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(Stock Exchange Code 2749)  
June 8, 2020

**To Shareholders with Voting Rights:**

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

**NOTICE OF  
THE 28TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

This is to notify you that the 28th Annual General Meeting of Shareholders of JP-HOLDINGS, INC. (the “Company”) will be held for the purposes as described below.

In an effort to prevent the spread of COVID-19 infections, the Japanese government and prefectural governors have urged citizens to avoid confined spaces, crowded places and close contacts with people, and stay at home to reduce chances of contact. Under this circumstance and after careful considerations, the Company decided to hold this Annual General Meeting of Shareholders with appropriate measures taken to prevent infections.

We cordially ask you to exercise your voting rights in advance in writing or via the Internet and refrain from attending the Meeting in person, regardless of your health conditions, from a viewpoint of prevention of the spread of infections, taking into consideration voluntary-stay-at-home policy in place.

**Please review the Reference Documents for the Annual General Meeting of Shareholders described on Pages 4 and 5 (available in Japanese version only).**

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

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

**1. Date and Time:** Thursday, June 25, 2020, at 10:00 a.m. Japan time

**2. Venue:** Season Terrace Hall, 3rd Floor, Annex Tower, Shinagawa Season Terrace  
1-2-70 Konan, Minato-ku, Tokyo

For this Annual General Meeting of Shareholders, in an effort to prevent the spread of COVID-19 infections, we cordially ask you to exercise your voting rights in advance in writing or via the Internet and refrain from attending the Meeting in person. With your cooperation expected, many of the attendees at the Meeting will be employees and officers of the Company, a majority of whom reside in Greater Tokyo Area. Considering that it is recommended that citizens avoid crossing prefectural borders in place to prevent the spread of Covid-19 infections, the Meeting will be held at a venue in Minato-ku, Tokyo, to minimize the traveling of attendees. Please understand that we are taking extra cautious preventative measure because some of the employees and officers attending the Meeting work at nursery schools. Please see the map of the venue attached at the end of this notice.

**3. Meeting Agenda:**

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 28th Fiscal Year (April 1, 2019 - March 31, 2020) and the results of audits by the Accounting Auditor and Audit and Supervisory Board of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company's 28th Fiscal Year (April 1, 2019 - March 31, 2020)

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Partial Amendments to the Articles of Incorporation  
**Proposal 3:** Election of Nine (9) Directors (excluding Directors who are Audit & Supervisory Committee Members)  
**Proposal 4:** Election of Five (5) Directors who are Audit & Supervisory Committee Members  
**Proposal 5:** Determination of Amount of Remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members)  
**Proposal 6:** Determination of Amount of Remuneration for Directors who are Audit & Supervisory Committee Members

**4. Precautions upon Exercising Voting Rights**

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

**5. Other Matters Decided upon Convocation**

- 1) If you exercise your voting rights by submitting more than one Voting Rights Exercise Form, the Voting Rights Exercise Form that arrives at the Company last shall be deemed as the valid exercise of voting rights.
- 2) If you exercise your voting rights more than once via the Internet, the last exercise of voting rights shall be deemed as the valid exercise of voting rights.
- 3) If you exercise your voting rights both via the Internet and in writing (by submitting the Voting Rights Exercise Form), the exercise via the Internet shall be deemed as the valid exercise of voting rights.
- 4) If you wish to make a diverse exercise of your voting rights, please notify the Company in writing of your intention of making a diverse exercise of your voting rights and the reasons therefor at least three days prior to the date of the Annual General Meeting of Shareholders.
- 5) For individual shareholders to exercise voting rights by proxy, in principle, it is necessary to submit the following documents 1) to 3).
  - 1) Voting Rights Exercise Form of the proxy
  - 2) Document evidencing authority of the proxy (letter of attorney with the signature of the shareholder who assigns the power of attorney to the proxy or with the name of the shareholder who assigns the power of attorney to the proxy and the seal affixed)

- 3) Voting Rights Exercise Form of the shareholder who assigns the power of attorney to the proxy or the seal registration certificate corresponding to the seal affixed to the letter of attorney, or a copy of an official document for identification of the shareholder who assigns the power of attorney to the proxy, including but not limited to a passport, a driver's license, and a health insurance card
- 6) For corporate shareholders to exercise voting rights by proxy, in principle, it is necessary to submit the following documents 1) and 2).
  - 1) Document evidencing authority of the proxy (letter of attorney or notice of representation with the signature of the representative of the corporation or with the name of the representative of the corporation and the seal affixed)
  - 2) Voting Rights Exercise Form of the shareholder who assigns the power of attorney to the proxy or the seal registration certificate corresponding to the seal affixed to the letter of attorney or the notice of representation
- 7) The number of proxies shall be one and the proxy shall be a shareholder with voting rights at this General Meeting of Shareholders, pursuant to Article 15, Paragraph 1 of the Company's Articles of Incorporation.
- 8) Out of the documents to be provided associated with this Notice, Notes to the Consolidated Financial Statements and Notes to the Non-consolidated Financial Statements are not included in this Notice or the reference documents for the Annual General Meeting of Shareholders. These documents are posted on the Company's website at <https://www.jp-holdings.co.jp>, in accordance with laws and regulations in addition to Article 13 of the Company's Articles of Incorporation.
- 9) The Company will implement measures necessary to prevent the spread of infections, depending on the situation of COVID-19 infections on the day of the Meeting. Going forward, in the event that a significant change in the proceeding of the Meeting arises, we will disclose it on the Company's Internet website, the same way as noted in (8).

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

## Reference Documents for the Annual General Meeting of Shareholders

### Proposal 1: Appropriation of Surplus

With respect to the year-end dividends for the 28th fiscal year, we propose the appropriation of surplus as follows, comprehensively taking into account the performance of the fiscal year under review, the internal reserves necessary for future business expansion, as well as the enhancement of financial soundness, among other factors.

(i) Type of dividend assets

Cash

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

3.90 yen per share of the Company's ordinary shares

Total amount: 341,127,903 yen

(iii) Effective date of dividend of surplus

June 26, 2020

## Proposals 2: Partial Amendments to the Articles of Incorporation

### 1. Reasons for the Proposal

The Company has recognized corporate governance as an important mechanism to achieve transparent, fair, swift and resolute decision-making for some time, and has been engaged in strengthening the management supervisory function of the Board of Directors, and the audit function of Audit and Supervisory Board Members. In order to further strengthen corporate governance and enhance corporate value through sustained growth, we propose that the Company transition to a Company with an Audit and Supervisory Committee, to achieve swift decision-making and further strengthen the supervisory function of the Board of Directors, by selecting an Audit and Supervisory Committee structure where Directors who are Audit and Supervisory Committee Members have voting rights on the Board of Directors. To this end, we request approval for the revisions necessary to transition to a Company with an Audit and Supervisory Committee, including the deletion of provisions regarding to the Audit and Supervisory Board and Audit and Supervisory Board Members, and the establishment of new provisions regarding the Audit and Supervisory Committee and Directors who are Audit and Supervisory Committee Members. In addition, we propose the establishment of provisions enabling the delegation of decisions on important matters of business execution to Directors, to facilitate swift decision-making and flexible business execution, the establishment of supplementary provisions regarding provisional measures concerning liability exemption for Audit and Supervisory Board Members, and other necessary amendments. The consent of each Audit and Supervisory Board Member has been obtained regarding the amendments that enable the Company to conclude liability limitation contracts with Directors who are not Outside Directors, but who are not engaged in the execution of business.

### 2. Details of the Amendments

The details of the amendments are as follows. These revisions to the Articles of Incorporation shall come into effect at the conclusion of this General Meeting of Shareholders.

(The amended sections have been underlined.)

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">Chapter 1 General Provisions</p> <p>(Trade Name) Article 1 The Company shall be referred to as <i>K.K. JP Horudingusu</i> in Japanese, and JP-HOLDINGS, INC. in English.</p> <p>(Purpose) Article 2 The purpose of the Company shall be to control and manage the business activities of companies that engage in the following businesses, through the ownership of shares in such companies. 1 to 16. (Omitted) 2. In addition to the purpose described above, the purpose of the Company shall be to engage in the following businesses. 1 to 16. (Omitted)</p> <p>(Location of Head Office) Article 3 The Company's head office shall be located in Nagoya City, Aichi Prefecture.</p> <p>(Organs) Article 4 The Company shall have the following organs, in addition to the General Meeting of Shareholders and Directors. (1) Board of Directors (2) <u>Audit and Supervisory Board Members</u> (3) <u>Audit and Supervisory Board</u> (4) Accounting Auditor</p>	<p style="text-align: center;">Chapter 1 General Provisions</p> <p>(Trade Name) Article 1 (Unchanged)</p> <p>(Purpose) Article 2 (Unchanged)</p> <p>(Location of Head Office) Article 3 (Unchanged)</p> <p>(Organs) Article 4 The Company shall have the following organs, in addition to the General Meeting of Shareholders and Directors. (1) Board of Directors (2) <u>Audit and Supervisory Committee</u> (Deleted) (3) Accounting Auditor</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Method of Public Notice)  Article 5 The Company shall issue public notices in electronic form. However, in the event that the Company is not able to issue public notices in electronic form due to accidents or other unavoidable reasons, such notices shall be published in the Nikkei (<i>Nihon Keizai Shimbun</i>) newspaper.</p> <p style="text-align: center;">Chapter 2 Shares</p> <p>(Total Number of Authorized Shares)  Article 6 The total number of authorized shares of the Company shall be 295,000,000.</p> <p>(Number of Shares in Each Trading Unit)  Article 6-2. The number of shares in each trading unit of the Company shall be 100.</p> <p>(Share Buybacks)  Article 7 The Company may acquire shares in the Company through market transactions as prescribed in Article 165 (1) of the Companies Act, by resolution of the Board of Directors, in accordance with Article 165 (2) of the Companies Act.</p> <p>(Record Date)  Article 8 Shareholders of the Company with voting rights who are registered or recorded in the final Shareholder Register on March 31 of each year, shall be able to exercise voting rights at the Annual General Meeting of Shareholders held for that fiscal year.</p> <p>2) Other record dates may be established as necessary, in addition to the record date shown above, by resolution of the Board of Directors. Public notice shall be given in advance in these cases.</p> <p>(Administrator of the Shareholder Register)  Article 9 The Company shall have an administrator of the Shareholder Register for shares.</p> <p>2) The administrator of the Shareholder Register, and the location where administrative duties are undertaken, shall be determined by resolution of the Board of Directors, and public notice shall be given.</p> <p>3) The Company shall delegate to the administrator of the Shareholder Register the preparation and maintenance of the Shareholder Register and registry of stock acquisition rights as well as other administrative work related to its shares, and shall not engage in these activities.</p>	<p>(Method of Public Notice)  Article 5 (Unchanged)</p> <p style="text-align: center;">Chapter 2 Shares</p> <p>(Total Number of Authorized Shares)  Article 6 (Unchanged)</p> <p>(Number of Shares in Each Trading Unit)  Article 6-2. (Unchanged)</p> <p>(Share Buybacks)  Article 7 (Unchanged)</p> <p>(Record Date)  Article 8 (Unchanged)</p> <p>(Administrator of the Shareholder Register)  Article 9 (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Share Handling Regulations) Article 10 Procedures relating to the exercise of shareholders' rights and other handling services and fees related to the Company's shares shall be governed by law, regulation and the Articles of Incorporation, as well as by the Share Handling Regulations established by the Board of Directors.</p> <p style="text-align: center;">Chapter 3 General Meeting of Shareholders</p> <p>(Convocation) Article 11 The Annual General Meeting of Shareholders of the Company shall be convened in June each year, and an Extraordinary General Meeting of Shareholders may be convened at other times, as necessary.</p> <p>(Convenor and Chairperson) Article 12 The President shall convene and chair General Meetings of Shareholders. Where accident renders the President unable to perform these duties, they shall be performed by another Director, according to an order designated in advance by the Board of Directors.</p> <p>(Disclosure of Reference Documents for General Meetings of Shareholders, etc., through the Internet) Article 13 When convening a General Meeting of Shareholders, the Company may disclose information that should be presented or displayed in the reference documents for shareholders, business reports, consolidated and non-consolidated financial statements, through a method using the Internet, in accordance with the provisions of the Ministry of Justice Order.</p> <p>(Method of Resolution) Article 14 A resolution of the General Meeting of Shareholders shall be made by a majority of the votes of attending shareholders, unless otherwise prescribed by law, regulation or the Articles of Incorporation.</p> <p>2) Resolutions that fall under the provisions of Article 309 (2) of the Companies Act shall be made by a majority of at least two-thirds (2/3) of the votes of the shareholders present, who hold shares representing in aggregate not less than one-third (1/3) of the voting rights of all shareholders who are eligible to exercise voting rights.</p> <p>(Proxy Exercise of Voting Rights) Article 15 A shareholder may exercise voting rights through a single proxy who is a shareholder of the Company with voting rights.</p> <p>2) The shareholder or proxy must submit to the Company documentary evidence of the power of attorney at each general meeting of shareholders.</p>	<p>(Share Handling Regulations) Article 10 (Unchanged)</p> <p style="text-align: center;">Chapter 3 General Meeting of Shareholders</p> <p>(Convocation) Article 11 (Unchanged)</p> <p>(Convenor and Chairperson) Article 12 (Unchanged)</p> <p>(Disclosure of Reference Documents for General Meetings of Shareholders, etc., through the Internet) Article 13 (Unchanged)</p> <p>(Method of Resolution) Article 14 (Unchanged)</p> <p>(Proxy Exercise of Voting Rights) Article 15 (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Minutes) Article 16 Minutes of the General Meeting of Shareholders shall be prepared in written or digital form, in accordance with the provisions of the relevant laws and regulations. Chapter 4 Directors and the Board of Directors</p> <p>(Number of Directors) Article 17 There number of Directors of the Company shall not exceed <u>eight (8)</u>. (Newly established)</p> <p>(Method of Appointment) Article 18 Directors shall be appointed by resolution of the General Meeting of Shareholders.</p> <p>2) The appointment of Directors shall be resolved by a majority vote of the shareholders present at the Meeting who hold shares representing in aggregate not less than one-third (1/3) of the voting rights of all shareholders who are eligible to exercise voting rights</p> <p>3) The appointment of Directors shall not be resolved by cumulative vote.</p> <p>(Term of Office) Article 19 The term of office of Directors shall expire at the conclusion of the Annual General Meeting of Shareholders pertaining to the final business year ending within one (1) year from the date when they were elected.</p> <p>2) The term of office of a Director who was elected as an additional or substitute Director shall expire simultaneously with the terms of office of the Directors already appointed.</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p>(Minutes) Article 16 (Unchanged)  Chapter 4 Directors and the Board of Directors</p> <p>(Number of Directors) Article 17 There number of Directors of the Company shall not exceed <u>fifteen (15)</u>. <u>2) Of these, no more than five (5) shall be Directors who are Audit and Supervisory Committee Members.</u></p> <p>(Method of Appointment) Article 18 Directors <u>who are Audit and Supervisory Committee Members, and other Directors,</u> shall be appointed <u>separately</u> by resolution of the General Meeting of Shareholders.</p> <p>2) (Unchanged)</p> <p>3) (Unchanged)</p> <p>(Term of Office) Article 19 The term of office of Directors <u>(excluding Directors who are Audit and Supervisory Committee Members)</u> shall expire at the conclusion of the Annual General Meeting of Shareholders pertaining to the final business year ending within one (1) year from the date when they were appointed.</p> <p>2) The term of office of a Director <u>(excluding a Director who is an Audit and Supervisory Committee Member)</u> who was elected as an additional or substitute Director shall expire simultaneously with the terms of office of the Directors already appointed.</p> <p>3) <u>The term of office of Directors who are Audit and Supervisory Committee Members shall expire at the conclusion of the Annual General Meeting of Shareholders pertaining to the final business year ending within two (2) years from the date when they were appointed.</u></p> <p>4) <u>The term of office of a Director who is an Audit and Supervisory Committee Member, who was appointed as a substitute for a Director who is an Audit and Supervisory Committee Member who retired before the completion of his/her term of office, shall expire simultaneously with the designated term of office of the retiring Director who is an Audit and Supervisory Committee Member.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Representative Director and Directors who are Corporate Officers)</p> <p>Article 20 One (1) Representative Director shall be appointed from among the Directors, by resolution of the Board of Directors.</p> <p>2) One (1) President and several Senior Managing Directors and Managing Directors may be appointed, by resolution of the Board of Directors.</p> <p>(Convenor and Chairperson of Meetings of the Board of Directors)</p> <p>Article 21 The President shall convene and chair meetings of the Board of Directors, except where otherwise prescribed by law or regulation.</p> <p>2) Where accident renders the President unable to perform these duties, they shall be performed by another Director, according to an order designated in advance by the Board of Directors.</p> <p>(Notice of Convocation of Meetings of the Board of Directors)</p> <p>Article 22 Notice of the convocation of Meetings of the Board of Directors shall be dispatched to each Director <u>and Audit and Supervisory Board Member</u> at least three (3) days prior to the day of the meeting. However, this notice period may be shortened where necessary in the case of emergency.</p> <p>2) Meetings of the Board of Directors may be held without completing this convocation procedure, where consent is given by all Directors <u>and Audit and Supervisory Board Members</u>.</p> <p>(Method of Resolution of the Board of Directors)</p> <p>Article 23 A resolution shall be adopted by the Board of Directors through a majority vote of the Directors present who are eligible to vote on the resolution, who comprise a majority of all of the Directors eligible to vote on the resolution.</p> <p>2) Where all Directors (who are eligible to vote on the matter) have indicated their consent, in written or digital form, to a proposal to be resolved by the Board of Directors, the Board of Directors shall be deemed to have resolved to approve and pass the proposal. <u>However, this does not apply where an Audit and Supervisory Board Member expresses disagreement to the proposal.</u></p>	<p>(Representative Director and Directors who are Corporate Officers)</p> <p>Article 20 One (1) Representative Director shall be appointed from among the Directors <u>(excluding Directors who are Audit and Supervisory Committee Members)</u>, by resolution of the Board of Directors.</p> <p>2) One <u>(1) Chairman, one</u> (1) President and several <u>Vice Presidents</u>, Senior Managing Directors and Managing Directors may be appointed <u>from among the Directors (excluding Directors who are Audit and Supervisory Committee Members)</u>, by resolution of the Board of Directors.</p> <p>(Convenor and Chairperson of Meetings of the Board of Directors)</p> <p>Article 21 (Unchanged)</p> <p>(Notice of Convocation of Meetings of the Board of Directors)</p> <p>Article 22 Notice of the convocation of Meetings of the Board of Directors shall be dispatched to each Director at least three (3) days prior to the day of the meeting. However, this notice period may be shortened where necessary in the case of emergency.</p> <p>2) Meetings of the Board of Directors may be held without completing this convocation procedure, where consent is given by all Directors.</p> <p>(Method of Resolution of the Board of Directors)</p> <p>Article 23 (Unchanged)</p> <p>2) Where all Directors (who are eligible to vote on the matter) have indicated their consent, in written or digital form, to a proposal to be resolved by the Board of Directors, the Board of Directors shall be deemed to have resolved to approve and pass the proposal.</p>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">(Newly established)</p> <p>(Minutes of Meetings of the Board of Directors)  Article 24 Minutes of meetings of the Board of Directors shall be prepared in written or digital form, in accordance with the provisions of the relevant laws and regulations, and signed or stamped with a named seal, or signed electronically, by the Directors <u>and Audit and Supervisory Board Members</u> who attended.</p> <p>2) The minutes described in item 2 of <u>the previous Article</u> shall be prepared in written or digital form, in accordance with the provisions of the relevant laws and regulations.</p> <p>(Board of Directors Regulations)  Article <u>25</u> The Board of Directors shall decide on important matters of business execution of the Company, except where otherwise prescribed by law, regulation or the Articles of Incorporation, operating in accordance with the Board of Directors Regulations.</p> <p>(Remuneration, etc.)  Article <u>26</u> Remuneration, bonuses and any other forms of financial benefit received by Directors as consideration for their execution of duties (hereinafter “remuneration, etc.”) shall be decided by resolution of the General Meeting of Shareholders.</p> <p>(Directors’ Exemption from Liability)  Article <u>27</u> The Company may exempt Directors (including former Directors) from liability for damages under Article 423 (1) of the Companies Act to the extent permitted by laws and regulations, by resolution of the Board of Directors, in accordance with Article 426 (1) of the Companies Act.</p> <p>2) The Company may enter into contracts with <u>Outside Directors</u> that limit their liability for damages under Article 423 (1) of the Companies Act, in accordance with Article 427 (1) of the Companies Act. However, the limit of liability for damages under the said contract shall be either a predetermined amount no less than six (6) million yen, or to the amount stipulated by laws and regulations, whichever is higher.</p>	<p><u>(Delegation of Decisions on Important Matters of Business Execution)</u>  Article <u>24</u> The Company may delegate all or some decisions on important matters of business execution (except for matters prescribed in Article 399-13 (5) of the Companies Act) to some of the Directors, by resolution of the Board of Directors, in accordance with the provisions of Article 399-13 (6) of the Companies Act.</p> <p>(Minutes of Meetings of the Board of Directors)  Article 25 Minutes of meetings of the Board of Directors shall be prepared in written or digital form, in accordance with the provisions of the relevant laws and regulations, and signed or stamped with a named seal, or signed electronically, by the Directors who attended.</p> <p>2) The minutes described in item 2 of <u>Article 23</u> shall be prepared in written or digital form, in accordance with the provisions of the relevant laws and regulations.</p> <p>(Board of Directors Regulations)  Article <u>26</u> (Unchanged)</p> <p>(Remuneration, etc.)  Article <u>27</u> Remuneration, bonuses and any other forms of financial benefit received by Directors as consideration for their execution of duties shall be decided by resolution of the General Meeting of Shareholders, <u>separately for Directors who are Audit and Supervisory Committee Members and other Directors.</u></p> <p>(Directors’ Exemption from Liability)  Article <u>28</u> (Unchanged)</p> <p>2) The Company may enter into contracts with <u>Directors (except for Executive Directors designated under Article 2 (xv) (a) of the Companies Act)</u> that limit their liability for damages under Article 423 (1) of the Companies Act, in accordance with Article 427 (1) of the Companies Act. However, the limit of liability for damages under the said contract shall be either a predetermined amount no less than six (6) million yen, or to the amount stipulated by laws and regulations, whichever is higher.</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Method of Dismissal of Directors)  Article <u>28</u> The dismissal of Directors shall be resolved by a majority vote of the shareholders present at a General Meeting of Shareholders who hold shares representing in aggregate not less than one-third (1/3) of the voting rights of all shareholders who are eligible to exercise voting rights</p>	<p>(Method of Dismissal of Directors)  Article <u>29</u> The dismissal of Directors (<u>excluding Directors who are Audit and Supervisory Committee Members</u>) shall be resolved by a majority vote of the shareholders present at a General Meeting of Shareholders who hold shares representing in aggregate not less than one-third (1/3) of the voting rights of all shareholders who are eligible to exercise voting rights</p>
<p><u>Chapter 5 Audit and Supervisory Board Members and the Audit and Supervisory Board</u></p>	
<p>(Number of Audit and Supervisory Board Members)  Article <u>29</u> There number of Audit and Supervisory Board Members of the Company shall not exceed five (5).</p>	<p>(Deleted)</p>
<p>(Method of Appointment)  Article <u>30</u> Audit and Supervisory Board Members shall be appointed by resolution of the General Meeting of Shareholders.</p>	<p>(Deleted)</p>
<p>2) <u>The appointment of Audit and Supervisory Board Members shall be resolved by a majority vote of the shareholders present at the Meeting who hold shares representing in aggregate not less than one-third (1/3) of the voting rights of all shareholders who are eligible to exercise voting rights</u></p>	
<p>(Effect of the Preliminary Election of Substitute Audit and Supervisory Board Members)  Article <u>31</u> The preliminary election of Substitute Audit and Supervisory Board Members shall be effective until the time of commencement of the Annual General Meeting of Shareholders pertaining to the final business year ending within two (2) years from the date when they were elected.</p>	<p>(Deleted)</p>
<p>(Term of Office)  Article <u>32</u> The term of office of Audit and Supervisory Board Members shall expire at the conclusion of the Annual General Meeting of Shareholders pertaining to the final business year ending within four (4) years from the date when they were elected.</p>	<p>(Deleted)</p>
<p>2. <u>The term of office of an Audit and Supervisory Board Member who was appointed as a substitute shall conclude at the same time as the term of office of the Audit and Supervisory Board Member whom he/she replaced.</u></p>	<p>(Deleted)</p>
<p>(Full-time Audit and Supervisory Board Members)  Article <u>33</u> The Audit and Supervisory Board shall appoint Full-time Audit and Supervisory Board Members from among the Audit and Supervisory Board Members.</p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>(Notice of Convocation of Meetings of the Audit and Supervisory Board)</u>  <u>Article 34 Notice of the convocation of Meetings of the Audit and Supervisory Board shall be dispatched to each Audit and Supervisory Board Member at least three (3) days prior to the day of the meeting. However, this notice period may be shortened where necessary in the case of emergency.</u>  <u>2) Meetings of the Audit and Supervisory Board may be held without completing this convocation procedure, where consent is given by all Audit and Supervisory Board Members.</u>  <u>(Method of Resolution of the Audit and Supervisory Board)</u>  <u>Article 35 A resolution of the Audit and Supervisory Board shall be made by a majority of Audit and Supervisory Board Members, unless otherwise prescribed by law, regulation or the Articles of Incorporation.</u>  <u>(Minutes of Meetings of the Audit and Supervisory Board)</u>  <u>Article 36 Minutes of meetings of the Audit and Supervisory Board shall be prepared in written or digital form, in accordance with the provisions of the relevant laws and regulations, and signed or stamped with a named seal, or signed electronically, by the Audit and Supervisory Board Members who attended.</u>  <u>(Audit and Supervisory Board Regulations)</u>  <u>Article 37 Matters concerning the Audit and Supervisory Board shall be governed by law, regulation and the Articles of Incorporation, as well as by the Audit and Supervisory Board Regulations established by Audit and Supervisory Board.</u>  <u>(Remuneration, etc.)</u>  <u>Article 38 Remuneration, etc. for Audit and Supervisory Board Members shall be decided by resolution of the General Meeting of Shareholders.</u></p>	<p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>(Audit and Supervisory Board Members' Exemption from Liability)</u>  <u>Article 39 The Company may exempt Audit and Supervisory Board Members (including those who were previously Audit and Supervisory Board Members) from liability for damages under Article 423 (1) of the Companies Act to the extent permitted by laws and regulations, by resolution of the Board of Directors, in accordance with Article 426 (1) of the Companies Act.</u></p> <p><u>2) The Company may enter into contracts with Outside Audit and Supervisory Board Members that limit their liability for damages under Article 423 (1) of the Companies Act, in accordance with Article 427 (1) of the Companies Act. However, the limit of liability for damages under the said contract shall be either a predetermined amount no less than two (2) million yen, or to the amount stipulated by laws and regulations, whichever is higher.</u></p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p>(Deleted)</p> <p><u>Chapter 5 Audit and Supervisory Committee</u></p> <p><u>(Full-time Audit and Supervisory Committee Members)</u>  <u>Article 30 Full-time Audit and Supervisory Committee Members may be appointed from among the Audit and Supervisory Committee Members, by resolution of the Audit and Supervisory Committee.</u></p> <p><u>(Notice of Convocation of Meetings of the Audit and Supervisory Committee)</u>  <u>Article 31 Notice of the convocation of Meetings of the Audit and Supervisory Committee shall be dispatched to each Audit and Supervisory Committee Member at least three (3) days prior to the day of the meeting. However, this notice period may be shortened where necessary in the case of emergency.</u></p> <p><u>2) Meetings of the Audit and Supervisory Committee may be held without completing this convocation procedure, where consent is given by all Audit and Supervisory Committee Members.</u></p> <p><u>(Method of Resolution of the Audit and Supervisory Committee)</u>  <u>Article 32 Unless otherwise prescribed by law or regulation, a resolution shall be adopted by the Audit and Supervisory Committee through a majority vote of the Audit and Supervisory Committee Members present who are eligible to vote on the resolution, who comprise a majority of all of the Audit and Supervisory Committee Members eligible to vote on the resolution.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p> <p>(Newly established)</p> <p>Chapter 6 Settlement of Accounts</p> <p>(Fiscal Year) Article <u>40</u> The Company’s fiscal year shall commence on April 1, and conclude on March 31 of the following year.</p> <p>(Distribution of Surplus) Article <u>41</u> Dividends of surplus shall be distributed to shareholders and registered pledgees of shares, registered or otherwise recorded in the final Shareholder Register as of March 31 each year.</p> <p>(Interim Dividends) Article <u>42</u> Interim dividends may be distributed to shareholders and registered pledgees of shares, registered or otherwise recorded in the final Shareholder Register as of September 30 each year, by resolution of the Board of Directors.</p> <p>(Period of Exclusion for Dividends of Surplus, etc.) Article <u>43</u> Where dividends of surplus or interim dividends have not been claimed within three (3) years of the date when payment commenced, the Company shall be exempt from the obligation to pay.</p>	<p><u>(Minutes of Meetings of the Audit and Supervisory Committee)</u> <u>Article 33 Minutes of meetings of the Audit and Supervisory Committee shall be prepared in written or digital form, in accordance with the provisions of the relevant laws and regulations, and signed or stamped with a named seal, or signed electronically, by the Audit and Supervisory Committee Members who attended.</u> <u>(Audit and Supervisory Committee Regulations)</u> <u>Article 34 Matters concerning the Audit and Supervisory Committee shall be governed by law, regulation and the Articles of Incorporation, as well as by the Audit and Supervisory Committee Regulations established by Audit and Supervisory Committee.</u></p> <p>Chapter 6 Settlement of Accounts</p> <p>(Fiscal Year) Article <u>35</u> (Unchanged)</p> <p>(Distribution of Surplus) Article <u>36</u> (Unchanged)</p> <p>(Interim Dividends) Article <u>37</u> (Unchanged)</p> <p>(Period of Exclusion for Dividends of Surplus, etc.) Article <u>38</u> (Unchanged)</p>



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

If the Proposal 2: Partial Amendments to the Articles of Incorporation is approved as proposed, the Company will make a transition to a company with an Audit & Supervisory Committee. Accordingly, we propose that nine (9) Directors (excluding Directors who are Audit & Supervisory Committee Members; hereinafter, the same apply in this Proposal) be elected. This Proposal shall take effect, subject to the amendments to the Articles of Incorporation coming into effect in Proposal 2: Partial Amendments to the Articles of Incorporation.

Candidates for Director are as follows.

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
1	Koichiro Furukawa (February 9, 1962)	<p>April 1985      Joined Daiwa Securities Co., Ltd. (current Daiwa Securities Group Inc.)</p> <p>August 1993      Joined Prova Inc.</p> <p>February 2000    Joined the Company, General Manager, Hiroshima Sales Office</p> <p>June 2000        Director, the Company</p> <p>January 2002     Head of Kanto Block, the Company</p> <p>October 2004     Director, J Kitchen Inc. Director, J Planning Sale Inc.</p> <p>January 2006     Director, J Cast Inc.</p> <p>March 2013       Director, Japan Nursery Institute for General Research Inc. (to present)</p> <p>March 2017       Director, Social Welfare Corporation Konpeki-no-kai Director, Japan Childcare Association</p> <p>June 2018        President and Representative Director, the Company (to present)</p> <p>July 2018        Director, Japan Nursery Service Inc. Representative Director, Japan Childcare Association</p> <p>April 2019        President and Representative Director, Japan Nursery Service Inc. (to present)</p>	109,200
<p>[Reasons for nomination as a candidate for Director] Mr. Koichiro Furukawa has a wealth of experience and a wide range of knowledge of the development and operations of nursery schools, through long years of engagement in nursery services. He has been greatly contributing to the business management of the Group, and thus the Company believes that he is qualified to promote the Group's management and renominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
2	Tohru Sakai (September 26, 1973)	<p>July 1996      Joined Pacific Rim Corporation (U.S.) Assumed office as Director</p> <p>April 2001      Joined ATRIUM Co., Ltd. Subsequently, assumed office as Executive Officer and General Manager of Strategic Investment Division</p> <p>July 2011      Founded Futamatsuya USA Inc. (U.S.)</p> <p>April 2012      Founded Star Capital Inc.</p> <p>December 2017      Founded Mirai Capital Co., Ltd. Assumed office as Representative Director Founded Mother Care Japan Co., Ltd. Assumed office as Representative Director</p> <p>June 2018      Director, the Company</p> <p>July 2018      Director, Japan Nursery Service Inc. (to present) Director, J Planning Sale Inc. Director, J Cast Inc. (to present) Director, Japan Nursery Institute for General Research Inc. (to present)</p> <p>September 2018      President and Representative Director, J Kitchen Inc. (to present)</p> <p>December 2018      Director, Amenity Life Inc. (to present)</p> <p>April 2019      President and Representative Director, J Planning Sale Inc. (to present)</p> <p>August 2019      Senior Managing Director, the Company (to present)</p>	-
<p>[Reasons for nomination as a candidate for Director] Mr. Tohru Sakai has experience cultivated in a wide range of areas and a wealth of knowledge as corporate manager, accumulating a track of achievement in the development of management structure, the strengthening of safety management systems, and the reform of workstyle, etc. He has been greatly contributing to the business management of the Group, and thus the Company believes that he is qualified to promote the Group's management and renominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
3	Naoto Nishii (May 5, 1971)	<p>June 1998      Joined Jaguar Sports Co., Ltd.</p> <p>January 2005    Joined Near Field Co., Ltd.</p> <p>April 2008      Joined Japan Nursery Service Inc.</p> <p>June 2012      Director, Japan Nursery Service Inc.</p> <p>                      Director, Shikoku Nursery Service Inc.</p> <p>June 2013      Director, the Company (to present)</p> <p>September 2016 Director, Amenity Life Inc.</p> <p>February 2017    Director, KODOMOLOGY CO., LTD.</p> <p>April 2017      President and Representative Director, COHAS VIETNAM CO., LTD (to present)</p> <p>July 2018      Representative Director, Japan Nursery Service Inc.</p> <p>                      President and Representative Director, J Kitchen Inc.</p> <p>                      President and Representative Director, J Planning Sale Inc.</p> <p>                      President and Representative Director, J Cast Inc. (to present)</p> <p>                      President and Representative Director, Japan Nursery Institute for General Research Inc. (to present)</p> <p>                      President and Representative Director, Amenity Life Inc. (to present)</p> <p>June 2019      Director, Japan Nursery Service Inc.</p> <p>                      Director, J Planning Sale Inc. (to present)</p> <p>April 2020      Representative Senior Managing Director, Japan Nursery Service Inc. (to present)</p>	22,400
<p>[Reasons for nomination as a candidate for Director] Mr. Naoto Nishii has been long engaged in the nursery services, and he currently serves as Representative Senior Managing Director for Japan Nursery Service Inc., a core company of the Group, successfully leading integrated management of nursery services. Thus, the Company renominated him as a candidate for Director.</p>			



No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
6	Shotaro Seki (July 12, 1929)	<p>April 1953 Joined Yamatane Securities Co., Ltd. (current SMBC Nikko Securities Inc.)</p> <p>December 1985 President and Representative Director, Yamatane Investment Management Co., Ltd.</p> <p>June 1992 President and Representative Director, Yamatane Securities Co., Ltd. (current SMBC Nikko Securities Inc.)</p> <p>November 1994 Director (Financial Affairs), Waseda University</p> <p>September 1995 Vice President, Executive Director (Financial Affairs), Waseda University</p> <p>June 2000 Nonexecutive Director, The Tokyo Foundation</p> <p>January 2002 President, NPO Bridge in Asia</p> <p>December 2003 Vice President, University Management Association in 21st Century</p> <p>November 2004 Vice President, Executive Director, Waseda University</p> <p>October 2006 Visiting Scholar, Waseda Institute of the Policy of Social Safety (to present)</p> <p>November 2006 Director, Yugi Sangyo Kenzenka Suishinkikou (to present)</p> <p>December 2006 Trustee, Toyo University</p> <p>April 2009 Director, University of Niigata Prefecture (to present)</p> <p>December 2009 Executive Trustee, Toyo University</p> <p>October 2011 Director, Educational Corporation Kankyo Zokei Gakuen ICS College of Arts</p> <p>April 2012 Vice Chairman, Educational Corporation Kankyo Zokei Gakuen</p> <p>April 2014 Vice Chairman and President, Educational Corporation Kankyo Zokei Gakuen</p> <p>June 2014 Member, University Reform Governance Promotion Committee, Ministry of Education, Culture, Sports, Science and Technology</p> <p>January 2015 Councilor, Foundation for International Transfer of Skills and Knowledge in Construction (to present)</p> <p>July 2016 Advisor, Japan Educational Foundation Tokyo Online University (to present)</p> <p>December 2016 Member, Committee for Discussion of Measures for Promoting University Governance Reform, Ministry of Education, Culture, Sports, Science and Technology</p> <p>May 2017 Chairman, NPO MusicaFresca (to present)</p> <p>October 2017 Member, Committee for Discussion of Measures for Promoting University Governance Reform, Ministry of Education, Culture, Sports, Science and Technology</p> <p>October 2018 Outside Director, the Company (to present)</p> <p>July 2019 Director, Tokyo New City Orchestra (to present)</p> <p>September 2019 Director and Senior Advisor, Educational Corporation Kankyo Zokei Gakuen ICS College of Arts (to present)</p>	-

	<p>[Reasons for nomination as a candidate for Outside Director]  Mr. Shotaro Seki has been providing advice on supervision of the management of the Company and management in general at meetings of the Board of Directors as Outside Director, capitalizing on his wealth of experience and knowledge of education and governance. The Company thus renominated him as a candidate for Director.</p>		
7	<p>Outside Director</p> <p>Takashi Anada  (June 6, 1965)</p>	<p>April 1988</p> <p>January 1991</p> <p>April 2001</p> <p>August 2006</p> <p>May 2010</p> <p>May 2011</p> <p>June 2013</p> <p>May 2015</p> <p>April 2017</p> <p>July 2017</p> <p>November 2017</p> <p>October 2018</p>	<p>Joined The Tokai Bank, Ltd. (current MUFG Bank, Ltd.)</p> <p>Registered as certified public accountant</p> <p>Corporate Planning Department, UFJ Holdings, Inc. (current Mitsubishi UFJ Financial Group, Inc.)</p> <p>Sato Sogo Law Office (to present)</p> <p>Registered as certified tax accountant</p> <p>Outside Director, SBI Mortgage Co., Ltd. (current ARUHI Corporation)</p> <p>Auditor, SBI Mortgage Co., Ltd. (current ARUHI Corporation)</p> <p>Auditor, ARUHI Corporation (to present)</p> <p>Councilor, Social Welfare Corporation Tsuzuki Fukushima (to present)</p> <p>Auditor, MFS, Inc. (to present)</p> <p>Outside Member, Investment Committee, Tokyo Infrastructure Asset Management Co., Ltd.</p> <p>Outside Director, the Company (to present)</p>
	<p>[Reasons for nomination as a candidate for Outside Director]  Mr. Takashi Anada has been providing advice on supervision of the management of the Company and management in general at meetings of the Board of Directors as Outside Director, capitalizing on his wealth of knowledge and experience in the accounting field. With an aim to further strengthen and enhance corporate governance, the Company renominated him as a candidate for Director. Although he has no direct experience in corporate management, the Company believes he can appropriately perform duties of Outside Director from above reasons.</p>		

8	<div style="border: 1px solid black; padding: 2px;">New Candidate</div> <div style="border: 1px solid black; padding: 2px;">Outside Director</div> Tadakazu Sahara (April 9, 1947)	April 1970 June 2000 April 2006 April 2007 May 2007 May 2008 January 2009 October 2018	Joined Daiwa Securities Co., Ltd. (current Daiwa Securities Group Inc.) Director, Daiwa Investor Relations Co. Ltd. Managing Director, Daiwa Investor Relations Co. Ltd. Opened Office Sahara General Manager, Information Security Office, the Company (until April 2008) Advisor, General Solutions Co., Ltd. (current Fisco Ltd.) Director, General Solutions Co., Ltd. (current Fisco Ltd.) Outside Audit and Supervisory Board Member, the Company (to present)	10,000
		[Reasons for nomination as a candidate for Outside Director] Mr. Tadakazu Sahara has a wealth of work experience at financial institutions, and a wide range of knowledge of communication with stakeholders, etc. cultivated through his career at IR activity consulting company. Since his assumption of office as Audit and Supervisory Board Member in October 2018, he has been working to secure the soundness and appropriateness of management, as well as providing useful opinions. The Company believes that he can provide appropriate advice on the strengthening of the Company's management structure from an objective standpoint, capitalizing on these knowledge and record of achievement, and newly nominated him as a candidate for Director.		
9	<div style="border: 1px solid black; padding: 2px;">New Candidate</div> <div style="border: 1px solid black; padding: 2px;">Outside Director</div> Reiho Kashiwame (June 16, 1952)	April 1976 April 1986 April 1997 April 1997 April 1997 April 2006 April 2009 December 2014 June 2017	Joined Chiba Prefectural Government Joined Ministry of Health and Welfare (current Ministry of Health, Labour and Welfare) Professor, College of Social Studies (current College of Integrated Human and Social Welfare Studies), Shukutoku University (to present) Professor, Graduate School, Shukutoku University (to present) General Manager, Department of Child and Family Policy Research, Japan Child and Family Research Institute Advisor, Ishikawa Prefectural Government (to present) Technical Advisor, City of Urayasu (in charge of Child Care Support) (to present) Vice Chairman, Tokyo Child Welfare Council (to present) Chairperson, Social Welfare Corporation Kobokan (part-time)	-
		[Reasons for nomination as a candidate for Outside Director] Mr. Reiho Kashiwame has many years of experience and professional knowledge of child welfare and child education. The Company believes that he can provide useful advice on overall management of the Group, particularly on nursery services, and newly nominated him as a candidate for Director. Although he has no direct experience in corporate management, the Company believes he can appropriately perform duties of Outside Director from above reasons.		

(Notes)

1. Mr. Shotaro Seki, Mr. Takashi Anada, Mr. Tadakazu Sahara, and Mr. Reiho Kashiwame are candidates for Outside Director. The Company has designated Mr. Shotaro Seki, Mr. Takashi Anada, and Mr. Tadakazu Sahara as Independent Directors as defined by Tokyo Stock Exchange, Inc. and submitted notifications. If the election of Mr. Reiho Kashiwame is approved as proposed, the Company intends to designate him as Independent Director, and submit notification to the said exchange.
2. Mr. Shotaro Seki and Mr. Takashi Anada currently serve as Outside Directors of the Company. They will have served as Outside Directors of the Company for one (1) year and eight (8) months

at the close of this Annual General Meeting of Shareholders.

3. Mr. Tadakazu Sahara currently serves as Outside Audit and Supervisory Board Member of the Company. If the Proposal 2: Partial Amendments to the Articles of Incorporation is approved as proposed, his term of office will expire at the close of this Annual General Meeting of Shareholder, when such amendments to the Articles of Incorporation take effect. He will have served as Outside Audit and Supervisory Board Member of the Company for one (1) year and eight (8) months at the close of this Annual General Meeting of Shareholders.
4. Pursuant to provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into contracts with Mr. Shotaro Seki and Mr. Takashi Anada that limit their liabilities for damages stipulated in Article 423, Paragraph 1 of the Companies Act, under which the amount of their liabilities for damages is limited to six (6) million yen or to the amount stipulated by laws and regulations, whichever is higher. If their reelection is approved, the Company intends to continue the said liability limitation contracts with them.
5. If the election of Mr. Tadakazu Sahara and Mr. Reiho Kashiwame is approved, pursuant to provisions of Article 427, Paragraph 1 of the Companies Act, the Company intends to enter contacts with them that limit their liabilities for damages stipulated in Article 423, Paragraph 1 of the Companies Act, under which the amount of their liabilities for damages is limited to six (6) million yen or to the amount stipulated by laws and regulations, whichever is higher.
6. Mr. Reiho Kashiwame, one of the candidates for Outside Director, concurrently serves as Chairperson for Social Welfare Corporation Kobokan. As Kobokan operates a nursery school and children center in Sumida-ku, Tokyo, it competes against the Company in the relevant business. In addition, he concurrently serves as Vice Chairman for Tokyo Child Welfare Council, which has a committee that reviews permits of nursery schools in Tokyo.  
No special interest exists between each of the other candidates and the Company.

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

If the Proposal 2: Partial Amendments to the Articles of Incorporation is approved as proposed, the Company will make a transition to a company with an Audit & Supervisory Committee. Accordingly, we propose that five (5) Directors who are Audit & Supervisory Committee Members be elected. This Proposal shall take effect, subject to the amendments to the Articles of Incorporation coming into effect in Proposal 2: Partial Amendments to the Articles of Incorporation.

Candidates for Director who is Audit & Supervisory Committee Member are as follows.

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

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

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
4	<div data-bbox="252 600 443 676" style="border: 1px solid black; padding: 2px;">New Candidate Outside Director</div> <p data-bbox="290 705 480 772">Akinori Tsuruya (June 8, 1957)</p>	<p data-bbox="523 271 1252 1102"> April 1983      Joined National Police Agency  March 1998      Director, Police Administration, Police Headquarters, Ibaraki Police  August 1999      Officer, Info-Communications Planning Division, Info-Communications Bureau, National Police Agency  February 2001    Director, Criminal Department, Police Headquarters, Hyogo Prefectural Police  February 2003    Deputy Director for International Affairs, Cabinet Intelligence and Research Office  April 2007        Chief of Police Headquarters, Wakayama Prefectural Police  August 2008      Director, International Investigations (Head of Tokyo Office, International Criminal Police Organization), National Police Agency  June 2013        Director, Shikoku Finance Bureau, Ministry of Finance, JAPAN  September 2016   Director, Kinki Region Police Bureau  November 2017   Advisor, Prudential Life Insurance Company (to present)  April 2018        Outside Director, Unicafe Inc.  April 2018        Outside Director, Hinode Holdings Co., Ltd.(to present)  June 2018        Advisor, Prudential Holdings of Japan, Inc.(to present)  April 2020        Advisor, UCC Holdings Co., Ltd.(to present) </p>	-
<p data-bbox="268 1108 1417 1169">[Reasons for nomination as a candidate for Outside Director who is Audit &amp; Supervisory Committee Member]</p> <p data-bbox="268 1169 1417 1294">Mr. Akinori Tsuruya has a wide range of knowledge of risk management and compliance. The Company believes that he can provide appropriate advice on the management of the Company from an objective viewpoint, and newly nominated him as a candidate for Director who is Audit &amp; Supervisory Committee Member.</p> <p data-bbox="268 1294 1417 1355">Although he has no direct experience in corporate management, the Company believes he can appropriately perform duties of Outside Director from above reasons.</p>			

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

(Notes)

1. Mr. Hidehiro Katsumata, Mr. Akinori Tsuruya, Mr. Toshihiko Itami, and Mr. Masaru Yaita are candidates for Outside Director. The Company has designated Mr. Hidehiro Katsumata as Independent Director as defined by Tokyo Stock Exchange, Inc. and submitted notifications. If the election of Mr. Akinori Tsuruya, Mr. Toshihiko Itami, and Mr. Masaru Yaita is approved as proposed, the Company intends to designate them as Independent Directors, and submit notification to the said exchange.
2. Pursuant to provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into a contract with Mr. Hidehiro Katsumata that limits his liabilities for damages stipulated in Article 423, Paragraph 1 of the Companies Act, under which the amount of his liabilities for damages is limited to two (2) million yen or to the amount stipulated by laws and regulations, whichever is higher. If his election is approved, pursuant to provisions of Article 427, Paragraph 1 of the Companies Act, the Company intends to enter contact with him that limit his liabilities for damages stipulated in Article 423, Paragraph 1 of the Companies Act, under which the amount of his liabilities for damages is limited to six (6) million yen or to the amount stipulated by laws and regulations, whichever is higher.
3. If the election of Mr. Hakubun Seki, Mr. Akinori Tsuruya, Mr. Toshihiko Itami, and Mr. Masaru Yaita is approved, pursuant to provisions of Article 427, Paragraph 1 of the Companies Act, the Company intends to enter into contacts with them that limit their liabilities for damages stipulated in Article 423, Paragraph 1 of the Companies Act, under which the amount of their liabilities for damages is limited to six (6) million yen or to the amount stipulated by laws and regulations, whichever is higher.
4. No special interest exists between each of the candidates and the Company.

#### **Proposal 5: Determination of Amount of Remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members)**

The 10th Annual General Meeting of Shareholders held on June 20, 2002 resolved that the maximum amount of remuneration for Directors would be 300 million yen per year (excluding the salary for the employee status of Directors). If the Proposal 2: Partial Amendments to the Articles of Incorporation is approved as proposed, the Company will make a transition to a company with an Audit & Supervisory Committee. Accordingly, we propose that the current maximum amount of remuneration be abolished and the maximum amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members; hereinafter the same), following the transition to a company with an Audit & Supervisory Committee, be newly set as 250 million yen per year (including 50 million yen for Outside Directors), taking into account recent economic situations and other factors. We also propose that decision regarding specific amount for each Director, the timing of payment, etc. be made by a resolution of the Board of Directors. This remuneration amount shall not include the salary for the employee status of Directors. There are currently seven (7) Directors and if the Proposal 2: Partial Amendments to the Articles of Incorporation and Proposal 3: Election of Nine (9) Directors (excluding Directors who are Audit & Supervisory Committee Members) are approved as proposed, there will be nine (9) Directors (including four (4) Outside Directors). This Proposal shall take effect, subject to the amendments to the Articles of Incorporation coming into effect in Proposal 2: Partial Amendments to the Articles of Incorporation.

#### **Proposal 6: Determination of Amount of Remuneration for Directors who are Audit & Supervisory Committee Members**

If the Proposal 2: Partial Amendments to the Articles of Incorporation is approved as proposed, the Company will make a transition to a company with an Audit & Supervisory Committee. Accordingly, we propose that the maximum amount of remuneration for Directors who are Audit & Supervisory Committee Members, following the transition to a company with an Audit & Supervisory Committee, be set as 50 million yen per year, taking into account recent economic situations and other factors. We also propose that decision regarding specific amount for each Director who is Audit & Supervisory Committee Member, the timing of payment, etc. be made by discussion among Directors who are Audit & Supervisory Committee Members. If the Proposal 2: Partial Amendments to the Articles of Incorporation and Proposal 4: Election of Five (5) Directors who are Audit & Supervisory Committee Members are approved as proposed, there will be five (5) Directors who are Audit & Supervisory Committee Members. This Proposal shall take effect, subject to the amendments to the Articles of Incorporation coming into effect in Proposal 2: Partial Amendments to the Articles of Incorporation.