

[**Translation:** Please note that the following purports to be a translation from the Japanese original Notice of Convocation of the 74th Annual General Meeting of Shareholders of Onward Holdings Co., Ltd. prepared for the convenience of shareholders with voting rights. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail. Please also be advised that certain expressions regarding voting procedures for shareholders that are not applicable to the shareholders outside Japan are intentionally omitted or modified to avoid confusion.]

May 7, 2021

TSE# 8016
SEDOL#6483821JP
ISIN#JP3203500008

To Our Shareholders:

Onward Holdings Co., Ltd.
10-5, Nihonbashi 3-chome, Chuo-ku, Tokyo
Representative Director, President and CEO
Michinobu Yasumoto

**NOTICE OF CONVOCATION OF
THE 74TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

You are cordially notified of the 74th Annual General Meeting of Shareholders of Onward Holdings Co., Ltd. (the “Company”) for the fiscal year ended February 28, 2021. The meeting will be held as described below.

Your voting rights can be exercised either in writing or via the Internet. We would appreciate your exercise of voting rights by reviewing the “Reference Document Concerning the General Meeting of Shareholders” attached below, indicating whether you approve or disapprove each item on agenda on the enclosed Voting Rights Exercise Form and returning it to the Company before 5:40 PM (JST) of May 26, 2021 (Wednesday), or alternatively accessing to the designated website for exercising voting rights.

In an effort to enhance the convenience of institutional investors, the Company participates in the electronic voting platform operated by ICJ via ProxyEdge® system of Broadridge. For further details, please consult with your custodians, nominees and/or brokers. Voting via Internet other than ICJ platform is only available for registered shareholders in Japan with Japanese language only.

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NOTICE OF MEETING

1. **Date and Time:** 10:00 AM of May 27, 2021 (Thursday)
(The reception desk is scheduled to open at 9:00 AM.)
2. **Place:** Bellesalle Shiodome, 2nd Floor
Sumitomo Fudosan Shiodome Hamarikyu Building
21-1, Ginza 8-chome, Chuo-ku, Tokyo
3. **Purposes:**
Items to Be Reported:
 1. Report on matters of the Business Report and the Consolidated Financial Statements for the 74th fiscal year (March 1, 2020 to February 28, 2021) and results of audit of the Consolidated Financial Statements by Accounting Auditor and the Audit & Supervisory Board; and
 2. Report on the Non-Consolidated Financial Statements for the 74th fiscal year (March 1, 2020 to February 28, 2021)

Items to Be Resolved:

- | | |
|---------------------------|--|
| Agenda Item No. 1: | Reduction in Legal Capital Surplus and Legal Retained Earnings, and Appropriation of Surplus |
| Agenda Item No. 2: | Election of Seven (7) Directors |
| Agenda Item No. 3: | Revision to the Remuneration Amount for Outside Directors |

4. **Items for Exercising Voting Rights:**
 - (1) **Treatment of duplicated exercises of voting rights in writing and via Internet**

In case that a voting right is exercised by both mail and the Internet, the vote registered via Internet will be recognized as valid.
 - (2) **Treatment of duplicated exercises of voting rights via Internet**

In case that a voting right is exercised more than once via the Internet, only the last vote will be recognized as valid. Similarly, in case that a voting right is exercised more than once using a PC, smartphone or mobile phone, only the last vote will be recognized as valid.

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- * If you attend the meeting in person, please submit the Voting Rights Exercise Form enclosed herewith to the receptionist of the Hall. For saving natural resources, please take this notice of convocation with you to the meeting.

The documents referred to below are published on the Company's website (<https://www.onward-hd.co.jp>) and written in Japanese only.

- * Notes to Consolidated and Non-Consolidated Financial Statements which should be provided with this notice of convocation shall be announced on the Company's website in accordance with laws and regulations, and the Articles of Incorporation of the Company. In addition to documents attached to this notice of convocation, Notes to Consolidated and Non-Consolidated Financial Statements posted on the Company's website are included in Consolidated and Non-Consolidated Financial Statements audited by Audit & Supervisory Board Members and the Accounting Auditor in the course of preparing Audit Report and Accounting Auditor's Report respectively.
- * If any amendment is needed to the Business Report, Consolidated Financial Statements, Non-Consolidated Financial Statements and the Reference Document Concerning the General Meeting of Shareholders, please be advised that such amendment when applicable shall be publicly announced on the Company's website.

REFERENCE DOCUMENT CONCERNING THE GENERAL MEETING OF SHAREHOLDERS

Agenda Items and Reference Matters:

Agenda Item No. 1: Reduction in Legal Capital Surplus and Legal Retained Earnings, and Appropriation of Surplus

The Company considers the return of profits to shareholders to be one of the most important management issues. The Company targets a payout ratio of 35% or more and follows the basic policy of distributing appropriate amounts of profits to shareholders in a way that is stable and linked with the business performance of the Company.

Under this policy, it is proposed that a year-end dividend for the fiscal year under review be 12 yen per share, down 12 yen year on year, after carrying out a reduction of legal capital surplus and legal retained earnings.

1. Reduction in legal capital surplus

(1) Purpose of reduction in legal capital surplus

The Company will reduce the amount of legal capital surplus and reclassify it as other capital surplus in order to enhance the source of the dividend of surplus, and flexibly and stably carry out its dividend policy that responds to changes in the operating environment going forward.

(2) Content of reduction in legal capital surplus

(i) Amount of legal capital surplus to be reduced

Legal capital surplus: 13,000,000,000 yen out of 51,550,605,414 yen

(ii) Method to reduce the amount of legal capital surplus

The full amount of the reduction of legal capital surplus will be reclassified as other capital surplus.

2. Reduction in legal retained earnings

(1) Purpose of reduction in legal retained earnings

The Company will reduce the amount of legal retained earnings and reclassify it as surplus to be carried forward to next fiscal year in order to enhance the source of the dividend of surplus, and flexibly and stably carry out its dividend policy that responds to changes in the operating environment going forward.

(2) Content of reduction in legal retained earnings

(i) Amount of legal retained earnings to be reduced

Legal retained earnings: 5,482,510,554 yen out of 5,482,510,554 yen (full amount)

(ii) Method to reduce the amount of legal retained earnings

The full amount of the reduction of legal retained earnings will be reclassified as surplus to be carried forward to next fiscal year.

3. Matters concerning the year-end dividend:

(1) Type of dividend property:

Cash

(2) Allocation of dividends and total amount:

12 yen per share of common stock of the Company
1,627,194,552 yen total

(3) Effective date of the dividend of surplus:

May 28, 2021

4. Matters concerning other appropriation of surplus:
- (1) Item and amount to be decreased of the surplus:
 - General reserve: 38,709,000,000 yen
 - (2) Item and amount to be increased of the surplus:
 - Surplus to be carried forward to next fiscal year: 38,709,000,000 yen

Agenda Item No. 2: Election of Seven (7) Directors

The term of office of six Directors will expire at the closing of this Annual General Meeting of Shareholders. In this regard, it is proposed that seven Directors, including three Outside Directors, be elected, increasing the number of Outside Directors by one to further enhance the corporate governance.

The candidates are as follows:

Candidate No.	Name		Current position and responsibility in the Company, and significant concurrent positions outside the Company	Attendance at Board of Directors meetings	Expertise and experience expected by the Company					
					Company management & Business operation	International experience & Overseas business	Finance, Accounting and M&A	Legal affairs, Compliance and Risk management	IT & Digital	Human resources, Diversity, Environment, CSR
1	Michinobu Yasumoto	Reelection	<ul style="list-style-type: none"> ■ Representative Director, President and CEO of the Company 	11/11 (100%)	●	●			●	●
2	Tsunenori Suzuki	Reelection	<ul style="list-style-type: none"> ■ Senior Managing Director of the Company ■ Representative Director and President, and Executive Officer of Onward Kashiyama Co., Ltd. 	11/11 (100%)	●	●				●
3	Osamu Sato	Reelection	<ul style="list-style-type: none"> ■ Director in charge of Finance, Accounting, Investor relations of the Company ■ Representative Director and President of Onward Resort & Golf Co., Ltd. 	9/9 (100%)	●		●	●		
4	Daisuke Ikeda	Reelection	<ul style="list-style-type: none"> ■ Director in charge of Corporate Planning, Human Resources, General Affairs, Corporate Sustainability of the Company 	9/9 (100%)	●			●		●
5	Akira Kawamoto	Reelection Outside Director Independent Director	<ul style="list-style-type: none"> ■ Outside Director of the Company 	11/11 (100%)	●	●	●		●	
6	Yoshie Komuro	Reelection Female Outside Director Independent Director	<ul style="list-style-type: none"> ■ Outside Director of the Company ■ President of Work-Life Balance Co., Ltd. 	11/11 (100%)	●				●	●
7	Kenji Chishiki	New candidate Outside Director Independent Director		-/- (-%)	●		●	●		

(Notes)1. The name of Mr. Tsunenori Suzuki in the family register is Tsunenori Hasegawa, and the name of Ms. Yoshie Komuro in the family register is Yoshie Ishikawa.

2. The table is not indicative of all the expertise and experience possessed by the candidates.

Candi- date No.	Name (Date of Birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Michinobu Yasumoto (Sept. 13, 1965)	May 2006 Joined the Company Mar. 2007 Executive Officer of the Company Sept. 2007 Executive Officer of Onward Kashiyama Co., Ltd. Mar. 2009 Executive Officer of the Company Mar. 2011 Managing Executive Officer of the Company Managing Executive Officer of Onward Kashiyama Co., Ltd. May 2014 Director of the Company Director and Managing Executive Officer of Onward Kashiyama Co., Ltd. Sept. 2014 Director and Senior Managing Executive Officer of Onward Kashiyama Co., Ltd. Mar. 2015 Representative Director, President and CEO of the Company (current position) Director of Onward Kashiyama Co., Ltd. Nov. 2019 Representative Director and President of Onward Digital Lab Co., Ltd.	113,400
<p>Reasons for nomination</p> <p>Mr. Michinobu Yasumoto has held various management positions in the Corporate Planning, Digital Strategy, International Business and Product Planning Divisions, and he has extensive experience and advanced knowledge. He is currently responsible for the management execution of the Group and is leading its business execution as the Representative Director, President and CEO and is playing roles appropriately in, for example, making decisions on important management matters and supervising business execution. For these reasons, he has been nominated as a Director candidate for reelection.</p>			

Candidate No.	Name (Date of Birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	Tsunenori Suzuki (Name in family register: Tsunenori Hasegawa) (Apr. 2, 1958)	<p>Apr. 1982 Joined the Company</p> <p>Mar. 2006 Executive Officer of Onward Kashiyama Co., Ltd.</p> <p>Mar. 2007 Managing Executive Officer of Onward Kashiyama Co., Ltd.</p> <p>Mar. 2012 Representative Director and President of Donna Karan Japan K.K.</p> <p>Mar. 2015 Managing Executive Officer of the Company</p> <p>Sept. 2017 Director and Senior Managing Executive Officer of Onward Kashiyama Co., Ltd.</p> <p>Mar. 2018 Senior Managing Executive Officer in charge of International Operations of the Company</p> <p>May 2019 Senior Managing Director in charge of International Operations of the Company</p> <p>Mar. 2020 Senior Managing Director of the Company (current position)</p> <p>Representative Director and President, and Executive Officer of Onward Kashiyama Co., Ltd. (current position)</p> <p>[Significant concurrent positions outside the Company] Representative Director and President, and Executive Officer of Onward Kashiyama Co., Ltd.</p>	56,600
<p>Reasons for nomination</p> <p>Mr. Tsunenori Suzuki has held various management positions in the Sales and International Business Divisions of the Company, and he has extensive experience and performance record. Currently, in his role as Representative Director and President, and Executive Officer of Onward Kashiyama Co., Ltd., a primary operating company in the Group, he is appropriately fulfilling his role by working to expand the fields of its business activities. For these reasons, he has been nominated as a Director candidate for reelection.</p>			

Candidate No.	Name (Date of Birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Osamu Sato (Aug. 15, 1966)	<p>Jan. 2016 Joined the Company</p> <p>Mar. 2018 Executive Officer in charge of Finance, Accounting of the Company</p> <p>Mar. 2020 Executive Officer in charge of Finance, Accounting, Investor relations of the Company</p> <p> Representative Director and President of Onward Resort & Golf Co., Ltd. (current position)</p> <p>May 2020 Director in charge of Finance, Accounting, Investor relations of the Company (current position)</p> <p>[Significant concurrent positions outside the Company] Representative Director and President of Onward Resort & Golf Co., Ltd.</p>	8,300
<p>Reasons for nomination</p> <p>Mr. Osamu Sato has been in charge of the accounting divisions of the Group, and he has expert knowledge and extensive experience in the fields of finance and accounting. He currently serves as Representative Director and President of Onward Resort & Golf Co., Ltd., which oversees the Group's resort-related business, while appropriately fulfilling his role as the Director of the Company in charge of finance, accounting, and investor relations by building a Group-wide finance strategy and so forth. For these reasons, he has been nominated as a Director candidate for reelection.</p>			
4	Daisuke Ikeda (Mar. 22, 1968)	<p>Apr. 1991 Joined the Company</p> <p>Mar. 2018 Executive Officer in charge of Corporate Planning, Legal Affairs of the Company</p> <p>Mar. 2020 Executive Officer in charge of Corporate Planning, Secretary Office, Corporate Communications, Human Resources, General Affairs of the Company</p> <p>May 2020 Director in charge of Corporate Planning, Human Resources, General Affairs of the Company</p> <p>Mar. 2021 Director in charge of Corporate Planning, Human Resources, General Affairs, Corporate Sustainability of the Company (current position)</p>	8,300
<p>Reasons for nomination</p> <p>Mr. Daisuke Ikeda has held various positions in the sales and administrative divisions of the Company, and he has extensive experience and performance record. He has experience of overseeing all sales divisions in Japan for the main brands and expanding business at Onward Kashiyama Co. Ltd., the core operating company of the Group. Currently, he is appropriately fulfilling his role as Director of the Company by taking charge of corporate planning, human resources, general affairs, and corporate sustainability, while supervising business execution in the Group and so forth. For these reasons, he has been nominated as a Director candidate for reelection.</p>			

Candi- date No.	Name (Date of Birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
5	Akira Kawamoto (Aug. 19, 1958)	<p>Apr. 1981 Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)</p> <p>Aug. 1995 Organization for Economic Co-operation and Development (OECD) (Paris)</p> <p>Jan. 2001 Manager of Electricity Market Division, Electricity and Gas Industry Department, Agency for Natural Resources and Energy</p> <p>July 2009 Deputy Director-General of Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry</p> <p>Oct. 2012 Senior Partner of Aspirant Group Inc. (current position)</p> <p>Apr. 2013 Professor of Faculty of Economics of Keio University (current position)</p> <p>Mar. 2014 Outside Director of Future Corporation (current position)</p> <p>May 2018 Outside Director of the Company (current position)</p>	0
<p>Reasons for nomination and overview of expected roles</p> <p>Mr. Akira Kawamoto has extensive experience gained while working for the government for many years and diverse knowledge and insight from his academic experience, so the Company deems that he is qualified to be an Outside Director. For these reasons, he has been nominated as an Outside Director candidate for reelection.</p> <p>Furthermore, he can be expected to monitor and supervise the management of the Company from an independent standpoint, and provide valuable suggestions and opinions.</p>			

Candi- date No.	Name (Date of Birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
6	Yoshie Komuro (Name in family register: Yoshie Ishikawa) (Apr. 16, 1975)	Apr. 1999 Joined Shiseido Company, Limited July 2006 President of Work-Life Balance Co., Ltd. (current position) Apr. 2008 Member of the Evaluation Working Group, Work-Life Balance Promotion and Evaluation Council, Cabinet Office Oct. 2009 Visiting Professor of Kanazawa Institute of Technology Graduate School (current position) Apr. 2013 Member of the Children and Childcare Support Council, Cabinet Office Sept. 2014 Civil Member of the Industrial Competitiveness Council Feb. 2015 Member of the Central Council for Education, Ministry of Education, Culture, Sports, Science and Technology June 2017 Outside Director of JAPAN POST INSURANCE Co., Ltd. May 2019 Outside Director of the Company (current position) Apr. 2020 Outside Director of redfox,inc. (current position) Nov. 2020 Outside Director of ClipLine, Inc. (current position) Dec. 2020 Director (Outside) of PACIFIC CONSULTANTS CO., LTD. (current position) [Significant concurrent positions outside the Company] President of Work-Life Balance Co., Ltd.	0
<p>Reasons for nomination and overview of expected roles</p> <p>Ms. Yoshie Komuro has expertise as a corporate manager and experience and insight developed through serving in various roles as a specialist sitting on various government affiliated councils, so the Company deems that she is qualified to be an Outside Director. For these reasons, she has been nominated as an Outside Director candidate for reelection.</p> <p>Furthermore, she can be expected to monitor and supervise the management of the Company from an independent standpoint, and provide valuable suggestions and opinions.</p>			

Candidate No.	Name (Date of Birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
7	New candidate Kenji Chishiki (Jan. 27, 1963)	<p>Apr. 1985 Joined Kanebo Ltd.</p> <p>May 2004 Director, Representative Executive Officer, President and Chief Operating Officer of Kanebo Cosmetics Inc.</p> <p>June 2010 President and Representative Director of TAKE AND GIVE. NEEDS Co., Ltd.</p> <p>Aug. 2015 Representative Director and President of Nihon Kotsu Co.,Ltd.</p> <p>Nov. 2018 Independent Outside Director (Audit & Supervisory Committee Member) of SHIFT Inc. (current position)</p> <p>June 2020 Outside Director of Ishii Food CO.,Ltd. (current position)</p>	0
<p>Reasons for nomination and overview of expected roles</p> <p>Mr. Kenji Chishiki has expertise as a corporate manager and diverse knowledge and insight in the fields of finance, accounting, legal affairs, etc., so the Company deems that he is qualified to be an Outside Director. For these reasons, he has been newly nominated as an Outside Director candidate for election. Furthermore, he can be expected to monitor and supervise the management of the Company from an independent standpoint, and provide valuable suggestions and opinions.</p>			

(Notes)

1. Each candidate stated above has no special interests in the Company.
2. Mr. Akira Kawamoto and Ms. Yoshie Komuro are candidates for Outside Directors. The Company submitted Notifications of Independent Directors/Audit & Supervisory Board Members to the Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. that the Company designated Mr. Akira Kawamoto and Ms. Yoshie Komuro as Independent Directors.
3. Mr. Kenji Chishiki is a candidate for Outside Director. The Company is going to submit Notifications of Independent Directors/Audit & Supervisory Board Members to the Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. that the Company designated Mr. Kenji Chishiki as Independent Director.
4. JAPAN POST INSURANCE Co., Ltd., where Ms. Yoshie Komuro has served as Outside Director from June 2017 to February 2020, received on December 27, 2019, when she was serving, an order of partial suspension of business and a business improvement order from the Financial Services Agency for inappropriate insurance solicitation for JAPAN POST INSURANCE Co., Ltd. products. She regularly made proposals from the viewpoint of legal compliance and from the perspective of the customer, and after the above facts came to light, she made proposals to protect customers and prevent recurrence, and appropriately fulfilled her duties as Outside Director.
5. A directors and officers liability insurance:
 - (i) The Company has entered into a directors and officers liability insurance ("D&O insurance") policy, thereby covering losses and costs incurred by Directors in cases where they are liable for damages arising from their performance of duties.
 - (ii) The full amount of the insurance premiums for D&O insurance is borne by the Company.
 - (iii) If each candidate is elected and assumes the office as Director, the Company plans to include every such Director as an insured in the D&O insurance policy.
 - (iv) The term of the D&O insurance policy is one year, and the Company plans to renew the policy before the expiration of that term by resolution of the Board of Directors.

6. The independence of Outside Directors and the agreement to limit Outside Directors' liability:
 - (1) The independence of candidates for Outside Directors:
 - (i) The duration of Mr. Akira Kawamoto's assumption of the office as Outside Director of the Company will have been three years upon the closing of this General Meeting of Shareholders.
 - (ii) The duration of Ms. Yoshie Komuro's assumption of the office as Outside Director of the Company will have been two years upon the closing of this General Meeting of Shareholders.
 - (iii) Both of the candidates for Outside Directors satisfy "Independence Standards for Outside Directors and Outside Audit & Supervisory Board Members" (pp.14-15).
 - (2) Agreement with Outside Director to limit liabilities:

The Company has concluded an agreement with Mr. Akira Kawamoto and Ms. Yoshie Komuro to limit their liabilities prescribed in Article 423, paragraph (1) of the Companies Act to the minimum liability amount as prescribed in Article 427, paragraph (1) of the Companies Act. Provided the reelection of Mr. Kawamoto and Ms. Komuro and the new election of Mr. Kenji Chishiki are approved, the Company is going to conclude such agreements with them.

(Reference)

Independence Standards for Outside Directors and Outside Audit & Supervisory Board Members

When a candidate for Outside Director or Outside Audit & Supervisory Board Member applies to any of the following, the Company considers that the candidate does not have the independence as Outside Director/Outside Audit & Supervisory Board Member.

1. Relationship with a company at which a person engaged in business execution¹ of the Company assumes a director or corporate executive position
Any person engaged in business execution of a company at which a person engaged in business execution of the Company assumes a corporate executive position.
2. Major business partner
Any party that considers the Company as a major business partner² or a person engaged in business execution of the party, or any major business partner of the Company³ or a person engaged in business execution of the business partner.
3. Accounting auditor firm of the Company
Any person belonging to an accounting auditor firm that performs audits concerning the Company based on the Companies Act or the Financial Instruments and Exchange Act.
4. External specialist
Any external specialist who receives a considerable amount⁴ of money or other assets from the Company in addition to remuneration as an Outside Director or an Audit & Supervisory Board Member (such a specialist refers to an attorney-at-law, accountant, tax accountant, patent attorney, judicial scrivener, consultant, etc.; if the party receiving the aforesaid assets is a corporation, union, or any other form of organization, the person belonging to such organization).
5. Recipient of contribution
Any party receiving a considerable amount⁵ of contribution from the Company (if the party receiving the aforesaid contribution is a corporation, union, or any other form of organization, the person engaged in business execution at such organization).
6. Major shareholder
Any party or a person engaged in business execution of a respective company that beneficially holds 10% or more of the Company's voting rights.
7. Former relevant person
Any person that was applicable to any of 1. through 5. above in the past five years.
8. Next of kin
Next of kin of a person applicable to any of 1. through 7. above (excluding a person of no importance).

Notes:

- 1 "A person engaged in business execution" refers to an executive director, executive officer, general manager or employee (including adviser).
- 2 "Any party that considers the Company as a major business partner" refers to a party that has received from the Company an amount of payment equivalent to over 2% of its annual net sales in the most recent fiscal year.
- 3 "Major business partner of the Company" refers to a party that has paid the Company an amount equivalent to over 2% of the annual net sales of the Company or a party whose outstanding loan to the Company exceeds 2% of the total assets of the Company, in the most recent fiscal year.

- 4 “A considerable amount” with respect to assets received in the most recent fiscal year refers to, in case the party that has received the assets concerned is an individual, an annual amount of 10 million yen, and in case the party is a corporation, union, or any other form of organization, an amount over 2% of consolidated net sales or total revenue of the organization.
- 5 “A considerable amount” with respect to contribution received in the most recent fiscal year refers to, an annual amount of 10 million yen or 2% of the total revenue, whichever is higher.

Agenda Item No. 3: Revision to the Remuneration Amount for Outside Directors

Remuneration for Directors of the Company has been “500 million yen or less per year (of that 30 million yen or less per year for Outside Directors),” which was approved at the 60th Annual General Meeting of Shareholders held on May 24, 2007. As the Company is proposing to increase the number of Outside Directors by one in Agenda Item No. 2. to further strengthen the corporate governance, the Company wishes to make no changes to the total amount of remuneration to Directors (500 million yen or less per year) and only change the remuneration for Outside Directors from 30 million yen or less per year to 50 million yen or less per year as the amount was deemed reasonable after taking into consideration factors such as the further increase of Outside Directors’ duties and expected roles going forward.

The number of Directors is currently six (of which, two are Outside Directors), but if Agenda Item No. 2 is approved and adopted as originally proposed, the number of Directors will be seven (of which, three will be Outside Directors).

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