

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 6089

June 5, 2020

To our shareholders:

Ryosuke Ikeda
Chairman and Representative Director
WILL GROUP, INC.
1-32-2, Honcho, Nakano-ku, Tokyo

Notice of the 14th Annual General Meeting of Shareholders

We are pleased to announce the 14th Annual General Meeting of Shareholders of WILL GROUP, INC. (the “Company”), which will be held as indicated below.

Instead of being present at the meeting in person, you may exercise your voting rights in writing, or via the internet. Please kindly review the appended Reference Documents for the General Meeting of Shareholders, and exercise your voting rights no later than 6:00 p.m. on Monday, June 22, 2020 (Japan Standard Time) in accordance with the instructions on pages 3 and 4.

- 1. Date and Time:** Tuesday, June 23, 2020 at 10:00 a.m. (Japan Standard Time)
(Reception starts at 9:00 a.m.)
- 2. Venue:** Concord Ballroom D, Main Tower 5F,
Keio Plaza Hotel
2-2-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo
* We will have significantly fewer chairs than normal at this year’s meeting because we will need to space them out. Please be aware that, it is possible that not everyone who comes to the meeting will be able to enter.

3. Agenda:

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 14th fiscal year (from April 1, 2019 to March 31, 2020), and the results of audit of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 14th fiscal year (from April 1, 2019 to March 31, 2020)

Matters to be resolved:

- | | |
|-----------------------|---|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Partial Amendments to the Articles of Incorporation |
| Proposal No. 3 | Election of Five Directors |
| Proposal No. 4 | Election of One Audit & Supervisory Board Member |
| Proposal No. 5 | Determination of Amount and Details of Performance-linked Share-based Remuneration Plan, etc. for Directors |

In accordance with the legal requirements and Article 15 of the Company's Articles of Incorporation, the documents listed below to be provided with this convocation notice are displayed on the internet via **the Company's website** (in Japanese only) and are therefore not included in this notice.

- Business Report: "Systems to Ensure Properness of Operations," "Operational Status of Systems to Ensure Properness of Operations" and "Basic Policy Regarding Control of the Company"
- Consolidated Financial Statements: "Consolidated Statement of Changes in Equity" "Notes to the Consolidated Financial Statements"
- Non-consolidated Financial Statements: "Statement of Changes in Equity" and "Notes to the Non-consolidated Financial Statements"

Note that the Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Accounting Auditor and Audit & Supervisory Board comprise the "Consolidated Statement of Changes in Equity," "Notes to the Consolidated Financial Statements," "Statement of Changes in Equity" and "Notes to the Non-consolidated Financial Statements" posted on the Company's website as well as the documents included in the Appendix to this Notice.

If any changes are required in the Reference Documents for General Meeting of Shareholders, Business Report, Consolidated Financial Statements and/or Non-consolidated Financial Statements, the changes will be posted on **the Company's website**. (The changes in these documents will be available in Japanese only.)

The Company's website <https://willgroup.co.jp/>

Instructions for the Exercise of Voting Rights

The exercise of voting rights at the General Meeting of Shareholders is shareholders' important right. Please kindly exercise your voting rights after examining the attached Reference Documents for the General Meeting of Shareholders.

There are three methods to exercise your voting rights as indicated below.

<p>A. Exercise the voting rights in writing (by mail)</p>	<p>▶ Please indicate whether you are for or against each proposal on the enclosed Voting Form, and post it without affixing a postage stamp.</p> <p>Exercise due date: To be received by the Company no later than 6:00 p.m., on Monday, June 22, 2020</p>
<p>B. Exercise the voting rights via the internet</p>	<p>▶ Please indicate whether you are for or against the proposals following the instructions on the next page.</p> <p>Exercise due date: To be completed no later than 6:00 p.m., on Monday, June 22, 2020</p>
<p>C. Attend the Meeting</p>	<p>▶ Please present the enclosed Voting Form to the receptionist when you attend the Meeting.</p> <p>Date and time: On Tuesday, June 23, 2020 at 10:00 a.m. (Reception starts at 9:00 a.m.)</p>

Guide to filling in the Voting Form

Please indicate for or against regarding each proposal.

Proposal No. 3

- When you are for all of the proposed candidates
Mark ☐ in the “for” box
- When you are against all of the proposed candidates
Mark ☐ in the “against” box
- When you are against certain candidates
Mark ☐ in the “for” box, and indicate the candidate number for each of the candidates you are against inside the parentheses

Proposals No. 1, 2, 4 and 5

- When you are for the proposal
Mark ☐ in the “for” box
- When you are against the proposal
Mark ☐ in the “against” box

Please note that your voting via the internet shall prevail, if you exercise your voting rights both in writing (by mail) and via the internet. If you exercise your voting rights more than once via the internet, only the last vote shall be deemed effective.

Instructions for the Exercise of Voting Rights via the Internet, Etc.

Log in via QR code

You can log in to the voting website without entering the login ID and temporary password described on the Voting Form.

1. Scan the QR code printed on the Voting Form.
* “QR code” is a registered trademark of DENSO WAVE INCORPORATED.
2. Please follow the instructions on the screen and indicate your approval or disapproval.

The QR code may only be used once when logging in.

To re-exercise voting rights, or to exercise voting rights without using the QR code, please refer to “Log in with your login ID and temporary password” below.

Log in with your login ID and temporary password

Voting website:

<https://evote.tr.mufg.jp/> (in Japanese only)

1. Access the voting website.
2. Enter the “login ID” and “temporary password” printed on the Voting Form, and click the “Log-in” button.
3. Register a new password.
4. Please follow the instructions on the screen and indicate your approval or disapproval.

If you have any inquiries about how to exercise your voting rights via the internet using a PC, smartphone or mobile phone, please contact “Help Desk” shown on the right.

**Help Desk, Stock Transfer Agency,
Mitsubishi UFJ Trust and Banking Corporation**
Phone: 0120-173-027
(9:00 a.m. to 9:00 p.m.; toll free within Japan)

Institutional investors may also use the Electronic Voting Platform for institutional investors operated by ICJ, Inc.

Reference Documents for General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

Returning profit to the Company's shareholders and maintaining sufficient retained earnings to achieve stable future business development are the fundamental principles the Company adopts in relation to dividends payments.

In line with the principles, the Company proposes to pay a year-end dividend for the 14th fiscal year of ¥23.00 per share.

Year-end dividends

1. Type of dividend property
To be paid in cash.
2. Allotment of dividend property and their aggregate amount
¥23.00 per common share of the Company
In this event, the total dividends will be ¥511,200,231.
3. Effective date of dividends of surplus
The effective date of dividends will be June 24, 2020.

Proposal No. 2 Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

In order to specify the business purpose of WILL GROUP, INC. and its affiliates (the “Group”) to be in line with the current state, as well as to provide new businesses and services targeting foreign workers, etc., the Company proposes to add those business purposes in the current Article 2 (Purpose) of the Articles of Incorporation.

2. Details of the amendments

Details of the amendments are as follows:

		(The amended parts are underlined)	
Current Articles of Incorporation		Proposed amendments	
Article 1	(Omitted)	Article 1	(Unchanged)
Article 2		Article 2	
The purpose of the Company shall be to conduct business administration of companies or other corporations, etc. that run the following businesses by owning shares or equity in the said corporations, etc., and business operations that are peripheral or related to that.		The purpose of the Company shall be to conduct business administration of companies or other corporations, etc. that run the following businesses by owning shares or equity in the said corporations, etc., and business operations that are peripheral or related to that.	
(1) to (28)	(Omitted)	(1) to (28)	(Unchanged)
	(Newly established)	(29) <u>Foreigner employment management support services</u>	
	(Newly established)	(30) <u>Foreigner employment support services</u>	
	(Newly established)	(31) <u>Banking agency services, and electronic settlement services</u>	
	(Newly established)	(32) <u>Telecommunications services</u>	
(29)	(Omitted)	(33)	(Unchanged)
Article 3. to Article 50.	(Omitted)	Article 3. to Article 50.	(Unchanged)

Proposal No. 3 Election of Five Directors

The terms of office of all five Directors will expire at the conclusion of this meeting. Therefore, the Company proposes the election of five Directors, two of whom are outside Directors.

The candidates for Director are as follows:

Candidate No.		Name	Current position	Attendance at the Board of Directors meetings
1	Reelection	Ryosuke Ikeda	Chairman and Representative Director	17/17
2	Reelection	Shigeru Ohara	President and Representative Director	17/17
3	Reelection	Takashi Tsugeno	Director	17/17
4	Reelection	Shuhei Ito	<div>Outside</div> <div>Independent</div> Director	17/17
5	New election	Chie Ikegawa	<div>Outside</div> <div>Independent</div> —	—

Notes:

1. There is no special interest between any of the candidates for Director and the Company.
2. Shuhei Ito and Chie Ikegawa are candidates for outside Director.
3. The Company has submitted notification to the Tokyo Stock Exchange that Shuhei Ito has been designated as an independent officer as provided for by the aforementioned exchange. Furthermore, Chie Ikegawa satisfies the requirements for an independent officer as provided for by the Tokyo Stock Exchange, and the Company plans to designate her as an independent officer and submit notification to the aforementioned exchange if the election of Chie Ikegawa is approved.
4. Shuhei Ito is currently an outside Director of the Company, and at the conclusion of this meeting, his tenure will have been five years.
5. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with Shuhei Ito to limit his liability for damages under Article 423, paragraph (1) of the same Act. If his reelection is approved, the Company plans to renew the agreement with him. If the election of Chie Ikegawa is approved, the Company plans to enter into a limited liability agreement of the same content with her.

Candidate
No.
1

Ryosuke Ikeda

December 5, 1968
(51 years old)

Reelection

Number of years in office
as a Director
14 years

Attendance at Board of
Directors meetings
17/17

Number of the
Company's shares owned
4,023,800 shares

■ Career summary, position and responsibility

Apr. 1992	Joined Takaoka Accounting Firm
Sept. 1995	Joined ABLE INC.
Oct. 1997	Joined Big Aid Co., Ltd.
Feb. 2000	Representative Director of SAINT MEDIA, INC. (currently WILLOF WORK, Inc.)
Apr. 2006	President and Representative Director of Will Holdings, Inc. (currently the Company)
Apr. 2009	Representative Director of SAINT MEDIA FIELD AGENT, INC. (currently WILLOF FACTORY, Inc.)
June 2011	Director of SAINT MEDIA FIELD AGENT, INC. (currently WILLOF FACTORY, Inc.)
Sept. 2011	Representative Director of Ikeda Planning Office Co., Ltd. (current position)
Feb. 2014	Director of WILL GROUP Asia Pacific Pte. Ltd. (current position)
Aug. 2014	Director of Scientec Consulting Pte. Ltd.
Feb. 2016	Director of Oriental Aviation International Pte. Ltd.
June 2016	Chairman and Representative Director of the Company (current position) Director of SAINT MEDIA, INC. (currently WILLOF WORK, Inc.)
Jan. 2017	Director of Ethos Corporation Pty Ltd.
Jan. 2018	Director of DFP Recruitment Holdings Pty Ltd.
Aug. 2019	Outside Director of SHIKIGAKU Co., Ltd. (current position)

■ Significant concurrent positions outside the Company

- Director of WILL GROUP Asia Pacific Pte. Ltd.
- Outside Director of SHIKIGAKU Co., Ltd.

Reasons for nomination as candidate for Director

Ryosuke Ikeda has led the Group's management and helped to drive growth through his strong leadership as a corporate manager since the Group's early stage. As the Company transited to a holding company structure in April 2006, he has contributed to drive growth in the Company's human resources business in both Japan and overseas to enhance the corporate value of the Group with his extensive experience and in-depth insight as the Representative Director of the Company.

Looking forward, the Company sees him as the most suitable personnel to play a leading role in the management of the Company and the Group to further enhance the Group's corporate value. Accordingly, the Company proposes his reelection.

Candidate
No.
2

Shigeru Ohara

August 27, 1968
(51 years old)

Reelection

Number of years in office
as a Director
6 years

Attendance at Board of
Directors meetings
17/17

Number of the
Company's shares owned
1,680,000 shares

■ Career summary, position and responsibility

Apr. 1991	Joined HASEKO Corporation
Jan. 1996	Established Seagull Corporation
Jan. 1999	Reorganized to Seagull Corporation Ltd., Representative Director
Feb. 2000	Director of SAINT MEDIA, INC. (currently WILLOF WORK, Inc.)
Mar. 2006	Representative Director of SAINT MEDIA, INC. (currently WILLOF WORK, Inc.)
June 2014	Director of the Company
Sept. 2015	Director of CreativeBank Inc.
June 2016	President and Representative Director of the Company (current position) Director of FAJ, INC. (currently WILLOF FACTORY, Inc.) (current position) Director of BORDERLINK, INC. (current position)
Sept. 2016	Director of NET jinzai bank, Inc. (currently for Startups, Inc.) (current position)
June 2018	Representative Director of C4 inc. (currently WILLOF CONSTRUCTION, Inc.) (current position)
June 2019	Director of SAINT MEDIA, INC. (currently WILLOF WORK, Inc.) (current position)

■ Significant concurrent positions outside the Company

- Director of WILLOF WORK, Inc.
- Director of WILLOF FACTORY, Inc.
- Representative Director of WILLOF CONSTRUCTION, Inc.
- Director of BORDERLINK, INC.
- Director of for Startups, Inc.

Reasons for nomination as candidate for Director

Shigeru Ohara has strongly contributed to the growth of the Company's human resources business in Japan as a corporate manager over the many years since the Group's early stage. Since he was appointed as the Representative Director of the Company in June 2016, he has contributed to enhance the corporate value of the Group with his extensive knowledge in the human resources business.

Looking forward, the Company sees him as the most suitable personnel to play the leading role in the management of the Company and the Group to further enhance the Group's corporate value. Accordingly, the Company proposes his reelection.

Candidate

No.

3

Takashi Tsugeno

April 26, 1970
(50 years old)

Reelection

Number of years in office
as a Director

6 years

Attendance at Board of
Directors meetings
17/17

Number of the
Company's shares owned
243,200 shares

■ Career summary, position and responsibility

Apr. 1995	Joined Daiwa Danchi Co., Ltd. (currently Daiwa House Industry Co., Ltd.)
June 2000	Joined SAINT MEDIA, INC. (currently WILLOF WORK, Inc.)
June 2005	Director of SAINT MEDIA, INC. (currently WILLOF WORK, Inc.)
June 2014	Director of the Company (current position)
Sept. 2015	Director of CreativeBank Inc.
June 2016	Director of FAJ, INC. (currently WILLOF FACTORY, Inc.) (current position)
	Director of BORDERLINK, INC. (current position)
June 2019	Representative Director of SAINT MEDIA, INC. (currently WILLOF WORK, Inc.) (current position)
	Director of CreativeBank Inc. (current position)

■ Significant concurrent positions outside the Company

- Representative Director of WILLOF WORK, Inc.
- Director of WILLOF FACTORY, Inc.
- Director of CreativeBank Inc.
- Director of BORDERLINK, INC.

Reasons for nomination as candidate for Director

Takashi Tsugeno has extensive experiences in the human resources business with broad knowledge in general management as well as administration and operations. He is contributing to the management of the Group and the enhancement of the corporate value of the Group.

Looking forward, the Company sees him as the most suitable personnel to play a leading role in the management of the Company and the Group to further enhance the Group's corporate value. Accordingly, the Company proposes his reelection.

Candidate
No.
4

Shuhei Ito

June 7, 1970
(49 years old)

Reelection

Outside

Independent

Number of years in office
as a Director
5 years

Attendance at Board of
Directors meetings
17/17

Number of the
Company's shares owned
- shares

■ Career summary, position and responsibility

Oct. 1995 Joined Century Audit Corporation (currently International Department of KPMG AZSA LLC)
Apr. 1999 Registered as a certified public accountant
Oct. 2005 Established Ito CPA Office as Representative (current position)
Dec. 2005 Registered as a certified public tax accountant
June 2006 Established Mikasa Audit Corporation
Apr. 2007 Established I-FAS Co., Ltd. as Representative Director (current position)
Jan. 2009 Established SOX Advisors Co., Ltd. as Representative Director (current position)
Aug. 2009 Senior Partner of Mikasa Audit Corporation (current position)
June 2011 Outside Audit & Supervisory Board Member of SPACE SHOWER NETWORKS INC. (current position)
June 2012 Outside Audit & Supervisory Board Member of the Company
June 2015 Outside Director (current position)
Feb. 2017 Outside Corporate Auditor of Excite Japan Co., Ltd.
June 2017 Outside Director of Excite Japan Co., Ltd.

■ Significant concurrent positions outside the Company

- Representative of Ito CPA Office
- Senior Partner of Mikasa Audit Corporation
- Representative Director of I-FAS Co., Ltd.
- Representative Director of SOX Advisors Co., Ltd.
- Outside Audit & Supervisory Board Member of SPACE SHOWER NETWORKS INC.

Reasons for nomination as candidate for outside Director

Shuhei Ito has extensive experiences and a track record as a certified public accountant and has advanced knowledge of accounting. He also has a perspective that is independent from the Company. To further enhance the Company's corporate governance, the Company proposes his reelection.

Candidate
No.
5

Chie Ikegawa

February 4, 1966
(54 years old)

New election

Outside

Independent

Number of years in office
as a Director

—

Attendance at Board of
Directors meetings

—

Number of the
Company's shares owned
- shares

■ **Career summary, position and responsibility**

Apr. 1989	Joined Procter & Gamble Far East, Inc. (currently The Procter & Gamble Company of Japan Limited (P&G Japan Limited))
Oct. 2006	Joined McDonald's Company (Japan), Ltd.
Feb. 2010	Director & CFO, General Manager of Finance Management Division of Lenovo Japan Co., Ltd.
Oct. 2011	Outside Auditor of NEC Personal Computers, Ltd.
Jan. 2014	Executive Officer, General Manager of Business Administration and Finance Division of Kellogg Japan G.K.
Dec. 2018	Vice President of Commercial Finance, Business Administration Division of Seiyu G.K. (Walmart Japan)
May 2019	Representative Director of Strat Consulting Co.,Ltd. (current position)
Nov. 2019	Outside Director of MEIKO NETWORK JAPAN CO., LTD. (current position)

■ **Significant concurrent positions outside the Company**

- Representative Director of Strat Consulting Co.,Ltd.
- Outside Director of MEIKO NETWORK JAPAN CO., LTD.

Reasons for nomination as candidate for outside Director

Chie Ikegawa has in-depth insights into business administration, planning, and financing and accounting of companies. She has a perspective that is independent from the Company. To further enhance the Company's corporate governance, the Company proposes her election.

Proposal No. 4 Election of One Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Shizuka Sawada will expire at the conclusion of this meeting. Therefore, the Company proposes the election of one Audit & Supervisory Board Member.

The approval from the Audit & Supervisory Board has been obtained for the submission of this proposal.

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

Shizuka Sawada

February 11, 1971
(49 years old)

Reelection

Outside

Independent

Number of years in office
as an Audit &
Supervisory Board
Member
4 years

■ Career summary and position

Oct. 1997 Joined Asahi & Co. (currently KPMG AZSA LLC)

Apr. 2001 Registered as a certified public accountant

Attendance at Board of
Directors meetings
17/17

Jan. 2004 Established Shizuka Sawada CPA Office as President (current position)

July 2006 Auditor of SunBridge Partners

July 2011 Registered as a certified public tax accountant

Attendance at Audit &
Supervisory Board
meetings
16/16

Mar. 2012 Auditor of Cross Marketing Inc. (currently Cross Marketing Group Inc.)

Auditor of Minnano Wedding Co., Ltd.

Dec. 2012 Audit & Supervisory Board Member of WILL GROUP, INC. (current position)

Number of the
Company's shares owned
- shares

June 2016 Auditor of SAINT MEDIA, INC. (currently WILLOF WORK, Inc.) (current position)

June 2017 Auditor of FAJ, INC. (currently WILLOF FACTORY, Inc.) (current position)

Auditor of BORDERLINK, INC. (current position)

Auditor of NET jinzai bank, Inc. (currently for Startups, Inc.) (current position)

June 2018 Auditor of CreativeBank Inc.

■ Significant concurrent positions outside the Company

● Auditor of WILLOF WORK, Inc.

● Auditor of WILLOF FACTORY, Inc.

● Auditor of BORDERLINK, INC.

● Auditor of for Startups, Inc.

Reasons for nomination as candidate for Audit & Supervisory Board Member

Shizuka Sawada has extensive knowledge and experiences as a certified public accountant. Looking forward, the Company expects her further contributions to the enhancement of the audit system. Accordingly, the Company proposes her reelection. She has never in the past been directly involved in the management of a company, except as an outside officer. However, the Company judges she will appropriately fulfill her duties as an outside Audit & Supervisory Board Member based on the above reasons.

Notes:

1. There is no special interest between Shizuka Sawada and the Company.
2. Shizuka Sawada is a candidate for outside Audit & Supervisory Board Member.
3. The Company has submitted notification to the Tokyo Stock Exchange that Shizuka Sawada has been designated as an independent officer as provided for by the aforementioned exchange.
4. Shizuka Sawada is currently an Audit & Supervisory Board Member of the Company, and at the conclusion of this meeting, her tenure will have been four years.
5. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with Shizuka Sawada to limit her liability for damages under Article 423, paragraph (1) of the same Act. If her reelection is approved, the Company plans to renew the agreement with her.

Outline of “Independence Criteria for Outside Directors”

When selecting candidates for independent Outside Director at the Company, those candidates must satisfy the requirements of independence provided by the Tokyo Stock Exchange and also meet the criteria specified in the “Independence Criteria for Outside Directors” of the Company below.

“Independence Criteria for Outside Directors” of the Company

The Company judges outside Directors, outside Audit & Supervisory Board Members (hereinafter collectively referred to as “outside Officers”), or candidates for outside Officers as independent if, as a result of the investigation conducted by the Company as far as reasonably possible, they do not fall under any of the following items:

- (i) An executive ^{Note 1} of the Company and its affiliates (hereinafter collectively referred to as the “Group”);
- (ii) A party that regards the Group as major client ^{Note 2}, or an executive thereof;
- (iii) A major client of the Group ^{Note 3}, or an executive thereof;
- (iv) A major shareholder of the Company (holding directly or indirectly 10% or more of total voting rights) or an executive thereof;
- (v) A party of which the Group directly or indirectly holds 10% or more of the total voting rights or an executive thereof;
- (vi) A person who belongs to an audit firm appointed as Accounting Auditor of the Group;
- (vii) An attorney, certified public accountant, licensed tax accountant, consultant and the like who receives a large amount ^{Note 4} of monetary or other property benefits other than officers’ remuneration from the Group;
- (viii) A person who belongs to corporations, cooperatives, and the like including law firms, auditing firms, tax accountant corporations, and consulting firms, which receive a large amount ^{Note 4} of monetary or other property benefits from the Group;
- (ix) A person, or a council member or other executive of a corporation or cooperative, which receives a large amount ^{Note 4} of donations or assistance from the Group;
- (x) A person who serves as executive director, executive officer (shikko-yaku), executive officer (shikko-yakuin), manager or other important employee of such company in cases where Executive Directors, or full-time Audit & Supervisory Board Members concurrently serve as outside Directors or outside Audit & Supervisory Board Members of other companies;
- (xi) A person who falls under the definition of the above (ii) to (x) in the last ten years; and
- (xii) In cases where a person falling under the definition of the above (i) to (x) is an important person ^{Note 5}, their spouse or relative within the second degree of kinship.

Notes:

1. An “executive” refers to a director, executive officer (shikko-yaku), executive officer (shikko-yakuin), employee with executive powers, council member, or party or employee equivalent thereto of corporations and other bodies, as well as a party who belonged to the Group in the past even once.
2. A “party regarding the Group as major client” refers to a party who has received from the Company the payment of 2% or more of their consolidated annual sales in the most recent fiscal year.
3. A “major client of the Group” refers to a party who pays the Company 2% or more of its consolidated annual sales in the most recent fiscal year, or who loaned the Company 2% or more of its consolidated total assets at the end of the most recent fiscal year.
4. A “large amount” refers to, in terms of the average for the past three fiscal years, ¥10 million or more for individuals, or for entities including corporations and cooperatives, more than 2% of the consolidated sales or total revenues.
5. An “important person” refers to a director (excluding outside director), audit & supervisory board member (excluding outside audit & supervisory board member), executive officer (shikko-yakuin) and an employee who is senior manager in the position of general manager or higher.

Proposal No. 5 Determination of Amount and Details of Performance-linked Share-based Remuneration Plan, etc. for Directors

1. Reasons for the proposal and reasons for justification of the remuneration

Remuneration for Directors of the Company is comprised of “fixed remuneration” only. The Company would like to ask for the approval for adopting a new performance-linked share-based remuneration plan, etc. (hereinafter the “Plan”) for the Directors of the Company (excluding outside Directors and Directors serving without remuneration). Please note that the Company would like to entrust the Board of Directors regarding the specifics of the Plan within the scope in 2. below.

The Plan is intended to increase the motivation of Directors to contribute to improving corporate performance and enhancing corporate value over the medium to long term by further clarifying the linkage between the remuneration for Directors and the Company’s performance and share value, and by sharing both the benefits and risk of share price fluctuations by Directors and shareholders. Thus, the Company judges the remuneration plan is appropriate.

This proposal has been submitted to pay to Directors (excluding outside Directors and Directors serving without remuneration; the same shall apply hereinafter) who remain in office for the period of three fiscal years beginning with the fiscal year ending March 31, 2021 and ending with the fiscal year ending March 31, 2023 (hereinafter the “Applicable Period”). The new performance-linked share-based remuneration, etc. does not apply to the limit of Directors’ remuneration that the shareholders approved at the 2nd Ordinary General Meeting of Shareholders held on June 27, 2008 (not exceeding ¥300 million per year; provided, however, that said limit does not include any employee salary portion).

The number of Directors eligible for the Plan will be two if Proposal No. 3 “Election of Five Directors” is approved and adopted as originally proposed.

* If this proposal is approved and adopted as originally proposed, the Company plans to introduce the similar performance-linked share-based remuneration plan to the executive officers who have entered into a service agreement with the Company and Directors of some of the Company’s subsidiaries.

2. Amounts of remuneration, etc. under the Plan and other details

(1) Outline of the Plan

The Plan is a share-based remuneration plan, under which a trust established and funded with money contributed by the Company (hereinafter the “Trust”), shall acquire shares of the Company, and a number of such shares, which shall correspond to the number of points granted to each Director by the Company, shall be allocated to each Director through the Trust.

The timing for the Directors to receive the Company shares linked to their performance which the Company shares allocation will be based on the degree of achievement of performance targets (hereinafter the “Performance-linked Share-based Remuneration”) shall, in principle, be at a certain period during their time as a Director with the Company (at the end of the Applicable Period). The Directors shall, in principle, receive the Company shares linked to the Directors’ respective positions (hereinafter the “Position-linked Share-based Remuneration”), on retirement as a Director. Note that for the shares of the Company that each Director receives under the Plan during his or her tenure as a Director with the Company, an agreement shall be executed between the Company and each Director stating that such shares will not be sold during the Director’s tenure as a Director of the Company.

(1)	Persons eligible for the Plan	The Company's Directors (excluding outside Directors and Directors serving without remuneration)
(2)	Applicable Period	From the fiscal year ending March 31, 2021 to the fiscal year ending March 31, 2023
(3)	Maximum amount of money that the Company shall contribute as funds necessary to acquire shares of the Company to be allocated to the eligible persons referred to in (1) in the Applicable Period referred to in (2)	Total: ¥210 million
(4)	Method of acquisition of shares of the Company	Either by acquiring disposed treasury shares or by purchasing shares on the exchange market (including in afterhours trading)
(5)	Upper limit for total number of points that the Company shall grant to the eligible persons referred to in (1)	80,000 points for each fiscal year
(6)	Benchmark for granting points	Points are granted based on the position and performance achievement level
(7)	Period for allocating shares of the Company to the eligible persons referred to in (1)	In principle, at a certain period during their time as a Director with the Company (at the end of the Applicable Period, i.e. three fiscal years for the initial period) for the Performance-linked Share-based Remuneration, and on retirement as a Director for the Position-linked Share-based Remuneration.

(2) Maximum amount of money to be contributed by the Company

The initial period for the trust period of the Trust shall be approximately three years, and the Company shall establish the Trust appointing the Directors, who meet certain beneficiary requirements, as the beneficiaries. The maximum contribution by the Company during the Applicable Period shall be an amount not exceeding ¥210 million in total, for the Trust to acquire shares of the Company to be allocated to the applicable Directors under the Plan, as part of the remuneration for the applicable Directors in office during the Applicable Period. The Trust shall acquire shares of the Company using the money entrusted by the Company, either from the Company in the form of disposal of its treasury shares or on the exchange market (including in after-hours trading).

Note: The monetary amount to be actually entrusted to the Trust by the Company shall be the amount including the estimated necessary expenses such as trust fees and payment for the trust administrator, etc. on top of the abovementioned funds necessary to acquire shares of the Company to be allocated to the Company's Directors. Furthermore, if the Company introduces a performance-linked share-based remuneration plan, etc. similar to the Plan for the executive officers of the Company who have entered into a service agreement with the Company and Directors of some of the Company's subsidiaries, the Trust shall also be entrusted with funds necessary to acquire shares of the Company to be delivered to the executive officers of the Company who have entered into a service agreement with the Company and the applicable Directors of some of the Company's subsidiaries.

Note that the Plan may be continued, with the resolution of the Board of Directors of the Company, by extending the Applicable Period for three fiscal years or longer but within five fiscal years each time

and, in line with this, extending the trust period of the Trust (including the case where the trust property of the Trust is transferred to a trust that has the same purpose as that of the Trust established by the Company, effectively extending the trust period; the same shall apply hereinafter). In this instance, the Company will contribute additional money of an amount not exceeding ¥70 million multiplied by the number of fiscal years of the extended Applicable Period as the funds necessary to acquire additional shares of the Company to be allocated to Directors under the Plan, and continue to grant points and allocate shares of the Company described in (3) below.

Furthermore, even in the event that the Company does not extend the Applicable Period as described above and does not continue the Plan, if upon the expiry of the trust period, there are still Directors who have already been granted points but not yet retired from the office, the trust period of the Trust may be extended until the said Directors retire from the office and the allocation of shares of the Company to them has been completed.

(3) Calculation method and maximum number of shares of the Company to be allocated to Directors

(i) Method of granting points to Directors

The Company shall, pursuant to the Share Grant Regulations established by its Board of Directors, grant to each Director the number of points in accordance with their position and performance achievement level at the date of granting points set forth in the Share Grant Regulations during the trust period.

However, the aggregate number of points to be granted by the Company to Directors shall be up to 80,000 points for each fiscal year.

(ii) Allocation of shares of the Company based on the number of points granted

Directors shall receive, in accordance with the procedure described in (3), the number of shares of the Company corresponding to the number of points granted as per stated in (3).

One (1) point shall be converted to one (1) share of the Company; provided, however, that in the event of circumstances that can reasonably justify the adjustment of the number of the shares to be allocated, such as share split or share consolidation, the Company shall make reasonable adjustment according to the ratio of such share split or share consolidation, etc.

(iii) Allocation of shares of the Company to Directors

The allocation of the shares of the Company to each Director as described in (2) shall be done by the Trust, subject to the completion of the predetermined beneficiary verification procedures by each Director, in principle at a certain period during their time as a Director with the Company (at the end of the Applicable Period) for the Performance-linked Share-based Remuneration, and on retirement as a Director for the Position-linked Share-based Remuneration.

However, a certain portion of shares of the Company to be allocated may be sold/realized in the Trust first for the purpose of the Company to withhold funds to pay taxes such as withholding taxes, and allocated in the form of money in lieu of shares of the Company. In addition, in the event of realization of shares of the Company held in the Trust due to the settlement following the circumstances such as subscription to a tender offer for shares of the Company held in the Trust, the Trust may also allocate in the form of money in lieu of shares of the Company.

(4) Exercise of voting rights

Pursuant to the instructions of the trust administrator who is independent from the Company and its officers, the voting rights associated with shares of the Company held in the Trust shall not be exercised without exception, which will assure the neutrality of the Company's management in relation to exercise of voting rights of such shares.

(5) Handling of dividends

Dividends on shares of the Company held in the Trust shall be received by the Trust, and shall be appropriated towards payment for acquisition of shares of the Company, trust fees for the trustee associated with the Trust, etc.