

Note: This document has been translated from 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.

Securities Code: 3038
January 7, 2022

To Shareholders with Voting Rights

Hirokazu Numata
President and Representative Director
Kobe Bussan Co., Ltd.
125-1 Hirano, Kakogawa-cho,
Kakogawa-shi, Hyogo

Notice of the 36th Annual General Meeting of Shareholders

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

We hereby inform you that the 36th Annual General Meeting of Shareholders of Kobe Bussan Co. Ltd. (the “Company”) will be held as described below.

In order to prevent the spread of COVID-19 infections, we encourage our shareholders to refrain from attending the meeting on the date of the event to the extent possible and exercise your voting rights in advance via the Internet, etc. or in writing. If you choose not to attend the meeting on the date of the event, please review the hereto attached Reference Document for the General Meeting of Shareholders and exercise your voting rights by 6:00 p.m. on Wednesday, January 26, 2022, Japan time.

The General Meeting of Shareholders requires registration for attendance in advance. If you prefer to attend the meeting in person, please read pages 5 and 6 of the Japanese original of this notice and make registration in advance.

Please note that we will not provide souvenirs to attendees of the General Meeting of Shareholders.

Thank you for your understanding and cooperation.

Particulars

1. **Date and Time:** 10:00 a.m., Thursday, January 27, 2022
2. **Place:** Banquet Hall Ohwada, 1st floor, South Building, Kobe Portopia Hotel
6-10-1 Minatojima Nakamachi, Chuo-ku, Kobe-shi, Hyogo
3. **Meeting Agenda**
Matters to be reported:
 1. The Business Report, the Consolidated Financial Statements, and the Results of Audits of the Consolidated Financial Statements by Accounting Auditors and the Board of Corporate Auditors for the 36th Fiscal Year (from November 1, 2020 to October 31, 2021)
 2. The Non-consolidated Financial Statements for the 36th Fiscal Year (from November 1, 2020 to October 31, 2021)

Matters to be resolved:

- Proposal No.1 – Appropriation of Surplus
- Proposal No.2 – Partial Amendments to the Articles of Incorporation
- Proposal No.3 – Election of Six (6) Directors (excluding Directors Who are Audit and Supervisory Committee Members)
- Proposal No.4 – Election of Five (5) Directors Who are Audit and Supervisory Committee Members
- Proposal No.5 – Determination of Amount of Remuneration for Directors (excluding Directors Who are Audit and Supervisory Committee Members)
- Proposal No.6 – Determination of Amount of Remuneration for Directors Who are Audit and Supervisory Committee Members
- Proposal No.7 – Determination of Details of Share-based Payment Plan for Directors (excluding Directors Who are Audit and Supervisory Committee Members)

4. Guide to the Exercise of Voting Rights

- (1) When you exercise your voting rights in writing
Please indicate your approval or disapproval of each proposal on the enclosed voting rights exercise form and return to arrive by the deadline specified on the previous page.
- (2) When you exercise your voting rights via the Internet, etc.
Please read the Guide to the Exercise of Voting Rights via the Internet, etc. (available in Japanese only), and enter your approval or disapproval of each proposal following the on-screen guidance by the deadline specified on the previous page.
- (3) When you have exercised your rights multiple times
If you exercise your voting rights both in writing and via the Internet, etc., the exercise via the Internet, etc. will be treated as a valid exercise of voting rights. If you exercise your voting rights multiple times via the Internet, etc., the latest exercise will be treated as a valid exercise of voting rights.
- (4) When you have a proxy attend the meeting
Please have the proxy present a written proof of his/her voting rights together with the voting rights exercise form at the reception desk of the venue. The proxy must be another shareholder of the Company who has voting rights as provided by the provisions of Article 15 of the Articles of Incorporation of the Company.

Based on relevant laws and regulations and Article 14 of the Articles of Incorporation of the Company, following items are disclosed on the Company's website <https://www.kobebussan.co.jp/> (available in Japanese only) and not included in the attachment to this notice.

- (i) Consolidated Statements of Changes in Equity
- (ii) Notes to Consolidated Financial Statements
- (iii) Non-consolidated Statements of Changes in Equity
- (iv) Notes to Non-consolidated Financial Statements

Accordingly, the attachment of this notice is a part of Consolidated and Non-consolidated Financial Statements which Corporate Auditors and Accounting Auditors respectively audited to prepare audit reports and accounting audit reports.

When you attend the meeting, please present the enclosed Voting Rights Exercise Form at the reception desk of the venue.

Please note that any changes to the Reference Document for the General Meeting of Shareholders, Business Report, and Consolidated and Non-consolidated Financial Statements will be posted on the Company's website <https://www.kobebussan.co.jp/> (available in Japanese only).

Reference Document for the General Meeting of Shareholders

Proposals and Reference Information

Proposal No.1 – Appropriation of Surplus

The Company proposes the payment of year-end dividends for the 36th fiscal year (the “current fiscal year”) as follows in view of the business performance for the current fiscal year and future business development.

Matters regarding dividends of surplus (year-end dividends for the 36th fiscal year)

- (i) Type of dividend property
To be paid in cash
- (ii) Allotment of dividend property and aggregate amount thereof
A dividend of 20 yen per ordinary share of the Company
Aggregate amount of 4,363,773,600 yen
- (iii) Effective date for dividends of surplus
January 28, 2022

Proposal No. 2 – Partial Amendments to the Articles of Incorporation

1. Reasons for the amendment

- (1) The Company has decided to transition from a company with a board of corporate auditors to a company with an audit and supervisory committee in order to strengthen the auditing and supervisory function of the Board of Directors and accelerate decision-making for business execution, thereby further enhancing corporate governance. Accordingly, the Company proposes to make amendments, including the establishment of new provisions concerning Director who is Audit and Supervisory Committee Member and the Audit and Supervisory Committee as well as the deletion of provisions concerning Corporate Auditor and the Board of Corporate Auditors, which are necessary for the transition to a company with an audit and supervisory committee.
- (2) The Company proposes to newly establish Article 8 to clarify the rights exercisable with respect to shares of less than one (1) unit.
- (3) The Company proposes to amend Article 24, Paragraph (2) of the current Articles of Incorporation to Article 26, Paragraph (2) of the Proposed Amendment in order to enable the Company to enter into liability limitation agreements with Directors other than Executive Directors, etc. for the purpose of continuously inviting competent human resources as Directors. Note that the Company has obtained the consent of each Corporate Auditor for the amendment as provided in Article 26, Paragraph (2) of the Proposed Amendment.
- (4) In order to ensure flexible capital and dividend policies, the Company proposes to newly establish Article 33 and make other necessary amendments pursuant to the provisions of Article 459, Paragraph (1) of the Companies Act. This change will enable the Company to pay dividends from surplus, etc. by a resolution of the Board of Directors.
- (5) In addition, the Company proposes to make necessary changes, such as renumbering the Articles, adding and deleting provisions, rearranging wording, and modifying words and phrases, in accordance with each of the above changes.

2. Details of the amendment

Details of the amendments are as follows. The amendments to the Articles of Incorporation in this proposal shall become effective at the conclusion of this General Meeting of Shareholders.

(Amended parts are underlined.)

| Current Articles of Incorporation | Proposed Amendments |
|--|--|
| Chapter I General Provisions | Chapter I General Provisions |
| Articles 1–3 (Provisions omitted) | Articles 1–3 (Unchanged) |
| (Establishment of Organizations) | (Establishment of Organizations) |
| Article 4 The Company shall have the following organizations in addition to the General Meeting of Shareholders and Directors. | Article 4 The Company shall have the following organizations in addition to the General Meeting of Shareholders and Directors. |
| 1. Board of Directors | 1. Board of Directors |
| 2. <u>Corporate Auditors</u> | 2. <u>Audit and Supervisory Committee</u> |
| 3. <u>Board of Corporate Auditors</u> | (Deleted) |
| 4. Accounting Auditor | 3. Accounting Auditor |
| Article 5 (Provisions omitted) | Article 5 (Unchanged) |
| Chapter II Shares | Chapter II Shares |
| Articles 6–7 (Provisions omitted) | Articles 6–7 (Unchanged) |
| (Newly established) | <u>(Rights on Shares of Less than One (1) Unit)</u> |
| | <u>Article 8 A shareholder of the Company may not exercise any right, except for the rights set forth below, with respect to shares constituting less than one (1) unit held by the shareholder:</u> |

| Current Articles of Incorporation | Proposed Amendments |
|--|--|
| <p>(Share Handling Rules) Article <u>8</u> The Company's shares shall be handled in accordance with the Share Handling Rules established by the Board of Directors.</p> <p>Article <u>9</u> (Provisions omitted)</p> <p><u>(Record Date)</u> Article <u>10</u> (1) <u>The Company shall deem the shareholders with voting rights that are recorded in the final shareholder register as of the last day of each fiscal year to be those shareholders who are entitled to exercise voting rights at the Annual General Meeting of Shareholders with respect to the pertinent year.</u> (2) <u>In addition to the preceding paragraph, the Company may, by giving prior public notice, set a certain date as record date by a resolution of the Board of Directors, whenever it is necessary to define persons entitled to exercise their rights as shareholders or registered pledgees of shares.</u></p> <p>Chapter III General Meeting of Shareholders</p> <p>Article <u>11</u> (Provisions omitted) (Newly established)</p> <p>Article <u>12</u> (Provisions omitted) (Requirements for Resolution) Article <u>13</u> (1) Unless otherwise provided by laws and regulations or these Articles of Incorporation, all resolutions of general meetings of shareholders shall be adopted by a majority of the voting rights of the shareholders present at such meetings. (2) (Provisions omitted)</p> | <p>1. <u>The rights provided for in the respective item of Article 189, Paragraph (2) of the Companies Act;</u> 2. <u>The right to make a request under the provisions of Article 166, paragraph (1) of the Companies Act;</u> 3. <u>The right to receive an allotment of offered shares and offered stock warrants in proportion to the number of shares held by such a shareholder.</u></p> <p>(Share Handling Rules) Article <u>9</u> The Company's shares shall be handled in accordance with the Share Handling Rules established by the Board of Directors <u>in addition to laws and regulations, and the Article of Incorporation.</u></p> <p>Article <u>10</u> (Unchanged) (Deleted)</p> <p>Chapter III General Meeting of Shareholders</p> <p>Article <u>11</u> (Unchanged) <u>(Record Date for Annual General Meeting of Shareholders)</u> Article <u>12</u> <u>The record date for voting rights at the Annual General Meeting of Shareholders of the Company shall be October 31 of each year.</u></p> <p>Article <u>13</u> (Unchanged) (Requirements for Resolution) Article <u>14</u> (1) Unless otherwise provided by laws and regulations or these Articles of Incorporation, all resolutions of general meetings of shareholders shall be adopted by a majority of the voting rights of the shareholders present <u>who are entitled to exercise their voting rights</u> at such meetings. (2) (Unchanged)</p> |

| Current Articles of Incorporation | Proposed Amendments |
|---|---|
| <p>(Internet Disclosure and Deemed Provision of Reference Document, etc.)</p> <p>Article <u>14</u> (Provisions omitted)</p> <p>Article <u>15</u> (Provisions omitted)</p> <p>Chapter IV Directors and Board of Directors</p> <p>(Number of Directors)</p> <p>Article <u>16</u> The Company shall have no more than <u>twelve (12)</u> Directors.</p> <p>(Newly established)</p> <p>(Election)</p> <p>Article <u>17</u> (Newly established)</p> <p>(1) Resolution on the election of Directors shall require the attendance of shareholders at the General Meeting of Shareholders holding at least one-third (1/3) of the voting rights of all shareholders entitled to exercise voting rights and be adopted by the majority of voting rights of shareholders present.</p> <p>(2) Cumulative voting shall not be used for the election of Directors.</p> <p>(Term of Office)</p> <p>Article <u>18</u> The term of office of Directors shall continue until the conclusion of the Annual General Meeting of Shareholders for the last business year which ends within <u>two (2)</u> years from the time of their election.</p> <p>(Newly established)</p> <p>(Newly established)</p> | <p>(Internet Disclosure and Deemed Provision of Reference Document, etc. <u>of the General Meeting of Shareholders</u>)</p> <p>Article <u>15</u> (Unchanged)</p> <p>Article <u>16</u> (Unchanged)</p> <p>Chapter IV Directors and Board of Directors</p> <p>(Number of Directors)</p> <p>Article <u>17</u> (1) The Company shall have no more than <u>ten (10)</u> Directors <u>(excluding Directors who are Audit and Supervisory Committee Members)</u>.</p> <p>(2) <u>The Company shall have no more than five (5) Directors who are Audit and Supervisory Committee Members.</u></p> <p>(Election)</p> <p>Article <u>18</u> (1) <u>Directors shall be elected at the General Meeting of Shareholders, distinguishing between Directors who are Audit Committee Members and other Directors.</u></p> <p>(2) (Unchanged)</p> <p>(3) (Unchanged)</p> <p>(Term of Office)</p> <p>Article <u>19</u> (1) The term of office of Directors <u>(excluding Directors who are Audit and Supervisory Committee Members)</u> shall continue until the conclusion of the Annual General Meeting of Shareholders for the last business year which ends within <u>one (1)</u> year from the time of their election.</p> <p>(2) <u>The term of office of Directors who are Audit and Supervisory Committee Members shall continue until the conclusion of the Annual General Meeting of Shareholders for the last business year which ends within two (2) years from the time of their election.</u></p> <p>(3) <u>The term of office of a Director who is an Audit and Supervisory Committee Member and was elected as substitute for a Director who was an Audit and Supervisory Committee Member and retired before expiry of the term of office shall continue until the term of office of the retired Director expires.</u></p> |

| Current Articles of Incorporation | Proposed Amendments |
|--|--|
| <p>(Newly established)</p> <p>(Representative Director and Directors with Special Titles)</p> <p>Article <u>19</u> (1) The Board of Directors shall appoint a few Representative Directors from among the Directors.</p> <p>(2) (Provisions omitted)</p> <p>Article <u>20</u> (Provisions omitted)</p> <p>(Notice of Convocation of Board of Directors Meeting)</p> <p>Article <u>21</u> (1) A notice convening a meeting of the Board of Directors shall be provided to each Director <u>and each Corporate Auditor</u> no later than three (3) days prior to the meeting date; provided, however, that such period may be shortened <u>in the event of an emergency</u>.</p> <p>(2) The Board of Directors meetings may be held without the procedures of calling if the consent of all Directors <u>and Corporate Auditors</u> is obtained.</p> <p>(Newly established)</p> <p>(Omission of Resolution at Board of Directors Meeting)</p> <p>Article <u>22</u> <u>In the event that a Director made a proposal with respect to a matter to be resolved at a meeting of the Board of Directors and all Directors who are entitled to vote on such matter agree affirmatively in writing or by electronic means, it shall be deemed that a resolution of the Board of Directors has been made to approve such proposal unless any Corporate Auditor objects to the resolution.</u></p> | <p>(4) <u>The effective term of the resolution for election of a substitute Audit and Supervisory Committee Member in accordance with Article 329, Paragraph (3) of the Companies Act shall continue until the commencement of the Annual General Meeting of Shareholders for the last business year which ends within two (2) years from the time of his or her election.</u></p> <p>(Representative Director and Directors with Special Titles)</p> <p>Article <u>20</u> (1) The Board of Directors shall appoint a few Representative Directors from among the Directors <u>(excluding Directors who are Audit and Supervisory Committee Members)</u>.</p> <p>(2) (Unchanged)</p> <p>Article <u>21</u> (Unchanged)</p> <p>(Notice of Convocation of Board of Directors Meeting)</p> <p>Article <u>22</u> (1) A notice convening a meeting of the Board of Directors shall be provided to each Director no later than three (3) days prior to the meeting date; provided, however, that such period may be shortened <u>if there is an urgent need</u>.</p> <p>(2) The Board of Directors meetings may be held without the procedures of calling if the consent of all Directors is obtained.</p> <p><u>(Delegation of Decisions on Execution of Important Operations)</u></p> <p>Article <u>23</u> <u>In accordance with the provisions of Article 399-13, Paragraph (6) of the Companies Act, the Board of Directors may delegate, by its resolution, all or part of decisions on the execution of important operations (excluding matters listed in each item of Paragraph (5) of said Article) to Directors.</u></p> <p>(Omission of Resolution at Board of Directors Meeting)</p> <p>Article <u>24</u> <u>It shall be deemed that a resolution of the Board of Directors has been made in cases where the requirements set forth in Article 370 of the Companies Act have been fulfilled.</u></p> |

| Current Articles of Incorporation | Proposed Amendments |
|--|--|
| <p>Article <u>23</u> (Provisions omitted) (Partial Exemption from Liability for Damages of Directors)</p> | <p>Article <u>25</u> (Unchanged) (Partial Exemption from Liability for Damages of Directors)</p> |
| <p>Article <u>24</u> (1) (Provisions omitted) (2) The Company may enter into an agreement with <u>Outside Directors</u> concerning their liability for damages to the Company. Provided, however, that the maximum amount of such liability shall be the amount specified by laws and regulations.</p> | <p>Article <u>26</u> (1) (Unchanged) (2) The Company may enter into an agreement with <u>Directors (excluding those who are Executive Directors or equivalents)</u> concerning their liability for damages to the Company. Provided, however, that the maximum amount of such liability shall be the amount specified by laws and regulations.</p> |
| <p style="text-align: center;"><u>Chapter V Corporate Auditors and Board of Corporate Auditors</u></p> | <p style="text-align: center;">(Deleted)</p> |
| <p><u>(Number of Directors)</u></p> | <p style="text-align: center;">(Deleted)</p> |
| <p>Article <u>25</u> <u>The Company shall have no more than three (3) Corporate Auditors.</u></p> | <p style="text-align: center;">(Deleted)</p> |
| <p><u>(Election)</u></p> | <p style="text-align: center;">(Deleted)</p> |
| <p>Article <u>26</u> (1) <u>Resolution on the election of Corporate Auditors shall require the attendance of shareholders at the General Meeting of Shareholders holding at least one-third (1/3) of the voting rights of all shareholders entitled to exercise voting rights and be adopted by the majority of voting rights of shareholders present.</u> (2) <u>Pursuant to Article 329, Paragraph (3) of the Companies Act, the Company may elect a substitute Corporate Auditor at the General Meeting of Shareholders in case the number of Corporate Auditors falls short of the number stipulated by laws and regulations.</u> (3) <u>The effective term of the resolution for election of a substitute Corporate Auditor as set forth in the preceding paragraph shall continue until the commencement of the Annual General Meeting of Shareholders for the last business year which ends within four (4) years from the time of such resolution.</u></p> | <p style="text-align: center;">(Deleted)</p> |
| <p><u>(Term of Office)</u></p> | <p style="text-align: center;">(Deleted)</p> |
| <p>Article <u>27</u> (1) <u>The term of office of Corporate Auditors shall continue until the conclusion of the Annual General Meeting of Shareholders for the last business year which ends within four (4) years from the time of their election.</u> (2) <u>The term of office of a Corporate Auditor who has been elected as a substitute shall be the remaining term of office of the retired Corporate Auditor.</u></p> | <p style="text-align: center;">(Deleted)</p> |

| Current Articles of Incorporation | Proposed Amendments |
|---|---|
| <p><u>(Notice of Convocation of Board of Corporate Auditors Meeting)</u> <u>Article 28 (1) A notice convening a meeting of the Board of Corporate Auditors shall be provided to each Corporate Auditor no later than three (3) days prior to the meeting date; provided, however, if there is an urgent need, such period may be shortened.</u> <u>(2) The Board of Corporate Auditors meetings may be held without the procedures of calling if the consent of all Corporate Auditors is obtained.</u></p> | (Deleted) |
| <p><u>(Full-time Corporate Auditors)</u> <u>Article 29 The Company shall, by a resolution of the Board of Corporate Auditors, select full-time Corporate Auditors.</u></p> | (Deleted) |
| <p><u>(Rules on the Board of Corporate Auditors)</u> <u>Article 30 Matters relating to the Board of Corporate Auditors shall be governed by the Rules on the Board of Corporate Auditors provided for by the Board of Corporate Auditors, in addition to laws and regulations and these Articles of Incorporation.</u></p> | (Deleted) |
| <p><u>(Partial Exemption from Liability for Damages of Corporate Auditors)</u> <u>Article 31 (1) The Company may, by a resolution of the Board of Directors, exempt Corporate Auditors (including former Corporate Auditors) from their liability for damages to the Company to the extent prescribed by laws and regulations.</u> <u>(2) The Company may enter into an agreement with Outside Corporate Auditors concerning their liability for damages to the Company. Provided, however, that the maximum amount of such liability shall be the amount specified by laws and regulations.</u></p> | (Deleted) |
| <p>(Newly established) (Newly established)</p> | <p><u>Chapter V Audit and Supervisory Committee</u> <u>(Notice of Convocation of Meetings of Audit and Supervisory Committee)</u> <u>Article 27 (1) A notice convening a meeting of the Audit and Supervisory Committee shall be provided to each Audit and Supervisory Committee Member no later than three (3) days prior to the meeting date; provided, however, if there is an urgent need, such period may be shortened.</u> <u>(2) The Audit and Supervisory Committee meetings may be held without the procedures of calling if the consent of all Audit and Supervisory Committee Members is obtained.</u></p> |

| Current Articles of Incorporation | Proposed Amendments |
|---|---|
| (Newly established) | <u>(Full-time Audit and Supervisory Committee Members)</u> Article 28 <u>The Audit and Supervisory Committee may, by its resolution, select full-time Audit and Supervisory Committee Members.</u> |
| (Newly established) | <u>(Rules on the Audit and Supervisory Committee)</u> Article 29 <u>Matters relating to the Audit and Supervisory Committee shall be governed by the Rules on the Audit and Supervisory Committee provided for by the Audit and Supervisory Committee, in addition to laws and regulations and these Articles of Incorporation.</u> |
| Chapter VI Accounting Auditor | Chapter VI Accounting Auditor |
| Articles <u>32–33</u> (Provisions omitted) | Articles <u>30–31</u> (Unchanged) |
| Chapter VII Accounting | Chapter VII Accounting |
| Article <u>34</u> (Provisions omitted) | Article <u>32</u> (Unchanged) |
| (Newly established) | <u>(Organization Determining Dividends from Surplus, etc.)</u> |
| | Article 33 <u>The Company may, by a resolution of the Board of Directors, determine the matters provided for in each item of Article 459, Paragraph (1) of the Companies Act, including dividends from surplus, unless otherwise provided for in laws and regulations.</u> |
| (Newly established) | <u>(Record Date for Dividends from Surplus)</u> |
| | Article 34 <u>(1) The record date for year-end dividends of the Company shall be October 31 of each year.</u> <u>(2) The record date for interim dividends of the Company shall be April 30 of each year.</u> <u>(3) In addition to the preceding two paragraphs, the Company may set a record date and pay dividends of surplus.</u> |
| <u>(Dividends from Surplus)</u> | (Deleted) |
| Article 35 <u>(1) The Company may, by a resolution of the General Meeting of Shareholders, pay year-end dividends to the shareholders or registered pledgees of shares recorded in the shareholder register as of the end of each fiscal year.</u> <u>(2) In addition to the preceding paragraph, the Company may, by a resolution of the Board of Directors, pay interim dividends to the shareholders or registered pledgees of shares recorded in the shareholder register as of April 30 of each year.</u> | |

| Current Articles of Incorporation | Proposed Amendments |
|--|---|
| <p data-bbox="145 226 667 257"><u>(Acquisition of the Company's Own Shares)</u></p> <p data-bbox="145 257 778 353"><u>Article 36 The Company may, by a resolution of the Board of Directors, acquire its own shares through market transactions, etc.</u></p> <p data-bbox="145 369 614 400"><u>(Prescription Period for Dividends, etc.)</u></p> <p data-bbox="145 400 778 562"><u>Article 37 The Company shall be exempt from its obligation to pay year-end dividends and interim dividends if they remain unclaimed for three (3) full years from the date of commencement of payment.</u></p> <p data-bbox="336 607 571 638">(Newly established)</p> <p data-bbox="336 638 571 669">(Newly established)</p> | <p data-bbox="1070 226 1182 257">(Deleted)</p> <p data-bbox="799 369 1214 400"><u>(Prescription Period for Dividends)</u></p> <p data-bbox="799 400 1428 593"><u>Article 35 In the event that the dividend property is cash, the Company shall be exempt from its obligation to pay such dividends if it remains unclaimed for three (3) full years from the date of commencement of payment.</u></p> <p data-bbox="975 607 1278 638"><u>Supplementary Provisions</u></p> <p data-bbox="799 638 1437 705"><u>(Transitional Measures on Exemption from Liability of Corporate Auditors)</u></p> <p data-bbox="799 705 1428 1025"><u>Article 1 The Company may, by a resolution of the Board of Directors, exempt Corporate Auditors (including former Corporate Auditors) from liability for damages for acts prescribed in Article 423, Paragraph (1) of the Companies Act, which were committed prior to the conclusion of the 36th Annual General Meeting of Shareholders, to the extent permitted by laws and regulations.</u></p> |

Proposal No. 3 – Election of Six (6) Directors (excluding Directors Who are Audit and Supervisory Committee Members)

Subject to the approval of Proposal No. 2 – *Partial Amendments to the Articles of Incorporation* as originally proposed, the Company will transition to a company with an audit and supervisory committee, and the terms of office of all nine (9) Directors will expire when the partial amendments to the Articles of Incorporation take effect. Accordingly, the Company proposes that the six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members, and hereinafter, the same shall apply in this proposal) be elected after the transition to a company with an audit and supervisory committee.

The resolution of this proposal shall take effect on the condition that the amendments to the Articles of Incorporation concerning Proposal No. 2 – *Partial Amendments to the Articles of Incorporation* take effect.

The candidates for Directors are as follows.

| Candidate No. | Name (Date of birth) | Career summary, position, assignment, and significant concurrent position(s) | Number of shares of the Company held (shares) |
|---|---|--|---|
| 1 | Hirokazu Numata (November 16, 1980) [Reappointment] | Apr. 2005 Joined Taisho Pharmaceutical Co., Ltd. Apr. 2009 Joined the Company Apr. 2010 Manager, STB Production Division Jan. 2011 Director Feb. 2012 President and Representative Director (current position) Feb. 2018 Director in charge of Foodservice Promotion Division (current position) (Significant concurrent position) Director, Kobe Bussan (H.K.) Limited | 6,985,000 |
| [Reason for nomination] Hirokazu Numata has engaged in the management of the entire Kobe Bussan Group as President and Representative Director of the Company since 2012. Since the appointment, he has streamlined the business portfolio to expand business and improve operational efficiency. As he has fulfilled his responsibilities by successfully expanding sales with appropriate management judgment, the Company believes that he is appropriate as Director of the Company. | | | |

| Candidate No. | Name (Date of birth) | Career summary, position, assignment, and significant concurrent position(s) | Number of shares of the Company held (shares) |
|---|--|---|---|
| 2 | Yasuhiro Tanaka (January 21, 1969) [Reappointment] | <p>Apr. 1987 Joined Kyoei Kosan Co., Ltd. May 1989 Joined Mazda Rental Leasing Co., Ltd. Jan. 1994 Joined Kite Co., Ltd. Aug. 2001 Joined Kirindo Co., Ltd. Oct. 2001 Joined the Company Jan. 2007 Manager, Business Management System Division Jan. 2008 Director Dec. 2008 Executive Vice President Feb. 2012 Executive Vice President and Representative Director (current position) July 2013 Director in charge of Career Development Department (current position) Aug. 2016 Manager, Trading Division Feb. 2017 Manager, Corporate Planning Division Jan. 2018 Director in charge of Corporate Planning Department (current position) Jan. 2019 Director in charge of General Affairs Department (current position) Manager and Director in charge of Legal Affairs Department (current position) Manager and Director in charge of System Department (current position) Director in charge of Accounting Department (current position) Manager and Director in charge of BBQ Business Department (current position) Nov. 2020 Manager and Director in charge of Communication Design Department (current position)</p> <p>(Significant concurrent position) Director, Kobe Bussan Myanmar Co., Ltd.</p> | 20,000 |
| <p>[Reason for nomination] Yasuhiro Tanaka has engaged in the management of the entire Kobe Bussan Group as Executive Vice President and Representative Director of the Company since 2012. As he has fulfilled his responsibilities as the person in charge of administrative departments by streamlining and improving efficiency of operations, which enabled the Group to expand its business, the Company believes that he is appropriate as Director of the Company.</p> | | | |

| Candidate No. | Name (Date of birth) | Career summary, position, assignment, and significant concurrent position(s) | Number of shares of the Company held (shares) | |
|---|---|---|--|--------|
| 3 | Kazuo Asami (June 12, 1976) [Reappointment] | Apr. 1999 | Joined Shinko Kakogawa Stevedoring Co., Ltd. | 39,600 |
| | | Apr. 2002 | Joined Ifsco Healthcare Co., Ltd. | |
| | | Apr. 2005 | Joined the Company | |
| | | Jan. 2007 | Director (current position) | |
| | | Aug. 2012 | Manager, STB Division | |
| | | Feb. 2013 | Manager, STB Plant Division | |
| | | Aug. 2015 | Manager, Plant Management Division | |
| | | Aug. 2016 | Manager, Agriculture Resources Division | |
| | | Nov. 2017 | Manager and Director in charge of Plant Management Department (current position) Manager and Director in charge of Domestic Agriculture Resources Department (current position) | |
| | | Dec. 2017 | Director in charge of R&D Department (current position) | |
| (Significant concurrent positions) President and Representative Director, Kobe Bussan Eco Green Hokkaido Co., Ltd. President and Representative Director, Sekihara Sake Brewery Co., Ltd. President and Representative Director, Toyota Nyugyou Co., Ltd. | | | | |
| [Reason for nomination] Kazuo Asami holds a wealth of experience and track record in the fields of the management of the Group's plants and food product manufacturing. He has committed himself to developing private label products manufactured by the Group's plants, which drive our business growth with strong support from our customers. Accordingly, the Company believes that he is appropriate as Director. | | | | |
| 4 | Satoshi Nishida (March 4, 1978) [Reappointment] | July 2002 | Joined the Company Gyomu Super FC Operations Division | — |
| | | Sept. 2004 | Manager, Yokohama Office | |
| | | Jan. 2009 | Director (current position) | |
| | | Mar. 2015 | Manager, Overseas Marketing Division | |
| | | Aug. 2015 | Manager, Overseas Operations System Division | |
| | | Oct. 2015 | Manager, Import Retail Operations Division | |
| | | Nov. 2017 | Manager and Director in charge of Overseas Marketing Department (current position) | |
| | | Dec. 2017 | Director in charge of Area East Merchandising Department (current position) | |
| | | (Significant concurrent position) Representative Director, Kobe Bussan Foods Co., Ltd. | | |
| [Reason for nomination] Satoshi Nishida has held positions including Manager, Yokohama Office, and Manager of various business departments. Based on a wealth of experience and knowledge accumulated from these positions, he has contributed to the business expansion and overseas business development of the Group. With his capability in business execution and promotion of business activities with a wide perspective, the Company believes that he is appropriate as Director of the Company. | | | | |

| Candidate No. | Name (Date of birth) | Career summary, position, assignment, and significant concurrent position(s) | Number of shares of the Company held (shares) | |
|---|--|--|--|-------|
| 5 | Akihito Watanabe (November 13, 1977) [Reappointment] | Apr. 2000 | Joined Iris Ohyama Inc. | 3,800 |
| | | June 2003 | Joined the Company | |
| | | Apr. 2015 | Manager, Yokohama Office (current position) | |
| | | Jan. 2016 | Representative Director, Kobe Bussan Foods LLC | |
| | | Nov. 2016 | Manager, Gyomu Super Kanto FC Operations Division Manager, Kanto FC Marketing Division | |
| | | Nov. 2017 | Manager, Gyomu Super FC Operations Department, Area West Sales Division (current position) Manager, FC Marketing Department, Area West Sales Division (current position) Manager, Gyomu Super FC Operations Department, Area East Sales Division (current position) Manager, FC Marketing Department, Area East Sales Division (current position) | |
| | | Jan. 2018 | Director (current position) | |
| | | Feb. 2018 | Director in charge of Area East Sales Division (current position) | |
| | | Apr. 2018 | Manager, Delicatessen Business Department (current position) | |
| | | Oct. 2019 | Director in charge of Area West Sales Division (current position) Manager, Customer Service Promotion Department (current) | |
| <p>[Reason for nomination] Akihito Watanabe has managed the Area West Sales Division and the Area East Sales Division, which the Group's mainstay Gyomu Super FC Operation Department and FC Marketing Department belong to, and contributed to the expansion of the Gyomu Super Business. He has also launched a new business as Manager, Delicatessen Business Department. Accordingly, the Company believes that he is appropriate as Director of the Company, who manage the expansion of the Group's business.</p> | | | | |

| Candidate No. | Name (Date of birth) | Career summary, position, assignment, and significant concurrent position(s) | Number of shares of the Company held (shares) |
|--|--|--|---|
| 6 | Yasuharu Kido (December 3, 1970) [New appointment] | Mar. 1993 Joined Miwa Corporation | 200 |
| | | June 2002 Joined Phoenix Electric Co., Ltd. (currently Helios Techno Holding Co., Ltd.) | |
| | | Nov. 2009 Joined Nidec Read Corporation | |
| | | Jan. 2018 Joined the Company | |
| | | July 2019 Manager, Accounting Department (current position) | |
| <p>[Reason for nomination] Yasuharu Kido holds a wealth of experience and expertise accumulated over long years of service in accounting, and has served as Manager, Accounting Department of the Company since 2019. In addition to the management and supervision of the division in charge, he has contributed to the growth of the Group's business by for example providing suggestions on business planning from the standpoint as Manager, Accounting Department. Accordingly, the Company believes that he is appropriate as Director of the Company.</p> | | | |

- Notes:
1. None of the candidates for Directors has any special conflicts of interest with the Company.
 2. The job titles are those at the time of appointment.
 3. The Company has concluded a directors and officers liability insurance (the "D&O insurance") contract stipulated in Article 430-3, Paragraph (1) of the Companies Act with an insurance company, covering legal damages and litigation expenses to be borne by the insureds due to execution of their duties (excluding certain cases that fall under the exemptions stipulated in the insurance contract). The Company bears the D&O insurance premium in full. If the candidates are reelected, they will be included in the insureds of the D&O insurance contract. The contract period of the D&O insurance is one (1) year, and we plan to renew it with a resolution of the Board of Directors before the expiration of that period.

Proposal No. 4 – Election of Five (5) Directors Who are Audit and Supervisory Committee Members

The Company will transition to a company with an audit and supervisory committee if Proposal No. 2 – *Partial Amendments to the Articles of Incorporation* is approved as originally proposed. Therefore, the Company proposes to elect five (5) Directors who are Audit and Supervisory Committee Members. The Company has obtained the consent of the Board of Corporate Auditors to this proposal.

The resolution of this proposal shall take effect on the condition that the amendments to the Articles of Incorporation concerning Proposal No. 2 – *Partial Amendments to the Articles of Incorporation* takes effect.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows.

| Candidate No. | Name (Date of birth) | Career summary, position, assignment, and significant concurrent position(s) | Number of shares of the Company held (shares) |
|--|--|---|---|
| 1 | Koichi Masada (April 23, 1976) [New appointment] | May 1997 Joined Hideo Yashima Certified Public Tax Accountant Office | 4,000 |
| | | Apr. 2009 Joined Japan Air Tec Co., Ltd. | |
| | | Nov. 2009 Joined the Company | |
| | | Apr. 2016 Joined Awaji Tourism Development Public Corporation | |
| | | Sept. 2016 Joined the Company | |
| | | Dec. 2017 Corporate Officer and Manager, Finance Department (current position) | |
| | | Jan. 2018 Substitute Corporate Auditor (current position) | |
| [Reasons for nomination] Having been involved in finance and accounting work for long years, he holds a wealth of experience and professional knowledge. He has served as Substitute Corporate Auditor since 2018 in addition to Corporate Officer and Manager, Finance Department since 2017. Accordingly, the Company believes that he is appropriate as full-time Audit and Supervisory Committee Member of the Company. | | | |
| 2 | Mari Shibata (Apr. 8, 1969) [New appointment] [Outside] | Apr. 1997 Registered as attorney at law and joined Masahiko Takimoto Law Firm | 48,000 |
| | | Oct. 2000 Founded Flora Law Office | |
| | | Oct. 2004 Corporate Auditor of the Company (current position) | |
| | | (Significant concurrent position) Principal, Flora Law Office | |
| [Reasons for nomination and the expected role] As an attorney at law, she holds a wealth of experience and professional knowledge. She asks for necessary explanations at the Board of Directors meetings from the objective standpoint based on her professional knowledge. She has a thorough understanding of corporate legal affairs and has played her role as Outside Corporate Auditor to make comments at the meetings of the Board of Directors or the Board of Corporate Auditors. The Company expects that she will continue to fulfill such a role. Accordingly, the Company believes that she is appropriate as Outside Director of the Company. | | | |

| Candidate No. | Name (Date of birth) | Career summary, position, assignment, and significant concurrent position(s) | Number of shares of the Company held (shares) |
|--|---|---|---|
| 3 | Fusao Tabata (Nov. 26, 1958) [New appointment] [Outside] | Apr. 1981 Joined Mitsubishi Trust and Banking Corporation (currently Mitsubishi UFJ Trust and Banking Corporation) | — |
| | | Aug. 1983 Joined Tohmatsu, Awoki & Co. (currently Deloitte Touche Tohmatsu LLC) | |
| | | Sept. 2009 Founded Tabata Certified Public Accountant Office | |
| | | Jan. 2011 Corporate Auditor of the Company (current position) | |
| | | (Significant concurrent position) Principal, Tabata Certified Public Accountant Office | |
| [Reasons for nomination and the expected role] As a certified public accountant, he holds a high level of understanding and a wealth of knowledge in accounting as well as practical experience in finance and accounting audits. From an objective standpoint backed by his expertise he has fulfilled his role as Outside Corporate Auditor to ask for necessary explanations at the Board of Directors meetings. Given that he has played a significant role in the past, the Company expects that he will continue to fulfill such a role and believes that he is appropriate as Outside Director of the Company. | | | |
| 4 | Takeshi Ieki (May 10, 1973) [New appointment] [Outside] | Apr. 1996 Joined Daihyaku Mutual Life Insurance Company | — |
| | | Oct. 2002 Joined Deloitte Touche Tohmatsu Limited (Currently Deloitte Touche Tohmatsu LLC) | |
| | | Aug. 2010 Principal, Ieki Certified Public Accountant Office (current position) | |
| | | Jan. 2016 Director of the Company (current position) | |
| | | (Significant concurrent position) Principal, Ieki Certified Public Accountant Office | |
| [Reasons for nomination and the expected role] As a certified public accountant, he has a high level of understanding and a wealth of knowledge in accounting as well as practical experience. He has fulfilled his role as an Outside Director to supervise the Company's management, provide appropriate advice, and ask for necessary explanations at the Board of Directors meetings. The Company expects that he will continue to fulfill such a role. Accordingly, the Company believes that he is appropriate as Outside Director of the Company. | | | |

| Candidate No. | Name (Date of birth) | Career summary, position, assignment, and significant concurrent position(s) | Number of shares of the Company held (shares) |
|---|--|--|---|
| 5 | Sachiko Nomura (December 31,1973) [New appointment] [Outside] | Apr. 2000 Registered as attorney at law and joined Dojima Law Office | — |
| | | June 2015 Outside Corporate Auditor, Shima Seiki MFG., Ltd. | |
| | | Jan. 2018 Director of the Company (current position) Outside Corporate Auditor, B&P Co., Ltd. (current position) | |
| | | June 2019 Outside Corporate Auditor, Shinobu Foods Products Co., Ltd. (current position) Outside Director, Shima Seiki MFG., Ltd. (current position) | |
| | | (Significant concurrent positions) Partner, Dojima Law Office Outside Corporate Auditor, B&P Co., Ltd. (current position) Outside Corporate Auditor, Shinobu Foods Products Co., Ltd. (current position) Outside Director, Shima Seiki MFG., Ltd. (current position) | |
| [Reasons for nomination and the expected role] As an attorney, she holds a wealth of experience and professional knowledge. She asks for necessary explanations at the Board of Directors meetings from the objective standpoint based on the professional knowledge. She has a high level of expertise in corporate supervision for she serves as Auditor or Director at several companies. She also has the qualities to reflect diverse perspectives and values in management and has played a significant role in the past. The Company expects that she will continue to fulfill such a role. Accordingly, the Company believes that she is appropriate as Outside Director of the Company. | | | |

- Notes:
1. None of the candidates for Directors has any special conflicts of interest with the Company.
 2. The job titles are those at the time of appointment.
 3. Ms. Mari Shibata, Mr. Fusao Tabata, Mr. Takeshi Ieki, and Ms. Sachiko Nomura are the candidates for Outside Director.
 4. The candidates for Outside Director Mr. Takeshi Ieki and Ms. Sachiko Nomura are the incumbent Outside Directors of the Company and will have served for six (6) years and four (4) years, respectively, at the conclusion of this General Meeting of Shareholders.
 5. Under the provision of Article 427, Paragraph (1) of the Companies Act, the Company has entered into a limited liability agreement with Mr. Takeshi Ieki, Ms. Sachiko Nomura, Ms. Mari Shibata, and Mr. Fusao Tabata, which limits their liabilities for damages stipulated in Article 423, Paragraph (1) of the Act. The limit on liability for damages under these agreements is set at the minimum liability amounts provided for by laws and regulations. Those agreements will be kept if the candidates are reelected. The Company will enter into the same agreement with Mr. Koichi Masada if his appointment is approved.
 6. The Company has concluded the D&O insurance contract stipulated in Article 430-3, Paragraph (1) of the Companies Act with an insurance company, covering legal damages and litigation expenses to be borne by the insureds due to execution of their duties (excluding certain cases that fall under the exemptions stipulated in the insurance contract). The Company bears the D&O insurance premium in full. If the candidates are reelected, they will be included in the insureds of the D&O insurance contract. The contract period of the D&O insurance is one (1) year, and we plan to renew it with a resolution of the Board of Directors before the expiration of that period.
 7. The Company has designated and registered Mr. Takeshi Ieki and Ms. Sachiko Nomura as independent officers in accordance with the regulations of the Tokyo Stock Exchange. The Company will keep them as such if their reelections are formally approved. Ms. Mari Shibata and Mr. Fusao Tabata both qualify as independent officers stipulated by the Tokyo Stock Exchange and the Company will register them as independent officers after their elections are formally approved.

Proposal No. 5 – Determination of Amount of Remuneration for Directors (excluding Directors Who are Audit and Supervisory Committee Members)

The Company will transition to a company with an audit and supervisory committee if Proposal No. 2 – *Partial Amendments to the Articles of Incorporation* is approved as originally proposed.

The amount of remuneration for Directors of the Company has been capped at three hundred (300) million yen (including up to thirty (30) million yen for Outside Directors) per year since it was approved at the 32nd Annual General Meeting of Shareholders held on January 30, 2018. In conjunction with the Company's shift to a company with an audit and supervisory committee, the Company proposes to abolish this cap and newly set the remuneration amount for Directors (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply hereinafter in this proposal) at up to five hundred (500) million yen (including up to thirty (30) million yen for Outside Directors) per year.

The Company's basic policy is that the remuneration for Directors after the shift to a company with an audit and supervisory committee shall work as a proper incentive for Directors to commit to achieving a sustainable growth of corporate value; the amounts of remuneration for individual Directors shall be set at appropriate levels taking into account their responsibilities and other conditions; and the remuneration shall be composed of basic remuneration and share-based payment. We believe that the content of this proposal is appropriate as it is necessary and reasonable enough to grant the remuneration, etc. for individual Directors in accordance with this policy, and is determined in consideration of various factors, such as the current remuneration amount for Directors, remuneration levels of companies of similar size, and the recent economic conditions.

The amount of remuneration for Directors shall not include the employee salary portion for Directors who concurrently serve as employees, as has been the case in the past.

The Company currently has nine (9) Directors (of which two (2) are Outside Directors). If Proposal No. 2 – *Partial Amendments to Articles of Incorporation* and Proposal No. 3 – *Election of Six (6) Directors (excluding Directors Who are Audit and Supervisory Committee Members)* are approved as originally proposed, the Company will have six (6) Directors (of which none will be Outside Director).

The resolution of this proposal shall take effect on the condition that the amendments to the Articles of Incorporation concerning Proposal No. 2 – *Partial Amendments to the Articles of Incorporation* take effect.

Proposal No. 6 – Determination of Amount of Remuneration for Directors Who are Audit and Supervisory Committee Members

The Company will transition to a company with an audit and supervisory committee if Proposal No. 2 – *Partial Amendments to the Articles of Incorporation* is approved as originally proposed.

Accordingly, the Company proposes that the amount of remuneration, including Directors' bonuses, for Directors who are Audit and Supervisory Committee Members be capped at one hundred (100) million yen per year, in consideration of various factors, such as the recent economic conditions.

The amount of remuneration proposed in this proposal has been deemed appropriate in light of the Company's business size, the levels of remuneration paid to Directors, responsibilities of Directors who are Audit and Supervisory Committee Members, and other conditions.

If Proposal No. 2 – *Partial Amendments to Articles of Incorporation* and Proposal No. 4 – *Election of Five (5) Directors Who are Audit and Supervisory Committee Members* are approved as originally proposed, the Company will have five (5) Directors who are Audit and Supervisory Committee Members subject to this proposal.

The resolution of this proposal shall take effect on the condition that the amendments to the Articles of Incorporation concerning Proposal No. 2 – *Partial Amendments to the Articles of Incorporation* take effect.

Proposal No. 7 – Determination of Details of Share-based Payment Plan for Directors (excluding Directors Who are Audit and Supervisory Committee Members)

1. Reasons for the proposal and reasons for the appropriateness of the payment plan

The Company will transition to a company with an audit and supervisory committee if Proposal No. 2 – *Partial Amendments to the Articles of Incorporation* is approved as originally proposed.

At the 32nd Annual General Meeting of Shareholders held on January 30, 2018, the Company obtained approval to introduce a share-based payment plan for Directors (excluding Outside Directors; hereinafter, the “Plan”), which has been valid until today. The purpose of introducing the Plan was to further clarify the link between the remuneration for Directors and the Company’s stock value, and to raise awareness among Directors of contributing to improving the Company’s business performance and increasing its corporate value in the medium to long term by sharing benefits and risks associated with stock price fluctuations with shareholders. In conjunction with the Company’s shift to a company with an audit and supervisory committee, the Company once again seeks approval for introducing (continuing) the Plan for Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; the same shall apply hereinafter in this proposal).

The resolution of this proposal shall take effect on the condition that the amendments to the Articles of Incorporation concerning Proposal No. 2 – *Partial Amendments to the Articles of Incorporation* take effect. The Company proposes that the details of the Plan be entrusted to the Board of Directors within the maximum amount specified in 2. below.

This proposal is separate from the maximum amount of remuneration for which approval is requested in Proposal No. 5 – *Determination of Amount of Remuneration for Directors (excluding Directors Who are Audit and Supervisory Committee Members)*. This proposal is to once again seek approval for introducing (continuing) the Plan in conjunction with the Company’s shift to a company with an audit and supervisory committee.

Meanwhile, we believe that this proposal is appropriate as the details of the Plan are effectively the same as those already approved, and are consistent with the basic policy on the amount of remuneration for Directors set to work as a proper incentive for Directors to commit to fulfilling their responsibilities and other duties as Directors and achieving a sustainable growth of corporate value.

The Company currently has seven (7) Directors who are eligible for the Plan. If Proposal No. 2 – *Partial Amendments to the Articles of Incorporation* and Proposal No. 3 – *Election of Six (6) Directors (excluding Directors Who are Audit and Supervisory Committee Members)* are approved as originally proposed, the Company will have six (6) Directors eligible for the Plan.

2. Amount and details of remuneration, etc. under the Plan

(1) Outline of the Plan

The Plan is a share-based payment plan under which shares of the Company will be acquired through a trust (hereinafter, the “Trust”) using cash contributed by the Company, and a number of shares of the Company will be delivered to each Director through the Trust in accordance with the number of points they have been awarded by the Company.

In principle, Directors will receive delivery of shares of the Company upon their retirement from office as Director.

| | |
|---|--|
| (i) Individuals eligible for the Plan | Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) |
| (ii) Initial trust period | Five (5) years from March 30, 2018 to March 31, 2023 |
| (iii) Maximum amount of cash contributed by the Company as funds to acquire shares of the Company during the initial trust period referred to in (ii) | Four hundred (400) million yen in total |
| (iv) Method of acquiring shares of the Company | Acquired through the exchange market (including after-hours trading) or subscription to disposal of treasury shares |
| (v) Maximum total number of points to be awarded to Directors referred to in (i) | 80,000 points (equivalent to 80,000 shares after the stock split conducted in 2018) per year |
| (vi) Criteria for awarding points | Points will be awarded according to the positions of eligible Directors |
| (vii) Timing of delivery of shares of the Company to Directors referred to in (i) | In principle, upon their retirement from office |

(2) Maximum amount of cash to be contributed by the Company

The initial trust period of the Trust shall be approximately five (5) years. The Company shall establish the Trust (already established) with Directors who satisfy certain requirements as its beneficiaries and contribute funds to acquire the Company Shares necessary to deliver the shares to Directors under the Plan during the trust period in cash of up to four hundred (400) million yen as remuneration for Directors who will be in office during the applicable period. The Trust shall acquire shares of the Company using cash entrusted by the Company through the exchange market (including after-hours trading) or subscription to disposal of the Company's treasury shares.

Note: The actual amount of cash entrusted to the Trust by the Company includes an estimated amount to cover necessary expenses, such as trust fees and trust administrator fees, in addition to the funds to acquire shares of the Company described above.

Upon expiration of the trust period (or the extended trust period if the trust period is extended and the Plan is continued through the following procedures), the Board of Directors of the Company may decide to extend the trust period (including effective extension of the trust period by transferring the assets in the Trust to another trust established by the Company for the same purpose; the same shall apply hereinafter) and continue the Plan. In this case, the Company shall contribute to the Trust an additional cash in the maximum amount of eighty (80) million yen multiplied by the number of years by which the trust period will be extended as additional funds to acquire shares of the Company necessary to deliver the shares to Directors under the Plan. At the same time, the applicable period shall be extended in accordance with the continuation of the Plan and the extension of the trust period. During the extended trust period, the Company shall continue to award points as described in (i) of (3) below and deliver shares of the Company as described in (iii) of (3) below.

Furthermore, even if points are not continued to be awarded as described above, if, at the expiration of the trust period, there are any Directors to whom points have already been awarded and who have not yet retired from office, the trust period of the Trust may be extended until such Directors retire and the delivery of shares of the Company is complete.

(3) Calculation method and maximum number of shares of the Company to be delivered to Directors

(i) Method of awarding points to Directors, etc.

In accordance with the Share Delivery Rules established by the Board of Directors of the Company, the Company shall award points to each Director on the dates stipulated in the Share Delivery Rules during the trust period according to their positions. However, the total number of points to be awarded to Directors by the Company shall be no more than 80,000 points (equivalent to 80,000 shares after the stock split conducted in 2018) per year.

(ii) Delivery of shares of the Company according to the number of points awarded

Directors shall receive the delivery of shares of the Company according to the number of points awarded as described in (i) above, following the procedures described in (iii) below. One (1) point shall correspond to one (1) share of the Company. However, in the event of stock split or stock consolidation of shares of the Company or any other event where it is deemed reasonable to adjust the number of shares of the Company to be delivered, the Company shall make reasonable adjustments according to such split ratio, consolidation ratio or the like.

(iii) Delivery of shares of the Company to Directors

Shares of the Company referred to in (ii) above shall be delivered to each Director through the Trust upon their retirement from office by taking the prescribed beneficiary determination procedures. However, a certain percentage of shares of the Company shall be sold and converted into cash within the Trust, and the cash shall be delivered to each Director instead of shares of the Company. The Company may deliver cash instead of shares of the Company if those in the Trust are converted into cash due to a settlement for subscription to a tender offer, or other events.

(4) Exercise of voting rights

Voting rights for shares of the Company within the Trust shall, without exception, not be exercised in accordance with an instruction given by the trust administrator who is independent of the Company and its officers. This is intended to ensure neutrality of the Company's management in relation to the exercise of voting rights for shares of the Company within the Trust.

(5) Treatment of dividends

Dividends to be paid on shares of the Company within the Trust shall be received by the Trust and used mainly for acquiring shares of the Company and paying trust fees to the trustee of the Trust.

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