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To Our Shareholders

Osamu Kimura  
Representative Director and President  
**Adastria Co., Ltd.**  
3-1-27 Izumi-cho, Mito-shi, Ibaraki

## Notice of the 74th Ordinary General Meeting of Shareholders

First, we would like to express our deepest sympathies to all those who have been affected by the 2024 Noto Peninsula Earthquake, and we sincerely hope for a quick recovery.

We cordially notify you of the 74th Ordinary General Meeting of Shareholders of Adastria Co., Ltd. (the “Company”), to be held as indicated below.

When convening this General Meeting of Shareholders, the Company takes measures for providing information (matters subject to measures for electronic provision) that constitutes the content of Reference Documents for the General Meeting of Shareholders in electronic format. Please visit the websites at the internet address shown below to review the information.

The Company’s website:  
<https://www.adastria.co.jp/> (in Japanese)  
(On the English-language version of the above website, please select “Investors” and then “General Meeting of Shareholders” under the heading “IR Library.”)

The Tokyo Stock Exchange website (Listed Company Search):  
<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)  
(Access the TSE website by using the internet address shown above, enter “Adastria” in “Issue name (company name)” or the Company’s securities code “2685” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

If you are unable to attend the Ordinary General Meeting of Shareholders, you may exercise your voting rights in writing (by mail) or via the Internet. After reviewing the Reference Documents for the General Meeting of Shareholders, please indicate your approval or disapproval of the proposals on the voting card sent out with this notice and return it to reach us no later than 7:00 p.m. on Wednesday, May 22, 2024 (Japan Standard Time), or vote at the website for exercising voting rights specified by the Company (<https://evote.tr.mufg.jp/>) (in Japanese).

## Meeting Details

1. **Date and Time:** Thursday, May 23, 2024 at 3:00 p.m. (Reception opens at 2:30 p.m.)
2. **Venue:** “Sea Breeze” at HOTEL TERRACE the GARDEN MITO 3F  
1-7-20 Miya-machi, Mito-shi, Ibaraki

### 3. Purpose of the Meeting:

#### Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 74th fiscal year (from March 1, 2023 to February 29, 2024), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 74th fiscal year (from March 1, 2023 to February 29, 2024)

#### Matters to be resolved:

- Proposal 1:** Partial Amendments to the Articles of Incorporation
- Proposal 2:** Election of Eight (8) Directors Who Are Not Members of the Audit and Supervisory Committee
- Proposal 3:** Election of Three (3) Directors Who Are Members of the Audit and Supervisory Committee
- Proposal 4:** Election of One (1) Substitute Director Who Is a Member of the Audit and Supervisory Committee
- Proposal 5:** Determination of Amount of Compensation, etc. for Directors Who Are Not Members of the Audit and Supervisory Committee
- Proposal 6:** Determination of Amount of Compensation, etc. for Directors Who Are Members of the Audit and Supervisory Committee
- Proposal 7:** Determination of Amount and Details of Performance-Linked and Share-Based Compensation for Directors Who Are Not Members of the Audit and Supervisory Committee

### 4. Instructions Concerning the Exercise of Voting Rights

- (1) If neither approval nor disapproval of each proposal is indicated in writing (by mail) on the voting form, the Company will deem that you indicated your approval of the proposal.
- (2) If you exercise your voting rights more than once via the internet, only the last vote shall be deemed effective.
- (3) Please note that your online vote will prevail regardless of the arrival date and time should you exercise your voting rights both via the internet and in writing (by mail).
- (4) If you exercise your voting rights by proxy, you may designate one other shareholder holding voting rights of the Company to attend the meeting. Please note, however, that it is necessary to submit a document proving the authority of proxy.
- (5) If you wish to make a diverse exercise of your voting rights, please advise us three days prior to the Ordinary General Meeting of Shareholders, stating your reasons therefor.

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- When you attend the General Meeting of Shareholders, you are kindly requested to submit the voting card at the reception.
  - Of the matters subject to measures for electronic provision, the following matters are excluded from the documents sent out in accordance with laws and regulations and the provisions of Article 15, paragraph 2 of the Articles of Incorporation.
    - (a) “System to Ensure Properness of Operation and the Status of its Implementation” in the Business Report
    - (b) “Consolidated Statement of Changes in Equity” and “Notes to the Consolidated Financial Statements”
    - (c) “Non-consolidated Statement of Changes in Equity” and “Notes to the Non-consolidated Financial Statements”

Accordingly, the Business Report, the Consolidated Financial Statements, and the Non-consolidated Financial Statements contained in the corresponding documents are a part of the documents that were audited when the Accounting Auditor and Audit & Supervisory Board Members prepared the accounting audit reports and audit reports, respectively.

- If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the Company’s website and the TSE website both mentioned above.
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## Instruction Regarding Exercise of the Voting Rights via the Internet

### Method 1: Scanning QR Code®

You can log in to the website for the exercise of voting rights without entering the login ID or temporary password printed on the voting form.

1. Please scan QR Code provided on the voting form.  
\* "QR code" is a registered trademark of DENSO WAVE INCORPORATED.
2. Please follow on-screen instructions to indicate your approval or disapproval of each proposal.

### Method 2: Entering Login ID and Temporary Password

Exercise of Voting Rights Website  
<https://evote.tr.mufig.jp/> (in Japanese)

1. Please access the website for exercising voting rights.
2. Enter your Login ID/ Temporary Password provided on the voting card and click on Log in.
3. Please follow on-screen instructions to indicate your approval or disapproval of each proposal.

In case you need instructions for how to operate your personal computer/smartphone in order to exercise your voting rights via the internet, please contact:

Help Desk, Stock Transfer Agency, Mitsubishi UFJ  
Trust and Banking Corporation  
Phone: 0120-173-027  
(toll free within Japan; 9:00 a.m. to 9:00 p.m.)

Institutional investors may use the platform operated for institutional investors by ICJ, Inc. to electronically exercise voting rights.

## Reference Documents for the General Meeting of Shareholders

### Proposals and Reference Documents

#### Proposal 1: Partial Amendments to the Articles of Incorporation

The Company asks for approval for partial amendments to the Articles of Incorporation. The amendments to the Articles of Incorporation in this proposal shall become effective at the conclusion of this General Meeting of Shareholders.

#### 1. Reasons for the proposal

##### (1) Transition to a Company with an Audit and Supervisory Committee

The Company will transition to a Company with an Audit and Supervisory Committee in order to achieve a prompt decision-making by delegating authority for important business execution decisions from the Board of Directors to individual Directors and to further improve corporate governance by strengthening the supervisory function of the Board of Directors.

In connection with the transition, the provisions relating to the Members of the Audit and Supervisory Committee and the Audit and Supervisory Committee are to be established and the provisions relating to the Audit & Supervisory Board Members and the Audit & Supervisory Board are to be deleted or amended, which are necessary for the transition to a Company with an Audit and Supervisory Committee.

##### (2) Other overall amendments

The Company will make necessary amendments such as changing the number of articles due to the addition or removal of articles, as well as making changes to preserve a tenor of consistency.

#### 2. Details of the amendments

Details of the amendments are as follows.

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed Amendments
<p>Article 4. (Method of Giving Public Notices) Public notices of the Company shall be given electronically. However, if electronic public notices cannot be given due to an accident or other unavoidable reason, public notices shall be published in the Nihon Keizai Shimbun.</p> <p>Article 5. (Organizational Bodies) The Company shall have the following organizational bodies in addition to the General Meeting of Shareholders and the Directors: (1) Board of Directors; (2) <u>Audit &amp; Supervisory Board Members;</u> (3) <u>Audit &amp; Supervisory Board; and</u> (4) Accounting Auditor.</p> <p>Article 18. (Number of Directors) The authorized number of Directors of the Company shall be not more than twelve (12).</p>	<p>Article 4. (Method of Giving Public Notices) Public notices of the Company shall be given electronically. However, if electronic public notices cannot be given due to an accident or other unavoidable reason, public notices shall be published in the Nihon Keizai Shimbun. (Change in Japanese only; English unchanged)</p> <p>Article 5. (Organizational Bodies) The Company shall have the following organizational bodies in addition to the General Meeting of Shareholders and the Directors: (1) Board of Directors; (2) <u>Audit and Supervisory Committee; and</u> (Deleted) (3) Accounting Auditor.</p> <p>Article 18. (Number of Directors) 1. The authorized number of Directors <u>who are not Members of the Audit and Supervisory Committee</u> of the Company shall be not more than twelve (12).</p>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">(New)</p> <p>Article 19. (Election of Directors)</p> <p>1. The Directors of the Company shall be elected by a resolution passed by a majority of the votes of the shareholders present at a General Meeting of Shareholders where the shareholders holding at least one-third (1/3) of the voting rights of shareholders entitled to vote at the meeting are present.</p>	<p><u>2. The authorized number of Directors who are Members of the Audit and Supervisory Committee of the Company (hereinafter referred to as the "Members of the Audit and Supervisory Committee") shall be not more than five (5).</u></p> <p>Article 19. (Election of Directors)</p> <p>1. The Directors of the Company shall be elected <u>separately for the Members of the Audit and Supervisory Committee and for the other Directors</u>, by a resolution passed by a majority of the votes of the shareholders present at a General Meeting of Shareholders where the shareholders holding at least one-third (1/3) of the voting rights of shareholders entitled to vote at the meeting are present.</p>
<p>2. (Omitted)</p> <p>Article 20. (Terms of Office of Directors)</p> <p>The terms of office of Directors shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within one (1) year after their election.</p>	<p>2. (Not Amended)</p> <p>Article 20. (Terms of Office of Directors)</p> <p>1. The terms of office of Directors shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within one (1) year after their election.</p>
<p style="text-align: center;">(New)</p> <p style="text-align: center;">(New)</p> <p style="text-align: center;">(New)</p>	<p><u>2. Notwithstanding the provision of the preceding paragraph, the terms of office of the Members of the Audit and Supervisory Committee shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within two (2) years after their election.</u></p> <p><u>3. The term of office of a Member of the Audit and Supervisory Committee elected as a substitute to fill a vacancy shall expire at the end of the term of office of the retired Member of the Audit and Supervisory Committee.</u></p> <p><u>4. A resolution for the election of a substitute Member of the Audit and Supervisory Committee elected under Article 329, paragraph 3 of the Companies Act shall be valid until the beginning of the Ordinary General Meeting of Shareholders for the last fiscal year ending within two (2) years after his/her election, unless shortened by such resolution.</u></p>
<p>Article 21. (Representative Directors)</p> <p>One or more Directors representing the Company shall be elected by a resolution of the Board of Directors.</p>	<p>Article 21. (Representative Directors)</p> <p>One or more Directors representing the Company shall be elected <u>among the Directors who are not Members of the Audit and Supervisory Committee</u> by a resolution of the Board of Directors.</p>
<p>Article 23. (Procedures for Convening Meeting of the Board of Directors)</p> <p>1. Notice of a meeting of the Board of Directors shall be given to each Director <u>and each Audit &amp; Supervisory Board Member</u> at least three (3) days prior to the date of the meeting. However, this period may be shortened if there is an urgent need to convene the meeting.</p> <p>2. Subject to the unanimous consent of Directors <u>and Audit &amp; Supervisory Board Members</u>, a meeting of the Board of Directors may be held without following the convening procedures.</p>	<p>Article 23. (Procedures for Convening Meeting of the Board of Directors)</p> <p>1. Notice of a meeting of the Board of Directors shall be given to each Director at least three (3) days prior to the date of the meeting. However, this period may be shortened if there is an urgent need to convene the meeting.</p> <p>2. Subject to the unanimous consent of Directors, a meeting of the Board of Directors may be held without following the convening procedures.</p>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">(New)</p> <p>Article <u>26</u>. (Compensation, etc.) The compensation, bonuses and other financial benefits of Directors received from the Company in consideration of the execution of their duties (hereinafter referred to as the “Compensation, etc.”) shall be determined by a resolution of a General Meeting of Shareholders.</p> <p>Article <u>27</u>. (Exemption of Directors From Liability) (Omitted) Chapter 5. <u>Audit &amp; Supervisory Board Members and the Audit &amp; Supervisory Board</u></p> <p>Article <u>28</u>. (Number of Audit &amp; Supervisory Board Members) <u>The authorized number of Audit &amp; Supervisory Board Members of the Company shall be not more than five (5).</u></p> <p>Article <u>29</u>. (Election of Audit &amp; Supervisory Board Members) <u>The Audit &amp; Supervisory Board Members of the Company shall be elected by a resolution passed by a majority of the votes of the shareholders present at a General Meeting of Shareholders where the shareholders holding at least one-third (1/3) of the voting rights of shareholders entitled to vote at the meeting are present.</u></p> <p>Article <u>30</u>. (Terms of Office of Audit &amp; Supervisory Board Members) 1. <u>The terms of office of Audit &amp; Supervisory Board Members shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within four (4) years after their election.</u> 2. <u>The term of office of an Audit &amp; Supervisory Board Member elected as a substitute to fill a vacancy of an Audit &amp; Supervisory Board Member who retires before the end of his/her term of office shall expire at the end of the term of office of the retired Audit &amp; Supervisory Board Member.</u></p> <p>Article <u>31</u>. (Procedures for Convening Meeting of the <u>Audit &amp; Supervisory Board</u>) 1. Notice of a meeting of the <u>Audit &amp; Supervisory Board</u> shall be given to each <u>Audit &amp; Supervisory Board Member</u> at least three (3) days prior to the date of the meeting. However, this period may be shortened if there is an urgent need to convene the meeting. 2. Subject to the unanimous consent of <u>Audit &amp; Supervisory Board Members</u>, a meeting of the <u>Audit &amp; Supervisory Board</u> may be held without following the convening procedures.</p>	<p><u>Article 26. (Delegation of Business Execution Decisions to Directors)</u> <u>Pursuant to Article 399-13, paragraph 6 of the Companies Act, the Company may, by a resolution of the Board of Directors, delegate all or part of the decisions on the execution of important businesses (excluding the matters listed in the items of paragraph 5 of the same Article) to the Directors.</u></p> <p>Article <u>27</u>. (Compensation, etc.) The compensation, bonuses and other financial benefits of Directors received from the Company in consideration of the execution of their duties (hereinafter referred to as the “Compensation, etc.”) shall be determined <u>separately for the Members of the Audit and Supervisory Committee and for the other Directors</u> by a resolution of a General Meeting of Shareholders.</p> <p>Article <u>28</u>. (Exemption of Directors From Liability) (Not Amended) Chapter 5. <u>Audit and Supervisory Committee</u> (Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>Article <u>29</u>. (Procedures for Convening Meeting of the <u>Audit and Supervisory Committee</u>) 1. Notice of a meeting of the <u>Audit and Supervisory Committee</u> shall be given to each <u>Member of the Audit and Supervisory Committee</u> at least three (3) days prior to the date of the meeting. However, this period may be shortened if there is an urgent need to convene the meeting. 2. Subject to the unanimous consent of <u>Members of the Audit and Supervisory Committee</u>, a meeting of the <u>Audit and Supervisory Committee</u> may be held without following the convening procedures.</p>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">(New)</p> <p>Article 32. (Rules of the <u>Audit &amp; Supervisory Board</u>)</p> <p>Matters relating to the <u>Audit &amp; Supervisory Board</u> shall be governed by the Rules of the <u>Audit &amp; Supervisory Board</u> established by the <u>Audit &amp; Supervisory Board</u>, as well as by laws and regulations and these Articles of Incorporation.</p> <p>Article 33. (Compensation, etc.)  <u>The Compensation, etc. of Audit &amp; Supervisory Board Members shall be determined by a resolution of a General Meeting of Shareholders.</u></p> <p>Article 34. (Exemption of Audit &amp; Supervisory Board Members From Liability)</p> <p>1. Pursuant to Article 426, paragraph 1 of the <u>Companies Act, the Company may, by a resolution of the Board of Directors, exempt its Audit &amp; Supervisory Board Members (including former Audit &amp; Supervisory Board Members) from their liability arising from their act provided for in Article 423, paragraph 1 of the Companies Act, to the extent permitted by laws and regulations.</u></p> <p>2. Pursuant to Article 427, paragraph 1 of the <u>Companies Act, the Company may enter into agreements with its Audit &amp; Supervisory Board Members to limit their liability arising from their act provided for in Article 423, paragraph 1 of the Companies Act. However, the maximum amount of liability under the agreements shall be the amount provided for by laws and regulations.</u></p>	<p>Article 30. (<u>Resolution of the Audit and Supervisory Committee</u>)  <u>Resolutions of the Audit and Supervisory Committee shall be adopted by a majority of the Members of the Audit and Supervisory Committee present at a meeting of the Audit and Supervisory Committee where a majority of the Members of the Audit and Supervisory Committee entitled to vote in the resolution are present.</u></p> <p>Article 31. (Rules of the <u>Audit and Supervisory Committee</u>)  Matters relating to the <u>Audit and Supervisory Committee</u> shall be governed by the Rules of the <u>Audit and Supervisory Committee</u> established by the <u>Audit and Supervisory Committee</u>, as well as by laws and regulations and these Articles of Incorporation.</p> <p style="text-align: right;">(Deleted)</p> <p style="text-align: right;">(Deleted)</p>
<p>Article 35. to 40. (Omitted)  (New)</p>	<p>Article 32. to 37. (Not Amended)  (Supplementary Provisions)</p> <p>1. <u>To the extent permitted by laws and regulations, the Company may, by a resolution of the Board of Directors, exempt its Audit &amp; Supervisory Board Members (including former Audit &amp; Supervisory Board Members) from their liability provided for in Article 423, paragraph 1 of the Companies Act for their acts which were taken prior to the conclusion of the 74th Ordinary General Meeting of Shareholders.</u></p> <p>2. <u>The agreements to limit the liability of Audit &amp; Supervisory Board Members (including former Audit &amp; Supervisory Board Members) provided for in Article 423, paragraph 1 of the Companies Act for their acts which were taken prior to the conclusion of the 74th Ordinary General Meeting of Shareholders shall be governed by Article 34, paragraph 2 of the Articles of Incorporation before amendment which is to be resolved at the said Ordinary General Meeting of Shareholders.</u></p>

**Proposal 2: Election of Eight (8) Directors Who Are Not Members of the Audit and Supervisory Committee**

On the condition that the Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved and adopted as originally proposed, the Company will transition to a Company with an Audit and Supervisory Committee. The terms of office of all current ten Directors will expire at the conclusion of this General Meeting of Shareholders, in accordance with the transition to a Company with an Audit and Supervisory Committee.

Accordingly, the Company proposes the election of eight Directors who are not Members of the Audit and Supervisory Committee after the transition to a Company with an Audit and Supervisory Committee. This proposal will become effective on the condition that the amendments to the Articles of Incorporation in Proposal 1 “Partial Amendments to the Articles of Incorporation” become effective.

The candidates are as follows:

No.	Name	Current Positions and Responsibility in the Company	Attribute
1	Michio Fukuda	Representative Director and Chairman	Reelection
2	Osamu Kimura	Representative Director and President	Reelection
3	Yoshiaki Kitamura	Managing Director	Reelection
4	Taiki Fukuda	Director	Reelection
5	Hiromi Horie	Outside Director	Reelection, Outside, Independent
6	Koichi Mizutome	Outside Director	Reelection, Outside, Independent
7	Tatsuhiko Matsuoka	Outside Director	Reelection, Outside, Independent
8	Kazuo Nishiyama	Outside Director	Reelection, Outside, Independent

Reelection: Candidate to be reelected as a Director

Outside: Candidate for an outside Director

Independent: Independent officer as provided for by stock exchanges

No.	Name (Date of Birth)	Career Summary, and Positions and Responsibility in the Company	Number of the Company's Shares Owned (of Which, Number of Shares to Be Delivered Under the Share-Based Compensation Plan)
1	<p data-bbox="331 898 470 927">&lt;Reelection&gt;</p> <p data-bbox="323 954 478 1010">Michio Fukuda (July 10, 1946)</p> <p data-bbox="308 1037 494 1171">Tenure as Director 53 years (at the conclusion of this General Meeting of Shareholders)</p> <p data-bbox="308 1198 494 1310">Attendance at Board of Directors meetings 15/15</p>	<p data-bbox="512 584 1217 1339"> May 1971    Joined Fukudaya Clothes Store Inc. (currently the Company)  Director of Fukudaya Clothes Store Inc.  Jun. 1982    Senior Managing Director of Fukudaya Clothes Store Inc.  Apr. 1991    Representative Director, President of Bears Factory Limited (currently Adastria Logistics Co., Ltd.)  Mar. 1993    Representative Director, President of POINT INC. (currently the Company)  Dec. 2002    Representative Director, President of POINT TW INC. (currently Adastria Taiwan Co., Ltd.)  May 2004    Representative Director, Chairman of POINT INC. (currently the Company)  May 2010    Representative Director, Chairman &amp; President of POINT INC.  Sep. 2013    Representative Director, Chairman of Adastria Holdings Co., Ltd. (currently the Company)  May 2015    Representative Director, Chairman &amp; Chief Executive Officer of Adastria Holdings Co., Ltd.  May 2018    Representative Director, Chairman &amp; President of the Company  Apr. 2021    Director and Chairman of BUZZWIT Co., Ltd.  Director and Chairman of ELEMENT RULE Co., Ltd.  May 2021    Representative Director and Chairman of the Company (present) </p> <p data-bbox="512 1352 1066 1382"><b>Significant concurrent positions outside the Company</b></p> <p data-bbox="512 1391 528 1413">-</p> <p data-bbox="512 1429 1023 1458"><b>Reasons for nominating the candidate as Director</b></p> <p data-bbox="512 1464 1378 1624"> Michio Fukuda has been nominated as a candidate for Director because the candidate has the achievements of demonstrating leadership and promoting the growth and expansion of the Company's business since the candidate assumed the office of Representative Director of the Company in 1993. The Company proposes the candidate's election as Director to utilize the candidate's rich experience accumulated thus far and thereby receive the candidate's contribution to improving the corporate value of the Company. </p>	<p data-bbox="1289 936 1374 992">935,953 (13,913)</p>

No.	Name (Date of Birth)	Career Summary, and Positions and Responsibility in the Company	Number of the Company's Shares Owned (of Which, Number of Shares to Be Delivered Under the Share-Based Compensation Plan)
2	<p data-bbox="331 947 470 969">&lt;Reelection&gt;</p> <p data-bbox="331 1003 491 1081">Osamu Kimura (September 2, 1969)</p> <p data-bbox="308 1115 499 1272">Tenure as Director 12 years and 8 months (at the conclusion of this General Meeting of Shareholders)</p> <p data-bbox="308 1305 499 1406">Attendance at Board of Directors meetings 15/15</p>	<p data-bbox="515 584 1209 640">Sep. 2011 Representative Director, President of TRINITY ARTS INC. (currently the Company)</p> <p data-bbox="515 651 970 674">Apr. 2013 Director of FRIENDS Co., Ltd.</p> <p data-bbox="515 685 1185 763">Sep. 2013 Director of Adastria Holdings Co., Ltd. (currently the Company) Director of Adastria Asia Co., Ltd.</p> <p data-bbox="515 775 1137 831">Feb. 2014 Director of N9&amp;PG Co., Ltd. (currently Adastria Logistics Co., Ltd.)</p> <p data-bbox="515 842 1209 887">May 2015 Director, Senior Executive Officer of Adastria Holdings Co., Ltd. (currently the Company)</p> <p data-bbox="515 898 1010 931">Jun. 2016 Managing Director of the Company</p> <p data-bbox="515 943 1209 1021">Nov. 2016 Director, Vice President of Peoples Inc. Director, Vice President of ALICIA Co., Ltd. (currently BUZZWIT Co., Ltd.)</p> <p data-bbox="515 1032 1209 1088">Mar. 2017 Director, Vice President of ELEMENT RULE Co., Ltd. (present)</p> <p data-bbox="515 1099 1185 1155">Oct. 2017 Representative Director, President of ADASTRIA eat Creations Co., Ltd.</p> <p data-bbox="515 1167 1161 1200">Mar. 2018 Director, Executive Vice President of the Company</p> <p data-bbox="515 1211 1217 1267">May 2019 Director of NATURAL NINE TRADING (SHANGHAI) LTD. (present)</p> <p data-bbox="515 1279 978 1312">Feb. 2020 Director of BUZZWIT Co., Ltd.</p> <p data-bbox="515 1323 1010 1357">May 2021 Director, President of the Company</p> <p data-bbox="515 1368 1193 1447">May 2022 Director of zetton inc. (present) Representative Director and President of the Company (present)</p> <p data-bbox="515 1458 1066 1480"><b>Significant concurrent positions outside the Company</b></p> <p data-bbox="515 1491 1050 1559">Director, Vice President of ELEMENT RULE Co., Ltd. Director of zetton inc. Director of NATURAL NINE TRADING (SHANGHAI) LTD.</p> <p data-bbox="515 1581 1026 1603"><b>Reasons for nominating the candidate as Director</b></p> <p data-bbox="515 1615 1377 1771">Osamu Kimura has been nominated as a candidate for Director because the candidate has not only gained extensive experience and many achievements in the field of sales and store development, but was also appointed Director and President of the Company in May 2021 and then Representative Director and President in May 2022. The Company proposes the candidate's election as Director to utilize the candidate's rich experience and abundant achievements accumulated thus far and thereby receive the candidate's contribution to improving the corporate value of the Company.</p>	49,989 (13,913)

No.	Name (Date of Birth)	Career Summary, and Positions and Responsibility in the Company	Number of the Company's Shares Owned (of Which, Number of Shares to Be Delivered Under the Share-Based Compensation Plan)
3	<p data-bbox="331 981 467 1003">&lt;Reelection&gt;</p> <p data-bbox="306 1039 497 1093">Yoshiaki Kitamura (January 25, 1976)</p> <p data-bbox="306 1122 497 1256">Tenure as Director 5 years (at the conclusion of this General Meeting of Shareholders)</p> <p data-bbox="306 1285 497 1397">Attendance at Board of Directors meetings 15/15</p>	<p data-bbox="512 584 970 607">Apr. 1999    Joined FIVE FOXes CO., LTD.</p> <p data-bbox="512 618 1098 640">Feb. 2007    Joined DROP INC. (currently the Company)</p> <p data-bbox="512 651 1129 705">Sep. 2010    General Manager of studio CLIP Department of TRINITY ARTS INC. (currently the Company)</p> <p data-bbox="512 716 1129 770">Mar. 2012    General Manager of niko and ... Department of TRINITY ARTS INC.</p> <p data-bbox="512 781 1219 835">Mar. 2013    Executive Officer, General Manager of Sales Division of TRINITY ARTS INC.</p> <p data-bbox="512 846 1129 900">May 2014    Director, General Manager of Sales Division of TRINITY ARTS INC.</p> <p data-bbox="512 911 1219 965">Mar. 2015    Executive Officer, General Manager of Sales II Division of Adastria Holdings, Co., Ltd. (currently the Company)</p> <p data-bbox="512 976 1166 999">Apr. 2016    Representative Director of Adastria Korea Co., Ltd.</p> <p data-bbox="512 1010 1219 1198">Mar. 2018    Senior Executive Officer, Executive General Manager of Sales Headquarters of the Company Director of Adastria Asia Co., Ltd. (present) Director of POINT (Shanghai) Co., Ltd. (currently niko and ... (Shanghai) Co., Ltd.) (present) Director of POINT TW INC. (currently Adastria Taiwan Co., Ltd.) (present)</p> <p data-bbox="512 1209 906 1232">May 2019    Director of the Company</p> <p data-bbox="512 1243 1155 1265">Aug. 2019    Director of Adastria (Shanghai) Co., Ltd. (present)</p> <p data-bbox="512 1276 1102 1299">May 2021    Managing Director of the Company (present)</p> <p data-bbox="512 1310 1203 1386">Feb. 2022    Director of SES GLOBAL LOGISTICS (SHANGHAI) Co., LTD. (present) Chairman of Management Board of Velvet, LLC (present)</p> <p data-bbox="512 1397 1150 1420">Jan. 2023    Director of Adastria (Thailand) Co., Ltd. (present)</p> <p data-bbox="512 1431 1107 1453">Mar. 2024    Director of Adastria Philippines Inc. (present)</p> <p data-bbox="512 1525 1066 1547"><b>Significant concurrent positions outside the Company</b></p> <p data-bbox="512 1559 852 1581">Director of Adastria Asia Co., Ltd.</p> <p data-bbox="512 1592 911 1615">Director of Adastria (Shanghai) Co., Ltd.</p> <p data-bbox="512 1626 938 1648">Director of niko and ... (Shanghai) Co., Ltd.</p> <p data-bbox="512 1659 874 1682">Director of Adastria Taiwan Co., Ltd.</p> <p data-bbox="512 1693 1155 1715">Director of SES GLOBAL LOGISTICS (SHANGHAI) Co., LTD.</p> <p data-bbox="512 1727 986 1749">Chairman of Management Board of Velvet, LLC</p> <p data-bbox="512 1760 906 1783">Director of Adastria (Thailand) Co., Ltd.</p> <p data-bbox="512 1794 863 1816">Director of Adastria Philippines Inc.</p>	<p data-bbox="1299 1016 1374 1070">27,079 (9,473)</p>

No.	Name (Date of Birth)	Career Summary, and Positions and Responsibility in the Company	Number of the Company's Shares Owned (of Which, Number of Shares to Be Delivered Under the Share-Based Compensation Plan)
		<p><b>Reasons for nominating the candidate as Director</b></p> <p>Yoshiaki Kitamura has been nominated as a candidate for Director because the candidate has gained extensive experience and many achievements in the field of sales such as through driving the growth of the Company's core brands. The Company proposes the candidate's election as Director to utilize the candidate's rich experience and abundant achievements accumulated thus far and thereby receive the candidate's contribution to improving the corporate value of the Company.</p>	

No.	Name (Date of Birth)	Career Summary, and Positions and Responsibility in the Company	Number of the Company's Shares Owned (of Which, Number of Shares to Be Delivered Under the Share-Based Compensation Plan)
4	<p data-bbox="331 869 470 902">&lt;Reelection&gt;</p> <p data-bbox="331 925 480 981">Taiki Fukuda (April 11, 1978)</p> <p data-bbox="308 1010 499 1144">Tenure as Director 7 years (at the conclusion of this General Meeting of Shareholders)</p> <p data-bbox="308 1173 499 1285">Attendance at Board of Directors meetings 15/15</p>	<p data-bbox="512 584 1225 1205"> Mar. 2004    Joined IMS Co., Ltd.  Apr. 2005    Joined POINT INC. (currently the Company)  Mar. 2014    General Manager of Overseas Division of Adastria Holdings, Co., Ltd. (currently the Company)  May 2014    Representative Director, President of Adastria Asia Co., Ltd.  Mar. 2016    Executive General Manager of Communication Design Division of the Company  Mar. 2017    Executive General Manager of Corporate Planning Division of the Company  May 2017    Director, Executive General Manager of Corporate Planning Division of the Company  Mar. 2018    Director of the Company (present)  Chairman of Management Board of Velvet, LLC  May 2018    Director of Adastria General Support Co., Ltd. (present)  May 2019    Director of Adastria Logistics Co., Ltd.  Nov. 2021    Representative Director of ADOORLINK Co., Ltd. (present)  Feb. 2022    Member of Management Board of Velvet, LLC (present) </p> <p data-bbox="512 1218 1066 1252"><b>Significant concurrent positions outside the Company</b></p> <p data-bbox="512 1252 1010 1335"> Director of Adastria General Support Co., Ltd.  Representative Director of ADOORLINK Co., Ltd.  Member of Management Board of Velvet, LLC </p> <p data-bbox="512 1348 1023 1382"><b>Reasons for nominating the candidate as Director</b></p> <p data-bbox="512 1382 1377 1572"> Taiki Fukuda has been nominated as a candidate for Director because the candidate has gained extensive experience and many achievements in Japan and overseas, and the candidate worked as a Representative Director, President of an overseas subsidiary of the Company in the past. The Company proposes the candidate's election as Director to utilize the candidate's rich experience and abundant achievements accumulated thus far and thereby receive the candidate's contribution to improving the corporate value of the Company. </p>	<p data-bbox="1289 869 1374 925">224,508 (8,584)</p>

No.	Name (Date of Birth)	Career Summary, and Positions and Responsibility in the Company	Number of the Company's Shares Owned (of Which, Number of Shares to Be Delivered Under the Share-Based Compensation Plan)
5	<p>&lt;Reelection&gt; &lt;Outside&gt; &lt;Independent&gt;</p> <p>Hiromi Horie (June 19, 1956)</p> <p>Tenure as outside Director 8 years (at the conclusion of this General Meeting of Shareholders)</p> <p>Attendance at Board of Directors meetings 15/15</p>	<p>Apr. 1981    Joined Nara Machinery Co., Ltd. May 1988    Joined Levi Strauss Japan KK Dec. 1999    Marketing Senior Manager of Levi Strauss Japan KK Mar. 2005    Public Affairs Division Manager of Starbucks Coffee Japan, Ltd. Dec. 2006    Marketing Division Manager of Starbucks Coffee Japan, Ltd. Aug. 2010    Marketing Officer of Starbucks Coffee Japan, Ltd. May 2016    Outside Director of the Company (present) Mar. 2017    Representative Director of Haruka Co., Ltd. (present) Mar. 2021    Outside Director of Kanro Inc. (present)</p> <p><b>Significant concurrent positions outside the Company</b> Representative Director of Haruka Co., Ltd. Outside Director of Kanro Inc.</p> <p><b>Reasons for nominating the candidate as outside Director and overview of expected roles</b> Hiromi Horie has been nominated as a candidate for outside Director as the Company believes that the candidate is qualified for the position due to the candidate's many achievements as a manager of public affairs and marketing division for major corporations (retail and restaurant) and with the expectation that these assets can benefit the management of the Company. Accordingly, the Company proposes the candidate's election as outside Director.</p> <p>As an outside Director who is independent from management, the Company expects that the candidate will continue to play an appropriate role in enhancing the supervisory function of the Board of Directors of the Company by supervising and providing advice, etc. on the execution of duties by Directors, mainly from the perspective of public relations and marketing.</p> <p><b>Independence of the candidate</b> The Company has appointed Hiromi Horie as an independent officer as provided for by the Tokyo Stock Exchange and notified the exchange to that effect. If the candidate is reelected, the Company will continue to have the candidate as an independent officer.</p> <p><b>Agreement limiting liability</b> In accordance with provisions of Article 427, paragraph 1 of the Companies Act and Article 27, paragraph 2 (Article 28, paragraph 2 after amendment) of the Articles of Incorporation, the Company has entered into an agreement with Hiromi Horie to limit the liability for damages under Article 423, paragraph 1 of the Companies Act to the extent of the minimum liability amount prescribed under Article 425, paragraph 1 of the Companies Act. If the candidate is reelected, the Company will continue the agreement with the candidate.</p>	<p>— (—)</p>

No.	Name (Date of Birth)	Career Summary, and Positions and Responsibility in the Company	Number of the Company's Shares Owned (of Which, Number of Shares to Be Delivered Under the Share-Based Compensation Plan)
6	<p data-bbox="327 779 478 862">&lt;Reelection&gt; &lt;Outside&gt; &lt;Independent&gt;</p> <p data-bbox="311 891 494 952">Koichi Mizutome (January 26, 1968)</p> <p data-bbox="311 974 494 1131">Tenure as outside Director 2 years (at the conclusion of this General Meeting of Shareholders)</p> <p data-bbox="311 1164 494 1265">Attendance at Board of Directors meetings 14/15</p>	<p data-bbox="513 582 1141 609">Apr. 1991    Joined Dentsu Inc. (currently Dentsu Group Inc.)</p> <p data-bbox="513 618 1204 645">Feb. 1996    Joined Andersen Consulting (currently Accenture PLC)</p> <p data-bbox="513 654 1157 712">Apr. 2000    Joined Roland Berger Strategy Consultants (Japan Office)</p> <p data-bbox="513 721 1157 779">Jan. 2005    Representative Director of Roland Berger Strategy Consultants (Japan Office)</p> <p data-bbox="513 788 1197 869">Oct. 2009    Managing Director of Enterprise Turnaround Initiative Corporation of Japan (currently Regional Economy Vitalization Corporation of Japan)</p> <p data-bbox="513 878 1204 936">Dec. 2010    Director and Executive Vice President of Japan Airlines Co., Ltd.</p> <p data-bbox="513 945 1197 972">Jun. 2013    Senior Managing Executive Officer of World Co., Ltd.</p> <p data-bbox="513 981 1029 1008">Feb. 2015    President of Akindo Sushiro Co., Ltd.</p> <p data-bbox="513 1016 1220 1075">Mar. 2015    President &amp; CEO of Sushiro Global Holdings Co., Ltd. (currently FOOD &amp; LIFE COMPANIES LTD.) (present)</p> <p data-bbox="513 1084 1204 1142">Oct. 2015    Representative Director of Sushiro Creative Dining Ltd. (currently FOOD &amp; LIFE INNOVATIONS LTD.)</p> <p data-bbox="513 1151 1037 1178">Oct. 2019    Chairman of Akindo Sushiro Co., Ltd.</p> <p data-bbox="513 1187 1093 1214">Apr. 2021    Chairman and Director of Kyotaru Co., Ltd.</p> <p data-bbox="513 1223 1077 1249">May 2022    Outside Director of the Company (present)</p> <p data-bbox="513 1258 1197 1317">Oct. 2023    Director and Executive Officer of Akindo Sushiro Co., Ltd. (present)</p> <p data-bbox="662 1326 1037 1352">Director of Kyotaru Co., Ltd. (present)</p> <p data-bbox="662 1361 1157 1420">Director of FOOD &amp; LIFE INNOVATIONS LTD. (present)</p> <p data-bbox="513 1429 1061 1456"><b>Significant concurrent positions outside the Company</b></p> <p data-bbox="513 1464 1061 1491">President &amp; CEO of FOOD &amp; LIFE COMPANIES LTD.</p>	<p data-bbox="1340 974 1372 1030">-</p> <p data-bbox="1340 996 1372 1030">(-)</p>

No.	Name (Date of Birth)	Career Summary, and Positions and Responsibility in the Company	Number of the Company's Shares Owned (of Which, Number of Shares to Be Delivered Under the Share-Based Compensation Plan)
		<p><b>Reasons for nominating the candidate as outside Director and overview of expected roles</b></p> <p>Koichi Mizutome has been nominated as a candidate for outside Director as the Company believes that the candidate is qualified for the position due to the candidate's rich experience and insight gained through experience in business transformation at a global consulting firm and as a business manager at various companies, and with the expectation that these assets can benefit the management of the Company. Accordingly, the Company proposes the candidate's election as outside Director.</p> <p>As an outside Director who is independent from management, the Company expects that the candidate will continue to play an appropriate role in enhancing the supervisory function of the Board of Directors of the Company by supervising and providing advice, etc. on the execution of duties by Directors, mainly from the perspective of a corporate manager of global corporations in multiple industry sectors.</p> <p><b>Independence of the candidate</b></p> <p>The Company has appointed Koichi Mizutome as an independent officer as provided for by the Tokyo Stock Exchange and notified the exchange to that effect. If the candidate is reelected, the Company will continue to have the candidate as an independent officer.</p> <p><b>Agreement limiting liability</b></p> <p>In accordance with provisions of Article 427, paragraph 1 of the Companies Act and Article 27, paragraph 2 (Article 28, paragraph 2 after amendment) of the Articles of Incorporation, the Company has entered into an agreement with Koichi Mizutome to limit the liability for damages under Article 423, paragraph 1 of the Companies Act to the extent of the minimum liability amount prescribed under Article 425, paragraph 1 of the Companies Act. If the candidate is reelected, the Company will continue the agreement with the candidate.</p>	

No.	Name (Date of Birth)	Career Summary, and Positions and Responsibility in the Company	Number of the Company's Shares Owned (of Which, Number of Shares to Be Delivered Under the Share-Based Compensation Plan)
7	<p data-bbox="331 808 470 891">&lt;Reelection&gt; &lt;Outside&gt; &lt;Independent&gt;</p> <p data-bbox="304 920 501 972">Tatsuhiko Matsuoka (August 6, 1972)</p> <p data-bbox="304 1003 501 1160">Tenure as outside Director 2 years (at the conclusion of this General Meeting of Shareholders)</p> <p data-bbox="304 1196 501 1308">Attendance at Board of Directors meetings 15/15</p>	<p data-bbox="512 584 1177 636">Apr. 1998    Joined Nippon Advanced Technology Co., Ltd. (currently Mitsubishi Electric Software Corporation)</p> <p data-bbox="512 645 1118 696">Apr. 2001    Joined Arthur Andersen, LLP. (currently PwC Consulting LLC)</p> <p data-bbox="512 705 1182 757">Aug. 2002    Transferred to KPMG Consulting Co., Ltd. (currently PwC Consulting LLC)</p> <p data-bbox="512 766 1139 817">Oct. 2008    Joined SIGMAXYZ Inc. (currently SIGMAXYZ Holdings Inc.)</p> <p data-bbox="512 826 1150 878">Nov. 2014    Information, Communications and media industry Managing Director of SIGMAXYZ Inc.</p> <p data-bbox="512 887 1182 938">Apr. 2015    Digital Force Managing Director of SIGMAXYZ Inc.</p> <p data-bbox="512 947 1171 1021">Apr. 2017    Research Advisor of Artificial Intelligence Research Center of National Institute of Advanced Industrial Science and Technology (AIST) (present)</p> <p data-bbox="512 1030 1214 1104">Apr. 2019    Senior Executive Officer, Head of Digital Sherpa and Chief Information Security Officer (CISO) of SIGMAXYZ Inc. (currently SIGMAXYZ Holdings Inc.)</p> <p data-bbox="512 1113 1198 1187">Apr. 2020    Senior Executive Officer, Head of Industry Sherpa and Chief Information Security Officer (CISO) of SIGMAXYZ Inc.</p> <p data-bbox="512 1196 1107 1247">Oct. 2021    Senior Executive Officer of SIGMAXYZ Inc.</p> <p data-bbox="512 1256 1080 1308">May 2022    Outside Director of the Company (present)</p> <p data-bbox="512 1317 1129 1368">Oct. 2022    Managing Executive Officer of Rise Consulting Group, Inc.</p> <p data-bbox="512 1377 1214 1451">Apr. 2023    Managing Executive Officer, Chief Innovation Officer (CIO) and Chief Information Security Officer (CISO) of Rise Consulting Group, Inc. (present)</p> <p data-bbox="512 1460 1331 1534"><b>Significant concurrent positions outside the Company</b> Managing Executive Officer, Chief Innovation Officer (CIO) and Chief Information Security Officer (CISO) of Rise Consulting Group, Inc.</p>	<p data-bbox="1342 987 1369 1039">-</p> <p data-bbox="1342 1048 1369 1099">(-)</p>

No.	Name (Date of Birth)	Career Summary, and Positions and Responsibility in the Company	Number of the Company's Shares Owned (of Which, Number of Shares to Be Delivered Under the Share-Based Compensation Plan)
		<p><b>Reasons for nominating the candidate as outside Director and overview of expected roles</b></p> <p>Tatsuhiro Matsuoka has been nominated as a candidate for outside Director as the Company believes that the candidate is qualified for the position due to the candidate's many achievements as a person in charge of comprehensive services utilizing IT and digital expertise, and as a manager of information security division, at a major corporation (IT consulting) and with the expectation that these assets can benefit the management of the Company. Accordingly, the Company proposes the candidate's election as outside Director.</p> <p>As an outside Director who is independent from management, the Company expects that the candidate will continue to play an appropriate role in enhancing the supervisory function of the Board of Directors of the Company by supervising and providing advice, etc. on the execution of duties by Directors, mainly from his perspective as an expert in IT, digital and information security.</p> <p><b>Independence of the candidate</b></p> <p>The Company has appointed Tatsuhiro Matsuoka as an independent officer as provided for by the Tokyo Stock Exchange and notified the exchange to that effect. If the candidate is reelected, the Company will continue to have the candidate as an independent officer.</p> <p><b>Agreement limiting liability</b></p> <p>In accordance with provisions of Article 427, paragraph 1 of the Companies Act and Article 27, paragraph 2 (Article 28, paragraph 2 after amendment) of the Articles of Incorporation, the Company has entered into an agreement with Tatsuhiro Matsuoka to limit the liability for damages under Article 423, paragraph 1 of the Companies Act to the extent of the minimum liability amount prescribed under Article 425, paragraph 1 of the Companies Act. If the candidate is reelected, the Company will continue the agreement with the candidate.</p>	

No.	Name (Date of Birth)	Career Summary, and Positions and Responsibility in the Company	Number of the Company's Shares Owned (of Which, Number of Shares to Be Delivered Under the Share-Based Compensation Plan)
8	Kazuo Nishiyama (April 9, 1975)  Tenure as outside Director 2 years (at the conclusion of this General Meeting of Shareholders)  Attendance at Board of Directors meetings 15/15	Jul. 2003    Joined Sony Corporation (currently Sony Group Corporation) Apr. 2007    General Manager of Business Strategy Office, Chemical & Energy Department of Sony Corporation Apr. 2012    General Manager of Corporate Planning and Promotion Department of Sony Corporation Feb. 2014    Head of SRE Business Preparation Office of Sony Corporation Apr. 2014    President & Chief Executive Officer (Representative Director) of Sony Real Estate Corporation (currently SRE Holdings Corporation) (present) Oct. 2018    President & Chief Executive Officer (Representative Director) of SRE AI Partners Corporation (present) May 2022    Outside Director of the Company (present)	– (–)
		<p><b>Significant concurrent positions outside the Company</b> President &amp; Chief Executive Officer (Representative Director) of SRE Holdings Corporation</p> <p><b>Reasons for nominating the candidate as outside Director and overview of expected roles</b> Kazuo Nishiyama has been nominated as a candidate for outside Director as the Company believes that the candidate is qualified for the position due to the candidate's experience and insight gained as a founder and manager of major corporations (IT and real estate) and with the expectation that these assets can benefit the management of the Company, mainly in its new businesses. Accordingly, the Company proposes the candidate's election as outside Director. As an outside Director who is independent from management, the Company expects that the candidate will continue to play an appropriate role in enhancing the supervisory function of the Board of Directors of the Company by supervising and providing advice, etc. on the execution of duties by Directors, mainly from the perspective of IT and as a founder and manager of corporations in industries outside the Company's scope of business.</p> <p><b>Independence of the candidate</b> The Company has appointed Kazuo Nishiyama as an independent officer as provided for by the Tokyo Stock Exchange and notified the exchange to that effect. If the candidate is reelected, the Company will continue to have the candidate as an independent officer.</p> <p><b>Agreement limiting liability</b> In accordance with provisions of Article 427, paragraph 1 of the Companies Act and Article 27, paragraph 2 (Article 28, paragraph 2 after amendment) of the Articles of Incorporation, the Company has entered into an agreement with Kazuo Nishiyama to limit the liability for damages under Article 423, paragraph 1 of the Companies Act to the extent of the minimum liability amount prescribed under Article 425, paragraph 1 of the Companies Act. If the candidate is reelected, the Company will continue the agreement with the candidate.</p>	

- Notes: 1. Each of the candidates has no special interest in the Company.  
 2. Hiromi Horie, Koichi Mizutome, Tatsuhiro Matsuoka and Kazuo Nishiyama are candidates for outside Director  
 3. "Number of the Company's Shares Owned" indicates the number of shares owned as of February 29, 2024.

4. "Number of the Company's Shares Owned" held by each candidate (excluding outside Directors) includes the number of shares to be delivered under the share-based compensation plan (as of May 1, 2024). Under this plan, eligible Directors who meet the prescribed requirements are given points according to their position and the Company's operating performance in the fiscal year applicable for assessment, and when they step down from office, the Company's shares and the amount of money equivalent to the Company's shares converted into cash are delivered and paid as officer compensation according to the number of points they have received.
5. The Company has entered into a liability insurance contract with an insurance company for officers as stipulated in Article 430-3, paragraph 1 of the Companies Act, with all officers, etc. of the Company (and some subsidiaries) as insureds. The insurance contract covers damages suffered by the insureds due to claims for damages made against them arising from their acts (including omissions) carried out in the course of their duties. However, there are certain exemptions to the contract, such as not being covered for damages arising from acts carried out while aware that such acts would be in violation of laws and regulations. If the election of the candidates is approved, each of the candidates will be insured under the relevant insurance contract. The insurance premiums are paid in full by the Company, including the special clause. The Company plans to renew the insurance contract during each candidate's term of office.

**Proposal 3: Election of Three (3) Directors Who Are Members of the Audit and Supervisory Committee**

On the condition that the Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved and adopted as originally proposed, the Company will transition to a Company with an Audit and Supervisory Committee.

Accordingly, the Company proposes the election of three Directors who are Members of the Audit and Supervisory Committee after the transition to a Company with an Audit and Supervisory Committee. This proposal will become effective on the condition that the amendments to the Articles of Incorporation in Proposal 1 “Partial Amendments to the Articles of Incorporation” become effective. The consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidates are as follows:

No.	Name	Current Positions and Responsibility in the Company	Attribute
1	Yoichi Endo	–	New election
2	Kazuhiko Ebihara	Outside Audit & Supervisory Board Member	New election, Outside, Independent
3	Kyoko Mogi	Outside Audit & Supervisory Board Member	New election, Outside, Independent

No.	Name (Date of Birth)	Career Summary, and Positions in the Company	Number of the Company's Shares Owned
1	<p data-bbox="319 851 478 884">&lt;New election&gt;</p> <p data-bbox="319 907 478 963">Yoichi Endo (March 28, 1961)</p>	<p data-bbox="510 403 1212 459">Nov. 1985    Joined Fukudaya Clothes Store Inc. (currently the Company)</p> <p data-bbox="510 459 1212 492">May 2001    Director of POINT INC. (currently the Company)</p> <p data-bbox="510 492 1212 526">Mar. 2010    Representative Director of POINT INC.</p> <p data-bbox="510 526 1212 593">Sep. 2013    Representative Director and President of Adastria Holdings Co., Ltd. (currently the Company)</p> <p data-bbox="510 593 1212 627">Aug. 2015    Representative Director of Office Endo Co., Ltd. (present)</p> <p data-bbox="510 627 1212 694">Mar. 2016    Outside Director of LOOK INC. (currently LOOK HOLDINGS INC.)</p> <p data-bbox="510 694 1212 728">Apr. 2018    Senior Managing Director of Coen Co., Ltd.</p> <p data-bbox="510 728 1212 761">Apr. 2019    Executive Officer of United Arrows, Ltd.</p> <p data-bbox="510 761 1212 795">                  Director of Coen Co., Ltd.</p> <p data-bbox="510 795 1212 828">Apr. 2020    Senior Executive Officer of United Arrows, Ltd.</p>	37,920
		<p data-bbox="510 851 1053 884"><b>Significant concurrent positions outside the Company</b></p> <p data-bbox="510 884 973 918">Representative Director of Office Endo Co., Ltd.</p> <p data-bbox="510 929 1340 985"><b>Reasons for nominating the candidate as Director who is a Member of the Audit and Supervisory Committee</b></p> <p data-bbox="510 985 1372 1209">Yoichi Endo has been nominated as a candidate for Director who is a Member of the Audit and Supervisory Committee by virtue of the abundant insight into business activities and experience in general based on many years of experience as a manager of several clothing manufacturing and retailing companies, and the candidate's achievements as the Representative Director of the Company, and because the Company expects that these assets will be reflected in the auditing of the Company. Accordingly, the Company proposes the candidate's election as Director who is a Member of the Audit and Supervisory Committee.</p> <p data-bbox="510 1209 798 1243"><b>Agreement limiting liability</b></p> <p data-bbox="510 1243 1356 1411">In accordance with provisions of Article 427, paragraph 1 of the Companies Act and Article 27, paragraph 2 (Article 28, paragraph 2 after amendment) of the Articles of Incorporation, the Company will enter into an agreement with Yoichi Endo to limit the liability for damages under Article 423, paragraph 1 of the Companies Act to the extent of the minimum liability amount prescribed under Article 425, paragraph 1 of the Companies Act.</p>	

No.	Name (Date of Birth)	Career Summary, and Positions in the Company	Number of the Company's Shares Owned
2	<p data-bbox="323 723 480 801">&lt;New election&gt; &lt;Outside&gt; &lt;Independent&gt;</p> <p data-bbox="309 831 496 1106">Kazuhiko Ebihara (March 5, 1958)</p> <p data-bbox="309 913 496 1106">Tenure as Audit &amp; Supervisory Board Member 8 years (at the conclusion of this General Meeting of Shareholders)</p>	<p data-bbox="512 360 1198 651">Jul. 1983    Joined The Boston Consulting Group K.K. Jun. 1986    Joined Goldman, Sachs &amp; Co. (currently The Goldman Sachs Group, Inc.) Oct. 1988    Joined Goldman Sachs (Japan) Corp. (currently Goldman Sachs Japan Co. Ltd.) Sep. 2002    Joined J.P. Morgan Securities Asia Pte. Ltd. Dec. 2006    Board Director of Synergy Inc. May 2016    Outside Audit &amp; Supervisory Board Member of the Company (present)</p>	-
		<p data-bbox="512 674 1066 703"><b>Significant concurrent positions outside the Company</b></p> <p data-bbox="512 712 523 734">-</p>	
		<p data-bbox="512 768 1353 819"><b>Reasons for nominating the candidate as outside Director who is a Member of the Audit and Supervisory Committee and overview of expected roles</b></p> <p data-bbox="512 826 1353 969">Kazuhiko Ebihara has been nominated as a candidate for outside Director who is a Member of the Audit and Supervisory Committee by virtue of the rich experience and specialist knowledge gained by the candidate while serving in investment banks, and because the Company expects that these assets will be reflected in the auditing of the Company. Accordingly, the Company proposes the candidate's election as outside Director who is a Member of the Audit and Supervisory Committee.</p> <p data-bbox="512 976 1369 1111">As an outside Director who is independent from management, the Company expects that the candidate will continue to play an appropriate role in enhancing the supervisory function of the Board of Directors of the Company by supervising and providing advice, etc. on the execution of duties by Directors, mainly from the perspective of finance and accounting.</p> <p data-bbox="512 1122 826 1151"><b>Independence of the candidate</b></p> <p data-bbox="512 1158 1369 1234">The Company has appointed Kazuhiko Ebihara as an independent officer as provided for by the Tokyo Stock Exchange and notified the exchange to that effect. If the candidate is reelected, the Company will continue to have the candidate as an independent officer.</p> <p data-bbox="512 1245 799 1274"><b>Agreement limiting liability</b></p> <p data-bbox="512 1281 1369 1462">In accordance with provisions of Article 427, paragraph 1 of the Companies Act and Article 34, paragraph 2 of the Articles of Incorporation before amendment, the Company has entered into an agreement with Kazuhiko Ebihara to limit the liability for damages under Article 423, paragraph 1 of the Companies Act to the extent of the minimum liability amount prescribed under Article 425, paragraph 1 of the Companies Act. If the candidate is reelected, the Company will enter into an agreement similar to the said agreement with the candidate.</p>	

No.	Name (Date of Birth)	Career Summary, and Positions in the Company	Number of the Company's Shares Owned
3	<New election> <Outside> <Independent>  Kyoko Mogi (February 1, 1984)  Tenure as Audit & Supervisory Board Member  1 year (at the conclusion of this General Meeting of Shareholders)	Jan. 2011 Registered as an Attorney at Law (Dai-Ichi Tokyo Bar Association) Jan. 2011 Joined Tokyo Sanno Law Office Sep. 2015 Joined HAYABUSA ASUKA LAW OFFICES May 2018 Joined southgate (present) Feb. 2021 Seconded to Gleiss Lutz Hootz Hirsch (Germany) Dec. 2022 Registered as an Attorney at Law of California May 2023 Outside Audit & Supervisory Board Member of the Company (present)	-
		<b>Significant concurrent positions outside the Company</b> southgate	
		<b>Reasons for nominating the candidate as outside Director who is a Member of the Audit and Supervisory Committee and overview of expected roles</b> Kyoko Mogi has been nominated as a candidate for outside Director who is a Member of the Audit and Supervisory Committee, although the candidate has never participated in the management of companies, as the Company believes that the candidate is qualified for the position with the expectation that the candidate would reflect, in audits of the Company, the candidate's professional view as well as rich experience and insight of corporate legal affairs as an attorney at law. Accordingly, the Company proposes the candidate's election as outside Director who is a Member of the Audit and Supervisory Committee.  <b>Independence of the candidate</b> As an outside Director who is independent from management, the Company expects that the candidate will continue to play an appropriate role in enhancing the supervisory function of the Board of Directors of the Company by supervising and providing advice, etc. on the execution of duties by Directors mainly from the perspective of compliance management as an attorney at law.  <b>Agreement limiting liability</b> In accordance with provisions of Article 427, paragraph 1 of the Companies Act and Article 34, paragraph 2 of the Articles of Incorporation before amendment, the Company has entered into an agreement with Kyoko Mogi to limit the liability for damages under Article 423, paragraph 1 of the Companies Act to the extent of the minimum liability amount prescribed under Article 425, paragraph 1 of the Companies Act. If the candidate is reelected, the Company will enter into an agreement similar to the said agreement with the candidate.	

- Notes: 1. Each of the candidates has no special interest in the Company.
2. Kazuhiko Ebihara and Kyoko Mogi are candidates for outside Director
3. "Number of the Company's Shares Owned" indicates the number of shares owned as of February 29, 2024.
4. The Company has entered into a liability insurance contract with an insurance company for officers as stipulated in Article 430-3, paragraph 1 of the Companies Act, with all officers, etc. of the Company (and some subsidiaries) as insureds. The insurance contract covers damages suffered by the insureds due to claims for damages made against them arising from their acts (including omissions) carried out in the course of their duties. However, there are certain exemptions to the contract, such as not being covered for damages arising from acts carried out while aware that such acts would be in violation of laws and regulations. If the election of the candidates is approved, each of the candidates will be insured under the relevant insurance contract. The insurance premiums are paid in full by the Company, including the special clause. The Company plans to renew the insurance contract during each candidate's term of office.

[Reference] Skills matrix of Directors

The skills matrix of Directors is as follows in the event that Proposal 2 and Proposal 3 are approved and adopted as originally proposed.

			Knowledge, experience, and capabilities, etc., of Directors							
			Corporate management	Sales/marketing	Product SCM	Global	IT/DX	Legal/risk management	Finance/accounting	ESG
Directors who are not Members of the Audit and Supervisory Committee	Internal	Michio Fukuda	●		●				●	●
		Osamu Kimura	●	●	●					
		Yoshiaki Kitamura	●	●	●	●				
		Taiki Fukuda	●			●				●
	Outside	Hiromi Horie		●	●	●				●
		Koichi Mizutome	●	●	●	●				
		Tatsuhiko Matsuoka		●	●		●			
		Kazuo Nishiyama	●		●		●		●	●
Directors who are Members of the Audit and Supervisory Committee	Internal	Yoichi Endo	●		●					
	Outside	Kazuhiko Ebihara				●		●		
		Kyoko Mogi				●		●		

- Notes: 1. The above list presents the particular fields in which the Company's Directors are expected to demonstrate expertise. It does not represent all of their knowledge.  
2. The aspect of personnel and HR is included in "Corporate management."  
3. SCM stands for supply chain management.

**Proposal 4: Election of One (1) Substitute Director Who Is a Member of the Audit and Supervisory Committee**

On the condition that the Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved and adopted as originally proposed, the Company will transition to a Company with an Audit and Supervisory Committee.

Accordingly, the Company proposes the election of one substitute Director who is a Member of the Audit and Supervisory Committee in preparation for a vacancy in the number of Directors who are Members of the Audit and Supervisory Committee as provided for in laws and regulations. This election may be revoked by a resolution of the Board of Directors only prior to assuming the office of Director who is a Member of the Audit and Supervisory Committee. This proposal will become effective on the condition that the amendments to the Articles of Incorporation in Proposal 1 “Partial Amendments to the Articles of Incorporation” become effective. The consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidate is as follows:

Name (Date of Birth)	Career Summary	Number of the Company’s Shares Owned
<Outside> <Independent>  Takashi Ino (November 27, 1957)	Apr. 1980    Joined Mitsubishi Estate Co., Ltd.	—
	Apr. 2006    Director and General Manager of PM Division of Mitsubishi Estate Building Management Co., Ltd. (currently Mitsubishi Jisho Property Management Co., Ltd.)	
	Apr. 2008    General Manager of Commercial Facilities Sales Department of Mitsubishi Estate Co., Ltd.	
	Apr. 2014    Representative Director and President of Tohoku Royal Park Hotel Co., Ltd.	
	Jun. 2015    Senior Managing Director and General Manager of Accounting Department and SC Business Department of Yokohama Sky Building Co., Ltd.	
	Jun. 2017    Senior Managing Director and Representative Director of Yokohama Sky Building Co., Ltd.	
	Jun. 2022    Advisor of Yokohama Sky Building Co., Ltd.	
	Apr. 2023    Advisor of CIC Inc. (present)	
<b>Significant concurrent positions outside the Company</b> Advisor of CIC Inc.		

	<p><b>Reasons for nominating the candidate as outside Director who is a Member of the Audit and Supervisory Committee and overview of expected roles</b></p> <p>Takashi Ino is believed to be qualified for the position with the expectation that the candidate would reflect, in audits of the Company, the candidate's rich experience and insight as a manager of several corporations, in addition to many years of experience as a general manager at Mitsubishi Estate Co., Ltd. Accordingly, the Company proposes the candidate's election as substitute outside Director who is a Member of the Audit and Supervisory Committee.</p> <p>As an outside Director who is independent from management, the Company expects that the candidate will play an appropriate role in enhancing the supervisory function of the Board of Directors of the Company by supervising and providing advice, etc. on the execution of duties by Directors, mainly from the perspective of a corporate manager.</p> <p><b>Independence of the candidate</b></p> <p>Takashi Ino satisfies the requirements for an independent officer as provided for by the Tokyo Stock Exchange. If the candidate assumes the office of Director, the Company will appoint the candidate as an independent officer and notify the exchange to that effect.</p> <p><b>Agreement limiting liability</b></p> <p>If Takashi Ino assumes the office of Director, in accordance with provisions of Article 427, paragraph 1 of the Companies Act and Article 27, paragraph 2 (Article 28, paragraph 2 after amendment) of the Articles of Incorporation, the Company will enter into an agreement with Takashi Ino to limit the liability for damages under Article 423, paragraph 1 of the Companies Act to the extent of the minimum liability amount prescribed under Article 425, paragraph 1 of the Companies Act.</p>
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- Notes: 1. The candidate has no special interest in the Company.
2. Takashi Ino is a candidate for substitute outside Director who is a Member of the Audit and Supervisory Committee.
3. The Company has entered into a liability insurance contract with an insurance company for officers as stipulated in Article 430-3, paragraph 1 of the Companies Act, with all officers, etc. of the Company (and some subsidiaries) as insureds. The insurance contract covers damages suffered by the insureds due to claims for damages made against them arising from their acts (including omissions) carried out in the course of their duties. However, there are certain exemptions to the contract, such as not being covered for damages arising from acts carried out while aware that such acts would be in violation of laws and regulations. If Takashi Ino assumes the office of Director who is a Member of the Audit and Supervisory Committee, Takashi Ino will be insured under the relevant insurance contract. The insurance premiums are paid in full by the Company, including the special clause.

**Proposal 5: Determination of Amount of Compensation, etc. for Directors Who Are Not Members of the Audit and Supervisory Committee**

Approval for setting the amount of compensation, etc. for Directors of the Company to not more than ¥560 million annually (including not more than ¥70 million annually for the amount of compensation, etc. for outside Directors, and the amount of compensation, etc. for Directors does not include the portion of employee salaries of Directors concurrently serving as employees) was received at the 70th Ordinary General Meeting of Shareholders held on May 28, 2020, a state of affairs that has continued until today. On the condition that Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved and adopted as originally proposed, the Company will transition to a Company with an Audit and Supervisory Committee.

Accordingly, the Company proposes that the amount of compensation, etc. for Directors who are not Members of the Audit and Supervisory Committee after the Company completes the transition to a Company with an Audit and Supervisory Committee should be not more than ¥800 million annually (including not more than ¥120 million annually for the amount of compensation, etc. for outside Directors). As was previously the case, the amount of compensation, etc. for Directors who are not Members of the Audit and Supervisory Committee shall not include the portion of employee salaries of Directors who concurrently serve as employees.

With the aim of driving future business transformation and continuing enhancement of corporate value and securing and maintaining excellent management talent, the Company is continually reviewing the officer compensation system, giving consideration to market trends, the compensation level of other companies and other circumstances. The Company believes that the contents of this proposal is reasonable, as it is a proposal that has been determined after taking into consideration such review, and it is consistent with the Company’s “Policy on Determination of Details of Compensation of Individual Directors.”

The number of Directors is currently ten (including five outside Directors). If Proposal 1 “Partial Amendments to the Articles of Incorporation” and Proposal 2 “Election of Eight (8) Directors Who Are Not Members of the Audit and Supervisory Committee” are approved and adopted as originally proposed, the number of Directors who are not Members of the Audit and Supervisory Committee will be eight (including four outside Directors).

This proposal will become effective on the condition that the amendments to the Articles of Incorporation in Proposal 1 “Partial Amendments to the Articles of Incorporation” become effective.

**Proposal 6: Determination of Amount of Compensation, etc. for Directors Who Are Members of the Audit and Supervisory Committee**

On the condition that the Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved and adopted as originally proposed, the Company will transition to a Company with an Audit and Supervisory Committee.

Accordingly, the Company proposes that the amount of compensation, etc. for Directors who are Members of the Audit and Supervisory Committee after the Company completes the transition to a Company with an Audit and Supervisory Committee should be not more than ¥100 million annually.

The Company believes that the contents of this proposal is reasonable, since it is appropriate in light of the recent economic situation, market trends, the compensation level of other companies and other factors, and takes into consideration the expansion of duties and responsibilities required of Directors who are Members of the Audit and Supervisory Committee and other aspects.

If Proposal 1 “Partial Amendments to the Articles of Incorporation” and Proposal 3 “Election of Three (3) Directors Who Are Members of the Audit and Supervisory Committee” are approved and adopted as originally proposed, the number of Directors who are Members of the Audit and Supervisory Committee will be three (including two outside Directors).

This proposal will become effective on the condition that the amendments to the Articles of Incorporation in Proposal 1 “Partial Amendments to the Articles of Incorporation” become effective.

**Proposal 7: Determination of Amount and Details of Performance-Linked and Share-Based Compensation for Directors Who Are Not Members of the Audit and Supervisory Committee**

1. Reason for the proposal and reasons for justifying the share-based compensation

The Company received approval for a performance-linked and share-based compensation plan (hereinafter, the “Plan”) at the 66th Ordinary General Meeting of Shareholders held on May 26, 2016, and approval for revision of its contents at the 70th Ordinary General Meeting of Shareholders held on May 28, 2020, the 72nd Ordinary General Meeting of Shareholders held on May 26, 2022 and the 73rd Ordinary General Meeting of Shareholders held on May 25, 2023, a state of affairs that has continued until today. On the condition that Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved and adopted as originally proposed, the Company will transition to a Company with an Audit and Supervisory Committee.

Accordingly, in connection with the transition to a Company with an Audit and Supervisory Committee, the Company asks for approval that the Plan will continue in effect with partial revision, in addition to reestablishing the compensation limit under the Plan for the Company’s Directors (excluding Directors who are Members of the Audit and Supervisory Committee, outside Directors and those not residents of Japan; hereafter the same shall apply).

While this proposal is mainly related to the transition to a Company with an Audit and Supervisory Committee, it is proposed that the maximum amount of money contributed by the Company will, in principle, be set at ¥2,250 million for every three fiscal years and that the maximum number of the Company’s shares and the amount of money equivalent to the Company’s shares converted into cash (hereinafter, the “Company’s Shares, etc.”) that are delivered and paid (hereinafter, “Delivery, etc.”) to Directors will be set at 208 thousand shares annually, in consideration of increased percentage of the Plan in terms of the overall officer compensation system by reviewing the officer compensation system, which is an incentive necessary to drive future business transformation and continuing enhancement of corporate value, as explained in Proposal 5 as well as recent economic conditions, market trends, the compensation level of other companies and other circumstances.

In addition, this proposal sets the amount of compensation for Directors separately from that for Directors who are not Members of the Audit and Supervisory Committee for which the Company asks for approval in Proposal 5 “Determination of Amount of Compensation, etc. for Directors Who Are Not Members of the Audit and Supervisory Committee.”

The Plan aims to further heighten the awareness toward contributing to improving the Company’s operating performance and to increasing corporate value over the medium and long term. Moreover, if this proposal is approved, the Company plans to change the wording stated in “b. Matters Regarding the Determination of the Compensation Composition and Details of the Compensation for Directors and Compensation of Individual Directors” of the “Policy on Determination of Details of Compensation of Individual Directors” so as to align it with approved details. The Company believes that the contents of this proposal are reasonable, because they have been discussed by the Nomination and Compensation Advisory Committee, the majority of whose membership are independent outside Directors, taking into consideration the policies after the aforementioned changes, and then afterwards determined at the Board of Directors.

If Proposal 1 “Partial Amendments to the Articles of Incorporation” and Proposal 2 “Election of Eight (8) Directors Who Are Not Members of the Audit and Supervisory Committee” are approved and adopted as originally proposed, the number of Directors of the Company eligible for the Plan (excluding Directors who are Members of the Audit and Supervisory Committee) will be four.

The resolution of this proposal will become effective on the condition that the amendments to the Articles of Incorporation in Proposal 1 “Partial Amendments to the Articles of Incorporation” become effective.

## 2. Amount and contents of the compensation, etc. in the Plan

### (1) Overview of the Plan

The Plan is a share-based compensation plan in which shares of the Company are acquired through a trust using funds for the amount of compensation for Directors contributed by the Company, and the Delivery, etc. of the Company’s Shares, etc. is made to Directors through the trust according to their position and the degree of operating performance achieved in a period of three consecutive fiscal years (the initial period shall be three fiscal years from the fiscal year ended on the last day of February 2024 to the fiscal year ending on the last day of February 2026, and, if the trust period is extended as described in (2) below, each of the three fiscal years thereafter (hereinafter, “Applicable Period,” and each fiscal year within the Applicable Period shall hereinafter be referred to as “Fiscal Year Applicable for Assessment”).

Item	Contents
Persons eligible for the Delivery, etc., of the Company’s Shares, etc., under the Plan	Directors of the Company (excluding Directors who are Members of the Audit and Supervisory Committee, outside Directors and those not residents of Japan)
Maximum amount of money contributed by the Company and the method of acquisition of shares of the Company (as described in (2) below)	<ul style="list-style-type: none"> <li>• A total of ¥2,250 million in the applicable period of three fiscal years</li> <li>• Shares of the Company are purchased on the stock market or from the Company (disposition of treasury shares).</li> </ul>
Maximum number of the Company’s Shares, etc., acquired by Directors (as described in (3) below)	<ul style="list-style-type: none"> <li>• No more than a total of 624 thousand shares during a three-year period (208 thousand shares per year)</li> <li>• Approximately 1.38% of the total number of issued shares (after deducting treasury shares as of February 29, 2024) (approximately 0.46% of the total number of shares outstanding per year)</li> </ul>
Contents of the terms of achieving performance targets (as described in (3) below)	<ul style="list-style-type: none"> <li>• Terms vary in accordance with the year-on-year change in net sales and degree of achievement versus the targets of operating margin, as well as the result of comparing the Company’s TSR with growth in the Tokyo Stock Price Index (TOPIX).</li> <li>• The number of shares is determined within the range of 0 to 200%.</li> </ul>
Timing of Delivery, etc., of the Company’s Shares, etc., to Directors	In principle, when the Director has stepped down from office.

### (2) Maximum amount of money contributed by the Company

The upper limit on the total sum of money for each Applicable Period of ¥2,250 million will be contributed as compensation for Directors to a trust with a trust period of three years, which is set up with Directors who satisfy the beneficiary requirements as beneficiaries (hereinafter, the “Trust”) (including the extended trust period as described below; hereafter the same shall apply within this Proposal). The Trust will purchase the shares of the Company on the stock market or from the Company (disposition of treasury shares) using the money entrusted to it as the source of funds, in accordance with the instructions of its trust manager.

If at the expiry of the Applicable Period, an extension of the Applicable Period is decided by resolution of the Board of Directors, the Trust may be continued by changing the trust contract or placing an additional trust as an alternative to newly setting a trust. In that event, the new Applicable Period shall be extended for no longer than the initial Applicable Period, and the trust period of the Trust shall be extended by three years. The

Company will provide an additional contribution up to a total of ¥2,250 million for every Applicable Period extended, continue to grant points to the Directors during the Applicable Period extended, and continue the Delivery, etc., of the Company's Shares, etc., during the trust period extended; provided, however, that, if, in the case of providing the aforesaid additional contribution, there are residual shares of the Company (excluding shares of the Company corresponding to the points granted to Directors for which Delivery, etc., are incomplete) and money (hereinafter, collectively, "Residual Shares, etc.") in the trust property as of the end of the Applicable Period prior to the extension, the total of the amount of Residual Shares, etc., and the trust money for additional contribution shall not be more than ¥2,250 million.

(3) Method of calculating the number of the Company's Shares, etc. to be acquired by Directors and maximum number thereof

The number of the Company's Shares, etc. for Delivery, etc. to Directors is calculated based on points awarded at a certain time every year according to their position in each fiscal year, the year-on-year change in net sales and the degree of achievement versus the targets of operating margin in the Fiscal Year Applicable for Assessment as well as the result of comparing total shareholder return as an indicator of share price valuation with growth in the Tokyo Stock Price Index (TOPIX). When a Director steps down from office, Delivery, etc. of the Company's Shares, etc. will be made to the Director in proportion to the accumulated points (hereinafter, the "Accumulated Points").

One share shall be delivered for every point and if the Company's shares in the Trust increase or decrease as a result of a share split, gratis allocation of shares, reverse share split, or other reason, the Company shall adjust the number of shares for Delivery, etc. for every point according to the percentage of increase or decrease.

The upper limit on the total number of the Company's Shares, etc. for which Delivery, etc. is made to Directors via the Trust shall be 208 thousand shares annually. This upper limit of shares for Delivery, etc. is set based on the most recent share price, taking into account the upper limit of trust fund described in (2) above.

(4) Method and timing of Delivery, etc. of the Company's Shares, etc., to Directors

Directors who satisfy the beneficiary requirements shall be, in principle, able to take Delivery, etc. of a number of the Company's Shares, etc. based on the number of the Accumulated Points calculated in accordance with (3) above by completing the prescribed procedures for the determination of beneficiary rights when stepping down from office. At the time, the Directors shall receive the Company's shares which represent 50% of the points (rounding down the number of shares less than one unit), and the remainder shall be converted into cash within the Trust and the Directors shall receive a cash payment in the converted amount.

In the event of the death of a Director during the trust period, the Company's shares corresponding to the points awarded up to that time shall, in principle, be converted into cash within the Trust and the heirs of such Director shall receive a cash payment in the converted amount. In the event that a Director becomes a non-resident of Japan during the trust period, the Company's shares corresponding to the points awarded up to that time shall, in principle, be converted into cash within the Trust and such Director shall receive a cash payment in the converted amount.

(5) Voting rights concerning the shares of the Company in the Trust

In order to ensure neutrality toward management, voting rights associated with the shares of the Company in the Trust shall not be exercised during the trust period.

(6) Other contents of the Plan

Other contents regarding this Plan shall be determined by the Board of Directors each time the Applicable Period for which the Trust is established is extended, the trust contract is changed, or additional contributions are provided to the Trust.