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To Shareholders with Voting Rights:

Naoki Nakamura
President and CEO
THE PACK CORPORATION
2-9-3 Higashiobase, Higashinari-ku, Osaka

NOTICE OF
THE 74th ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

We are pleased to announce the 74th Annual General Meeting of Shareholders of THE PACK CORPORATION (the “Company”). The meeting will be held for the purposes as described below.

When convening this General Meeting of Shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information as “NOTICE OF THE 74th ANNUAL GENERAL MEETING OF SHAREHOLDERS” on the Company’s website. Please access the Company’s website using the Internet address shown below to review the information.

Company’s website: <https://www.thepack.co.jp/ir/information.html> (in Japanese)

In addition to posting items for which measures for providing information in electronic format are to be taken on the website listed above, the Company also posts this information on the website of Tokyo Stock Exchange, Inc. (TSE). To access this information from the latter website, access the TSE website (Listed Company Search) by using the Internet address given below, input the issue name (THE PACK) or securities code (3950), and click “Search,” and 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].”

TSE website (Listed Company Search):
<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

You can exercise your voting rights in writing or via the Internet, etc. in lieu of attending the meeting. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by no later than 5:30 p.m. on Wednesday, March 25, 2026, Japan time.

- 1. Date and Time:** Thursday, March 26, 2026 at 11:00 a.m. Japan time
(Reception starts at 10:00 a.m.)
- 2. Place:** Multipurpose Small Hall, Thirty Hall, Daito City General Cultural Center
located at
13-30 Shinmachi, Daito-shi, Osaka, Japan
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 74th Fiscal Year (January 1, 2025 - December 31, 2025) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Auditors
 2. Non-consolidated Financial Statements for the Company's 74th Fiscal Year (January 1, 2025 - December 31, 2025)
- Proposals to be resolved:**
- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Eight (8) Directors
- Proposal 3:** Election of Two (2) Auditors
- Proposal 4:** Revision of Details of Remuneration for Granting Restricted Shares to Directors

4. Matters Decided for the Convocation of the Meeting

- (1) Among items for which measures for providing information in electronic format are to be taken, Items Concerning the Share Acquisition Rights, etc., Accounting Auditor, Company Structure and Policies of the Business Report, the Notes to Consolidated Financial Statements and Consolidated Statement of Changes in Equity, and the Notes to Non-consolidated Financial Statements and Non-consolidated Statement of Changes in Equity (in Japanese only) are not provided in the documents delivered to shareholders who have requested the delivery of paper-based documents as provided for by the provisions of laws and regulations and Article 16 of the Company's Articles of Incorporation. Accordingly, the documents that are delivered to shareholders who have requested the delivery of paper-based documents are part of the documents included in the scope of audits by the Auditors and the Accounting Auditor when they create their respective audit reports.
 - (2) Please note that if you exercise your voting rights both via the Internet, etc. and in writing, only your vote via the Internet, etc. shall be deemed effective. If you exercise your voting rights more than once via the Internet, etc., only the last vote shall be deemed effective.
 - (3) If no approval or disapproval is expressed for the respective proposals in the returned voting form, it will be treated as an approval vote.
- When attending the meeting, please submit the Voting Rights Exercise Form sent out with this Notice at the reception desk.
 - If revisions to the items for which measures for providing information in electronic format are to be taken arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the Company's website and the TSE website.
 - We will be accepting your questions in advance on the website below.
(https://www.thepack.co.jp/contact/shareholders_contact.html (in Japanese only))
Questions deemed to be of particular interest to shareholders will be answered promptly on the website after the General Meeting of Shareholders.

Exercise of Voting Rights via the Internet, etc.

Scanning the 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 the directions that appear on the screen to enter your approval or disapproval of each proposal.

Entering login ID and temporary password

Website for exercise of voting rights: <https://evote.tr.mufg.jp/> (in Japanese only)

1. Please access the website for exercise of voting rights.
2. Please enter your “login ID” and “temporary password” printed on the voting form.
3. Please follow the directions that appear on the screen to enter your approval or disapproval of each proposal.

In case you need instructions for how to operate your personal computer or smartphone in order to exercise your voting rights via the Internet, please contact:	Stock Transfer Agency Help Desk, Mitsubishi UFJ Trust and Banking Corporation 0120-173-027 (Toll free only from Japan / Hours: 9:00 a.m. to 9:00 p.m. (JST))
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Institutional investors may use the Electronic Voting Platform for institutional investors operated by ICJ, Inc.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

Concerning appropriation of surplus for the 74th fiscal year, taking into consideration factors including business results of the fiscal year under review, enhancement of internal reserves and future business development, the Company proposes as follows.

Matters concerning year-end dividend

- (1) Matters concerning the allotment of dividend property to shareholders and total amount thereof
22 yen per share of the Company's common stock Total amount: 1,222,849,540 yen
As the Company paid an interim dividend of 19.33 yen per share in September 2025, the full-year dividends will be 41.33 yen per share.
- (2) Effective date of distribution of surplus
March 27, 2026

(Note) The Company implemented a stock split at a ratio of three common shares to one with an effective date of July 1, 2025. The interim dividend for the 74th fiscal year has been restated to the value after the stock split for convenience.

Proposal 2: Election of Eight (8) Directors

The terms of office of all eight (8) Directors will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of eight (8) Directors is proposed.

The candidates for Director are as follows:

Reference: Candidate list

[External] External Director candidate

[Independent] Independent Officer registered on the stock exchange

No.	Name	Gender	Current position	Attendance at Board of Directors Meetings
1	[Reappointment] Teruo Takinoue	Male	Representative Director and Chair	17 of 17 meetings
2	[Reappointment] Naoki Nakamura	Male	President and CEO	17 of 17 meetings
3	[Reappointment] Norio Ashida	Male	Managing Director	17 of 17 meetings
4	[Reappointment] Ryuichi Watanabe	Male	Managing Director	13 of 13 meetings
5	[Reappointment] Ikuo Shimomura	Male	Director	17 of 17 meetings
6	[Reappointment] [External] [Independent] Uichiro Nishio	Male	Director	17 of 17 meetings
7	[Reappointment] [External] [Independent] Kaoru Kasahara	Female	Director	17 of 17 meetings
8	[Reappointment] [External] [Independent] Reiji Domoto	Male	Director	13 of 13 meetings

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	
1	Teruo Takinoue (April 30, 1961) [Reappointment]	April 1984 January 2008 March 2011 January 2012 April 2014 March 2015 January 2017 March 2018 March 2022 March 2025	Joined the Company General Manager, Osaka Production Division Director Deputy Divisional General Manager, Production Division Divisional General Manager, Packaging Products Division Managing Director Divisional General Manager, Production Division Senior Managing Director Vice President Representative Director and Chair (to present)	74,000
		<p>[Reason for nomination as candidate for Director]</p> <p>Since joining the Company, he has mainly been engaged in the operations of departments related to production. Currently, he serves as Representative Director and Chair, making decisions regarding important management issues and supervising business execution. He has extensive operational experience related to production departments and insight regarding all aspects of management, and we believe he is qualified for the position. Therefore, the Company nominates him again as a candidate for Director.</p>		
2	Naoki Nakamura (June 5, 1965) [Reappointment]	April 1989 January 2008 January 2013 January 2017 January 2019 March 2024 March 2025	Joined the Company Department Manager, Section 3 of Tokyo Sales Division No. 1 General Manager, Chugoku and Shikoku Sales Division Corporate Officer Managing Corporate Officer Divisional General Manager, Western Japan Sales Division Managing Director President and CEO (to present)	24,400
		<p>[Reason for nomination as candidate for Director]</p> <p>Since joining the Company, he has mainly been engaged in the operations of sales. Currently, he serves as President and CEO, making decisions regarding important management issues and supervising business execution. He has extensive operational experience and insight regarding all aspects of management, and we believe he is qualified for the position. Therefore, the Company nominates him again as a candidate for Director.</p>		
3	Norio Ashida (November 20, 1963) [Reappointment]	April 1986 January 2011 January 2015 January 2019 March 2020 March 2024 March 2025	Joined the Company General Manager, Tokyo Sales Division No. 4 Corporate Officer Managing Corporate Officer Divisional General Manager, Eastern Japan Sales Division Managing Director (to present) Divisional General Manager, Sales Division Divisional General Manager, Production Division (to present)	29,700
		<p>[Reason for nomination as candidate for Director]</p> <p>Since joining the Company, he has been engaged in the operations of sales departments. Currently, he serves as Managing Director in the role of Divisional General Manager of Production Division. He has extensive operational experience and insight regarding all aspects of management, and we believe he is qualified for the position. Therefore, the Company nominates him again as a candidate for Director.</p>		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	Ryuichi Watanabe (January 9, 1964) [Reappointment]	April 1987 Joined the Company January 2015 Corporate Officer January 2016 General Manager, Tokyo Sales Division No. 1 January 2019 Head, Sales Coordination Dept. (to present) January 2021 General Manager, Tokyo Sales Division No. 2 March 2022 Managing Corporate Officer Divisional General Manager, Eastern Japan Sales Division March 2025 Managing Director (to present) Divisional General Manager, Sales Division (to present)	19,200
		[Reason for nomination as candidate for Director] Since joining the Company, he has been engaged in the operations of sales departments. Currently, he serves as Managing Director in the role of Divisional General Manager of Sales Division. He has extensive operational experience and insight regarding all aspects of management, and we believe he is qualified for the position. Therefore, the Company nominates him again as a candidate for Director.	
5	Ikuo Shimomura (November 11, 1965) [Reappointment]	April 1989 Joined the Company January 2009 Department Manager, Section 3 of Tokyo Sales Division No. 3 January 2016 General Manager, Tokyo Sales Division No. 2 January 2021 Corporate Officer January 2023 Deputy Divisional General Manager, Corporate Division March 2024 Director (to present) Divisional General Manager, Corporate Division (to present)	11,700
		[Reason for nomination as candidate for Director] Since joining the Company, he has been engaged in operations related to sales and general affairs. Currently, he serves as Director in the role of Divisional General Manager of Corporate Division. He has extensive operational experience and insight regarding all aspects of management, and we believe he is qualified for the position. Therefore, the Company nominates him again as a candidate for Director.	
6	Uichiro Nishio (March 7, 1955) [Reappointment] [External] [Independent]	March 1982 Registered as a certified public accountant December 1983 Registered as a certified tax accountant July 1999 Representative Partner, Seiwa Audit & Accounting Firm July 2002 Representative Partner, Deloitte Touche Tohmatsu LLC April 2005 Professor, Institute of Business and Accounting, Professional Graduate School, Kwansei Gakuin University March 2015 External Auditor, the Company March 2018 External Director (to present) (Significant concurrent positions) Professor Emeritus, Kwansei Gakuin University External Director (Audit and Supervisory Committee Member), ARAYA INDUSTRIAL CO., LTD. External Auditor, KMEW Co., Ltd.	16,300
		[Reason for nomination as candidate for External Director and overview of expected role] As a certified public accountant and certified tax accountant, he has served as External Director of the Company from an objective standpoint, leveraging his advanced knowledge regarding finance and accounting, and his comprehensive insight cultivated through extensive experience. The Company nominates him again as a candidate for External Director in order for him to continue utilizing his experience and knowledge in the management of the Company. He has never been involved in the management of a company except as an external officer. However, the Company judges he will appropriately fulfill his duties as External Director based on the above reasons.	

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
7	Kaoru Kasahara (December 14, 1961) [Reappointment] [External] [Independent]	<p>March 1989 Joined Pigeon Corporation</p> <p>February 2010 President and COO, Pigeonwill Corporation</p> <p>February 2014 Corporate officer and Deputy Division Manager, Domestic Baby & Mother Care Business Division, Pigeon Corporation</p> <p>February 2015 Corporate officer and Division Manager, Research and Development Division, Pigeon Corporation</p> <p>February 2019 Director, Pigeon Manufacturing Ibaraki Corporation</p> <p>March 2022 External Director, the Company (to present)</p> <p>(Significant concurrent positions) External Director, Morozoff Limited</p>	2,400
<p>[Reason for nomination as candidate for External Director and overview of expected role] We believe she will be able to utilize her extensive experience and comprehensive insight cultivated through serving as an officer at other companies to appropriately fulfill the duties of an External Director from an independent position. Therefore, the Company nominates her again as a candidate for External Director.</p>			
8	Reiji Domoto (May 29, 1963) [Reappointment] [External] [Independent]	<p>April 1986 Joined The Sumitomo Bank, Limited</p> <p>April 2011 Head, Kinki Corporate Institutions, SMBC Nikko Securities Inc.</p> <p>April 2013 Head, Semba Corporate Business Office, Sumitomo Mitsui Banking Corporation</p> <p>April 2015 Executive Officer, Sumitomo Mitsui Banking Corporation</p> <p>August 2019 Executive Officer, SMBC Nikko Securities Inc.</p> <p>March 2021 Managing Executive Officer, SMBC Nikko Securities Inc.</p> <p>August 2024 Established Two Wheels Consulting Co., Ltd., Representative Director (to present)</p> <p>March 2025 External Director, the Company (to present)</p> <p>(Significant concurrent positions) External Audit & Supervisory Board Member of Hankyu Corporation External Audit and Supervisory Board Member of Hankyu Hanshin Properties Corp.</p>	—
<p>[Reason for nomination as candidate for External Director and overview of expected role] We believe he will be able to utilize his extensive experience and comprehensive insight cultivated over many years in the financial industry to appropriately fulfil the duties of an External Director from an independent position. Therefore, the Company nominates him again as a candidate for External Director.</p>			

(Notes)

- There are no special conflicts of interest between the candidates for Director and the Company.
- Mr. Uichiro Nishio, Ms. Kaoru Kasahara and Mr. Reiji Domoto are candidates for External Director as stipulated in Article 2, paragraph (3), item (vii) of the Regulations for Enforcement of the Companies Act. The Company has appointed the three candidates above as Independent Directors based on Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange and has notified the Exchange of the appointment.
- At the conclusion of this year's Annual General Meeting of Shareholders, Mr. Uichiro Nishio will have served as External Director of the Company for eight years. He had also served as Auditor of the Company in the past.
- At the conclusion of this year's Annual General Meeting of Shareholders, Ms. Kaoru Kasahara will have served as External Director of the Company for four years.
- At the conclusion of this year's Annual General Meeting of Shareholders, Mr. Reiji Domoto will have served as External Director of the Company for one year.
- Mr. Uichiro Nishio, Ms. Kaoru Kasahara and Mr. Reiji Domoto are neither executives nor officers of a Specified Associated Service Provider of the Company as stipulated in Article 2, paragraph (3), item (xix) of the Regulations for Enforcement of the Companies Act, nor have they been executives or officers of a Specified Associated Service Provider of the Company in the past ten years. In the past two years, they have not received any large amounts of money or other property from the Company or a Specified Associated Service Provider of the Company, nor do they have plans to receive large amounts of money or property from such companies. In addition, they are not a spouse, relative within the third-degree of kinship, etc. of an executive or officer of the Company or of a Specified Associated Service Provider of the Company.
- The Company has entered into liability limitation agreements with Mr. Uichiro Nishio, Ms. Kaoru Kasahara and Mr. Reiji Domoto in accordance with Article 427, paragraph (1) of the Companies Act. If this proposal is approved and adopted, the Company intends to continue liability limitation agreements with them. The contents of the liability limitation agreement are as follows.

- The maximum amount of liability for damages to the Company that an External Director shall bear due to the failure to perform their duties shall be the minimum amount stipulated in Article 425, paragraph (1) of the Companies Act.
 - The above liability limitation applies only in cases where an External Director performed their duties giving rise to such responsibilities in good faith and without gross negligence.
8. The Company has entered into a contract of Directors and Officers Liability Insurance (D&O Insurance) with an insurance company, as provided for in Article 430-3, paragraph (1) of the Companies Act. This insurance policy covers damages arising from liability borne by the insured persons in the course of execution of their duties as an officer, etc. or claims pertaining to the pursuit of such liability. If the appointment of each candidate for Director is approved, each of them will be insured under this insurance policy.

< Reference > Main Expertise, Experience, etc. of the Candidates for Director

No.	Name	Current position	Independence	Gender	Corporate management	Corporate planning / M&A	Sales / marketing	Manufacturing / technical development	Finance / accounting	Personnel / human resources development	Legal affairs / risk management	Overseas business / international experience	Sustainability
1	Teruo Takinoue	Representative Director and Chair		Male	○			○			○		○
2	Naoki Nakamura	President and CEO		Male	○		○				○		○
3	Norio Ashida	Managing Director		Male	○		○	○				○	○
4	Ryuichi Watanabe	Managing Director		Male	○		○					○	○
5	Ikuo Shimomura	Director		Male	○	○	○		○	○	○		○
6	Uichiro Nishio	External Director	○	Male		○			○		○		○
7	Kaoru Kasahara	External Director	○	Female	○		○	○		○			○
8	Reiji Domoto	External Director	○	Male	○	○	○		○				○

(Explanation of Items in the Skills Matrix)

Corporate management	Discerns the management environment as it changes in diverse ways, formulates appropriate strategy and management policy for increasing corporate value, and conducts management
Corporate planning / M&A	Possesses knowledge regarding markets and competitors and insight regarding M&As, and formulates and manages medium- to long-term management plans
Sales / marketing	Possesses abundant knowledge regarding products and markets, accurately identifies customer needs, and formulates and executes sales strategies for expanding sales and securing profits
Manufacturing / technical development	Possesses product knowledge and production expertise, raises productivity, and conducts supervision of quality maintenance and promotion of research and technology development
Finance / accounting	Possesses extensive knowledge regarding matter such as finance, accounting, and taxation, grasps the Company's management status and takes measures to resolve issues and formulate financial strategies
Personnel / human resources development	Possesses abundant experience regarding organization development and human resource education and development, and works to strengthen human capital
Legal affairs / risk management	Possesses legal, governance, and compliance knowledge and promotes establishment of appropriate governance systems to increase the efficacy of management supervision in the Board of Directors
Overseas business / international experience	Possesses overseas operational experience and overseas knowledge, and conducts formulation and supervision of overseas business strategy
Sustainability	Possesses a sustainability management perspective essential to the sustainable development and growth of companies

Proposal 3: Election of Two (2) Auditors

The terms of office of Auditors Haruyasu Ito and Hisayoshi Tamakoshi will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of two (2) Auditors is proposed.

In addition, the Board of Auditors has given its consent to this proposal.

The candidates for Auditors are as follows:

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
1	Haruyasu Ito (November 30, 1961) [Reappointment]	<p>April 1984 Joined the Company</p> <p>January 2016 Department Manager, Section 2 of Tokyo Sales Division No. 2</p> <p>January 2019 Managing Director, Kannaru Printing Co., Ltd.</p> <p>March 2020 President and CEO, Kannaru Printing Co., Ltd.</p> <p>February 2022 Retired from Kannaru Printing Co., Ltd.</p> <p>March 2022 Director</p> <p> Deputy Divisional General Manager, Production Division</p> <p>January 2023 In charge of Quality Management Control Dept.</p> <p>March 2024 General Manager, Nara Production Division</p> <p>March 2025 Standing Corporate Auditor (to present)</p>	9,600
<p>[Reason for nomination as candidate for Auditor]</p> <p>Since joining the Company, he was engaged in the operations of sales departments and management of the Company's subsidiary. Since 2025, he has served as Auditor of the Company. The Company nominates him again as a candidate for Auditor in order for him to utilize his knowledge and experience in auditing the Company.</p>			
2	Hisayoshi Tamakoshi (August 25, 1964) [Reappointment] [External] [Independent]	<p>April 1992 Registered as attorney-at-law</p> <p>August 1998 Established Tamakoshi Law Firm (to present)</p> <p>March 2015 External Auditor, the Company (to present)</p> <p>(Significant concurrent positions)</p> <p>External Auditor, TOMOSHIA HOLDINGS CO., LTD.</p>	11,500
<p>[Reason for nomination as candidate for External Auditor]</p> <p>The Company nominates him again as a candidate for External Auditor in order for him to utilize his professional knowledge, extensive experience, etc. developed over many years as an attorney-at-law, in auditing the Company. He has never been involved in the management of a company except as an external officer. However, the Company judges he will appropriately fulfill his duties as External Auditor of the Company based on the above reasons.</p>			

(Notes)

1. There are no special conflicts of interest between the candidates for Auditors and the Company.
2. Mr. Hisayoshi Tamakoshi is a candidate for External Auditor as stipulated in Article 2, paragraph (3), item (viii) of the Regulations for Enforcement of the Companies Act. The Company has appointed Mr. Hisayoshi Tamakoshi as Independent Auditor based on the rules of the Tokyo Stock Exchange, and has notified the Exchange of the appointment.
3. At the conclusion of this year's Annual General Meeting of Shareholders, Mr. Hisayoshi Tamakoshi will have served as External Auditor of the Company for 11 years.
4. Mr. Hisayoshi Tamakoshi is neither an executive nor an officer of a Specified Associated Service Provider of the Company as stipulated in Article 2, paragraph (3), item (xix) of the Regulations for Enforcement of the Companies Act, nor has he been an executive or an officer of a Specified Associated Service Provider of the Company in the past ten years. In the past two years, he has not received any large amounts of money or other property from the Company or a Specified Associated Service Provider of the Company, nor does he have plans to receive large amounts of money or property from such companies. In addition, he is not a spouse, relative within the third-degree of kinship, etc. of an executive or officer of the Company or of a Specified Associated Service Provider of the Company.
5. The Company has entered into liability limitation agreements with External Auditors in accordance with Article 427, paragraph (1) of the Companies Act. If this proposal is approved and adopted, the Company intends to continue liability limitation agreements with the candidates for External Auditor. The contents of the liability limitation agreement are as follows.
 - The maximum amount of liability for damages to the Company that an External Auditor shall bear due to the failure to perform their duties shall be the minimum amount stipulated in Article 425, paragraph (1) of the Companies Act.
 - The above liability limitation applies only in cases where an External Auditor performed their duties giving rise to such responsibilities in good faith and without gross negligence.

6. The Company has entered into a contract of Directors and Officers Liability Insurance (D&O Insurance) with an insurance company, as provided for in Article 430-3, paragraph (1) of the Companies Act. This insurance policy covers damages arising from liability borne by the insured persons in the course of execution of their duties as an officer, etc. or claims pertaining to the pursuit of such liability. If the reappointment of the candidates for Auditors is approved, they will be insured under this insurance policy.

Proposal 4: Revision of Details of Remuneration for Granting Restricted Shares to Directors

At the 68th Annual General Meeting of Shareholders, held on March 26, 2020, the Company received approval for “Determination of Remuneration for Granting Restricted Shares to Directors” (hereinafter, the resolution regarding this proposal at the General Meeting of Shareholders is referred to as the “Initial Resolution”) and introduced restricted share-based remuneration for Directors of the Company (excluding External Directors) (hereinafter in this proposal, the “Plan”).

Now, to enable the Company’s Directors to share the benefits and risks of share price fluctuations with shareholders to an even greater degree, and to further increase their motivation to contribute to increasing share price and corporate value, the Company proposes to partially revise the details of the Initial Resolution as follows to change the eligible recipients of the grant and the annual amount of monetary remuneration claims paid for granting restricted shares to the eligible Directors, as well as the total number of common shares to be issued and disposed of under the Plan.

If Proposal 2 is approved as proposed, there will be eight (8) Directors (including three (3) External Directors) after the conclusion of this General Meeting of Shareholders, and eight (8) eligible Directors.

The Company established a policy for determining the details of executive remuneration, etc. at the Board of Directors meeting held on February 26, 2021, and an overview of the policy is provided on page 25 of the Business Report (in Japanese only). If this proposal is approved, the Company plans to revise the content of the policy.

Furthermore, this proposal was decided by the Board of Directors after consultation with the Remuneration Committee, which comprises five (5) members—two (2) Internal Directors and three (3) External Directors making a majority—and is chaired by an Independent External Director. The Company therefore considers the proposal to be appropriate.

The revised content is as follows.

Furthermore, there are no changes to the existing content of the Plan other than the revised content below.

(Eligible recipients of grant under the Plan)

Currently	After revision
Directors (excluding External Directors)	Directors (including External Directors)

(Upper limit of monetary remuneration claims under the Plan)

Currently	After revision
Up to 30 million yen per year	Up to 100 million yen per year

(Upper limit of total number of shares granted under the Plan)

Currently	After revision
Unspecified	Up to 80,000 shares

(Reference) Overview of Current Restricted Share-Based Remuneration

(1) Restriction Period

The eligible Director shall not transfer, create a security interest on, or otherwise dispose of the common shares of the Company allotted under the Allotment Agreement (the “Allotted Shares”) for a period specified in advance by the Board of Directors of the Company, which is a period between 3 to 25 years from the day on which shares are allotted under the Allotment Agreement (the “Restriction Period”). The restrictions described in the preceding sentence will hereinafter be collectively referred to as the “transfer restrictions.”

(2) Treatment on retirement from the position

In the event an eligible Director retires or resigns from the post of Director, Corporate Officer who is not concurrently serving as a Director, Auditor, employee or other equivalent position prior to expiration of the Restriction Period, the Company shall acquire such Allotted Shares by rights and without contribution, as of said retirement, unless there is a legitimate reason such as term expiration or death.

(3) Lifting of transfer restrictions

Notwithstanding the provision in (1) above, the Company shall lift the transfer restrictions on all of the Allotted Shares upon expiration of the Restriction Period, on the condition that the Eligible Directors have remained in the post of Director, Corporate Officer who is not concurrently serving as a Director, Auditor, employee or other equivalent position of the Company throughout the Restriction Period. Nonetheless, if the Eligible Director retired or resigned from any of the positions defined in (2) above prior to the expiration of the Restricted Period for legitimate reasons as set forth in (2) above, such as term expiration or death, the Company shall rationally adjust, as needed, the number of the Allotted Shares and the schedule to lift the transfer restriction. In addition, in accordance with the above regulation, immediately upon having lifted the Transfer Restriction, the Company shall acquire Allotted Shares for which the Transfer Restriction has not been lifted, by rights and without contribution.

(4) Treatment during reorganization, etc.

Notwithstanding the provisions of (1) above, if, during the Restriction Period, matters relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. are approved at the Company’s General Meeting of Shareholders (or at a meeting of its Board of Directors in cases where approval at the Company’s General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company shall lift the transfer restrictions on the Allotted Shares with the number of shares that is reasonably determined considering the period from the start date of the Restriction Period to the date of approval of the reorganization, etc. prior to the date on which the reorganization, etc. becomes effective, by resolution of the Board of Directors of the Company. In cases specified above, the Company shall automatically acquire without contribution the Allotted Shares on which the transfer restrictions have not been lifted as of the time immediately after the transfer restrictions were lifted.

(5) Other matters

Other matters pertaining to the Allotment Agreement are to be determined by the Company’s Board of Directors.