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Securities code: 8945

To Shareholders with Voting Rights:

Akira Takaki
Representative Director, President
SUNNEXTA GROUP Inc.
35 Tansumachi, Shinjuku-ku, Tokyo,
Japan

**NOTICE OF CONVOCATION OF
THE 26th ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We hereby inform you that the 26th Ordinary General Meeting of Shareholders of SUNNEXTA GROUP Inc. (the “Company”) will be held as described below.

For the convocation of this Ordinary General Meeting of Shareholders, information contained in the Reference Documents for the General Meeting of Shareholders, etc. (matters subject to measures for electronic provision) is provided electronically, and is posted on the Company’s website. Please access the website shown below to confirm the information.

◆ The Company’s website: <https://www.sunnexta.co.jp/ir/> (in Japanese only)
(Please access the website shown above, and select “IR Library” and “Materials for General Meeting of Shareholders” in this order from the menu to confirm the information.)

In addition to the above Company’s website, matters subject to measures for electronic provision are also available on the website of Tokyo Stock Exchange (TSE). Please access and confirm the information on the TSE’s website below.

◆ TSE’s website (Listed Company Search)
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>
(Please access the website shown above, enter “SUNNEXTA GROUP” in the “Issue name (company name)” or the Company’s security code, “8945,” in the “Code”, and click “Search.” Then please select “Basic information” and “Documents for public inspection/PR information” in this order, and confirm the information in the “Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting” section of “Filed information available for public inspection.”)

If you are not attending the meeting in person on the day of the meeting, you can exercise your voting rights via the Internet or in writing (by post). Please read the Reference Documents for the General Meeting of Shareholders presented below, and exercise your voting rights **by 5:30 p.m. on Thursday, September 26, 2024**, in accordance with the “Guide for the Exercise of Voting Rights” (pages 6 to 7, in Japanese only).

1. Date and Time:	Friday, September 27, 2024 at 10:00 a.m. Japan time (Reception starts at 9:30 a.m. Japan time)
2. Place:	Hotel Grand Hill Ichigaya (East Wing), 3rd Floor Convention Hall Ruri 4-1 Ichigaya Honmuracho, Shinjuku-ku, Tokyo, Japan
3. Meeting Agenda:	
Matters to be reported:	<ol style="list-style-type: none"> 1. The Business Report and Consolidated Financial Statements for the Company's 26th Fiscal Year (from July 1, 2023 to June 30, 2024) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements 2. Non-consolidated Financial Statements for the Company's 26th Fiscal Year (from July 1, 2023 to June 30, 2024)
Proposals to be resolved:	
Proposal 1:	Appropriation of Surplus
Proposal 2:	Election of Three (3) Directors (Excluding Directors who are Audit and Supervisory Committee Members)
Proposal 3:	Election of Three (3) Directors who are Audit and Supervisory Committee Members
Proposal 4:	Election of One (1) Substitute Director who is an Audit and Supervisory Committee Member
Proposal 5:	Election of an Accounting Auditor
Proposal 6:	Issuance of Share Acquisition Rights as Stock Options to Executive Officers of the Company and Directors of its Subsidiaries
4. Matters decided in connection with this convocation	Please refer to the "Guide for the Exercise of Voting Rights" (pages 6 to 7, in Japanese only).

- If you attend the meeting in person, please submit the enclosed exercise of voting rights form to the reception desk at the venue.
- In accordance with provisions of laws and regulations and Article 14 of the Company's Articles of Incorporation, some of the matters subject to measures for electronic provision are not provided in the document delivered to shareholders who have requested the delivery of a paper copy. These matters include "Matters regarding Share Acquisition Rights," "Systems to Ensure the Appropriateness of Business," "Overview of the Operating Status of Systems to Ensure the Appropriateness of Business," "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 Business Report, the Consolidated Financial Statements, and the Non-consolidated Financial Statements presented in this document are part of the document subjected to the audit by the Accounting Auditor and the Audit and Supervisory Committee when preparing the Accounting Audit Report and the Audit Report.
- If there are any revisions to the matters subject to measures for electronic provision, information to that effect, with both the original and the revised, will be posted on each of the websites that provide matters subject to measures for electronic provision.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company considers the return of profits to shareholders as one of its important management measures.

Therefore, we take the future development of business into consideration when making decisions, while making it our medium- to long-term basic policy to provide stable and continuous dividends.

Based on the above policy, for the fiscal year-end dividend of the 26th fiscal year, we have decided to make a distribution of 20 yen per share as described below, with consideration for cumulative conditions of internal reserves and trends in our business performance.

We have already paid an interim dividend of 19 yen per share in March of this year, bringing the annual dividend per share including the interim dividend to 39 yen, which is 2 yen higher than in the previous fiscal year.

Type of dividend property	Cash
Allotment of dividend property and the total amount	20 yen per share of the Company's common shares Total amount of dividends: 182,691,280 yen
Effective date of dividends of surplus	September 30, 2024

Proposal 2: Election of Three (3) Directors (Excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all three (3) Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same in this proposal) will expire at the conclusion of this General Meeting of Shareholders.


Accordingly, the Company proposes the election of three (3) Directors.


The Audit and Supervisory Committee of the Company has determined that all candidates for Directors are suitable with regard to this proposal.

The candidates for Directors are as follows:

No.	Name	Current positions and responsibilities at the Company	Attendance at meetings of the Board of Directors (times)
1	[Reappointment] Akira Takaki	Representative Director, President	13/13
2	[Reappointment] [Outside] Hiroshi Nagayama [Independent]	Outside Director	13/13
3	[Reappointment] [Outside] Masato Kamekawa [Independent]	Outside Director	13/13

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
1	 Akira Takaki (August 28, 1973) [Reappointment] [Number of years in office as Director at the conclusion of this General Meeting of Shareholders] 15 years [Attendance at meetings of the Board of Directors (times)] 13/13	January 2001 Joined the Company July 2007 General Manager of Marketing Group of the Company July 2008 Head of Marketing Group of the Company September 2009 Director, Head of Marketing Group of the Company April 2016 Director overseeing Business Development Division and in charge of marketing and personnel affairs of the Company September 2016 Director of CLASSITE Inc. September 2016 Director in charge of personnel affairs and related businesses of the Company July 2017 Representative Director, President of 3S Co., Ltd. August 2018 Representative Director, President of CLASSITE Inc. (current position) August 2018 Director of CLASSITE REAL ESTATE Inc. September 2018 Director supervising related businesses of the Company September 2018 Managing Director supervising related businesses of the Company March 2019 Representative Director, President of SUNNEXTA LEASING Inc. September 2019 Representative Director, President of the Company (current position) July 2020 Representative Director, President of Japan Corporate Housing Service Inc. (current position) September 2021 Director of 3S Co., Ltd. (current position)	95,605
<p>[Reasons for nomination as a candidate for Director, etc.]</p> <p>Since joining the Company in 2001, Mr. Akira Takaki has fulfilled appropriate roles in business promotion and work execution, such as being involved in the Sales Division with a focus on marketing. Since assuming the office of Representative Director, President in 2019, he has borne a great responsibility for leading the Company's management. The Company has nominated him as a candidate for Director and proposes his appointment, because it has determined that he will utilize his wealth of experience and achievements in management overall to continue leading the Company's management, and that he is considered essential to realizing the sustainable growth and improved corporate value of the Group.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
2	 <p>Hiroshi Nagayama (July 9, 1956)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Number of years in office as Director at the conclusion of this General Meeting of Shareholders] 10 years</p> <p>[Attendance at meetings of the Board of Directors (times)] 13/13</p>	<p>April 1980 Joined Hanwa Co., Ltd.</p> <p>February 1991 Joined BDO Sanyu & Co.</p> <p>February 1997 Director of Sanyu BDO Consulting Co., Ltd. (currently KAKUSHIN.CO)</p> <p>June 2003 Representative Director of Sanyu BDO Consulting Co., Ltd.</p> <p>November 2008 Director of Sanyu BDO Consulting Co., Ltd.</p> <p>September 2009 Representative Director of Sanyu BDO Consulting Co., Ltd. (currently KAKUSHIN.CO) (current position)</p> <p>September 2010 Outside Audit & Supervisory Board Member of the Company</p> <p>September 2014 Outside Director of the Company (current position)</p> <p>April 2016 Specially Appointed Lecturer of Business School of Innovation Management, Professional School of Hosei University (current position)</p>	7,305
<p>[Reasons for nomination as a candidate for Outside Director and an overview of expected roles]</p> <p>Mr. Hiroshi Nagayama concurrently serves as the Representative Director of KAKUSHIN.CO and a specially appointed lecturer at the Professional School of Hosei University. The Company has nominated him as a candidate for Outside Director and proposes his appointment, because it believes that he will be able to reflect his wealth of expert knowledge and experience as a corporate executive and certified public accountant on the Company's management. At the conclusion of this General Meeting of Shareholders, his term of office as an Outside Director will be ten (10) years, and he also served as an Outside Audit & Supervisory Board Member for four (4) years in the past.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held	
3	 Masato Kamekawa (November 19, 1954) [Reappointment] [Outside] [Independent] [Number of years in office as Director at the conclusion of this General Meeting of Shareholders] 4 years [Attendance at meetings of the Board of Directors (times)] 13/13	April 1985 Associate Professor of Tokyo College of Transport Studies April 1989 Associate Professor of Department of Economics, Dokkyo University March 1995 Obtained Ph.D. from Rikkyo University April 1995 Professor of Department of Business, College of Economics, Rikkyo University April 2002 Founding Professor of Graduate School of Business Administration, Studies, Rikkyo University April 2002 Director of Hosho Gakuen (current position) April 2010 Vice Chairman of The Japanese Association for Research in Disclosure June 2014 Vice Chairman of Business Analysis Association April 2015 Founding Advisor of Business Creator Society (current position) June 2018 Chairman of NIPPON ACADEMY OF MANAGEMENT July 2018 Director of Rikkyo Educational Corporation (current position) July 2018 Vice Chairman of Japan Academy of Management April 2020 Professor Emeritus of Rikkyo University (current position) April 2020 Vice President and Specially Appointed Professor of School of Business Administration, Bunkyo Gakuin University September 2020 Outside Director of the Company (current position) July 2023 Vice Chairman of Japan Financial Management Association (current position) April 2024 Dean and Professor (Ph.D.) of the Graduate Business School of Welfare Healthcare Services at Bunkyo Gakuin University (current position)	2,325	
		[Reasons for nomination as a candidate for Outside Director and an overview of expected roles] Mr. Masato Kamekawa serves concurrently as Director of Rikkyo Educational Corporation and Chairperson of Graduate Business School of Welfare Healthcare Services of Bunkyo Gakuin University. The Company has nominated him as a candidate for Outside Director and proposes his appointment, because he has been involved in research on capital costs and shareholder value for many years. Furthermore, the Company believes that he will reflect his broad knowledge and insight on the Company's Board of Directors, and that he will adequately fulfill his role as an Outside Director in supervision of decision-making and business execution for important matters concerning the Company's management. Although he has not been involved in management of a corporation in any manner other than serving as an Outside Director, the Company has determined that he will be able to appropriately perform his duties as an Outside Director for the reasons stated above. At the conclusion of this General Meeting of Shareholders, his term of office as an Outside Director will be four (4) years.		

- Notes: 1. There are no special interests between any of the candidates and the Company.
 2. The number of shares of the Company held represents the actual number of shares held, including holdings in the SUNNEXTA GROUP Officer Shareholding Association.
 3. The Company has entered into agreements with Mr. Hiroshi Nagayama and Mr. Masato Kamekawa to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act, in

accordance with the provisions of Article 427, Paragraph 1 of the said Act. The maximum amount of liability for damages under such agreements is limited to the total amount stipulated in each item of Article 425, Paragraph 1 of the Companies Act. If their reappointment as Directors is approved, the Company plans to continue such agreements with them.

4. The Company has entered into a directors and officers liability insurance contract with an insurance company, in accordance with the provisions of Article 430-3, Paragraph 1 of the Companies Act. An overview of the content of the contract is as described in the Business Report. If the candidates are appointed and assume the office, they will be the insured under the insurance contract. In addition, the Company plans to renew the insurance contract with the same content at the next time of renewal.
5. Mr. Hiroshi Nagayama and Mr. Masato Kamekawa are candidates for Outside Directors.
6. The Company has designated Mr. Hiroshi Nagayama and Mr. Masato Kamekawa as independent officers who are not likely to have a conflict of interest with general shareholders in accordance with the provisions of Tokyo Stock Exchange, Inc., etc., and has registered thereof to the Tokyo Stock Exchange.


Proposal 3: Election of Three (3) Directors who are Audit and Supervisory Committee Members


The terms of office of all three (3) Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of three (3) Directors who are Audit and Supervisory Committee Members.


The Audit and Supervisory Committee has given its consent for this proposal.

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

No.	Name	Current positions and responsibilities at the Company	Attendance at meetings of the Board of Directors (times)	Attendance at meetings of the Audit and Supervisory Committee (times)
1	[New appointment] Eiji Yutaka	Advisor to an Audit and Supervisory Committee Member	-	-
2	[Reappointment] [Outside] [Independent] Kenichi Sasamoto	Outside Director (Audit and Supervisory Committee Member)	13/13	13/13
3	[Reappointment] [Outside] [Independent] Sumiko Yamaguchi	Outside Director (Audit and Supervisory Committee Member)	13/13	13/13

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
1	 Eiji Yutaka (June 9, 1958) [New appointment]	April 1982 Joined Ajinomoto Co., Inc. July 2011 Director and Executive Officer, General Manager of General Affairs Department of Ajinomoto Fine- Techno Co., Inc. July 2015 Director, Managing Executive Officer, General Manager of General Affairs Department and General Manager of Audit Department of Ajinomoto Fine-Techno Co., Inc. July 2018 Advisor to an Audit & Supervisory Board Member of the Company August 2018 Full-time Audit & Supervisory Board Member of CLASSITE Inc. August 2018 Audit & Supervisory Board Member of Zennitisokanri Inc. August 2018 Audit & Supervisory Board Member of CLASSITE REAL ESTATE Inc. September 2019 Advisor to an Audit & Supervisory Board Member of the Company September 2020 Advisor to an Audit & Supervisory Committee Member of the Company (current position)	4,551
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Eiji Yutaka has knowledge, experience, and great achievements as a general manager of the general affairs department and a corporate executive of a group company within a globally operating listed company for many years. He has also served as an Audit & Supervisory Board Member for the Company's subsidiaries and has supported the duties of the Company's Director (full-time Audit and Supervisory Committee Member) for six (6) years. The Company has determined that he will be able to appropriately perform his duties as a Director who is an Audit and Supervisory Committee Member for the reasons stated above.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
2	 <p>Kenichi Sasamoto (May 25, 1951)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Number of years in office as Director at the conclusion of this General Meeting of Shareholders] 4 years</p> <p>[Attendance at meetings of the Board of Directors (times)] 13/13</p> <p>[Attendance at meetings of the Audit and Supervisory Committee (times)] 13/13</p>	<p>September 1977 Lecturer of Nihon University</p> <p>June 1980 Joined Chuo Accounting Office Audit Corporation</p> <p>September 1992 Appointed Partner of Chuo Accounting Office Audit Corporation</p> <p>September 1998 Appointed Representative Partner of Chuo Accounting Office Audit Corporation</p> <p>July 2007 Partner of A&A Partners</p> <p>September 2014 Outside Audit & Supervisory Board Member of the Company</p> <p>October 2016 Representative of Kenichi Sasamoto Certified Public Accountant Office (current position)</p> <p>June 2018 Outside Audit & Supervisory Board Member of TOKATSU HOLDINGS CO., LTD.</p> <p>June 2019 Outside Director (Audit and Supervisory Committee Member) of TOKATSU HOLDINGS CO., LTD. (current position)</p> <p>June 2019 External Director (Audit & Supervisory Committee Member) of NS TOOL CO., LTD. (current position)</p> <p>September 2020 Outside Director (Audit and Supervisory Committee Member) of the Company (current position)</p>	308
<p>[Reasons for nomination as a candidate for Outside Director and an overview of expected roles]</p> <p>Mr. Kenichi Sasamoto is a certified public account and certified tax accountant, and has a wealth of experience in audit work at major audit firms, etc. The Company has nominated him as a candidate for Outside Director, because it has determined that he will be able to appropriately perform his duties as an Outside Director based on the expectation that he will perform audit work from an objective and neutral position. Although he has not been involved in management of a corporation in any manner other than serving as an outside officer, the Company has determined that he will be able to appropriately perform his duties as an Outside Director for the reasons stated above. At the conclusion of this General Meeting of Shareholders, his term of office as an Outside Director will be four (4) years.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
3	 <p>Sumiko Yamaguchi (March 2, 1971)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Number of years in office as Director at the conclusion of this General Meeting of Shareholders] 2 years</p> <p>[Attendance at meetings of the Board of Directors (times)] 13/13</p> <p>[Attendance at meetings of the Audit and Supervisory Committee (times)] 13/13</p>	<p>December 2010 Registered as an attorney</p> <p>December 2010 Joined Bancho Sogo Law Office</p> <p>September 2016 Joined Iida & Suzuki Law Office</p> <p>December 2018 Partner of Kojimachi Street Law Office</p> <p>September 2022 Outside Director (Audit and Supervisory Committee Member) of the Company (current position)</p> <p>February 2023 Representative of Kojimachi Yamaguchi Law Office (current position)</p>	1,500
<p>[Reasons for nomination as a candidate for Outside Director and an overview of expected roles]</p> <p>Ms. Sumiko Yamaguchi has a high degree of expert knowledge cultivated as an attorney. The Company proposes her appointment, because it believes that she is capable of conducting substantial and objective management oversight. Although she has not been involved in management of a corporation, the Company has determined that she will be able to appropriately perform her duties as an Outside Director who is an Audit and Supervisory Committee Member for the reasons stated above. At the conclusion of this General Meeting of Shareholders, her term of office as an Outside Director will be two (2) years.</p>			

- Notes:
1. There are no special interests between any of the candidates and the Company.
 2. The number of shares of the Company held represents the actual number of shares held, including holdings in the SUNNEXTA GROUP Officer Shareholding Association.
 3. The Company has entered into agreements with Mr. Kenichi Sasamoto and Ms. Sumiko Yamaguchi to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 427, Paragraph 1 of the said Act. The maximum amount

of liability for damages under such agreements is limited to the total amount stipulated in each item of Article 425, Paragraph 1 of the Companies Act. If their reappointment is approved, the Company plans to continue such agreements with them.


4. The Company has entered into a directors and officers liability insurance contract with an insurance company, in accordance with the provisions of Article 430-3, Paragraph 1 of the Companies Act. An overview of the content of the contract is as described in the Business Report. If the candidates are appointed and assume the office, they will be the insured under the insurance contract. In addition, the Company plans to renew the insurance contract with the same content at the next time of renewal.
5. Mr. Kenichi Sasamoto and Ms. Sumiko Yamaguchi are candidates for Outside Directors.
6. The Company has designated Mr. Kenichi Sasamoto and Ms. Sumiko Yamaguchi as independent officers who are not likely to have a conflict of interest with general shareholders in accordance with the provisions of Tokyo Stock Exchange, Inc., etc., and has registered thereof to the Tokyo Stock Exchange, etc.

Proposal 4: Election of One (1) Substitute Director who is an Audit and Supervisory Committee Member

To prepare for the event that the number of Directors who are Audit and Supervisory Committee Members falls below the number required by laws and regulations, the Company proposes the election of one (1) substitute Director who is an Audit and Supervisory Committee Member.

The Audit and Supervisory Committee has given its consent for this proposal.

The candidate for substitute Director who is an Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
 Yoshihiko Abe (June 7, 1954) [Outside] [Independent]	April 1978 Joined Toyo Soda Manufacturing Co., Ltd. (currently Tosoh Corporation)	3,605
	June 2007 Director of Tosoh Corporation Executive Officer of Nippon Polyurethane Industry Co., Ltd.	
	June 2008 Director in charge of Toyama Office, Overseas Business Planning Department, Tosoh Corporation	
	June 2009 Director, Corporate Strategy, Tosoh Corporation	
	June 2010 Director, Chief Representative for China, Tosoh Corporation Chairman and President of Tosoh Guangzhou Chemical Industries, Inc.	
	June 2013 Director and Managing Executive Officer of Hodogaya Chemical Co., Ltd.	
	June 2015 Full-time Audit & Supervisory Board Member of Toho Acetylene Co., Ltd.	
	September 2019 Full-time Outside Audit & Supervisory Board Member of the Company September 2020 Outside Director (Full-time Audit and Supervisory Committee Member) of the Company (current position)	

[Reasons for nomination as a candidate for substitute Outside Director who is an Audit and Supervisory Committee Member and an overview of expected roles]

Mr. Yoshihiko Abe has made great achievements as a corporate executive of listed companies, and possesses knowledge and experience as a full-time Audit & Supervisory Board Member of listed companies. He has also performed the duties of a full-time Audit & Supervisory Board Member and a Director (full-time Audit and Supervisory Committee Member) of the Company for five (5) years. The Company has nominated him and proposes his appointment, because it has determined that he will be able to utilize his experience and knowledge to fully demonstrate his ability to supervise execution of duties by Directors of the Company. At the conclusion of this General Meeting of Shareholders, his term of office as an Outside Director will be four (4) years.

- Notes:
1. There are no special interests between Mr. Yoshihiko Abe and the Company.
 2. Mr. Yoshihiko Abe is a candidate for substitute Outside Director who is an Audit and Supervisory Committee Member.
 3. The number of shares of the Company held represents the actual number of shares held, including holdings in the SUNNEXTA GROUP Officer Shareholding Association.
 4. The Company has entered into an agreement with Mr. Yoshihiko Abe to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 427, Paragraph 1 of the said Act. The maximum amount of liability for damages under the agreement is limited to the total amount stipulated in each item of Article 425, Paragraph 1 of the Companies Act. If Mr. Yoshihiko Abe is appointed as a Director who is an Audit and Supervisory

Committee Member, the Company plans to enter into a similar liability limitation agreement with him.

5. The Company has entered into a directors and officers liability insurance contract with an insurance company, in accordance with the provisions of Article 430-3, Paragraph 1 of the Companies Act. An overview of the content of the contract is as described in the Business Report. If Mr. Yoshihiko Abe is appointed as a Director who is an Audit and Supervisory Committee Member, he will be included in the insured under the insurance contract.
6. If Mr. Yoshihiko Abe is appointed as a Director who is an Audit and Supervisory Committee Member, the Company plans to designate him as an independent officer who is not likely to have a conflict of interest with general shareholders in accordance with the provisions of Tokyo Stock Exchange, Inc., etc., and register thereof to the Tokyo Stock Exchange.

<Reference> Criteria regarding the independence of the officers of the Company

Officers who fall under any of the following categories are not considered to be independent.

1. A person who executes business for the Company or the parent company, its subsidiary, or a company with the same parent company of the Company (collectively, the “Group”)
A person who is an executive director, a corporate officer, an executive officer, a manager, or other employee of the Group, or a person who has been in such a position in the last 10 years
2. A person for whom the Group is a major business partner or the person who executes business therefor; or a major business partner of the Group or a person who executes business therefor
 - (1) A person for whom the Group is a major business partner (a person who has received payments from the Group of 2% or more of the person’s annual consolidated gross sales in the most recent fiscal year) or its parent company or significant subsidiary, or if such person is a company, an executive director, a corporate officer, an executive officer, a manager, or other employee of such company, or a person who has been in such a position in any of the last five fiscal years
 - (2) A person who is a major business partner of the Group (a person who makes payments to the Group of 2% or more of the Company’s annual consolidated gross sales in the most recent fiscal year) or its parent company or significant subsidiary, or if such person is a company, an executive director, a corporate officer, an executive officer, a manager, or other employee of such company, or a person who has been in such a position in any of the last five fiscal years
 - (3) A financial institution or other major creditor who is indispensable for the fundraising of the Group and on whom the Group depends to the extent that it is irreplaceable (a person from whom total outstanding loans account for 2% or more of the Company’s total consolidated assets) or a director, an audit & supervisory board member, an accounting advisor, a corporate officer, an executive officer, or a manager or other employees of their parent company or a significant subsidiary, or a person who has been in such a position in the last five years
 - (4) An entity or its executive director, a corporate officer, an audit & supervisory board member, an accounting advisor, an executive officer, a manager, or other employee that has participated in the Japan Corporate Housing Net; or had participated in the past five years
3. A consultant, an accounting specialist, or a legal specialist who receives a large amount of money or other properties aside from the officers’ remuneration from the Group
 - (1) A person, as a consultant, an accountant, or an attorney, who is expected to receive money or other properties of 10 million yen or more per year aside from the officers’ remuneration from the Group; or had received such money or other properties in the past five years
 - (2) If the case in (1) above is an organization, such as a corporation or a union, a person who belongs to such organization; or had in the past belonged thereto
4. A major shareholder of the company concerned
A current major shareholder of the Company (meaning a shareholder owning 5% or more of the voting rights including joint holders’ interests) or if the major shareholder is a corporation, or a person who has been such a director, an audit & supervisory board member, an accounting advisor, a corporate officer, a trustee, an executive officer, or a manager or other employee of the major shareholder, its parent company or significant subsidiary, or a person who has been in such a position in the last five years
5. A close relative
A person within the second degree of kinship of the person to whom the aforementioned criteria 1. through 4. applied

<Reference> Skill matrix of the Directors of the Company (if each candidate for Director is appointed at this General Meeting of Shareholders)

Name	Position	Outside	Independent	Skill (insight and experience, etc.)				
				Corporate management	The Group's business	New businesses and development (investment)	Finance and accounting	Audit, legal affairs, compliance, and risk management
Akira Takaki	Representative Director, President			•	•	•		
Hiroshi Nagayama	Director	•	•	•			•	
Masato Kamekawa	Director	•	•			•	•	
Eiji Yutaka	Full-time Audit and Supervisory Committee Member			•	•			•
Kenichi Sasamoto	Director Audit and Supervisory Committee Member	•	•	•		•	•	•
Sumiko Yamaguchi	Director Audit and Supervisory Committee Member	•	•					•

Proposal 5: Election of Accounting Auditor

The Company’s Accounting Auditor, KPMG AZSA LLC, will retire as its term of office will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the Company proposes the appointment of a new Accounting Auditor based on the decision made by the Audit and Supervisory Committee.

Given the current Accounting Auditor’s years of continuous auditing, the Audit and Supervisory Committee compared and reviewed accounting auditors from whom the Company can expect auditing from a new perspective. As a result, the Committee has nominated A&A Partners as a candidate for Accounting Auditor as it has determined that A&A Partners is suitable for being able to conduct such expected audits, with comprehensive consideration of factors such as A&A Partners’ audit system, expertise, independence, and quality management structure, as well as the level of audit fees in view of the business and scale of the Company.

The candidate for the Accounting Auditor is as follows:

(As of July 1, 2024)

Name	A&A Partners		
Office	1-16-11 Nihonbashi, Chuo-ku, Tokyo		
History	July 1990	Established	
	May 2007	Renamed as A&A Partners	
Overview	Capital (million yen)		52
	Personnel composition (persons)	Partners	16
		Staffs (CPAs)	32
		Others	39
	Total		87

Proposal 6: Issuance of Share Acquisition Rights as Stock Options to Executive Officers of the Company and Directors of its Subsidiaries

The Company seeks the approval to delegate authority to the Board of Directors of the Company to determine the matters relating to the subscription offer of share acquisition rights issued as stock options to the Executive Officers of the Company and the Directors of its subsidiaries, in accordance with the provisions of Article 236, Article 238, and Article 239 of the Companies Act.

1. Reasons why the Company needs to issue the share acquisition rights under especially preferential conditions

Given that the value of these share acquisition rights is linked to the Company's stock price, by reflecting the medium- to long-term enhancement of the Company's corporate value and shareholders' value in the remuneration of the officers and employees of the Company and its subsidiaries, the officers and employees will be able to align their interests as well as any disadvantages with those of the shareholders. Therefore, the Company believes that it will further encourage the officers and employees of the Company and its subsidiaries to elevate their morale and willingness to contribute to the improvement of the medium- to long-term business performance and enhancement of corporate value of the Group, which, in turn, will contribute to the enhancement of corporate value and shareholders value.

In this way, the share acquisition rights as stock options will be issued to the Executive Officers of the Company and the Directors of its subsidiaries for the purpose of improving the medium- to long-term business performance and enhancing corporate value.

2. Persons to whom the share acquisition rights will be allotted and the maximum number of such allottees

- (1) Persons to whom the share acquisition rights will be allotted (allottees): Executive Officers of the Company and Directors of its subsidiaries
- (2) Total number of allottees: 7 (maximum)

3. Overview of the issuance of the share acquisition rights

(1) Total number of share acquisition rights

The maximum number of share acquisition rights shall be 200.

The number of shares to be issued upon the exercise of each share acquisition right shall be 100.

In the event that the Company splits or consolidates its common shares, the number of shares to be granted shall be adjusted using the following formula. Such adjustment shall be made only to the number of shares to be granted for each of these share acquisition rights that have not yet been exercised at the time of adjustment, and any fraction less than one share arising from the adjustment shall be rounded down.

$$\begin{array}{l} \text{Number of shares} \\ \text{after adjustment} \end{array} = \begin{array}{l} \text{Number of shares} \\ \text{before adjustment} \end{array} \times \text{Ratio of split or consolidation}$$

Additionally, in the event that the Company carries out an absorption-type merger or an incorporation-type merger and these share acquisition rights are succeeded, or the Company carries out an incorporation-type split or an absorption-type split, the Company may adjust the number of shares to the extent that the Company considers reasonable.

(2) Class and number of shares to be issued upon the exercise of the share acquisition rights

The maximum shall be 20,000 shares of the common shares of the Company.

However, in the event that adjustments are made, as provided in (1) above, similar adjustments shall be made.

(3) Amount of cash payment in exchange for the share acquisition rights

No cash payment will be required for the share acquisition rights.

(4) Value of assets to be paid in at the time of exercise of share acquisition rights (exercise price)

The value of assets to be paid in at the time of exercise of share acquisition rights (exercise price) shall be the amount paid per share to be issued by the exercise of share acquisition rights of one yen, multiplied by the number of shares granted.

(5) Exercise period

The exercise period shall be a period of 30 years from the day following the allotment date.

(6) Amount of increase of capital and capital reserve through the issue of shares upon the exercise of the share acquisition rights

1) The amount of capital to be increased through the issue of shares upon the exercise of the share acquisition rights shall be half of the maximum limit of the capital increase, as calculated in accordance with Article 17, Paragraph 1 of the Regulations on Corporate Accounting. Any fraction of less than one yen arising from the calculation shall be rounded up.

2) The amount of capital reserve to be increased through the issue of shares upon the exercise of the share acquisition rights shall be the amount of the maximum limit on the increase in capital provided in 1) above, less the amount of the increased capital stipulated in 1) above.

(7) Restriction on the acquisition of share acquisition rights through a transfer

Any acquisition of the share acquisition rights through transfer shall require the approval of the Board of Directors.

(8) Matters regarding the acquisition of share acquisition rights

In the event that approval is given for proposals 1), 2), 3), 4), or 5) below (or if a resolution of the General Meeting of Shareholders is not required, then approval is given by the Board of Directors of the Company), the Company may acquire the share acquisition rights without charge on a date separately stipulated by the Board of Directors.

1) Proposal for the approval of a merger agreement in which the Company will become the non-surviving company

2) Proposal for the approval of a company split agreement or a company split plan in which the Company will become the split company

3) Proposal for the approval of a share exchange agreement or a share transfer plan in which the Company will become a wholly-owned subsidiary

4) Proposal for the approval of an amendment to the Articles of Incorporation to make provisions requiring the Company's approval for the acquisition of such shares through transfer as the contents of all shares issued by the Company; or

5) Proposal for the approval of an amendment to the Articles of Incorporation to make provisions (i) requiring the Company's approval for the acquisition of such shares through transfer as the contents of shares underlying the share acquisition rights, or (ii) allowing the Company to acquire all of such relevant shares upon resolution of the General Meeting of Shareholders.

(9) Conditions for the exercise of share acquisition rights

1) Share acquisition rights holders can only exercise these rights within ten days from the date following the date on which they lose their position as a Director (including a Director who is an Audit and Supervisory Committee Member), Audit & Supervisory Board Member, Corporate Officer, Executive Officer, and employee of the Company and its subsidiaries.

2) Share acquisition rights must be exercised in their entirety at once and may not be exercised in increments.

3) Other conditions for the exercise of share acquisition rights shall be stipulated in the "Share Acquisition Rights Allotment Agreement," to be concluded between the Company and the share acquisition rights holder.

4) In the event of the death of the share acquisition rights holder, only one of the lawful heirs of the share acquisition rights holder (hereinafter the "Successor") may exercise these rights within one year from the date on which the share acquisition rights holder became deceased. In the event of the death of the Successor, the heir of the Successor cannot inherit the share acquisition rights.

(10) Handling of share acquisition rights in the event of a corporate reorganization

In the case of a merger (but only in the event that the Company becomes a non-surviving company), absorption-type split, incorporation-type split, share exchange, or share transfer (hereinafter, collectively referred to as a “corporate reorganization”), the share acquisition rights holders of the remaining share acquisition rights (hereinafter, the “remaining share acquisition rights”) at the time the corporate reorganization takes effect shall be granted new share acquisition rights of the stock company based on the conditions below (hereinafter, the “reorganized company”) as stipulated in Article 236, Paragraph 1, Item 8, (a) to (e) of the Companies Act. In this event, the remaining share acquisition rights shall expire.

However, the aforementioned provision shall apply only if the relevant absorption-type merger agreement, incorporation-type merger agreement, absorption-type split agreement, incorporation-type split agreement, share exchange agreement or share transfer plan stipulates that the share acquisition rights of the reorganized company are to be granted in accordance with the following conditions.

1) Number of share acquisition rights of the reorganized company to be granted

The same number of share acquisition rights as the number of remaining share acquisition rights held by the share acquisition rights holder shall be granted.

2) Class of shares of the reorganized company to be issued upon exercise of the share acquisition

The common shares of the reorganized company shall be issued.

3) Number of shares of the reorganized company to be issued upon exercise of the share acquisition rights

To be determined upon taking into account the terms and conditions of the reorganization and other factors.

4) Value of assets to be paid in at the time of exercise of share acquisition rights

To be determined upon taking into account the terms and conditions of the reorganization and other factors.

5) Period in which the share acquisition rights may be exercised

The period from the starting date of the exercise period as stipulated above or the effective date of the corporate reorganization, whichever comes later, to the end of the exercise period as stipulated above

6) Conditions for the exercise of share acquisition rights

To be determined similarly to the exercise conditions stipulated above.

7) Amount of increase of capital and capital reserve through the issue of shares upon the exercise of the share acquisition rights

To be determined similarly to the details stipulated in (6) above.

8) Restriction on the acquisition of share acquisition rights through a transfer

Any acquisition of the share acquisition rights through transfer shall require the approval of the reorganized company.

9) Any fraction less than one share arising from the number of shares granted to share acquisition rights holders exercising these share acquisition rights shall be rounded down.

(11) Handling of any fractions in the number of shares granted

Any fraction less than one share arising in the shares to be granted to share acquisition rights holders exercising these share acquisition rights shall be rounded down.

(12) Others

Other matters regarding the share acquisition rights shall be determined by resolution of the Board of Directors.