Securities Code: 8904
November 8, 2019

To Our Shareholders:

3-31-1 Myoon-tori, Mizuho-ku, Nagoya
Sanyo Housing Nagoya Co., Ltd.
Yasunari Sawada, Representative Director and President

Notice of the 30th Annual Meeting of Shareholders

The Company would hereby like to request shareholders to attend the Company's 30th Annual Meeting of Shareholders as described below.

If you are unable to attend the meeting on the date, you may also exercise your voting rights in writing. We kindly request you to read the following Reference Document for the Annual Meeting of Shareholders, indicate "for" or "against" on each agenda item on the voting form enclosed herewith, and return it no later than 6:00 p.m., November 26, 2019 (Tuesday).

Sincerely yours,

1. Date: 10:00 a.m., November 27 (Wednesday), 2019
(Reception starts at 9:00 a.m.)

2. Venue: 2F, Zuiun, Hotel Mielparque NAGOYA
3-16-16 Aoi, Higashi-ku, Nagoya

3. Purposes:

Items to be reported:

1. The business report, the consolidated financial statements and the results of consolidated financial statement audits by the Accounting Auditor and the Audit & Supervisory Board for the 30th business period (September 1, 2018 to August 31, 2019)
2. The non-consolidated financial statements for the 30th business period (September 1, 2018 to August 31, 2019)

Items to be resolved:

Agenda Item 1: Partial Amendment to the Articles of Incorporation

Agenda Item 2: Election of Eight (8) Directors

Agenda Item 3: Election of One (1) Audit & Supervisory Board Member

Agenda Item 4: Presentation of Retirement Benefits to the Retiring Director and Discontinuation Payments due to the Abolition of the System of Retirement Benefits for Directors

Agenda Item 5: Determination of Remuneration for Granting Transfer-Restricted Shares to Directors

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* When you attend the meeting, we kindly request that you submit the enclosed voting form to the receptionist at the venue.

* If there are any revisions to the Reference Document for the Annual Meeting of Shareholders, and/or the business report, the consolidated and the non-consolidated financial statements, such revisions will be listed on the Company's website.

* Among the documents that should accompany this notice, those mentioned below are not included in this notice since they have been made available on the Company's website as required by law as well as Article 18 of the Company's Articles of Incorporation. Therefore the documents provided with this notice constitute only a portion of the documents that the members of the Audit & Supervisory Board and Accounting Auditors audited in the course of preparing their audit reports.

    1. Notes to Consolidated Financial Statements

    2. Notes to Non-Consolidated Financial Statements

* The contents of this notice was posted on the Company's website before it was sent to all recipients in order to provide information as quickly as possible.

Company's website (https://sanyo-hn.co.jp/)

Reference Document for the Annual Meeting of Shareholders

Agenda Item 1: Partial Amendment to the Articles of Incorporation

1. Reason for the Amendment

   The Company's name contains the word Nagoya, our founding place, and it has continued to grow based on Nagoya. At present, 30 years after its establishment, the Company is expanding its business in not only Aichi Prefecture, but also Gifu, Mie, Shizuoka, Hyogo, and Ishikawa prefectures.

   As described in the Issues to be addressed in the Business Report, in the "Medium-Term Management Plan 2022" the Company is actively developing its detached house brand "AVANTIA" in the Tokyo metropolitan area and other regions where it does not yet have a presence. The Company is also aiming to grow into a "comprehensive real estate services company" with a long-term vision of "Becoming a corporate group that is closely aligned with customers, communities, and society and that meets all real estate needs."

   Against this background, in order to pursue sustainable growth together with our brand AVANTIA, the company name will be changed to AVANTIA CO., LTD. which is a unified brand name, and the current Article 1 (Trade Name) of the Articles of Incorporation is to be amended in order to further raise the profile and recognition level, as well as to further enhance the corporate value and brand value.

   This amendment to the Articles of Incorporation shall come into effect as of January 1, 2020, and transitional measures specifying to that effect shall be set forth in the Supplementary Provisions and such transitional measures shall be deleted after it comes into effect.

2. Contents of the Amendments

   The contents of the amendments are as follows.

(Underlined shows amendments)

Current Articles of Incorporation	Proposed amendment
Chapter 1 General Provisions (Trade Name) Article 1 The Company shall be referred to as SANYO HOUSING NAGOYA CO., LTD.	Chapter 1 General Provisions (Trade Name) Article 1 The Company shall be referred to as AVANTIA CO., LTD.
(Newly established)	Supplementary Provisions (Time of the Change of Trade Name) The amendment to Article 1 (Trade Name) shall come into effect as of January 1, 2020, and the Supplementary Provisions shall be deleted as of the effective date thereof.

Agenda Item 2: Election of Eight (8) Directors

The terms of office of all seven (7) Directors shall expire at the conclusion of this Annual Meeting of Shareholders. Accordingly, in order to expand our business in the future, we propose an increase of one (1) person and the election of eight (8) Directors, including two (2) Outside Directors.

The candidates for Directors are as follows.

[For Reference] List of Candidates

Candi-date No.		Name	Position and responsibility at the Company	Number of Board of Directors' Meetings attended (30th business period)
1	Reappointment	Yasunari Sawada	Representative Director and President	13/13 (100%)
2	Reappointment	Takuya Miyazaki	Senior Managing Director In charge of General Affairs Department, Finance Department, Business Administration Department, Supplies Department	13/13 (100%)
3	Reappointment	Naoki Mito	Managing Director In charge of Construction Department, Design Department	13/13 (100%)
4	Reappointment	Takaharu Omori	Director In charge of Personnel Department, Planning & Development Department, Growth Strategy Development	13/13 (100%)
5	New appointment	Hidenobu Hisada	Executive Officer In charge of Land Procurement Department, Sales Management Department	-
6	New appointment	Ryo Okamoto	Executive Officer General Manager of Planning & Development Department	-
7	Reappointment/ Outside/ Independent	Akikazu Endo	Outside Director	13/13 (100%)
8	Reappointment/ Outside/ Independent	Kazuo Hironaka	Outside Director	10/10 (100%)

Notes: The number of Board of Directors Meetings attended by Mr. Kazuo Hironaka is the number of meetings since he assumed the position of Director on November 28, 2018.

Candi-date No.	Name (Date of birth)	Brief profile, position and responsibility at the Company	Number of the Company's shares owned
1	Yasunari Sawada [Reappointment] (Date of birth) (May 4, 1971) Term of office as Company's Director: 13 years (at the conclusion of this Annual Meeting of Shareholders) Attendance at Board of Directors Meetings 13/13 (100%)	February 1990 Joined the Company October 2003 Executive Officer, General Manager of Sales Department August 2004 Executive Officer, Department Manager of Sales November 2006 Director, Executive Officer and Department Manager of Sales November 2011 Managing Director and Department Manager of Sales November 2017 Representative Director and Vice President, Department Manager of Sales September 2018 Representative Director and President (current position) Significant concurrent positions Representative Director and President, Sanyo Engineering-works Survey Co., Ltd. Representative Director and President, Sanyo Real Estate Co., Ltd.	78,800
	[Reason for the nomination as a Director candidate] Mr. Yasunari Sawada has made efforts with his strong leadership and decision-making toward the expansion of the scope and progress of the business of the Company, mainly in the sales department, since joining the Company at its establishment. The Company has nominated him as a Director candidate in the expectation that he will make further contributions as he has since assuming the post of Representative Director and President last year by working to resolve internal issues and achieving steady results.		

Candi-date No.	Name (Date of birth)	Brief profile, position and responsibility at the Company		Number of the Company's shares owned
2	Takuya Miyazaki [Reappointment] (Date of birth) (March 11, 1955) Term of office as Company's Director: 2 years (at the conclusion of this Annual Meeting of Shareholders) Attendance at Board of Directors Meetings 13/13 (100%)	April 1979	Joined the Chuo Trust & Banking Co., Ltd. (currently, the Sumitomo Mitsui Trust Bank, Limited)	3,300
		July 2008	Executive Officer, General Manager of Corporate Business Department IV, the Chuo Mitsui Trust and Banking Company, Limited (currently, the Sumitomo Mitsui Trust Bank, Limited)	
		July 2010	Managing Executive Officer, General Manager of Nagoya Branch	
		April 2012	Managing Executive Officer, Sumitomo Mitsui Trust Bank, Limited	
		April 2015	Senior Managing Executive Officer	
		April 2016	Corporate Advisor	
			Director and Deputy Chairman of Sumitomo Mitsui Trust Realty Co., Ltd.	
			Director and Deputy Chairman of Sumitomo Mitsui Trust Wealth Partners Co., Ltd.	
		April 2017	Joined the Company, Full-time Advisor	
		November 2017	Senior Managing Director, Department Manager of Operations	
		April 2018	Senior Managing Director, Department Manager of Operations and Administration	
		September 2018	Senior Managing Director	
		November 2018	Senior Managing Director, in charge of General Affairs Department, Finance Department, Branch Management Department	
		April 2019	Senior Managing Director, in charge of General Affairs Department, Finance Department, Business Administration Department, Supplies Department (current position)	
		Significant concurrent positions Representative Director and President, Kose Construction Co., Ltd. Representative Director and President, Udohira Construction Co., Ltd. Representative Director and President, Goho Construction Co., Ltd.		

Candi-date No.	Name (Date of birth)	Brief profile, position and responsibility at the Company	Number of the Company's shares owned
	[Reason for the nomination as a Director candidate] Mr. Takuya Miyazaki has a wide range of personal connections and experience as a manager in the Nagoya area of the Sumitomo Mitsui Trust Bank, Limited for many years. The Company has nominated him as a Director candidate in the expectation that he will leverage his broad range of experience and deep insight to help the Company achieve sustainable growth and enhance its corporate value.		

<table>
<tr><th>Candi-date No.</th><th>Name
(Date of birth)</th><th colspan="2">Brief profile, position and responsibility at the Company</th><th>Number of the Company’s shares owned</th></tr>
<tr><td rowspan="2">3</td><td>Naoki Mito

[Reappointment]

(Date of birth)
(December 27, 1961)

Term of office as Company’s Director:
10 years (at the conclusion of this Annual Meeting of Shareholders)

Attendance at Board of Directors Meetings
13/13
(100%)</td><td colspan="2">April 1980 Joined National House Industrial Co., Ltd. (currently, Panasonic Homes Co., Ltd.)
April 2006 Joined Sanyo Best Home Co., Ltd.
October 2006 Joined the Company
April 2007 General Manager of Construction Department
November 2007 Executive Officer, General Manager of Construction Department
November 2009 Director, Executive Officer and General Manager of Construction Department
November 2011 Director, Executive Officer and Department Manager of Construction
March 2015 Director, Executive Officer and Department Manager of Construction and General Manager of Design Department
September 2018 Managing Director
November 2018 Managing Director, in charge of Construction Department, Design Department, Supplies Department
April 2019 Managing Director, in charge of Construction Department, Design Department (current position)</td><td>7,000</td></tr>
<tr><td colspan="4">[Reason for the nomination as a Director candidate]
Mr. Naoki Mito has been engaged in construction operations of the Company and advanced technological development and operational improvement in this area since joining the Company.
The Company has nominated him as a Director candidate in the expectation that he will make further contributions to the continuous development of the Group’s business with his high level of expertise and extensive knowledge.</td></tr>
</table>

Candi-date No.	Name (Date of birth)	Brief profile, position and responsibility at the Company		Number of the Company's shares owned
4	Takaharu Omori [Reappointment] (Date of birth) (October 6, 1962) Term of office as Company's Director: 5 years (at the conclusion of this Annual Meeting of Shareholders) Attendance at Board of Directors Meetings 13/13 (100%)	April 1985 June 2011 July 2013 November 2013 September 2014 November 2014 November 2015 April 2018 November 2018	Joined Chuo Sogo Bank, Ltd. (currently, the Aichi Bank, Ltd.) Manager of Shinmichi Branch, the Aichi Bank, Ltd. Seconded to the Company, General Manager of General Affairs Department Executive Officer, General Manager of Personnel Department Joined the Company, Executive Officer, General Manager of Personnel Department Director, Executive Officer and General Manager of Personnel Department Director, Executive Officer and Department Manager of Administration and General Manager of Personnel Department Director, Executive Officer and General Manager of Personnel Department Director, in charge of Personnel Department, Planning & Development Department, Growth Strategy Development (current position)	5,600
	[Reason for the nomination as a Director candidate] Mr. Takaharu Omori has worked to improve the personnel system since joining the Company, and since last year, he has been promoting business expansion as a Director in charge of the Growth Strategy Department. The Company has nominated him as a Director candidate in the expectation that he will make further contributions to improving the Company's corporate value by leveraging his experience and insights into those operations.			

<table>
<tr><th>Candi-date No.</th><th>Name
(Date of birth)</th><th colspan="2">Brief profile, position and responsibility at the Company</th><th>Number of the Company’s shares owned</th></tr>
<tr><td rowspan="2">5</td><td>Hidenobu Hisada

[New appointment]

(Date of birth)
(August 1, 1972)

Term of office as Company’s Director:
-

Attendance at Board of Directors Meetings
-</td><td>April 1997
March 2001
September 2011

September 2018

November 2018

April 2019</td><td>Joined Hyozengumi Co., Ltd.
Joined the Company
General Manager of Sales Department
Executive Officer, in charge of Sales Department 1, Sales Department 2, Kansai Business Department
Executive Officer, in charge of Land Procurement Department, Sales Department 1, Sales Department 2
Executive Officer, in charge of Land Procurement Department, Sales Management Department (current position)</td><td>900</td></tr>
<tr><td colspan="4">[Reason for the nomination as a Director candidate]
Mr. Hidenobu Hisada has worked to expand sales performance and develop sales tactics as the head of the sales division since joining the Company.
The Company has nominated him as a Director candidate in the expectation that he will execute his duties appropriately in accordance with business development and business conditions, and strengthen the sales capabilities in the Company.</td></tr>
</table>

<table>
<tr><th>Candi-date No.</th><th>Name
(Date of birth)</th><th colspan="2">Brief profile, position and responsibility at the Company</th><th>Number of the Company’s shares owned</th></tr>
<tr><td rowspan="2">6</td><td>Ryo Okamoto

[New appointment]

(Date of birth)
(April 30, 1973)

Term of office as Company’s Director:
-

Attendance at Board of Directors Meetings
-</td><td>April 1998
September 2010

September 2018</td><td>Joined the Company
General Manager of Planning & Development Department
Executive Officer, General Manager of Planning & Development Department (current position)</td><td>12,200</td></tr>
<tr><td colspan="4">[Reason for the nomination as a Director candidate]
Mr. Ryo Okamoto has been involved in product development and promotion, accumulated advanced know-how, and supported the creation of corporate branding, since joining the Company.
The Company has nominated him as a Director candidate in the expectation that he will execute his duties appropriately in accordance with business development and business conditions, and make contributions to improving the Company’s corporate value.</td></tr>
</table>

<table>
<tr><th>Candi-date No.</th><th>Name
(Date of birth)</th><th colspan="2">Brief profile, position and responsibility at the Company</th><th>Number of the Company’s shares owned</th></tr>
<tr><td rowspan="2">7</td><td>Akikazu Endo

[Reappointment]
[Outside]
Independent Officer

(Date of birth)
(March 16, 1971)

Term of office as Company’s Outside Director:
5 years (at the conclusion of this Annual Meeting of Shareholders)

Attendance at Board of Directors Meetings
13/13
(100%)</td><td>October 1998

April 2002

July 2003

November 2005

November 2014

January 2015

August 2016</td><td>Joined Tohmatsu & Co. Nagoya Office
(currently, Deloitte Touche Tohmatsu LLC Nagoya Office)
Registered as certified public accountant
Joined Tohmatsu Consulting Co., Ltd. (currently, Deloitte Tohmatsu Consulting LLC)
Establishment of Endo Accounting Office, Director (current position)
Outside Director of the Company (current position)
Chief Executive Officer, One’s Brain Partners Corporation (current position)
Outside Director, Nakashima Sake Brewing Co., Ltd. (current position)</td><td>2,500</td></tr>
<tr><td colspan="2">Significant concurrent positions
Director, Endo Accounting Office
Chief Executive Officer, One’s Brain Partners Corporation
Outside Director, Nakashima Sake Brewing Co., Ltd.</td></tr>
<tr><td></td><td colspan="3">[Reason for the nomination as an Outside Director candidate]
Mr. Akikazu Endo has a high level of professional knowledge and experience obtained as a certified public accountant.
The Company has nominated him as a candidate for Outside Director in the belief that he will put his experience and insights to work in performing the duties of Outside Director.</td></tr>
</table>

<table>
<tr><th>Candi-date No.</th><th>Name
(Date of birth)</th><th colspan="2">Brief profile, position and responsibility at the Company</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="3">8</td><td>Kazuo Hironaka

[Reappointment]
[Outside]
Independent Officer

(Date of birth)
(December 9, 1950)

Term of office as Company's Outside Director:
1 year (at the conclusion of this Annual Meeting of Shareholders)

Attendance at Board of Directors Meetings
10/10
(100%)</td><td>April 1973
November 1996
June 2002
June 2007
November 2013
June 2014
June 2016
July 2017
June 2018
November 2018</td><td>Joined Nippondenso Co., Ltd. (currently, DENSO CORPORATION)
President & CEO, DENSO (THAILAND) CO., LTD.
Member of the Board, DENSO CORPORATION
Senior Member of the Board
Advisor, Kariya Chamber of Commerce and Industry (current position)
Advisor, DENSO CORPORATION
Director, The Hekikai Shinkin Bank (current position)
Non-regular Advisor, DENSO CORPORATION
Retired from DENSO CORPORATION
Outside Director of the Company (current position)</td><td>2,000</td></tr>
<tr><td colspan="2">Significant concurrent positions
Advisor, Kariya Chamber of Commerce and Industry
Director, The Hekikai Shinkin Bank</td><td></td></tr>
<tr><td colspan="3">[Reason for the nomination as an Outside Director candidate]
Mr. Kazuo Hironaka has engaged in management as Senior Member of the Board of DENSO CORPORATION for many years, and has a wealth of experience and extensive knowledge. The Company has nominated him as a candidate for Outside Director in the belief that he will put his experience and insights to work in performing the duties of Outside Director.</td></tr>
</table>

Notes:

1. Mr. Hidenobu Hisada and Mr. Ryo Okamoto are first-time Director candidates.
2. There are no special relationships of interest between the Company and Director candidates.
3. Mr. Akikazu Endo and Mr. Kazuo Hironaka are candidates for Outside Director.
4. The Company has entered into an agreement with Mr. Akikazu Endo and Mr. Kazuo Hironaka to limit the liability for damages as provided for by Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the said Act; provided, however, that the amount of the liability limitation under the said agreement is the minimum liability amount provided for by Article 425, Paragraph 1 of the said Act if the Directors act in good faith without gross negligence in the performance of their duties. The Company will renew the said agreement with them if their reappointment is approved as proposed.
5. Mr. Akikazu Endo and Mr. Kazuo Hironaka meet the requirements of an Independent Officer specified by the Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. The Company has registered them with those stock exchanges as Independent Officers. They will continue to serve as an Independent Officer if their reappointment is approved as proposed.

Agenda Item 3: Election of One (1) Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Mr. Norio Senju will expire at the conclusion of this Annual Meeting of Shareholders. Accordingly, we propose the election of one (1) Audit & Supervisory Board Member. Consent of the Audit & Supervisory Board has been obtained with regard to this agenda item.

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

<table>
<tr><th></th><th>Name
(Date of birth)</th><th colspan="2">Brief profile, position and responsibility at the Company</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="3"></td><td rowspan="2">Norio Senju
[Reappointment]

(Date of birth)
(May 3, 1948)

Term of office as Company's Audit & Supervisory Board Member: 8 years (at the conclusion of this Annual Meeting of Shareholders)

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

Attendance at Audit & Supervisory Board 14/14(100%)</td><td>April 1971
June 2001
June 2003
April 2011
September 2011
November 2011</td><td>Joined Chuo Sogo Bank, Ltd. (currently, the Aichi Bank, Ltd.)
Manager of Tokodori Branch, the Aichi Bank, Ltd.
Standing Audit & Supervisory Board Member
Outside Director, Sagami Chain K.K. (currently, Sagami Restaurants Corporation) (current position)
Joined the Company, Advisor to the Audit & Supervisory Board
Standing Audit & Supervisory Board Member (current position)</td><td rowspan="2">5,000</td></tr>
<tr><td colspan="2">Significant concurrent positions
Outside Director, Sagami Restaurants Corporation</td></tr>
<tr><td colspan="4">[Reason for the nomination as an Audit & Supervisory Board Member candidate]
Mr. Norio Senju has many years of experience in a financial institution and a wealth of financial knowledge.
The Company has nominated him as a candidate for Audit & Supervisory Board Member in the belief that he will use his experience and insights to fairly judge the legality of the execution of duties by Directors and the appropriateness of accounting audits from an objective perspective, and contribute to ensuring the soundness of management through his useful advice.</td></tr>
</table>

Notes:

1. There is no special relationship of interest between Mr. Norio Senju and the Company.
2. The Company has entered into an agreement with Mr. Norio Senju to limit the liability for damages as

provided for by Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the said Act; provided, however, that the amount of the liability limitation under the said agreement is the minimum liability amount provided for by Article 425, Paragraph 1 of the said Act if the Audit & Supervisory Board Member acts in good faith without gross negligence in the performance of his duties. The Company will renew the said agreement with him if his reappointment is approved as proposed.

Agenda Item 4: Presentation of Retirement Benefits to the Retiring Director and Discontinuation Payments due to the Abolition of the System of Retirement Benefits for Directors

Since Mr. Noboru Kohara, the Director, will retire at the conclusion of this Annual Meeting of Shareholders, the Company will reward him for his service during his term of office by presenting a reasonable amount of retirement benefits to him in accordance with certain standards set forth by the Company. The Company asks you to leave the specific amount of retirement benefits, when and how to provide it, and other related matters to the discretion of the Board of Directors.

A brief profile of the retiring Director is as follows.

Name	Brief profile
Noboru Kohara	November 2009 Director of the Company To the present day

At the Board of Directors meeting held on October 25, 2019, the Company resolved to review the entire remuneration system for Directors and abolish the retirement benefits system for Directors and Audit & Supervisory Board Members at the conclusion of this Annual Meeting of Shareholders in order to create a remuneration system that contributes to the sustainable growth of the Company's corporate value.

Accordingly, in order to reward four (4) Directors scheduled to be reappointed and the one (1) Audit & Supervisory Board Member scheduled to be reappointed for their services during their terms of office from the time of assumption of office until the conclusion of this Annual Meeting of Shareholders, on the condition that Agenda Item 2 is approved as proposed, and that Agenda Item 3 is approved as proposed, respectively. The Company asks you to conduct discontinuation payments for the retirement benefits to the extent of a reasonable amount, in accordance with certain standards set forth by the Company.

The payment will be made at the time of retirement of Directors and Audit & Supervisory Board Members. The Company asks you to leave the specific amount of retirement benefits, when and how to provide it, and other related matters to the discretion of the Board of Directors concerning the Directors, and the discretion of the meeting of the Audit & Supervisory Board Members concerning the Audit & Supervisory Board Members, respectively.

Brief profiles of Directors and Audit & Supervisory Board Members subject to the discontinuation payments are as follows.

Name	Brief profile
Yasunari Sawada	November 2006 Director of the Company November 2011 Managing Director November 2017 Representative Director and Vice President September 2018 Representative Director and President To the present day
Takuya Miyazaki	November 2017 Senior Managing Director To the present day
Naoki Mito	November 2009 Director of the Company September 2018 Managing Director To the present day
Takaharu Omori	November 2014 Director of the Company To the present day

Name	Brief profile		
Norio Senju	November 2011	Audit & Supervisory Board Member	To the present day

Agenda Item 5: Determination of Remuneration for Granting Transfer-Restricted Shares to Directors

At the Extraordinary General Meeting of Shareholders held on March 28, 1997, the amount of remuneration for Directors of the Company was approved to be less than 500 million yen per annum. The Company asks you to approve the provision of remuneration for newly granting Transfer-Restricted Shares to Directors, in order to provide them with an incentive to continuously improve our corporate value and promote further value-sharing between the Directors and Shareholders, in addition to the above remuneration limit.

The total amount of the remuneration paid to the Directors of the Company (excluding Outside Directors; hereinafter referred to as "Applicable Directors") pursuant to this agenda item for the grant of Transfer-Restricted Shares shall be within 300 million yen per year as an amount considered reasonable in light of the above purposes. In addition, the Board of Directors will decide on the specific allocation to each Applicable Director.

Currently, there are seven (7) Directors (of which two (2) are Outside Directors), but if Agenda Item 2 is approved as proposed, there will be eight (8) Directors (of which two (2) will be Outside Directors).

The Applicable Directors shall, according to the resolution of the Board of Directors of the Company, deliver all monetary remuneration claims arising from this agenda item as properties contributed in kind and receive issuance or disposition of common shares of the Company. As a result, the total number of common shares of the Company to be issued or disposed of shall not exceed 100,000 shares per year (provided, however, that in the event that, on and after the date of approval of this agenda item, a stock split (including gratuitous assignment of common shares of the Company) or reverse stock split of the Company's common shares has taken place, or in any other event that requires the adjustment of the total number of shares of the Company's common shares to be issued or disposed of as Transfer-Restricted Shares, such total number will be adjusted to a reasonable extent). The amount to be paid in per share will be determined by the Board of Directors on the basis of the closing price of the Company's common shares (in the case where the transaction is not completed on the same day, the closing price of the previous latest transaction date) on the Tokyo Stock Exchange on the business day preceding each date of the resolution by the Board of Directors to the extent that such determination is not particularly favorable to the Applicable Directors. In addition, in issuing or disposing of the Company's common shares, the Company and the Applicable Directors shall enter into an assignment agreement of Transfer-Restricted Shares (hereinafter referred to as the "Assignment Agreement"), which contains the following outlines and details.

(1) With respect to the Company's common shares assigned under the Assignment Agreement (hereinafter referred to as the "Assignment Shares," the Applicable Directors shall not transfer, pledge or otherwise dispose of the Assignment Shares (hereinafter referred to as the "Restriction on Transfer") for the period from the date of delivery of the Assignment Shares to the date on which such Applicable Directors resign or retire from the position of Directors or any other position specified by the Board of Directors of the Company (hereinafter referred to as the "Restriction Period on Transfer").

(2) In the event that an Applicable Director resigns or retires from the position set forth in paragraph (1) above before the expiration of the period specified by the Board of Directors of the Company (hereinafter referred to as the "Service Period"), the Company will naturally acquire the Assignment Shares without consideration unless there are reasons where the Board of Directors of the Company deems that such resignation or retirement is justifiable.

(3) Notwithstanding the provisions of paragraph (1) above, provided that the Applicable Director has continuously held the position set forth in paragraph (1) above during the term of the Service Period, the Company shall terminate the Restriction on Transfer on all of the Assignment Shares upon expiration of the Restriction Period on Transfer; provided, however, that in the event that the Applicable Director resigns or retires from the position set forth in paragraph (1) above before the expiration of the Service Period for any reason that the Board of Directors of the Company as set forth in paragraph (2) above deems justifiable, the number of the Assignment Shares for which the Restriction on Transfer is terminated shall be reasonably adjusted as necessary.

(4) The Company will naturally acquire the Assignment Shares for which the Restriction on Transfer has not been terminated pursuant to the provisions of paragraph (3) above at the time of expiration of the Restriction Period on Transfer, without consideration.

(5) Notwithstanding the provisions of (1) above, there may be matters relating to a merger agreement under which the Company will become a disappearing company, a share exchange agreement under which the Company will become a wholly-owned subsidiary, or a share transfer plan or any other matter related to organizational restructuring, etc. that is approved by an Annual Meeting of Shareholders of the Company (however, if such organizational restructuring, etc. does not require the approval of the Annual Meeting of Shareholders of the Company, the Board of Directors of the Company). If this occurs during the Restriction Period on Transfer, the Company will, by a resolution of the Board of Directors of the Company, terminate the Restriction on Transfer of the number of shares of the Assignment Shares that is reasonably decided taking into account the period from the commencement date of the Service Period to the date of the approval of such organizational restructuring, etc., prior to the effective date of such organizational restructuring, etc.

(6) In the cases provided for in (5) above, the Company will naturally acquire the Assignment Shares without compensation where the Restriction on Transfer has not yet been terminated as of the time immediately after the Restriction on Transfer was terminated pursuant to the provisions of (5) above.

(7) The contents of the Assignment Agreement shall include the method of manifestation of intention and notice under the Assignment Agreement, the method of revision of the Assignment Agreement, and other matters determined by the Board of Directors.