

Securities Code: 8904
(Delivery date) November 10, 2023
(Commencement of electronic provision measures) November 1, 2023

To Our Shareholders:

3-31-1 Myoon-tori, Mizuho-ku, Nagoya

AVANTIA Co., Ltd.

Representative Director and President Yasunari Sawada

Notice of the 34th Annual Meeting of Shareholders

The Company would hereby like to request shareholders to attend its 34th Annual Meeting of Shareholders as described below.

In convening this meeting of shareholders, the Company has taken measures to electronically provide information containing the Reference Documents for the Annual Meeting of Shareholders, etc. (Matters Subject to Electronic Provision Measures). The information is posted on the following respective websites. Please access one of them to review.

Company's website

https://avantia-g.co.jp/corp/ir/library/shareholder_report.html (Japanese only)

(Access the above website, select in the order of "IR information," "IR library," and "Reports to Shareholders" from the menu to review.)



Website where materials for the meeting of shareholders are posted

<https://d.sokai.jp/8904/teiji/>



Tokyo Stock Exchange (TSE) website (Search for a Listed Company)

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

(Access the above TSE website, input "AVANTIA" in "Issue name (company name)" or the Company's security code "8904" in "Code" and search. Select in the order of "Basic information" and "Documents for public inspection/PR information" and review from the "Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting" under "Filed information available for public inspection.")



If you do not attend the meeting in person, you may also exercise your voting rights by the internet, etc. or in writing (by mail). We kindly request that you review the Reference Documents for the Annual Meeting of Shareholders and exercise your voting rights by no later than 6 p.m. on Tuesday, November 28, 2023 (JST).

Sincerely yours,

1 Date:	10:00 a.m. on November 29, 2023 (Wednesday) (the reception desk will open at 9 a.m.)
2 Venue:	2nd Floor, Zuiun East, Hotel Mielparque NAGOYA 3-16-16, Aoi, Higashi-ku, Nagoya
3 Purposes:	<p>Items to be reported:</p> <ol style="list-style-type: none"> 1. The business report, the consolidated financial statements, and the results of consolidated financial statement audits by the Accounting Auditor and the Audit & Supervisory Board for the 34th business period (September 1, 2022 to August 31, 2023) 2. The non-consolidated financial statements for the 34th business period (September 1, 2022 to August 31, 2023) <p>Items to be resolved:</p> <p>Agenda Item 1: Election of Seven (7) Directors</p> <p>Agenda Item 2: Election of One (1) Audit & Supervisory Board Member</p> <p>Agenda Item 3: Election of Two (2) Substitute Audit & Supervisory Board Members</p> <p>Agenda Item 4: Partial Revision of Share-based Remuneration System for Directors</p>

- * When you attend the meeting, we kindly request that you submit the voting form to the receptionist at the venue.
- * Wearing masks as a measure to prevent the spread of COVID-19 is basically left to individual judgment. As the Company will respect the individual's responsible choice and not ask people to uniformly wear masks, on the day of the meeting, shareholders attending are asked to wear a mask or not at their discretion.
- * If there is any modification to the Matters Subject to Electronic Provision Measures, matters before and after the change will be posted to that effect on each website described on the previous page.
- * This Notice of the 34th Annual Meeting of Shareholders alone will be sent to shareholders who have not requested the delivery in writing.
- * Documents that include the Matters Subject to Electronic Provision Measures will also be sent to shareholders who have requested the delivery in writing. However, the following listed matters will not be included in the said documents pursuant to the provisions of laws and regulations and Article 18 of the Company's Articles of Incorporation. The business report, consolidated financial statements, and non-consolidated financial statements included in the documents concerned are a portion of the documents that the Accounting Auditor and the Audit & Supervisory Board Members audited in the course of preparing their respective financial audit report and audit report.
 1. Notes to Consolidated Financial Statements
 2. Notes to Non-Consolidated Financial Statements

Reference Document for the Annual Meeting of Shareholders

Agenda Item 1: Election of Seven (7) Directors

The terms of office of all eight (8) Directors shall expire at the conclusion of this Annual Meeting of Shareholders. Accordingly, the Company proposes to elect seven (7) Directors (including three (3) Outside Directors), decreasing the number by one (1) Director with the aim of enhancing the efficiency of the management structure.

The candidates for Directors are as follows.

Candidate No.	Name	Position and responsibility at the Company		Number of Board of Directors' Meetings attended (34th business period)
1	Yasunari Sawada	Representative Director and President, Department Manager of Sales	Reappointment	13/13 (100%)
2	Hidenobu Hisada	Director, Department Manager of Tokyo	Reappointment	13/13 (100%)
3	Ryo Okamoto	Director, Department Manager of Development	Reappointment	13/13 (100%)
4	Shoji Higuchi	Director, Department Manager of Administration	Reappointment	13/13 (100%)
5	Etsuko Yuhara	Outside Director	Reappointment Outside Independent Officer	13/13 (100%)
6	Minoru Matsushima	Outside Director	Reappointment Outside Independent Officer	10/10 (100%)
7	Tetsuro Kato	Outside Director	Reappointment Outside Independent Officer	10/10 (100%)

[For Reference] Skill Matrix of Candidates for Directors

Avantia Group has been promoting the Medium-Term Management Plan 2025 formulated and positioned to “recover the growth path,” with an aim to “become a corporate group that solves every real estate need together with customers, communities, and society.”

In view of the medium- to long-term management and business strategies, the Company’s Board of Directors identifies skills (knowledge, experience, capability) necessary to demonstrate the management oversight and monitoring functions. After considering the diversity and balance of these skills, the Company determines its Director candidates based on the deliberation and recommendation of the Nominating and Compensation Committee.

The skill matrix of the new management structure will be as follows if Agenda Item 1 is approved at this meeting of shareholders.

Name	Corporate management Management Strategy	Construction Real Estate Industry	Finance	Corporate Governance Risk Management	General Real Estate Services New Business Development M&A	New Market (regional) development Marketing	Sustainability
1 Yasunari Sawada	○	○			○		○
2 Hidenobu Hisada	○	○				○	
3 Ryo Okamoto		○			○	○	
4 Shoji Higuchi			○	○			○
5 Etsuko Yuhara				○			○
6 Minoru Matsushima	○			○			○
7 Tetsuro Kato	○		○		○		

Note: The above chart does not present all the expertise and knowledge each candidate possesses.

Candidate
No. 1

Yasunari Sawada

Reappointment



Brief profile, position and responsibility at the Company

February 1990 Joined the Company
October 2003 Executive Officer, General Manager of Sales Department
November 2006 Director, Executive Officer and Department Manager of Sales
November 2011 Managing Director and Department Manager of Sales
November 2017 Representative Director and Vice President, Department Manager of Sales
September 2018 Representative Director and President
July 2019 Representative Director and President, Sanyo Real Estate Co., Ltd. (current position)
May 2023 Representative Director and President, Department Manager of Sales (current position)

(Date of birth)
(May 4, 1971)

Significant concurrent positions

Term of office as Company's
Director

Representative Director and President, Sanyo Real Estate Co., Ltd.

17 years (at the conclusion of
this Annual Meeting of
Shareholders)

[Reason for the nomination as a Director candidate]

Mr. Yasunari Sawada has contributed to Avantia Group's business expansion and development by driving the growth of the individual housing business since joining the Company shortly after its establishment and working on various management issues with his strong leadership and determination since assuming the office of representative director and president. The Company has nominated him as a Director candidate again in the belief that he will contribute to the Company's sustainable growth and enhancement of corporate value by utilizing the abundant experience and insight in the management of the Company previously gained.

Attendance at Board of
Directors Meetings
13/13 (100%)

Number of the Company's
shares owned
210,400 shares

Candidate
No. 2

Hidenobu Hisada

Reappointment



Brief profile, position and responsibility at the Company

April 1997 Joined Hyozengumi Co., Ltd.
March 2001 Joined the Company
September 2011 General Manager of Sales Department
September 2018 Executive Officer, in charge of Sales Department 1, Sales Department 2, Kansai Business Department
November 2019 Director, Executive Officer, in charge of Chubu Business Department, Mie Business Department
November 2021 Director, Department Manager of Sales
May 2023 Director, Department Manager of Tokyo (current position)
Representative Director and President, Avantia Real Estate Co., Ltd. (current position)
July 2023 Representative Director and Chairperson, Probank Home Co., Ltd. (current position)

(Date of birth)
(August 1, 1972)

Significant concurrent positions

Term of office as Company's
Director

Representative Director and President, Avantia Real Estate Co., Ltd.
Representative Director and Chairperson, Probank Home Co., Ltd.

4 years (at the conclusion of
this Annual Meeting of
Shareholders)

[Reason for the nomination as a Director candidate]

Mr. Hidenobu Hisada has contributed to the expansion of the sales base and the creation of inter-group synergy by building up track records and driving the Company's sales and regional strategies as the person in charge of sales and marketing divisions. The Company has nominated him as a Director candidate again in the belief that he will continuously further reinforce the Avantia Group's sales base and contribute to the sustainable growth and enhancement of corporate value.

Attendance at Board of
Directors Meetings
13/13 (100%)

Number of the Company's
shares owned
10,100 shares

Candidate No. 3

Ryo Okamoto

Reappointment



Brief profile, position and responsibility at the Company

April 1998 Joined the Company
September 2010 General Manager of Planning & Development Department
September 2018 Executive Officer, General Manager of Planning & Development Department
November 2019 Director, Executive Officer, in charge of Land Procurement Department, Design Department, General Manager of Planning & Development Department
November 2021 Director, Department Manager of Development (current position)

[Reason for the nomination as a Director candidate]

Mr. Ryo Okamoto has contributed to the Company's growth and development from a strategic business aspect by building up track records as a person in charge of planning, development, promotion, and marketing of housing and real estate products. The Company has nominated him as a Director candidate again in the belief that he will continuously contribute to the Company's sustainable growth and enhancement of corporate value, mainly through development, business expansion, and branding of new products.

(Date of birth)
(April 30, 1973)

Term of office as Company's Director
4 years (at the conclusion of this Annual Meeting of Shareholders)

Attendance at Board of Directors Meetings
13/13 (100%)

Number of the Company's shares owned
20,000 shares

Candidate No. 4

Shoji Higuchi

Reappointment



Brief profile, position and responsibility at the Company

April 1988 Joined the Juroku Bank, Ltd.
January 2019 Manager of Tajimi Branch, the Juroku Bank, Ltd.
April 2020 Seconded to the Company, Deputy General Manager of Planning & Development Department
November 2020 General Manager of General Affairs Department
April 2021 Joined the Company
November 2021 Director, Department Manager of Administration (current position)

[Reason for the nomination as a Director candidate]

Mr. Shoji Higuchi has contributed to the strengthening of Avantia Group's management base, including organizational, financial, and risk management, based on his extensive knowledge of and experience in business management cultivated in a financial institution. The Company has nominated him as a Director candidate again in the belief that he will continuously further reinforce the Avantia Group's management base and contribute to the Company's sustainable growth and enhancement of corporate value.

(Date of birth)
(September 10, 1965)

Term of office as Company's Director
2 years (at the conclusion of this Annual Meeting of Shareholders)

Attendance at Board of Directors Meetings
13/13 (100%)

Number of the Company's shares owned
5,500 shares

Candidate No. 5

Etsuko Yuhara

Reappointment

Outside

Independent Officer



Brief profile, position and responsibility at the Company

April 1992 Joined Fukutake Publishing Co., Ltd. (currently, Benesse Corporation)
April 2001 Research Fellowship for Young Scientists of Japan Society for the Promotion of Science
April 2004 Lecturer of Department of Social Welfare, Faculty of Social Welfare, Nihon Fukushi University
April 2007 Associate Professor of Department of Social Welfare, Faculty of Social Welfare, Nihon Fukushi University
July 2010 Director of Carers Japan
April 2018 Professor of Department of Social Welfare, Faculty of Social Welfare, Nihon Fukushi University (current position)
May 2021 Chairperson of Nagoya City Recidivism Prevention Council (current position)
June 2021 Chairperson of Toyota City Recidivism Prevention Committee (current position)
November 2021 Outside Director of the Company (current position)
May 2022 Director of Chitachiiki-Kenriyogoshien-Center (current position)
August 2023 Representative Director of Carers Japan (current position)

(Date of birth)
(February 12, 1970)
Term of office as Company's Outside Director
2 years (at the conclusion of this Annual Meeting of Shareholders)
Attendance at Board of Directors Meetings
13/13 (100%)
Number of the Company's shares owned
2300 shares

Significant concurrent positions

Professor of Department of Social Welfare, Faculty of Social Welfare, Nihon Fukushi University
Representative Director of Carers Japan
Chairperson of Nagoya City Recidivism Prevention Council
Chairperson of Toyota City Recidivism Prevention Committee
Director of Chitachiiki-Kenriyogoshien-Center

[Reason for the nomination as an Outside Director candidate and outline of expected roles]

Although Ms. Etsuko Yuhara has no experience of direct involvement of corporate management, she has extensive knowledge as a university professor specializing in local welfare and aging issues and has provided instructive advice and suggestions to the Company's business from various perspectives, such as the aged, young, and women. As such, the Company has nominated her as an Outside Director candidate again in the belief that she will contribute to the enhancement of corporate value and diversity promotion of the Company from an independent and unbiased point of view.

Candidate No. 6

Minoru Matsushima

Reappointment

Outside

Independent Officer



Brief profile, position and responsibility at the Company

April 1992 Joined Nikken Engineering Corporation
July 1996 Joined Toa Highway Guard Corporation
November 1998 Established Ecosystem LLC (currently, Japan Ecosystem Co., Ltd.)
Representative Director and President (current position)
November 2015 Representative Director of Satellite Ichinomiya Co., Ltd. (current position)
May 2017 Representative Director of Nippon Vender Net Co., Ltd.
December 2019 Director of Nippon Vender Net Co., Ltd.
April 2021 Board of Trustee member of Shotoku Gakuen (current position)
November 2022 Outside Director of the Company (current position)
December 2022 Representative Director and Chairperson of Nippon Vender Net Co., Ltd. (current position)

(Date of birth)
(August 27, 1973)
Term of office as Company's Outside Director
1 year (at the conclusion of this Annual Meeting of Shareholders)
Attendance at Board of Directors Meetings
10/10 (100%)
Number of the Company's shares owned
2,800 shares

Significant concurrent positions

Representative Director and President of Japan Ecosystem Co., Ltd.
Representative Director of Satellite Ichinomiya Co., Ltd.
Representative Director and Chairperson of Nippon Vender Net Co., Ltd.
Board of Trustee member of Shotoku Gakuen

[Reason for the nomination as an Outside Director candidate and outline of expected roles]

Mr. Minoru Matsushima has abundant experience and knowledge as an in-service manager of a listed company and has provided advice and suggestions that contribute to the enhancement of corporate value from various points of view, such as corporate governance and sustainability. As such, the Company has nominated him as an Outside Director candidate again in the belief that he will contribute mainly to the enhancement of corporate value, promotion of sustainability management, and strengthening of corporate governance of the Company from an independent and unbiased point of view.



Brief profile, position and responsibility at the Company

April 1987	Joined Takeshi Kato Certified Public Accountants Office
June 2005	Established and became Representative of Tetsuro Kato Tax Accountant Office
January 2012	Established and became Representative Partner of Tax Accountants Corporation Aobakai (current position)
November 2015	Established and became Representative Director of Orca Consulting Ltd.
June 2017	Representative Director of Shinachu Co., Ltd. (current position)
October 2017	Representative Director of agricoeules Co., Ltd. (current position)
April 2022	Representative Director of Nakamyo Yuuki Accounting Office Co., Ltd. (current position) Representative Director of AOBA Co., Ltd. (current position)
November 2022	Outside Director of the Company (current position)

Significant concurrent positions

(Date of birth) (February 1, 1965)		
Term of office as Company's Outside Director 1 year (at the conclusion of this Annual Meeting of Shareholders)	Representative Partner of Tax Accountants Corporation Aobakai Representative Director of Orca Consulting Ltd. Representative Director of Shinachu Co., Ltd.	Representative Director of agricoeules Co., Ltd. Representative Director of Nakamyo Yuuki Accounting Office Co., Ltd. Representative Director of AOBA Co., Ltd.
Attendance at Board of Directors Meetings 10/10 (100%)		
Number of the Company's shares owned 400 shares		

[Reason for the nomination as an Outside Director candidate and outline of expected roles]

Mr. Tetsuro Kato has specialized knowledge as a certified tax accountant and management experience in a consulting firm strong in M&A and has been providing instructive advice and suggestions extensively from financial and business management perspectives. As such, the Company has nominated him as an Outside Director candidate again in the belief that he will contribute mainly to the enhancement of corporate value, strengthening of the management base in financial and capital aspects, and strengthening of corporate governance from an independent and unbiased point of view.

- Notes: 1. There are no special relationships of interest between the respective Director candidates and the Company.
2. The three persons, Ms. Etsuko Yuhara, Mr. Minoru Matsushima, and Mr. Tetsuro Kato, are candidates for Outside Director.
3. In accordance with the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with the respective three persons, Ms. Etsuko Yuhara, Mr. Minoru Matsushima, and Mr. Tetsuro Kato, to limit their liability for damages as provided for by Article 423, paragraph (1) of the said Act; provided, however, that the minimum liability amount provided for by Article 425, paragraph (1) of the said Act shall be set as a limit if the Director acts in good faith without gross negligence. The Company shall renew the agreement concerned if the three are reappointed as originally proposed.
4. The Company has entered into a Directors and Officers Liability Insurance (D&O Insurance) Contract, stipulated in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The said insurance contract will compensate for legal damages and costs to be borne by the insured, with the Company bearing the insurance premium of the insured in full amount. Certain exemptions exist, however, such as non-coverage of damages caused by any conduct committed by the insured while knowing that such conduct was in violation of laws and regulations. Each candidate, if they are elected and assume office, will be part of the insured parties of the said insurance contract. The insurance contract will also be renewed under the same terms and conditions upon its subsequent renewal.
5. The three persons, Ms. Etsuko Yuhara, Mr. Minoru Matsushima, and Mr. Tetsuro Kato, meet the requirements of an Independent Officer specified by the Tokyo Stock Exchange and Nagoya Stock Exchange. The Company has notified both stock exchanges that the three are Independent Officers. If the three are reappointed as originally proposed, they will continue to be Independent Officers.

Agenda Item 2: Election of One (1) Audit & Supervisory Board Member

The terms of office of Audit & Supervisory Board Member Mr. Shigemasa Yoshida shall expire at the conclusion of this Annual Meeting of Shareholders. Therefore, the Company proposes to elect one (1) Audit & Supervisory Board Member.

Consent of the Audit & Supervisory Board has been previously obtained with regard to this agenda item.

The candidate for Audit & Supervisory Board Member is as follows.

Tatsuro Yokoyama

New
appointment



(Date of birth)
(April 17, 1960)

Number of the Company's
shares owned
300 shares

Brief profile and position at the Company

April 1984	Joined The Chuo Sogo Bank, Ltd. (currently, The Aichi Bank, Ltd.)
October 2006	Internal Control Group Group Leader of General Planning Department of The Aichi Bank, Ltd.
June 2011	Manager of Takabata Branch, The Aichi Bank, Ltd.
October 2019	Seconded to the Company, Staff to the Audit & Supervisory Board
November 2019	Audit & Supervisory Board Member of Sanyo Best Home Co., Ltd. (current position) Audit & Supervisory Board Member of Jtechnos Co., Ltd. (current position) Audit & Supervisory Board Member of Kose Construction Co., Ltd. (current position) Audit & Supervisory Board Member of Udohira Construction Co., Ltd. (current position) Audit & Supervisory Board Member of Goho Construction Co., Ltd. (current position) Audit & Supervisory Board Member of PLUS ONE Co., Ltd. (current position) Audit & Supervisory Board Member of Sanyo Real Estate Co., Ltd. (current position)
April 2020	Joined the Company
April 2021	Audit & Supervisory Board Member of Dream Town Co., Ltd. (current position) Audit & Supervisory Board Member of Dream Home Co., Ltd. (current position)
December 2022	Audit & Supervisory Board Member of Avantia Real Estate Co., Ltd. (current position)
June 2023	Audit & Supervisory Board Member of Next-Life-Design Co., Ltd. (current position)
July 2023	Audit & Supervisory Board Member of Probank Home Co., Ltd. (current position)

Significant concurrent positions

Audit & Supervisory Board Member of Sanyo Best Home Co., Ltd.	Audit & Supervisory Board Member of Sanyo Real Estate Co., Ltd.
Audit & Supervisory Board Member of Jtechnos Co., Ltd.	Audit & Supervisory Board Member of Dream Town Co., Ltd.
Audit & Supervisory Board Member of Kose Construction Co., Ltd.	Audit & Supervisory Board Member of Dream Home Co., Ltd.
Audit & Supervisory Board Member of Udohira Construction Co., Ltd.	Audit & Supervisory Board Member of Avantia Real Estate Co., Ltd.
Audit & Supervisory Board Member of Goho Construction Co., Ltd.	Audit & Supervisory Board Member of Next-Life-Design Co., Ltd.
Audit & Supervisory Board Member of PLUS ONE Co., Ltd.	Audit & Supervisory Board Member of Probank Home Co., Ltd.

[Reason for the nomination as an Audit & Supervisory Board Member candidate]

Mr. Tatsuro Yokoyama has abundant experience cultivated in a financial institution and, after joining the Company, has contributed to the improvement of the Company's audit system mainly by improving the internal control environment and strengthening the corporate governance as an Audit & Supervisory Board staff member and an audit & supervisory board member of group companies. As such, the Company has nominated him as an Audit & Supervisory Board Member candidate in the belief that he is sufficiently suited to be an Audit & Supervisory Board Member and will contribute to the improvement of the Company's audit system.

- Notes: 1. There is no special relationship of interest between Mr. Tatsuro Yokoyama and the Company.
2. If Mr. Tatsuro Yokoyama assumes the office of an Audit & Supervisory Board Member, in accordance with the provisions of Article 427, paragraph (1) of the Companies Act, the Company will enter into an agreement with him to limit his liability for damages as provided for by Article 423, paragraph (1) of the said Act; provided, however, that the minimum liability amount provided for by Article 425, paragraph (1) of the said Act shall be set as a limit if the Director acts in good faith without gross negligence.
3. The Company has entered into a Directors and Officers Liability Insurance (D&O Insurance) Contract, stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The said insurance contract will compensate for legal damages and costs to be borne by the insured, with the Company bearing the insurance premium of the insured in full amount. Certain exemptions exist, however, such as non-coverage of damages caused by any conduct committed by the insured while knowing that such conduct was in violation of laws and regulations. If Mr. Tatsuro Yokoyama is elected and assumes office, he will be one of the insured parties of the said insurance contract. The insurance contract will also be renewed under the same terms and conditions upon its subsequent renewal.

Agenda Item 3: Election of Two (2) Substitute Audit & Supervisory Board Members

To prepare for any shortfall in the number of Audit & Supervisory Board Members stipulated by laws and regulations, the Company proposes to elect two (2) substitute Audit & Supervisory Board Members in accordance with Article 329, paragraph (3) of the Companies Act.

Mr. Masaharu Kawai is a candidate for a substitute Audit & Supervisory Board Member other than an Outside Audit & Supervisory Board Member, and Ms. Shiho Nakane is a candidate for a substitute Outside Audit & Supervisory Board Member. As for the effectiveness of the election under this agenda item, only before the assumption of office may the election be canceled through a resolution by the Board of Directors Meeting after consent of the Audit & Supervisory Board is obtained. Consent of the Audit & Supervisory Board has been previously obtained with regard to this agenda item.

The candidates for substitute Audit & Supervisory Board Members are as follows.

Candidate No. **1** **Masaharu Kawai**



Brief profile and position at the Company

April 1988 Joined The Chukyo Bank, Ltd.
January 2020 Manager of Tokai Branch, The Chukyo Bank, Ltd.
April 2022 Joined the Company
May 2022 Acting Manager to the Administration Department
October 2023 Audit & Supervisory Board staff (current position)

[Reason for the nomination as a substitute Audit & Supervisory Board Member candidate]

Mr. Masaharu Kawai works in the Company's Administration Department and has taken part in strengthening the in-house management system by utilizing the knowledge cultivated in a financial institution and by cooperating mainly with the Audit & Supervisory Board and Internal Audit Office. The Company has nominated him as a substitute Audit & Supervisory Board Member candidate in the belief that, based on these experiences, he is sufficiently qualified as the Company's Audit & Supervisory Board Member and will contribute to the strengthening of the Company's audit system.

(Date of birth)

(January 21, 1966)

Number of the Company's
shares owned
0 shares



(Date of birth)
(August 21, 1973)

Number of the Company's
shares owned
0 shares

Brief profile and position at the Company

October 2005 Registered as attorney-at-law with Aichi Bar Association
Joined and attorney-at-law at Hachisuka Law Firm (current position)
October 2014 Nagoya Family Court Domestic relations conciliator (part-time judge)
April 2015 Coordinator of Aichi Prefecture Women's Participation and Advancement (current position)
April 2017 Lecturer of Chubu Rosai Nursing School
April 2018 Committee member of Promotion Center of Lawyer Accession of Japan Federation of Bar Associations (current position)
October 2018 Member of the Setoshi Aichi Prefectural Board of Education
April 2021 Vice Chairperson of Aichi Bar Association
April 2022 Member of Setoshi Aichi Prefecture Administrative Complaint Review Board (current position)
Vice Chairperson of Administrative Cooperation Center Steering Committee of Aichi Bar Association (current position)

Significant concurrent positions

Attorney-at-law at Hachisuka Law Firm	Member of Setoshi Aichi Prefecture Administrative Complaint Review Board
Coordinator of Aichi Prefecture Women's Participation and Advancement	Vice Chairperson of Administrative Cooperation Center Steering Committee of Aichi Bar Association
Committee member of Promotion Center of Lawyer Accession of Japan Federation of Bar Associations	

[Reason for the nomination as a substitute Outside Audit & Supervisory Board Member candidate]

Although Ms. Shiho Nakane has no experience of direct involvement in corporate management, she has knowledge mainly in corporate legal affairs, risk management, and governance based on her experience as a lawyer. The Company has nominated her as a substitute Outside Audit & Supervisory Board Member candidate in the belief that she will contribute to the enhancement of the medium- to long-term corporate value of the Company by utilizing such knowledge and taking the responsibility of overseeing highly effective management and performing checking functions in an independent and objective point of view.

- Notes: 1. There are no special relationships of interest between the respective substitute Audit & Supervisory Board Member candidates and the Company.
2. Ms. Shiho Nakane is a candidate for a substitute Outside Audit & Supervisory Board Member.
3. If Mr. Masaharu Kawai and Ms. Shiho Nakane both assume the office of an Audit & Supervisory Board Member, in accordance with the provisions of Article 427, paragraph (1) of the Companies Act, the Company will enter into an agreement with each to limit the liability for damages as provided for by Article 423, paragraph (1) of the said Act; provided, however, that the minimum liability amount provided for by Article 425, paragraph (1) of the said Act shall be set as a limit if each member acts in good faith without gross negligence.
4. The Company has entered into a Directors and Officers Liability Insurance (D&O Insurance) Contract, stipulated in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The said insurance contract will compensate for legal damages and costs to be borne by the insured, with the Company bearing the insurance premium of the insured in full amount. Certain exemptions exist, however, such as non-coverage of damages caused by any conduct committed by the insured while knowing that such conduct was in violation of laws and regulations. If Mr. Masaharu Kawai and Ms. Shiho Nakane both assume the office of an Audit & Supervisory Board Member, they will be part of the insured parties of the said insurance contract.
5. If Ms. Shiho Nakane assumes the office of an Outside Audit & Supervisory Board Member, the Company will notify her to the Tokyo Stock Exchange and the Nagoya Stock Exchange as an Independent Officer specified by the said exchanges. She meets the criteria of independence of Independent Officer, based on the stipulations of the Tokyo Stock Exchange and the Nagoya Stock Exchange.

Agenda Item 4: Partial Revision of Share-based Remuneration System for Directors

At the extraordinary meeting of shareholders held on March 28, 1997, the amount of remuneration, etc. for Directors of the Company was approved to be within 500 million yen per annum. Furthermore, at the 30th Annual Meeting of Shareholders held on November 27, 2019, the introduction of a transfer-restricted share-based remuneration system (hereinafter “System I”) to Directors (excluding Outside Directors) and as remuneration to grant the transfer-restricted shares under System I, provision of monetary remuneration claims in the amount less than 300 million yen per annum, in addition to the above remuneration limit, was approved. Such was to provide Directors with an incentive to sustainably improve the Company’s corporate value and promote further value-sharing between Directors and shareholders.

In addition to providing Directors with an incentive to sustainably improve the Company’s corporate value and promote further value-sharing between Directors and the shareholders, to clarify the linkage between the Company’s performance and the Directors’ remuneration, the Company asks approval of the (a) introduction of a performance-linked transfer-restricted share-based remuneration system (hereinafter “System II”) to the Company’s Directors (excluding Outside Directors; hereinafter “Applicable Directors”) where transfer-restricted shares are granted at the end of a certain period according to the degree of achievement of the performance targets for such period and the (b) establishment of a remuneration limit as follows in replacement of the remuneration limit of System I approved at the 30th Annual Meeting of Shareholders to grant transfer-restricted shares under the System I and System II. Currently, there are eight (8) Directors (of which three (3) are Outside Directors). If Agenda Item 1 is approved as originally proposed, there will be seven (7) Directors (of which three (3) will be Outside Directors).

The total amount of the monetary remuneration provided to Applicable Directors to grant the transfer-restricted shares under System I and System II shall be within 500 million yen per annum, an amount considered appropriate in light of the purpose of each above System. The Board of Directors shall decide the specific allocation to each Applicable Director and the timing for each System.

The issuance or disposition of the transfer-restricted shares under System I and System II shall be made in a manner in which after receiving monetary remuneration claims as remuneration, etc., the Applicable Director shall deliver all such monetary remuneration claims as properties contributed in kind, and receive issuance or disposition of the Company’s common shares. The total number of the Company’s common shares to be issued or disposed of accordingly shall be within 300,000 shares per annum (provided, however, that in the event that, on and after the date of approval of this agenda item, a stock split (including gratuitous assignment of the Company’s common shares) or reverse stock split of the Company’s common shares takes place, the upper limit number shall be adjusted according to the stock split ratio or the reverse stock split ratio.) The payment amount per share of the Company’s common shares to be issued or disposed of, as mentioned above, shall be determined by the Board of Directors to the extent that is not particularly favorable to the Applicable Directors, based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day preceding the date of the resolution by the Board of Directors relating to such issuance or disposition (in the case the transaction is not completed on the same date, the closing price of the preceding latest transaction date).

1. Overview of System I

Besides the upper limit of the amount and number of shares reviewed above, the basic details of System I remains the same.

Details of an assignment agreement of transfer-restricted shares (hereinafter “Assignment Agreement”) entered between the Company and the Applicable Directors in issuing or disposing of the Company’s common shares based on System I are as before with the following details.

- (1) With respect to the Company’s common shares assigned under the Assignment Agreement (hereinafter “Assignment Shares,”) the Applicable Director shall not transfer, pledge, or otherwise dispose of for the period from the date of delivery of the Assignment Shares to the date on which such Applicable Director resigns from the position of a Director or any other position prescribed by the Company’s Board of Directors or retires (hereinafter “Transfer Restricted Period I.”)
- (2) In the event that an Applicable Director resigns from the position set forth in (1) above or retires before the expiration of the period prescribed by the Company’s Board of Directors (hereinafter “Service Period”), the Company shall naturally acquire the Assignment Shares without consideration unless there are reasons where its Board of Directors deems justifiable.
- (3) Notwithstanding the provisions of (1) above, provided that the Applicable Director has continuously held the position set forth in (1) above during the Service Period, the Company shall remove the restriction on transfer on all Assignment Shares upon the expiration of Transfer Restricted Period I; Provided, however, that in the event that the Applicable Director resigns from the position set forth in (1) above or retires before

the expiration of the Service Period for any reason that the Board of Directors of the Company deems justifiable as set forth in (2) above, the number of the Assignment Shares for which the restriction on transfer is to be removed shall be reasonably adjusted as necessary.

- (4) The Company shall naturally acquire the Assignment Shares without consideration for which the restriction on transfer that has not been removed pursuant to the provisions of (3) above as of the time of expiration of the Transfer Restricted Period I.
- (5) Notwithstanding the provisions of (1) above, in the event that the Company's meeting of shareholders approves a merger agreement under which the Company becomes a non-surviving company, a share exchange agreement under which the Company becomes a wholly-owned subsidiary, a share transfer plan, or any other matters related to organizational restructuring, etc. (however, if such organizational restructuring, etc. does not require the approval of the Company's meeting of shareholders, the Company's Board of Directors) during the Transfer Restricted Period I, the Company shall, under a resolution by its Board of Directors, remove the restriction on the transfer of the Assignment Shares in the number reasonably prescribed based on the period from the commencement date of the Service Period to the date of the approval of such organizational restructuring, etc., before the effective date of such organizational restructuring, etc.
- (6) In the cases provided for in (5) above, the Company shall naturally acquire the Assignment Shares without compensation for which the restriction on transfer has not yet been removed as of the time immediately after the removal of the restriction on transfer under the provisions of (5) above.
- (7) The Assignment Agreement shall include the method of declaration of intention and notice under the Assignment Agreement, the method of revising the Assignment Agreement, and other matters determined by the Board of Directors.

2. Overview of System II

System II is a performance-linked share-based remuneration system by which the standard remuneration amount for each Applicable Director referenced, the performance assessment period (hereinafter "Assessment Period"), and the performance indicators and target values for the Assessment Period are set forth by the Board of Directors, after being consulted and recommended by the Company's Nominating and Compensation Committee formed by a majority of Outside Directors. The Company's common shares are granted after the end of the Assessment Period in the number corresponding to the remuneration amount calculated according to the degree of achievement of the said performance targets. Certain restrictions on transfer shall be put on the Company's common shares granted to Applicable Directors under System II.

Performance indicators adopted in System II shall be ones that show profit status, sales status, and others based on the Company's management policy, all determined by the Board of Directors.

(1) Share delivery requirements

In System II, the Company shall grant its common shares after the end of the Assessment Period to Applicable Directors (including Applicable Directors who have newly assumed office after the beginning of the Assessment Period) if the following requirements are met.

1. No occurrence of certain misconduct, etc., prescribed by the Company's Board of Directors
2. Fulfillment of other requirements prescribed by the Company's Board of Directors necessary to achieve the objective of the performance-linked transfer-restricted share-based remuneration system

After the beginning of the Assessment Period (for Applicable Directors who have newly assumed office after the beginning of the Assessment Period, after such assumption) and before the grant of shares, in the event that (1) an Applicable Director deceases, resigns from the Company's Director or any other position prescribed by the Company's Board of Directors due to reasons it deems justifiable, or retires, (2) the Company's meeting of shareholders approves a merger agreement under which the Company becomes a non-surviving company, a share exchange agreement under which the Company becomes a wholly-owned subsidiary, a share transfer plan, or any other matters related to organizational restructuring, etc. (however, if such organizational restructuring, etc. does not require the approval of the Company's meeting of shareholders, the Company's Board of Directors), and (3) the Board of Directors of the Company deems that a justifiable reason exists, the Company may grant its common shares or money at the timing and in the number reasonably prescribed by its Board of Directors.

(2) Details of restricted transfer, etc.

The Company's common shares granted to the Applicable Directors under System II shall come with the following details of restriction on transfer based on an agreement entered between the Company and the Applicable Directors (hereinafter "Grant Agreement").

1. With respect to the Company's common shares granted under System II (hereinafter "Granted Shares,") the Applicable Director shall not transfer, pledge, or otherwise dispose of for the period until the date on which such Applicable Director resigns from the position of the Company's Director or any other position

- prescribed by the Company's Board of Directors, retires, or during the period (between two to five years) as prescribed by the Board of Directors of the Company (Transfer Restricted Period II).
2. The Company shall remove the restriction on transfer on all Granted Shares upon the expiration of Transfer Restricted Period II.
 3. In the event that an Applicable Director violates laws and regulations, internal rules, or the Grant Agreement, or is applicable to any other grounds prescribed by the Company's Board of Directors that is appropriate to acquire the Granted Shares without consideration during the Transfer Restricted Period II, the Company shall naturally acquire the Granted Shares without consideration.
 4. Notwithstanding the provisions of (1) above, in the event that the Company's meeting of shareholders approves a merger agreement under which the Company becomes a non-surviving company, a share exchange agreement under which the Company becomes a wholly-owned subsidiary, a share transfer plan, or any other matters related to organizational restructuring, etc. (however, if such organizational restructuring, etc. does not require the approval of the Company's meeting of shareholders, the Company's Board of Directors) during the Transfer Restricted Period II, the Company shall, under a resolution by its Board of Directors, remove the restriction on the transfer of all Granted Shares before the effective date of such organizational restructuring, etc.

[Appropriate grounds to grant remuneration, etc., based on this agenda item]

System II grants transfer-restricted shares as remuneration, etc., to Applicable Directors to clarify the linkage between the Company's performance and Applicable Director's remuneration, in addition to providing Applicable Directors with more incentives to sustainably improve the Company's corporate value and promote further value-sharing between them and the shareholders.

The Company has consulted the Nominating and Compensation Committee in advance upon introducing System II and revising the remuneration limit for System I and System II under this agenda item. Following the receipt of the Committee's recommendation, the Board of Directors held on October 23, 2023 resolved to revise the policy details to determine remuneration, etc. of individual Directors of the Company under the condition that this agenda item be approved at the 34th Annual Meeting of Shareholders. The outline of such revised determination policy is as stated in the postscript "For Reference," in which the grant of transfer-restricted shares based on this agenda item complies.

In addition, the percentage of the total number of the transfer-restricted shares granted based on this agenda item to the total number of issued shares (as of August 31, 2023, excluding the number of treasury shares) is approximately 2.1% which makes the share dilution ratio negligible.

Accordingly, the Company judges the granting of transfer-restricted shares based on this agenda item as appropriate.

[For reference]

In the event that this agenda item is approved, the Company plans to introduce a performance-linked transfer-restricted share-based remuneration system similar to System II to the Company's executive officers as well. An outline of the revised policy to determine remuneration, etc. of individual Directors upon approval of this agenda item is as follows.

Policy to determine details of remuneration, etc. of individual Directors (Outline)

- a. Basic policy of the remuneration system/level for Directors

The remuneration of the Directors of the Company shall be appealing and at a competitive level, encouraging the security and growth of diversified and talented human resources. It shall be a system and structure that increase incentives to enhance the medium- to long-term corporate value and shareholder value.

Remuneration of Directors except Outside Directors shall be composed of a monetary-based basic remuneration granted as a consideration to the business execution and the share-based remuneration granted to increase incentives to enhance long-term corporate value while sharing interests with shareholders. Remuneration of Outside Directors shall only be in the form of a fixed monetary-based remuneration, considering their duties.

The share-based remuneration shall be prescribed with a certain transfer restricted period and grounds to have the Company acquire without consideration. It shall be a transfer-restricted share-based remuneration aimed to provide an incentive to contribute to the enhancement of the long-term corporate value, including the rise in the stock price, and a performance-linked transfer-restricted share-based remuneration that links to the degree of achievement of performance for a single year and during the Assessment Period of the medium-term business plan, etc. and management plan.

- b. Policy to determine the amount of individual remuneration, etc. in the basic remuneration (monetary

remuneration)(including policy to determine the timing and condition to grant remuneration, etc.)
The basic remuneration of each Director of the Company shall be a monthly fixed remuneration in 12 equal portions of the annual salary. The remuneration is deliberated by the Nominating and Compensation Committee which is further recommended to the Board of Directors each business year according to the title, responsibilities, and the Company's performance, comprehensively taking into account factors such as the officers' remuneration level in other companies from external research institutions and the Company's employee salary level. The Board of Directors then resolves the remuneration details, etc., based on the recommendation of the Nominating and Compensation Committee.

- c. Policy to determine the details and amount of non-monetary remuneration or the calculation method of such numbers (including policy to determine the timing and condition to grant remuneration, etc.)

The non-monetary share-based remuneration provided to Directors except Outside Directors shall be in the following two types.

- (1) Transfer-restricted share-based remuneration

The transfer-restricted share-based remuneration shall be a pre-delivery type, with the transfer restricted period set during the posting or employment. The number of transfer-restricted shares granted to each Director shall be determined by the (a) monthly fixed remuneration amount of each Director determined based on the recommendation of the Nominating and Compensation Committee, (b) the monetary claim amount calculated based on the internal rules for transfer-restricted share-based remuneration (including title coefficient) set forth under the resolution by the Company's Board of Directors, and (c) the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day preceding the date of resolution by the Board of Directors relating to the issuance or disposition of such shares. The remuneration shall be provided within one month from such date of resolution by the Board of Directors.

- (2) Performance-linked transfer-restricted share-based remuneration

The performance-linked transfer-restricted share-based remuneration shall be a post-delivery type, delivered in the form of transfer-restricted shares according to the degree of achievement of the performance during the Assessment Period. The standard remuneration amount for each Applicable Director referenced, the Assessment Period, performance indicators, and target values during the Assessment Period are set forth by the Board of Directors after being consulted and recommended by the Company's Nominating and Compensation Committee. The Company's common shares are granted after the Assessment Period in the number corresponding to the remuneration amount calculated according to the degree of achievement of the said performance targets.

- d. Policy to determine the percentage of individual remuneration, etc.

The percentage of the remuneration, etc. to Directors by type shall not be determined such as by the present remuneration system or by the policy of determining the remuneration amount by type.