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. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

June 7, 2021

To Shareholders with Voting Rights:

Jiro Hachiya
President and Representative Director
FaithNetwork Co., Ltd.
3-2-1 Sendagaya, Shibuya-ku, Tokyo, Japan

NOTICE FOR THE 20TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

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

The 20th Ordinary General Meeting of Shareholders of FaithNetwork Co., Ltd. (the "Company") will be held for the purposes as described below.

To prevent the spread of COVID-19, we ask shareholders to refrain from attending the meeting on the day of the Meeting. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights via the Internet or in writing by 6 p.m. (JST) on Thursday, June 24, 2021, referring to the "Guide to the Exercise of Voting Rights" on page 3.

1. **Date and Time:** Friday, June 25, 2021 at 10 a.m. (reception starts at 9:30 a.m.)
2. **Place:** 5-31 Jingumae, Shibuya-ku, Tokyo, Japan
   Room KEYAKI, 2nd floor of TRUNK (HOTEL)
   *The location is different from the previous year. Please refer to the map to the meeting venue on the last page (translation omitted). Please note that the number of seats is limited and admission may be declined. We thank you in advance for your understanding and cooperation.
3. **Meeting Agenda:**

Matters to be reported: The Business Report and Non-consolidated Financial Statements for the Company's 20th Term (April 1, 2020 - March 31, 2021)

Matters to be resolved:

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

Proposal No. 2: Election of Three (3) Directors Who are not Audit and Supervisory Committee Members

Proposal No. 3: Election of Four (4) Directors Who are Audit and Supervisory Committee Members

Proposal No. 4: Determination of the Amount of Remuneration for Directors Who are not Audit and Supervisory Committee Members

Proposal No. 5: Determination of Remuneration for Granting Restricted Shares to Directors Who are not Audit and Supervisory Committee Members

Proposal No. 6: Determination of the Amount of Remuneration for Directors Who are Audit and Supervisory Committee Members

Proposal No. 7: Election of Accounting Auditor

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception.
- Of the documents to be provided with this Notice, the Structure and Policy of the Company in the Business Report, the Statements of Changes in Net Assets, and Notes to Non-consolidated Financial Statements have been posted on the Company's website (https://faithnetwork.co.jp/ir/irnews/) (in Japanese) in accordance with laws and regulations and Article 18 of the Company's Articles of Incorporation, and therefore are not included in this Notice.
- Any revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, or the Non-consolidated Financial Statements will be posted on the Company's website (https://faithnetwork.co.jp/ir/irnews/) (in Japanese).
- No souvenirs will be provided to shareholders attending the General Meeting of Shareholders. Your understanding would be much appreciated.

Guide to the Exercise of Voting Rights

Voting rights may be exercised in the following three ways.

When exercising your voting rights via the Internet

Follow the instructions on page 4 to log in to the website for exercising voting rights from your smartphone or personal computer, and enter your approval or disapproval of each proposal.

Exercise Deadline:
Entries completed by 6 p.m. on Thursday, June 24, 2021

When exercising your voting rights in writing (by mail)

Indicate your approval or disapproval of each proposal on the enclosed Voting Rights Exercise Form and mail it without affixing a stamp.

Exercise Deadline:
Form received by 6 p.m. on Thursday, June 24, 2021

When attending the General Meeting of Shareholders

Submit the enclosed Voting Rights Exercise Form at the reception.

Date and Time:
Friday, June 25, 2021 at 10 a.m. (reception starts at 9:30 a.m.)

* If you exercise your voting rights both via the Internet and in writing (by mail), the content of your vote via the Internet will be deemed valid.
* If you exercise your voting rights multiple times via the Internet, the last exercise will be deemed valid.

Guide to the Exercise of Voting Rights via the Internet

Scanning the QR code ("Smart Vote")

You can log into the website for exercising voting rights without entering the voting code or password.

1. Scan the QR code located on the bottom-right of the voting form.
   * QR code is a registered trademark of DENSO WAVE INCORPORATED.
2. Then follow the instructions on the screen and indicate your approval or disapproval.

The exercise of voting right by "Smart Vote" is available only once.
If you would like to change your vote after exercising your voting rights, please access the website for PC and login by entering the voting code and password printed on Voting Rights Exercise Form, and exercise your voting rights again.

* You can access the website for PC by scanning the QR code again.

Entering the voting code and password

Website for exercising voting rights:
https://www.web54.net

1. Access the website for exercising voting rights.
2. Enter the voting code printed on Voting Rights Exercise Form.
3. Enter the password printed on Voting Rights Exercise Form.
4. Then follow the instructions on the screen and indicate your approval or disapproval.

Please contact the Internet Help Dial on the right if you have any questions on how to exercise your voting rights via the Internet using a personal computer or smartphone.

Stock Transfer Agency Web Support Hotline
Sumitomo Mitsui Trust Bank, Limited.
0120 (652) 031 (toll free in Japan)
(Business hours: 9:00 a.m. to 9:00 p.m. (JST))

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Items

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

1. Reasons for the proposal

(1) Addition of businesses to the Company's purpose

a. The Company will add "security business" to its purpose to enhance our services as a one-stop partner by undertaking machine security services directly from the owners of the properties we manage.

b. The Company will also add "beauty business" to its purposes, given the possibility of operating beauty salons as a business in the future.

(2) Changes related to the transition to a company with an Audit and Supervisory Committee

The Company will shift to a company with an Audit and Supervisory Committee in order to strengthen the supervisory function of the Board of Directors, to further enhance corporate governance, and to further accelerate decision-making.

Accordingly, the Company proposes to make amendments, including the establishment of new provisions concerning Audit and Supervisory Committee Members and the Audit and Supervisory Committee as well as changes in provisions concerning Auditors and Board of Auditors, which are necessary for the transition to a company with an Audit and Supervisory Committee.

The amendments to the Articles of Incorporation in this proposal shall become effective at the conclusion of this General Meeting of Shareholders.

2. Description of the amendments

The description of the amendments is as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
CHAPTER I GENERAL PROVISIONS	CHAPTER I GENERAL PROVISIONS
Article 1. (Provisions omitted)	Article 1. (Unchanged)
(Purpose) Article 2. The purpose of the Company is to engage in the following businesses: 1. to 24. (Provisions omitted) <u>25.</u> All businesses incidental to each of the preceding items	(Purpose) Article 2. The purpose of the Company is to engage in the following businesses: 1. to 24. (Unchanged) <u>25. Security Business</u> <u>26. Beauty Business</u> <u>27.</u> All businesses incidental to each of the preceding items
Article 3. (Provisions omitted)	Article 3. (Unchanged)
(Organization) Article 4. The Company shall have the following organizations in addition to the General Meeting of Shareholders and Directors. 1. Board of Directors <u>2. Auditor</u> <u>3. Board of Auditors</u> <u>4.</u> Accounting Auditor	(Organization) Article 4. The Company shall have the following organizations in addition to the General Meeting of Shareholders and Directors. 1. Board of Directors <u>2. Audit and Supervisory Committee</u> (Deleted) <u>3.</u> Accounting Auditor
CHAPTER IV DIRECTORS AND THE BOARD OF DIRECTORS	CHAPTER IV DIRECTORS AND THE BOARD OF DIRECTORS
(Number of Members) Article 19. The number of Directors of the Company shall be ten (10) or less.	(Number of Members) Article 19. The number of Directors of the Company shall be ten (10) or less.

Current Articles of Incorporation	Proposed Amendments
(Newly established)	(ii) Among the Directors set forth in the preceding paragraph, the number of Directors who are Audit and Supervisory Committee Members shall not exceed five (5), and the majority of them shall be Outside Directors.
(Method of Election of Directors) Article 20. The election of Directors of the Company shall be made by a majority of the voting rights of the shareholders present at the General Meeting of Shareholders, where shareholders holding one-third (1/3) or more of the voting rights of shareholders who are entitled to exercise their voting rights are present.	(Method of Election of Directors) Article 20. The election of Directors of the Company shall be made by a majority of the voting rights of the shareholders present at the General Meeting of Shareholders, where shareholders holding one-third (1/3) or more of the voting rights of shareholders who are entitled to exercise their voting rights are present. However, Directors who are Audit and Supervisory Committee Members shall be elected separately from other Directors.
(ii) (Provisions omitted)	(ii) (Unchanged)
(Term of Office) Article 21. The term of office of Directors shall expire at the conclusion of the Ordinary General Meeting of Shareholders relating to the last fiscal year ending within one (1) year after their election.	(Term of Office) Article 21. The term of office of Directors who are not Audit and Supervisory Committee Members shall expire at the conclusion of the Ordinary General Meeting of Shareholders relating to the last fiscal year ending within one (1) year after their election. The term of office of Directors who are Audit and Supervisory Committee Members shall expire at the conclusion of the Ordinary General Meeting of Shareholders relating to the last fiscal year ending within two (2) years after their election.
(ii) The term of office of a Director as elected as a substitute for a Director who retired before the expiration of his/her term of office or as a result of an increase in the number of Directors shall be the same as the remaining term of office of his/her predecessor or other incumbent Directors.	(ii) The term of office of a Director who is not an Audit and Supervisory Committee Member elected as a substitute for a Director who is not an Audit and Supervisory Committee Member and retired before the expiration of his/her term of office or as a result of an increase in the number of Directors shall be the same as the remaining term of office of other incumbent Directors who are not Audit and Supervisory Committee Members.
(Newly established)	(iii) The term of office of a Director who is an Audit and Supervisory Committee Member elected as a substitute for a Director who is an Audit and Supervisory Committee Member and retired before the expiration of his/her term of office shall expire at the expiration of the term of office of the retired Director who is an Audit and Supervisory Committee Member.
(Representative Directors and Directors with Special Title) Article 22. The Directors who shall represent the Company shall be determined by a resolution of the Board of Directors.	(Representative Directors and Directors with Special Title) Article 22. The Directors who shall represent the Company shall be determined by a resolution of the Board of Directors from among the Directors who are not Audit and Supervisory Committee Members.
(ii) One of the Representative Directors shall be the	(ii) One of the Representative Directors shall be the

Current Articles of Incorporation	Proposed Amendments
President, who shall execute the business of the Company. (iii) The Company may, by a resolution of the Board of Directors, appoint a few Vice Presidents, Senior Managing Directors, and Managing Directors from among the Directors. (iv) The Company may, by a resolution of the Board of Directors, appoint Executive Directors from among the Directors.	President, who shall execute the business of the Company. (iii) The Company may, by a resolution of the Board of Directors, appoint a few Vice Presidents, Senior Managing Directors, and Managing Directors from among the Directors who are not Audit and Supervisory Committee Members. (iv) The Company may, by a resolution of the Board of Directors, appoint Executive Directors from among the Directors who are not Audit and Supervisory Committee Members.
(Convener and Chairman of the Board of Directors) Article 23. Unless otherwise provided for in laws and regulations, the President shall convene and chair a meeting of the Board of Directors. (ii) In the event that the President is unable to act, another Director shall convene and chair a meeting of the Board of Directors in accordance with the order previously determined by the Board of Directors.	(Convener and Chairman of the Board of Directors) Article 23. The Chairman of the Board of Directors shall be determined by a resolution of the Board of Directors from among the Outside Directors. (ii) Unless otherwise provided for in laws and regulations, meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors. (iii) In the event that the Chairman of the Board of Directors is unable to act, another Director shall convene and chair a meeting of the Board of Directors in accordance with the order previously determined by the Board of Directors.
(Newly established)	
(Notice of Convocation of Board of Directors Meetings) Article 24. Notice of a meeting of the Board of Directors shall be provided to each Director and each Auditor at least three (3) days prior to the date of the meeting. However, if there is an urgent need, this period may be shortened. (ii) A meeting of the Board of Directors may be held without the convocation procedures if agreed by all the Directors and Auditors.	(Notice of Convocation of Board of Directors Meetings) Article 24. Notice of a meeting of the Board of Directors shall be provided to each Director at least three (3) days prior to the date of the meeting. However, if there is an urgent need, this period may be shortened. (ii) A meeting of the Board of Directors may be held without the convocation procedures if agreed by all the Directors.
(Newly established)	(Delegation of Execution of Important Duties) Article 25. Under Paragraph 6, Article 399-13 of the Companies Act, the Board of Directors may, by its resolution, delegate to the Directors all or part of the decisions on the execution of important operations excluding matters set forth in each item under Paragraph 5 of the said Article.
Article 25. (Provisions omitted)	Article 26. (Unchanged)
(Minutes of the Board of Directors Meetings) Article 26. The outline of the proceedings and the results thereof, as well as other matters provided for in laws and regulations, shall be recorded in the minutes of the Board of Directors meetings, and the Directors and	(Minutes of the Board of Directors Meetings) Article 27. The outline of the proceedings and the results thereof, as well as other matters provided for in laws and regulations, shall be recorded in the minutes of the Board of Directors meetings, and the Directors present at

Current Articles of Incorporation	Proposed Amendments
Auditors present at the meetings shall sign or affix their names and seals thereto or affix their electronic signatures thereto.	the meetings shall sign or affix their names and seals thereto or affix their electronic signatures thereto.
Article 27. (Provisions omitted)	Article 28. (Unchanged)
(Remuneration) Article 28. Directors' remuneration, bonuses and other property benefits received from the Company as compensation for the execution of duties (hereinafter referred to as "Remuneration, etc.") shall be determined by a resolution of the General Meeting of Shareholders.	(Remuneration) Article 29. Directors' remuneration, bonuses and other property benefits received from the Company as compensation for the execution of duties (hereinafter referred to as "Remuneration, etc.") shall be determined by a resolution of the General Meeting of Shareholders. However, the Remuneration, etc. of Directors who are Audit and Supervisory Committee Members shall be determined by a resolution of the General Meeting of Shareholders separately from the Remuneration, etc. of other Directors.
Article 29. to Article 30. (Provisions omitted)	Article 30. to Article 31. (Unchanged)
CHAPTER V AUDITORS AND THE BOARD OF AUDITORS	CHAPTER V AUDIT AND SUPERVISORY COMMITTEE
Article 31. to Article 41. (Provisions omitted)	(Deleted)
(Newly established)	(Audit and Supervisory Committee) Article 32. The Audit and Supervisory Committee shall make decisions on matters stipulated in laws and regulations and exercise the authority necessary for the execution of its duties.
(Newly established)	(Notice of Convocation of Audit and Supervisory Committee Meetings) Article 33. Notice of a meeting of the Audit and Supervisory Committee shall be provided to each Audit and Supervisory Committee Member at least three (3) days prior to the date of the meeting. However, if there is an urgent need, this period may be shortened. (ii) A meeting of the Audit and Supervisory Committee may be held without the convocation procedures if agreed by all the Audit and Supervisory Committee Members.
(Newly established)	(Audit and Supervisory Committee Rules) Article 34. Matters concerning the Audit and Supervisory Committee shall be subject to the Audit and Supervisory Committee Rules established by the Audit and Supervisory Committee, in addition to laws and regulations or the Articles of Incorporation.
CHAPTER VI ACCOUNTING AUDITOR	CHAPTER VI ACCOUNTING AUDITOR

Current Articles of Incorporation	Proposed Amendments
Article 42. to Article 45. (Provisions omitted)	Article 35. to Article 38. (Unchanged)
CHAPTER VII ACCOUNTING	CHAPTER VII ACCOUNTING
Article 46. to Article 49. (Provisions omitted)	Article 39. to Article 42. (Unchanged)
(Newly established)	SUPPLEMENTARY PROVISION
(Newly established)	Article 1. The Company may, by a resolution of the Board of Directors, exempt a Director (including a former Director) from liability for damages for acts prescribed in Article 423, Paragraph 1 of the Companies Act, which were committed prior to the 20th Ordinary General Meeting of Shareholders, to the extent stipulated by laws and regulations. Provided, however, that the consent of each Audit and Supervisory Committee Member shall be required.
(Newly established)	Article 2. The Company may, by a resolution of the Board of Directors, exempt a former Auditor from liability for damages for acts prescribed in Article 423, Paragraph 1 of the Companies Act, which were committed prior to the 20th Ordinary General Meeting of Shareholders, to the extent stipulated by laws and regulations. Provided, however, that the consent of each Audit and Supervisory Committee Member shall be required.

Proposal No. 2: Election of Three (3) Directors Who are not Audit and Supervisory Committee Members

The terms of office of all seven (7) Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. Subject to the approval of Proposal No. 1: Partial Amendments to the Articles of Incorporation, the Company will shift to a company with an Audit and Supervisory Committee. Therefore, the Company proposes to elect three (3) Directors who are not Audit and Supervisory Committee Members.

The resolution concerning this proposal shall take effect on the condition that the amendments to the Articles of Incorporation concerning Proposal No. 1: Partial Amendments to the Articles of Incorporation takes effect.

The candidates for Directors who are not Audit and Supervisory Committee Members are as follows:

No.	Name		Age	Current positions and responsibilities at the Company	Number of years served as Director	Attendance at the Board of Directors meetings
1	Jiro Hachiya	Reappointment	51	President and Representative Director	19 years	100% (20 / 20)
2	Takayuki Yamamoto	Reappointment	51	Managing Director Supervisor of Design Division and PR Planning	7 years	100% (20 / 20)
3	Yosuke Ishimaru	Reappointment	38	Director Supervisor of Corporate Administration Division (Accounting, Finance, General Affairs and Human Resources, and Legal)	2 years	100% (20 / 20)

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Jiro Hachiya (Oct. 2, 1969)	Apr. 1988 Joined THE SETAGAYA SHINKIN BANK Oct. 2001 Established the Company Assumed the office as President and Representative Director (to present) Jun. 2004 Representative Director, Crosscurrent LLC Sept. 2004 Representative Director, Five Sense LLC Oct. 2018 Assumed office as Representative Director, Grand Funding Co., Ltd. (currently FAITH Asset Management Co., Ltd.) Jan. 2021 Director, FAITH Asset Management Co., Ltd. (to present) [Reason for nomination as a candidate for Director] Since the establishment of the Company in October 2001, Mr. Jiro Hachiya has devoted himself to the development of the Company's business as Representative Director, steering the Company to a phenomenal growth. The Company has nominated him as a candidate for Director, judging that his strong leadership is necessary for the further growth and development of the Company.	480,000
2	Takayuki Yamamoto (May 19, 1970)	Apr. 1993 Joined OHKI Corporation Feb. 1997 Registered as first-class architect Apr. 2001 Joined Kay Minato Architects Sept. 2004 Joined W Holding Co., Ltd. Oct. 2010 Joined the Company Sept. 2013 Assumed office as Managing Director (to present) Jan. 2019 Assumed office as Executive Officer (to present) [Reason for nomination as a candidate for Director] Mr. Takayuki Yamamoto has expertise as a first-class architect. Since joining the Company, he has been involved in the entire real estate and construction projects developed by the Company. The Company has nominated him as a candidate for Director, judging that he will continue to utilize his knowledge in the Company's management.	80,000
3	Yosuke Ishimaru (Nov. 1, 1982)	Aug. 2005 Joined Yoshitomi Partners Accounting Office Nov. 2007 Joined Azabu Partners Tax Accountant Corporation Nov. 2014 Seconded to the Company Jul. 2015 Assumed office as Deputy General Manager, Business Administration Division Feb. 2018 Joined the Company Oct. 2018 Assumed office as Executive Officer (to present) Jun. 2019 Assumed office as Director (to present) [Reason for nomination as a candidate for Director] Mr. Yosuke Ishimaru has experience in accounting, tax, and management consulting at a tax accountant firm. He has been involved in the establishment of a corporate administration division since 2014, and has been involved in the Company's management through the said division since he joined the Company in 2018. The Company has nominated him as a candidate for Director, judging that he will continue to utilize his knowledge in the Company's management.	60,000

Notes: 1. There are no special interests between the candidates for Directors who are not Audit and Supervisory Committee Members and the Company.

2. The Company has concluded a directors and officers liability insurance policy provided for in Paragraph 1, Article 430-3 of the Companies Act with an insurance company. In the event of a

claim for damages submitted by a shareholder or a third party, etc., the said insurance policy shall compensate for damages including compensation for damages and contentious expenses to be borne by the insured. The above candidates will be included as the insured under the said insurance policy.

Proposal No. 3: Election of Four (4) Directors Who are Audit and Supervisory Committee Members

Subject to the approval of Proposal No. 1: Partial Amendments to the Articles of Incorporation, the Company will shift to a company with an Audit and Supervisory Committee. Therefore, The Company proposes to elect four (4) Directors who are Audit and Supervisory Committee Members.

The consent of the Board of Auditors has been obtained with regard to this proposal. The resolution concerning this proposal shall take effect on the condition that the amendments to the Articles of Incorporation concerning Proposal No. 1: Partial Amendments to the Articles of Incorporation takes effect.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

No.	Name		Age	Current positions and responsibilities at the Company	Number of years served as Director	Attendance at the Board of Directors meetings
1	Hiroyuki Kusahara	New appointment	65	Full-time Auditor	—	100% (20 / 20)
2	Yuji Katsuki	New appointment Outside Independent	63	Outside Director	4 years	100% (20 / 20)
3	Masami Matsushita	New appointment Outside Independent	73	Outside Director	3 years	100% (20 / 20)
4	Yukio Ishibashi	New appointment Outside Independent	38	Outside Auditor	—	100% (20 / 20)

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	* Hiroyuki Kusahara (May 25, 1956)	Apr. 1979 Joined Nippon Housing Loan Company Sept. 1996 Joined Toyo Advertising Co., Ltd. (currently T&T Advertising Co. Ltd.) Jun. 2009 Assumed office as Auditor Oct. 2015 Joined the Company Jun. 2016 Assumed office as Auditor (to present) [Reason for nomination as a candidate for Director who is an Audit and Supervisory Committee Member] Mr. Hiroyuki Kusahara has extensive work experience and professional expertise as Full-time Auditor. The Company has nominated him as a candidate for Director who is an Audit and Supervisory Committee Member, judging that he will continue to make use of such experience and expertise in auditing the Company.	1,200
2	* Yuji Katsuki (Feb. 4, 1958)	Oct. 1987 Passed the bar examination Apr. 1990 Registered as attorney at law with the Tokyo Bar Association Joined Ozawa & Akiyama (to present) Jun. 2008 Audit & Supervisory Board Member, NIPPON ANTENNA Co., Ltd. (to present) Jun. 2016 Assumed office as Auditor, the Company Jun. 2017 Assumed office as Director (to present) [Reason for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and expected roles] Mr. Yuji Katsuki has specialized knowledge and expertise as an attorney at law, and has contributed to the soundness and transparency of the Company's decision-making as Outside Director. The Company has nominated him as a candidate for Outside Director who is an Audit and Supervisory Committee Member, expecting that he will help strengthen the function to supervise the execution of duties by Directors, drawing on his experience. Although he has never been involved in corporate management other than having served as an outside director or an outside auditor, the Company believes that he can appropriately perform the duties as an Outside Director who is an Audit and Supervisory Committee Member based on the aforementioned reasons.	—

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	*Masami Matsushita (Jun. 14, 1948)	Apr. 1973 Joined The Kyowa Bank, Ltd. (currently Resona Bank, Limited) Dec. 1992 Seconded to Kyodo Mortgage Acceptance Co., Ltd. Sept. 2001 Assumed office as Executive Officer, The Asahi Bank, Ltd. (currently Resona Bank, Limited) Sept. 2003 Retired as Executive Officer, Resona Bank, Limited Feb. 2004 Assumed office as Senior Managing Director, Showa Leasing Co., Ltd. Jun. 2004 Assumed office as President & CEO, Showa Leasing Co., Ltd. Jun. 2008 Retired as President & CEO, Showa Leasing Co., Ltd. Jun. 2008 Assumed office as Audit & Supervisory Board Member, Leopalace21 Corporation Jun. 2010 Assumed office as Auditor, Nihon Plast Co., Ltd. Jun. 2018 Assumed office as Director, the Company (to present)	—
		[Reason for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and expected roles] Mr. Masami Matsushita has contributed to strengthening its corporate governance system as Outside Director of the Company by giving valuable and candid opinions. Taking account of his proven track record, the Company has nominated him as a candidate for Outside Director who is an Audit and Supervisory Committee Member, expecting that he will provide useful advice on management of the Company as Outside Director who is an Audit and Supervisory Committee Member. In addition, he has a wealth of experience at financial institutions as well as experience of directly being involved in corporate management. Therefore, the Company believes that he can appropriately perform his duties as an Outside Director who is an Audit and Supervisory Committee Member.	

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	*Yukio Ishibashi (September 26, 1982)	Apr. 2003 Joined ChuoAoyama Audit Corporation Apr. 2006 Registered as Certified Public Accountant Aug. 2007 Registered as Certified Public Tax Accountant Aug. 2007 Representative, I&I Partners (to present) Sept. 2007 Director, Spopre Co., Ltd. (currently NOMARK Co., Ltd.) (to present) Feb. 2009 Representative Director, I&I Partners, Inc. (to present) Jan. 2017 Auditor, tiem factory Inc. (to present) Jun. 2017 Assumed office as Auditor, the Company (to present) Mar. 2021 Assumed office as Auditor, VRC Inc. (to present) [Reason for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and expected roles] Mr. Yukio Ishibashi has been engaged in the audit of the Company since he assumed the position of Outside Auditor of the Company in June 2017, based on his professional expertise and experience as Certified Public Accountant and Certified Public Tax Accountant. The Company has nominated him as a candidate for Outside Director who is an Audit and Supervisory Committee Member, expecting that he will help strengthen the function to supervise the execution of duties by Directors, drawing on such knowledge and expertise. In addition, he has experience of directly being involved in corporate management. Therefore, the Company believes that he can appropriately perform his duties as an Outside Director who is an Audit and Supervisory Committee Member.	—

Notes:
1. The asterisk mark (*) represents a candidate for a newly appointed Director who is an Audit and Supervisory Committee Member.
2. There are no special interests between the candidates for Directors who are Audit and Supervisory Committee Members and the Company.
3. Mr. Yuji Katsuki, Mr. Masami Matsushita, and Mr. Yukio Ishibashi are candidates for Outside Directors.
4. The Company has designated Mr. Yuji Katsuki and Mr. Masami Matsushita as independent directors as provided for in the regulations of Tokyo Stock Exchange, and has notified the exchange to that effect. Also, the Company intends to designate Mr. Yukio Ishibashi as independent director as provided for in the regulations of Tokyo Stock Exchange, and notify the exchange to that effect.
5. Mr. Yuji Katsuki currently is an Outside Director of the Company, and his term of office as an Outside Director will be 4 years at the conclusion of this Ordinary General Meeting of Shareholders.
6. Mr. Masami Matsushita currently is an Outside Director of the Company, and his term of office as an Outside Director will be 3 years at the conclusion of this Ordinary General Meeting of Shareholders.
7. The Company stipulates in its Articles of Incorporation that it can enter into agreements with Outside Directors (excluding Executive Directors) and Auditors to limit their liability under Paragraph 1, Article 423 of the Companies Act to 1 million yen or the minimum amount of liability stipulated by laws and regulations, whichever is higher. Subject to approval of Proposal 1 as proposed, the Company is able to enter into the same agreement with Directors who are Audit and Supervisory Committee Members. If Mr. Yuji Katsuki and Mr. Masami Matsushita assume office as Director, the Company intends to continue the above liability limitation agreement with them. If Mr. Hiroyuki Kusahara and Mr. Yukio Ishibashi assume office as Director, the Company intends to enter into the liability limitation agreement with them, which comes with the same

terms and conditions as those in the agreement with them as Auditor.

8. The Company has concluded a directors and officers liability insurance policy provided for in Paragraph 1, Article 430-3 of the Companies Act with an insurance company. In the event of a claim for damages submitted by a shareholder or a third party, etc., the said insurance policy shall compensate for damages including compensation for damages and contentious expenses to be borne by the insured. The above candidates will be included as the insured under the said insurance policy.

Proposal No. 4: Determination of the Amount of Remuneration for Directors Who are not Audit and Supervisory Committee Members

The amounts of remunerations for Directors have been not more than 200 million yen per year since the proposal for the remunerations was approved at the 14th Ordinary General Meeting of Shareholders held on June 26, 2015. Subject to the approval of Proposal No.1: Partial Amendments to the Articles of Incorporation, the Company will shift to a company with an Audit and Supervisory Committee. If Proposal 2 is approved as originally proposed, the number of Directors will decrease. However, to reflect the operating performance to remuneration for Directors, the Company will keep following the provision of remuneration for Directors, and proposes that the amount of annual remuneration, etc. for Directors who are not Audit and Supervisory Committee Members be 200 million yen or less.

The Company has decided on the policy for determining the remuneration for Directors at the Board of Directors' meeting. A summary of the policy is given on page 12 of the Business Report (available only in Japanese version). The amounts of remuneration, etc. for this proposal is in line with the foregoing policy and is considered appropriate.

The amounts of remuneration for Directors who are not Audit and Supervisory Committee Members do not include the employee portion of salaries for Directors who concurrently serves as employees.

The number of Directors is currently seven (7) (including two (2) Outside Directors). If Proposal No. 1: Partial Amendments to the Articles of Incorporation, and Proposal No. 2: Election of Three (3) Directors Who are not Audit and Supervisory Committee Members, are approved as originally proposed, the number of Directors who are not Audit and Supervisory Committee Members will be three (3).

This proposal shall take effect subject to Proposal No. 1: Partial Amendments to the Articles of Incorporation taking effect.

Proposal No. 5: Determination of Remuneration for Granting Restricted Shares to Directors Who are not Audit and Supervisory Committee Members

Subject to the approval of Proposal No. 1: Partial Amendments to the Articles of Incorporation, the Company will shift to a company with an Audit and Supervisory Committee. As part of the revision to the remuneration system for Directors to improve corporate governance, the Company hereby proposes to provide, separately from the remuneration for which we are seeking approval under Proposal No. 4: Determination of the Amount of Remuneration for Directors Who are not Audit and Supervisory Committee Members, the remuneration for granting the restricted shares to Directors (excluding Directors who are Audit and Supervisory Committee Members) of the Company ("Eligible Directors") in order to provide them with an incentive to sustainably increase the Company's corporate value and to further promote value sharing between shareholders and the Eligible Directors.

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 50 million yen per year, which is considered to be reasonable in light of the above objectives. The specific time and allocation of payment to each of the Eligible Directors shall be determined by resolution of the Board of Directors.

The number of Directors are currently seven (7) (including two (2) Outside Directors), and if Proposal 2, "Election of Three (3) Directors Who Are Not Audit and Supervisory Committee Members," is approved as originally proposed, the number of Directors who are not Audit and Supervisory Committee Members will 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 receive common shares of the Company issued or disposed of. Total number of common shares of the Company so issued or disposed of shall be not more than 20,000 per year. (However, such number shall be reasonably adjusted if the Company performs a share split of the Company's common shares (including gratis allotment of the Company's common shares) or a consolidation of such shares, or if 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 receive the Company's common shares. The issuance or disposal of common shares of the Company, and the provision of Monetary Remuneration Claims as the property contributed in kind as mentioned above shall be subject to the agreement on allotment of restricted shares ("Allotment Agreement") concluded into between the Company and the Eligible Directors, which shall include the following details. Also, the maximum amount of the remuneration, the total number of common shares issued or disposed of, other conditions for granting restricted shares to the Eligible Directors under this proposal have been determined based on the foregoing objectives, the operating conditions of the Company, the policy concerning the determination of remuneration, etc. to each Director of the Company, and a range of other conditions, and therefore, the Company considers they are reasonable.

(1) Restricted Period

The Eligible Directors shall not, during a period designated by the Board of Directors in advance, between three (3) to thirty (30) 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 that is designated by the Board of Directors in advance 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, death, or other justifiable reasons.

(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 that is designated by the Board of Directors in advance 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, death, or

other justifiable reasons as stipulated in item (2) above, the Company shall reasonably 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 provisions.

(4) Treatment on reorganization, etc.

Notwithstanding the provision of (1) above, if, during the Restricted Period, matters relating to a merger agreement in which the Company becomes 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 for 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.

This proposal shall take effect subject to Proposal No. 1: Partial Amendments to the Articles of Incorporation taking effect.

Proposal No. 6: Determination of the Amount of Remuneration for Directors Who are Audit and Supervisory Committee Members

Subject to the approval of Proposal No. 1: Partial Amendments to the Articles of Incorporation, the Company will shift to a company with an Audit and Supervisory Committee. We propose that the amounts of remuneration for Directors who are Audit and Supervisory Committee Members be 40 million yen or less annually, taking into consideration their duties and responsibilities.

The Company has decided on the policy for determining the remuneration for Directors at the Board of Directors' meeting. A summary of the policy and the amounts of remuneration is given on page 12 of the Business Report (available only in Japanese version). The amounts of remuneration, etc. for this proposal is in line with the foregoing policy and is considered appropriate.

If Proposal No. 1: Partial Amendments to the Articles of Incorporation and Proposal No. 3: Election of Four (4) Directors Who are Audit and Supervisory Committee Members are approved as originally proposed, the number of Directors Who are Audit and Supervisory Committee Members will be four (4).

This proposal shall take effect subject to Proposal No. 1: Partial Amendments to the Articles of Incorporation taking effect.

Proposal No. 7: Election of Accounting Auditor

Ernest & Young ShinNihon LLC will retire as the Company's Accounting Auditor due to expiry of its term of office at the conclusion of this Ordinary General Meeting of Shareholders. Based on the decision of the Board of Auditors, we propose to elect Crowe Toyo & Co. as Accounting Auditor.

We have nominated Crowe Toyo & Co. as a candidate for new Accounting Auditor based on the conclusion, through comprehensive assessment of its independence and professional expertise as an accounting auditor, that it has a system to ensure that accounting audits are conducted properly and appropriately, and thus, is an appropriate candidate for Accounting Auditor of the Company.

Details of the candidate for Accounting Auditor are as follows:

(As of December 31, 2020)

Name	Crowe Toyo & Co.	
Main place of business	Kandamitoshirocho 7, Chiyoda-ku, Tokyo Sumitomo Fudosan Kanda Bldg., 6th Floor	
History	Jan. 1971	Established as Nitto Audit and Accounting Office
	Nov. 1981	Renamed to Toyo & Co. following the integration with Toranomon Kyodo Office.
	Jan. 2005	Merged with Nishimura audit and accounting office
	Oct. 2006	Merged with Toto Audit company
	Jul. 2018	Became a member firm of Crowe Global
Overview	Representative partners	9
	Partners	60
	Certified Public Accountants	230
	Successful CPA Exam Candidates including Junior Accountants	47
	Other professional staff	28
	Administrative staff	26
	Total	400