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Securities Code: 4684

June 8, 2022

To our shareholders:

Shoichi Tachibana
President and COO
OBIC Co., Ltd.
4-15 Kyobashi 2-chome,
Chuo-ku, Tokyo

Notice of the 55th Annual General Meeting of Shareholders

This is to notify you of the 55th Annual General Meeting of Shareholders of OBIC Co., Ltd. (the “Company”), which will be held as indicated below.

In view of preventing the spread of the novel coronavirus disease (COVID-19), the Company has decided to hold this meeting, taking the measures below beforehand to avoid infection.

From the perspective of preventing the spread of infection, we are asking all of our shareholders to exercise their voting rights in advance either in writing or via the Internet, etc., and to make prudent decisions about whether to travel to the venue on the date of the General Meeting of Shareholders.

Please review the attached Reference Documents for General Meeting of Shareholders, and indicate your approval or disapproval of the proposals in the enclosed voting card, and then return the card to the Company by postal mail so that your vote is received by 5:30 p.m. on Tuesday, June 28, 2022 (JST) or access the website for the exercise of voting rights (<https://evote.tr.mufg.jp/>) designated by the Company and exercise your voting rights.

Policies regarding the COVID-19

- For shareholders attending the General Meeting of Shareholders, we ask you to confirm the status of the virus epidemic and your own physical condition on the day of the General Meeting of Shareholders, and consider measures to prevent infection and spread such as wearing a surgical face mask.
- The General Meeting of Shareholders will be held under measures to prevent infection. Please understand that if many people attend the meeting, some shareholders who arrive at the venue may not be able to gain entry.

- 1 Date and Time:** Wednesday, June 29, 2022, at 10:00 a.m. (JST)
- 2 Venue:** Large convention hall, B1 floor, Obic Building, Tokyo Headquarters of the Company,
4-15 Kyobashi 2-chome, Chuo-ku, Tokyo

3 Purpose of the Meeting

Matters to be reported

1. The Business Report and the Consolidated Financial Statements for the 55th fiscal year (from April 1, 2021 to March 31, 2022), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 55th fiscal year (from April 1, 2021 to March 31, 2022)

Matters to be resolved

- Proposal No. 1** Appropriation of Surplus
- Proposal No. 2** Partial Amendments to the Articles of Incorporation
- Proposal No. 3** Election of Six (6) Directors
- Proposal No. 4** Introduction of a Compensation Plan for the Directors (Excluding Outside Directors)
Involving the Shares With Restrictions on Transfer
- Proposal No. 5** Presenting a Special Reward Bonus to the Founder

4 Arrangements in Convening the Meeting

(1) If the voting right is exercised both in writing and via the Internet

If you exercise your voting rights both in writing and via the Internet, only the vote placed via the Internet will be treated as valid.

(2) If the voting right is exercised more than once via the Internet

If you exercise your voting rights more than once via the Internet, the last exercise shall be deemed to be valid. If you exercise your voting rights more than once by PC or smartphone, the last exercise shall be deemed to be valid.

(3) Exercise of voting rights by proxy

If you exercise your voting rights by proxy, another shareholder with voting rights in the Company may attend as your proxy. Please note, however, that it is necessary to submit a document evidencing the authority of proxy.

(4) Disclosures via the Internet

Pursuant to the applicable laws and regulations and Article 16 of the Articles of Incorporation, the Company has posted the following items to be stated in the provided documents on the Company's website on the Internet (<https://www.obic.co.jp>), and therefore, they are not included in the documents provided in this notice. The consolidated and non-consolidated financial statements included in the documents provided in this notice are part of the materials audited by the Financial Auditor in preparing the financial auditor's report and by the Audit & Supervisory Board Members in preparing their audit reports.

- Notes to the Consolidated Financial Statements and Individual Notes to the Non-consolidated Financial Statements

- When you attend the meeting, you are kindly requested to present the enclosed voting card at the reception.
- If any changes are made to the Reference Documents for General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements or the Consolidated Financial Statements, or if a major change in the way the General Meeting of Shareholders will be run is necessitated, such changes will be posted on the Company's website (<https://www.obic.co.jp>).
Company website (<https://www.obic.co.jp>)

Reference Documents for General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company recognizes the return of profit to its shareholders as one of its key management priorities. In addition to ensuring a solid management base and improving return on equity, the Company aims to meet its shareholders' expectations by both further enhancing the financial position and re-investing.

Regarding the appropriation of surplus for the current fiscal year, the Company has given consideration to the business performance of the current fiscal year and future business development and proposes the payment of year-end dividends and other appropriation of surplus as follows:

1. Year-end dividends

(1) Type of dividend property

To be paid in cash.

(2) Allotment of dividend property and their aggregate amount

The Company proposes to pay a dividend of ¥122.50 per common share of the Company.

In this event, the total dividends will be ¥10,863,049,120.

(3) Effective date of dividends of surplus

The effective date of dividends shall be June 30, 2022.

2. Other matters concerning appropriation of surplus

(1) Item of surplus to be decreased and amount of decrease

Retained earnings brought forward: ¥21,000,000,000

(2) Item of surplus to be increased and amount of increase

General reserve: ¥21,000,000,000

Proposal No. 2 Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format.

- (1) Article 16, paragraph 1 in “Proposal of amendments” below will stipulate that the Company shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.
- (2) Article 16, paragraph 2 in “Proposal of amendments” below will establish the provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
- (3) Since the provisions for Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc. (Article 16 of the current Articles of Incorporation) will no longer be required, they will be deleted.
- (4) Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established.

2. Details of the amendments

The details of the amendments are as follows:

(The underlined text denotes the amendments.)

Current Articles of Incorporation	Proposal of amendments
<p style="text-align: center;">Chapter 3 General Meeting of Shareholders</p> <p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u></p> <p><u>Article 16.</u> <u>When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or presented in the reference documents for the general meeting of shareholders, business report, financial statements and consolidated financial statements through the internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p> <p style="text-align: center;">(Newly established)</p>	<p style="text-align: center;">Chapter 3 General Meeting of Shareholders (Deleted)</p> <p><u>(Measures, Etc. for Providing Information in Electronic Format)</u></p> <p><u>Article 16.</u></p> <ol style="list-style-type: none"> 1. <u>When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u> 2. <u>Among items for which the measures for providing information in electronic format will be taken, the Company shall not be required to include all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u>

Current Articles of Incorporation	Proposal of amendments
<p>(Newly established)</p>	<p><u>Supplementary Provisions</u></p> <p><u>Article 1.</u> <u>The deletion of Article 16 of the Articles of Incorporation before the amendment (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) and the addition of Article 16 of the Articles of Incorporation after the amendment (Measures, etc. for Providing Information in Electronic Format) shall be effective from September 1, 2022.</u></p> <p><u>Article 2.</u> <u>Notwithstanding the provision of the preceding paragraph, Article 16 of the Articles of Incorporation before the amendment (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) shall remain effective regarding any general meeting of shareholders held on a date within six months from September 1, 2022.</u></p> <p><u>Article 3.</u> <u>These Supplementary Provisions shall be deleted on the date when six months have elapsed from September 1, 2022 or three months have elapsed from the date of the general meeting of shareholders in the preceding article, whichever is later.</u></p>

Proposal No. 3 Election of Six (6) Directors

The terms of office of all six Directors will expire at the conclusion of this meeting.

In that regard, the Company proposes the reelection of six Directors.

The candidates for Director are as follows:

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Reelection Masahiro Noda (August 24, 1938)	Apr. 1968 Established the Company President and COO Apr. 2003 Chairman and CEO Feb. 2006 Chairman and CEO, and President Apr. 2013 Chairman and CEO (current position) [Significant concurrent positions outside the Company] Chairman and CEO of OBIC Office Automation Co., Ltd. Director and Chairman of OBIC Business Consultants Co., Ltd.	2,881,000
[Reasons for nomination as candidate for Director] Masahiro Noda has overseen all of the Company's business since founding the Company in 1968 and has extensive experience and achievements in corporate management. The Company proposes his reelection as candidate for Director for further growth of the Company by utilizing his extensive experience and achievements in managing the Company and for strengthening the decision-making and supervising functions of the Board of Directors.			
2	Reelection Shoichi Tachibana (April 26, 1961)	Apr. 1985 Joined the Company Apr. 2000 Manager of Osaka Headquarters Business Solutions Sales Dept. #1 Feb. 2003 Manager of Tokyo Headquarters Business Solutions Sales Dept. Aug. 2003 Manager of Yokohama Branch June 2004 Director Apr. 2005 Managing Director Deputy Head of Tokyo Headquarters Solutions Supervision Group Apr. 2006 Administrator of Tokyo Headquarters Solutions Sales Supervision Dept. and Promotion Supervision Dept. Apr. 2007 Senior Managing Director Apr. 2008 Director and Vice President Apr. 2013 President and COO (current position) [Significant concurrent positions outside the Company] President and COO of OBIC Office Automation Co., Ltd. Director of OBIC Business Consultants Co., Ltd.	30,000
[Reasons for nomination as candidate for Director] Shoichi Tachibana has served as manager in the sales, marketing, and development departments, and has extensive knowledge and experience in all areas of the Company's solutions business. From April 2013, while serving as the President and COO of the Company, he has been demonstrating his expertise in management and powerful business execution ability, which has been of help in improving the business results of the Company. The Company proposes his reelection as candidate for Director for further growth of the Company by utilizing his extensive experience and achievements in managing the Company and for strengthening the decision-making and supervising functions of the Board of Directors.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Reelection Atsushi Kawanishi (November 29, 1958)	Apr. 1982 Joined the Company Apr. 2000 General Manager of Tokyo Headquarters Administration Dept. Apr. 2002 Administrator of Administration Supervision Dept. June 2003 Director Head of Administration Supervision Group Apr. 2005 Managing Director (current position) Apr. 2008 Head of Human Resources and Administration Supervision Group (current position) [Significant concurrent positions outside the Company] Managing Director of OBIC Office Automation Co., Ltd. Director of OBIC Business Consultants Co., Ltd.	34,400
	<p>[Reasons for nomination as candidate for Director] Atsushi Kawanishi has extensive knowledge and experience related to management from his many years of service in the human resources and administration departments. The Company proposes his reelection as candidate for Director to utilize his extensive knowledge and experience in managing the Company and for strengthening the decision-making and supervising functions of the Board of Directors.</p>		
4	Reelection Takao Fujimoto (April 7, 1971)	Apr. 1994 Joined the Company Apr. 2009 General Manager of Tokyo Headquarters Business Solutions Supervision Dept. #4, Solutions Sales Dept. Apr. 2014 Administrator of Tokyo Headquarters Business Solutions Supervision Dept. #1 Apr. 2017 General Manager of Tokyo Headquarters Solutions Business Dept. #2 and #3 June 2017 Director (current position) Apr. 2018 General Manager of Tokyo Headquarters Solutions Business Div. and General Manager of Tokyo Headquarters Solutions Business Dept. #4 Apr. 2019 General Manager of Solutions Business Div. Apr. 2020 General Manager of Metropolitan Business Dept., Deputy General Manager of Solutions Business Div. Apr. 2021 General Manager of Metropolitan Business Div., Deputy General Manager of Solutions Business Div. Apr. 2022 General Manager of Kansai Business Div. (current position)	1,700
	<p>[Reasons for nomination as candidate for Director] Takao Fujimoto has worked for many years in the Sales Department and has an extensive knowledge and experience in the Company's solution business gained from proposal activities aimed at various types of customers from various fields, right from finance. The Company proposes his reelection as candidate for Director to utilize his extensive knowledge and experience in managing the Company and for strengthening the decision-making and supervising functions of the Board of Directors.</p>		

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
5	<p style="text-align: center;">Reelection</p> <p style="text-align: center;">Yasumasa Gomi (February 8, 1943)</p>	<p>Apr. 1966 Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)</p> <p>June 1993 Director of The Mitsubishi Bank, Ltd., Corporate Headquarters in U.S.A., Division, General Manager of the Planning Office for the Americas (Special Appointment: President and Chairman of Bank of California)</p> <p>May 1997 Managing Director and General Manager of Business Planning Department of The Mitsubishi Bank, Ltd.</p> <p>June 2002 Senior Managing Director and Head of Corporate Sales Department of The Mitsubishi Bank, Ltd.</p> <p>May 2003 Vice President and Head of Corporate Sales Department of The Mitsubishi Bank, Ltd.</p> <p>June 2004 Resigned as Vice President of The Mitsubishi Bank, Ltd.</p> <p>June 2004 Director and Chairman of Mitsubishi Securities Co., Ltd., (currently Mitsubishi UFJ Securities Holdings Co., Ltd.)</p> <p>May 2009 Consultant of Mitsubishi UFJ Securities Co., Ltd. (currently Mitsubishi UFJ Securities Holdings Co., Ltd.)</p> <p>June 2009 Outside Audit & Supervisory Board Member of The Yamagata Bank, Ltd.</p> <p>Feb. 2013 Special Corporate Adviser of Mitsubishi UFJ Securities Holdings Co., Ltd.</p> <p>June 2015 Outside Director of the Company (current position)</p> <p>June 2016 Outside Director (Audit and Supervisory Committee Member) of The Yamagata Bank, Ltd. (current position)</p> <p>Apr. 2019 Honorary Adviser of Mitsubishi UFJ Securities Holdings Co., Ltd. (current position)</p>	0
<p>[Reasons for nomination as candidate for outside Director and overview of expected roles]</p> <p>Yasumasa Gomi has extensive knowledge and experience in management through his many years of service in banks and securities companies.</p> <p>The Company proposes his reelection as candidate for outside Director with the expectation that he will provide direction to business and checking function in an objective way, independent from the managers running the business, utilizing his extensive knowledge and achievements.</p> <p>In addition, he will continue to be appointed as a member of the Nomination and Remuneration Advisory Committee after his election.</p> <p>At the conclusion of this meeting, his tenure as an outside Director will have been seven years.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
6	Reelection Takashi Ejiri (May 16, 1942)	<p>Apr. 1969 Registered as an attorney at law (currently affiliated with Daini Tokyo Bar Association)</p> <p>Nov. 1977 Partner at Masuda and Ejiri Law Office (currently Nishimura & Asahi)</p> <p>Sept. 1986 Vice-Chairman of the International Relations Committee of the Japan Federation of Bar Associations</p> <p>Nov. 1998 Audit & Supervisory Board Member of K.K. USEN Broadband Networks (currently USEN Corporation)</p> <p>June 2003 Audit & Supervisory Board Member of Aozora Bank, Ltd.</p> <p>June 2004 Auditor of ANDO Corporation (currently HAZAMA ANDO CORPORATION)</p> <p>June 2006 Audit & Supervisory Board Member of KAGOME CO., LTD.</p> <p>May 2010 Audit & Supervisory Board Member of Mitsubishi UFJ Securities Holdings Co., Ltd. Audit & Supervisory Board Member of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. Outside Auditor of DIP Corporation</p> <p>Aug. 2012 Partner at Nishimura & Asahi</p> <p>Mar. 2017 Executive Director of ALBERT Inc.</p> <p>June 2017 Outside Director of the Company (current position)</p> <p>Aug. 2017 Senior Partner of ITN Partners (current position)</p> <p>Dec. 2019 Outside Director (Audit and Supervisory Committee Member) of AXEL MARK INC. (current position)</p>	0
<p>[Reasons for nomination as candidate for outside Director and overview of expected roles]</p> <p>Takashi Ejiri has been involved in corporate legal affairs as attorney at law for many years, and has extensive knowledge and achievements as legal expert.</p> <p>The Company proposes his reelection as candidate for outside Director with the expectation that he will provide direction to business and checking function in an objective way, independent from the managers running the business, utilizing his extensive knowledge and achievements.</p> <p>The Company judges he will appropriately fulfill his duties as an outside Director based on the above reasons. He will continue to be appointed as a member of the Nomination and Remuneration Advisory Committee after his election.</p> <p>At the conclusion of this meeting, his tenure as an outside Director will have been five years.</p>			

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Yasumasa Gomi and Takashi Ejiri are candidates for outside Director. The Company has submitted notification to the Tokyo Stock Exchange, Inc. that Yasumasa Gomi and Takashi Ejiri have been designated as independent officers as provided by the aforementioned exchange.
 3. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into agreements with Yasumasa Gomi and Takashi Ejiri to limit their liability for damages under Article 423, paragraph 1 of the same Act. The maximum amount of liability for damages under these agreements is the minimum liability amount provided for under laws and regulations. If their reelections are approved, the Company plans to renew the aforementioned agreements with them.

Information for reference

- Professional expertise and experience of the candidates for Director and Audit and Supervisory Board Member (skill matrix)

		Corporate management	Innovation Destruction and creation	Business and industry experience	Accounting and finance	Legal	ESG (Environmental, Social, and Governance)
Director		Masahiro Noda	•	•	•	•	
		Shoichi Tachibana	•	•	•	•	•
		Atsushi Kawanishi		•	•		•
		Takao Fujimoto		•	•		
	Outside	Yasumasa Gomi	•			•	•
	Outside	Takashi Ejiri				•	•
Audit and Supervisory Board Member		Akira Koyamachi		•	•		
	Outside	Takeo Tanaka				•	•
	Outside	Shigetsugu Yamada				•	•

Proposal No. 4 Introduction of a Compensation Plan for the Directors (Excluding Outside Directors) Involving the Shares With Restrictions on Transfer

The Company proposes to establish a compensation plan (the “Plan”) as follows, under which common shares of the Company with a certain period for the restriction on transfer and with the Company’s right to acquire such shares without consideration on certain occasions (the “Restricted Shares”) will be allotted to the Directors of the Company (except for outside Directors; hereinafter referred to as “Eligible Directors”), in an aim to provide incentives for them to sustainably increase the Company’s corporate value and to promote further value sharing between Directors and shareholders.

At the 54th Annual General Meeting of Shareholders held on June 29, 2021, the resolution was adopted that “basic remuneration” which is a fixed remuneration may be paid up to ¥800 million per year (including up to ¥60 million for outside Directors). At the 52nd Annual General Meeting of Shareholders held on June 27, 2019, the resolution was adopted that the “bonuses” as a performance-linked remuneration may be paid up to 0.5% of net income for the current fiscal year on a non-consolidated basis of the Company, which is not exceeding ¥200 million, with outside Directors receiving no payments. At this General Meeting of Shareholders, the Company seeks shareholders’ approval to introduce the Plan and to set aside the monetary remuneration claims amounting to no more than ¥500 million per year to be provided to the Eligible Directors in connection with the Restricted Shares, which is separate from the existing remunerations to the Directors.

The number of Directors is currently six (including two outside Directors). Subject to the approval and adoption of Proposal No. 3 as originally proposed, the number of Directors will be six (including two outside Directors).

1. Allotment and payment for Restricted Shares

Under this Plan, monetary remuneration claims will be provided to the Eligible Directors as the remuneration related to the Restricted Shares within the maximum annual amount as set forth above, and the Restricted Shares will be allotted to the Eligible Directors in exchange for all of the monetary remuneration claims provided by them by way of contribution in kind.

The amount to be paid for each Restricted Share shall be determined by the Board of Directors of the Company based on the closing price of the common share of the Company on the Tokyo Stock Exchange on the business day preceding the date of the resolution of the Board of Directors of the Company (or the closing price of the most recent trading day if no trading was effected on that date), to the extent not particularly favorable to the Eligible Directors who will subscribe to such Restricted Shares. The above monetary remuneration claims will be provided on the condition that the Eligible Director agrees to the above contribution-in-kind and has executed a Restricted Shares Allotment Agreement that includes the provisions set forth in 3 below.

2. Total number of the Restricted Shares

The maximum number of the Restricted Shares to be allotted to the Eligible Directors in each fiscal year shall be 30,000. However, if, after the date of the adoption of this proposal, a share split or share consolidation of the common shares of the Company takes place, or other similar situations arise where the total number of Restricted Shares to be allotted needs to be adjusted, then the total number of such Restricted Shares may be adjusted in a reasonable manner.

3. Provisions of the Restricted Shares Allotment Agreement

The Restricted Shares Allotment Agreement to be executed between the Company and the Eligible Directors to whom the Restricted Shares will be allotted shall contain the following provisions:

(1) Details of the restrictions on transfer

Each Eligible Director who has received an allotment of the Restricted Shares may not transfer, pledge as collateral, grant a security interest in, offer as a gift before death, bequeath, or otherwise dispose of the common shares of the Company allotted under the Restricted Share Allotment Agreement (hereinafter referred to as the “Allotted Shares”) for the benefit of any third party, for the period from the date of receipt of the allotment to the date of retirement or resignation as Director, Executive Officer, and employee of the Company and its affiliates (hereinafter referred to as the “Restriction Period”).

(2) Cancellation of the restrictions on transfer

If the Eligible Director to whom the Restricted Shares are allotted holds the position specified in (1) above for a period determined by the Board of Directors of the Company (hereinafter referred to as the “Service Period”) without any interruption, the Company will cancel the restriction on transfer with respect to all of the Allotted Shares at the time the Restriction Period expires. However, if the Eligible Director resigns or retires from the position specified in (1) above during the Service Period for reasons deemed justifiable by the Board of Directors of the Company, the number of the Allotted Shares on which the restrictions on transfer are to be cancelled and the timing of the cancellation shall be reasonably adjusted as necessary. If the date on which the restrictions on transfer are to be cancelled is within three months from the end of the fiscal year that includes the date on which an allotment of the Restricted Shares was received, then the cancellation of the restriction on transfer shall take place after three months have elapsed from the end of that fiscal year.

(3) Acquisition of the Restricted Shares without consideration

The Company reserves the right to acquire for no consideration any of the Allotted Shares for which, at the expiration of the Restriction Period set forth in (1) above, the restrictions on transfer have not been cancelled pursuant to the provisions for the cancellation of restrictions on transfer set forth in (2) above.

(4) Measures to be taken in the event of corporate reorganizations

If, during the Restriction Period, any resolution relating to a corporate reorganization (including a merger agreement under which the Company becomes a defunct company, a share exchange agreement under which the Company becomes a wholly-owned subsidiary, and a share transfer plan) is adopted at a general meeting of shareholders of the Company (or by the Board of Directors of the Company, if approval by a general meeting of shareholders of the Company is not required with respect to such corporate reorganizations), then the Company will, prior to the effective date of such reorganization and by a resolution of the Board of Directors of the Company, cancel the restrictions on transfer of such number of Allotted Shares that is reasonably determined based on the period from the commencement date of the Service Period to the date of approval of such reorganization. The Company reserves the right to acquire for no consideration any Allotted Shares for which the restrictions on transfer have not been cancelled at the time immediately after the cancellation of the restrictions on transfer as per the foregoing provision. The Company reserves the right to acquire for no consideration all Allotted Shares held by an Eligible Director at the time immediately preceding the business day prior to the effective date of such corporate reorganization, if the date on which the restrictions on transfer of such Allotted Shares are to be cancelled is within three months from the end of the fiscal year that includes the date on which an allotment of such Restricted Shares was received.

(5) Other provisions

Other provisions related to the Restricted Shares Allotment Agreement shall be decided by the Board of Directors of the Company.

4. Reasons that the grant of the Restricted Shares is appropriate

The Company established a policy for determining the remuneration for individual Directors by the resolution at the meeting of its Board of Directors held on March 4, 2021, a summary of which is set forth on page 17 of the Business Report (in Japanese only). If this proposal is approved, “the policy for determining the remuneration for individual directors” on page 17 (in Japanese only) will be revised so that the details, calculation method, and timing of payment of share-based remuneration will be consistent with the approval. The Company considers the grant of the Restricted Shares is appropriate, because it will be ensured that the value of the Restricted Shares, valued at the market price as of the date of the resolution of the Board of Directors regarding the allotment, shall be within the maximum annual amount approved at the General Meeting of Shareholders, and the dilution ratio of the shares of the Company is negligible because the percentage of the Restricted Shares to the total number of shares issued and outstanding is 0.03% (or 0.3% if the maximum number of Restricted Shares will be issued over a 10-year period).

Proposal No. 5 Presenting a Special Reward Bonus to the Founder

Ms. Mizuki Noda, the co-founder of the Company, resigned as Director of the Company as her term of office expired at the conclusion of the 54th Annual General Meeting of Shareholders, which was held on June 29, 2021.

She, with her husband Mr. Masahiro Noda who is the current Chairman and CEO, founded the Company in April 1968 and has committed herself to the Company's development as Director for 53 years, overseen the Company's all administrative divisions since its incorporation, and has built a solid financial foundation that has enabled the Company to safely navigate through numerous economic crises, including the oil shocks, the bursting of the real estate bubble, and the financial crisis triggered by the collapse of Lehman Brothers.

She invested all of the ¥2 million in the Company's founding capital herself. Not belonging to any of the major corporate groups in Japan, the Company has had no backing from such groups, but she managed to make do with the limited funds the Company had, and led the Company to go public in December 1998. After going public, she continued to manage the funds to support the Company's growth with no debt, even after the bursting of the IT bubble. As a result of her efforts to protect the financial foundation and make the company grow stronger, the Company's capital-to-asset ratio is approximately 90% even under the current adverse circumstances caused by the COVID-19 pandemic. Ms. Mizuki Noda has contributed to the growth of the Company and the Group's business by strengthening the Company's sound financial position from an administrative standpoint, and has made a significant contribution to the enhancement of corporate and shareholder value, increasing the Company's enterprise value more than 25 times (i.e. market capitalization at the time of the initial public offering was approximately ¥70 billion, while as of March 31, 2022, it is approximately ¥1.8 trillion). She has been passionate about the advancement of women since the early days of the Company and has promoted the creation of a comfortable working environment for female employees since before the Equal Employment Opportunity Law came into effect.

In order to reward Ms. Mizuki Noda, who has played a key role in the management of the Company and its Group for more than half a century since its establishment by always putting the Company and its Group first, for her achievements and hard work throughout her tenure, the Company would like to present the Special Reward Bonus to the Founder in the amount of ¥360 million.

The details of this proposal were approved by the Board of Directors as it was deemed to be appropriate due to the above reasons after deliberation by the Nomination and Remuneration Advisory Committee, a voluntary advisory body of the Board of Directors of the Company (majority of the members are outside Directors). It is also proposed that the Board of Directors may decide the timing, method, and other details of the presentation.

A career summary of Ms. Mizuki Noda, the recipient of the Special Reward Bonus for the Founder, is as follows:

Name	Career summary	
Mizuki Noda	Apr. 1968	Established the Company and assumed the position of a Director of the Company
	Apr. 1970	Managing Director
	June 1995	Director and Vice President
	June 1998	Representative Director and Vice President
	Apr. 2003	Director and Vice Chairman
	June 2009	Senior Advisor
	June 2021	Resigned as Director