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Securities code 1430

August 2, 2024

(Start date of electronic provision measures: August 1, 2024)

To our shareholders

30-16, Ogikubo 4-chome, Suginami-ku, Tokyo, Japan

First-corporation Inc.

Toshiaki Nakamura

President & Chief Executive Officer

Notice of Convocation of the 13th Ordinary General Meeting of Shareholders

We hereby inform you that the 13th Ordinary General Meeting of Shareholders of First-corporation Inc. will be held as described below.

For the convening of this Ordinary General Meeting of Shareholders, we will be using electronic provision, and matters concerning the measures for the electronic provision are posted on the following website on the Internet as the Notice of the 13th Ordinary General Meeting of Shareholders.

The Company's website

<https://www.1st-corp.com/ir/shareholder.html>

In addition to the above, the information is also posted on the following website on the Internet.

TSE website

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

To view information regarding the convocation of the Ordinary General Meeting of Shareholders, please visit the website above, enter/search the name of the Company or its securities code, and choose "Basic information," "Documents for public inspection / PR information."

Voting rights may be exercised via the Internet or in writing, if you do not attend the meeting in person. Please read the reference documents for the general meeting of shareholders under the matters subject to measures for electronic provision and exercise your voting rights by following the guidance for exercising voting rights via the Internet or by postal mail no later than 5:45 p.m. on Thursday, August 22, 2024 (JST).

1. Date: Friday, August 23, 2024, 10:00 a.m. (Reception is scheduled to start at 9:30 a.m.)

2. Place: Akasaka Intercity Conference, 3F Akasaka Intercity AIR,
1-8-1 Akasaka, Minato-ku, Tokyo

3. Purpose of meeting

- Matters to be reported:
1. Contents of the business report and consolidated financial statements, and reports on the results of audits of the consolidated financial statements performed by Accounting Auditor and Audit & Supervisory Committee for the 13th fiscal year (June 1, 2023 – May 31, 2024)
 2. Report of the financial statements for the 13th fiscal year (from June 1, 2023 to May 31, 2024)

- Matters to be resolved:
- Proposal No. 1 Election of eight Directors (excluding Directors serving as Audit and Supervisory Committee members)
 - Proposal No. 2 Revision of the performance-linked stock remuneration system for Directors (excluding Directors serving as Audit and Supervisory Committee members and Outside Directors)

4. Items decided for the convocation of meeting

- (1) If you intend to exercise your voting rights at the meeting through a proxy, the proxy must be another shareholder of the Company with voting rights.
- (2) If you wish to exercise your voting rights diversely, you are required to send notice providing details and your reasons. Please note that you must ensure the notice arrives three days prior to the day of the General Meeting of Shareholders.

- Please be sure to bring this Notice of Convocation to the meeting.
- It is kindly requested that you present the enclosed voting form to the receptionist when you attend the meeting.
- We will be dressed casually (Cool Biz, or casual business attire) at the meeting, and we request that you follow suit if you attend the meeting in person.
- If there are any changes to the matters concerning the measures for the electronic provision, we will post the corrections on each website.
- For the General Meeting of Shareholders, paper-based documents containing matters concerning the measures for the electronic provision will be sent to all shareholders, whether or not they request the delivery of paper-based documents. In accordance with the relevant laws and Article 16 of the Company's Articles of Incorporation, the following items are not included in the documents accompanying this convocation notice.
 - (i) Systems for ensuring appropriate business operations noted in the business report and status of operation of the above system
 - (ii) Consolidated Financial Statements: Consolidated Statements of Changes in Shareholders' Equity and Notes to Consolidated Financial Statements
 - (iii) Financial Statements: Statements of Changes in Shareholders' Equity and Notes to Financial Statements
- There will be no souvenirs provided to the shareholders who attend the General Meeting of Shareholders. We ask for your kind understanding.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Election of eight Directors (excluding Directors serving as Audit and Supervisory Committee members)

The term of office of all of the six incumbent Directors (excluding those serving as the Audit and Supervisory Committee members; the same applies to this proposal) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, we propose to appoint eight Directors.

The selection of director candidates is discussed based on the following selection criteria in advance at the Nomination Review Meeting, having independent Outside Directors as its members, and a decision on such matters is made by the meeting of the Board of Directors after further examination. - Appropriately fulfilling the duty of care and the duty of loyalty in business execution. - Has the qualities that can contribute to the sustainable growth of the Company and the enhancement of corporate value over the medium to long term. - Has the ability to appropriately perform the Company's management

The candidates for director are as shown below.

No.	Name	Current Position and Responsibilities at the Company	Attendance at the Board of Directors' Meetings	Specialization					
				Corporate Management	Construction	Real Estate	Financial Accounting	Legal Affairs/Risk Management	Governance
Reappointment 1	Toshiaki Nakamura	Representative Director and CEO, Head of Development Business Division	23/23 (100%)	•	•	•	—	—	•
Reappointment 2	Yutaka Saiga	Senior Managing Director, Head of Construction Division, in charge of Redevelopment Business and Administrative Division (to present)	22/23 (96%)	—	•	•	—	—	—
Reappointment 3	Kazuo Yokoyama	Director, Head of Administrative Division and General Manager, Production Management Dept.	23/23 (100%)	—	•	—	•	—	—
Reappointment 4	Hitomi Miyamoto	Director Head of Corporate Planning Office, in charge of Compliance	23/23 (100%)	—	—	—	•	•	•
Newly appointed 5	Ryo Oto	Executive Officer, General Manager, Construction Dept., Construction Division	—	—	•	—	—	—	—
Reappointment 6	Satoshi Fujimoto	Outside Director Independent Director	23/23 (100%)	•	—	—	—	•	•
Reappointment 7	Hisao Shibayama	Outside Director Independent Director	18/18 (100%)	•	—	•	—	—	•
Newly appointed 8	Takaki Ono	Outside Director	—	•	—	•	—	—	•

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)
1	<p style="text-align: center;">Reappointment</p> <p style="text-align: center;">Toshiaki Nakamura (November 21, 1950)</p>	<p>May 1979 Director of Nakamura Bisou Co., Ltd. October 1982 Established Nakawa Kogyo Co., Ltd. (current "First Cardea Co., Ltd."), Representative Director</p> <p>February 1990 Representative Director of Land Works Co., Ltd. May 2007 Established Nakamura Corp., Representative Director (to present)</p> <p>June 2011 Established First-corporation Inc., Representative Director and CEO</p> <p>November 2020 Director of First Evolution Inc. April 2021 Representative Director and CEO of the Company, Head of Development Business Division (to present)</p> <p>October 2021 Representative Director of First Evolution Inc. August 2023 Director of First Evolution Inc. May 2024 Representative Director and President of First Evolution Inc. (to present)</p>
	No. of Company shares owned	1,894,060 shares
	<p><Reason for nomination as a candidate for Director> Since its founding, Mr. Toshiaki Nakamura has served as Representative Director and CEO, appropriately fulfills roles such as deciding important management matters and supervising business execution, while exerting leadership to expand the business of the Company and improve corporate value, and achieve great results. He has broad experience and knowledge, and achievement as a management, the Company has determined that he is suitable for further enhancement of corporate value and realization of sustainable growth, the Company therefore proposes him as a candidate for director.</p>	

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)		
2	<div style="background-color: #cccccc; padding: 2px; display: inline-block; margin-bottom: 5px;">Reappointment</div> Yutaka Saiga (February 6, 1956)	<p>April 1979 Joined Tokai Kogyo Co., Ltd.</p> <p>May 2009 General Manager, Tokyo Head Office Construction Dept. of Tokai Kogyo Co., Ltd.</p> <p>November 2010 Executive Officer, Deputy Head of Tokyo Head Office of Tokai Kogyo Co., Ltd.</p> <p>November 2012 Executive Officer, Head of Construction Division of Tokai Kogyo Co., Ltd.</p> <p>March 2016 Joined the Company, General Manager, Sales & Technical Support Group, Construction Dept.</p> <p>June 2018 Head of Construction Division of the Company</p> <p>August 2018 Director of the Company, Head of Construction Division</p> <p>August 2019 Managing Director of the Company, Head of Construction Division</p> <p>June 2021 Managing Director of the Company, Head of Construction Division, General Manager of Redevelopment Business Dept.</p> <p>June 2022 Managing Director of the Company, Head of Construction Division, in charge of Redevelopment Business</p> <p>June 2024 Senior Managing Director of the Company, Head of Construction Division, in charge of Redevelopment Business and Administrative Division (to present)</p>		
		No. of Company shares owned	13,400 shares	
		<p><Reason for nomination as a candidate for Director ></p> <p>As a Director, Mr. Yutaka Saiga appropriately fulfills roles such as deciding important management matters and supervising business execution, also, as the head of construction division, he has contributed significantly to the expansion of our business and the enhancement of corporate value.</p> <p>He has high expertise and knowledge, broad experience and achievement, the Company has determined that he is suitable for further enhancement of corporate value and realization of sustainable growth, the Company therefore proposes him as a candidate for director.</p>		

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)
3	<p style="text-align: center;">Reappointment</p> <p style="text-align: center;">Kazuo Yokoyama (July 25, 1964)</p>	<p>April 1987 Joined Tachiiri Unyu K.K.</p> <p>June 1990 Joined Daiwa Construction Co., Ltd.</p> <p>September 2003 Joined Nakawa Kogyo Co., Ltd. (current “First Cardea Co., Ltd.”)</p> <p>September 2011 Joined the Company, General Manager, Administrative Dept.</p> <p>May 2013 Director of the Company, General Manager, Construction Dept.</p> <p>June 2015 Director of the Company, General Manager, Product Management Dept.</p> <p>June 2016 Director of the Company, General Manager, Product Management Dept., in-charge of special assignments of Recruitment & Human Resources Development</p> <p>August 2016 Director of the Company General Manager, Product Management Dept., in charge of special assignments of Recruitment & Human Resources Development of General Affairs & Human Resources Dept.</p> <p>June 2018 Director of the Company, General Manager, Product Management Dept. of Finance & Accounting Division, in charge of special assignments of Recruitment & Human Resources Development</p> <p>February 2019 Director of the Company, General Manager, Product Management Dept. of Administrative Division, in charge of special assignments of Recruitment & Human Resources Development</p> <p>August 2021 Director of the Company, Head of Administrative Division, General Manager, Product Management Dept., in charge of special assignments of Recruitment & Human Resources Development</p> <p>June 2024 Director of the Company, Head of Administrative Division, General Manager, Product Management Dept. (to present)</p>
	No. of Company shares owned	76,600 shares
	<p><Reason for nomination as a candidate for Director ></p> <p>As a Director, Mr. Kazuo Yokoyama appropriately fulfills roles such as deciding important management matters and supervising business execution, also, as the head of product management, he has contributed significantly to the expansion of our business and the enhancement of corporate value.</p> <p>He has high expertise and knowledge, broad experience and achievement, the Company has determined that he is suitable for further enhancement of corporate value and realization of sustainable growth, the Company therefore proposes him as a candidate for director.</p>	

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)
4	<p style="text-align: center;">Reappointment</p> <p style="text-align: center;">Hitomi Miyamoto (March 14, 1966)</p>	<p>March 1986 Joined Akai Electric Co., Ltd.</p> <p>November 1998 Manager, Finance & Accounting Dept. of Akai Electric Co., Ltd.</p> <p>August 2003 Joined Sansui Electric Co., Ltd., General Manager, Finance & Accounting Dept.</p> <p>September 2010 General Manager, Finance & Accounting Dept., General Manager, General Affairs Dept. of Sansui Electric Co., Ltd.</p> <p>December 2014 Joined the Company, Manager, Corporate Planning Office</p> <p>August 2015 General Manager, Internal Audit Office, Manager, Corporate Planning Office</p> <p>June 2016 General Manager, Internal Audit Office, General Manager, Corporate Planning Office</p> <p>February 2019 Executive Officer of the Company, General Manager, Corporate Planning Office, General Manager, Internal Audit Office</p> <p>August 2019 Director of the Company, Head of Corporate Planning Office, in charge of Internal Control</p> <p>August 2021 Director of the Company, Head of Corporate Planning Office, in charge of Compliance (to present)</p>
	No. of Company shares owned	12,000 shares
	<p><Reason for nomination as a candidate for Director ></p> <p>As a Director, Ms. Hitomi Miyamoto appropriately fulfills roles such as deciding important management matters and supervising business execution, also, as the head of corporate planning, internal control and compliance, she has contributed significantly to the expansion of our business and the enhancement of corporate value.</p> <p>She has high expertise and knowledge, broad experience and achievement, the Company has determined that she is suitable for further enhancement of corporate value and realization of sustainable growth, the Company therefore proposes her as a candidate for director.</p>	

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)
5	<p>Newly appointed</p> <p>Ryo Oto (October 21, 1971)</p>	<p>April 1992 Joined UDK Construction Inc.</p> <p>July 2007 Joined First Cardea Co., Ltd., Manager, Construction Department</p> <p>February 2012 Joined the Company, General Manager, Construction Group, Construction Department</p> <p>June 2018 General Manager, Construction Department, Construction Division of the Company</p> <p>June 2022 Executive Officer of the Company, General Manager, Construction Department, Construction Division (to present)</p>
	No. of Company shares owned	12,000 shares
	<p><Reasons for nomination as a candidate for Outside Director and overview of expected roles></p> <p>Since he joined the Company, Mr. Ryo Oto has contributed greatly to the expansion of the Company's operations and the enhancement of its corporate value by planning and implementing measures to increase corporate value, as a field director of the construction department and as an administrative representative of the construction department of the head office.</p> <p>He has extensive work and management experience at business companies and strong expertise in construction work, and has been engaged in overall management of the Company as a member of the management meeting. The Company has decided to nominate him as a candidate for a new director based on the judgment that he has the experience and capabilities suitable for a director.</p>	

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)
6	<p style="text-align: center;">Reappointment</p> <p style="text-align: center;">Satoshi Fujimoto (July 28, 1957)</p>	<p>April 1980 Joined The Fuji Bank, Ltd. (current “The Mizuho Bank, Ltd.”)</p> <p>July 1994 Senior Manager, Legal Dept. of The Fuji Bank, Ltd.</p> <p>April 2002 Deputy General Manager, Ootemachi 7th Sales Dept. of The Mizuho Corporate Bank, Ltd. (currently “The Mizuho Bank, Ltd.”)</p> <p>May 2004 General Manager, 1st Corporate Dept., General Manager, 3rd Corporate Dept. of The Mizuho Corporate Bank, Ltd.</p> <p>April 2008 Executive Officer, General Manager, 2nd Sales Dept. of The Mizuho Corporate Bank, Ltd.</p> <p>April 2010 Managing Executive Officer, in charge of Sales of The Mizuho Corporate Bank, Ltd.</p> <p>March 2012 Managing Director, Tokyo Tatemono Co., Ltd.</p> <p>March 2013 Administration Officer of The Mizuho Corporate Bank, Ltd.</p> <p>June 2013 Director, Managing Executive Officer of Sharp Corp.</p> <p>June 2015 Outside Corporate Auditor, Fuyo Auto Lease Co., Ltd.</p> <p>August 2015 Outside Director of the Company (to present)</p> <p>June 2017 Outside Corporate Auditor, Yasuda Logistics Corp. (to present)</p> <p> Outside Corporate Auditor, Nakamura Co., Ltd.</p> <p>June 2022 Outside Director, Nakamura Co., Ltd. (to present)</p>
	No. of Company shares owned	5,000 shares
<p><Reasons for nomination as a candidate for Outside Director and overview of expected roles></p> <p>Mr. Satoshi Fujimoto has deep insight and extensive knowledge based on his abundant experience as a management in financial institutions and business companies. Also, as an outside director, he is able to appropriately supervise the management of the Company and provide beneficial opinions.</p> <p>The Company expects that he will continue to fulfill his duties, including advice on the Company’s business management and the appropriate supervision of its operations. Accordingly, the Company proposes that he be re-elected as an Outside Director.</p>		

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	
7	<div style="background-color: #cccccc; padding: 2px; text-align: center;">Reappointment</div> <p style="text-align: center;">Hisao Shibayama (June 2, 1953)</p>	<p>April 1977 October 1987 March 2005 June 2008 June 2010 March 2012 March 2013 March 2015 December 2018 August 2023</p>	<p>Joined Tokai Kogyo Co., Ltd. Joined Tokyo Tatemono Co., Ltd. Director and General Manager of Urban Redevelopment Promotion Department, Tokyo Tatemono Co., Ltd. Managing Director and Division Director of Residential Development Division, Tokyo Tatemono Co., Ltd. Managing Director and Division Director of International Business Division & Division Director of Residential Development Division, Tokyo Tatemono Co., Ltd. Managing Director and Division Director of Residential Development Division, Tokyo Tatemono Co., Ltd. Director, Senior Executive Managing Officer and Division Director of Residential Development Division, Tokyo Tatemono Co., Ltd. Representative Director, Senior Executive Managing Officer, Division Director of Residential Development Division, Tokyo Tatemono Co., Ltd. Director, Tokyo Tatemono Co., Ltd. Outside Director of the Company (to present)</p>
No. of Company shares owned		– shares	
<p><Reasons for nomination as a candidate for Outside Director and overview of expected roles> Mr. Hisao Shibayama to has deep insight and extensive knowledge based on his abundant experience as a management in business companies. Also, as an outside director, he is able to appropriately supervise the management of the Company and provide beneficial opinions. The Company expects that he will continue to fulfill his duties, including advice on the Company’s business management and the appropriate supervision of its operations. Accordingly, the Company proposes that he be re-elected as an Outside Director.</p>			

No.	Name (Date of birth)	Brief career summary (Position and responsibilities at the Company and other current key positions)	
8	<div style="background-color: #cccccc; padding: 2px;">Newly appointed</div> Takaki Ono (April 9, 1965)	April 1988 Joined Sumitomo Bank (present Sumitomo Mitsui Banking Corporation) April 2009 Branch Manager, Kanazawa Branch and General Manager, Kanazawa Corporate Business Office April 2015 General Manager, First Sales Division, Shinjuku Corporate Business Office, Sumitomo Mitsui Banking Corporation April 2016 Executive Officer, General Manager, First Sales Division, Shinjuku Corporate Business Office, Sumitomo Mitsui Banking Corporation April 2017 Executive Officer, General Manager, Wholesale Banking Unit, Sumitomo Mitsui Banking Corporation Executive Officer, General Manager, Planning Department, Wholesale Banking Unit, Sumitomo Mitsui Financial Group, Inc. April 2018 Managing Executive Officer, General Manager, Wholesale Banking Unit, Sumitomo Mitsui Banking Corporation Managing Executive Officer, Deputy Head of Wholesale Banking Unit, Sumitomo Mitsui Financial Group, Inc. April 2019 Managing Executive Officer in charge as Deputy Head of Wholesale Banking Unit (West Japan), Sumitomo Mitsui Banking Corporation Managing Executive Officer, Deputy Head, Wholesale Banking Unit, Sumitomo Mitsui Financial Group, Inc. April 2021 Managing Executive Officer in charge as Deputy Head of Wholesale Banking Unit and General Manager, Corporate Banking Division, Sumitomo Mitsui Banking Corporation Managing Executive Officer, Deputy Head, Wholesale Banking Unit, Sumitomo Mitsui Financial Group, Inc. April 2022 Managing Executive Officer in charge of Private Advisory Division and Transaction Business Division, Sumitomo Mitsui Banking Corporation Managing Executive Officer in charge of Planning Department, Payments Division, Sumitomo Mitsui Financial Group, Inc. April 2024 Advisor, Sumitomo Mitsui Banking Corporation (to present)	
		No. of Company shares owned	– shares
		<Reasons for nomination as a candidate for Outside Director and overview of expected roles> Mr. Takaki Ono has broad experience and extensive knowledge acquired in financial institutions. He is expected to fulfill his duties, such as providing advice on the Company's business management and appropriate supervision of its operations, and, therefore, the Company nominates him as a candidate as the Company's new Outside Director.	

- (Notes)
1. No candidate has any relationship of special interest with the Company.
 2. Mr. Satoshi Fujimoto, Mr. Hisao Shibayama and Mr. Takaki Ono are nominees for the Outside Directors stipulated in item (vii), paragraph (3), Article 2 of the Ordinance for Enforcement of the Companies Act.
 3. Mr. Satoshi Fujimoto and Mr. Hisao Shibayama fulfill the requirements for independent directors specified by the Tokyo Stock Exchange and have been designated as the Company's independent directors, which have been reported to the Tokyo Stock Exchange.
 4. The Company has signed an agreement with Mr. Satoshi Fujimoto and Mr. Hisao Shibayama, which limits the liability for damages in paragraph (1), Article 423 of the Companies Act to the minimum amount specified by law. If Mr. Satoshi Fujimoto and Mr. Hisao Shibayama are elected, the Company will maintain this agreement with them. If the appointment of Mr. Takaki Ono is approved, the Company will sign a similar liability limitation agreement with him.
 5. Mr. Satoshi Fujimoto has been serving as an Outside Director of the Company since August 2015 and his term of office

will be nine years at the conclusion of this Ordinary General Meeting of Shareholders. 5. Mr. Hisao Shibayama has been serving as an Outside Director of the Company since August 2023 and his term of office will be one year at the conclusion of this Ordinary General Meeting of Shareholders.

6. The Company has signed a liability insurance policy for directors and officers specified in paragraph (1), Article 430-3 of the Companies Act with an insurance company and will supplement the legal compensation for damage and litigation expenses to be paid by an insured person using the insurance. The candidates will be included in those insured by the policy. The insurance policy is scheduled to be renewed with the same coverage in the next renewal.

Proposal No. 2: Revision of the performance-linked stock remuneration plan for Directors (excluding Directors concurrently serving as Audit and Supervisory Committee members and Outside Directors)

1. Reason for the proposal and reasonable grounds for the proposal

Up to the present date, it was approved to introduce performance-linked remuneration system called Board Benefit Trust (BBT) for Directors (excluding Outside Directors) by the 8th Ordinary General Meeting of Shareholders held on August 23, 2019, to re-establish the BBT portion of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee members. The same shall apply hereunder in this proposal) by the 10th Ordinary General Meeting of Shareholders held on August 26, 2021 in tandem with the transition to a company with Audit and Supervisory Committee, and to revise part of the BBT to Board Benefit Trust-Restricted Stock (BBT-RS. Hereinafter, the “Plan”) and to apply transfer restriction on shares to be provided to Directors for the period until their retirement from the position of director (the resolutions of the above ordinary general meetings of shareholders shall be hereinafter referred to as the “Original Resolutions”) by the 12th Ordinary General Meeting of Shareholders held on August 25, 2023.

The purpose of the Plan is to bolster Directors’ motivation toward contributing to better performance over the medium- to long-term and increased corporate value by further clarifying the linkage between their remuneration and the Company’s business performance and stock value and by ensuring that Directors share with shareholders not only advantages of stock price rises but also stock price declines.

To achieve the above purposes, the Company, in this proposal, asks shareholders to approve that the ratio of stock remuneration to total remuneration of Directors be raised through an increase in the upper limit of the number of points per fiscal year to be granted to Directors, from 66,000 points to 76,800 points.

The Company considers the Plan reasonable because the compensation review meeting of the Company recommended for the revision of the Plan based on the purpose of the Plan, effects of granting an incentive toward improvement of business performance over the medium- to long-term, etc., and because the revision, if the proposal is approved without any change, matches the policy of the Company for determining the content of individual Directors’ remuneration (excluding those who are Audit and Supervisory Committee members). Upon approval by this Ordinary General Meeting of Shareholders, the Plan will be resolved at a meeting of the Board of Directors to be held after the shareholders meeting.

This proposal is outside the framework of remuneration, etc. (annual amount not exceeding 200 million yen (including annual amount not exceeding 20 million yen for Outside Directors); provided, however, that this does not include the employee’s salary for a Director who concurrently holds an employee post) for Directors (excluding Directors serving as Audit and Supervisory Committee members) approved at the 10th general meeting of shareholders held on August 26, 2021, and approval on the actual calculation method for amounts of remuneration, etc. and actual content of remuneration, etc. is requested, in order to provide remuneration based on the Plan to the Company’s Directors. Please leave the details of the Plan to the discretion of our Board of Directors within the range indicated in the paragraph 2 below.

If approval is given to Proposal 1 as drafted, the number of Directors subject to the Plan will be five. Audit & Supervisory Committee expressed its opinion to the effect that the revision of the Plan is reasonable in light of the purpose of the Plan and the decision process for the proposal at the Compensation Review meeting.

2. Specific calculation method and details of the amounts of remuneration, etc. under the Plan

(Major changes made to the Original Resolution are underlined.)

(1) Overview of the Plan

The Plan is a performance-linked stock compensation plan, under which the Company’s shares are acquired through a trust established based on the Plan (hereinafter referred to as the “Trust”) using funds provided by the Company and the Company’s shares and cash equivalent to the market value of the Company’s shares (hereinafter collectively referred to as the “Company’s Shares”) are provided to the Directors through the Trust according to the director share-based remuneration rules specified by the Company. The time when Directors shall receive the provision of shares of the Company’s stock shall be a certain fixed period every year, and the time when a Director receives the payment of money in an amount equivalent to shares of the

Company's stock calculated on a market price basis shall be at the time of his/her retirement from the position of Director, in principle. If a Director receives the provision of shares of the Company's stock during his/her tenure of office, the Director shall conclude a Transfer Restriction Agreement with the Company prior to such provision as described in 3. below. Based on the agreement, disposition by transfer, etc. of shares of Company's stock provided to the Director during his/her tenure shall be restricted until his/her retirement from the position of Director.

(2) Persons eligible for the Plan

Directors (Directors who are Audit and Supervisory Committee members and other Directors who are Outside Directors shall not be eligible for the Plan.)

(3) Trust period

From October 2019 until termination of the Trust (No specific termination date shall be laid down for the trust period of the Trust, and the Trust shall continue as long as the Plan continues. The Plan shall be terminated if the Company's stock is delisted or if the director share-based remuneration rules are cancelled.)

(4) Amount of trust

The Company has adopted the BBT and the Plan for the five business years from the fiscal year ended May 31, 2020 to the fiscal year ended May 31, 2024 (this five-year-period shall be referred to as the "Initial Applicable Period" and each five-year-period that starts from the Initial Applicable Period shall be referred to as an "Applicable Period") and subsequent Applicable Periods. The Company has set up the Trust in order to provide Directors with shares of the Company's stock, etc., and has contributed a sum of 111,600,000 yen as the fund for acquiring such shares through the Trust. The Trust shall continue to exist as the trust based on the revised Plan, pending approval.

After the end of the Initial Applicable Period, we will rationally estimate the number of shares required for the Directors' compensation under the Plan and provide the Trust with additional funds deemed necessary for the advance acquisition by the Trust for, in principle, each Applicable Period until the end of the Plan.

In the case of providing such additional funds, if the Company's shares (those corresponding to the number of points given to Directors, excluding shares yet to be given to Directors) and funds remain in the Trust assets (hereinafter referred to as the "Remaining Shares"), the Remaining Shares will be allocated to the compensation under the Plan in each subsequent Applicable Period and the additional funds for the subsequent Applicable Periods will be calculated, taking into account the Remaining Shares.

We will announce any decision to provide additional funds in a timely and appropriate manner.

(5) Method of acquisition and number of shares of the Company's stock to be acquired by the Trust

The acquisition of shares of the Company's stock by the Trust shall be implemented using funds contributed based on (4) above by the method of acquisition of the Company's own shares through stock exchanges or of disposal of treasury shares.

As described in (6) below, the upper limit for the number of points to be granted to Directors will be 76,800 points per fiscal year, and the upper limit for the number of shares of the Company's stock to be acquired by the Trust for each Applicable Period shall be 384,000 shares. We will disclose information about the acquisition of the Company's shares by the Trust in a timely and appropriate manner.

(6) Maximum number of shares of the Company's stock, etc. to be provided to Directors

The Directors receive points for each fiscal year in the number determined by considering their positions, level of achievement, and other factors pursuant to the director share-based remuneration rules. The maximum number of points given to Directors in each business year is 76,800. We have determined this number by comprehensively considering such factors as the level of remuneration currently paid to the Directors and the current and future trends in the number of the Directors, and we consider such a number appropriate.

Each point given to the Directors is converted to one common share of the Company when the Company's Shares are provided as stated in the paragraph (7) below (the maximum number of points and the number of points already given or the conversion ratio will be rationally adjusted for any stock split, allotment without contribution, or reverse stock split of the Company's shares after approval for the Proposal is given).

The ratio of the number of voting rights (768) that is equivalent to the upper limit for the number of points

to be granted to Directors per fiscal year to the number of voting rights (121,652) for total outstanding shares (as of May 31, 2024) is approximately 0.63%.

The number of points that is the basis for providing shares of the Company's stock described in (7) below shall be the number of points that have been granted to Directors until the time when beneficiary right is determined, in principle (points calculated in this manner shall hereinafter be referred to as "Determined Number of Points".)

- (7) Specific calculation method for the provision of the Company's shares, etc. and amount of remuneration, etc. Directors who meet the beneficiary requirements receive the Company's shares, in principle, in the number corresponding to the Finalized Number of Points specified in the above paragraph (6) from the Trust at a certain time of each year by going through specified procedure for finalizing a beneficiary. Provided, however, that a Director who meets the requirements specified in the director share-based remuneration rules shall receive, at the time he/she retires from the position of Director, money equivalent to the market price of the Company's shares in lieu of the Company's shares, in principle. We may sell the Company's shares through the Trust to acquire funds for such monetary compensation.

If a Director receives the provision of shares of Company's stock during his/her tenure of office, the Director shall conclude a Transfer Restriction Agreement with the Company prior to such provision as described in 3. below. Based on the agreement, disposition by transfer, etc. of shares of Company's stock provided to the Director during his/her tenure shall be restricted until his/her retirement from the position of Director, in principle.

Any Director who has been dismissed by resolution of the General Meeting of Shareholders, has retired due to misconduct committed during his/her term of office, or has inflicted damage on the Company due to an inappropriate act during his/her term of office will not be entitled to the compensation even after receiving points.

The amount of compensation received by the Directors will generally be determined by multiplying the total number of points given to the Directors by the book value per share of the Company's shares held by the Trust (the amount will be rationally adjusted for any stock split, allotment without contribution, or reverse stock split of the Company's shares based on the ratios in such transactions). In an exceptional case of paying money pursuant to the director share-based remuneration rules, the money will be added to the compensation if it is deemed appropriate.

- (8) Exercise of voting rights

Voting rights relating to the shares of the Company's stock in the Trust shall not be uniformly exercised based on the trust administrator's instruction. By using this method, the neutrality of Company management shall be ensured in relation to the exercise of voting rights for shares of the Company's stock in the Trust.

- (9) Handling of dividends

Dividends of the Company's shares held in the Trust account will be received by the Trust and used to acquire the Company's shares and pay the trust fees, etc. to the trustee of the Trust. Any dividends, etc. remaining with the Trust when the Trust comes to an end will be distributed proportionally to Directors holding office at that time based on the number of points held by each of them pursuant to the director share-based remuneration rules.

- (10) Handling when the Trust is terminated

The Trust shall be terminated in cases of delisting of the Company's stock or abolishment of the director share-based remuneration rules or for other reasons.

Of the residual assets of the Trust when it is terminated, all shares of the Company's stock shall be acquired by the Company and shall be cancelled by resolution of the Board of Directors. Of the residual assets of the Trust when it is terminated, money is planned to be delivered to the Company excluding the amount of money provided to Directors based on (9) above.

3. Outline of transfer restriction agreement concerning shares of the Company's stock to be provided to Directors

If a Director receives the provision of shares of Company's stock during his/her tenure, the Director shall conclude a transfer restriction agreement with the Company prior to such provision. The said agreement (hereinafter referred to as the "Transfer Restriction Agreement") shall include the following content in outline. (Directors shall receive the provision of shares of the Company's stock on condition that they conclude a Transfer Restriction Agreement.) Provided, however, that shares of the Company's stock may be provided without concluding a Transfer Restriction Agreement to a Director who has already resigned from his post as Director at the time of such provision.

(i) Content of transfer restriction

A Director may not transfer, establish a security interest on, or otherwise dispose of shares of the Company's stock received during the period starting on the day of such provision and ending on the day of his/her resignation from all his/her executive positions in the Company.

(ii) Acquisition by the Company without compensation

In the event that there were certain illegal activities, etc. or that requirements to terminate the transfer restriction stated in (iii) below are not satisfied, the Company shall acquire the shares without compensation.

(iii) Termination of transfer restriction

If a Director resigns from all his/her executive positions in the Company due to appropriate reasons or due to his/her death, the transfer restriction shall be terminated at the time of such resignation, in principle.

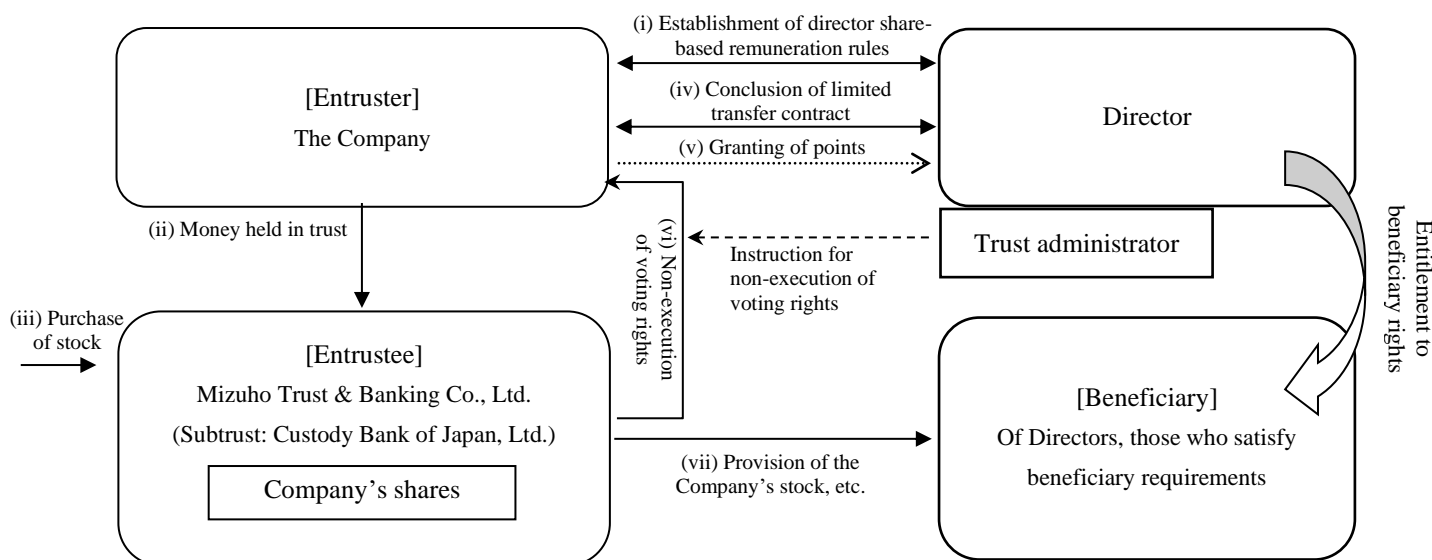
(iv) Handling in the event of organizational restructuring, etc.

If a general meeting of shareholders, etc. of the Company approves a merger agreement under which the Company will become a non-surviving company or other matters regarding organizational restructuring during the transfer restriction period, the transfer restriction shall be terminated immediately prior to the start of the business day immediately preceding the effective date of such organizational restructuring, etc. based on a resolution of the Board of Directors.

The shares of the Company's stock subject to transfer restriction based on the Transfer Restriction Agreement shall be managed in a dedicated account opened by the Director with a securities firm designated by the Company, so as not to allow the establishment of a security interest or disposition of the shares during the transfer restriction period.

In addition to the above, the content of the Transfer Restriction Agreement shall include methods of indication of intention and notification, method of revision of the Transfer Restriction Agreement, and other matters determined by the Board of Directors.

<For reference: Structure of the Plan>



- (i) The Company shall establish director share-based remuneration rules within the framework of the proposal approved by the Ordinary General Meeting of Shareholders.
- (ii) The Company shall entrust money within the framework of the proposal approved by the Ordinary General Meeting of Shareholders.
- (iii) Under the Trust, shares of the Company's stock shall be acquired using funds entrusted based on (ii) above by the method of acquiring its shares through stock exchanges or of disposing of treasury shares.
- (iv) An eligible Director and the Company shall enter into a limited transfer contract to the effect that the transfer or other disposal of shares of the Company's stock provided to him/her during his/her tenure of office as director shall be restricted and that provisions regarding acquisition of shares by the Company without compensation to a certain extent be stipulated, among other things.
- (v) The Company shall grant points to Directors pursuant to the director share-based remuneration rules.
- (vi) Voting rights relating to the shares of the Company's stock in the Trust shall not be exercised based on the instruction of the trust administrator who is independent from the Company.
- (vii) The Trust shall provide a Director who satisfies the beneficiary requirements prescribed in the director share-based remuneration rules (a "Beneficiary") shares of its stock in accordance with the number of points granted to him/her at a certain period every year. Provided, however, that in the case where a Director satisfies the requirements prescribed in the director share-based remuneration rules, he/she shall receive money equivalent to the market price of the Company's shares in lieu of the Company's shares for a certain ratio of the points at the time he/she retires from his/her position as Director.

<For reference: Policy regarding determination of the content of remuneration, etc. for individual Directors (excluding Directors concurrently serving as Audit & Supervisory Committee members) to be resolved at a meeting of the Company's Board of Directors upon approval of the proposal>

1. Basic policy

The Company's basic policy for the remuneration of Directors (excluding Directors serving as Audit and Supervisory Committee members) is to operate a system linked to shareholder returns that effectively functions as an incentive for Directors to ensure the achievement of the Group's sustainable growth and the increase of its medium- and long-term corporate value, within the range approved by resolution of the General Meeting of Shareholders.

2. Composition of remuneration

The remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee members) consists of basic compensation, bonuses, and performance-linked stock remuneration. However, Outside Directors do not receive performance-linked stock remuneration in view of their independence from business execution and their function of overseeing the Board of Directors.

3. Policy for determining the amount of basic compensation paid individually to Directors

The basic compensation is a monthly fixed amount, which is determined based on criteria such as the Director's title, responsibilities, business management capabilities, an evaluation of performance and results of each Director and the levels of employee salaries. However, the amount of basic compensation paid to Outside Directors is determined while comprehensively taking into account the background, experience, and other qualifications of each Outside Director.

4. Policy for determining the amounts of bonuses paid individually to Directors

Bonuses are performance-linked remuneration distributed in June of each year using consolidated ordinary income for each fiscal year as the performance indicator (reference indicator). The amounts are determined based on the basic compensation of each Director not serving as an Audit and Supervisory Committee member using the level of achievement of targeted consolidated ordinary income as a reference.

5. Policy for determining the details of performance-linked remuneration and the method of calculating the amounts of this remuneration

Performance-linked remuneration is provided in the form of shares of the Company's stock (Board Benefit Trust (BBT-RS)), which is intended to be an incentive motivating Directors to contribute to the medium- and long-term improvement of the Group's business performance and the increase of its corporate value by clearly connecting the remuneration of Directors (excluding Directors serving as Audit and Supervisory Committee members and Outside Directors) to the Company's performance and stock value. The performance indicator shall be ordinary income on a consolidated basis for each fiscal year, and points calculated by multiplying the number of points awarded based on the title of each Director by a coefficient of achievement of the targeted ordinary income shall be given to each Director (excluding Directors concurrently serving as Audit & Supervisory Committee members and Outside Directors) on the day of general meeting of shareholders in each year. Transfer restriction shall be placed on the shares of the Company's stock corresponding to the number of points until the Director resigns (provided, however, a certain portion shall be paid in cash in the amount equivalent to the realization value of the Company's shares, and the time for such payment shall be the time of the Director's resignation, in principle), and such shares shall be delivered every September.

6. Policy for determining the percentage of each type of remuneration paid individually to Directors

The percentage of each type of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee members) is not specified due to fluctuations corresponding to changes in the Company's business performance and stock value.

7. Matters concerning decisions on the details of the remuneration paid individually to Directors

The Compensation Review Meeting, a majority of whose members are independent Outside Directors, examines the details of the remuneration paid individually to Directors (excluding Directors serving as Audit and Supervisory Committee members) based on criteria such as the Director's title, responsibilities, and performance, the accumulation of internal reserves, and the results of evaluations of medium-term prospects and the Director's contribution to the Company. The Board of Directors then determines the amount of remuneration, taking into account the reports on the Compensation Review Meeting's evaluations to ensure objectivity, transparency and fairness.

[Reference]

Criteria for Determining the Independence of Independent Outside Directors

We assess the independence of our Outside Directors based on the criteria for independence established by financial instrument exchanges and acknowledge their independence if they meet all of the following requirements.

1. is not an executive of the Company or any of its subsidiaries,
2. is not a Director or accounting adviser if he/she is an Audit and Supervisory Committee member, who is not an executive of the Company or any of its subsidiaries,
3. is not an executive, including a Director who is not an executive, of the parent company of the Company,
4. is not a Corporate Auditor of the Company's parent company,
5. is not an executive or Director who is not an executive of a sister company of the Company,
6. is not currently a principal shareholder or an executive of a principal shareholder of the Company,
7. is not a major business partner or an executive of a major business partner of the Company,
8. is not a party for which the Company is its major business partner or an executive of such a party,
9. is not receiving a large amount of remuneration as a consultant, accounting expert, or legal expert from the Company other than director compensation (including a case in which a corporation, association, or other organizations, to which an Outside Director of the Company belongs, is receiving remuneration), and
10. is not a spouse or a relative within the second degree of kinship of an executive, etc. corresponding to the above 1 to 9.