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(Stock Exchange Code 4286)
March 9, 2021

To Shareholders with Voting Rights:

Junichiro Uchikawa
President & CEO
LEGS COMPANY, LTD.
2-26-1 Minamiaoyama, Minato-ku, Tokyo

NOTICE OF
THE 33RD ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

You are cordially invited to attend the 33rd Annual General Meeting of Shareholders of LEGS COMPANY, LTD. (the "Company"), which will be held as described below.

Instead of attending the meeting, you can exercise your voting rights by mail or via the internet, etc., and are kindly requested to exercise your voting rights on or before 6 p.m., Wednesday, March 24, 2021 (Japan time), after reviewing the attached "Reference Documents for the General Meeting of Shareholders."

1. **Date and Time:** Thursday, March 25, 2021
   10:00 a.m. Japan time (Reception opens at 9:15 a.m.)
2. **Place:** "Banquet" on the ninth floor of Nippon Seinenkan Hotel
   4-1, Kasumigaokamachi, Shinjuku-ku, Tokyo
   * The venue has changed this year.

No souvenirs will be made available to the attending shareholders. We sincerely request your understanding and acceptance.

3. Meeting Agenda:

Matters to be reported:

1. The Business Report, Consolidated Financial Statements for the Company's 33rd Fiscal Year (January 1, 2020 - December 31, 2020) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the Company's 33rd Fiscal Year (January 1, 2020 - December 31, 2020)

Proposal to be resolved:

Proposal 1:	Appropriation of Surplus
Proposal 2:	Partial Amendment to the Articles of Incorporation
Proposal 3:	Election of Eight (8) Directors
Proposal 4:	Election of One (1) Audit & Supervisory Board Member
Proposal 5:	Issuance of Stock Acquisition Rights as Stock Options
Proposal 6:	Decision on the Details and the Amounts of Compensations by Stock Options for Directors and Audit & Supervisory Board Members

1. When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
2. Among the documents which should be provided together with this Notice, the following notes are made available on the Company's website at https://www.legs.co.jp, pursuant to the applicable laws and regulations and Article 16 of the Articles of Incorporation of the Company. Accordingly, these notes are not provided in this Notice. These documents are part of the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements which were audited when audit reports were prepared by the Audit & Supervisory Board Members and accounting audit reports were prepared by the Accounting Auditor.
   (1) "The Structure and the Policies of the Company"
   (2) "Consolidated Statements of Changes in Equity" and "Notes to the Consolidated Financial Statements"
   (3) "Non-consolidated Statements of Changes in Equity" and "Notes to the Non-consolidated Financial Statements"

   Should the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements, and the Consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website (https://www.legs.co.jp).
3. Please bring this leaflet to the meeting with you for paper resources saving.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Year-end dividend

Taking into account such factors as the current financial results and the future business operations, the Company proposes the year-end dividend for the 33rd Fiscal Year as follows.

(a) Allotment of dividend assets and the total amount thereof

The Company proposes the payment of 36 yen per share of common stock.

The total amount of dividend in this case will be 377,570,376 yen.

(b) Effective date of distribution of surplus

The effective date will be March 26, 2021.

Proposal 2: Partial Amendment to the Articles of Incorporation

1. Reasons for the Amendment
   (a) The term of office of Directors will be shortened from two (2) years to one (1) year in order to establish a management structure that can flexibly respond to future changes in the business environment, clarify management responsibilities and further strengthen corporate governance by providing more opportunities for shareholders to express confidence in the Directors.
   (b) In order to implement a flexible capital policy and dividend policy, the Company proposes to newly establish Article 42 (Decision-making Body for Dividend of Surplus, etc.), amend Article 43 (Dividend of Surplus) of the current Articles of Incorporation, and delete Article 11 (Acquisition of Own Shares) and Article 44 (Interim Dividends) of the current Articles of Incorporation, which both have overlapping content, so that dividend of surplus, etc. may be determined by resolution of the Board of Directors pursuant to the provisions of Article 459, Paragraph 1 of the Companies Act.
   (c) The number of Articles shall be changed in accordance with the aforementioned changes.

2. Description of the Amendments
   Description of the amendments is as follows:

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
Article 1 to Article 10 (Omitted) (Acquisition of Own Shares) Article 11. Pursuant to the provisions of Article 165, Paragraph 2 of the Companies Act, the Company may acquire its own shares through market transactions, etc. by resolution of the Board of Directors.	Article 1 to Article 10 (Unchanged) (Deleted)
Article 12 to Article 21 (Omitted)	Article 11 to Article 20 (Unchanged)
(Term of Office) Article 22, Paragraph 1 The term of office of a Director shall expire at the conclusion of the Annual General Meeting of Shareholders pertaining to the last business year ending within two (2) years after his/her election.	(Term of Office) Article 21, Paragraph 1 The term of office of a Director shall expire at the conclusion of the Annual General Meeting of Shareholders pertaining to the last business year ending within one (1) year after his/her election.

Current Articles of Incorporation	Proposed Amendments
Article 23 to Article 30 (Omitted) Article 31. 2. The provisions set forth in Article 30, Paragraph 2 shall apply mutatis mutandis to the election referred to in the preceding paragraph.	Article 22 to Article 29 (Unchanged) Article 30. 2. The provisions set forth in Article 29, Paragraph 2 shall apply mutatis mutandis to the election referred to in the preceding paragraph.
Article 32 to Article 42 (Omitted)	Article 31 to Article 41 (Unchanged)
(Newly established)	(Decision-making Body for Dividend of Surplus, etc.) Article 42. Unless otherwise provided for in laws and regulations, the Company may, by resolution of the Board of Directors, determine dividend of surplus and other matters provided for in each item of Article 459, Paragraph 1 of the Companies Act.
(Dividend of Surplus) Article 43. The Company will distribute dividend of surplus to shareholders or registered pledgees of shares listed or recorded in the final shareholder register as of December 31 of each year by resolution of the General Meeting of Shareholders.	(Record Date for Dividend of Surplus) Article 43. The record date for year-end dividends of the Company shall be December 31 of each year.
(Newly established)	2. The record date for interim dividends of the Company shall be June 30 of each year.
(Newly established)	3. In addition to the preceding two paragraphs, the Company may establish a record date to distribute dividend of surplus.
(Interim dividends) Article 44. The Company may, by resolution of the Board of Directors, distribute dividend of surplus specified in Article 454, Paragraph 5 of the Companies Act (hereinafter "interim dividends") to shareholders or registered pledgees of shares listed or recorded in the final shareholder register as of June 30 of each year.	(Deleted)
Article 45 (Omitted)	Article 44 (Unchanged)

Proposal 3: Election of Eight (8) Directors

The terms of office of all six (6) Directors will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of eight (8) Directors is proposed, increasing the number of Directors by two (2) in order to reinforce the Company's management structure.

The candidates for Director are as follows.

No.	Name			Attendance at meetings of the Board of Directors
1	Junichiro Uchikawa	Reappointment		17/17
2	Makoto Yoneyama	Reappointment		17/17
3	Satoshi Yamashita	New appointment		—
4	Masashi Hasegawa	Reappointment		17/17
5	Hideo Konishi	New appointment		—
6	Mitsuru Ishimura	New appointment		—
7	Hiroshi Sonobe	Reappointment	Outside Independent	17/17
8	Oleg Zuravljov	Reappointment	Outside Independent	17/17

No.	Name (Date of birth)	Career summary, positions, and assignments at the Company (Significant concurrent positions)	Number of shares of the Company held
1	Junichiro Uchikawa (January 30, 1961) Reappointment	March 1988 Founded the Company, Representative Director March 1991 Founded S.I.P Corporation, Representative Director February 1994 President & CEO, the Company (to present) October 2008 Founded LEGS (SHANGHAI) TRADING COMPANY, LTD., Chairman July 2009 Director, M&I Co., Ltd. February 2011 Founded LEGS (SHANGHAI) ADVERTISING COMPANY, LTD. (currently LEGS (SHANGHAI) CULTURAL AND CREATIVE COMPANY, LTD.), Chairman March 2012 Founded LEGS (SHENZHEN) TRADING COMPANY, LTD., Chairman July 2014 Outside Director, ORENO Corporation August 2014 Director, LEGS (SHANGHAI) TRADING COMPANY, LTD. August 2014 Director, LEGS (SHANGHAI) ADVERTISING COMPANY, LTD. (currently LEGS (SHANGHAI) CULTURAL AND CREATIVE COMPANY, LTD.) August 2014 Director, LEGS (SHENZHEN) TRADING COMPANY, LTD. (to present) February 2016 Director, JU Co., Ltd. (to present) June 2020 Chairman, CDG Co., Ltd. (to present) July 2020 Chairman, LEGS (SHANGHAI) TRADING COMPANY, LTD. (to present) July 2020 Chairman, LEGS (SHANGHAI) CULTURAL AND CREATIVE COMPANY, LTD. (to present) (Significant concurrent positions) Director, JU Co., Ltd. Chairman, CDG Co., Ltd. Chairman, LEGS (SHANGHAI) TRADING COMPANY, LTD. Chairman, LEGS (SHANGHAI) CULTURAL AND CREATIVE COMPANY, LTD. Director, LEGS (SHENZHEN) TRADING COMPANY, LTD.	295,400
	●Reason for nomination as a candidate for Director Having abundant management experience and achievements, Mr. Junichiro Uchida has been serving as Representative Director of the Company since the Company's foundation. The Company believes that he is qualified to make decisions on significant business execution and supervise duties of directors and executive officers. Therefore, the Company has continuously nominated him as a candidate for Director.		

No.	Name (Date of birth)	Career summary, positions, and assignments at the Company (Significant concurrent positions)	Number of shares of the Company held
2	Makoto Yoneyama (September 2, 1956) Reappointment	March 1980 Joined Kyoto Ceramic Co., Ltd. (currently KYOCERA Corporation) July 2005 Transferred to KYOCERA MITA Corporation (currently KYOCERA Document Solutions Inc.), Corporate Officer & General Manager, Business Administration Division April 2008 Corporate Officer, KYOCERA MITA Corporation April 2008 Managing Director, KYOCERA MITA JAPAN Corporation March 2010 Transferred to KYOCERA Communication Systems Co., Ltd., Senior General Manager March 2010 Deputy Manager, Trustee's Office, Japan Airlines Co., Ltd. June 2010 Director, KYOCERA Communication Systems Co., Ltd. December 2010 Executive Officer, Corporate Control Division, Japan Airlines Co., Ltd. April 2012 Managing Executive Officer, Corporate Control Division, Japan Airlines Co., Ltd. June 2012 Managing Director, KYOCERA Communication Systems Co., Ltd. April 2015 Senior Managing Director & General Manager, Administration Division, KYOCERA Communication Systems Co., Ltd. March 2016 Joined the Company June 2016 General Manager, Administration Division, the Company March 2017 Senior Managing Director & General Manager, Administration Division, the Company March 2017 Representative Director, S.I.P Corporation (to present) May 2020 Senior Managing Director in charge of Business Management Administration and General Manager, Administration Division, the Company (to present) June 2020 Director, CDG Co., Ltd. (to present) July 2020 Director, LEGS (SHANGHAI) TRADING COMPANY, LTD. (to present) July 2020 Director, LEGS (SHANGHAI) CULTURAL AND CREATIVE COMPANY, LTD. (to present) (Significant concurrent positions) Representative Director, S.I.P Corporation Director, CDG Co., Ltd. Director, LEGS (SHANGHAI) TRADING COMPANY, LTD. Director, LEGS (SHANGHAI) CULTURAL AND CREATIVE COMPANY, LTD.	200
	●Reason for nomination as a candidate for Director Mr. Makoto Yoneyama has engaged in the management of listed companies for many years and has abundant practical experience and high level of knowledge. He has contributed to establishing corporate governance structure that is essential to sustainable growth since his assumption of office as General Manager of Administration Division in 2016. Therefore, the Company has continuously nominated him as a candidate for Director.		

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, positions, and assignments at the Company
(Significant concurrent positions)</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">3</td><td>Satoshi Yamashita
(June 27, 1979)

New appointment</td><td>April 2002 Joined the Company
February 2012 Executive Officer, the Company
March 2015 Senior Executive Officer, the Company
December 2017 Executive Officer, the Company
January 2019 Senior Executive Officer, the Company
January 2020 Managing Executive Officer, the Company (to present)
July 2020 Director, LEGS (SHANGHAI) TRADING COMPANY, LTD. (to present)
July 2020 Director, LEGS (SHANGHAI) CULTURAL AND CREATIVE COMPANY, LTD. (to present)
(Significant concurrent positions)
Director, LEGS (SHANGHAI) TRADING COMPANY, LTD.
Director, LEGS (SHANGHAI) CULTURAL AND CREATIVE COMPANY, LTD.</td><td>600</td></tr>
<tr><td colspan="3">●Reason for nomination as a candidate for Director
Mr. Satoshi Yamashita has been involved in sales at the Company for many years, and has abundant experience and knowledge, well versed in the field. He also has a wealth of knowledge not only in the sales promotion industry but also in licensing, and has contributed to building new business models such as promotional product sales.
Therefore, the Company believes that he is essential for the Company’s further development and enhancement of corporate value, and has nominated him as a candidate for Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, positions, and assignments at the Company
(Significant concurrent positions)</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">4</td><td>Masashi Hasegawa
(November 1, 1972)

Reappointment</td><td>May 1992 Joined the Company
February 2012 Executive Officer, the Company
December 2012 Senior Executive Officer, the Company
March 2015 Managing Executive Officer & General Manager, Sales Division, the Company
January 2018 Managing Executive Officer & Supervising Retail Business, the Company
March 2019 Director, the Company (to present)
July 2020 Director, LEGS (SHANGHAI) TRADING COMPANY, LTD. (to present)
July 2020 Director, LEGS (SHANGHAI) CULTURAL AND CREATIVE COMPANY, LTD. (to present)
(Significant concurrent positions)
Director, LEGS (SHANGHAI) TRADING COMPANY, LTD.
Director, LEGS (SHANGHAI) CULTURAL AND CREATIVE COMPANY, LTD.</td><td>112,500</td></tr>
<tr><td colspan="3">●Reason for nomination as a candidate for Director
Mr. Masashi Hasegawa has been involved in sales at the Company for many years, has abundant experience and knowledge, well versed in the field, and has sufficient knowledge of management through his duties as a sales executive. The Company believes that he continues to be capable of appropriately executing his duties as Director utilizing such experience and high level of knowledge. Therefore, the Company has continuously nominated him as a candidate for Director.</td></tr>
<tr><td rowspan="2">5</td><td>Hideo Konishi
(August 26, 1971)

New appointment</td><td>April 1996 Joined CDG Co., Ltd.
April 2015 General Manager, Tokyo Sales Department III, CDG Co., Ltd.
May 2016 Executive Officer, Deputy General Manager, Sales Headquarters and General Manager, Tokyo Sales Department III, CDG Co., Ltd.
May 2016 Secretary, CDG Promotional Marketing Co., Ltd.
April 2017 Executive Officer, Deputy General Manager, Sales Division, General Manager, Tokyo Sales Department I and General Manager, Sales Planning Department, CDG Co., Ltd.
April 2018 Senior Managing Executive Officer, General Manager, Sales Promotion Division, CDG Co., Ltd.
May 2018 CEO, CDG Promotional Marketing Co., Ltd.
June 2018 CEO and Director in charge of Sales Promotion Division, CDG Co., Ltd.
April 2019 CEO, CDG Co., Ltd. (to present)
(Significant concurrent positions)
CEO, CDG Co., Ltd.</td><td>-</td></tr>
<tr><td colspan="3">●Reason for nomination as a candidate for Director
Mr. Hideo Konishi has many years of experience in business execution in the sales and planning divisions at listed companies, and has deep understanding of, as well as extensive experience and insight into, the sales promotion industry.
He also has thorough knowledge of the digital business. The Company believes that he is essential for the Company’s further development and enhancement of corporate value, and has nominated him as a candidate for Director.</td></tr>
</table>

No.	Name (Date of birth)	Career summary, positions, and assignments at the Company (Significant concurrent positions)	Number of shares of the Company held
6	Mitsuru Ishimura (October 3, 1958) New appointment	April 1983 Joined The Bank of Tokyo, Ltd. (currently MUFG Bank, Ltd.) International Division, BOT Lease Co., Ltd. January 1988 Joined Paribas Capital Markets (currently BNP Paribas Securities (Japan) Limited) April 2000 Managing Director in charge of Investment Banking Division, HSBC Securities (Japan) Limited March 2006 Advisor, Strategic Scenario Co., Ltd. (to present) May 2013 Executive Director, Japan Association for Securities Learning (to present) June 2015 Outside Director, MARUHAN Corporation April 2016 Independent Outside Director, SATHAPANA BANK PLC. January 2019 Advisor, Kanie JAPAN Co., Ltd. (to present) (Significant concurrent positions) Advisor, Strategic Scenario Co., Ltd. Executive Director, Japan Association for Securities Learning Advisor, Kanie JAPAN Co., Ltd.	-
	●Reason for nomination as a candidate for Director After working at a bank and securities companies, Mr. Mitsuru Ishimura has held various management positions at numerous companies, and possesses deep experience and insight in and outside Japan. The Company believes that he can utilize his wide connections and extensive experience in the management of the Company, and has nominated him as a candidate for Director.		

No.	Name (Date of birth)	Career summary, positions, and assignments at the Company (Significant concurrent positions)	Number of shares of the Company held
7	Hiroshi Sonobe (February 12, 1965) Reappointment Outside Independent	April 1992 Entered the Legal Training and Research Institute of the Supreme Court of Japan April 1994 Joined Kiyoshi Suda Law Office October 2001 Established Hayashi, Sonobe & Fujigasaki Law Office (currently Hayashi & Sonobe Law Office) (to present) March 2010 Audit & Supervisory Board Member, Japan Property Management Center Co., Ltd. March 2013 Outside Audit & Supervisory Board Member, LEGS COMPANY, LTD. June 2014 Outside Audit & Supervisory Board Member, Tokyo Tekko Co., Ltd. March 2016 Outside Director, PALTEK CORPORATION March 2016 Outside Director, Japan Property Management Center Co., Ltd. (Audit and Supervisory Committee Member) (to present) June 2016 Outside Audit & Supervisory Board Member, Care Service Co., Ltd. (to present) June 2016 Outside Director, Tokyo Tekko Co., Ltd. (Audit and Supervisory Committee Member) (to present) March 2017 Outside Director, the Company (to present) March 2019 Audit & Supervisory Board Member, PALTEK CORPORATION (to present) (Significant concurrent positions) Representative Attorney-at-Law, Hayashi & Sonobe Law Office Outside Director, Tokyo Tekko Co., Ltd. (Audit and Supervisory Committee Member) Audit & Supervisory Board Member, PALTEK CORPORATION Outside Director, Japan Property Management Center Co., Ltd. (Audit and Supervisory Committee Member) Outside Audit & Supervisory Board Member, Care Service Co., Ltd.	1,000
	●Reason for nomination as a candidate for Outside Director ・Mr. Hiroshi Sonobe is a candidate for Outside Director. ・He will have served 4 years as Outside Director at the conclusion of this Annual General Meeting of Shareholders. ・The Company believes that, based on his extensive experience and knowledge as an expert in corporate legal affairs (attorney-at-law), he would supervise and monitor the management of the Company and his advice regarding all aspects of management could help enhance corporate governance. Therefore, the Company has continuously nominated him as a candidate for Outside Director. ●Matters regarding independence ・The Company registered Mr. Hiroshi Sonobe as Independent Director with no potential conflict of interest with general shareholders with Tokyo Stock Exchange, Inc.		

No.	Name (Date of birth)	Career summary, positions, and assignments at the Company (Significant concurrent positions)	Number of shares of the Company held
8	Oleg Zuravljov (May 8, 1972) Reappointment Outside Independent	February 1998 Joined FIL Investments (Japan) Limited January 2003 Joined Gartmore Asset Management Ltd. (currently Henderson Global Investors (Japan) Limited) February 2009 Founded Shared Research Inc., Representative Director March 2014 Outside Director, the Company (to present) October 2016 Chairman & Representative Director, Shared Research Inc. (to present) (Significant concurrent positions) Chairman & Representative Director, Shared Research Inc.	200
	●Reason for nomination as a candidate for Outside Director ・Mr. Oleg Zuravljov is a candidate for Outside Director. ・He will have served 7 years as Outside Director at the conclusion of this Annual General Meeting of Shareholders. ・The Company believes that he would be able to utilize his abundant experience and extensive knowledge accumulated through his many years in the securities business to manage the Company, therefore, the Company has continuously nominated him as a candidate for Outside Director. ●Matters regarding independence ・The Company registered Mr. Oleg Zuravljov as Independent Director with no potential conflict of interest with general shareholders with Tokyo Stock Exchange, Inc.		

(Notes)
1. The Company does not have any special interest with each candidate for Director.
2. If the election of candidates for Director Mr. Hideo Konishi and Mr. Mitsuru Ishimura is approved as proposed, the Company intends to enter into contracts with them for the purpose of limiting their liability for compensation of damages stipulated in Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 427, Paragraph 1 of the same Act. The maximum amount of liability under such contract is planned to be the greater of either 3 million yen or the minimum liability amount stipulated by laws and regulations.
3. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into contracts with Mr. Hiroshi Sonobe and Mr. Oleg Zuravljov for the purpose of limiting their liability for compensation of damages stipulated in Article 423, Paragraph 1 of the said Act. If their election is approved, the Company will continue to hold the agreement with them. The maximum amount of liability under such contract shall be the greater of either 3 million yen or the minimum liability amount stipulated by laws and regulations.
4. The Company has a directors and officers liability insurance policy which provides insurance cover for all Directors of the Company against damages that may arise from their responsibilities associated with the execution of their duties or claims taken against them for the pursuit of such responsibilities.
   However, certain exclusions apply to the above insurance, which include damages caused by willful misconduct or gross negligence.
   If each candidate assumes the office of Director, he/she will be the insured under the said insurance policy, which will be renewed in January 2022.
5. Neither Mr. Hiroshi Sonobe nor Mr. Oleg Zuravljov is a business executor or a director of any entity that has special relationship with the Company. Furthermore, there has been no such relevant relationship during the past 5 years.
6. Neither Mr. Hiroshi Sonobe nor Mr. Oleg Zuravljov is going to receive a large amount of money or other assets from the Company or any entity that has special relationship with the Company. Furthermore, there has been no such arrangement in the past 2 years.
7. Neither Mr. Hiroshi Sonobe nor Mr. Oleg Zuravljov is a spouse, a relative within the third degree or such a closely related person of a business executor or a director of the Company or any entity that has special relationship with the Company.
8. The number of shares they own are as of December 31, 2020.

Proposal 4: Election of One (1) Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Mr. Takeshi Nakaya will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of one (1) Audit & Supervisory Board Member is proposed. The Company has already obtained the approval of the Audit & Supervisory Board regarding this proposal.

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

	Name	Attendance at meetings of the Board of Directors and Audit & Supervisory Board
New appointment	Hajime Kusuda	-

Name (Date of birth)	Career summary and positions at the Company (Significant concurrent positions)	Number of shares of the Company held
Hajime Kusuda (August 29, 1962) New appointment	March 1988 Managing Director, the Company March 1991 Director, S.I.P Corporation March 2012 Director, LEGS (SHENZHEN) TRADING COMPANY, LTD. March 2014 Representative Director, S.I.P Corporation September 2014 Joined BONMAX CO., LTD., Executive Officer February 2016 Director and General Manager, Casual Wear Business Division, BONMAX CO., LTD. April 2020 Director and Deputy General Manager, Sales Division, BONMAX CO., LTD. February 2021 Advisor, the Company (to present) (Significant concurrent positions) Not applicable	30,100

●Reason for nomination as a candidate for Audit & Supervisory Board Member

Mr. Hajime Kusuda has been involved in the management of a wide range of areas, including sales and administrative divisions at the Company and other companies, and has abundant experience and insight especially regarding human resources development and corporate culture creation. He is also familiar with the sales promotion industry.

Therefore, the Company believes that he will be able to appropriately execute his duties as an Audit & Supervisory Board Member, and has nominated him as a candidate for Audit & Supervisory Board Member.

(Notes)
1. The Company does not have any special interest with the candidate for Audit & Supervisory Board Member.
2. If the election of the candidate for Audit & Supervisory Board Member Mr. Hajime Kusuda is approved as proposed, the Company intends to enter into a contract with him for the purpose of limiting his liability for compensation of damages stipulated in Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 427, Paragraph 1 of the same Act. The maximum amount of liability under such contract is planned to be the greater of either 3 million yen or the minimum liability amount stipulated by laws and regulations.
3. The Company has a directors and officers liability insurance policy which provides insurance cover for all Audit & Supervisory Board Members of the Company against damages that may arise from their responsibilities associated with the execution of their duties or claims taken against them for the pursuit of such responsibilities. However, certain exclusions apply to the above insurance, which include damages caused by willful misconduct or gross negligence. If the candidate for Audit & Supervisory Board Member assumes office as Audit & Supervisory Board Member, he will be the insured under the said insurance policy, which will be renewed in January 2022.
4. The number of shares they own are as of December 31, 2020.

The Company has established "Selection Standards for Directors and Audit & Supervisory Board Members" as follows.

"Selection Standards for Directors and Audit & Supervisory Board Members"

Directors and Audit & Supervisory Board Members of the Company shall fulfill the conditions stipulated in laws and regulations and the Articles of Incorporation, and shall also satisfy the following conditions.

Conditions required of all Directors and Audit & Supervisory Board Members
1. He or she shall possess excellent character, knowledge, insight, a strong spirit of compliance with laws and regulations, and ethical standards. 2. He or she shall possess excellent management sense, and a thorough knowledge of various issues related to management. 3. He or she shall possess objective decision-making capabilities, insight, and foresight. 4. He or she shall be able to provide his or her own views in a proactive manner, from a company-wide perspective.
Conditions required of Outside Directors
1. He or she shall possess a high level of insight, abundant practical experience, and experience of serving in a leadership role in fields such as corporate management, internal controls, laws and regulations, accounting, finance, and risk management. 2. He or she shall be able to supervise management and make related judgments in an objective manner, and provide advice and support related to sustainable corporate growth, from a practical perspective based on abundant experience in corporate management and specialized fields.
Conditions required of Outside Audit & Supervisory Board Members
1. He or she shall possess a high level of insight, abundant practical experience, and experience of serving in a leadership role in fields such as corporate management, internal controls, laws and regulations, accounting, finance, and risk management. 2. He or she shall be able to express objective audit views from a neutral standpoint, in order to ensure the neutrality and independence of the audit system.

In addition, the Company has established the following "Independence Standards for Outside Officers," which are standards for designating Outside Officers as Independent Directors/Auditors.

"Independence Standards for Outside Officers"

Outside Directors and Outside Audit & Supervisory Board Members of the Company shall fulfill the external conditions stipulated in the Companies Act and other laws and regulations, and shall also satisfy the following conditions.

Conditions required of all Outside Directors and Outside Audit & Supervisory Board Members
1. Regardless of age, gender, nationality, etc., he or she shall possess specialist knowledge, experience, insight, character, etc. that enable him or her to fulfill all his or her duties, and shall be someone who is able to understand, sympathize with, and implement the Company's management philosophy. 2. He or she shall satisfy the independence standards in the "Guidelines concerning Listed Company Compliance, etc." set forth by Tokyo Stock Exchange, Inc.

Proposal 5: Issuance of Stock Acquisition Rights as Stock Options

The Company requests your approval for stock acquisition rights to be issued to the Directors(including Outside Directors), the Audit & Supervisory Board Members, and the employees and Outside Supporters of the Company and its subsidiaries on especially favorable terms, under the provisions of Articles 236, 238 and 239 of the Companies Act.

1. Reasons for Soliciting Candidates to Subscribe for Stock Acquisition Rights on Especially Favorable Terms

The stock acquisition rights outlined below will be issued without consideration to the Directors (including Outside Directors) and the employees and Outside Supporters for the purpose of enhancing their motivations and morale towards the improvement of the Company's consolidated performance, and also to the Audit & Supervisory Board Members for the purpose of enhancing their awareness towards appropriate auditing.

2. Outline of Issuance of Stock Acquisition Rights

(1) Stock Acquisition Rights Holders

The stock acquisition rights shall be allotted to the Directors (including Outside Directors), the Audit & Supervisory Board Members, and the employees and Outside Supporters of the Company and its subsidiaries.

(2) Type and Number of Shares to Be Issued upon Exercise of Stock Acquisition Rights

The number of shares of the Company's common stock to be issued shall not exceed 80,000. After the allotment, however, if the Company conducts a stock split (including the allotment of shares of the Company's common stock without consideration; for the description of the stock spilt, the same shall apply hereinafter) or a reverse stock split, the number of shares to be issued upon exercise of each stock acquisition right (hereinafter referred to as the "number of shares granted") shall be adjusted according to the following formula.

(Number of shares granted after adjustment) = (Number of shares granted before adjustment) × (Ratio of stock split or reverse stock split)

In addition to the foregoing, if it is appropriate to adjust the number of shares granted after the allotment date, the Company may adjust the number of shares granted to the extent reasonable. Any fractions falling short of one (1) share caused by the above adjustment shall be rounded down.

(3) Total Number of Stock Acquisition Rights to Be Offered

The total number shall be up to 800. (The number of shares to be issued upon exercise of each stock acquisition right shall be 100. However, if the adjustment of the number of shares granted set forth in (2) above is made, the same adjustment shall be made.)

(4) Amount to Be Paid for Stock Acquisition Rights to Be Offered

No consideration shall be paid.

(5) Value of Assets Required for Exercise of Stock Acquisition Rights

The value of assets required for exercise of each stock acquisition right shall be the amount calculated by multiplying the amount to be paid per share received upon exercise of the stock acquisition right (hereinafter referred to as the "exercise value")by the number of shares granted. The exercise value shall be the amount (with any fractions less than one yen rounded up) calculated by multiplying by 1.05 the average closing price of the Company's common stock on all trading days (except days on which no trading is reported), which information is revealed by Tokyo Stock Exchange, Inc., in the month preceding the month in which the stock acquisition rights are allotted. In case the exercise value set forth above is below the closing price of the Company's common stock on the day preceding the allotment date of the stock acquisition rights (or the closing price of the immediately preceding day if any transaction is not made on the date), the exercise value shall be this closing price. After the allotment date, however, if the Company conducts a stock split or a reverse stock split with respect to the Company's common stock, the exercise value will be adjusted according to the following formula, with any fractions less than one yen resulting therefrom rounded up.

$$\text{(Exercise value after adjustment)} = \text{(Exercise value before adjustment)} \times \frac{1}{\text{(Ratio of stock split or reverse stock split)}}$$

If the Company issues new shares or sells treasury shares of the Company's common stock at below market values (except in the case of issuance of new shares or sale of treasury shares through the exercise of stock options), the exercise value will be adjusted according to the following formula, with any fractions less than one yen resulting therefrom rounded up.

$$\text{(Exercise value after adjustment)} = \text{(Exercise value before adjustment)} \times \frac{\text{(Number of outstanding shares)} + \dfrac{\text{(Number of newly issued shares)} \times \text{(Amount to be paid per newly issued share)}}{\text{(Share price before new issuance)}}}{\text{(Number of outstanding shares)} + \text{(Number of newly issued shares)}}$$

The number of outstanding shares in the above formula means the total number of the Company's outstanding shares of common stock minus the treasury shares of common stock held by the Company. In the case of the sale of treasury shares, the "number of newly issued shares," "share price before new issuance" and "amount to be paid per newly issued share" shall be substituted by the "number of treasury shares sold," "share price before the sale of treasury shares" and "selling price per share" respectively. In addition to the foregoing, in the case of a merger, a corporate split, or the like after the allotment date, the Company, if appropriate, may adjust the exercise value to the extent reasonable.

(6) Exercise Period of Stock Acquisition Rights

From March 25, 2026 to March 24, 2031

(7) Terms and Conditions concerning Exercise of Stock Acquisition Rights

(a) If persons to whom the stock acquisition rights are allotted (hereinafter referred to as the "stock acquisition rights holders") are Directors or Audit & Supervisory Board Members of the Company and its subsidiaries, they must maintain their positions at the time of exercise of their rights. If the stock acquisition rights holders are employees or Outside Supporters of the Company and its subsidiaries, they must maintain their positions at the time of exercise of their rights.

Provided, however, that the stock acquisition rights holders fulfill certain requirements set forth in a stock acquisition rights allotment contract entered into by and between the Company and each stock acquisition rights holder(hereinafter referred to as the "allotment contract"), the stock acquisition rights holders may continue to exercise their rights even after they lose their positions as Directors, Audit & Supervisory Board Members, or employees or Outside Supporters of the Company and its subsidiaries.

(b) The succession of the stock acquisition rights by inheritance shall not be permitted.

(c) Any pledge or other disposition of the stock acquisition rights shall not be permitted.

(d) Any other conditions for exercise of the rights shall be stipulated in the allotment contract to be entered into by and between the Company and each stock acquisition right holder in accordance with resolutions for issuance of the stock acquisition rights by this Annual General Meeting of Shareholders and those by a future meeting of the Board of Directors.

(8) Reasons and Conditions for Acquiring Stock Acquisition Rights

(a) When stock acquisition rights holders lose all qualifications for exercising their stock acquisition rights, and forfeit their stock acquisition rights pursuant to (7) above, the Company may acquire their stock acquisition rights without consideration.

(b) If a merger agreement under which the Company becomes a merged company is approved, or a proposal for approval of a share exchange agreement or a share transfer by which the Company becomes a wholly-owned subsidiary of another company is approved at a general meeting of shareholders of the Company, the Company may acquire the stock acquisition rights without consideration.

(9) The Increase Amount of Capital Stock and Legal Capital Surplus in the Event of New Share Issuance upon Exercise of Stock Acquisition Rights

(a) In the event of new share issuance by exercising stock acquisition rights, the increase amount of capital stock shall be half the upper limit amount of an increase in capital stock calculated in accordance with Article 17, Paragraph 1of the Ordinance on Accounting of Companies, with any fractions less than one yen resulting therefrom rounded up.

(b) In the event of new share issuance by exercising stock acquisition rights, the increase amount of legal capital surplus shall be calculated by subtracting the amount of increase in the capital stock stated in (a) above from the upper limit amount of the increase in the capital stock stated in (a) above.

(10) Restrictions on Transfer of Stock Acquisition rights

Transfer of stock acquisition rights shall require approval by a resolution of the Company's Board of Directors.

(11) Other Matters Related to Stock Acquisition Rights

Other matters related to stock acquisition rights shall be determined at a meeting of the Company's Board of Directors to be held for the purpose of determining matters on the solicitation of stock acquisition rights.

Proposal 6: Decision on the Details and the Amounts of Compensations by Stock Options for Directors and Audit & Supervisory Board Members

The Company proposes to decide on details of stock acquisition rights to be granted as stock options to the Directors (including Outside Directors) and the Audit & Supervisory Board Members of the Company as shown below.

1. Reasons for Discussion

The stock acquisition rights (stock options) will be granted as compensations to the Directors (including Outside Directors) for the purpose of enhancing their motivations and morale towards the improvement of the Company's consolidated performance, and also to the Audit & Supervisory Board Members for the purpose of enhancing their awareness towards appropriate auditing.

2. The Amounts of Compensation Paid to Directors and Audit & Supervisory Board Members

Taking into account an existing situation where stock options are granted, and other various circumstances, apart from the compensation amounts (up to 200 million yen per annum) paid to the Company's Directors(including Outside Directors), which was approved as a resolution at the 12th Annual General Meeting of Shareholders held on March 27, 2000, and the compensation amounts(up to 50 million yen per annum) to the Company's Audit & Supervisory Board Members, which was approved as a resolution 12th Annual General Meeting of Shareholders held on March 27, 2000, the Company proposes that the maximum compensation amounts related to the stock acquisition rights to be issued as stock options to the Company's Directors(including Outside Directors) and Audit & Supervisory Board Members shall be 30 million yen per annum and 10 million yen per annum, respectively.

The Company currently has 6 Directors (including 2 Outside Directors) and 3 Audit & Supervisory Board Members. If Proposals 3 and 4 are approved, the Company will have 8 Directors (including 2 Outside Directors) and 3 Audit & Supervisory Board Members.

3. Details of Stock Acquisition Rights

(1)Type and Number of Shares to Be Issued upon Exercise of Stock Acquisition Rights

The maximum numbers of shares of the Company's common stock to be issued to the Directors and the Audit & Supervisory Board Members shall be 15,000 and 5,000, respectively.

After the allotment, however, if the Company conducts a stock split (including the allotment of shares of the Company's common stock without consideration; for the description of the stock spilt, the same shall apply hereinafter) or a reverse stock split, the number of shares to be issued upon exercise of each stock acquisition right (hereinafter referred to as the "number of shares granted") shall be adjusted according to the following formula.

$$\text{(Number of shares granted after adjustment)} = \text{(Number of shares granted before adjustment)} \times \text{(Ratio of stock split or reverse stock split)}$$

In addition to the foregoing, if it is appropriate to adjust the number of shares granted after the allotment date, the Company may adjust the number of shares granted to the extent reasonable. Any fractions falling short of one (1) share caused by the above adjustment shall be rounded down.

(2) Total Number of Stock Acquisition Rights to Be Offered

The total number of stock acquisition rights to offered to the Directors shall be up to 150, and to the Audit & Supervisory Board Members up to 50.

(The number of shares to be issued upon exercise of each stock acquisition right shall be 100. However, if the adjustment of the number of shares granted set forth in (1) above is made, the same adjustment shall be made.)

(3) Amount to Be Paid for Stock Acquisition Rights to Be Offered

No consideration shall be paid.

(4) Value of Assets Required for Exercise of Stock Acquisition Rights

The value of assets required for exercise of each stock acquisition right shall be the amount calculated by multiplying the amount to be paid per share received upon exercise of the stock acquisition right (hereinafter referred to as the "exercise value")by the number of shares granted. The exercise value shall be the amount (with any fractions less than one yen rounded up) calculated by multiplying by 1.05 the average closing price of the Company's common stock on all trading days (except days on which no trading is reported), which information is revealed by Tokyo Stock Exchange, Inc., in the month preceding the month in which the stock acquisition rights are allotted.

In case the exercise value set forth above is below the closing price of the Company's common stock on the day preceding the allotment date of the stock acquisition rights (or the closing price of the immediately preceding day if any transaction is not made on the date), the exercise value shall be this closing price.

After the allotment date, however, if the Company conducts a stock split or a reverse stock split with respect to the Company's common stock, the exercise value will be adjusted according to the following formula, with any fractions less than one yen resulting therefrom rounded up.

$$\text{(Exercise value after adjustment)} = \text{(Exercise value before adjustment)} \times \frac{1}{\text{(Ratio of stock split or reverse stock split)}}$$

If the Company issues new shares or sells treasury shares of the Company's common stock at below market values (except in the case of issuance of new shares or sale of treasury shares through the exercise of stock options), the exercise value will be adjusted according to the following formula, with any fractions less than one yen resulting therefrom rounded up.

$$\text{(Exercise value after adjustment)} = \text{(Exercise value before adjustment)} \times \frac{\text{(Number of outstanding shares)} + \frac{\text{(Number of newly issued shares)} \times \text{(Amount to be paid per newly issued share)}}{\text{(Share price before new issuance)}}}{\text{(Number of outstanding shares)} + \text{(Number of newly issued shares)}}$$

The number of outstanding shares in the above formula means the total number of the Company's outstanding shares of common stock minus the treasury shares of common stock held by the Company. In the case of the sale of treasury shares, the "number of newly issued shares," "share price before new issuance" and "amount to be paid per newly issued share" shall be substituted by the "number of treasury shares sold," "share price before the sale of treasury shares" and "selling price per share" respectively.

In addition to the foregoing, in the case of a merger, a corporate split, or the like after the allotment date, the Company, if appropriate, may adjust the exercise value to the extent reasonable.

(5) Exercise Period of Stock Acquisition Rights

From March 25, 2026 to March 24, 2031

(6) Terms and Conditions concerning Exercise of Stock Acquisition Rights

(a) Persons to whom the stock acquisition rights are allotted (hereinafter referred to as the "stock acquisition rights holders") must maintain their positions as Directors or Audit & Supervisory Board Members of the Company at the time of exercise of their stock acquisition rights. Provided, however, that the stock acquisition rights holders fulfill certain requirements set forth in a stock acquisition rights allotment contract entered into by and between the Company and each stock acquisition rights holder (hereinafter referred to as the "allotment contract"), the stock acquisition rights holders may continue to exercise their rights even after they lose their positions as Directors or Audit & Supervisory Board Members.

(b) The succession of the stock acquisition rights by inheritance shall not be permitted.

(c) Any pledge or other disposition of the stock acquisition rights shall not be permitted.

(d) Any other conditions for exercise of the rights shall be stipulated in the allotment contract to be entered into by and between the Company and each stock acquisition right holder in accordance with resolutions for issuance of the stock acquisition rights by this Annual General Meeting of Shareholders and those by a future meeting of the Board of Directors.

(7) Reasons and Conditions for Acquiring Stock Acquisition Rights

(a) When stock acquisition rights holders lose all qualifications for exercising their stock acquisition rights, and forfeit their stock acquisition rights pursuant to (6) above, the Company may acquire their stock acquisition rights without consideration.

(b) If a merger agreement under which the Company becomes a merged company is approved, or a proposal for approval of a share exchange agreement or a share transfer by which the Company becomes a wholly-owned subsidiary of another company is approved at a general meeting of shareholders of the Company, the Company may acquire the stock acquisition rights without consideration.

(8) The Increase Amount of Capital Stock and Legal Capital Surplus in the Event of New Share Issuance upon Exercise of Stock Acquisition Rights

(a) In the event of new share issuance by exercising stock acquisition rights, the increase amount of capital stock shall be half the upper limit amount of an increase in capital stock calculated in accordance with Article 17, Paragraph 1of the Ordinance on Accounting of Companies, with any fractions less than one yen resulting therefrom rounded up.

(b) In the event of new share issuance by exercising stock acquisition rights, the increase amount of legal capital surplus shall be calculated by subtracting the amount of increase in the capital stock stated in (a) above from the upper limit amount of the increase in the capital stock stated in (a) above.

(9) Restrictions on Transfer of Stock Acquisition Rights

Transfer of stock acquisition rights shall require approval by a resolution of the Company's Board of Directors.

(10) Terms and Conditions Concerning Allotment of Stock Acquisition Rights

There are no terms and conditions concerning the allotment of stock acquisition rights.

(11) Other Matters Related to Stock Acquisition Rights

Other matters related to stock acquisition rights shall be determined at a meeting of the Company's Board of Directors to be held for the purpose of determining matters on the solicitation of stock acquisition rights.