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Securities code: 2427
March 10, 2020

To our shareholders:

Haruhiko Doi
Chairman and CEO
OUTSOURCING Inc.
1-8-3 Marunouchi, Chiyoda-ku, Tokyo

Notice of the 23rd Ordinary General Meeting of Shareholders

You are cordially invited to attend the 23rd Ordinary General Meeting of Shareholders of OUTSOURCING Inc. (the "Company"), which will be held as described below.
If you are unable to attend the meeting in person, you may exercise your voting rights by postal mail or the Internet. Please indicate your approval or disapproval of the proposals on the enclosed voting form after reviewing the attached Reference Documents for the General Meeting of Shareholders, and return it by postal mail or the Internet to reach us no later than 6:00 p.m., Tuesday, March 24, 2020 (Japan Standard Time).

1. Date and Time: Wednesday, March 25, 2020, at 10:00 a.m. (Japan Standard Time)
(Reception starts at 9:00 a.m.)

2. Venue: JP TOWER Hall & Conference (4F KITTE)
2-7-2 Marunouchi, Chiyoda-ku, Tokyo

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements, as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee for the 23rd Term (from January 1, 2019 to December 31, 2019)
2. Non-Consolidated Financial Statements for the 23rd Term (from January 1, 2019 to December 31, 2019)

Items to be resolved:

Proposal 1: Appropriation of Surplus

Proposal 2: Election of Six (6) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Proposal 3: Election of Four (4) Directors Who Are Audit and Supervisory Committee Members

Proposal 4: Determination of Remuneration for Granting Restricted Shares to Directors (Excluding External Directors and Directors Who Are Audit and Supervisory Committee Members)

Reference Documents for the General Meeting of Shareholders

Items to Be Resolved and Reference Documents

Proposal 1: Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:
Matters related to year-end dividends
The Company proposes the year-end dividends for the 23rd Term, in consideration of the performance for this fiscal year and future business plans, as follows:

(1) Type of dividend property
Cash

(2) Allocation of dividend property and total amount thereof
24 yen per common share of the Company
Total amount of dividends: 3,019,025,040 yen

(3) Effective date of distribution of dividends from surplus
March 26, 2020

Proposal 2: Election of Six (6) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members. The same shall apply hereinafter in this proposal) will expire at the conclusion of this meeting. In addition, former Director Masaki Motegi retired from office due to resignation on July 1, 2019. Accordingly, the Company proposes the election of six (6) Directors, increasing the number of External Directors by two (2) to enhance the management of the Company.

Regarding this proposal, the Audit and Supervisory Committee has found all candidates to be qualified for Directors.

The candidates for Director are as follows:

No.	Name	Position in the Company	
1	Haruhiko Doi	Chairman and CEO	Reelection
2	Kazuhiko Suzuki	Executive Vice President	Reelection
3	Atsushi Nakamoto	Senior Executive Director	Reelection
4	Masashi Fukushima	Director	Reelection External Independent
5	Hideyo Nakano	–	New election External
6	Atsuko Sakiyama	–	New election External Independent

No.	Name (Date of birth)	Career summary, and position and responsibility in the Company	Number of the Company's shares owned
1	Haruhiko Doi (March 6, 1959) Reelection	May 1987 Founded Chubu Sougou, President and Representative Director Nov. 1989 Founded Real Time, President and Representative Director Apr. 1992 Founded Work System Engineer, President and Representative Director Jan. 1993 Founded Real Time Kanto, President and Representative Director Feb. 1993 Founded Real Time Shizuoka, President and Representative Director Oct. 1995 Founded Real Time Hokuriku, President and Representative Director Jan. 1997 Founded OUTSOURCING Inc., President and Representative Director May 2000 Founded Accent, President and Representative Director Dec. 2000 Director, Accent Nov. 2005 Founded Trillion, President and Director (present position) Mar. 2009 Chairman, OUTSOURCING Inc. Dec. 2010 Chairman and CEO, OUTSOURCING Inc. (present position) [Significant concurrent positions outside the Company] President and Director, Trillion	15,738,500
	Reasons for nomination as a candidate for Director Haruhiko Doi has an abundance of experience and deep insight as a corporate manager for long years since the establishment of the Company and has made considerable achievements in the enhancement of the corporate value both in Japan and abroad. The Company believes that his administrative ability is most appropriate for the leader of the Company and its group, and aiming toward its further growth, nominated him as a candidate for Director.		
2	Kazuhiko Suzuki (April 7, 1969) Reelection	Apr. 1993 Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.) Aug. 2001 Joined OUTSOURCING Inc. Mar. 2005 Director Mar. 2007 Managing Director Feb. 2011 Executive Vice President Feb. 2012 Executive Vice President, General Manager in charge of Global Business Division June 2013 Executive Vice President, Head of Business Management Division (present position) [Significant concurrent positions outside the Company] Director, AMERICAN ENGINEERING CORPORATION (OKINAWA) Representative Director, OTTO Holding B.V. Director, J.B.W. TOPCO LIMITED Director, OUTSOURCING UK LIMITED Director, OUTSOURCING OCEANIA HOLDINGS PTY LIMITED Director, OS HRS SDN. BHD.	315,000
	Reasons for nomination as a candidate for Director Kazuhiko Suzuki, who has held positions of responsibility in the Company's Business Management Division and Accounting and Finance Division, has an abundance of experience, achievements, and deep insight in management, accounting and finance. He properly conducts decision-making in and supervision of the Company's management. The Company believes that he is an appropriate person for strengthening the management of the Company and its group as a whole and supervising the administrative divisions, and nominated him as a candidate for Director.		

No.	Name (Date of birth)	Career summary, and position and responsibility in the Company	Number of the Company's shares owned
3	Atsushi Nakamoto (June 10, 1976) Reelection	Apr. 2000 Joined ACTIS Corporation Apr. 2002 Joined ACTIS Career Support Nov. 2005 Joined OUTSOURCING Inc., Executive Officer, Fourth Branch Manager Jan. 2011 Executive Officer, Head of Strategic Recruitment Management Division May 2013 Executive Officer, Deputy Head of Sales Division Sept. 2013 Managing Executive Officer, Deputy Head of Sales Division Mar. 2016 Director, Deputy Head of Manufacturing Division and Deputy Head of Strategic Business Division Nov. 2016 Director, Head of Manufacturing Division and Head of Strategic Business Division Jan. 2017 Director, Head of Manufacturing & Service Business Division Mar. 2017 Senior Executive Director, Head of Manufacturing & Service Business Division Mar. 2019 Senior Executive Director, Head of Manufacturing & Service Business Division, and Head of Technology Business Division (present position) [Significant concurrent positions outside the Company] Director, PEO Co., Ltd. Director, OTS Inc. Director, ORJ INC. Representative Director, OSI Netherlands Holdings B.V. Representative Director, OSI SOUTH AMERICA HOLDINGS SpA Director, OS (THAILAND) CO., LTD. Director, ALP CONSULTING LIMITED Director, OSI Holding Germany GmbH Director, OTTO Holding B.V. Director, OS HRS SDN. BHD. Director, PEO Construction Machinery Operators Training Center Co., Ltd.	75,000
	Reasons for nomination as a candidate for Director Atsushi Nakamoto has engaged in making decisions in important operations concerning the development of manufacturing- and services-related businesses and has accumulated abundant business experience and achievements since he joined the Company. The Company believes that he is an appropriate person as he is expected to contribute to renovating business models and realizing management strategies in various businesses in Japan and abroad toward the growth of the Company and its group, and nominated him as a candidate for Director.		

No.	Name (Date of birth)	Career summary, and position and responsibility in the Company	Number of the Company's shares owned
4	Masashi Fukushima (December 14, 1943) Reelection External Independent	Apr. 1962 Joined Sony Corporation Nov. 1987 Director, Factory Manager, Taron (currently Sony Global Manufacturing & Operations Corporation) Nov. 1994 Senior Executive Director, Sony Senmaya (currently Sony Global Manufacturing & Operations Corporation) June 1996 President and Representative Director, Sony Senmaya Mar. 2005 Advisor, Yokogawa Rental & Lease Corporation May 2005 Special Advisor, Yokogawa Rental & Lease Corporation Mar. 2014 External Director, OUTSOURCING Inc. Mar. 2016 External Director (Audit and Supervisory Committee Member), OUTSOURCING Inc. Apr. 2017 Advisor, PRIKEN Co., Ltd. (present position) Mar. 2018 External Director, OUTSOURCING Inc. (present position) June 2018 Outside Director, Advanex Inc. (present position) [Significant concurrent positions outside the Company] Outside Director, Advanex Inc. Advisor, PRIKEN Co., Ltd.	25,000
	Reasons for nomination as a candidate for External Director Masashi Fukushima, who held the positions of Senior Executive Director and Representative Director at a company he previously served, has professional insight into corporate management. The Company believes that he is appropriate for External Director and nominated him as a candidate for External Director, expecting that he will provide the Company with advice and governance based on his profound insight. Masashi Fukushima's tenure as External Director of the Company will have been six years at the conclusion of this meeting, two years of which were as an External Director who is an Audit and Supervisory Committee Member.		

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, and position and responsibility in the Company</th><th>Number of the Company’s shares owned</th></tr>
<tr><td rowspan="2">5</td><td>Hideyo Nakano
(September 13, 1959)
New election
External</td><td>Apr. 1982
Oct. 1986

June 1987

Apr. 1989

Nov. 1991

Oct. 1993

June 1996

Jan. 2000

July 2003
Mar. 2004

[Significant concurrent positions outside the Company]
CEO, Trias Corporation</td><td>Joined Sony Corporation
Joined Swiss Bank Securities Corporation (currently UBS Securities Japan Co., Ltd.)
Joined SocGen Securities Limited (currently SOCIETE GENERALE SECURITIES JAPAN LIMITED)
Joined Citibank, N.A. (seconded to Cititrust and Banking Corporation)
Vice President, Cititrust and Banking Corporation
Senior Portfolio Manager and Head of Private Investment, Cititrust and Banking Corporation
Joined Gartmore Asset Management (Japan) Ltd. (currently Janus Henderson Investors (Japan) Limited)
Director and Head of Investment Division, FuNNeX Asset Management Inc.
Joined Star Capital Partners Kabushiki Kaisha
Founded Trias Corporation, CEO (present position)</td><td>0</td></tr>
<tr><td colspan="4">Reasons for nomination as a candidate for External Director
Hideyo Nakano has long been involved in operations closely related to financial markets and capital markets, mainly at foreign-affiliated financial institutions. She also has an abundance of experience and a broad range of insight as a corporate manager. The Company believes that she will be able to further strengthen the management of the Company by providing advice on overall management of the Company, including advice on enhancing the corporate value of the Company, based on her expertise as a securities analyst with extensive knowledge about the securities market and the capital market, and nominated her as a candidate for External Director.</td></tr>
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No.	Name (Date of birth)	Career summary, and position and responsibility in the Company	Number of the Company's shares owned
6	Atsuko Sakiyama (September 19, 1959) New election External Independent	Apr. 1983 Joined Meiji Seika Kaisha, Ltd. (currently Meiji Co., Ltd.) Nov. 1985 Joined Yokohama YMCA, a public interest incorporated foundation May 1988 Joined Master Foods Co., Ltd. (currently Mars Japan Limited) July 1993 Joined Cartar Food Science Kabushiki Kaisha (currently Danisco Japan Ltd.) Jan. 1999 Director, Cartar Food Science Kabushiki Kaisha June 2002 Director, Danisco Japan Ltd. Jan. 2006 Director and Vice President, Organo Danisco Food Techno Co., Ltd. (currently Organo Food Tech Corporation) July 2008 Representative Director and Vice President, Genencor Kyowa Co.,Ltd. (currently Danisco Japan Ltd.) Jan. 2010 Representative Director and President, Genencor Kyowa Co.,Ltd. June 2012 Joined Cargill Japan Limited Aug. 2019 Founded Saki Consulting LLC, Representative Member (present position) [Significant concurrent positions outside the Company] Representative Member, Saki Consulting LLC	0
	Reasons for nomination as a candidate for External Director Atsuko Sakiyama has a wealth of broad expertise in corporate management, organizational operations, finance, and human resource development through years of experience in different business fields and other industries. The Company believes that she is a person who has superior expertise, in particular about communication with overseas organizations and who can play an appropriate role as External Director, such as supervising the execution of the Company's business from a viewpoint free from conventional way of thinking and from an independent position, and nominated her as a candidate for External Director.		

Notes:
1. Hideyo Nakano has a concurrent position as CEO of Trias Corporation. Trias Corporation has entered into a consulting agreement, and has certain transactions, with the Company.
   None of the other candidates for Director have any special interest in the Company.
2. Masashi Fukushima, Hideyo Nakano, and Atsuko Sakiyama are candidates for External Director.
3. Pursuant to Article 427, paragraph 1 of the Companies Act, the Company has entered into an agreement with Masashi Fukushima to limit his liability for damages under Article 423, paragraph 1 of the Companies Act. The maximum amount of liability for damages under this agreement is the minimum liability amount set forth in Article 425, paragraph 1 of the Companies Act. If the reelection of Masashi Fukushima is approved, the Company plans to renew the aforementioned agreement with him. If the election of Hideyo Nakano and Atsuko Sakiyama is approved, the Company plans to enter into the same agreement with them.
4. The Company has reported Masashi Fukushima as an Independent Officer as provided for by the Tokyo Stock Exchange. If the reelection of Masashi Fukushima is approved, the Company plans for his appointment as an Independent Officer to continue. Furthermore, Atsuko Sakiyama satisfies the requirements for an Independent Officer as provided for by the Tokyo Stock Exchange, and if the election of Atsuko Sakiyama is approved, the Company plans to report her appointment as an Independent Officer to the Tokyo Stock Exchange.
5. Masashi Fukushima held the office of Auditor in a subsidiary of the Company during the following periods.
   (1) March 2016 - November 2016: Auditor, Sanshin Electric Co., Ltd. (currently OUTSOURCING TECHNOLOGY Inc.)
   (2) March 2016 - March 2017: Auditor, Kyodo Engineering Corporation
   (3) March 2016 - July 2018: Auditor, OS. SEMITEC Inc. (currently OUTSOURCING TECHNOLOGY Inc.)
   (4) March 2017 - March 2018: Auditor, PEO Co., Ltd.
   (5) March 2017 - March 2019: Auditor, enable Inc.
   (6) March 2017 - March 2019: Auditor, ORJ INC.
6. The position and responsibility in the Company and significant concurrent positions outside the Company of each candidate who is currently Director of the Company are described in "1) The Status of Directors" (page 41).
7. The numbers of the Company's shares owned are those owned as of December 31, 2019.

Proposal 3: Election of Four (4) Directors Who Are Audit and Supervisory Committee Members

The terms of office of all four (4) Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this meeting. Accordingly, the Company proposes the election of four (4) Directors who are Audit and Supervisory Committee Members.
The Audit and Supervisory Committee has given its consent to this proposal.
The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

No.	Name	Position in the Company	
1	Ichiro Otani	Director (full-time Audit and Supervisory Committee Member)	Reelection External Independent
2	Hiroshi Otaka	Director (Audit and Supervisory Committee Member)	Reelection External Independent
3	Hideo Shiwa	–	New election External Independent
4	Masaru Namatame	–	New election External Independent

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, and position and responsibility in the Company</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="2">1</td><td>Ichiro Otani
(December 7, 1957)
Reelection
External
Independent</td><td>Apr. 1980
June 1985
Jan. 1995
June 1996

Dec. 2000

Apr. 2006

Apr. 2007

June 2013

June 2015

Mar. 2018

[Significant concurrent positions outside the Company]
Director (Audit and Supervisory Committee Member), OUTSOURCING TECHNOLOGY Inc.
Supervisory Board Member, OTTO Holding B.V.</td><td>Joined MITSUI & CO., LTD.
Seconded to International Corn Company
Seconded to Mitsui Foods, Inc.
General Manager, Foods Department, MITSUI & CO. (U.S.A.), INC., San Francisco Office
Vice President and General Manager, Foods Department, MITSUI & CO. (CANADA) LTD., Vancouver Office
Deputy General Manager, Grain and Fats Products Department, Food Business Unit, MITSUI & CO., LTD., Tokyo Head Office
General Manager and Unit Leader, Food Resources, Food Products & Retail Division, MITSUI & CO. EUROPE PLC
President and Representative Director, KONAN UTILITY CO., LTD.
Vice General Manager, Planning and Administrative Division, Food Resources, Food Products & Services Unit, MITSUI & CO., LTD.
External Director (full-time Audit and Supervisory Committee Member), OUTSOURCING Inc. (present position)</td><td>1,000</td></tr>
<tr><td colspan="4">Reasons for nomination as a candidate for External Director
Ichiro Otani engaged in the resolution of material business matters at companies he previously served. Additionally, he is qualified as both qualified internal auditor and certified internal auditor, and has experiences of auditing subsidiaries as an auditor. As such, he has an abundance of knowledge and experience relating to internal controls systems and auditing. The Company believes that he is appropriate for External Director and nominated him as a candidate for External Director, expecting that he will provide the Company with advice and governance based on his profound insight. At the conclusion of this meeting, Ichiro Otani's tenure as External Director (Audit and Supervisory Committee Member) of the Company will have been two years.</td></tr>
<tr><td rowspan="2">2</td><td>Hiroshi Otaka
(September 24, 1944)
Reelection
External
Independent</td><td>Apr. 1967

June 1999

Apr. 2005
June 2005

Mar. 2010

Mar. 2016

Mar. 2018

</td><td>Joined Yamakawa Industrial Co., Ltd. (currently UNIPRES CORPORATION)
Director, General Manager, General Accounting Dept, Yamakawa Industrial Co., Ltd.
Advisor, Yamakawa Industrial Co., Ltd.
Full-time Auditor, Yamakawa Industrial Co., Ltd.
External Auditor (full-time Auditor), OUTSOURCING Inc.
External Director (full-time Audit and Supervisory Committee Member), OUTSOURCING Inc.
External Director (Audit and Supervisory Committee Member), OUTSOURCING Inc. (present position)</td><td>25,000</td></tr>
<tr><td colspan="4">Reasons for nomination as a candidate for External Director
Hiroshi Otaka, who served as Director and Auditor, has an abundance of knowledge and experience relating to corporate financial analysis and business management in general. The Company believes that he is appropriate for External Director and nominated him as a candidate for External Director, expecting that he will provide the Company with advice and governance based on his profound insight. At the conclusion of this meeting, Hiroshi Otaka's tenure as External Director (Audit and Supervisory Committee Member) of the Company will have been four years.</td></tr>
</table>

No.	Name (Date of birth)	Career summary, and position and responsibility in the Company	Number of the Company's shares owned
3	Hideo Shiwa (October 21, 1954) New election External Independent	Apr. 1978 Joined Fujikura Electric Wire Corporation (currently Fujikura Ltd.) Apr. 2007 Executive Officer and General Manager of Electronics & Automotive Products Planning Division, Fujikura Electric Wire Corporation Nov. 2007 CFO, Fujikura Automotive Europe S.A.U. Mar. 2009 CEO, Fujikura Automotive Europe S.A.U. Apr. 2010 Executive Officer and Responsible for International Business Division, Automotive Products Division, Fujikura Ltd. Apr. 2011 Managing Executive Officer and Deputy Chief of Electronics Business Segment, Fujikura Ltd. Apr. 2013 Managing Executive Officer and Deputy Chief of Electronics Business Company, Fujikura Ltd. Apr. 2014 Managing Executive Officer, Chief of Real Estate Business Company and Deputy Chief of Corporate Staff Unit, Fujikura Ltd. June 2014 Director, Managing Executive Officer, Chief of Real Estate Business Company and Deputy Chief of Corporate Staff Unit, Fujikura Ltd. Apr. 2016 Director and Senior Managing Executive Officer, Fujikura Ltd. June 2016 Senior Managing Executive Officer, Fujikura Ltd. Apr. 2018 Full-time Advisor, Fujikura Ltd. (present position) [Significant concurrent positions outside the Company] Full-time Advisor, Fujikura Ltd.	0
	Reasons for nomination as a candidate for External Director Hideo Shiwa has many years of experience working in the accounting department at a company he served, has broad knowledge and experience in IT systems, IR, legal affairs, and audit operations, and has abundant management experiences at domestic and overseas business operating companies. The Company believes that he is appropriate for External Director and nominated him as a candidate for External Director, expecting that he will provide the Company with advice and governance based on his profound insight.		

No.	Name (Date of birth)	Career summary, and position and responsibility in the Company	Number of the Company's shares owned
4	Masaru Namatame (August 14, 1955) New election External Independent	Apr. 1978 Joined Hitachi, Ltd. June 2002 General Manager of Corporate Planning and Administration Department, Broadcasting and Communication Systems Development Division, Hitachi, Ltd. Feb. 2004 General Manager of Internal Auditing Office, Hitachi, Ltd. June 2010 Director and General Manager of Business Administration Division, Kokusan Denki Co., Ltd. (currently MAHLE Electric Drives Japan Corporation) Mar. 2014 Managing Director and General Manager of Business Administration Division, Kokusan Denki Co., Ltd. Apr. 2016 Full-time Auditor, Hitachi Consumer Marketing, Inc. (currently Hitachi Global Life Solutions, Inc.) Aug. 2018 Full-time Auditor, identity Inc. (present position) June 2019 Part-time Auditor, Fujibo Holdings, Inc. (present position) [Significant concurrent positions outside the Company] Part-time Auditor, Fujibo Holdings, Inc. Full-time Auditor, identity Inc.	0
	Reasons for nomination as a candidate for External Director Masaru Namatame has many years of experience of working in the position responsible for accounting and finance in domestic and overseas businesses at the companies he served, and has a wealth of knowledge and experience in internal control, auditing, and overall business management. The Company believes that he is appropriate for External Director and nominated him as a candidate for External Director, expecting that he will provide the Company with advice and governance based on his profound insight.		

Notes:
1. None of the above candidates have any special interest in the Company.
2. Ichiro Otani, Hiroshi Otaka, Hideo Shiwa, and Masaru Namatame are candidates for External Director.
3. Ichiro Otani held the office of Director (Audit and Supervisory Committee Member) and Auditor in a subsidiary of the Company during the following periods.
   (1) March 2018 - April 2019: Auditor, OUTSOURCING TECHNOLOGY Inc.
   (2) May 2018 - Present: Supervisory Board Member, OTTO Holding B.V.
   (3) April 2019 - Present: Director (Audit and Supervisory Committee Member), OUTSOURCING TECHNOLOGY Inc.
4. Hiroshi Otaka held the office of Auditor in a subsidiary of the Company during the following periods.
   (1) October 2013 - March 2016: Auditor, Sanshin Electric Co., Ltd. (currently OUTSOURCING TECHNOLOGY Inc.)
   (2) March 2016 - March 2018: Auditor, OUTSOURCING TECHNOLOGY Inc.
   (3) February 2017 - March 2019: Auditor, OS Capital Partners Inc.
   (4) January 2018 - March 2019: Auditor, GLocal Co., Ltd. (currently OUTSOURCING TECHNOLOGY Inc.)
   (5) December 2018 - December 2019: Auditor, Planner Co., Ltd. (currently OUTSOURCING Inc.)
   (6) July 2017 - Present: Auditor, Oshima Shokai Co., Ltd.
5. Pursuant to Article 427, paragraph 1 of the Companies Act, the Company has entered into an agreement with Ichiro Otani and Hiroshi Otaka to limit their liability for damages under Article 423, paragraph 1 of the Companies Act. The maximum amount of liability for damages under this agreement is the minimum liability amount set forth in Article 425, paragraph 1 of the Companies Act. If the reelection of Ichiro Otani and Hiroshi Otaka is approved, the Company plans to renew the aforementioned agreement with them. If the election of Hideo Shiwa and Masaru Namatame is approved, the Company plans to enter into the same agreement with them.
6. The Company has reported Ichiro Otani and Hiroshi Otaka as Independent Officers as provided for by the Tokyo Stock Exchange. If the reelection of Ichiro Otani and Hiroshi Otaka is approved, the Company plans for their appointment as Independent Officers to continue. Furthermore, Hideo Shiwa and Masaru Namatame satisfy the requirements for an Independent Officer as provided for by the Tokyo Stock Exchange, and if the election of Hideo Shiwa and Masaru Namatame is approved, the Company plans to report their appointment as Independent Officers to the Tokyo Stock Exchange.

7. The numbers of the Company's shares owned are those owned as of December 31, 2019.

Proposal 4: Determination of Remuneration for Granting Restricted Shares to Directors (Excluding External Directors and Directors Who Are Audit and Supervisory Committee Members)

At the 19th Ordinary General Meeting of Shareholders held on March 25, 2016, it was approved that the total remuneration for all Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members) shall be not more than 600 million yen per year, excluding the amount of employee salaries for Directors who are concurrently serving as an employee of the Company.

As part of the revision to the remuneration package for officers, the Company hereby proposes to provide, in addition to the foregoing remuneration, the remuneration for granting the restricted shares to Directors (excluding External Directors and Directors who are Audit and Supervisory Committee Members) of the Company ("Eligible Directors") in order to provide them an incentive to sustainably increase the Company's corporate value and to further promote shared value between shareholders and them.

Based on this proposal, the remuneration to be provided to the Eligible Directors for granting restricted shares shall be in the form of monetary claims ("Monetary Remuneration Claims"), and the total amount shall be not more than 120 million yen per year, which is considered to be reasonable in light of the above objectives. The specific timing and allocation of payment to each of the Eligible Directors shall be determined by resolution of the Board of Directors.

The number of Directors that fall under the status of Eligible Director are currently three (3), and even if Proposal 2 "Election of Six (6) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)" is approved and adopted as originally proposed, the number will continue to be three (3).

The Eligible Directors shall pay, pursuant to the resolution of the Board of Directors of the Company, all Monetary Remuneration Claims to be paid to them under this proposal, in the form of property contributed in kind, and shall, in return, receive common shares of the Company that shall be issued or disposed of by the Company. Total number of common shares of the Company so issued or disposed of shall be not more than 100,000 per year; provided, however, such number shall be reasonably adjusted if the Company performs a share split of the Company's common shares (including allotment of the Company's common shares without contribution) or a consolidation of such shares, or any other event occurs, necessitating an adjustment to the total number of common shares issued or disposed of as the restricted shares, after the date on which this proposal is approved.

The amount to be paid in per one such common share shall be determined by the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately before each date of resolution by the Board of Directors (if there is no closing price on such date, the closing price on the closest preceding trading day), which amount shall be to the extent that will not be particularly advantageous to Eligible Directors who subscribe the Company's common shares. The issuance or disposal of common shares of the Company as mentioned above shall be subject to the agreement on allotment of shares with transfer restrictions ("Allotment Agreement") to be entered into between the Company and the Eligible Directors, which shall include the following:

(1) Restricted Period
The Eligible Directors shall not, during the period specified in advance by the Board of Directors of the Company, which is a period between three (3) to five (5) years from the day on which shares are allotted under the Allotment Agreement ("Restricted Period"), transfer, create a security interest on, or otherwise dispose of ("Transfer Restrictions") any of the Company's common shares allotted pursuant to the Allotment Agreement ("Allotted Shares").

(2) Treatment on retirement from the position
If an Eligible Director retires from the position of Director of the Company before the Restricted Period expires, the Company shall automatically acquire such Allotted Shares without contribution, unless the reason for his/her retirement from office is the expiration of the term of his/her office, another justifiable reason, or death.

(3) Lifting of Transfer Restrictions
Notwithstanding the provision of (1) above, the Company shall lift the Transfer Restrictions of all of the Allotted Shares upon expiration of the Restricted Period, on the condition that the Eligible Director has continuously remained in the position of Director of the Company throughout the Restricted Period. However, if such Eligible Director retires from the position as stipulated in item (2) above before the expiration of the Restricted Period due to the expiration of the term of his/her office, another justifiable reason, or death as

stipulated in (2) above, the Company shall rationally adjust the number of the Allotted Shares on which the Transfer Restrictions are to be lifted, and the timing of lifting as needed. The Company shall automatically acquire without contribution the Allotted Shares on which the Transfer Restrictions have not been lifted as of the time immediately after the Transfer Restrictions were lifted in accordance with the foregoing provision.

(4) Treatment during reorganization, etc.

Notwithstanding the provision of (1) above, if, during the Restricted Period, matters relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. are approved at the Company's General Meeting of Shareholders (or at a meeting of its Board of Directors in cases where approval at the Company's General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company shall lift the Transfer Restrictions on the Allotted Shares with the number of shares that is reasonably determined considering the period from the start date of the Restricted Period to the date of approval of the reorganization, etc. prior to the date on which the reorganization, etc. becomes effective, by resolution of the Board of Directors of the Company. In cases specified above, the Company shall automatically acquire without contribution the Allotted Shares on which the Transfer Restrictions have not been lifted as of the time immediately after the Transfer Restrictions were lifted.

(5) Other matters

Other matters relating to the Allotment Agreement shall be determined by the Board of Directors of the Company.