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Securities Code: 6455

June 1, 2023

(Electronic measures provision commencement date: May 29, 2023)

To Shareholders with Voting Rights:

Shinichi Kanaoka
President
MORITA HOLDINGS CORPORATION
3-6-1 Dosho-machi, Chuo-ku, Osaka-shi,
Osaka, Japan

**NOTICE OF
THE 90th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We hereby inform you that the 90th Annual General Meeting of Shareholders of MORITA HOLDINGS CORPORATION (the “Company”) will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for electronic provision. Matters to be provided electronically (Electronic Provision Measures Matters) are posted on the following website as “Notice of the 90th Annual General Meeting of Shareholders.”

The Company’s website: https://www.morita119.com/en/about/ir/shareholders_meeting/index.html

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

Tokyo Stock Exchange website: <https://www2.jpex.co.jp/tseHpFront/JJK020030Action.do>

Please access the above website, enter the Company’s name (MORITA HOLDINGS) or securities code (6455) to search, and select “Basic information,” “Documents for public inspection/PR information” and “Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting” in this order.

If you are not attending the meeting in person, you can exercise your voting rights in writing or via the internet. Please review the Reference Documents for the General Meeting of Shareholders posted in the Electronic Provision Measures Matters, and exercise your vote by no later than 5:40 p.m. Japan time on Thursday June 22, 2023.

- 1. Date and Time:** Friday, June 23, 2023 at 10:00 a.m. Japan time
- 2. Place:** TKP Garden City PREMIUM Shinsaibashi
Hulic Shinsaibashi Building 3F, 4-3-2, Minami-Semba, Chuo-ku, Osaka-shi,
Osaka, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company's 90th Fiscal Year (April 1, 2022 - March 31, 2023) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 90th Fiscal Year (April 1, 2022 - March 31, 2023)

Proposals to be resolved:

- Proposal 1:** Election of Nine (9) Directors
- Proposal 2:** Election of One (1) Audit & Supervisory Board Member
- Proposal 3:** Revision of Amount of Compensation for Granting Restricted Stock to Directors

4. Matters to Be Decided at the Time of Convocation:

If you exercise your voting rights by proxy, you may attend the meeting with one other shareholder who has voting rights as your proxy. However, please note that you will be required to submit a document certifying the proxy right.

- When you attend the meeting, please submit the enclosed Voting Rights Exercise Form to the reception.
- Should revisions arise to the Electronic Provision Measures Matters, they will be posted on each of the websites where they are posted.
- If there is no indication of a vote for or against a specific proposal on the Voting Rights Exercise Form, it shall be deemed as an indication of approval to that proposal.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Election of Nine (9) Directors

The terms of office of nine (9) Directors, Masahiro Nakajima, Shinichi Kanaoka, Kunio Morimoto, Shinya Murai, Mitsuo Isoda, Takao Kawanishi, Masaki Hojo, Masayoshi Kato, and Hiroyuki Fukunishi, will expire at the closing of this General Meeting of Shareholders. Consequently, the Company proposes the election of nine (9) Directors.

The candidates for Directors are as follows.

Candidates for Directors

No.	Name	Current positions and responsibilities at the Company	Attendance at the Board of Directors meetings
1	Masahiro Nakajima [Reappointment]	Chairman & CEO	13/13 (100%)
2	Shinichi Kanaoka [Reappointment]	President	13/13 (100%)
3	Kunio Morimoto [Reappointment]	Director and Managing Executive Officer	13/13 (100%)
4	Shinya Murai [Reappointment]	Director and Managing Executive Officer	10/10 (100%)
5	Mitsuo Isoda [Reappointment] [Outside]	Director	13/13 (100%)
6	Takao Kawanishi [Reappointment] [Outside]	Director	13/13 (100%)
7	Masaki Hojo [Reappointment] [Outside]	Director	13/13 (100%)
8	Masayoshi Kato [Reappointment]	Director	10/10 (100%)
9	Hiroyuki Fukunishi [Reappointment]	Director	10/10 (100%)

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	<p>Masahiro Nakajima (February 3, 1950)</p> <p>[Reappointment]</p> <p>[Attendance at the Board of Directors meetings] 13/13 (100%)</p>	<p>March 1972 Joined the Company</p> <p>April 2003 Executive Officer, the Company</p> <p>June 2004 Director, the Company</p> <p>June 2006 President, the Company</p> <p>October 2008 President, MORITA CORPORATION</p> <p>June 2015 Chairman, MORITA ECONOS CORPORATION</p> <p>June 2015 Chairman, MORITA TECHNOS CORPORATION</p> <p>June 2015 Chairman, MORITA CORPORATION (current position)</p> <p>June 2015 Chairman, the Company</p> <p>February 2016 Chairman of the Board, BRONTO SKYLIFT OY AB (current position)</p> <p>June 2016 Chairman and CEO, the Company (current position)</p> <p>April 2017 Chairman, MORITA ENVIRONMENTAL TECH CORPORATION</p> <p>June 2017 Outside Corporate Auditor, Hino Motors, Ltd.</p> <p>June 2019 Director, MORITA ENVIRONMENTAL TECH CORPORATION (current position)</p> <p>June 2021 Outside Director, Hino Motors, Ltd. (current position)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Chairman, MORITA CORPORATION • Chairman of the Board, BRONTO SKYLIFT OY AB • Outside Director, Hino Motors, Ltd. 	194,583 shares
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Masahiro Nakajima has held key positions in the fire fighting vehicles business and the recycling machines business, and after assuming office as Director in 2004, he served as President from 2006 to 2015, Chairman from 2015, and as Chairman and CEO from 2016, playing a central role in management for many years at the Company, and domestic and overseas group companies, and possesses abundant experience and broad insight as a manager. Therefore, the Company determined that he can play a sufficient role in the overall management supervision and decision-making functions by utilizing his abundant experience and track record, and proposes his continued appointment as Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	Shinichi Kanaoka (August 21, 1959) [Reappointment] [Attendance at the Board of Directors meetings] 13/13 (100%)	April 1982 Joined the Company April 2007 General Manager, Accounting Dept., Business Management Division, the Company June 2010 Executive Officer, the Company October 2011 General Manager, Business Management Division, the Company April 2017 Managing Executive Officer, the Company June 2018 Director and Executive Officer, the Company April 2019 Head of Division of Finance and Information Management, the Company June 2020 Director and Managing Executive Officer, the Company June 2022 President, the Company (current position)	36,787 shares
<p>[Reason for nomination as candidate for Director] Mr. Shinichi Kanaoka has been engaged in the accounting operations for many years, and after assuming the position of Executive Officer in 2010, he assumed a key position in charge of the Business Management Division, which oversees the Corporate Planning, Legal, Accounting, and Information Management departments, etc. He has also served as President from 2022. Therefore, the Company determined that he can play a sufficient role in the overall management supervision and decision-making functions by utilizing his abundant experience and track record, and proposes his continued appointment as Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held	
3	Kunio Morimoto (March 3, 1958) [Reappointment] [Attendance at the Board of Directors meetings] 13/13 (100%)	April 1980	Joined the Company	39,075 shares
		April 2002	General Manager, Procurement Dept., Business Management Division, the Company	
		October 2008	Executive Officer, Deputy General Manager, Production Division, and General Manager, Engineering Dept., MORITA CORPORATION	
		June 2011	Director, Deputy General Manager, Production Division, General Manager, Planning and Production Dept., and General Manager, Overseas Business Promotion Dept., MORITA CORPORATION	
		June 2015	Managing Director, MORITA CORPORATION	
		June 2015	General Manager, Production Division, and General Manager, Product Development Division, MORITA CORPORATION	
		January 2016	Executive Director, BRONTO SKYLIFT OY AB	
		April 2019	Managing Executive Officer, the Company (current position)	
		April 2019	Head of Division of Corporate Strategy, the Company Head of Division of ATI Center, the Company (current position)	
		June 2019	Director, the Company (current position)	
[Reason for nomination as candidate for Director] Mr. Kunio Morimoto has held key positions in the production, engineering, and development departments of the fire fighting vehicles business for many years, and has also been involved in the management of overseas group subsidiaries since 2016. The Company requests his continued appointment as Director because of his experience and broad insight necessary for corporate management.				
4	Shinya Murai (January 23, 1960) [Reappointment] [Attendance at the Board of Directors meetings] 10/10 (100%)	April 1982	Joined the Company	23,010 shares
		April 2007	General Manager, General Affairs Dept., Business Management Division, the Company	
		April 2011	Executive Officer, the Company	
		February 2012	Deputy General Manager, Business Management Division, General Manager, General Affairs Dept., and General Manager, Human Resources Dept., the Company	
		April 2017	Managing Executive Officer, the Company (current position)	
		July 2018	General Manager, Corporate Communications Dept., the Company	
		April 2019	Head of Division of Human Resources Development and General Affairs, the Company	
		June 2022	Director, the Company (current position) Head of Group Corporate Division, the Company (current position)	
[Reason for nomination as candidate for Director] Mr. Shinya Murai has been engaged in general affairs and personnel affairs for many years, and after assuming the position of Executive Officer in 2011 he assumed a key position in charge of the Business Management Division, overseeing the Company and its domestic group companies. The Company requests his continued appointment as Director because of his abundant business experience in the Company and broad insight necessary for corporate management.				

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	<p>Mitsuo Isoda (January 7, 1970)</p> <p>[Reappointment] [Outside]</p> <p>[Attendance at the Board of Directors meetings] 13/13 (100%)</p>	<p>April 1995 Registered as an Attorney (Osaka Bar Association)</p> <p>April 1995 Joined The Miyake Joint Partnership Law Office (currently Miyake & Partners)</p> <p>June 2001 Completed the Harvard Law School's LL.M. program.</p> <p>August 2001 Trained at Pillsbury Winthrop Shaw Pittman LLP, New York Office</p> <p>February 2002 Admitted to the New York State Bar (at that time)</p> <p>July 2002 Partner, Miyake & Partners</p> <p>June 2014 Outside Corporate Auditor, Haseko Corporation (current position)</p> <p>June 2016 Director, the Company (current position)</p> <p>May 2019 Representative Partner, Miyake & Partners (current position)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Representative Partner, Miyake & Partners • Outside Corporate Auditor, Haseko Corporation 	3,300 shares
<p>[Reason for nomination as candidate for Outside Director and outline of expected roles]</p> <p>Although Mr. Mitsuo Isoda has no direct experience in corporate management, he has been a lawyer for many years and has a high degree of expertise in laws and regulations. He has been an Outside Director of the Company since June 2016 and has provided useful and valuable advice on compliance and governance from an independent standpoint in the deliberations of the Board of Directors and the Nomination and Compensation Advisory Committee, which he chairs, and it is expected that he will continue to exercise his independent and highly transparent monitoring and supervisory functions in the management of the Company. Therefore, the Company requests his continued appointment as Outside Director. His term of office as an Outside Director will be seven (7) years at the conclusion of this General Meeting of Shareholders.</p>			
6	<p>Takao Kawanishi (November 23, 1948)</p> <p>[Reappointment] [Outside]</p> <p>[Attendance at the Board of Directors meetings] 13/13 (100%)</p>	<p>April 1972 Joined The Sanwa Bank, Ltd. (currently MUFG Bank, Ltd.)</p> <p>June 1999 Executive Officer, The Sanwa Bank, Ltd.</p> <p>January 2002 Managing Executive Officer, UFJ Bank Limited (currently MUFG Bank, Ltd.)</p> <p>May 2004 Representative Director and Senior Managing Executive Officer, UFJ Bank Limited</p> <p>January 2006 Managing Director, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.)</p> <p>April 2008 Vice President, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>June 2010 President and CEO, JCB Co., Ltd.</p> <p>June 2014 Chairman, JCB Co., Ltd.</p> <p>February 2015 Outside Director, Unirita Inc.</p> <p>June 2017 Director, the Company (current position)</p> <p>June 2017 Chairman of the Board of Directors, JCB Co., Ltd.</p>	3,100 shares
<p>[Reason for nomination as candidate for Outside Director and outline of expected roles]</p> <p>Mr. Takao Kawanishi possesses expert knowledge cultivated over many years at financial institutions and a wealth of experience and broad insight as a corporate manager. He has been an Outside Director of the Company since June 2017 and has provided useful and valuable advice based on his broad experience and deep knowledge of corporate management, from an independent standpoint in the deliberations of the Board of Directors and the Nomination and Compensation Advisory Committee, and it is expected that he will continue to exercise his independent and highly transparent monitoring and supervisory functions in the management of the Company. Therefore, the Company requests his continued appointment as Outside Director. His term of office as an Outside Director will be six (6) years at the conclusion of this General Meeting of Shareholders.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	Masaki Hojo (October 2, 1948) [Reappointment] [Outside] [Attendance at the Board of Directors meetings] 13/13 (100%)	<p>April 1971 Joined Daifuku Machinery Works Co., Ltd. (currently Daifuku Co., Ltd.)</p> <p>June 1998 Director, Daifuku Machinery Works Co., Ltd.</p> <p>April 2000 President, Daifuku America Corporation</p> <p>April 2004 Representative Director and Senior Managing Director, Daifuku Co., Ltd. President, Daifuku Canada Inc.</p> <p>April 2006 Executive Vice President, Daifuku Co., Ltd.</p> <p>December 2007 Chairman, Jervis B. Webb Company</p> <p>April 2008 President and CEO, Daifuku Co., Ltd.</p> <p>January 2011 Chairman, Daifuku Webb Holding Company (currently Daifuku North America Holding Company)</p> <p>April 2018 Director and Advisor, Daifuku Co., Ltd.</p> <p>June 2020 Director, the Company (current position)</p>	7,000 shares
<p>[Reason for nomination as candidate for Outside Director and outline of expected roles] Mr. Masaki Hojo has extensive experience and broad insight as a corporate manager, having served as President and CEO and head of overseas subsidiaries at Daifuku Co., Ltd. He has been an Outside Director of the Company since June 2020 and has provided useful and valuable advice based on his broad experience and deep knowledge of corporate management, from an independent standpoint in the deliberations of the Board of Directors and the Nomination and Compensation Advisory Committee, and it is expected that he will continue to exercise his independent and highly transparent monitoring and supervisory functions in the management of the Company. Therefore, the Company requests his continued appointment as Outside Director. His term of office as an Outside Director will be three (3) years at the conclusion of this General Meeting of Shareholders.</p>			
8	Masayoshi Kato (February 18, 1970) [Reappointment] [Attendance at the Board of Directors meetings] 10/10 (100%)	<p>April 1992 Joined the Company</p> <p>April 2015 General Manager, General Fire Fighting Vehicle Production Dept., Sanda Factory, MORITA CORPORATION</p> <p>April 2017 Executive Officer, Head of Production Division, and Factory Head, Sanda Factory, MORITA CORPORATION</p> <p>June 2017 Director, Head of Production Division, and Factory Head, Sanda Factory, MORITA CORPORATION</p> <p>April 2018 Director, Executive Officer, Head of Production Division, General Manager, Engineering Dept., MORITA CORPORATION</p> <p>April 2022 Representative Director, President, MORITA CORPORATION (current position)</p> <p>June 2022 Director, the Company (current position)</p> <p>[Significant concurrent positions] Representative Director, President, MORITA CORPORATION</p>	18,031 shares
<p>[Reason for nomination as candidate for Director] Mr. Masayoshi Kato has held key positions in the production and engineering departments for many years in the fire fighting vehicles business, and was involved in management as a Director of MORITA CORPORATION in 2017. He has also served as Representative Director of MORITA CORPORATION since April 2022. The Company determined that he will play a role in the supervisory and decision-making functions of the Board of the Directors of the Company, taking advantage of his abundant experience and broad insight, and therefore requests his continued appointment as Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
9	Hiroyuki Fukunishi (January 1, 1970) [Reappointment] [Attendance at the Board of Directors meetings] 10/10 (100%)	<p>April 1994 Joined the Company</p> <p>April 2016 General Manager, Sales Dept.(West Japan), Sales Division, MORITA ENVIRONMENTAL TECH CORPORATION</p> <p>April 2017 Director, Head of Sales Division and General Manager, Sales Dept.(East Japan), MORITA ENVIRONMENTAL TECH CORPORATION</p> <p>June 2019 Director, Executive Officer, and Head of Sales Division, MORITA ENVIRONMENTAL TECH CORPORATION</p> <p>April 2022 Representative Director, President, and Head of Sales Division, MORITA ENVIRONMENTAL TECH CORPORATION (current position)</p> <p>June 2022 Director, the Company (current position)</p> <p>[Significant concurrent positions] Representative Director, President, MORITA ENVIRONMENTAL TECH CORPORATION</p>	20,285 shares
<p>[Reason for nomination as candidate for Director] Mr. Hiroyuki Fukunishi has held key positions in the sales department for many years in the recycling machines business, and was involved in the management of MORITA ENVIRONMENTAL TECH CORPORATION as a Director in 2017. He has also served as Representative Director of MORITA ENVIRONMENTAL TECH CORPORATION since April 2022. The Company determined that he will play a role in the supervisory and decision-making functions of the Board of the Directors of the Company, taking advantage of his abundant experience and broad insight, and therefore requests his continued appointment as Director.</p>			

- Notes:
1. None of the candidates for Directors have any special interests with the Company.
 2. Mr. Mitsuo Isoda, Mr. Takao Kawanishi, and Mr. Masaki Hojo, are the candidates for Outside Directors, and also candidates for Independent Officers who have no potential conflicts of interests with general shareholders, the designation of which is required by Tokyo Stock Exchange, Inc.
 3. The Company has concluded an agreement with Mr. Mitsuo Isoda, Mr. Takao Kawanishi and Mr. Masaki Hojo, in accordance with Article 427, Paragraph 1 of the Companies Act, to limit their liability for damages stipulated under Article 423, Paragraph 1 of the Act. The maximum amount of liability for damages under the contract is the minimum liability amount stipulated by laws and regulations. If their reappointment is approved, then the Company will continue the above agreement with them.
 4. The Company has entered into a directors and officers (D&O) liability insurance contract with an insurance company to cover legal damages and litigation expenses to be borne by the insured in the event that a claim for damages is made against the insured due to an act (including omission) committed by the insured in his/her capacity as a director or officer of the Company. If the appointment of the candidates as Directors is approved in this proposal, each of them will be insured under the insurance contract, which is to be renewed during their term of office on the same terms and conditions.
 5. The difference in the total number of attendance at the Board of Directors meetings held is due to the fact that the timing of the assumption of office varied by candidate.

(Reference)

The structure of the Board of Directors and the knowledge and experience each Director has if Proposal 1 is approved as proposed at this Ordinary General Meeting of Shareholders are as follows.

Name	Position at the Company after approval	The knowledge and experience which each Director has							
		Corporate management	International experience	Legal and Governance	Finance and Accounting	Sales and Marketing	Technology and R&D	Production	Human Resource
Masahiro Nakajima	Chairman & CEO	○	○	○		○			○
Shinichi Kanaoka	President	○		○	○				
Kunio Morimoto	Director and Managing Executive Officer		○				○	○	
Shinya Murai	Director and Managing Executive Officer			○					○
Mitsuo Isoda	Director*1, *2		○	○					
Takao Kawanishi	Director*1	○	○		○	○			○
Masaki Hojo	Director*1	○	○		○	○		○	○
Masayoshi Kato	Director	○					○	○	
Hiroyuki Fukunishi	Director	○				○			

*1 Outside Director and Independent Officer

*2 Mr. Mitsuo Isoda chairs the Nomination Advisory Committee and the Compensation Advisory Committee.

Proposal 2: Election of One (1) Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member, Masaru Ota, will expire at the closing of this General Meeting of Shareholders. Consequently, the Company proposes the election of one (1) Audit & Supervisory Board Member.

The agreement of the Audit & Supervisory Board has been obtained for the submission of this proposal. The candidate for Audit & Supervisory Board Member is as follows.

Candidate for Audit & Supervisory Board Member

Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
<p>Masaru Ota (June 8, 1966)</p> <p>[Reappointment] [Outside]</p> <p>[Attendance at the Board of Directors meetings] 13/13 (100%)</p>	<p>October 1991 Joined Aoyama Audit Corporation (currently PricewaterhouseCoopers Aarata LLC)</p> <p>March 1997 Joined PwC Consulting Co., Ltd. (currently IBM Japan Ltd)</p> <p>October 1999 Joined ChuoAoyama Audit Corporation (currently PricewaterhouseCoopers Aarata LLC)</p> <p>March 2001 Joined Sanwa Capital Finance Ltd. (currently Mitsubishi UFJ Capital Co., Ltd.)</p> <p>December 2002 Joined Phoenix Capital Co., Ltd.</p> <p>March 2003 Director, Phoenix Capital Co., Ltd.</p> <p>April 2006 Representative Director, Ascent Partners (current position)</p> <p>June 2015 Audit & Supervisory Board Member, the Company (current position)</p> <p>June 2017 Outside Audit & Supervisory Board Member, Wealth Management, Inc.</p> <p>December 2019 External Audit and Supervisory Board Member, CMIC HOLDINGS Co., Ltd.</p> <p>June 2022 Outside Board Member and Audit and Supervisory Committee Member, Wealth Management, Inc. (current position)</p> <p>December 2022 External Corporate Director, CMIC HOLDINGS Co., Ltd. (current position)</p> <p>[Significant concurrent positions] Representative Director, Ascent Partners Outside Board Member and Audit and Supervisory Committee Member, Wealth Management, Inc. External Corporate Director, CMIC HOLDINGS Co., Ltd.</p>	<p>8,700 shares</p>
<p>[Reason for nomination as candidate for Outside Audit & Supervisory Board Member] Mr. Masaru Ota has abundant knowledge and experience at consulting firms, which may be leveraged for the Company's auditing functions. Therefore, the Company requests his continued appointment as Outside Audit & Supervisory Board Member. His term of office as an Outside Audit & Supervisory Board Member will be eight (8) years at the conclusion of this General Meeting of Shareholders.</p>		

- Notes:
1. The candidate for Audit & Supervisory Board Member has no special interests with the Company.
 2. Mr. Masaru Ota is the candidate for Outside Audit & Supervisory Board Member, and also the candidate for Independent Officer who has no potential conflicts of interests with general shareholders, the designation of which is required by Tokyo Stock Exchange, Inc.
 3. The Company has concluded an agreement with Mr. Masaru Ota, in accordance with Article 427, Paragraph 1 of the Companies Act, to limit his liability for damages stipulated under Article 423, Paragraph 1 of the Act. The maximum amount of liability for damages under the contract is the minimum liability amount stipulated by laws and regulations. If his reappointment is approved, then the Company will continue the above agreement with him.

4. The Company has entered into a directors and officers (D&O) liability insurance contract with an insurance company to cover legal damages and litigation expenses to be borne by the insured in the event that a claim for damages is made against the insured due to an act (including omission) committed by the insured in his/her capacity as a director or officer of the Company. If the appointment of the candidate as Audit & Supervisory Board Member is approved in this proposal, he will be insured under the insurance contract, which is to be renewed during his term of office on the same terms and conditions.

(Reference)

Criteria for Determining Whether Outside Officers are Sufficiently Independent

The Company has established the following criteria for determining the independence of Outside Directors and Outside Audit & Supervisory Board Members (hereinafter referred to as “Outside Officers”), and if, as a result of an investigation to the extent reasonably possible by the Company, it is determined that an Outside Officer does not fall under any of the following items, then such Outside Officer is deemed to be independent from the Company and not likely to cause any conflict of interest with general shareholders.

- (1) Persons who are business executors of the Company or its affiliates (hereinafter referred to as the “Group”) or persons who were business executors of the Group in the past 10 years (or, if the persons were non-executive Directors, Audit & Supervisory Board Members, or Accounting Advisors of the Group at any point within the past 10 years, then the 10 years prior to assuming such positions)
- (2) Persons for whom the Group is a major business partner, or persons who are business executors of their parent companies or important subsidiaries.
- (3) Persons who are business executors of the Group’s major business partners, or persons who are business executors of their parent companies or important subsidiaries
- (4) Consultants, accounting experts, or legal experts who receive more than a certain amount of money or other assets from the Group (if the persons receiving such assets are corporations, partnerships, or other organizations, then the persons who are business executors of such organizations)
- (5) Persons who have received donations or grants exceeding a certain amount from the Group (if the donation or grant recipients are corporations, partnerships, or other organizations, then the persons who are business executors of such organizations)
- (6) Persons who are business executors of the Group’s lead managing brokerage firms, or a certified public accountant, employee, or partner of the audit firm that is the Group’s accounting auditor
- (7) Persons who are business executors of the principal financial institutions from which the Group borrows, or their parent companies or subsidiaries
- (8) A major shareholder of the Company (meaning a shareholder that directly or indirectly holds 10% or more of the voting rights) or, if such a major shareholder is a corporation, the persons who are business executors of such a major shareholder or its parent company or important subsidiary
- (9) Persons who are business executors of a company in which the Group is a major shareholder (meaning a company in which the Group directly or indirectly holds 10% or more of the voting rights) or its parent company or important subsidiary
- (10) Directors, Audit & Supervisory Board Members, Accounting Advisors, Corporate Executives (*shikko yaku*), or Executive Officers (*shikko yakuin*), of any company or its parent company or subsidiary that accepts Directors (whether full-time or part-time) from the Group
- (11) Persons who have fallen under (2) through (10) above, in the three years prior to assuming office
- (12) Close relatives, etc. of persons falling under (1) through (11) above

Proposal 3: Revision of Amount of Compensation for Granting Restricted Stock to Directors

Pursuant to approval received for Proposal 4 “Determination of Amount of Compensation for Granting Restricted Stock to Directors” at the 86th Annual General Meeting of Shareholders held on June 21, 2019 (hereinafter, the resolution for the said Proposal at the said Annual General Meeting of Shareholders is referred to as the “Initial Resolution”), the Company introduced a restricted stock compensation plan (hereinafter, the “Plan”) for Directors of the Company (excluding Outside Directors; hereinafter, “Eligible Directors”) for the purpose of increasing corporate value sustainably by having them share values with shareholders through stockholding.

By comprehensively taking into account a recent increase in the number of Eligible Directors to strengthen the management structure, a shift in the weight to performance-linked compensation from fixed compensation, and other circumstances of the Company in recent years, it is proposed that the upper limit of the amount of compensation for granting restricted stock to Eligible Directors and the total maximum number of restricted stock to be allotted be revised as described below.

The revision was determined by the Board of Directors after deliberations at the Compensation Advisory Committee, by comprehensively taking into account the policy for determining details of compensation for Directors and the stock price level of the Company, and thus the revision is deemed reasonable.

The Company currently has nine (9) Directors, including three (3) Outside Directors. If Proposal 1 “Election of Nine (9) Directors” is approved as originally proposed, the number of Directors will remain nine (9), including three (3) Outside Directors.

[Details of the revision]

The amount of compensation, etc. for Directors was approved to be up to ¥230 million per year (including up to ¥40 million per year for Outside Directors; however, not including the amount of employee salaries payable to Directors who double as employees) at the 87th Annual General Meeting of Shareholders held on June 25, 2020. In addition, in the Initial Resolution, it was also approved that the total amount of monetary compensation receivables to be granted to each Eligible Director based on the Plan shall be up to ¥80 million per year, and that the total number of restricted stock to be allotted to Eligible Directors shall be up to 44,000 shares per year, separately from the above-mentioned amount of compensation.

Eligible Directors shall make in-kind contribution of all the monetary compensation receivables to be granted by the Company based on the Plan to receive allotment of common stock of the Company. It is proposed that the total amount of monetary compensation receivables to be granted to each Eligible Director based on the Plan and the total amount of restricted stock to be allotted to Eligible Directors be revised from those approved by the Initial Resolution, to ¥100 million per year and 80,000 shares per year, respectively.

Other than the above-mentioned revisions, there is no change to the contents of the Initial Resolution. The contents of the Plan after the revision shall be as described below (amended parts are underlined).

[Contents of the plan]

The compensation to be offered to Eligible Directors for granting restricted stock shall be in the form of monetary claims (hereinafter “Monetary Compensation Receivables”). The total amount thereof shall be up to ¥100 million per year. The specific timing to grant the Monetary Compensation Receivables and allocation thereof to each Eligible Director shall be determined by the Board of Directors. However, compensation for granting restricted stock shall not be paid to Outside Directors.

The above-mentioned amount does not include the amount of employee salaries payable to Directors who double as employees.

Eligible Directors shall, based on a resolution of the Board of Directors, make in-kind contribution of all the Monetary Compensation Receivables to be granted, and common stock of the Company shall either be issued or disposed of by the Company with the upper limit set at 80,000 shares per year. (However, the total number may be adjusted within a reasonable range in the case that a stock split (including an allotment of shares without contribution) or a reverse stock split of the Company’s common stock is conducted, or any other reason that requires an adjustment to the total number of common stock to be issued or disposed of by the Company as restricted stock.)

The amount to be paid per share of restricted stock under the Plan shall be the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately prior to the date on which resolution is made at Board of Directors meetings (or the closing price on the transaction day immediately prior thereto if no transaction is made on such business day). For the purpose of such issuance

or disposal of common stock of the Company, a contract on the allotment of restricted stock (hereinafter “Allotment Contract”) that includes the following provisions shall be concluded between the Company and Eligible Directors.

(1) Transfer restriction period

Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of the Company’s common stock that is allotted according to Allotment Contract (hereinafter “Allotted Shares”) during a period of thirty (30) years (hereinafter “Transfer Restriction Period”) from the day when Eligible Directors are allotted such shares according to the Allotment Contract (hereinafter “Transfer Restriction”).

(2) Treatment on retirement or resignation

In the event that Eligible Directors resign or retire from the positions of the Director, Executive Officer not concurrently serving as Director, Audit & Supervisory Board Member, employee, Advisor, Counselor or any other positions equivalent thereto of the Company or its subsidiaries, prior to the expiry of Transfer Restriction Period, the Company shall acquire Allotted Shares rightfully without consideration unless the reason for Eligible Directors’ resignation or retirement from office is the expiration of the term of office, death, or any other justifiable reason.

(3) Lifting of transfer restriction

Notwithstanding the provision of (1) above, the Company shall lift the Transfer Restriction on all of the Allotted Shares at the expiration of Transfer Restriction Period on the condition that Eligible Directors have continuously served in either of the positions of the Director, Executive Officer not concurrently serving as Director, Audit & Supervisory Board Member, employee, Advisor, Counselor or any other positions equivalent thereto of the Company or its subsidiaries during Transfer Restriction Period. However, if such Eligible Directors retire from the position stipulated in (2) above prior to the expiry of Transfer Restriction Period for any of the reason such as the expiration of the term of office, death, or any other justifiable reason stipulated in (2) above, the number of Allotted Shares for which Transfer Restriction is to be lifted and the timing of the lifting of Transfer Restriction shall be reasonably adjusted as necessary. In addition, at the time immediately after the lifting of Transfer Restriction pursuant to the provisions described above, the Company shall acquire Allotted Shares for which Transfer Restriction has not been lifted, rightfully without consideration.

(4) Treatment on organizational restructuring, etc.

Notwithstanding the provision of (1) above, in the case where an agreement of merger with the Company as the non-surviving entity, agreement of share exchange or plan for share transfer through which the Company becomes a wholly-owned subsidiary, or a matter concerning other organizational restructuring, etc. is approved at the General Meeting of Shareholders (or at the Company’s Board of Directors in the case where approval of General Meeting of Shareholders is not required for the said organizational restructuring, etc.) during Transfer Restriction Period, Transfer Restriction shall be lifted by the resolution of the Company’s Board of Directors prior to the effective date of the said organizational restructuring, etc., with regard to the number of the Allotted Shares reasonably set forth in light of the period from the start date of Transfer Restriction Period to the approval date of the said organizational restructuring, etc. In the case described above, at the time immediately after the lifting of Transfer Restriction, the Company shall acquire Allotted Shares for which Transfer Restriction has not been lifted, rightfully without contribution.

(5) Others

Any other matters concerning Allotment Contract shall be determined by the Company’s Board of Directors.