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

Securities Code: 9535
June 3, 2020

To our shareholders:

Kensuke Matsufuji
Representative Director and President
HIROSHIMA GAS CO., LTD.
2-7-1, Minami-machi Minami-ku, Hiroshima

Notice of the 166th Annual General Meeting of Shareholders

You are cordially invited to attend the 166th Annual General Meeting of Shareholders of HIROSHIMA GAS CO., LTD. (the "Company"), which will be held as indicated below.
If you are unable to attend the meeting in person, you may exercise your voting rights in writing or via the Internet, etc. Please review the attached Reference Documents for General Meeting of Shareholders, and exercise your voting rights by 5:30 p.m. on Tuesday, June 23, 2020 (JST) either by indicating your approval or disapproval of the proposals in the enclosed voting form and then returning the form to the Company by postal mail, or entering your approval or disapproval of the proposals on the website for exercising voting rights specified by the Company (https://evote.tr.mufg.jp/).

1. **Date and Time:** Wednesday, June 24, 2020, at 10:00 a.m. (JST) [Reception will open at 9:15 a.m. (JST)]
2. **Venue:** Gastopia Center of the Company, 6F Convention Hall
   1-30, Minamitakeya-cho, Naka-ku, Hiroshima
3. **Purpose of the Meeting**

Matters to be reported:

1. The Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements for the 166th fiscal year (from April 1, 2019 to March 31, 2020)
2. The results of audits of the Consolidated Financial Statements for the 166th fiscal year by the Financial Auditor and Audit & Supervisory Board

Matters to be resolved:

Proposal No. 1 Partial Amendments to the Articles of Incorporation
Proposal No. 2 Election of 11 Directors
Proposal No. 3 Election of One Audit & Supervisory Board Member
Proposal No. 4 Election of One Substitute Audit & Supervisory Board Member
Proposal No. 5 Determination of Compensation for Granting Restricted Stock to Directors (Excluding Outside Director)

- If you attend the meeting in person, please submit the enclosed voting form at the reception.
- The "Consolidated Statement of Changes in Net Assets" and "Notes to Consolidated Financial Statements" of the Consolidated Financial Statements and the "Statement of Changes in Net Assets" and "Notes to Non-consolidated Financial Statements" of the Non-consolidated Financial Statements are posted on the Company's website (https://www.hiroshima-gas.co.jp/) pursuant to applicable laws and regulations and the provisions of the Articles of Incorporation of the Company. The Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Audit & Supervisory Board Members and the Financial Auditor include the documents posted on the Company's website above, in addition to the relevant documents stated in this Notice.
- In the event that there are any revisions to the Business Report, the Consolidated Financial Statements, the Non-consolidated Financial Statements or the Reference Documents for General Meeting of Shareholders, the notice for such revisions will be posted on the Company's website above.

Reference Documents for General Meeting of Shareholders

Proposal No. 1 Partial Amendments to the Articles of Incorporation

1. Reasons for proposal
   The proposal is to change the Company's public notice method to electronic notices to improve the publicity of notification and rationalize the procedures and to determine the public notice method if the electronic notice method is not available.
2. Amendment to be made
   The amendment to be made is as follows:

(The underlined part indicates the amendment.)

Current Articles of Incorporation	Proposed amendment
(Method of Public Notice) Article 5 The Company shall issue its public notices in the Nihon Keizai Shimbun and the Chugoku Shimbun issued in Hiroshima City.	(Method of Public Notice) Article 5 The Company's public notice method shall be electronic notices. However, if the Company is not able to issue its public notices electronically due to accidents or other unavoidable reasons, it shall issue the public notices in the Nihon Keizai Shimbun and the Chugoku Shimbun issued in Hiroshima City.

Note: Some underlining does not coincide with the Japanese version because of translation adjustments.

Proposal No. 2 Election of 11 Directors

At the conclusion of this annual general meeting of shareholders, the terms of office of all 11 Directors will expire. Therefore, the Company proposes the election of 11 Directors.
The candidates for Director are as follows:

Candidate No.	Name	Current position and responsibility in the Company		Reference page
1	Kozo Tamura	Representative Director and Chairman	Reelection	Page 4
2	Kensuke Matsufuji	Representative Director and President (in charge of Energy Business Division)	Reelection	Page 4
3	Takeshi Tanimura	Director, Senior Executive Officer (General Manager of Pipeline Business Division, in charge of Technical Research Institute)	Reelection	Page 5
4	Tomohiko Nakagawa	Director, Senior Executive Officer (General Manager of Corporate Planning Department, in charge of Secretarial Department and Human Resources Department)	Reelection	Page 6
5	Kentaro Obara	Director, Senior Executive Officer (General Manager of Energy Business Division)	Reelection	Page 6
6	Kazunori Tamura	Director, Senior Executive Officer (General Manager of Production Business Division, in charge of Purchasing Department and Raw Materials Department)	Reelection	Page 7
7	Hiroaki Yamato	Director, Executive Officer (General Manager of Finance & Accounting Department, in charge of General Affairs Department and IT System Department)	Reelection	Page 7
8	Masao Mukuda	Outside Director	Reelection Outside Independent	Page 8
9	Hiroshi Segawa	Outside Director	Reelection Outside Independent	Page 8
10	Koji Ikeda	Outside Director	Reelection Outside Independent	Page 8
11	Hidetaka Matsuzaka		New election Outside Independent	Page 8

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th>Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="2">1</td><td>Kozo Tamura
(June 22, 1951)
Reelection</td><td>Apr. 1977 Joined the Company
June 2002 General Manager of Raw Materials Department
June 2005 Executive Officer and General Manager of Raw Materials Department
June 2009 Director, Executive Officer (General Manager of Corporate Planning Department, Management Headquarters, in charge of Secretarial Department, Hatsukaichi LNG Terminal, Bingo Plant and affiliated companies)
Apr. 2010 Representative Director and President (in charge of Energy Business Division)
June 2017 Representative Director and Chairman (current position)
Significant concurrent positions outside the Company
Outside Director of Hiroshima Electric Railway Co., Ltd.
Chairman of Hiroshima Association of Corporate Executives</td><td>75,700 shares</td></tr>
<tr><td colspan="3">Reasons for nomination as candidate for Director
Kozo Tamura has mainly engaged in duties related to corporate planning and raw materials. He served as Representative Director and President for around seven years from April 2010 to June 2017 and has served as Chairman of the Board of Directors as Representative Director and Chairman since June 2017, possessing extensive experience and deep insight. Accordingly, the Company hereby proposes his reelection as Director.</td></tr>
<tr><td rowspan="2">2</td><td>Kensuke Matsufuji
(November 27, 1959)
Reelection</td><td>Apr. 1983 Joined the Company
June 2007 General Manager of Secretarial Department
June 2010 General Manager of Public Relations and Environment Department, Management Headquarters
June 2011 Executive Officer and General Manager of Residential Energy Sales Department, Energy Business Division
June 2013 Director, Executive Officer (General Manager of Finance & Accounting Department, Management Headquarters, in charge of Secretarial Department and Raw Materials Department, Management Headquarters)
June 2015 Director, Senior Executive Officer (General Manager of Energy Business Division)
June 2017 Representative Director and President (in charge of Energy Business Division) (current position)</td><td>43,100 shares</td></tr>
<tr><td colspan="3">Reasons for nomination as candidate for Director
Kensuke Matsufuji has mainly engaged in duties related to sales. Assuming the office as Representative Director in June 2017, he has served as President, the position with ultimate responsibility for execution of business of the Company, possessing extensive experience and deep insight. Accordingly, the Company hereby proposes his reelection as Director.</td></tr>
</table>

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Takeshi Tanimura (November 7, 1961) Reelection	Apr. 1984 Joined the Company Apr. 2009 General Manager of Supply Facility Department, Pipeline Business Division June 2011 General Manager of Hatsukaichi LNG Terminal June 2012 Executive Officer and General Manager of Hatsukaichi LNG Terminal June 2015 Director, Executive Officer (General Manager of Finance & Accounting Department, Management Headquarters, in charge of Secretarial Department and Raw Materials Department, Management Headquarters) Apr. 2016 Director, Executive Officer (General Manager of Finance & Accounting Department, in charge of General Affairs Department, Human Resources Department and Raw Materials Department) June 2017 Director, Senior Executive Officer (General Manager of Corporate Planning Department, in charge of Secretarial Department and affiliated companies) Apr. 2019 Director, Senior Executive Officer (General Manager of Pipeline Business Division, in charge of Technical Research Institute) (current position) Significant concurrent positions outside the Company Representative Director and President, Setouchi Pipeline Co., Ltd. Representative Director and President, Kaita Biomass Power Co., Ltd.	15,000 shares
	Reasons for nomination as candidate for Director Takeshi Tanimura has mainly engaged in duties related to gas supply and production. An Executive Officer since 2012, he served as General Manager of Hatsukaichi LNG Terminal and General Manager of Finance & Accounting Department and Corporate Planning Department. Currently a Director, Senior Executive Officer, he serves as General Manager of Pipeline Business Division, possessing extensive experience and deep insight. Accordingly, the Company hereby proposes his reelection as Director.		

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="2">4</td><td rowspan="2">Tomohiko Nakagawa
(March 23, 1963)
Reelection</td><td>Apr. 1987
Apr. 2009

June 2013

Apr. 2016

June 2016

Apr. 2019

(current position)</td><td>Joined the Company
General Manager of Purchasing Department, Management Headquarters
Executive Officer and General Manager of Raw Materials Department, Management Headquarters
Executive Officer and General Manager of Raw Materials Department
Director, Executive Officer (General Manager of Production Business Division, in charge of Purchasing Department and Raw Materials Department)
Director, Senior Executive Officer (General Manager of Corporate Planning Department, in charge of Secretarial Department and Human Resources Department)</td><td>12,600 shares</td></tr>
<tr><td colspan="3">Reasons for nomination as candidate for Director
Tomohiko Nakagawa has mainly engaged in duties related to gas supply and raw materials. An Executive Officer since 2013, he served as General Manager of Raw Materials Department and Production Business Division. Currently a Director, Senior Executive Officer, he serves as General Manager of Corporate Planning Department, possessing extensive experience and deep insight. Accordingly, the Company hereby proposes his reelection as Director.</td></tr>
<tr><td rowspan="2">5</td><td rowspan="2">Kentaro Obara
(July 30, 1962)
Reelection</td><td>Apr. 1985
June 2010

June 2011

June 2013

June 2017

Apr. 2020

(current position)</td><td>Joined the Company
Chief of Corporate Planning Office, Corporate Planning Department, Management Headquarters
General Manager of Public Relations and Environment Department, Management Headquarters
Executive Officer and General Manager of Residential Energy Sales Department, Energy Business Division
Director, Executive Officer (General Manager of Energy Business Division)
Director, Senior Executive Officer (General Manager of Energy Business Division)</td><td>36,600 shares</td></tr>
<tr><td colspan="3">Reasons for nomination as candidate for Director
Kentaro Obara has mainly engaged in duties related to sales, general affairs and corporate planning. An Executive Officer since 2013, he served as General Manager of Residential Energy Sales Department. Currently a Director, Senior Executive Officer, he serves as General Manager of Energy Business Division, possessing extensive experience and deep insight. Accordingly, the Company hereby proposes his reelection as Director.</td></tr>
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<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="2">6</td><td>Kazunori Tamura
(August 12, 1962)
Reelection</td><td>Apr. 1985
June 2010

June 2014

Apr. 2016

June 2017

Apr. 2019

Oct. 2019

Apr. 2020

Significant concurrent positions outside the Company
Director/Chairman of MAPLE LNG TRANSPORT INC.</td><td>Joined the Company
General Manager of Sales Planning Department, Energy Business Division
Executive Officer and Manager of Kure Branch and Kumano Office, Energy Business Division
Executive Officer and General Manager of Supply Facility Department, Pipeline Business Division
Director, Executive Officer (General Manager of Pipeline Business Division, in charge of Technical Research Institute)
Director, Executive Officer (General Manager of Production Business Division, in charge of Purchasing Department and Raw Materials Department)
Director, Executive Officer (General Manager of Production Business Division and Engineering Division, in charge of Purchasing Department and Raw Materials Department)
Director, Senior Executive Officer (General Manager of Production Business Division, in charge of Purchasing Department and Raw Materials Department)
(current position)</td><td>12,700 shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for Director
Kazunori Tamura has mainly engaged in duties related to gas supply, corporate planning and sales planning. An Executive Officer since 2014, he served as Manager of Kure Branch and General Manager of Supply Facility Department and Pipeline Business Division. Currently a Director, Senior Executive Officer, he serves as General Manager of Production Business Division, possessing extensive experience and deep insight. Accordingly, the Company hereby proposes his reelection as Director.</td></tr>
<tr><td rowspan="2">7</td><td>Hiroaki Yamato
(May 6, 1963)
Reelection</td><td>Apr. 1986

July 2015

Apr. 2016

Apr. 2017

June 2019

(current position)</td><td>Joined Japan Development Bank (currently Development Bank of Japan Inc.)
Joined the Company, dedicated to planning, Corporate Planning Department
Executive Officer and General Manager in charge of management research, Corporate Planning Department
Executive Officer and General Manager of Finance & Accounting Department
Director, Executive Officer (General Manager of Finance & Accounting Department in charge of General Affairs Department and IT System Department)</td><td>4,200 shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for Director
Hiroaki Yamato engaged in duties related to financial affairs at a financial institution for many years. Since he joined the Company, he served as Executive Officer and General Manager in charge of management research, Corporate Planning Department since 2016, and currently serves as Director, Executive Officer and General Manager of Finance & Accounting Department, possessing extensive experience and deep insight. Accordingly, the Company hereby proposes his reelection as Director.</td></tr>
</table>

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
8	Masao Mukuda (November 24, 1946) Reelection Outside Independent	Mar. 1969 Joined Hiroshima Electric Railway Co., Ltd. Jan. 2013 Representative Director and President (current position) June 2013 Director of the Company (current position) Tenure as outside Director Seven years at the end of the Annual General Meeting of Shareholders	0 share
	Reasons for nomination as candidate for outside Director Masao Mukuda has extensive experience and deep insight as manager of a business corporation. Accordingly, the Company hereby proposes his reelection as Director to seek his opinion on the Company's management from his objective standpoint.		
9	Hiroshi Segawa (March 6, 1955) Reelection Outside Independent	Apr. 1978 Joined The Chugoku Electric Power Company, Inc. June 2014 Managing Director June 2016 Director and Audit and Supervisory Committee Member (current position) June 2016 Director of the Company (current position) Tenure as outside Director Four years at the end of the Annual General Meeting of Shareholders	0 share
	Reasons for nomination as candidate for outside Director Hiroshi Segawa has extensive experience and deep insight as he has been involved in the same energy business field as the Company for long years. Accordingly, the Company hereby proposes his reelection as Director to seek his opinion on the Company's management from an objective standpoint.		
10	Koji Ikeda (September 3, 1953) Reelection Outside Independent	Apr. 1977 Joined The Hiroshima Bank, Ltd. June 2012 Representative Director and President June 2018 Representative Director and Chairman (current position) June 2019 Director of the Company (current position) Significant concurrent positions outside the Company Chairman of The Hiroshima Chamber of Commerce and Industry Tenure as outside Director One year at the end of the Annual General Meeting of Shareholders	0 share
	Reasons for nomination as candidate for outside Director Koji Ikeda has extensive experience and deep insight as manager of a financial institution. Accordingly, the Company hereby proposes his reelection as Director to seek his opinion on the Company's management from his objective standpoint.		
11	Hidetaka Matsuzaka (February 22, 1958) New election Outside Independent	Apr. 1980 Joined Osaka Gas Co., Ltd. Apr. 2015 Representative Director, Executive Vice President Apr. 2019 Director June 2019 Advisor (current position)	0 share
	Reasons for nomination as candidate for outside Director Hidetaka Matsuzaka has extensive experience and deep insight as he was involved in managing gas business for long years. The Company hereby proposes his election as Director to seek his opinion on the Company's management from an objective standpoint.		

Notes: 1. The Company pays membership fees and others to Hiroshima Association of Corporate Executives.
The Company outsources part of the processing service of gas to Setouchi Pipeline Co., Ltd. The Company also conducts loans to Setouchi Pipeline Co., Ltd. and guarantees obligations owed by the company.
The Company guarantees obligations owed by Kaita Biomass Power Co., Ltd.
The Company guarantees obligations owed by MAPLE LNG TRANSPORT INC.
The Company sells compressed natural gas to Hiroshima Electric Railway Co., Ltd.
The Company has banking transactions with The Hiroshima Bank, Ltd.
The Company pays membership fees and others to The Hiroshima Chamber of Commerce and Industry.

2. Masao Mukuda, Hiroshi Segawa, Koji Ikeda and Hidetaka Matsuzaka are candidates for outside Directors.

3. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Masao Mukuda, Hiroshi Segawa and Koji Ikeda have been appointed as independent officers as provided for by the aforementioned exchange. If Hidetaka Matsuzaka is elected at this general meeting of shareholders, the Company plans to submit notification to Tokyo Stock Exchange, Inc. that he has been appointed as independent officer as provided for by the aforementioned exchange.

4. Please see page 27 of the Business Report for an outline of the liability limitation agreement that the Company has entered into with Masao Mukuda, Hiroshi Segawa and Koji Ikeda respectively (Japanese only).
Upon approval of the election of Hidetaka Matsuzaka as proposed, the Company plans to enter into a liability limitation agreement with him to limit the liability for damages under Article 423, Paragraph 1 of the Companies Act to the amount defined under laws and regulations.

Proposal No. 3 Election of One Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Yasutoshi Takei will expire at the end of this annual general meeting of shareholders. Therefore, the Company proposes the election of one Audit & Supervisory Board Member.

In addition, the consent of Audit & Supervisory Board has been obtained for this proposal.

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

Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
Chikako Akita (July 30, 1966) New election Outside Independent	June 1997 Registered as attorney at law (current position)	0 share
Reasons for nomination as candidate for outside Audit & Supervisory Board Member To strengthen the independence of audits, the Company hereby proposes Chikako Akita's election as Audit & Supervisory Board Member so that she will utilize her experience and insight as a professional lawyer. Though she has no experience of involvement in corporate management, she is expected to fulfill her duties as outside Audit & Supervisory Board Member appropriately due to the aforementioned reasons.		

Notes:
1. No special interests exist between the above candidate and the Company.
2. Chikako Akita is a candidate for outside Audit & Supervisory Board Member.
3. If Chikako Akita is elected at this general meeting of shareholders, the Company plans to submit notification to Tokyo Stock Exchange, Inc. that she has been appointed as independent officer as provided for by the aforementioned exchange.
4. Upon approval of the election of Chikako Akita as proposed, the Company plans to enter into a liability limitation agreement with her to limit the liability for damages under Article 423, Paragraph 1 of the Companies Act to the amount defined under laws and regulations.

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

At the 162nd annual general meeting of shareholders held on June 24, 2016, Haruhiko Katagi was approved as substitute outside Audit & Supervisory Board Member for outside Audit & Supervisory Board Member Yasutoshi Takei. However, Yasutoshi Takei will resign at the end of this annual general meeting of shareholders. Therefore, the Company proposes the election of one substitute outside Audit & Supervisory Board Member upon approval of the election of outside Audit & Supervisory Board Member candidate Chikako Akita in Proposal No. 3.
In addition, the consent of Audit & Supervisory Board has been obtained for this proposal.
The candidate for substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
Haruhiko Katagi (August 7, 1956)	Apr. 1996	Professor of Hiroshima University School of Law	0 share
	Apr. 2000	Professor of Hiroshima University Graduate School of Social Sciences	
	Apr. 2004	Professor of Hiroshima University Law School (current position)	
	June 2006	Substitute Audit & Supervisory Board Member of the Company (current position)	
Reasons for nomination as candidate for substitute outside Audit & Supervisory Board Member Haruhiko Katagi has deep insight as expert on corporate legal affairs. The Company hereby proposes his election as substitute outside Audit & Supervisory Board Member so that the Company will be able to strengthen the independence of its audits and he will utilize his insight for its audits. Though he has no direct experience of involvement in corporate management, he is expected to fulfill his duties as outside Audit & Supervisory Board Member appropriately due to the aforementioned reasons.			

Notes:
1. No special interests exist between the above candidate and the Company.
2. Haruhiko Katagi is a candidate for substitute outside Audit & Supervisory Board Member.
3. If Haruhiko Katagi assumes the post of Audit & Supervisory Board Member, the Company plans to submit notification to Tokyo Stock Exchange, Inc. that he has been appointed as independent officer as provided for by the aforementioned exchange.
4. If Haruhiko Katagi assumes the post of Audit & Supervisory Board Member, the Company plans to enter into a liability limitation agreement with him to limit the liability for damages under Article 423, Paragraph 1 of the Companies Act to the amount defined under laws and regulations.

Proposal No. 5 Determination of Compensation for Granting Restricted Stock to Directors (Excluding Outside Director)

The amount of compensation for Directors of the Company was approved at the 155th annual general meeting of shareholders, held on June 24, 2009, as up to 360 million yen per year (of which compensation to outside Directors shall be up to 48 million yen per year).
As part of a review of its compensation system for Directors, in a different framework from the compensation above, the Company proposes the payment of new compensation for granting restricted stock to Directors of the Company (excluding outside Directors; "Eligible Directors"). The new compensation is aimed to provide incentives to Directors to work to sustainably enhance the corporate value of the Company and promote the further sharing of value between Directors and shareholders.
The total amount of monetary claims to be paid for granting restricted stock to Eligible Directors based on this proposal ("Monetary Compensation Claims") shall be up to 72 million yen per year, as an amount considered appropriate, taking into account the above objectives. In addition, the specific timing of payment and distribution to each Eligible Director shall be determined by the Board of Directors. Outside Directors shall not be eligible for the payment of the new compensation for granting restricted stock to Directors.
At present, there are 11 Directors (of which there are four outside Directors) of the Company. If Proposal No. 2, "Election of 11 Directors," is approved and adopted as proposed, there will be 11 Directors (of which there will be four outside Directors) of the Company.
Additionally, pursuant to a resolution by the Board of Directors of the Company, Eligible Directors shall pay in all Monetary Compensation Claims provided by this proposal as property contributed in kind, and shall receive shares of common stock of the Company issued or disposed of. The total number of shares of common stock of the Company to be issued or disposed of in this way shall be up to 230,000 shares per year (In the event that there is the need for an adjustment of the number of shares of common stock of the Company to be issued or disposed of on or after the date of approval and adoption of this proposal, such as a share split (including a gratis share allocation) or consolidation of shares, the Company shall reasonably adjust the total number of shares of common stock of the Company to be issued or disposed of).
The amount to be paid in per share shall be an amount determined by the Board of Directors within a range that is not especially advantageous for Eligible Directors receiving the shares of common stock of the Company, based on the closing price of the common stock of the Company on the Tokyo Stock Exchange on the business day immediately before the day each resolution by the Board of Directors (if there are no trades on that day, the closing price on the most recent preceding trading day). In addition, when issuing or disposing of common stock of the Company in this way, the Company and Eligible Directors shall enter into an agreement for allocation of restricted stock (the "Allotment Agreement") including the following content.

(1) Transfer Restriction Period
Eligible Directors may not transfer, create a security interest on, or otherwise dispose of (the "Transfer Restrictions") shares of common stock of the Company received by allocation under the Allotment Agreement (the "Allocated Shares") within 30 years from the day they receive allocation under the Allotment Agreement (the "Transfer Restriction Period").

(2) Treatment on retirement from office
In the event that an Eligible Director retires from office of any of positions of Director, Executive Officer who is not concurrently serving as Director, Audit & Supervisory Board Member, Adviser, Counselor, or any other officer in a similar position of the Company or its subsidiaries before the Transfer Restriction Period expires, the Company shall automatically acquire the Allocated Shares without consideration for such retirement, unless the retirement from office is due to the expiration of his or her term of office, death, or other legitimate reason.

(3) Lifting of transfer restrictions
Notwithstanding the provisions of the above item (1), the Company shall lift Transfer Restrictions for all Allocated Shares when the Transfer Restriction Period expires, provided the Eligible Director has served continuously in his or her position as Director, Executive Officer who is not concurrently serving as Director, Audit & Supervisory Board Member, Adviser, Counselor, or any other officer in a similar position of the Company or its subsidiaries during the Transfer Restriction Period. However, in the event that the Eligible Director retires from his or her post mentioned in the item (2) above prior to the expiration of the Transfer

Restriction Period due to the expiration of his or her term of office, death, or other legitimate reason as set forth in item (2) above, the Company shall reasonably adjust the number of Allocated Shares of which Transfer Restrictions will be lifted and the timing of the lifting of Transfer Restrictions as necessary. Moreover, the Company shall automatically acquire Allocated Shares whose Transfer Restrictions are not lifted when this lifting takes place, without consideration.

(4) Treatment during organizational restructuring, etc.
Notwithstanding the provisions of item (1) above, if, during the Transfer Restriction Period, a merger agreement in which the Company will be the disappearing company, share exchange agreement or share transfer plan in which the Company will become a wholly owned subsidiary, or other item related to organizational restructuring, etc. is approved at a general meeting of shareholders of the Company (however, this shall be the Board of Directors of the Company in cases when the approval of the general meeting of shareholders of the Company is not required in regard to the organizational restructuring, etc.), the Company shall, by resolution of the Board of Directors, lift Transfer Restrictions ahead of the effective date of the organizational restructuring, etc. for the Allocated Shares of which number is reasonably determined in consideration of the period from the start date of the Transfer Restriction Period to the day the organizational restructuring, etc. is approved. In addition, in cases provided for above, the Company shall automatically acquire Allocated Shares whose Transfer Restrictions are not lifted immediately after the lifting of the Transfer Restrictions, without consideration.

(5) Other matters
Other matters related to the Allotment Agreement shall be determined by the Board of Directors of the Company.

(Reference)
On the condition that this proposal shall be approved and adopted as proposed, in addition to Eligible Directors, the Company, by resolution of the Board of Directors, also intends to apply a similar compensation plan in restricted stock to Executive Officers who are not concurrently serving as Directors, and issue or dispose of shares of common stock of the Company.