

To Our Shareholders

Hirotsugu Okuwa
President and Representative Director

I would like to express my sincere appreciation for your understanding and support of business activities of Okuwa Group. Enclosed please find the Notice of Convocation of the 53rd Ordinary General Meeting of Shareholders of OKUWA Co., Ltd. to be held on Thursday, May 12, 2022.

First of all, I express my deepest sympathies for those affected with COVID-19 and those who have been forced to live restricted lives, as well as my profound appreciation to medical personnel and others committed to the prevention of the spread of infection.

Since its foundation in 1959, OKUWA has believed that our mission is to, with the support of local residents, grow and develop as a company rooted in local communities that helps to make customers' lives more fulfilling and comfortable, guided by our core principles, "Improve Customers' Lifestyles" and "Make a Major Contribution to Society." At the start of fiscal 2022 (the fiscal year ending February 20, 2023), we regard "response to changes" from a viewpoint of customers as our business issue, including diversifying customers' needs, significant changes in consumer behavior and corporate activities which came to the surface especially due to the COVID-19 catastrophe, higher awareness of ESG and sustainability, advance in digital technologies. Based on it, OKUWA will continuously work on the improvement in customer convenience, provision of better commodities, investment in store equipment, operational reforms, and system investment.

Aiming to be "Changing Supermarkets with Abiding Loyalty" so as to create stores that can deliver convenience and enjoyment to customers, OKUWA will strive to improve our competitiveness and earning capacity by uniting all employees through the Group in order to fulfill expectations of our customers and shareholders, our business partners, and other stakeholders through contribution to local communities, the improvement of corporate value, and our continuous growth.

I sincerely hope that you, our shareholders, will continue to support us in these endeavors.

April 2022

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Securities Code: 8217)
April 21, 2022

To Shareholders with Voting Rights

Hirotsugu Okuwa
President and Representative Director
OKUWA Co., Ltd.
185-3 Nakajima, Wakayama City,
Wakayama, Japan

Notice of Convocation of the 53rd Ordinary General Meeting of Shareholders

Dear Shareholders:

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

You are hereby notified that the 53rd Ordinary General Meeting of Shareholders of OKUWA Co., Ltd. (the “Company”) will be held for the purposes as described below.

Instead of attending the meeting, you can exercise your voting rights in writing or via the Internet, etc. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights according to the guidance on pages 3 and 4 by 6 p.m. on Wednesday, May 11, 2022, Japan time.

- 1. Date and Time:** Thursday, May 12, 2022 at 10 a.m. Japan time
- 2. Place:** Large Hall, 4th floor, Education and Training Center, OKUWA Co., Ltd.
184-3 Nakajima, Wakayama City, Wakayama, Japan
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report and Non-consolidated Financial Statements for the Company’s 53rd fiscal year (February 21, 2021 to February 20, 2022)
 2. Consolidated Financial Statements and the results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements for the Company’s 53rd fiscal year (February 21, 2021 to February 20, 2022)
 - Matters to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Partial Amendments to the Articles of Incorporation
 - Proposal 3:** Election of Seven (7) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
 - Proposal 4:** Election of Five (5) Directors Who Are Audit & Supervisory Committee Members
 - Proposal 5:** Setting of Compensation Amount for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
 - Proposal 6:** Setting of Compensation Amount for Directors Who Are Audit & Supervisory Committee Members
 - Proposal 7:** Decision of Compensation for the Grant of Restricted Stock to Directors (Excluding Directors Who Are Audit & Supervisory Committee Members, Outside Directors and Other Non-executive Directors)

- Notes:
1. When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
 2. The documents attached to this Notice of Convocation do not include the “Notes to the Non-consolidated Financial Statements” and the “Notes to the Consolidated Financial Statements,” which are posted on the Company’s website (<http://www.okuwa.net/>) pursuant to laws and regulations and Article 15 of the Articles of Incorporation of the Company.
 3. Should the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements and the Consolidated Financial Statements require revisions, the revised matters will be posted on the Company’s website (<http://www.okuwa.net/>).

Guide to Exercising Voting Rights

If you are not attending the meeting

- Exercising voting rights in writing

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and send the form back to us.

If there is no indication of a vote for or against any proposal, it shall be treated as an indication of approval to the proposal.

Deadline: To arrive by 6 p.m. on Wednesday, May 11, 2022

- Exercising voting rights by Smart Voting or via the Internet

Please exercise your voting rights by accessing the voting rights exercise website (<https://www.web54.net>).

For details, please refer to the next page.

Exercise deadline: 6 p.m. on Wednesday, May 11, 2022

If you are attending the meeting:

- Attending the General Meeting of Shareholders

Please submit the enclosed Voting Rights Exercise Form at the reception desk.

Please bring this Notice with you to save resources.

Date and time of the General Meeting of Shareholders: 10 a.m. on Thursday, May 12, 2022

Exercising voting rights in writing

* Please send the form back to us early as it may take longer than usual for the mail to arrive.

- How to fill out the Voting Rights Exercise Form

Please indicate your vote for or against each proposal here.

Proposals for election

- If you approve of all candidates → Circle 贊 [Approve]
- If you disapprove of all candidates → Circle 否 [Disapprove]
- If you disapprove of certain candidates → Circle 贊 [Approve], and enter the candidate number(s) of the candidate(s) you disapprove of in the adjacent column

- Precautions for mailing the Voting Rights Exercise Form

If you circle both “Approve” and “Disapprove” in the relevant section of the Voting Rights Exercise Form, the vote will be deemed **invalid**.

If you have circled both “Approve” and “Disapprove” by mistake, **please cross out one of them**.

~ Exercise of Your Voting Rights Can Lead to Activities for Saving People in the World from Famine and Poverty ~

OKUWA has donated part of postage reduced by “Smart Voting (electromagnetic actions other than returning a postcard)” to the activities for saving people from famine and poverty by UN WFP.

Please use “Smart Voting” in which shareholders’ exercising voting rights can lead to the activities for saving people in the world from famine and poverty.

<Amount donated through Smart Voting> 234,234 yen as of May, 2021

Exercising voting rights by Smart Voting

1. Access the smartphone voting rights exercise website

Scan the “smartphone voting rights exercise website login QR code[®]” printed on the lower right corner of the enclosed Voting Rights Exercise Form using a smartphone or a tablet device.

* QR code[®] is a registered trademark of DENSO WAVE INCORPORATED.

2. Open the voting rights exercise website

Please indicate your vote for or against each proposal by following the on-screen instructions.

- “Approve” all Company proposals
- Vote on each proposal individually

If you wish to change your vote after exercising your voting rights, you will need to scan the QR code[®] again and enter the “voting code” and “password” printed on the enclosed Voting Rights Exercise Form.

Alternatively, you can also access the voting rights exercise website directly (<https://www.web54.net>) from a personal computer.

Exercising voting rights via the Internet, etc.

1. Access the voting rights exercise website
<https://www.web54.net>
2. Log in by entering the voting code
3. Enter the password

After that, please follow the on-screen instructions to indicate your vote for or against the proposals.

If you exercise your voting rights both in writing (by mail) and via the Internet, etc., your vote via the Internet, etc. will be treated as the valid vote.

If you exercise your voting rights more than once via the Internet, etc., the last vote will be treated as the valid vote.

- * Any costs incurred for using the voting rights exercise website, including connection fees and communication fees, shall be borne by the shareholder.
- * You may not be able to use the voting rights exercise website depending on the usage environment of the Internet, etc., the services you subscribe to or the model you use.

To Institutional Investors:

Only if you made a prior application, you may use Electronic Voting System Platform managed by ICJ, Inc.

If you have any questions, please contact the Stock Transfer Agent Web Support
on the dedicated number below.

**Dedicated number of Stock Transfer Agent Web Support,
Sumitomo Mitsui Trust Bank, Limited**

Telephone: 0120-652-031 Business hours: 9:00 a.m. to 9:00 p.m. (toll free)

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

Positioning the return of profits to shareholders as one of its management priorities, the Company proposes to pay a year-end dividend as follows, based on the basic policy of maintaining stable dividends, taking into consideration factors including the strengthening of its management structure and future business development:

Matters concerning year-end dividends

- (1) Type of dividend property
Cash
- (2) Matters concerning the allotment of dividend property to shareholders and the amount thereof
13 yen per share of the Company's common stock, for a total of 570,056,890 yen
- (3) Effective date of distribution of surplus
May 13, 2022

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

- (1) The Company will shift to a Company with an Audit & Supervisory Committee from a Company with an Audit & Supervisory Board in order to enhance a supervisory function of the Board of Directors by including Audit & Supervisory Committee Members responsible for audit and supervision of execution of duties by Directors in the Board of Directors, and to further improve corporate governance through the further enhancement of a surveillance system. Accordingly, the Company will make amendments necessary for the shift to a Company with an Audit & Supervisory Committee, including establishment of new provisions related to Directors who are Audit & Supervisory Committee Members and the Audit & Supervisory Committee, as well as deletion of provisions related to Audit & Supervisory Board Members and the Audit & Supervisory Board.
- (2) The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for a general meeting of shareholders, the Company shall make amendments as follows.
 - (i) The proposed Article 16, Paragraph 1 provides that information contained in the reference documents for the general meeting of shareholders, etc. shall be provided electronically.
 - (ii) The purpose of the proposed Article 16, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
 - (iii) The provisions related to the Internet disclosure and deemed provision of the reference materials for the general meeting of shareholders, etc. (Article 15 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
 - (iv) In line with the above, supplementary provisions related to the effective date, etc. shall be established.
- (3) The proposed provision of Article 8 will be newly established to clarify rights which can be exercised in relation to shares less than one unit
- (4) The proposed provision of Article 29, Paragraph 1 will be newly established as a provision to the effect that, in order to make it easy to bring capable personnel as Directors on board and enable them to sufficiently play an expected role, they can be exempt from liabilities to the extent provided for by laws and regulations with a resolution by the Board of Directors. Each Audit & Supervisory Board Member has agreed on said new establishment.
- (5) The Company will introduce the delegated executive officer system in order to ensure a prompt managerial decision making and enhance a management supervisory function of the Board of Directors. In line with the introduction of the system, the Company will make amendments required to change the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) to a reasonable level.
- (6) In line with the above amendments, the Company will make necessary amendments, including changes of numbers of Articles, addition and deletion of Articles, reorganization of wording, and modification of words.

2. Details of amendments

The details of the amendments are as follows.

The amendments to the Articles of Incorporation involved in this Proposal shall come into effect at the conclusion of this General Meeting of Shareholders.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
CHAPTER I General Provisions Article 1 to Article 3 <Omitted>	CHAPTER I General Provisions Article 1 to Article 3 <Same as at present>
Article 4 (Establishment of Organizational Bodies) The Company shall have <u>Board of Directors, Audit & Supervisory Board Members, Audit & Supervisory Board, and Accounting Auditors.</u>	Article 4 (Establishment of Organizational Bodies) The Company shall have <u>the following organizational bodies in addition to the general meeting of shareholders and Directors.</u> <u>1. Board of Directors</u> <u>2. Audit & Supervisory Committee</u> <u>3. Accounting Auditors</u>
Article 5 <Omitted>	Article 5 <Same as at present>
CHAPTER II Shares Article 6 to Article 7 <Omitted>	CHAPTER II Shares Article 6 to Article 7 <Same as at present>
<Newly established>	<u>Article 8 (Rights in Relation to Shares Less than One Unit)</u> <u>A shareholder of the Company cannot exercise any rights other than those shown hereunder for his or her fractions of shares of less than one unit of stock:</u> <u>1. Rights set forth in Article 189, Paragraph 2, each item of the Companies Act;</u> <u>2. Right to make requests set forth in a provision of Article 166, Paragraph 1 of the Companies Act;</u> <u>3. Right to receive allotment of offered shares or offered stock acquisition rights in proportion to the number of shares held by the shareholder; and</u> <u>4. Right to make requests provided for in the following Article.</u>
Article 8 (Request for Additional Purchase of Shares Less Than One Unit) A shareholder <u>holding shares less than one unit</u> may request <u>the Company</u> to sell <u>to him/her</u> such number of shares which would, when added to the shares less than one unit, constitute one unit of stock.	Article 9 (Request for Additional Purchase of Shares Less Than One Unit) A shareholder <u>of the Company</u> may, <u>as provided for in the Share Handling Regulations</u> , request to sell such number of shares which would, when added to the <u>number of shares less than one unit held by him/her</u> , constitute one unit of stock.
Article 9 <Omitted>	Article 10 <Same as at present>
Article 10 (Share Handling Regulations) The handling related to shares of the Company shall be governed by the Share Handling Regulations provided for by the Board of Directors.	Article 11 (Share Handling Regulations) The handling related to shares of the Company shall be governed by, <u>in addition to laws and regulations or the Articles of Incorporation</u> , the Share Handling Regulations provided for by the Board of Directors.

Current Articles of Incorporation	Proposed Amendments
CHAPTER III General Meeting of Shareholders	CHAPTER III General Meeting of Shareholders
<p>Article <u>11</u> (Record Date) <u>The Company shall deem any shareholders recorded in the register of shareholders as of February 20 of each year to be a shareholder who is entitled to exercise his/her rights at an ordinary general meeting of shareholders.</u></p>	<p>Article <u>12</u> (Record Date <u>of Ordinary General Meeting of Shareholders</u>) <u>The record date with respect to voting rights at an ordinary general meeting of shareholders of the Company shall be February 20 of each year.</u></p>
<p>Article <u>12</u> (Timing of Convocation) An ordinary general meeting of shareholders of the Company shall be convened no later than May 20 of each year.</p>	<p>Article <u>13</u> (Timing of Convocation) An ordinary general meeting of shareholders of the Company shall be convened no later than May 20 of each year, <u>and an extraordinary general meeting of shareholders shall be convened whenever necessary.</u></p>
<p>Article <u>13</u> <Omitted></p>	<p>Article <u>14</u> <Same as at present></p>
<p>Article <u>14</u> (Requirements for Resolution) Except as otherwise provided by laws and regulations or by the Articles of Incorporation, resolutions of a general meeting of shareholders shall be adopted by a majority of votes of the shareholders present.</p>	<p>Article <u>15</u> (Requirements for Resolution) Except as otherwise provided by laws and regulations or by the Articles of Incorporation, resolutions of a general meeting of shareholders shall be adopted by a majority of votes of the shareholders <u>with voting rights</u> present.</p>
<p>2. A resolution by a general meeting of shareholders stipulated in Article 309, Paragraph 2 of the Companies Act shall be adopted when, at a general meeting of shareholders where shareholders with voting rights surpassing one-third (1/3) of the aggregate voting rights of the total shareholders capable of exercising such rights are present, it is approved by a vote of two-thirds (2/3) or more of the voting rights present.</p>	<p>2. <Same as at present></p>
<p><u>Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u> <u>The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the Internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p>	<p><Deleted></p>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;"><Newly established></p>	<p><u>Article 16 (Measures for Electronic Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u> <u>The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u> <u>2. Among the matters to be provided electronically, the Company shall not be required to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it.</u></p>
<p>Article <u>16</u> <Omitted></p>	<p>Article <u>17</u> <Same as at present></p>
<p>CHAPTER IV. Directors and Board of Directors</p>	<p>CHAPTER IV. Directors and Board of Directors</p>
<p>Article <u>17</u> (Number of Directors) The number of Directors of the Company shall not exceed <u>20</u>.</p> <p style="text-align: center;"><Newly established></p>	<p>Article <u>18</u> (Number of Directors) The number of Directors (<u>excluding Directors who are Audit & Supervisory Committee Members</u>) of the Company shall not exceed <u>10</u>. <u>2. The number of Directors who are Audit & Supervisory Committee Members shall not exceed 5.</u></p>
<p>Article <u>18</u> (Election) <Newly established></p> <p>The election of Directors shall be adopted <u>at a general meeting of shareholders</u> by a majority vote of the shareholders present who hold one-third (1/3) or more of the total number of voting rights of shareholders with voting rights. <u>2. Cumulative voting shall not be used for the election of Directors.</u></p>	<p>Article <u>19</u> (Election) <u>Directors shall be elected at a general meeting of shareholders, separating Directors who are Audit & Supervisory Committee Members and other Directors.</u> <u>2. Resolutions for the election of Directors shall be adopted by a majority vote of the shareholders present who hold one-third (1/3) or more of the total number of voting rights of shareholders with voting rights.</u> <u>3. Cumulative voting shall not be used for resolutions for the election of Directors.</u></p>
<p>Article <u>19</u> (Term of Office) The term of office of each of Directors shall expire at the conclusion of the ordinary general meeting of shareholders held with respect to the last business year that ends within one (1) year from their election.</p> <p style="text-align: center;"><Newly established></p> <p style="text-align: center;"><Newly established></p>	<p>Article <u>20</u> (Term of Office) The term of office of Directors (<u>excluding Directors who are Audit & Supervisory Committee Members</u>) shall expire at the conclusion of the ordinary general meeting of shareholders held with respect to the last business year that ends within one (1) year from their election. <u>2. The term of office of Directors who are Audit & Supervisory Committee Members shall expire at the conclusion of the ordinary general meeting of shareholders held with respect to the last business year that ends within two (2) years from their election.</u> <u>3. The term of office of Directors who are Audit & Supervisory Committee Members elected to fill a vacancy caused by the resignation of Directors who are Audit & Supervisory Committee Members prior to the expiry of such Directors' term of office shall expire at the time the term of office of their predecessor expires.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>Article <u>20</u> (Convocation of Meetings of the Board of Directors) Notice of convocation of a meeting of the Board of Directors shall be delivered to each of Directors <u>and Audit & Supervisory Board Members</u> three (3) days before the date of such meeting; provided, however, that such period may be shortened in case of urgency. <Newly established></p> <p>2. Unless otherwise provided for by laws and regulations, a Representative Director shall convene meetings of the Board of Directors and act as Chairman. If there are multiple Representative Directors, the order of priority shall be determined in advance with a resolution of the Board of Directors. If the Representative Director(s) is(/are) unable to act as such, one of the other Directors shall act as Chairman in accordance with the order of priority determined in advance by the Board of Directors.</p> <p>3. <u>If a Director submit a proposal regarding to a subject matter of a resolution by the Board of Directors, and if all of the Directors who can participate in the vote of said proposal indicate their consent to the proposal, either in writing or in electromagnetic records, and any Audit & Supervisory Board Member does not oppose to the proposal, the Company shall deem such proposal as having been approved by the Board of Directors.</u></p>	<p>Article <u>21</u> (Convocation of Meetings of the Board of Directors) Notice of convocation of a meeting of the Board of Directors shall be delivered to each of Directors <u>no later than</u> three (3) days before the date of such meeting; provided, however, that such period may be shortened in case of urgency.</p> <p>2. <u>If there is unanimous consent of all Directors, the meeting of the Board of Directors may be held without following the convocation procedures.</u></p> <p>3. <Same as at present></p> <p style="text-align: center;"><Deleted></p>
<p style="text-align: center;"><Newly established></p>	<p>Article <u>22</u> (Delegation of Decision-making on Important Business Executions) <u>The Board of Directors may, pursuant to a provision of Article 399-13, Paragraph 6 of the Companies Act, delegate to Directors all or part of the authority of decision-making on important business executions (excluding matters listed on each Item in Paragraph 5 of the same Article) with its resolution.</u></p>
<p>Article <u>21</u> (Representative Directors and Directors with Special Titles) From among Directors, the Board of Directors shall appoint one (1) President and Director, and may, as necessary, appoint one (1) Supreme Advisor of the Board, one (1) Chairman of the Board, one (1) Deputy Chairman of the Board, and one (1) or a few Vice President and Directors, Senior Managing Directors, and Managing Directors, by its resolution.</p> <p>2. The President and Director shall represent the Company.</p> <p>3. In addition to the President and Director, a Director who represents the Company may, by a resolution of the Board of Directors, be elected.</p>	<p>Article <u>23</u> (Representative Directors and Directors with Special Titles) From among Directors (<u>excluding Directors who are Audit & Supervisory Committee Members</u>), the Board of Directors shall appoint one (1) President and Director, and may, as necessary, appoint one (1) Supreme Advisor of the Board, one (1) Chairman of the Board, one (1) Deputy Chairman of the Board, and one (1) or a few Vice President and Directors, Senior Managing Directors, and Managing Directors, by its resolution.</p> <p>2. <Same as at present></p> <p>3. <Same as at present></p>

Current Articles of Incorporation	Proposed Amendments
<p>Article <u>22</u> (Authority of the Board of Directors) The Board of Directors shall decide matters stipulated in laws and regulations, and the Articles of Incorporation, as well as important matters of the Company.</p>	<p>Article <u>24</u> (Authority of the Board of Directors) The Board of Directors shall decide matters stipulated in laws and regulations, and the Articles of Incorporation, as well as important matters of the Company; <u>provided, however, that matters delegated to Directors pursuant to provisions of Article 22 shall be excluded.</u></p>
<p>Article <u>23</u> <Omitted></p>	<p>Article <u>25</u> <Same as at present></p>
<p>Article <u>24</u> (Resolutions of the Board of Directors) A resolution of the Board of Directors shall be adopted by a majority of the votes at a meeting of Board of Directors at which a majority of the total number of the Directors are present.</p> <p style="text-align: center;"><Newly established></p>	<p>Article <u>26</u> (Resolutions of the Board of Directors) A resolution of the Board of Directors shall be adopted by a majority of the votes at a meeting of the Board of Directors at which a majority of the total number of the Directors <u>who are entitled to take part in the resolution</u> are present. <u>2. If the requirements of Article 370 of the Companies Act are met, the Company shall deem that a resolution of the Board of Directors has been made.</u></p>
<p>Article <u>25</u> <Omitted></p>	<p>Article <u>27</u> <Same as at present></p>
<p>Article <u>26</u> (Compensation) Compensation for Directors shall be decided by a resolution of a general meeting of shareholders.</p>	<p>Article <u>28</u> (Compensation) Compensation for Directors shall be decided by resolution of a general meeting of shareholders, <u>separating Directors who are Audit & Supervisory Committee Members and other Directors.</u></p>
<p>Article <u>27</u> (<u>Liability Limitation Agreement with Directors</u>) <p style="text-align: center;"><Newly established></p> <p>Pursuant to provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with Directors (excluding those who are Executive Directors, etc.) which limit the liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act; provided, however, that the limit of the liability under such agreements shall be an amount prescribed by laws or regulations.</p> </p>	<p>Article <u>29</u> (<u>Exemption from Liabilities of Directors</u>) <u>In accordance with provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt Directors (including former Directors) from their liabilities provided for in Article 423, Paragraph 1 of the Companies Act within the limits stipulated by laws and regulations.</u> <u>2.</u> <Same as at present></p>
<p><u>CHAPTER V Audit & Supervisory Board Members and Audit & Supervisory Board</u></p>	<p style="text-align: center;"><Deleted></p>
<p>Article <u>28</u> (<u>Number of Audit & Supervisory Board Members</u>) <u>The number of Audit & Supervisory Board Members shall not exceed five (5).</u></p>	<p style="text-align: center;"><Deleted></p>

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 29 (Election)</u> <u>The election of Audit & Supervisory Board Members shall be adopted at a general meeting of shareholders by a majority vote of the shareholders present who hold one-third (1/3) or more of the total number of voting rights of shareholders with voting rights.</u></p>	<p><Deleted></p>
<p><u>Article 30 (Term of Office)</u> <u>The term of office of each of Audit & Supervisory Board Members shall expire at the conclusion of the ordinary general meeting of shareholders held with respect to the last business year that ends within four (4) years from their election.</u> <u>2. The term of office of any Substitute Audit & Supervisory Board Member shall be the same as the remaining term of office of his/her predecessor.</u></p>	<p><Deleted></p>
<p><u>Article 31 (Convocation of Meetings of the Audit & Supervisory Board)</u> <u>Notice of convocation of a meeting of the Audit & Supervisory Board shall be delivered to each of Audit & Supervisory Board Members three (3) days before the date of such meeting; provided, however, that such period may be shortened in case of urgency.</u></p>	<p><Deleted></p>
<p><u>Article 32 (Standing Audit & Supervisory Board Member)</u> <u>The Audit & Supervisory Board shall elect a Standing Audit & Supervisory Board Member from among Audit & Supervisory Board Members.</u></p>	<p><Deleted></p>
<p><u>Article 33 (Audit & Supervisory Board Regulations)</u> <u>In addition to laws and regulations or the Article of Incorporation, the matters concerning the Audit & Supervisory Board shall be governed by the Audit & Supervisory Board Regulations established by the Audit & Supervisory Board.</u></p>	<p><Deleted></p>
<p><u>Article 34 (Resolutions of the Audit & Supervisory Board)</u> <u>Unless otherwise provided by laws and regulations, a resolution of the Audit & Supervisory Board shall be adopted by a majority of the votes of the Audit & Supervisory Board Members.</u></p>	<p><Deleted></p>
<p><u>Article 35 (Compensation)</u> <u>Compensation for Audit & Supervisory Board Members shall be decided by a resolution of a general meeting of shareholders.</u></p>	<p><Deleted></p>

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 36 (Liability Limitation Agreement with Audit & Supervisory Board Members)</u> <u>Pursuant to provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with Audit & Supervisory Board Members which limit the liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act; provided, however, that the limit of the liability under such agreements shall be an amount prescribed by laws or regulations.</u></p>	<p><Deleted></p>
<p><Newly established></p>	<p>CHAPTER V Audit & Supervisory Committee</p>
<p><Newly established></p>	<p><u>Article 30 (Convocation of Meetings of the Audit & Supervisory Committee)</u> <u>Notice of convocation of a meeting of the Audit & Supervisory Committee shall be delivered to each of Audit & Supervisory Committee Members no later than three (3) days before the date of such meeting; provided, however, that such period may be shortened in case of urgency.</u> <u>2. If there is unanimous consent of all Audit & Supervisory Committee Members, the meeting of the Audit & Supervisory Committee may be held without following the convocation procedures.</u></p>
<p><Newly established></p>	<p><u>Article 31 (Standing Audit & Supervisory Committee Members)</u> <u>The Audit & Supervisory Committee may, by its resolution, elect Standing Audit & Supervisory Committee Members.</u></p>
<p><Newly established></p>	<p><u>Article 32 (Audit & Supervisory Committee Regulations)</u> <u>In addition to laws and regulations or the Article of Incorporation, matters concerning the Audit & Supervisory Committee shall be governed by the Audit & Supervisory Committee Regulations established by the Audit & Supervisory Committee.</u></p>
<p><Newly established></p>	<p><u>Article 33 (Resolutions of Audit & Supervisory Committee)</u> <u>Resolutions of the Audit & Supervisory Committee shall be adopted by a majority of the votes at a meeting of the Audit & Supervisory Committee at which a majority of the total number of the Audit & Supervisory Committee Members who are entitled to take part in the resolution are present.</u></p>
<p>CHAPTER VI. Accounts</p>	<p>CHAPTER VI. Accounts</p>
<p>Article <u>37</u> <Omitted></p>	<p>Article <u>34</u> <Same as at present></p>

Current Articles of Incorporation	Proposed Amendments
<p>Article <u>38</u> (Dividend of Surplus) <u>The Company may, by resolution of a general meeting of shareholders, distribute year-end dividends to those shareholders or registered share pledgees who are recorded in the register of shareholders as of the last day of each business year.</u> 2. In addition to the arrangement in the preceding paragraph, the Company may, by a resolution of the Board of Directors, distribute interim dividends <u>to those shareholders or registered share pledgees who are recorded in the register of shareholders</u> as of August 20 of each year.</p>	<p>Article <u>35</u> (Record Date of Dividend of Surplus) <u>The Company's record date for year-end dividends shall be February 20 of each year.</u></p> <p>2. In addition to the arrangement in the preceding paragraph, the Company may, by a resolution of the Board of Directors, distribute interim dividends, <u>the record date for which shall be August 20 of each year.</u></p>
<p>Article <u>39</u> <Omitted></p>	<p>Article <u>36</u> <Same as at present></p>
<p>Article <u>40</u> (Prescription Period of Dividends) If <u>year-end dividends or interim dividends</u> remain unclaimed for three (3) full years after the date of commencement of the payment, the Company shall be relieved from the obligation to pay the dividends.</p>	<p>Article <u>37</u> (Prescription Period of Dividends) If <u>dividend property is cash, and the payment thereof</u> remains unclaimed for three (3) full years after the date of commencement of the payment, the Company shall be relieved from the obligation to pay the dividends.</p>
<p><Newly established> <Newly established></p>	<p style="text-align: center;"><u>Supplementary Provisions</u></p> <p><u>Article 1</u> <u>The deletion of provisions of Article 15 of the Articles of Incorporation before amendment and the establishment of new Article 16 of the Articles of Incorporation after amendment shall come into effect on the date of enforcement stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the "Effective Date").</u> 2. <u>The following provisions shall be effective from the Effective Date. These provisions shall remain in force until the date after the lapse of six (6) months from the Effective Date or the lapse of three (3) months from the date of the last general meeting of shareholders to be held within six (6) months from the Effective Date, whichever is later.</u> <u>The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the Internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u> 3. <u>These supplementary provisions shall be deleted on either of the dates set forth in the preceding paragraph, whichever is later.</u></p>

Proposal 3: Election of Seven (7) Directors (Excluding Directors Who are Audit & Supervisory Committee Members)

If Proposal 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will become a Company with an Audit & Supervisory Committee, and the terms of office of all twelve (12) Directors will expire at the time when the amendments to the Articles of Incorporation come into force. Accordingly, the election of seven (7) Directors (excluding Directors who are Audit & Supervisory Committee Members; hereinafter the same applies in this Proposal) after the transition to a Company with an Audit & Supervisory Committee is proposed.

This Proposal will take effect subject to the amendments to the Articles of Incorporation in Proposal 2 “Partial Amendments to the Articles of Incorporation” coming into force.

The candidates for Director are as follows:

No.	Name	Current position at the Company	Attendance at meetings of the Board of Directors
1	<u>Reappointment</u> Hirotsugu Okuwa (Age 52)	President and Representative Director	100% (14 out of 14 meetings)
2	<u>Reappointment</u> Kozo Togawa (Age 59)	Managing Director	100% (14 out of 14 meetings)
3	<u>Reappointment</u> Yoji Takeda (Age 57)	Managing Director	100% (14 out of 14 meetings)
4	<u>Reappointment</u> Ikuji Okuwa (Age 80)	Chairman of the Board	100% (14 out of 14 meetings)
5	<u>Reappointment</u> Shoji Okuwa (Age 75)	Director	100% (14 out of 14 meetings)
6	<u>Reappointment</u> Keiji Okuwa (Age 73)	Director	92.8% (13 out of 14 meetings)
7	<u>Reappointment</u> Toshio Okuwa (Age 70)	Director	100% (14 out of 14 meetings)

Reappointment Candidate for reappointment as Director

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Hirotsugu Okuwa (April 23, 1970) <u>Reappointment</u>	<p>December 1996 Joined the Company</p> <p>August 2002 Store Manager, Minoshima Store</p> <p>February 2004 Senior Buyer of Fisheries, Food Business Division</p> <p>February 2006 Assistant General Manager, Development Headquarters</p> <p>September 2007 Assistant General Manager, Finance Division</p> <p>February 2010 Senior General Manager, Business Reform Office</p> <p>January 2013 General Manager, Food Business Division</p> <p>February 2013 Executive Officer and General Manager, Food Business Division</p> <p>May 2013 Director; Executive Officer; and General Manager, Food Business Division</p> <p>February 2014 Director; Executive Officer; and General Manager, Food Headquarters</p> <p>February 2016 Managing Director; Executive Officer; and General Manager, Human Resources and General Affairs Headquarters</p> <p>February 2019 Senior Managing Director; Executive Officer; and General Manager, Sales Headquarters</p> <p>February 2020 Vice President and Representative Director, and General Manager, Sales Headquarters</p> <p>February 2021 President and Representative Director, and General Manager, Sales Headquarters</p> <p>February 2022 President and Representative Director (current position)</p> <p>Significant concurrent positions: Chairman and Representative Director, OAK-FOODS Corporation President and Representative Director, Nihon Ryutsu Sangyo Co., Ltd.</p> <p>[Reasons for selection as a candidate for Director] Mr. Hirotsugu Okuwa has served as the General Manager of the Food Headquarters, the Human Resources and General Affairs Headquarters, and the Sales Headquarters since taking office as Director, drawing on his abundant experience and profound insight into all aspects of management. The Company renominates him as a candidate for Director, as it expects that he will play a vital role in decision-making on important management matters and supervision of business execution.</p>	535,000
2	Kozo Togawa (August 20, 1962) <u>Reappointment</u>	<p>April 1987 Joined The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited)</p> <p>October 2012 General Manager, Futakotamagawa Consulting Office Business Department, Sumitomo Mitsui Trust Bank, Limited</p> <p>October 2015 General Manager, Kumamoto Branch, Sumitomo Mitsui Trust Bank, Limited</p> <p>June 2017 Joined the Company Deputy General Manager, Administration Headquarters</p> <p>February 2018 General Manager, Administration Headquarters</p> <p>May 2018 Managing Director; Executive Officer; General Manager, Administration Headquarters; and General Manager, IR Office (current position)</p> <p>[Reasons for selection as a candidate for Director] Mr. Kozo Togawa possesses profound insight into finance and economics in general, which he acquired in his previous job. The Company renominates him as a candidate for Director as it believes that he is a suitable person to enhance the Company's corporate value based on his business achievements in finance and accounting, information management, and other departments.</p>	2,000

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Yoji Takeda (September 17, 1964) <u>Reappointment</u>	<p>March 1987 Joined the Company</p> <p>April 2011 General Manager, Price Cut Retail Format Division</p> <p>October 2012 General Manager, Super Center Retail Format Division</p> <p>February 2013 General Manager, Osaka and Hyogo Retail Division</p> <p>August 2014 General Manager, Osaka, Hyogo and Nara Retail Division</p> <p>February 2015 Executive Officer and General Manager, Osaka, Hyogo and Nara Retail Division</p> <p>February 2016 Executive Officer; General Manager, Retail Headquarters; and General Manager, Business Reform Office</p> <p>May 2016 Director; Executive Officer; General Manager, Retail Headquarters; and General Manager, Business Reform Office</p> <p>February 2019 Director; Executive Officer; General Manager, Retail Business Division; and General Manager, Business Reform Office</p> <p>June 2019 Director; Executive Officer; General Manager, Food Business Division; and General Manager, Quality Control Office</p> <p>February 2020 Director; Executive Officer; General Manager, Food Business Division; General Manager, Quality Control Office; and General Manager, Fresh Food Division</p> <p>February 2021 Director; Executive Officer; General Manager, Food Business Division; and General Manager, Quality Control Office</p> <p>February 2022 Managing Director; Executive Officer; General Manager, Sales Headquarters; and General Manager, Food Business Division (current position)</p> <p>[Reasons for selection as a candidate for Director] Mr. Yoji Takeda has many years of experience in the management and operation of the Company's stores and has demonstrated the ability to take action by establishing store formats and implementing store operation reforms. The Company renominates him as a candidate for Director as it expects that he will use this to contribute to the improvement of the Company's future business performance and make appropriate management decisions.</p>	5,000
4	Ikuji Okuwa (March 1, 1942) <u>Reappointment</u>	<p>March 1964 Joined Shingu Store, Shufu No Mise Ltd.</p> <p>February 1969 Managing Director, the Company</p> <p>November 1984 Vice President and Director</p> <p>May 1989 President and Representative Director</p> <p>May 1998 Chairman and Representative Director</p> <p>May 2008 Chairman and Representative Director, and CEO</p> <p>February 2020 Chairman of the Board (current position)</p> <p>[Reasons for selection as a candidate for Director] Mr. Ikuji Okuwa has been involved in the management of the Company for many years. The Company renominates him as a candidate for Director as it believes that he will be able to contribute to enhancing the Company's corporate value and strengthening its governance with his abundant knowledge and leadership.</p>	3,225,000

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	Shoji Okuwa (December 6, 1946) <u>Reappointment</u>	February 1969 Audit & Supervisory Board Member, the Company May 1974 Director May 1987 Senior Managing Director and General Manager, Nanki Retail Business Division May 1998 Deputy Chairman of the Board February 2003 Director (current position) [Reasons for selection as a candidate for Director] The Company renominates Mr. Shoji Okuwa as a candidate for Director as it expects that he will utilize his profound insight into all aspects of management in the Company's business.	228,900
6	Keiji Okuwa (February 18, 1949) <u>Reappointment</u>	March 1971 Joined the Company May 1980 Director May 1987 Senior Managing Director February 1992 Vice President and Director May 1998 President and Representative Director May 2008 Deputy Chairman of the Board May 2011 Director (current position) Significant concurrent positions: Chairman and Representative Director, O-Entertainment Co., Ltd. [Reasons for selection as a candidate for Director] Mr. Keiji Okuwa served as the President and Representative Director of the Company from 1998, and has abundant experience and profound insight as a corporate manager of the Company and its Group companies. The Company renominates him as a candidate for Director as it believes that he will be able to utilize his experience and insight in the management of the Company.	1,219,100
7	Toshio Okuwa (June 10, 1951) <u>Reappointment</u>	February 1976 Joined the Company May 1980 Director and General Manager, Sunready Business Division February 1984 Director and General Manager, Specialty Store Division July 1986 Director and General Manager, Specialty Store Headquarters February 1991 Retired as Director May 1994 Director October 2012 Director and Assistant to the Chairman of the Board (in charge of Group Management Reform) November 2013 Director; Executive Officer; Assistant to the Chairman of the Board; and General Manager, Human Resources and General Affairs Headquarters (in charge of Group Management Reform) May 2014 Deputy Chairman of the Board; Executive Officer; General Manager, Human Resources and General Affairs Headquarters; and General Manager, Development Headquarters February 2015 Deputy Chairman of the Board; Executive Officer; and General Manager, Human Resources and General Affairs Headquarters May 2015 Deputy Chairman of the Board; Executive Officer; General Manager, Human Resources and General Affairs Headquarters; and General Manager, Management Strategy Office February 2016 Deputy Chairman of the Board; Executive Officer; and General Manager, Management Strategy Office February 2019 Director (current position) Significant concurrent positions: Chairman and Representative Director, PARTYHOUSE Co., Ltd. [Reasons for selection as a candidate for Director] The Company renominates Mr. Toshio Okuwa as a candidate for Director as it believes that he will be able to utilize his abundant experience and profound insight as a corporate manager of the Company in the management of the Company.	1,223,000

Notes:

1. Mr. Hirotsugu Okuwa, a candidate for Director, concurrently serves as Chairman and Representative Director of OAK-FOODS Corporation. The Company leases real estate and loans funds to, and guarantees obligations of OAK-FOODS Corporation.
2. Mr. Hirotsugu Okuwa, a candidate for Director, concurrently serves as President and Representative Director of Nihon Ryutsu Sangyo Co., Ltd. The Company purchases products from Nihon Ryutsu Sangyo Co., Ltd.
3. Mr. Keiji Okuwa, a candidate for Director, concurrently serves as Chairman and Representative Director of O-Entertainment Co., Ltd. The Company leases real estate to O-Entertainment Co., Ltd.
4. Mr. Toshio Okuwa, a candidate for Director, concurrently serves as Chairman and Representative Director of PARTYHOUSE Co., Ltd. The Company leases real estate and facilities to, and guarantees obligations of PARTYHOUSE Co., Ltd.
5. There are no special interests between any of the other candidates and the Company.
6. Pursuant to Article 27 of the Articles of Incorporation, the Company has entered into liability limitation agreements with Mr. Shoji Okuwa, Mr. Keiji Okuwa, and Mr. Toshio Okuwa, candidates for Director, to limit their liability to the maximum amount stipulated by laws and regulations. If this proposal is approved and they are reappointed, the Company intends to renew these agreements.
7. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with all the Company's Directors as the insured. If the candidates are reappointed as Directors of the Company, they will become the insured under this insurance contract. The Company plans to renew this insurance contract with the same details at the time of the next renewal. For an overview of this contract, refer to page 44 of the Business Report (available in Japanese only).

Proposal 4: Election of Five (5) Directors Who are Audit & Supervisory Committee Members

If Proposal 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will become a Company with an Audit & Supervisory Committee. Accordingly, the election of five (5) Directors who are Audit & Supervisory Committee Members is proposed.

The Audit & Supervisory Board has given its consent to this proposal.

This proposal will take effect subject to the amendments to the Articles of Incorporation in Proposal 2 “Partial Amendments to the Articles of Incorporation” coming into force.

The candidates for Director who are Audit & Supervisory Committee Members are as follows:

No.	Name	Current position at the Company	Attendance at meetings of the Board of Directors/Audit & Supervisory Board
1	<u>New appointment</u> Yoshihiko Ikezaki (Age 67)	Audit & Supervisory Board Member	100% (14 out of 14 meetings) 100% (17 out of 17 meetings)
2	<u>New appointment</u> Shinzo Takano (Age 72) <u>Outside</u> <u>Independent</u>	Outside Director	100% (14 out of 14 meetings) -% (- out of - meetings)
3	<u>New appointment</u> Ichiro Okamoto (Age 67) <u>Outside</u> <u>Independent</u>	Outside Director	100% (14 out of 14 meetings) -% (- out of - meetings)
4	<u>New appointment</u> Kenji Kuryu (Age 72) <u>Outside</u> <u>Independent</u>	Outside Audit & Supervisory Board Member	100% (14 out of 14 meetings) 100% (17 out of 17 meetings)
5	<u>New appointment</u> Taeko Yashima (Age 70) <u>Outside</u> <u>Independent</u>	Outside Audit & Supervisory Board Member	92.8% (13 out of 14 meetings) 100% (17 out of 17 meetings)

New appointment

New candidate for Director

Outside

Candidate for Outside Director

Independent

Independent officer as prescribed by stock exchanges, etc.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Yoshihiko Ikezaki (October 27, 1954) <u>New appointment</u>	<p>April 1978 Joined the Company October 1991 Section Manager, Information Management Office February 1996 General Manager, Information Management Office July 2003 Store Manager, Kashihara Masuga Store February 2005 Store Manager, Kishiwada Hatsuta Store February 2011 Manager, Internal Audit Office May 2012 General Manager, Internal Audit Office May 2020 Standing Audit & Supervisory Board Member (current position)</p> <p>[Reasons for selection as a candidate for Director] Mr. Yoshihiko Ikezaki has experience in the information management division and serving as a store manager at the Company, and had served as a General Manager of Internal Audit Office since May 2012, and have been serving as a Standing Audit & Supervisory Board Member since May 2020. The Company proposes to newly appoint him as a Director who is an Audit & Supervisory Committee Member, as it believes, that, with his experience, ability, and knowledge, he is appropriate as a Director of the Company.</p>	7,500
2	Shinzo Takano (October 1, 1949) <u>New appointment</u> <u>Outside</u> <u>Independent</u> Number of years as Outside Director Five (5) Years	<p>April 1968 Recruited by Wakayama Prefectural Police March 2005 Chief of Shingu Police Station March 2007 Chief of Wakayama Kita Police Station March 2008 General Manager, Traffic Division, Wakayama Prefectural Police Headquarters March 2009 Chief of Wakayama Nishi Police Station April 2010 Joined Mitsui Sumitomo Insurance Company, Limited March 2016 Retired from Mitsui Sumitomo Insurance Company, Limited May 2017 Outside Director, the Company (current position)</p> <p>[Reasons for selection as a candidate for Outside Director and expected role] Mr. Shinzo Takano has many years of diverse experience at the police including the office of the chief of police stations at Wakayama Prefectural Police and extensive and advanced knowledge and experience concerning organizational management and risk management, etc. Expecting him to play roles of realizing the management plan aimed by the Company and further improving risk management and effectiveness of the Board of Directors by using such knowledge and experience, the Company proposes to newly appoint him as an Outside Director who is an Audit & Supervisory Committee Member. If he is elected, the Company plans to have him involved in selection of candidates for Directors of the Company and decision-making on compensation for Directors, etc. as a Nomination and Compensation Committee Member from an objective and neutral standpoint.</p>	0

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	<p data-bbox="204 454 421 510">Ichiro Okamoto (February 10, 1955)</p> <p data-bbox="225 544 400 577">New appointment</p> <p data-bbox="272 584 352 618">Outside</p> <p data-bbox="252 624 373 658">Independent</p> <p data-bbox="220 680 405 770">Number of years as Outside Director Two (2) Years</p>	<p data-bbox="453 275 1289 555"> April 1979 Joined Osaka Regional Taxation Bureau July 2007 Deputy District Director, Higashiyodogawa Tax Office July 2009 District Director, Izumisano Tax Office April 2013 Appeals Judge and Director, Second Department, Osaka Regional Tax Tribunal July 2013 District Director, Okinawa Tax Office July 2014 District Director, Wakayama Tax Office August 2015 Certified public tax accountant (current position) May 2020 Outside Director, the Company (current position) </p> <p data-bbox="453 562 1289 949"> [Reasons for selection as a candidate for Outside Director and expected role] Mr. Ichiro Okamoto had held senior positions at Osaka Regional Taxation Bureau such as a District Director of Izumisano Tax Office and Wakayama Tax Office, and is still active as a certified public tax accountant. Therefore, he has extensive and advanced knowledge and experience related to handling of tax affairs, accounting, risks, and other matters. Expecting him to play roles of giving accurate advice on general management of the Company based on such professional and extensive knowledge and experience, the Company proposes to newly appoint him as an Outside Director who is an Audit & Supervisory Committee Member. If he is elected, the Company plans to have him involved in selection of candidates for Directors of the Company and decision-making on compensation for Directors, etc. as a Nomination and Compensation Committee Member from an objective and neutral standpoint. </p>	0
4	<p data-bbox="204 1227 421 1283">Kenji Kuryu (November 3, 1949)</p> <p data-bbox="225 1317 400 1350">New appointment</p> <p data-bbox="272 1357 352 1391">Outside</p> <p data-bbox="252 1397 373 1431">Independent</p>	<p data-bbox="453 960 1289 1290"> April 1973 Joined The Kiyu Bank, Ltd. April 1993 Assistant to Director, Head Office Marketing Department, The Kiyu Bank, Ltd. October 1993 General Manager, Shimotsu Branch, The Kiyu Bank, Ltd. October 1995 General Manger, Higashikaizuka Branch, The Kiyu Bank, Ltd. October 1998 Deputy General Manager, Credit Department, The Kiyu Bank, Ltd. January 2000 Assistant to Director, Planning & Personnel Department June 2003 Director-general, Wakayama Association of Corporate Executives May 2012 Outside Audit & Supervisory Board Member, the Company (current position) </p> <p data-bbox="453 1296 1289 1684"> [Reasons for selection as a candidate for Outside Director and expected role] Mr. Kenji Kuryu has extensive and advanced knowledge and experience on finance and accounting, corporate business management, community revitalization, and other matters cultivated through abundant experience, etc. at a financial institution and Wakayama Association of Corporate Executives. Expecting him to play roles of realizing the management plan aimed by the Company and further improving management of the Company and effectiveness of the Board of Directors by using such knowledge and experience, the Company proposes to newly appoint him as an Outside Director who is an Audit & Supervisory Committee Member. If he is elected, the Company plans to have him involved in selection of candidates for Directors of the Company and decision-making on compensation for Directors, etc. as a Nomination and Compensation Committee Member from an objective and neutral standpoint. </p>	0

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	Taeko Yashima (April 29, 1952) New appointment Outside Independent	<p>July 1998 Assistant Professor, Kawasaki City College of Nursing</p> <p>April 2001 Assistant Professor, College of Nursing, Aichi Medical University</p> <p>April 2006 Professor, College of Nursing, and Professor, Graduate School of Nursing, Aichi Medical University</p> <p>April 2010 Dean, College of Nursing, Aichi Medical University</p> <p>April 2018 Vice President, Tokyo Healthcare University, and Dean, Wakayama Faculty of Nursing (current position)</p> <p>May 2020 Outside Audit & Supervisory Board Member of the Company (current position)</p> <p>Significant concurrent positions: Vice President, Tokyo Healthcare University, and Dean, Wakayama Faculty of Nursing</p> <p>[Reasons for selection as a candidate for Outside Director and expected role] Ms. Taeko Yashima had engaged in nursing for many years, and experienced practical nursing, nursing management, nursing education, research activities, academic societies, and social activities as a professor of nursing science. Presently, she is engaged in university management as a Vice President of Tokyo Healthcare University with extensive and advanced knowledge and experience related to medical care, nursing, and management, etc. Expecting her to play roles of realizing the management plan aimed by the Company, appropriately instructing and supervising the Board of Director, and promoting health and productivity management of the Company by using such knowledge and experience, the Company proposes to newly appoint her as an Outside Director who is an Audit & Supervisory Committee Member.</p>	0

Notes:

- There are no special interests between each of the candidates and the Company.
- Mr. Shinzo Takano, Mr. Ichiro Okamoto, Mr. Kenji Kuryu, and Ms. Taeko Yashima are candidates for Outside Directors.
- The number of years as Outside Director represents the number of years at the conclusion of this General Meeting of Shareholders.
- Mr. Kenji Kuryu will have been serving as an Outside Audit & Supervisory Board Member of the Company for ten (10) years at the conclusion of this Ordinary General Meeting of Shareholders.
- Ms. Taeko Yashima will have been serving as an Outside Audit & Supervisory Board Member of the Company for two (2) years at the conclusion of this Ordinary General Meeting of Shareholders.
- The Company has registered Mr. Shinzo Takano, Mr. Ichiro Okamoto, Mr. Kenji Kuryu, and Ms. Taeko Yashima as independent officers with the Tokyo Stock Exchange. If they are elected as originally proposed, the Company intends to continue to register them as independent officers.
The Company has adopted the independence criteria prescribed by the Tokyo Stock Exchange as the Company's criteria for assessing the independence of outside officers.
- Although Mr. Shinzo Takano has no direct experience in corporate management, the Company believes that he will be able to appropriately perform the duties of an Outside Director based on his diverse experience within the police organization.
- Although Mr. Ichiro Okamoto has no direct experience in corporate management, the Company believes that he will be able to appropriately perform the duties of an Outside Director based on his professional perspectives and experience as a certified public tax accountant.
- Although Mr. Kenji Kuryu has no direct experience in corporate management, the Company believes that he will be able to appropriately perform the duties of an Outside Director based on his business experience in a financial institution and the local business community.
- Although Ms. Taeko Yashima has no direct experience in corporate management, the Company believes that she will be able to appropriately perform the duties of an Outside Director with her abundant experience and extensive knowledge as a university professor.
- If the elections of Mr. Yoshihiko Ikezaki, Mr. Shinzo Takano, Mr. Ichiro Okamoto, Mr. Kenji Kuryu, and Ms. Taeko Yashima are approved, the Company plans to renew liability limitation agreements with each of them as set forth in Article 427, Paragraph 1 of the Companies Act. The limit of their liability for damages under such agreements shall be an amount stipulated by laws and regulations.
- The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with all the Company's Directors as the insured. If the candidates are elected as Directors of the Company, they will become the insured under this insurance contract. The Company plans to renew this insurance contract with the same details at the time of the next renewal. For an overview of this contract, refer to page 44 of the Business Report (available in Japanese only).

Reference: Management structure after approval of Proposals 3 and 4 (scheduled)

Name	Position	New appointment/ Reappointment	Outside	Independent	Nomination and Compensation Committee	Sustainability Promotion Committee	Major Expertise							
							Corporate management	Business operation	Sales/ Marketing	Production	Finance/ Accounting	HR/ Compliance	IT	Governance/ Audit
Hirotsugu Okuwa	President and Representative Director	Reappointment			●	●	○			○				
Kozo Togawa	Director Managing Executive Officer	Reappointment			●	●		○		○		○		
Yoji Takeda	Director Managing Executive Officer	Reappointment				●		○	○	○				
Ikuji Okuwa	Director	Reappointment					○		○					
Shoji Okuwa	Director	Reappointment					○	○						
Keiji Okuwa	Director	Reappointment					○		○					
Toshio Okuwa	Director	Reappointment					○	○						
Yoshihiko Ikezaki	Director Audit & Supervisory Committee Member	New appointment				●					○		○	
Shinzo Takano	Outside Director Audit & Supervisory Committee Member	New appointment	●	●	●	●							○	○
Ichiro Okamoto	Outside Director Audit & Supervisory Committee Member	New appointment	●	●	●	●				○			○	
Kenji Kuryu	Outside Director Audit & Supervisory Committee Member	New appointment	●	●	●					○			○	
Taeko Yashima	Outside Director Audit & Supervisory Committee Member	New appointment	●	●		●							○	○

Note: Directors with Special Titles, Nomination and Compensation Committee Members, and Sustainability Promotion Committee Members are scheduled to be determined at the Board of Directors meeting after the conclusion of this General Meeting of Shareholders.

Proposal 5: Setting of Compensation Amount for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

The compensation for Directors was approved as 250 million yen or less per year (excluding employee portions payable to Directors who serve concurrently as employees) at the 30th Ordinary General Meeting of Shareholders held on May 14, 1999. If, however, Proposal 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will shift to a Company with an Audit & Supervisory Committee. Accordingly, in consideration of various factors including recent economic conditions, the Company requests approval for setting the amount of compensation, etc. for Directors (excluding Directors who are Audit & Supervisory Committee Members; hereinafter, the same applies in this proposal) after the transition to a Company with an Audit & Supervisory Committee to be 200 million yen or less per year; and leaving the decisions on specific amounts for each of Directors, timing of payment, and other matters up to resolutions of the Board of Directors.

In light of our basic policy of calculating the compensation for Directors, combining compensation depending on a job responsibility and a degree of contribution to management, and compensation according to their positions, the Company deems the amount of compensation, etc. pertaining to this proposal as reasonable.

The compensation, etc. shall not include employee portions payable to Directors who serve concurrently as employees. The present number of Directors is twelve (12). If Proposal 2 “Partial Amendments to the Articles of Incorporation” and Proposal 3 “Election of Seven (7) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)” are approved as originally proposed, the number of Directors will be seven (7).

The items under this proposal shall take effect subject to the amendments to the Article of Incorporation in Proposal 2 “Partial Amendments to the Articles of Incorporation” coming into force.

Proposal 6: Setting of Compensation Amount for Directors Who Are Audit & Supervisory Committee Members

If Proposal 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will shift to a Company with an Audit & Supervisory Committee. Accordingly, in consideration of various factors including recent economic conditions, the Company requests approval for setting the amount of compensation, etc. for Directors who are Audit & Supervisory Committee Members after the transition to a Company with an Audit & Supervisory Committee to be 50 million yen or less per year; and leaving the decisions on specific amounts for each of Directors who are Audit & Supervisory Committee Members, timing of payment, and other matters up to a discussion by Directors who are Audit & Supervisory Committee Members. The Company deems the amount of compensation, etc. pertaining to this proposal as reasonable in light of job responsibilities of Directors who are Audit & Supervisory Committee Members.

If Proposal 2 “Partial Amendments to the Articles of Incorporation” and Proposal 4 “Election of Five (5) Directors Who Are Audit & Supervisory Committee Members” are approved as originally proposed, the number of Directors who are Audit & Supervisory Committee Members will be five (5).

The items under this proposal shall take effect subject to the amendments to the Article of Incorporation in Proposal 2 “Partial Amendments to the Articles of Incorporation” coming into force.

Proposal 7: Decision of Compensation for the Grant of Restricted Stock to Directors (Excluding Directors Who Are Audit & Supervisory Committee Members, Outside Directors and Other Non-executive Directors)

If Proposal 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will shift to a Company with an Audit & Supervisory Committee. Accordingly, as part of the review of the system of compensation for Officers, for the purposes of giving Directors of the Company incentives for continuous improvement of corporate value of the Company and its Group companies, and further sharing value between shareholders and Directors, the Company requests approval for the introduction of a compensation system for grant of restricted stock to Directors of the Company (excluding Directors who are Audit & Supervisory Committee Members, Outside Directors and other Non-executive Directors; hereinafter referred to as “Eligible Directors”) in place of the existing system of stock-compensation type stock options.

Apart from the compensation framework for which approval is requested in Proposal 5 “Setting of Compensation Amount for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members),” the Company proposes that a total amount of monetary compensation to be paid to the Eligible Directors for the grant of restricted stock shall be 100 million yen or less per year as an amount deemed reasonable in light of the above purposes, and the total number of common stock of the Company to thereby be issued or disposed of is 100,000 shares or less per year (provided, however, when share split (including allotment of the common stock of the Company without consideration) or consolidation of shares of the common stock of the Company is carried out on and after a date when this proposal is approved, or otherwise circumstances occur where it is necessary to adjust the total number of the common stock of the Company to be issued or disposed of as restricted stock, said total number shall be adjusted within a reasonable range). Specific allotment to each Eligible Director shall be determined at the Board of Directors meeting after seeking consultation with the Nomination and Compensation Committee.

The present number of Directors is twelve (12) (including two (2) Outside Directors). If Proposal 3 “Election of Seven (7) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)” is approved as originally proposed, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) will be seven (7) (including four (4) Non-executive Directors such as Outside Directors). Accordingly, the number of Eligible Directors will be three (3).

This proposal shall take effect subject to the amendments to the Article of Incorporation in Proposal 2 “Partial Amendments to the Articles of Incorporation” coming into force.

In accordance with a resolution of the Board of Directors of the Company, the Eligible Directors will pay all of the monetary compensation claims to be provided by this proposal as property contributed in kind, and receive issuance or disposal of the common stock of the Company. The amount to be paid in per share will be decided at the Board of Directors meeting, based on the closing price of the common stock of the Company at Tokyo Stock Exchange on a previous business day of the date of respective resolutions of the Board of Directors (a closing price on the most recent trading day prior to it when no deal is consummated on that day), to the extent that the amount is not especially advantageous to the Eligible Director. For the issuance or disposal of the common stock of the Company thereby, a transfer-restricted share allotment agreement including a summary and the items shown below (hereinafter referred to as the “Allotment Agreement”) shall be concluded between the Company and the Eligible Directors.

- (1) During a period from an issuance date of the restricted stock to a date when the Eligible Director forfeits a position of Director of the Company or any other position prescribed by the Board of Directors of the Company (or, in the case of forfeiting said position before three months elapse after a business year to which the issuance date of the restricted stock belongs, a date within six months after such business year as determined separately by the Board of Directors of the Company, if any) (hereinafter referred to as the “Transfer-restricted Period”), the Eligible Directors shall not transfer, mortgage, or otherwise dispose of the common stock of the Company allotted under the Allotment Agreement (hereinafter referred to as the “Allotted Shares”) (such restriction hereinafter referred to as the “Transfer Restriction”).
- (2) When the Eligible Director forfeits any positions set forth in (1) above before expiration of the period determined separately by the Board of Directors of the Company (the “Service Period”), the Company will automatically acquire the Allotted Shares without consideration, except in case that there is a reason deemed legitimate by the Board of Directors of the Company.

- (3) Under the condition that the Eligible Director has continuously been in a position of Director or any other position prescribed by the Board of Directors of the Company during the Service Period, the Company shall cancel the Transfer Restriction for all of the Allotted Shares as of the expiration of the Transfer-restricted Period; provided, however, if said Eligible Director forfeited all of the positions set forth in (1) above before the expiration of the Service Period due to a reason deemed legitimate by the Board of Directors of the Company as set forth in (2) above, the number of the Allotted Shares subject to the cancellation of the Transfer Restriction and the timing of cancelling the Transfer Restriction shall be reasonably adjusted as necessary.
- (4) The Company will automatically acquire without consideration the Allotted Shares for which the Transfer Restriction has not been cancelled yet in accordance with the provision in (3) above as of the expiration of the Transfer-restricted Period.
- (5) When, during the Transfer-restricted Period, a matter related to organizational restructuring, etc., such as a merger agreement under which the Company becomes a disappearing company, a share exchange agreement under which the Company becomes a wholly owned subsidiary company, and a share transfer plan, is approved at the general meeting of shareholders of the Company (or the Board of Directors meeting, if such organizational restructuring, etc. is not required to be approved at the general meeting of shareholders of the Company), the Company shall, prior to the effective date of such organizational restructuring, etc., cancel the Transfer Restriction for the number of the Allotted Shares determined reasonably by a resolution of the Board of Directors of the Company.
- (6) In the case stipulated in (5) above, the Company shall automatically acquire without consideration the Allotted Shares for which the Transfer Restriction has not been cancelled yet, as of the time immediately after the Transfer Restriction was cancelled in accordance with the provision in (5) above.
- (7) The Allotment Agreement shall contain how to express intention and notify under the Allotment Agreement, how to revise the Allotment Agreement, and any other matters to be determined by the Board of Directors.

The Company determined the policy concerning decision-making on details of compensation, etc. for Directors at the Board of Directors meeting held on January 26, 2021, and the summary of its contents is as stated in page 44 of the Business Report (available in Japanese only). Subject to the approval of this proposal, the Company plans to revise said policy to contents consistent with this proposal.

In addition, as stated above, as the amount to be paid for the Allotted Shares shall not especially be advantageous to the Eligible Director and a dilution rate is insignificant, the Company deems the grant of the Allotted Shares as reasonable.

(Reference)

Under the condition that this proposal is approved, the Company plans to grant a restricted stock similar to the above restricted stock to Executive Officers who do not concurrently serve as Directors of the Company.