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Securities Code 3391
July 20, 2020

To Those Shareholders with Voting Rights

Jun Tsuruha
President & Representative Director
Chief Executive Officer
TSURUHA HOLDINGS INC.
Kita 24, Higashi 20-1-21,
Higashi-ku, Sapporo-shi, Hokkaido

NOTICE OF THE 58th ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We hereby notify you that the 58th Ordinary General Meeting of Shareholders of the Company will be held as described below.

As described in page 3 (translation omitted), admission to this meeting will be decided in advance by lot in order to prevent the infection of coronavirus disease (COVID-19). We deeply appreciate your understanding and cooperation in exercising your voting rights in advance by all means. In lieu of attendance at the meeting, you can exercise your voting rights either by indicating your votes for or against each of the proposals on the Voting Rights Exercise Form and returning it by mail or by accessing the voting website printed on the Voting Rights Exercise Form and indicating your votes for or against each of the proposals via electromagnetic means (e.g., via the Internet). Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 6:00 p.m., Friday, August 7, 2020.

1. **Date and Time:** Tuesday, August 11, 2020, at 10:00 a.m. (Reception starts at 9:00 a.m.)

2. **Place:** Royton Hall, Third floor, Royton Sapporo
Kita 1-Nishi 11, Chuo-ku, Sapporo-shi, Hokkaido
(Please refer to the information map at the end of this notice (translation omitted))

3. **Agenda of the Meeting:**

Matters to be reported:

1. Business Report, Consolidated Financial Statements for the 58th Fiscal Term (from May 16, 2019, to May 15, 2020) and the Audit Report of the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
2. Non-Consolidated Financial Statements for the 58th Fiscal Term (from May 16, 2019, to May 15, 2020)

Proposals to be resolved:

Proposal No. 1: Partial Amendments to the Articles of Incorporation
Proposal No. 2: Election of Twelve Directors
Proposal No. 3: Election of One Substitute Corporate Auditor
Proposal No. 4: Entrusting the Board of Directors of the Company with the Determination of Subscription Requirements for Stock Acquisition Rights as Stock Options to Executive Officers and Employees of the Company and Its Subsidiaries

4. Announcement on Exercise of Voting Rights

(1) Voting through a proxy

If you are unable to attend the meeting, you may exercise your voting rights through a single proxy who is a shareholder of the Company with voting rights provided that such proxy will be required to submit a power of attorney.

(2) Voting by Mail

Please indicate your vote for or against each of the proposals on the enclosed Voting Rights Exercise Form and return the form by 6:00 p.m., Friday, August 7, 2020.

(3) Voting via the Internet

If you exercise your voting rights via the Internet, please refer to the <Guide for Exercise of Voting Rights via the Internet (translation omitted)> and access https://evote.tr.mufg.jp/. Please exercise your voting rights by 6:00 p.m. on Friday, August 7, 2020, following the instructions on the screen.

5. Method of Notice of Amendments

If there are amendments to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements or Non-consolidated Financial Statements, such amendments will be announced on our Internet website (https://www.tsuruha-hd.co.jp/).

- As a measure to prevent the spread of COVID-19, no souvenirs will be distributed to attendees at the meeting.
- Admission to this meeting is limited to shareholders who have applied in advance and are selected by lot. Shareholders who were selected to attend by lot are requested to bring the enclosed Voting Rights Exercise Form and this NOTICE for saving resources.
  Please note that persons who are not shareholders with voting rights, including agents and accompanying persons, are not allowed to enter into the meeting (except for persons accompanying disabled shareholders).

Reference Documents for the General Meeting of Shareholders

Proposals and references

Proposal No. 1: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendment

In order to clarify the Company's business purpose in line with the current status of its business and respond to future business development and diversification, the Company proposes to partially amend the description of business purpose stipulated in Article 2 (Purpose) of its current Articles of Incorporation.

2. Description of the amendment

Description of the amendment is as follows:

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed amendments
(Purpose) Article 2. The purpose of the Company shall be to engage in the following businesses: 1. To control and manage the business operations of companies engaged in the following businesses by means of holding shares in such companies. (1) – (27) [Omitted] (28) Sales and delivery of school lunches, packed lunches, etc.; (29) – (32) [Omitted] [Newly established] [Newly established] [Newly established] [Newly established] [Newly established] [Newly established] [Newly established] (33) Investment and financing in businesses in the preceding items; and (34) Any businesses incidental to those listed in the preceding items. 2. – 28. [Omitted] 29. Sales and delivery of school lunches, packed lunches, etc.; 30. – 36. [Omitted] 37. Investment and financing in businesses in the preceding items; and 38. Any businesses incidental to those listed in the preceding items. [Newly established]	(Purpose) Article 2. The purpose of the Company shall be to engage in the following businesses: 1. To engage in the businesses described below, and control and manage the business operations of companies engaged in the businesses described below by means of holding shares in such companies. (1) – (27) [Unchanged] (28) Manufacturing, sales and delivery of school lunches, packed lunches, etc.; (29) – (32) [Unchanged] (33) Sales of meat, fresh fish, deli dishes, and fruits and vegetables; (34) Management of cafés and restaurants, and sales of catering meals; (35) Management of hair salons, barber shops, esthetic salons, nail salons, make-up salons, beauty salons and aromatherapy shops; (36) Management of practices that provide acupressure, massage, acupuncture and moxibustion, etc.; (37) Management of pharmacies, hospitals, homes for the elderly, medical care, nursing and welfare facilities and supermarkets, and consignment and consulting service related to the foregoing; (38) Financial business; (39) Management of gyms and sports facilities; (40) Investment and financing in businesses in the preceding items; and (41) Any businesses incidental to those listed in the preceding items. 2. – 28. [Unchanged] 29. Manufacturing, sales and delivery of school lunches, packed lunches, etc.; 30. – 36. [Unchanged] 37. Sales of meat, fresh fish, deli dishes, and fruits and vegetables; 38. Management of cafés and restaurants, and sales of catering meals; 39. Management of hair salons, barber shops, esthetic salons, nail salons, make-up salons,

Current Articles of Incorporation	Proposed amendments
	beauty salons and aromatherapy shops;
[Newly established]	40. Management of practices that provide acupressure, massage, acupuncture and moxibustion, etc.;
[Newly established]	41. Management of pharmacies, hospitals, homes for the elderly, medical care, nursing and welfare facilities and supermarkets, and consignment and consulting service related to the foregoing;
[Newly established]	42. Financial business;
[Newly established]	43. Management of gyms and sports facilities;
[Newly established]	44. Investment and financing in businesses in the preceding items; and
[Newly established]	45. Any businesses incidental to those listed in the preceding items.

Proposal No. 2: Election of Twelve Directors

The terms of office of all twelve Directors will expire at the end of the meeting. Accordingly, election of twelve Directors is proposed.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Career summary, positions, assignments and significant concurrent positions	Number of shares of the Company held
1	Tatsuru Tsuruha (February 11, 1942)	June 1976 Joined TSURUHA CO., LTD. July 1978 Director of TSURUHA CO., LTD. August 1994 Senior Managing Director of TSURUHA CO., LTD. August 1996 Senior Managing Director & Representative Director of TSURUHA CO., LTD. August 1997 President & Representative Director of TSURUHA CO., LTD. August 2003 Director of the Company August 2004 Director of KUSURI NO AOKI CO., LTD. August 2005 President & Representative Director of the Company January 2007 Director of kusurino FUKUTARO CO., LTD. August 2008 President & Chief Executive Officer of the Company President & Chief Executive Officer of TSURUHA CO., LTD. December 2011 Vice Chairman & Director of TSURUHA (Thailand) Co., Ltd. December 2013 Director of Hearty Wants Co., Ltd. (currently Tsuruha Group Drug & Pharmacy Nishinihon Inc.) August 2014 Chairman & Representative Director of the Company Chairman & Representative Director of TSURUHA CO., LTD. (current position) November 2016 Director of KUSURI NO AOKI HOLDINGS CO., LTD. August 2018 Chairman of the Company (current position) (Significant concurrent position) Chairman & Representative Director of TSURUHA CO., LTD. (Reasons for nomination as a candidate for Director) Mr. Tatsuru Tsuruha demonstrated his excellent administrative capabilities and built the foundations of the current Tsuruha Group. He has supervised management that encompasses the entire Group as Chairman & Representative Director. We have judged that his abundant knowledge and administrative capabilities cultivated over many years will greatly contribute to the further growth of the Group and strengthening our competitiveness, thus propose his election as Director.	1,409,740

No.	Name (Date of birth)	Career summary, positions, assignments and significant concurrent positions	Number of shares of the Company held
2	Jun Tsuruha (May 21, 1974)	April 1998 Joined TSURUHA CO., LTD. May 2011 Director and Executive Officer of TSURUHA CO., LTD. General Manager of Hokkaido Store Operation of TSURUHA CO., LTD. Executive Officer of the Company December 2011 Director of TSURUHA (Thailand) Co., Ltd. August 2014 Director and Senior Managing Executive Officer of the Company responsible for Group Store Operation President & Representative Director of TSURUHA CO., LTD. (current position) President & Chief Executive Officer of TSURUHA CO., LTD. (current position) May 2017 Director of TSURUHA GROUP MERCHANDISING CO.,LTD (current position) October 2017 Director of Kyorindo Group Holdings Co., Ltd. (current position) Director of Kyorindo Co., Ltd. (current position) May 2018 Director of kusurino FUKUTARO CO., LTD. (current position) June 2018 Director of B&D Holdings Co., Ltd. (currently B&D Co., Ltd.) Director of B&D Co., Ltd. (current position) August 2018 Senior Managing Director & Representative Director, Senior Managing Executive Officer, and Head of Sales Operations of the Company responsible for Group Store Operation July 2019 Vice Chairman & Director of TSURUHA (Thailand) Co., Ltd. (current position) May 2020 Vice President & Director of JR KYUSHU DRUG ELEVEN CO., LTD. (current position) June 2020 President & Representative Director of the Company (current position) President & Chief Executive Officer of the Company (current position) (Significant concurrent position) President & Representative Director and President & Chief Executive Officer of TSURUHA CO., LTD. (Reasons for nomination as a candidate for Director) As President & Representative Director of the Company, Mr. Jun Tsuruha takes part in managerial decision-making of the Company. His leadership and ability to take action, which he had cultivated through his experience at stores, is greatly contributing to realizing the Group's medium-term goals of 3,000 stores nationwide and net sales of ¥1 trillion. We have judged that his extensive knowledge of our business and administrative capabilities will greatly contribute to the further growth of the Group and strengthening our competitiveness, thus propose his election as Director.	119,500

No.	Name (Date of birth)	Career summary, positions, assignments and significant concurrent positions	Number of shares of the Company held
3	Teruaki Goto (September 19, 1955)	April 1979 Joined TSURUHA CO., LTD. August 1996 Director of TSURUHA CO., LTD. June 2002 General Manager of Pharmacy Operation Headquarters of TSURUHA CO., LTD. August 2004 Managing Director of TSURUHA CO., LTD. August 2005 Managing Director of the Company August 2008 Director of the Company (current position) Managing Executive Officer of the Company responsible for Group Drugstores Operation Director of TSURUHA CO., LTD. (current position) Managing Executive Officer of TSURUHA CO., LTD. (current position) June 2013 Director of WELLNESSKOHOKU INC. (currently Tsuruha Group Drug & Pharmacy Nishinihon Inc.) (current position) August 2014 Managing Executive Officer of the Company responsible for Group Pharmacy Operation January 2017 Managing Executive Officer of the Company responsible for Group Pharmacy Operation and General Manager of Pharmacy Store Development Division of the Company March 2018 Director of Kyorindo Group Holdings Co., Ltd. (current position) Director of Kyorindo Co., Ltd. (current position) May 2018 Managing Executive Officer of the Company and General Manager of Group Pharmacy Operation Headquarters of the Company (current position) Director of kusurino FUKUTARO CO., LTD. (current position) June 2018 Director of B&D Holdings Co., Ltd. (currently B&D Co., Ltd.) Director of B&D Co., Ltd. (current position) (Significant concurrent position) Director & Managing Executive Officer of TSURUHA CO., LTD. (Reasons for nomination as a candidate for Director) As Director of the Company responsible for Group Pharmacy Operation, Mr. Teruaki Goto has greatly contributed to the improvement of operational efficiency of the pharmacy division and the improvement of quality of pharmacists working at pharmacies, based on his excellent knowledge and experience, and expertise in pharmaceutical affairs. We have judged that his deep expertise and administrative capabilities will greatly contribute to the further growth of the Group and strengthening our competitiveness, thus propose his election as Director.	55,900

No.	Name (Date of birth)	Career summary, positions, assignments and significant concurrent positions	Number of shares of the Company held
4	Hisaya Ogawa (September 21, 1958)	August 1983 Joined kusurino FUKUTARO CO., LTD. December 1988 President & Representative Director of kusurino FUKUTARO CO., LTD. August 2007 Managing Director of the Company August 2008 Director of the Company Managing Executive Officer of the Company responsible for Group Pharmacy Store Operation and kusurino FUKUTARO CO., LTD. May 2015 Director of kusurino FUKUTARO CO., LTD. May 2016 President & Representative Director of kusurino FUKUTARO CO., LTD. (current position) August 2018 Director of the Company (current position) Executive Officer of the Company responsible for kusurino FUKUTARO CO., LTD. and M&A (current position) (Significant concurrent position) President & Representative Director of kusurino FUKUTARO CO., LTD. (Reasons for nomination as a candidate for Director) As President & Representative Director of kusurino FUKUTARO CO., LTD., a subsidiary of the Company, Mr. Hisaya Ogawa has abundant experience and knowledge in drug store management. We have judged that his experience and capabilities as a manager will greatly contribute to the further growth of the Group and strengthening our competitiveness, thus propose his election as Director.	901,500
5	Shinya Mitsuhashi (June 8, 1959)	April 1989 Joined Lady Drug Store Co., Ltd., and served as Director March 1999 President & Representative Director of Lady Drug Store Co., Ltd. July 2007 President & Representative Director and General Manager of Sales Headquarters of Lady Drug Store Co., Ltd. June 2008 President & Representative Director of Lady Drug Store Co., Ltd. August 2016 Director of the Company (current position) Executive Officer of the Company responsible for Lady Drug Store Co., Ltd. (current position) July 2019 Chairman & Representative Director of Lady Drug Store Co., Ltd. (current position) (Significant concurrent position) Chairman & Representative Director of Lady Drug Store Co., Ltd. (Reasons for nomination as a candidate for Director) As Chairman & Representative Director of Lady Drug Store Co., Ltd., a subsidiary of the Company, Mr. Shinya Mitsuhashi has been expanding business of the subsidiary steadily in the Chugoku and Shikoku regions with his abundant experience and knowledge of drug store management. We have judged that his experience and capabilities as a manager will greatly contribute to the further growth of the Group and strengthening our competitiveness, thus propose his election as Director.	6,500

No.	Name (Date of birth)	Career summary, positions, assignments and significant concurrent positions	Number of shares of the Company held
6	Shoichi Murakami (May 24, 1967)	November 1992 Joined WELLNESSKOHOKU INC. (currently Tsuruha Group Drug & Pharmacy Nishinihon Inc.) April 2002 Director of WELLNESSKOHOKU INC. (currently Tsuruha Group Drug & Pharmacy Nishinihon Inc.) April 2006 Managing Director of WELLNESSKOHOKU INC. (currently Tsuruha Group Drug & Pharmacy Nishinihon Inc.) June 2009 President & Representative Director and President & Chief Executive Officer of WELLNESSKOHOKU INC. (currently Tsuruha Group Drug & Pharmacy Nishinihon Inc.) Executive Officer of the Company responsible for WELLNESSKOHOKU INC. (currently Tsuruha Group Drug & Pharmacy Nishinihon Inc.) (current position) August 2015 President & Representative Director and President & Chief Executive Officer of Tsuruha Group Drug & Pharmacy Nishinihon Inc. (current position) August 2019 Director of the Company (current position) Executive Officer of the Company responsible for Tsuruha Group Drug & Pharmacy Nishinihon Inc. (current position) May 2020 Director of JR KYUSHU DRUG ELEVEN CO., LTD. (current position) (Significant concurrent position) President & Representative Director and President & Chief Executive Officer of Tsuruha Group Drug & Pharmacy Nishinihon Inc. (Reasons for nomination as a candidate for Director) As President & Representative Director of a subsidiary of the Company, Tsuruha Group Drug & Pharmacy Nishinihon Inc., Mr. Shoichi Murakami has been expanding business of the subsidiary steadily in the Chugoku and Kyushu regions with his abundant experience and knowledge in drug store management. We have judged that his experience and capabilities as a manager will greatly contribute to the further growth of the Group and strengthening our competitiveness, thus propose his election as Director.	1,500

No.	Name (Date of birth)	Career summary, positions, assignments and significant concurrent positions	Number of shares of the Company held
7	Fumiaki Atsumi (February 21, 1965)	April 1991 Joined Kyorindo Co., Ltd. April 2003 President & Representative Director of Kyorindo Co., Ltd. December 2016 Representative Director of Kyorindo Group Holdings Co., Ltd. April 2017 Chairman & Representative Director of Kyorindo Group Holdings Co., Ltd. (current position) Chairman & Representative Director of Kyorindo Co., Ltd. (current position) August 2019 Director of the Company (current position) Executive Officer of the Company responsible for Kyorindo Co., Ltd. (current position) (Significant concurrent positions) Chairman & Representative Director of Kyorindo Group Holdings Co., Ltd. Chairman & Representative Director of Kyorindo Co., Ltd. (Reasons for nomination as a candidate for Director) As Chairman & Representative Director of a subsidiary of the Company, Kyorindo Group Holdings Co., Ltd., and Chairman & Representative Director of a lower-tier subsidiary, Kyorindo Co., Ltd., Mr. Fumiaki Atsumi has contributed to the expansion of the operations through his central involvement in the management of Kyorindo Co., Ltd. for many years. We have judged that his extensive knowledge and experience will greatly contribute to the further growth of the Group and strengthening our competitiveness, thus propose his election as Director.	1,000
8	Mitsunobu Abe (May 19, 1954)	March 2004 Adviser of TSURUHA CO., LTD. August 2004 Managing Director of TSURUHA CO., LTD. August 2005 Managing Director of the Company August 2008 Managing Executive Officer of the Company Director of TSURUHA CO., LTD. December 2010 Responsible for Group Overseas Business December 2011 President & Representative Director of TSURUHA (Thailand) Co., Ltd. May 2015 President & Representative Director of kusurino FUKUTARO CO., LTD. August 2015 Director of the Company (current position) May 2016 Vice Chairman & Representative Director of kusurino FUKUTARO CO., LTD. (Reasons for nomination as a candidate for Director) As Director of the Company, Mr. Mitsunobu Abe contributed to the expansion of the Group's operations. We have judged that his global insight and administrative capabilities cultivated through overseas assignments are essential to the further growth of the Group, thus propose his election as Director.	13,300

No.	Name (Date of birth)	Career summary, positions, assignments and significant concurrent positions	Number of shares of the Company held
9	Motoya Okada (June 17, 1951)	March 1979 Joined JUSCO Co., Ltd. (currently AEON CO., LTD.) May 1990 Director of JUSCO Co., Ltd. February 1992 Managing Director of JUSCO Co., Ltd. May 1995 Senior Managing Director of JUSCO Co., Ltd. June 1997 President of JUSCO Co., Ltd. May 2003 President of AEON CO., LTD. November 2005 Director & Advisor of the Company (current position) March 2012 President of AEON CO., LTD. Group CEO August 2014 Director of KUSURI NO AOKI CO., LTD. November 2014 Director of WELCIA HOLDINGS Co., Ltd. (current position) November 2016 Director of KUSURI NO AOKI HOLDINGS CO., LTD. (current position) March 2020 Chairman of AEON CO., LTD. (current position) (Significant concurrent position) Chairman of AEON CO., LTD. (Reasons for nomination as a candidate for Outside Director) Mr. Motoya Okada has been making high-level managerial decisions as the Chairman of AEON CO., LTD., and he has also made extremely useful remarks at the Board of Directors of the Company as well. We have judged that his abundant knowledge and experience as a manager will greatly contribute to the further growth of the Group and strengthening our competitiveness, thus propose his election as Outside Director.	4,900
10	Fumiyo Fujii (August 20, 1954)	April 1979 Joined The Hokkaido Takushoku Bank, Ltd. June 2011 Director of Sapporo Hokuyo Holdings, Inc. Director of North Pacific Bank, Ltd. June 2014 Managing Director of North Pacific Bank, Ltd. August 2015 Outside Corporate Auditor of the Company June 2017 Full-time Audit & Supervisory Board Member of North Pacific Bank, Ltd. (current position) June 2017 Outside Audit & Supervisory Board Member of Hokkaido Electric Power Co., Inc. (current position) August 2019 Outside Director of the Company (current position) (Significant concurrent positions) Full-time Audit & Supervisory Board Member of North Pacific Bank, Ltd. Outside Audit & Supervisory Board Member of Hokkaido Electric Power Co., Inc. (Reasons for nomination as a candidate for Outside Director) As Outside Corporate Auditor of the Company, Mr. Fumiyo Fujii has contributed to strengthening the audit structure of the Company with his abundant financial experience and knowledge cultivated over many years at financial institutions. We have judged that he will make the decision-making capabilities and supervisory capabilities of the Board of Directors more effective from an independent position, thus have nominated him as a candidate for Outside Director.	900

No.	Name (Date of birth)	Career summary, positions, assignments and significant concurrent positions	Number of shares of the Company held
11	Harumi Sato (February 26, 1955)	April 1977 Joined The Institute of Energy, Japan September 1990 Served at Daguerreo Press, Inc. April 1998 Served at Shinya Asaka Tax Accountant Office May 2001 Representative of Harumi Sato Tax Accountant Office December 2018 Director of Sapporo Branch, Anchor Licensed Tax Accountant Office (current position) August 2019 Outside Director of the Company (current position) (Significant concurrent position) Director of Sapporo Branch, Anchor Licensed Tax Accountant Office (Reasons for nomination as a candidate for Outside Director) As a certified tax accountant, Ms. Harumi Sato has expertise in tax affairs. In addition to her abundant experience and high-level insight as a tax accountant, she has a valuable female point of view on the managerial decisions of the Company, and has provided various recommendations from an objective perspective to the management of the Company. Although Ms. Harumi Sato has never been involved in corporate management other than as an outside director or an outside corporate auditor, the Company believes that she is capable of appropriately executing duties as Outside Director due to the aforementioned reasons.	400
*12	Masahiro Yahata (September 12, 1968)	April 1991 Joined TSURUHA CO., LTD. December 2008 Deputy Manager of North Tohoku Store Operation of TSURUHA CO., LTD. August 2009 Manager of Tohoku Store Operation I of TSURUHA CO., LTD. April 2014 General Manager of Tohoku Store Operation of TSURUHA CO., LTD. August 2014 General Manager of Hokkaido Store Operation of TSURUHA CO., LTD. May 2018 Executive Officer and General Manager of Hokkaido Store Operation of TSURUHA CO., LTD. (current position) (Reasons for nomination as a candidate for Director) As the officer responsible for Store Operation in TSURUHA CO., LTD., Mr. Masahiro Yahata has demonstrated his capabilities in store operation. We have judged that the experiences he has cultivated through his career will also be beneficial in serving as Executive Officer responsible for TSURUHA CO., LTD., which is the largest company in the Tsuruha Group, thus propose his election as Director.	3,800

Notes: 1. The candidate marked with an asterisk (*) is a new candidate.

2. Mr. Motoya Okada, a candidate, is Chairman of AEON CO., LTD., which is the Company's largest shareholder. In addition, the Company has business transactions such as store leases with AEON CO., LTD. since the Company is one of the tenants of shopping malls managed by AEON Group. However, such amount is 1.5% of operating costs of the Company. The Company also purchases goods from AEON Group. However, such amount is around 0.3% of total purchases of the Company. Therefore, it is considered that independence is secured as Outside Director of the Company.
   No conflict of interest exists between the Company and the other candidates for Directors.
3. Mr. Motoya Okada, Mr. Fumiyo Fujii, and Ms. Harumi Sato are the candidates for Outside Directors. In

addition, the Company has registered Mr. Fumiyo Fujii and Ms. Harumi Sato with Tokyo Stock Exchange, Inc. as Independent Directors as set forth in the regulation of the stock exchange.

4. Mr. Motoya Okada, Mr. Fumiyo Fujii, and Ms. Harumi Sato are currently Outside Directors of the Company. Mr. Motoya Okada will be in office for fourteen years and nine months, and Mr. Fumiyo Fujii and Ms. Harumi Sato will be in office for one year at the end of the meeting, respectively.
5. In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into a contract with Mr. Motoya Okada, Mr. Fumiyo Fujii and Ms. Harumi Sato, respectively, to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreement will be the amount stipulated by laws and regulations. If their reappointments are approved, the Company will renew the above contracts for limitation of liabilities with these three candidates.

Proposal No. 3: Election of One Substitute Corporate Auditor

In preparation for the possibility of the number of Corporate Auditors falling below the number prescribed by laws and regulations, election of Mr. Mikine Yamazaki as Substitute Corporate Auditor is proposed. The Board of Corporate Auditors has given its consent to this proposal.

The candidate for Substitute Corporate Auditor is as follows:

Name (Date of birth)	Career summary, positions, assignments and significant concurrent positions	Number of shares of the Company held
Mikine Yamazaki (July 13, 1967)	September 1998 Awarded a Doctorate (Law) from Hokkaido University April 2000 Assistant Professor of School of Economics, Kushiro Public University of Economics April 2001 Assistant Professor of Graduate School of Law, Hokkaido University April 2007 Professor of Hokkaido University Public Policy School April 2013 President of Hokkaido University Public Policy School April 2015 Professor of Graduate School of Law, Hokkaido University April 2019 Professor of Hokkaido University Public Policy School (current position) (Significant concurrent position) Professor of Hokkaido University Public Policy School (Reasons for nomination as a candidate for substitute Outside Corporate Auditor) Mr. Mikine Yamazaki has expert knowledge and extensive insight cultivated through his many years of experience at universities. We have judged that he will apply his abundant experience, high-level legal expertise, and academic knowledge to the auditing of Directors' execution of duties and other audit activity, thus propose his election as Substitute Corporate Auditor. Although Mr. Mikine Yamazaki has never been involved in corporate management other than as an outside director or an outside corporate auditor, the Company believes that he is capable of appropriately executing duties as Outside Corporate Auditor due to the aforementioned reasons.	-

Notes: 1. No conflict of interest exists between the Company and the candidate.
2. Mr. Mikine Yamazaki is the candidate for Substitute Outside Corporate Auditor.
3. Mr. Mikine Yamazaki satisfies the requirements of Independent Corporate Auditor as set forth in the regulations of Tokyo Stock Exchange, Inc. If Mr. Mikine Yamazaki takes office as Outside Corporate Auditor, the Company will register him with Tokyo Stock Exchange, Inc. as an Independent Corporate Auditor.
4. If Mr. Mikine Yamazaki takes office as Outside Corporate Auditor, the Company will enter into a contract with him to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreement will be the amount stipulated by laws and regulations.

Proposal No. 4: Entrusting the Board of Directors of the Company with the Determination of Subscription Requirements for Stock Acquisition Rights as Stock Options to Executive Officers and Employees of the Company and Its Subsidiaries

Shareholders are asked to give approval for entrusting the Board of Directors of the Company with determining the subscription requirements for stock acquisition rights, which will be issued without consideration, as stock options to Executive Officers and employees of the Company and its subsidiaries in accordance with the provisions of Articles 236, 238 and 239 of the Companies Act, as follows.

I. Reason for the need to invite subscribers to stock acquisition rights under especially favorable conditions

The Company intends to issue stock acquisition rights as stock options to Executive Officers and employees of the Company and its subsidiaries, without consideration, as a way of motivating them and raising their morale to improve the Company's business performance on a consolidated basis.

II. The maximum number and the necessity of money payment therefor of the stock acquisition rights for which the subscription requirements can be determined based on the matters determined by this Annual General Meeting of Shareholders are as follows.

1. The maximum number of the stock acquisition rights for which the subscription requirements can be determined based on the entrustment

   The maximum number of the stock acquisition rights, which are described in III. below, shall be 5,000 units.

   The maximum number of shares that may be allotted through the exercise of the stock acquisition rights shall be 500,000 common shares of the Company. If the number of shares allotted (hereinafter defined) is adjusted as determined in III. 1. below, the maximum limit shall be the number of shares allotted after adjustment multiplied by the maximum number of the stock acquisition rights above.
2. No payment of money shall be required with regard to the stock acquisition rights for which the subscription requirements can be determined based on the entrustment.

III. The nature of the stock acquisition rights for which the subscription requirements can be determined based on the matters determined by this Annual General Meeting of Shareholders is as follows.

1. Type and number of shares to be issued upon exercise of the stock acquisition rights

   The type of shares to be issued upon exercise of the stock acquisition rights shall be the Company's common shares, and the number of shares per unit of stock options to be issued upon exercise of the stock acquisition rights (hereinafter, the "Number of Shares Allotted") shall be 100.

   Provided, however, that if a stock split (including a gratis allotment of the Company's shares; hereinafter, the same regarding the description of a stock split) or a stock consolidation is performed by the Company after the conclusion of the meeting, the Number of Shares Allotted shall be adjusted according to the following formula, and any fractional shares arising as a result of the said adjustment shall be truncated.

$$\text{Number of Shares Allotted after adjustment} = \text{Number of Shares Allotted before adjustment} \times \text{Stock split or consolidation ratio}$$

   With regard to days to which the said Number of Shares Allotted after adjustment is applied, provisions of 3. (2) 1) shall be applied mutatis mutandis.

   Furthermore, in addition to the above, in a case the Company is to engage in a merger or a company split or in cases corresponding to the case where any adjustment of the Number of Shares Allotted is required, the Company may adjust the Number of Shares Allotted to the extent reasonable.

   When the Number of Shares Allotted is to be adjusted, the Company shall notify those who hold stock acquisition rights and are recorded in the registry of stock acquisition rights (hereinafter, the "Holder of Stock Acquisition Rights) of necessary matters or publicly announce such matters by the previous day of the day on which the Number of Shares Allotted after adjustment will be applied. Provided, however, that in a case where a notice cannot be given or public announcement cannot be made by the previous day of the day of the said application, the necessary matters shall be quickly notified or publicly announced afterwards.

2. The value of assets to be contributed upon exercise of the stock acquisition rights

   The value of assets to be contributed upon exercise of each stock acquisition right shall be

determined by multiplying the amount to be paid for one share to be delivered upon exercise of the said stock acquisition rights (hereinafter, the "Exercise Price") by the Number of Shares Allotted.
The Exercise Price shall be equal to 1.05 times the average of closing prices of the Company's common shares (hereinafter, the "Closing Price") on the Tokyo Stock Exchange in regular trading on each day (excluding days on which no trading takes place) of the month preceding the month in which the day on which the stock acquisition rights are allotted (hereinafter, the "Allotment Date") falls (with fractional amounts less than one yen being rounded up to the nearest yen), or the Closing Price on the Allotment Date (if no such Closing Price exists on that day, then the Closing Price on the most recent day on which trading took place), whichever is higher. Provided, however, that the Exercise Price shall be subject to the adjustments specified in the following 3.

3. Adjustment of the Exercise Price
(1) If the Company performs the following 1) or 2) for the Company's common shares after the Allotment Date, the Exercise Price shall be adjusted in accordance with the formula, respectively specified below, (hereinafter, the "Exercise Price Adjustment Formula"); and fractional amounts less than one yen resulting from the adjustment shall be rounded up to the nearest yen.
1) In the event of a stock split or consolidation by the Company

$$\text{Post-adjustment Exercise Price} = \text{Pre-adjustment Exercise Price} \times \frac{1}{\text{Stock split or consolidation ratio}}$$

2) In the event of any new share issuance or treasury stock disposal below the market price by the Company (excluding cases such as the sales of treasury stock under Article 194 of the Companies Act (that is, demand for sale of shares less than one unit by shareholders who hold shares in a number less than one unit); the conversion of securities or convertible securities that may be converted into the Company's common shares; or the exercise of stock acquisition rights (inclusive of those attached to the convertible bonds) with which issuance of the Company's common shares can be requested)

$$\text{Post-adjustment Exercise Price} = \text{Pre-adjustment Exercise Price} \times \frac{\text{Number of shares already issued} + \dfrac{\text{Number of newly issued shares} \times \text{Amount to be paid per share}}{\text{Market price}}}{\text{Number of shares already issued} + \text{Number of newly issued shares}}$$

i) "Market price" to be used in the Exercise Price Adjustment Formula shall be equal to the average of Closing Price (including indicative price display; hereinafter, the same) on 30 trading days (excluding days on which no Closing Price exists), which commence on the 45th trading day preceding the "day on which the Post-adjustment Exercise Price is applied" (hereinafter, the "Applicable Date"), which is specified in (2) below. The "average" shall be rounded off to the first decimal place in yen.
ii) In the Exercise Price Adjustment Formula, "Number of shares already issued" shall be equal to the total number of the Company's issued shares on the day if there is a record date and on the day one month before the Applicable Date in other cases, less the number of shares of treasury stock owned by the Company.
iii) In the case of the disposal of treasury stock, "Number of newly issued shares" shall be read as "Number of shares of treasury stock to be disposed."

(2) The day on which the Post-adjustment Exercise Price is applied shall be as described below.
1) In the case where adjustment is made in accordance with (1) 1), the Post-adjustment Exercise Price shall be applied on and after the following day of the record date (the effective date in the case where the record date is not specified) of the said stock split in the event of a stock split; and on and after the effective date in the event of a stock consideration. Provided, however, that in the case of a stock split whose implementation is subject to approval of a proposal for increasing capital stock or legal capital surplus by decreasing the amount of surplus at the general meeting of shareholders of the Company, and if the record date for the stock split is set on any day before the day on which the said general meeting of shareholders ends, the Post-adjustment Exercise Price shall be applied retroactively on the following day of the said record date on and after the following day of

the day on which the said general meeting of shareholders ends.
Provided, however, that in the case of a stock split whose implementation is subject to approval of a proposal for increasing capital stock or legal capital surplus by decreasing the amount of surplus at the general meeting of shareholders of the Company, and if the record date for the stock split is set on any day before the day on which the said general meeting of shareholders ends, the Post-adjustment Exercise Price shall be applied retroactively on the following day of the said record date on and after the following day of the day on which the said general meeting of shareholders ends.
In the case specified by the above proviso, for the Holders of Stock Acquisition Rights who exercised their Stock Acquisition Rights between the following day of the record date for a stock split and the day on which the said general meeting of shareholders ended (hereinafter, the number of shares that can be allotted upon the exercise of such Stock Acquisition Rights shall be called the "Number of Shares Issued upon Exercise before Stock Split"), the number of common shares of the Company to be allotted shall be adjusted by the following formula, and any fractional shares arising as a result of the said adjustment shall be truncated.

$$\text{Number of newly issued shares} = \frac{(\text{Pre-adjustment Exercise Price} - \text{Post-adjustment Exercise Price}) \times \text{Number of Shares Issued upon Exercise before Stock Split}}{\text{Post-adjustment Exercise Price}}$$

2) In the case where adjustment is made in accordance with (1) 2), the Post-adjustment Exercise Price shall be applied on and after the following day of the payment date (if a payment period is set, the final day of the said payment period) for the said issuance or disposal (if a record date is set, on and after the said record date).

(3) In addition to the cases described in (1) 1) and 2) above, in the event in which the Exercise Price needs to be adjusted such as in cases where the Company conducts a gratis allotment of other class shares to common shareholders or a distribution of dividends to common shareholders who hold shares of any other company after the Allotment Date, the Company may adjust the Exercise Price within reasonable boundaries by taking into account conditions such as those for the said allocation or dividends.

(4) When the Exercise Price is to be adjusted, the Company shall notify the Holders of Stock Acquisition Rights of necessary matters or publicly announce such matters by the previous day of the Applicable Date. Provided, however, that in a case where a notice cannot be given or public announcement cannot be made by the previous day of the said Applicable Date, the necessary matters shall be quickly notified or publically announced afterwards.

4. Exercise period of the stock acquisition rights
Within two years commencing two years after the Allotment Date

5. Matters concerning capital stock and legal capital surplus to be increased in the event of issuance of shares upon exercise of the stock acquisition rights

(1) The amount of capital stock to be increased when shares are issued upon exercise of the stock acquisition rights shall be one half of the maximum amount of capital stock, etc., to be increased, calculated in accordance with Article 17, Paragraph 1 of the Corporate Accounting Regulations of Japan, and a fraction of less than one yen arising as a result of the calculation shall be rounded up to the nearest one yen.

(2) The amount of legal capital surplus to be increased when shares are issued upon exercise of the stock acquisition rights shall be calculated by subtracting the amount of increase in capital stock stipulated in (1) above from the maximum amount of capital stock, etc., to be increased, as stated in (1) above.

6. Restriction on acquisition of the stock acquisition rights through transfer
Acquisition of the stock acquisition rights through transfer shall be subject to approval by resolution of the Board of Directors of the Company.

7. Terms and conditions of acquisition of the stock acquisition rights
If any of the proposals (1) through (5) below is approved at a general meeting of shareholders of the Company (or if resolved by the Board of Directors of the Company if a resolution at a general meeting of shareholders is not required), the Company may acquire the Stock Acquisition Rights without consideration on the day separately determined by the Board of Directors.

(1) a proposal for the approval of a merger agreement, under which the Company will cease to exist;
(2) a proposal for the approval of a company split agreement or an incorporation-type company split plan, under which the Company will become a split company;
(3) a proposal for the approval of a share exchange agreement or a share transfer plan, under which the Company will become a wholly owned subsidiary;
(4) a proposal for approval of an amendment to the Articles of Incorporation to add a provision to the effect that, as a feature of all shares the Company issues, the approval of the Company for the acquisition of the said shares through a transfer is required; or
(5) a proposal for approval of an amendment to the Articles of Incorporation to add a provision to the effect that, as a feature of shares to be issued upon exercise of the Stock Acquisition Rights, the approval of the Company for acquisition of the said shares through a transfer is required, or the Company shall acquire all of the said class shares by resolution at a general meeting of shareholders.

8. Policy on determining the nature of stock acquisition rights issued by the restructured company upon organizational restructuring

If the Company is to engage in a merger (limited to cases where the Company is to be dissolved as a result of the merger), an absorption-type company split or an incorporation-type company split (both limited to cases where the Company is to be a split company), or a share exchange or a share transfer (both limited to cases where the Company is to become a wholly owned subsidiary) (all of which are collectively referred to as a "Restructuring Transaction"), the stock acquisition rights in the entity specified under Article 236, Paragraph 1, Item 8 (a) through (e) of the Companies Act (such entity shall be called hereinafter the "Restructured Company") shall be issued to holders of the stock acquisition rights who hold the stock acquisition rights remaining in effect immediately prior to the effective date of the Restructuring Transaction (hereinafter respectively referring to the effective date of the absorption-type merger in case of an absorption-type merger, the date of formation of a new company incorporated by the merger in case of a consolidation-type merger, the effective date of the absorption-type company split in case of an absorption-type company split, the date of formation of a new company in case of an incorporation-type company split, the effective date of the share exchange in case of a share exchange and the date of the formation of a wholly owning parent company in case of a share transfer) (such rights shall be called hereinafter the "Remaining Stock Acquisition Rights"). Provided, however, that the granting of such rights shall be subject to provisions of issuing the stock acquisition rights of the Restructured Company in an absorption-type merger agreement, a consolidation-type merger agreement, an absorption-type company split agreement, an incorporation-type company split plan, a share exchange agreement or a share transfer plan in accordance with the respective following conditions.

(1) The number of the stock acquisition rights of the Restructured Company to be issued
The same number of the stock acquisition rights as the number of the Remaining Stock Acquisition Rights held by respective holders of the stock acquisition rights shall be issued.

(2) The class of shares of the Restructured Company to be issued upon exercise of the stock acquisition rights
The class of shares of the Restructured Company to be issued upon exercise of the stock acquisition rights shall be the common shares of the Restructured Company.

(3) The number of shares of the Restructured Company to be issued upon exercise of the stock acquisition rights
The number of shares of the Restructured Company to be issued upon exercise of the stock acquisition rights shall be determined in accordance with the provisions in 1) above, taking into account the conditions and other factors concerning the Restructuring Transaction.

(4) The value of assets to be contributed upon exercise of the stock acquisition rights
The value of assets to be contributed upon exercise of each stock acquisition right to be issued shall be the amount obtained by multiplying the Exercise Price after restructuring, which is obtained through adjustment of the Exercise Price as determined in 2. above taking into account the conditions for the Restructuring Transaction, by the number of shares of the Restructured Company to be issued upon exercise of the said stock acquisition rights, which is determined in accordance with (3) above.

(5) Exercise period of the stock acquisition rights
The exercise period of the stock acquisition rights shall begin on the date of commencement of the exercise period stipulated in 4. above or the effective date of the Restructuring Transaction, whichever is later, and end on the closing date of the exercise of the said stock acquisition rights

as determined in accordance with 4. above.

(6) Matters concerning capital stock and legal capital surplus to be increased in the event of the issuance of shares upon exercise of the stock acquisition rights

They shall be determined in accordance with 5. above.

(7) Restriction on acquisition of the stock acquisition rights through transfer

Acquisition of the stock acquisition rights through transfer shall be subject to approval by resolution of the Board of Directors of the Restructured Company.

(8) Terms and conditions of acquisition of the stock acquisition rights

They shall be determined in accordance with 7. above.

(9) Other conditions for the exercise of the stock acquisition rights

They shall be determined in accordance with 10. below.

9. Treatment of fractional shares arising upon exercise of the stock acquisition rights

A fractional portion of less than one share in the number of shares delivered to the holders of the stock acquisition rights shall be truncated upon exercise of the stock acquisition rights.

10. Other conditions for the exercise of the stock acquisition rights

Should any holder of the stock acquisition rights forfeit his/her stock acquisition rights, the said stock acquisition rights cannot be exercised.

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