Securities Code: 9474
May 28, 2021

NOTICE OF THE 61TH ORDINARY GENERAL MEETING OF SHAREHOLDERS OF ZENRIN CO., LTD.

Dear Shareholders,

This is to notify you of the 61th Ordinary General Meeting of Shareholders of Zenrin Co., Ltd. to be held as described below.

Instead of attending the meeting, you can exercise your voting rights either in writing or over the Internet. Please read the Reference Documents for the Ordinary General Meeting of Shareholders attached hereto, and **exercise your voting rights no later than 5:30 p.m., Thursday, June 17, 2021**.

Yours very truly,
Zenshi Takayama
President & C.E.O.
Zenrin Co., Ltd.
1-1-1, Muromachi, Kokurakita-ku, Kitakyushu-shi

Notice

1. Date: 10:00 a.m., Friday, June 18, 2021 (reception will open at 9:30 a.m.)
2. Place: Royal Hall, 4th floor, Rihga Royal Hotel Kokura,
2-14-2, Asano, Kokurakita-ku, Kitakyushu-shi, Fukuoka-ken, Japan

3. Agenda

Matters to report:
i) The Business Report, consolidated financial statements and the Audit Reports of the Independent Auditors and the Audit and Supervisory Committee for consolidated financial statements for the 61th fiscal year (from April 1,2020 to March 31, 2021)
ii) The non-consolidated financial statements and the contents thereof for the 61th fiscal year (from April 1,2020 to March 31, 2021)

Matters to be resolved:

Proposal 1:	Appropriation of retained earnings
Proposal 2:	Partial amendments to the Articles of Incorporation
Proposal 3:	Election of nine (9) directors (excluding directors serving as Audit and Supervisory Committee members)
Proposal 4:	Election of one (1) substitute director serving as an Audit and Supervisory Committee member
Proposal 5:	Resetting of the remuneration limit relating to the share-based payment system for directors

Matters concerning the Reference Documents for the Ordinary General Meeting of Shareholders and the Documents Attached to this Notice

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* The following matters among those to be presented on attached documents are presented on the Company's website under laws and regulations and the provision of Article 15 of the Company's Articles of Incorporation, and are therefore not stated in these attached documents: "Systems to Ensure Appropriate Operations and Their Implementation Status" and "Basic Policy Regarding Control of the Company" in the Business Report; "Consolidated Statements of Changes in Equity" and "Notes to Consolidated Financial Statements" of the Consolidated Financial Statements; and "Non-consolidated Statements of Changes in Equity" and "Notes to Non-consolidated Financial Statements" of the Non-consolidated Financial Statements.
  Therefore, the documents attached to this notice constitute only part of the consolidated and non-consolidated financial statements audited by the accounting auditor in preparing its accounting audit report and part of the business report, consolidated and non-consolidated financial statements audited by the Audit and Supervisory Committee in preparing their audit report.
* Any changes in the Business Report, consolidated or non-consolidated financial statements or the Reference Documents for the Ordinary General Meeting of Shareholders will be reported on the Company's website.
* The Company's website https://www.zenrin.co.jp/company/ir/stock/meeting/

Reference Documents for the Ordinary General Meeting of Shareholders

Proposal 1: Appropriation of retained earnings

Positioning the returning of income to shareholders as a top priority, the ZENRIN Group adopts a basic policy of implementing stable, uninterrupted payments of dividends derived from income growth based on the medium- to long-term business plan on a consolidated basis. In line with this policy, the ZENRIN Group has set dividend on equity (DOE)(*) on a consolidated basis of 3% or higher as the target.

In accordance with this policy, the Company proposes to pay a year-end dividend for the 61th fiscal year of ¥12.50. With this, the annual dividend per share including the interim dividend would be ¥25 per share

*Dividend on equity on a consolidated basis (DOE) = Total amount of dividends / Shareholders' equity
Shareholders' equity is the amount arrived at when the amount of treasury shares is subtracted from the sum total of common stock, capital surplus and retained earnings.

1. Type of distributed assets

Dividends will be paid in cash.

2. Allocation and total amount of the dividends

We propose that the amount of dividend per common share to be ¥12.5.
The total amount of dividends in this case would be ¥690,353,588.

3. Date when the appropriation of retained earnings becomes effective

We propose to make this date June 21, 2021.

Proposal 2: Partial amendments to the Articles of Incorporation

1. Reasons for the amendments

We hereby propose to add an item in the "Purpose" prescribed in Article 2 of the existing Articles of Incorporation in order to respond to the diversification of the business domains of the Company.

2. Description of the amendments

The amendments are as described below.

Provisions of the existing Articles of Incorporation that are not subject to amendments have been omitted.

Amendments to the Articles of Incorporation pertaining to this Proposal shall come into effect at the close of this General Meeting of Shareholders.

(Amended text is underlined.)

Existing Articles of Incorporation	Draft Amendment
Chapter 1: General Rules	**Chapter 1: General Rules**
Article 2: Purpose The purpose of the Company is to carry out the following businesses: 1. to 13 (Omitted) (New) 14. to 15. (Omitted)	**Article 2: Purpose** The purpose of the Company is to carry out the following businesses: 1. to 13. (Unchanged) 14. Travel agency business 15. to 16. (Unchanged)

Proposal 3: Election of nine (9) directors (excluding directors serving as Audit and Supervisory Committee members)

The term of office of all nine (9) directors (excluding directors who are Audit and Supervisory Committee members) will expire at the close of this General Meeting of Shareholders. Accordingly, we hereby propose the election of nine (9) directors (excluding directors who are Audit and Supervisory Committee members).

The candidates for directors are nominated in accordance with the following policy and procedure: To secure the optimal balance and diversity in the knowledge, experience, and skills of the Board of Directors as a whole that are necessary for corporate value enhancement and sustainable growth of the Company, candidates are selected from among those who are to be promoted internally, senior corporate executives, experts, etc., who have a thorough knowledge of businesses or urgent issues of the Company in consideration of their experience, insight, and expertise and approved by the Board of Directors.

The Audit and Supervisory Committee exchanged opinions with the Representative Director regarding the nomination of the candidates for directors and determined them to be appropriate after deliberating on them.

The candidates for directors (excluding directors serving as Audit and Supervisory Committee members) are as follows.

Candidate Number	Name	Current Position and Responsibility at the Company	Attendance at Meetings of Board of Directors	Number of years of service as director
1	Masao Osako Reappointment	Chairman, Director	100% (16 out of 16 meetings)	20 years
2	Zenshi Takayama Reappointment	President and CEO, Representative Director	100% (16 out of 16 meetings)	15 years
3	Junya Amita Reappointment	Executive Vice President, Representative Director	100% (16 out of 16 meetings)	17 years
4	Masaru Yamamoto Reappointment	Director, Senior Vice President & Head of Production & Development	100% (16 out of 16 meetings)	3 year
5	Hideyuki Fujisawa Reappointment	Director, Senior Vice President & Head of Business Operation	100% (16 out of 16 meetings)	3 year
6	Masami Matsuo Reappointment	Director, Senior Vice President & Head of Corporate Administration	100% (16 out of 16 meetings)	3 year
7	Masuo Osako Reappointment	Director	100% (16 out of 16meetings)	41 years
8	Tatsuhiko Shimizu Reappointment	Director	93% (15 out of 16 meetings)	15 years
9	Miki Ryu Newly Appointed Outside director Independent officer	—	—	—

Notes:
The attendance shown above is based on the meetings of the Board of Directors held during the 61th fiscal year.

1	Masao Osako (Born on Nov. 15, 1955)	Reappointment Number of the Company's shares held: 476,315 shares Number of years of service as director: 20 years



Brief personal history (Position and responsibility in the Company and significant concurrent positions)

Apr. 1979:	Joined Kabushiki-kaisha Zenrin (current Zenrin Co., Ltd.)
Jun. 1992:	Director & head of Tokyo Office of the Company
Jun. 1995:	Managing Director & head of Osaka Branch of the Company
Jul. 1997:	Advisor to the Company
Jul. 1999:	Executive officer & General Manager of President's Office and Tokyo Office of the Company
Apr. 2001:	Executive officer & General Manager of President's Office of the Company
Jun. 2001:	Vice Chairman, Director of the Company
Jun. 2006:	Vice Chairman, Representative Director of the Company
Apr. 2008:	Vice Chairman, Director of the Company
Apr. 2011:	Chairman, Director of the Company (incumbent position)

<Reason for Nomination as Candidate for Director >

The candidate has long been engaged in liaison activities at the core of management and has served as Chairman, Director since April 2011.

We nominated him as a candidate for Director again as we determined that he would be indispensable for future corporate value enhancement and sustainable growth of the Group on the grounds of his wealth of experience in business administration as well as his excellent personality and insight.

2	Zenshi Takayama (Born on Apr. 24, 1962)	Reappointment Number of the Company's shares held: 11,550 shares Number of years of service as director: 15 years



Brief personal history (Position and responsibility in the Company and significant concurrent positions)

Apr. 1986:	Joined the Company
Apr. 2004:	Senior General Manager of Sales Division of the Company
Apr. 2005:	General Manager of Management Strategy Office of the Company
Apr. 2006:	Head of Sales Division of the Company
Jun. 2006:	Director & head of Sales Division of the Company
Apr. 2008:	President and CEO, Representative Director of the Company (incumbent position) General Manager of Management Strategy Office of the Company
Apr. 2013:	General Manager of Zenrin Information Platform Business Development Office of the Company
Apr. 2016:	General Manager of Corporate Planning Office of the Company

<Reason for Nomination as Candidate for Director >

Since the assumption of office as President and CEO, Representative Director in April 2008, he has led the Company and the Group, directed the formulation of medium- to long-term management plans to build a strong business foundation, and has been demonstrating strong leadership in fulfilling them.

We nominated him as a candidate for Director again as we determined that he would be indispensable for future corporate value enhancement and sustainable growth of the Group for the reason above.

3	Junya Amita (Born on Jun. 23, 1959)	Reappointment Number of the Company's shares held: 17,050 shares Number of years of service as director: 17 years



Brief personal history (Position and responsibility in the Company and significant concurrent positions)

Jan. 1984:	Joined the Company
Apr. 2004:	Head of ITS Business Division of the Company
Jun. 2004:	Director & head of ITS Business Division of the Company
Apr. 2005:	Managing Director & head of ITS Business Division of the Company
Apr. 2006:	Managing Director in charge of Management Planning Office and ITS-related Business of the Company
Apr. 2007:	Managing Director in charge of ITS-related Business & head of Production & Development Division of the Company
Apr. 2008:	Executive Vice President, Representative Director of the Company (incumbent position)
Apr. 2010:	General Manager of Technical Planning Office of the Company
Jul. 2010:	General Manager of Information System Office of the Company

<Reason for Nomination as Candidate for Director >

The candidate has long been engaged in the production and development division and has been instrumental in the development of map databases, which are the business foundation of the Company. Since April 2008, he has promoted the development of platforms to provide new services as Executive Vice President, Representative Director of the Company.

We nominated him as a candidate for Director again as we determined that he would be indispensable for future corporate value enhancement and sustainable growth of the Group for the reason above.

4	Masaru Yamamoto (Born on Feb. 24, 1966)	Reappointment Number of the Company's shares held: 2,356 shares Number of years of service as director: 3 year



Brief personal history (Position and responsibility in the Company and significant concurrent positions)

Apr. 1990:	Joined the Company
Apr. 2005:	General Manager, in charge of business strategy, of Management Strategy Office of the Company
Apr. 2006:	General Manager, in charge of sales strategy, of Sales Division of the Company
Apr. 2007:	General Manager, in charge of business strategy, of Sales Division of the Company
Apr. 2008:	General Manager, in charge of business strategy, of Management Strategy Office of the Company
Apr. 2009:	Executive officer & Head of Contents Solution Division of the Company
Apr. 2012:	Senior Executive officer & Head of Business Group-1 of the Company
Apr. 2018:	Senior Vice President & Head of Production & Development
Jun. 2018:	Director, Senior Vice President & Head of Production & Development (incumbent position)

<Reason for Nomination as Candidate for Director >

The candidate has long been engaged in the sales division where he promoted sales process reform and has been instrumental in profit growth.

Since April 2018, he has supervised the production division of the Company as Head of Production & Development and has worked to ensure stable operation of and productivity improvements in the Zenrin Integrated Geospatial System. We nominated him as a candidate for Director again as we determined that he would be indispensable for the promotion of production activities for the reason above.

5	Hideyuki Fujisawa (Born on Jul. 17, 1961)	Reappointment Number of the Company's shares held: 900 shares Number of years of service as director: 3 year



Brief personal history (Position and responsibility in the Company and significant concurrent positions)

Apr. 1986:	Recruit FromA Co., Ltd. (current Recruit Co., Ltd.)
Apr. 2003:	Joined Zenrin DataCom Co., Ltd.
Jun. 2003:	Managing Director of Zenrin DataCom Co., Ltd.
Apr. 2008:	Executive Vice President of Zenrin DataCom Co., Ltd.
Jun. 2009:	Executive Vice President, Representative Director of Zenrin DataCom Co., Ltd.
Apr. 2016:	Joined the Company. Senior Executive Officer & Head of Business Group-2
Apr. 2018:	Senior Vice President & Head of Business Operation
Jun. 2018	Director, Senior Vice President & Head of Business Operation (incumbent position)

<Reason for Nomination as Candidate for Director >
The candidate has been leveraging his wealth of experience in and knowledge of the advertising and publishing industry and contributing to the business expansion of the Group since joining Zenrin DataCom Co., Ltd.
Since April 2018, he has supervised the business of the Company in general as Head of Business Operation and has promoted the starting-up of and profit growth in new businesses. We nominated him as a candidate for Director again as we determined that he would be indispensable for the promotion of business activities for the reason above.

6	Masami Matsuo (Born on Oct. 24, 1960)	Reappointment Number of the Company's shares held: 7,300 shares Number of years of service as director: 3 year



Brief personal history (Position and responsibility in the Company and significant concurrent positions)

Apr. 1983:	Joined Yasuda Mutual Life Insurance Company (current Meiji Yasuda Life Insurance Company).
Nov. 2004:	Joined Mizuho Bank, Ltd.
Apr. 2005:	Joined the Company
Apr. 2007:	General Manager of General Affairs & Personnel Division
Apr. 2008:	Senior General Manager of Administration Division of the Company
Apr. 2009:	Executive Officer & Head of Administration Division of the Company
Apr. 2012:	Executive Officer & Head of Governance office of the Company
Apr. 2013:	Executive Officer & Head of Corporate Management Division
Apr. 2018:	Senior Vice President & Head of Corporate Administration
Jun. 2018:	Director, Senior Vice President & Head of Corporate Administration (incumbent position)

<Reason for Nomination as Candidate for Director >

The candidate has long been involved in administrative divisions, and areas of his responsibility included capital policy and M&A. His work in these areas has been instrumental in the enhancement of the corporation value of the Group.

Since April 2018, he has been leading the promotion of "workstyle reform" as Head of Corporate Administration, leveraging his ample experience and insight in personnel affairs. We nominated him as a candidate for Director again as we determined that he would be indispensable for the realization of growth strategies through the optimization of management resources.

7	Masuo Osako (Born on Jul. 30, 1953)	Reappointment Number of the Company's shares held: 460,674 shares Number of years of service as director: 41 years



Brief personal history (Position and responsibility in the Company and significant concurrent positions)

Apr. 1977:	Joined Kabushiki-kaisha Zenrin (current Zenrin Co., Ltd.)
Mar. 1980:	Director of the Company
Mar. 1986:	Managing Director & head of plant at headquarters of the Company
Apr. 1991:	Senior Managing Director of the Company
Jun. 1992:	Director of the Company (incumbent position)

<Significant concurrent position>
Chairman, Director of Zenrin Printex Co., Ltd.

<Reason for Nomination as Candidate for Director >

The candidate has long been engaged in the production division since joining the Company. He previously served as head of plant at headquarters, Senior Managing Director, etc. and is currently serves as Chairman, Director of Zenrin Printex Co., Ltd.

We nominated him as a candidate for Director again as we determined that he would be indispensable for future corporate value enhancement and sustainable growth of the Group on the grounds of his wealth of experience and insight in business administration in general.

8	Tatsuhiko Shimizu (Born on Jan. 20, 1964)	Reappointment Number of the Company's shares held: 12,350 shares Number of years of service as director: 15 years



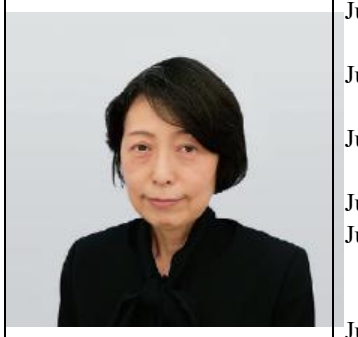
Brief personal history (Position and responsibility in the Company and significant concurrent positions)

Apr. 1986:	Joined the Company
Jun. 2000:	Vice President of Zenrin USA, Inc.
Apr. 2002:	Seconded to Zenrin DataCom Co., Ltd.
Jun. 2002:	Director of Zenrin DataCom Co., Ltd.
Apr. 2003:	Transferred to Zenrin DataCom Co., Ltd.
Apr. 2003:	Executive Vice President & Director of Zenrin DataCom Co., Ltd.
Jun. 2006:	Director of the Company (incumbent position)

<Significant concurrent position>
President and CEO, Representative Director of Zenrin DataCom Co., Ltd.

<Reason for Nomination as Candidate for Director >
After serving as Vice President of Zenrin USA, Inc., the candidate currently serves as President and CEO, Representative Director of Zenrin DataCom Co., Ltd., where he takes command and is working to strengthen group synergy in the business field.
We nominated him as a candidate for Director again as we determined that he would be indispensable for future corporate value enhancement and sustainable growth of the Group on the grounds of his wealth of experience and insight in business administration in general.

9	Ryu Miki (Born on Sep. 18, 1961)	Newly appointed Outside director　Independent officer Number of the Company's shares held: 0 shares Number of years of service as director: ―



Brief personal history (Position and responsibility in the Company and significant concurrent positions)

Apr. 1985:	Joined Kyushu Electric Power Co., Inc.
Jul. 2005:	Head of Management Planning Group, Planning Management Office, Fukuoka Branch of the Company
Jul. 2007:	Head of Nuclear Power PR Group, Public Relations Department of the Company
Jul. 2010:	Head of News Report Group, Public Relations Department and Section Manager of IR Group, Corporate Planning Division of the Company
Jul. 2013:	Head of PR Strategy Group, District Symbiosis Division of the Company
Jun. 2014:	Representative Director and President of Kyushu Jimaku Housou Kyoudou Seisaku Center Co., Ltd. (current Q-CAP Co., Ltd.) with concurrent assignment to District Symbiosis Division of the Company
Jun. 2017:	Managing Director of Fukuoka Tower Co., Ltd. with concurrent assignment to District Symbiosis Division of the Company (incumbent position)

<Significant concurrent position>

Managing Director of Fukuoka Tower Co., Ltd.

< Reason for Nomination as Candidate for Outside Director and expected roles if elected as Outside Director >

After working for Kyushu Electric Power Co., Inc. for many years as the head of its public relations department, the candidate served as the Representative Director and President of Kyushu Jimaku Housou Kyoudou Seisaku Center Co., Ltd. from June 2014 and assumed office as the Managing Director of Fukuoka Tower Corp. in June 2017. As such, the candidate has ample experience and knowledge of corporate management. We nominate her as a candidate for Outside Director as we expect her to conduct management supervision based on her broad knowledge and insight developed through her experience in corporate management and have determined that she would be a necessary person for the improvement of corporate governance.

<Special notes concerning outside director>

- If the election of the candidate is approved, the Company plans to conclude, pursuant to the provision of paragraph 1 of Article 427 of the Companies Act, an agreement with the candidate to limit the liability for damages under paragraph 1 of Article 423 of said Act. The amount of liability for damages pursuant to said agreement is limited to the Minimum Liability Amount prescribed in paragraph 1 of Article 425 of the Companies Act.
- The Company plans to file the designation of the candidate as an independent officer of the Company with both the Tokyo Stock Exchange and the Fukuoka Stock Exchange in the event that his election is approved.

Notes:

1. There is no interest to be stated between each candidate and the Company.
2. The Company has entered into an officers' liability insurance contract prescribed in Article 430-3, paragraph 1 of the Companies Act with an insurance company, under the insured persons will be compensated for any damage incurred when they owe a liability for damages arising from the execution of their business duties. The insurance premiums of this contract are borne by the Company. If the election of each candidate is approved, they will become the insured persons under this insurance contract, and the Company plans to renew the insurance contract during their term of office under the same terms and conditions that are currently in force.

Proposal 4: Election of one (1) substitute director serving as an Audit and Supervisory Committee member

To prepare against the number of directors serving as Audit and Supervisory Committee members falling below the quorum prescribed in laws and regulations, we hereby propose the election of one (1) substitute director serving as an Audit and Supervisory Committee member.

The submission of this proposal is agreed by the Audit and Supervisory Committee.

The candidate for substitute director serving as an Audit and Supervisory Committee member is as follows.

Miki Ryu (Born on Sep. 18, 1961)	Outside director / Independent officer Number of the Company's shares held: 0 shares Number of years of service as director: —



Brief personal history (Position and responsibility in the Company and significant concurrent positions)

Apr. 1985:	Joined Kyushu Electric Power Co., Inc.
Jul. 2005:	Head of Management Planning Group, Planning Management Office, Fukuoka Branch of the Company
Jul. 2007:	Head of Nuclear Power PR Group, Public Relations Department of the Company
Jul. 2010:	Head of News Report Group, Public Relations Department and Section Manager of IR Group, Corporate Planning Division of the Company
Jul. 2013:	Head of PR Strategy Group, District Symbiosis Division of the Company
Jun. 2014:	Representative Director and President of Kyushu Jimaku Housou Kyoudou Seisaku Center Co., Ltd. (current Q-CAP Co., Ltd.) with concurrent assignment to District Symbiosis Division of the Company
Jun. 2017:	Managing Director of Fukuoka Tower Co., Ltd. with concurrent assignment to District Symbiosis Division of the Company (incumbent position)

<Significant concurrent position>
Managing Director of Fukuoka Tower Co., Ltd.

<Reason for Nomination as Candidate for Substitute Outside Director who is an Audit and Supervisory Committee member and expected roles if elected as Outside Director>

After working for Kyushu Electric Power Co., Inc. for many years as the head of its public relations department, the candidate served as the Representative Director and President of Kyushu Jimaku Housou Kyoudou Seisaku Center Co., Ltd. from June 2014 and assumed office as the Managing Director of Fukuoka Tower Corp. in June 2017. As such, the candidate has ample experience and knowledge of corporate management. We nominate him as a candidate for substitute Outside Director who is an Audit and Supervisory Committee member as we have determined that he would be able to properly execute the improvement of corporate governance of the Company and the duties of Audit and Supervisory Committee members.

<Special notes concerning outside director>

- If the candidate is elected to Director serving as an Audit and Supervisory Committee member, the Company plans to conclude, pursuant to the provision of paragraph 1 of Article 427 of the Companies Act, an agreement with the candidate to limit the liability for damages under paragraph 1 of Article 423 of said Act. The amount of liability for damages pursuant to said agreement is limited to the Minimum Liability Amount prescribed in paragraph 1 of Article 425 of the Companies Act.
- The Company plans to file the designation of the candidate as an independent officer of the Company with both the Tokyo Stock Exchange and the Fukuoka Stock Exchange in the event that his election is approved.

Notes:

1. There is no interest to be stated between the above candidates and the Company.
2. The Company has entered into an officers' liability insurance contract prescribed in Article 430-3, paragraph 1 of the Companies Act with an insurance company, under the insured persons will be compensated for any damage incurred when they owe a liability for damages arising from the execution of their business duties. The insurance premiums of this contract are borne by the Company. If the candidate is elected to Director serving as an Audit and Supervisory Committee member, the candidate will become the insured persons under this insurance contract.

Proposal 5: Resetting of the remuneration limit relating to the share-based payment system for directors

1. The reason for the proposal and the reason why it is considered appropriate

The introduction by the Company of a share-based payment system (hereinafter referred to as the "System") for directors not serving as Audit and Supervisory Committee members as well as directors serving as Audit and Supervisory Committee members (hereinafter collectively referred to as "Directors") was approved at the 56th Ordinary General Meeting of Shareholders held on June 17, 2016 (hereinafter the relevant resolution at said Ordinary General Meeting of Shareholders is referred to as the "Original Resolution"), and the System has been in force to date. In relation to the Act for Partial Revision of the Companies Act (Act No. 70 of 2019) that was enforced on March 1, 2021, the Company proposes to replace the existing remuneration limit for Directors relating to the System with a new remuneration limit for share-based payment to directors and requests the approval of shareholders for the proposal.

This proposal relates to the amendment of law and is procedural in nature. Like the Original Resolution, the purpose of this proposal is to: further clarify the relationship between Directors' remuneration and the Company's medium/long-term performance and stock value: make directors not serving as Audit and Supervisory Committee members (those who are executive directors) more conscious about contributing to the improvement of the Company's medium/long-term performance and enhancement of its corporate value; and make directors not serving as Audit and Supervisory Committee members (those who are outside directors or directors other than executive directors (excluding outside directors)) and directors serving as Audit and Supervisory Committee members contribute to the enhancement of the Company's corporate value through audit or supervision. The proposal is also consistent with the Policy of Determining the Contents of Remuneration of Individual Directors of the Company. For these reasons, the Company believes that the contents of this proposal are appropriate. The Audit and Supervisory Committee exchanged opinions with the Representative Director regarding the remuneration of directors not serving as Audit and Supervisory Committee members and determined the remuneration to be appropriate after deliberating on it.

This proposal is to request the approval for the amount and specific contents of remuneration to provide Directors of the Company with remuneration under the System, separately from the amount of remuneration of Directors (excluding directors serving as Audit and Supervisory members) (no more than 500 million yen per year (including 30 million yen for outside directors); not including salary received as an employee) and the amount of remuneration of directors serving as Audit and Supervisory members (no more than 200 million yen per year), which were approved at the 56th Ordinary General Meeting of Shareholders held on June 17, 2016.It is proposed that the details of the System regarding directors not serving as Audit and Supervisory Committee members be left to the discretion of the Board of Directors, and the details of the System regarding directors serving as Audit and Supervisory Committee members be left to the discretion of directors serving as Audit and Supervisory Committee members, within the limit referred to in 2. below.

If Proposal 3 is approved in its original form, there will be nine (9) directors not serving as Audit and Supervisory Committee members within the scope of the System (including one outside director) and three (3) directors serving as Audit and Supervisory Committee members within the scope of the System.

The resolution of this proposal shall take effect retrospectively as of March 1, 2021.

2. Amount and specific contents of remuneration provided under the System

(1) Outline of the System

The System is a share-based payment system in which the Company's shares will be acquired through a trust (hereinafter referred to as "the Trust") by using money contributed by the Company as the source of finance, and the Company's shares and money equivalent to the amount of the Company's shares converted at market value (hereinafter referred to as "the Company's shares, etc.") are granted to Directors in accordance with the Rules on Granting of Shares to Officers prescribed by the Board of Directors of the Company (provided, however, that the establishment, revision and abolition of the section relating to directors serving as Audit and Supervisory Committee members shall require the deliberation by and the consent of directors serving as Audit and Supervisory Committee members).

The timing at which a director receives the Company's shares, etc. shall, in principle, be when the director retires.

(2) Persons within the scope of the System

Directors not serving as Audit and Supervisory Committee members and directors serving as Audit and Supervisory Committee members

(3) Amount contributed by the Company to the Trust (amount of remuneration, etc.)

The Company has introduced the System targeted at three fiscal years from the fiscal year ending March 31, 2017 to the fiscal year ending March 31, 2019 (hereinafter referred to as "Initial Target Period"; the Initial Target Period and each three-fiscal-year period commencing after the expiry of the Initial Target Period is hereinafter referred to individually as "Target Period") and the subsequent Target Periods, and contributed funds to the Trust for acquiring shares to grant the Company's shares, etc. to Directors under the System in relation to the Initial Target Period in the amount of 181 million yen. The Trust has acquired 150,000 shares of the Company with respect to the Initial Target Period using money contributed by the Company to the Trust. (The Company carried out a stock split on April 1, 2018 at the ratio of 1.5 shares for 1 common share, and the number of shares indicated represents the number of shares after the stock split)

After the expiry of the Initial Target Period, the Company will additionally contribute the aforementioned funds for acquiring shares in each Target Period until the termination of the System in the amount of up to 200 million yen (consisting of 190 million yen for directors not serving as Audit and Supervisory Committee members and 10 million yen for directors serving as Audit and Supervisory Committee members).

However, in cases where such additional contribution is to be made, when there exist the Company's shares (excluding the Company's shares corresponding to the number of points allocated to Directors that are yet to be granted to the Directors) and money remaining in the trust assets as at the last day of the Target Period immediately before the Target Period in which such additional contribution is to be made (hereinafter referred to as "Remaining Shares, etc."), the sum of the amount of Remaining Shares, etc. (the Company's shares shall be based on the book value as at the last day of the immediately preceding Target Period) and the amount of money to be additionally contributed shall be within the upper limit approved in this Proposal. When the Company has decided to make an additional contribution, it will be disclosed appropriately on a timely.

(4) Method of acquisition of the Company's shares and the number of shares to be acquired

Acquisition of the Company's shares by the Trust will be conducted through trading markets or by way of undertaking the disposal of treasury stock of the Company by using funds contributed according to (3) above as the source of finance.

(5) Upper limit of the number of the Company's shares, etc. to be granted to Directors

For each fiscal year, in accordance with the Rules on Granting of Shares to Officers, the Company will allocate a certain number of points that is determined based on one's job position, degree of attainment in terms of performance, etc., to directors not serving as Audit and Supervisory Committee members (those who are executive directors) and a certain number of points that is determined based on one's job position to directors not serving as Audit and Supervisory Committee members (those who are outside directors or directors other than executive directors (excluding outside directors)) and to directors serving as Audit and Supervisory Committee members. The total number of points allocated to Directors each fiscal year shall not exceed 42,000 points (which are broken down into 38,000 points to directors not serving as Audit and Supervisory Committee members (excluding outside directors), 2,000 points to outside directors not serving as Audit and Supervisory Committee members, and 2,000 points to directors serving as Audit and Supervisory Committee members). This is deemed to be reasonable as it is determined by taking all factors into consideration, such as the current level of officer remuneration paid to Directors, the trends in the number of Directors and future outlook.

In regards to the points allocated to Directors, one point will be converted at a rate of one common share of the Company upon granting the Company's shares, etc. according to (6) below (however, if stock split, gratis allotment of shares, stock consolidation, etc. is executed with respect to the Company's shares after a resolution to approve this Proposal has been passed, reasonable adjustments will be made to the conversion rate according to the ratio of such stock split, gratis allotment of shares, stock consolidation, etc.).

The ratio of the number of shares corresponding to the maximum number of points per fiscal year to be granted to directors (42,000 shares) to the total number of shares issued (as of March 31, 2021, after deducting treasury stock) is approximately 0.08%.

The number of points to a director that forms the basis upon granting the Company's shares, etc. according to (6) below shall be the total number of points allocated to the director until his/her retirement (points calculated in such a manner shall hereinafter be referred to as "Final Point Count").

(6) Grant of the Company's shares, etc. to Directors

In cases where a director of the Company has retired and meets the beneficiary criteria prescribed in the Rules on Granting of Shares to Officers, the director shall be entitled to receive the number of the Company's shares according to the Final Point Count determined as described in (5) above from the Trust after his/her retirement by carrying out the prescribed beneficiary determination procedures.

However, in cases where the director meets the criteria prescribed in the Rules on Granting of Shares to Officers, he/she shall receive money equivalent to the market value of the Company's shares instead of receiving the Company's shares with respect to a certain ratio of the Company's shares corresponding to such Final Point Count. In order to pay the money, the Company's shares may be sold by the Trust in some cases.

If a Director to which points have been allocated is removed from office by a resolution of the General Meeting of Shareholders, has resigned as a result of a misconduct or illegal act that the Director committed, or has committed an illicit act that could cause damage to the Company, the Director shall not be entitled to the right to receive the grant.

The amount of remuneration to be received by Directors shall be based on the amount calculated by multiplying the total number of points granted to Director by the book value per share of the Company's shares held by the Trust (which is subject to reasonable adjustment in the case of a stock split, a gratis allotment of shares, or a reverse stock split, in accordance with the applicable ratio) at the time of the grant of points.

When money is paid in exceptional circumstances pursuant to the provisions of the Rules on Granting of Shares to Officers, the amount of such money is added to the amount of remuneration if it is deemed appropriate.

(7) Treatment of voting rights

Voting rights pertaining to the Company's shares in the Trust shall not be exercised without exception based on the trust administrator's instructions.

(8) Other matters

Particulars of the System shall be subject to resolution of the Board of Directors (provided, however, that the section relating to directors serving as Audit and Supervisory Committee members shall require the deliberation by and the consent of directors serving as Audit and Supervisory Committee members).