance agreement. The Company will renew the insurance agreement with the same

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terms and conditions during the terms of office of the candidates.

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**(Reference) Nomination procedures for candidates for Director, election criteria for Outside Directors, and criteria for determining independence**





Nomination procedures for candidates for Director	When nominating candidates for Director, we ensure a high degree of transparency and objectivity in the deliberation process by having discussions at the Nomination and Compensation Committee, a committee chaired by an Independent Outside Director where Independent Outside Directors form a majority of the members.
Election criteria for Outside Directors	The Company selects candidates by setting requirements, such as insight of corporate management and Fintech, experience and insight in specialized fields such as those of lawyers and accountants, and experience and insight in risk management of financial institutions and government financial administration, while also considering their personalities and talents. Furthermore, in the nomination of candidates for Independent Outside Directors, the Company selects candidates who are independent of the Company and have no risk of causing conflicts of interest with shareholders in accordance with the criteria established by the Company for determining independence of outside officers.
Criteria for determining independence	<ol style="list-style-type: none"> <li>1. If none of the following criteria applies, the candidate is judged to be sufficiently independent. <ol style="list-style-type: none"> <li>A) A person who is currently or has been in the ten years prior to appointment an officer (Note 1) or an executive (Note 2) of the Company, its subsidiary or associate, other affiliate of the Company, a subsidiary of such affiliate, a parent company of other affiliate of the Company, or a subsidiary of such parent company</li> <li>B) A person who is currently or has been in the three years prior to appointment a major shareholder (Note 3) of the Company or, if such person is a corporation, such as a company, its officer or executive</li> <li>C) A person whose major business partner (Note 4) is currently or has been in the three years prior to appointment the Company or its subsidiary or, if such person is a corporation, such as a company, its officer or executive</li> <li>D) A person who is currently or has been in the three years prior to appointment a major business partner of the Company or its subsidiary or, if such person is a corporation, such as a company, its officer or executive</li> <li>E) A consultant, accounting professional, or legal professional who currently receives or has received in the three years prior to appointment a large amount of cash (Note 5) or other property, other than officer remuneration, from the Company or its subsidiary (or if such person is an organization, such as a corporation or association, a person who is affiliated with the organization)</li> <li>F) A person who is currently the Accounting Auditor of the Company or its subsidiary or an employee, etc. of such Accounting Auditor, or a person who has been engaged in auditing of the Company or its subsidiary as an employee, etc. of the Accounting Auditor of the Company or its subsidiary in the three fiscal years prior to appointment</li> </ol> </li> </ol>

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	<p>G) A person who currently receives or has received in the three years prior to appointment a large amount of donations (Note 6) from the Company or its subsidiary or, if such person is a corporation, such as a company, its officer or executive</p> <p>H) A close relative (spouse, relative within the second degree of kinship, or relative living together) of a person who falls under any of A through G above (excluding non-important (Note 7) persons)</p> <p>2. Even in the case of a person to whom any of the above criteria applies, if the Company considers that the person is appropriate as an independent officer of the Company and has no risk of causing conflicts of interest in light of his/her personality and insight, etc., the Company may select such person as a candidate for an independent officer of the Company, provided that the Company explains the reasons to external parties.</p> <p>(Notes)</p> <ol style="list-style-type: none"> <li>1. A Director (excluding Independent Outside Directors) or Auditor (excluding Independent Outside Auditors)</li> <li>2. An executive Director, Corporate Officer, Executive Officer, manager or other employee</li> <li>3. A shareholder holding 10% or more of total voting rights</li> <li>4. In transactions with the business partner for the past three fiscal years, the amount paid by the Company or its subsidiary is 2% or more of consolidated net sales of the business partner, or the amount received by the Company or its subsidiary is 2% or more of ordinary income of the Company</li> <li>5. The annual amount of cash received from the Company or its subsidiary is 10 million yen or more in the case the person is an individual. If the person is affiliated with a corporation, etc., the annual amount of cash received from the Company or its subsidiary is 2% or more of consolidated net sales of such corporation, etc.</li> <li>6. The annual average of donations for the past three fiscal years is 10 million yen or more in the case the recipient is an individual. If the recipient is a corporation, the annual average of donations for the past three fiscal years is 10 million yen or more or 2% or more of consolidated net sales or total income of the recipient, whichever is larger</li> <li>7. In the case of an organization such as a corporation or association, a person at the levels of officers or general managers of such organization, or in the case of an association or a school, a person in a position equivalent to a director</li> </ol>
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**(Reference) Areas in which the Company has particular expectations for candidates for Director (up to four areas)**

Director candidates				
	Kenji Yamada	Noriaki Maruyama	Tomokazu Yokoi	Gen Ozaki
Areas/Current positions	Representative Director and Chairman	Representative Director, President & CEO	Director and Managing Executive Officer	Director and Managing Executive Officer
Corporate management	●	●		
Finance	●	●	●	●
Legal affairs Compliance Risk management	●		●	●
Financial accounting				
Technology		●		
Innovation		●		

\* The table above does not represent all types of knowledge and experience held by Director candidates.

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Manatomo Yoneyama	Tomoya Asakura	Yukihiro Machida	Hitoshi Hatta	Tomohisa Takeda	Tamotsu Moriyama
Outside Director	Outside Director	Independent Outside Director	Independent Outside Director	Independent Outside Director	Independent Outside Director
	●				●
●	●	●	●	●	●
●		●	●	●	
					●
●				●	

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• **Proposal 2: Revision of Amount of Remuneration for Directors**

The 10th Ordinary General Meeting of Shareholders held on June 30, 2017 approved a proposal setting the upper limit of the amount of remuneration for Directors at 220 million yen per year. The Company hereby proposes revising that upper limit to 350 million yen per year, including up to 100 million yen for Outside Directors. In addition, the amount of remuneration for Directors will not include employee portions of the salaries of Directors concurrently serving as employees.

Against the backdrop of changes in the business environment, etc. due to the Company's stock listing, the Company consulted with the Nomination and Compensation Committee, a voluntary committee chaired by an Independent Outside Director where Independent Outside Directors form a majority of the members, regarding the amounts of remuneration for individual Directors necessary to sustainably improve corporate value. Based on a report from the committee, the Board of Directors considered an appropriate amount of remuneration and decided to submit this proposal to the Shareholders' Meeting. In addition, as explained on page 41 of the Japanese version of this notice of convocation, if this proposal and Proposal 4 are approved, the Company will revise the Basic Policy for Remuneration for Officers described in (Reference) on page 28 of the Japanese version of this notice of convocation. The content of this proposal is necessary and reasonable in order to provide remuneration, etc. to individual Directors in line with the revised basic policy for remuneration for officers. Therefore, the Company believes that the content of this proposal is reasonable. There are currently ten(10) Directors (including six(6) Outside Directors). If Proposal 1 is approved as originally proposed, there will be ten Directors (including six(6) Outside Directors).

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- **Proposal 3: Revision of Amount of Remuneration for Auditors**

The Extraordinary Shareholders' Meeting held on April 3, 2006 approved a proposal setting the upper limit of the amount of remuneration for Auditors at 50 million yen per year. The importance of the duties of Auditors has increased on the back of changes in the business environment, etc. due to the Company's stock listing. Accordingly, the Company hereby proposes revising the upper limit of the amount of remuneration for Auditors to 70 million yen per year. There are currently four Auditors, and this number will remain unchanged after the end of this Shareholders' Meeting.

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• **Proposal 4: Determination of Remuneration for Granting Restricted Shares to Directors**

The 10th Ordinary General Meeting of Shareholders held on June 30, 2017 approved a proposal setting the upper limit of the amount of remuneration for Directors of the Company at 220 million yen per year (if Proposal 2 is approved, the upper limit will be 350 million yen per year, including up to 100 million yen for Outside Directors). In order to provide incentives for Directors of the Company (excluding Outside Directors; hereinafter “Eligible Directors”) to achieve sustained enhancement of corporate value of the Company and to share more value with shareholders, the Company hereby proposes creating a plan to provide Eligible Directors with new remuneration for granting them restricted shares within the limit of remuneration above.

The purpose of the plan is to encourage Directors to contribute to the enhancement of medium- to long-term performance and the increase of corporate value by further clarifying the linkage between remuneration for Directors and the Company’s performance and share value and having Directors share not only the benefits of rising share prices but also the risk of falling share prices with shareholders. The Company referred the proposal to the Nomination and Compensation Committee, a voluntary committee chaired by an Independent Outside Director where Independent Outside Directors form a majority of the members. Having received a report from the committee, the Board of Directors decided to submit the proposal to the Shareholders’ Meeting. In addition, as explained on page 41 of the Japanese version of this notice of convocation, if Proposal 2 and this proposal are approved, the Company plans to revise the Basic Policy for Remuneration for Officers described in (Reference) on page 28 of the Japanese version of this notice of convocation. The content of this proposal is necessary and reasonable in order to provide remuneration, etc. to individual Directors in line with the revised basic policy on remuneration for officers. Therefore, the Company believes that the content of this proposal is reasonable. There are currently ten Directors (including six Outside Directors). If Proposal 1 is approved and passed as originally proposed, there will be ten Directors (including six Outside Directors).

1. Outline of the Plan

Under the plan, based on a resolution of the Board of Directors, the Company

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provides monetary claims for remuneration to Eligible Directors to allot restricted shares to them, in principle, every fiscal year. Having Eligible Directors contribute all their monetary claims in kind, the Company will issue or dispose of common shares of the Company.

The upper limit of the total number of common shares to be issued or disposed of for allotment to Eligible Directors shall be 138,000 shares per fiscal year. However, if, after the date of resolution of this proposal, the Company conducts a share split of its common shares (including a gratis allotment of common shares of the Company), a share consolidation, or if some other reason occurs that requires an adjustment to the total number of common shares to be issued or disposed of, the total number shall be adjusted in accordance with the share split ratio, the share consolidation ratio or other factors.

In addition, the amount to be paid per share shall be the closing price of common shares of the Company on the Tokyo Stock Exchange on the business day preceding the date of the Board of Directors resolution. (If common shares of the Company were not traded on that day, the closing price of the most recent trading day preceding it shall be applied.) The amount obtained by multiplying such amount by the number of allotted shares shall be the amount of monetary claims. The specific payment timing and allocation for individual Eligible Directors shall be determined by the Board of Directors.

## 2. Matters Concerning Restricted Shares Granted to Eligible Directors

In the issuance or disposal of common shares of the Company under the plan, the Company will conclude a restricted share allotment agreement (hereinafter the "Allotment Agreement") with Eligible Directors. The Allotment Agreement will include the following provisions.

### (1) Period of Transfer Restrictions

Eligible Directors shall not transfer, pledge as collateral, or otherwise dispose of (hereinafter the "Transfer Restrictions") the common shares of the Company allotted under the Allotment Agreement (hereinafter the "Allotted Shares"), during a period (hereinafter the "Transfer Restriction Period") from the day they receive the allotment under the Allotment Agreement until immediately after they resign from all their

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positions of Director and Executive Officer of the Company (excluding the case of being reappointed or appointed as Director or Executive Officer at the same time as resignation; the same applies hereinafter) (if the said time is before a lapse of three months from the end of the fiscal year in which the Eligible Director receives the Allotted Shares, the day after a lapse of three months from the end of the fiscal year in which the Eligible Director receives the Allotted Shares shall apply).

## **(2) Removal of Transfer Restrictions**

The Company shall remove the Transfer Restrictions on all Allotted Shares held by Eligible Directors when the Transfer Restriction Period expires, subject to the Eligible Director continuously serving the position of either Director or Executive Officer of the Company from the date of the Company's Ordinary General Meeting of Shareholders immediately preceding the date of receiving the Allotted Shares to the date of the Company's Ordinary General Meeting of Shareholders to be held in the following year (hereinafter the "Service Rendering Period"). Furthermore, if the Eligible Director resigns from all positions of Director and Executive Officer of the Company during the Service Rendering Period due to death or any other reason deemed justifiable by the Company's Board of Directors, the Company shall remove the Transfer Restrictions on the number of Allotted Shares reasonably determined when the Transfer Restriction Period expires.

## **(3) Acquisition of Allotted Shares Without Consideration**

- (i) The Company shall automatically acquire without consideration any of the Allotted Shares from which the Transfer Restrictions have not been removed, immediately after the Transfer Restriction Period expires.
- (ii) If an Eligible Director falls under certain circumstances during the Transfer Restriction Period, such as when he or she is sentenced to imprisonment or a heavier punishment, the Company shall automatically acquire all of the Allotted Shares without consideration at the time the Eligible Director falls under such circumstances.
- (iii) If an Eligible Director falls under certain circumstances during the Transfer Restriction Period, such as when the Company's Board of Directors determines that

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he or she has been engaged in business that competes with the Company's business, the Company shall automatically acquire all of the Allotted Shares without consideration by notifying the Eligible Director in writing of such intent.

(4) Treatment of Allotted Shares in Case of Organizational Restructuring, etc.

If the General Meeting of Shareholders of the Company (or the Board of Directors of the Company in the case that approval by the General Meeting of Shareholders of the Company is not required regarding the said organizational restructuring, etc.) approves, during the Transfer Restriction Period, a merger contract where the Company becomes the disappearing company, a share exchange agreement or share transfer plan where the Company becomes a wholly owned subsidiary of another company or any other items related to organizational restructuring, etc., the Company shall remove, based on the resolution of the Board of Directors of the Company, the Transfer Restrictions before the effective date of the said organizational restructuring, etc., with regard to the number of Allotted Shares reasonably determined by taking into account the period from the starting date of the Transfer Restriction Period to the effective date of the said organizational restructuring, etc. (however, the Transfer Restrictions shall not be removed if the said time to remove the Transfer Restrictions falls before a lapse of three months from the end of the fiscal year in which the Eligible Director receives the Allotted Shares). Also, in such cases, the Company shall automatically acquire without consideration the Allotted Shares from which the Transfer Restrictions have not been removed, immediately after the time to remove the Transfer Restrictions.

(5) Other Matters Determined by the Board of Directors

In addition to the above, the method of manifestation of intention and notification in the Allotment Agreement, the method of revision of the Allotment Agreement, and any other matters determined by the Board of Directors shall be included in the Allotment Agreement.

Furthermore, during the Transfer Restriction Period, the Company will hold shares of the Company allotted to Eligible Directors with a special account established by Eligible Directors at a securities company designated by the Company to prevent

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Eligible Directors from transferring, pledging as collateral, or otherwise disposing of those shares.

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(Reference) Proposal for Revision of Basic Policy for Remuneration for Officers

If Proposal 2 and Proposal 4 are approved, the Company will revise the Basic Policy for Remuneration for Officers described on page 41 of this notice of convocation as follows.

[Proposed revision]

(Basic policy on officer remuneration)

The Company determines officer remuneration based on the following approach.

(Principles)

A remuneration system that continuously improves corporate value and prioritizes linkage with company performance

An appropriate remuneration structure and remuneration levels based on job responsibilities to be able to secure talented individuals who can appropriately perform business execution and supervisory roles

A fair and equitable remuneration system in which decisions are made through an objective and transparent process

[Policy on determining remuneration for Directors]

(Policy on determining each remuneration)

Fixed remuneration (cash)

- Remuneration is divided into supervisory compensation and executive compensation and paid according to the roles to be fulfilled by Directors.
- Supervisory compensation is remuneration for Directors' supervisory activities and is set at a fixed amount according to the level of responsibility for supervisory activities.
- Executive compensation is remuneration for each Director's business execution and is set at a fixed amount according to ranks and responsibilities, taking into account the level of contribution to business execution and the level of responsibility of each Director, based on factors such as the operating performance level of each fiscal year.
- Fixed remuneration (cash) may be switched to fixed remuneration (shares) depending on the responsibilities of each Director.

Fixed remuneration (shares)

- Fixed remuneration (shares) is a restricted share remuneration program, where Directors (excluding Outside Directors) are granted monetary claims to acquire

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common shares of the Company on which a transfer restriction period is set until their resignation. The upper limit of remuneration for Directors, including fixed remuneration (shares), is 350 million yen per year, and the maximum number of shares to be granted is 138,000 per year.

- The amount of monetary claims to be paid as fixed remuneration (shares) for each Director is determined according to the ranks and responsibilities of Directors.

Policy on determining the remuneration ratio

- The proportions of fixed remuneration (cash) and fixed remuneration (shares) are determined according to the responsibilities and ranks of Directors.

Policy on determining the timing of remuneration payment

- In principle, fixed remuneration (cash) is paid monthly, and fixed remuneration (shares) is paid annually.

Method of determining the details of remuneration for individual Directors (excluding the details above)

- The specific amount of remuneration to be paid to Directors is determined within the limit of remuneration resolved by the General Meeting of Shareholders by a resolution of the Board of Directors, after consulting with and receiving a report from the Nomination and Compensation Committee, a voluntary committee chaired by an Independent Outside Director and composed of a majority of Independent Outside Directors.

[Policy on determining remuneration for Auditors]

- Remuneration, etc. for Auditors is determined within the limit of remuneration resolved by the General Meeting of Shareholders, through discussions among Auditors.