

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.

Securities code: 1721

June 5, 2024

To our shareholders:

Hiroshi Tanabe
President, Representative Director
COMSYS Holdings Corporation
17-1, Higashigotanda 2-chome, Shinagawa-ku, Tokyo

NOTICE OF THE 21ST ORDINARY GENERAL MEETING OF SHAREHOLDERS

The 21st Ordinary General Meeting of Shareholders of COMSYS Holdings Corporation (the “Company”) will be held as described below.

In lieu of attending the meeting in person, you may exercise your voting rights either via the Internet or by mail (in writing). Please review the attached Reference Documents for the General Meeting of Shareholders described later and exercise your voting rights no later than 5:00 p.m., Wednesday, June 26, 2024 (Japan Standard Time).

[Exercising voting rights via the Internet]

After reading the “Guidelines for Exercising Voting Rights via the Internet” (Japanese only), access the Company’s designated Voting Rights Exercise Website (<https://evote.tr.mufg.jp/>), follow the instructions on the screen, and then enter your vote for each proposal by the deadline specified above (Japanese only).

[Exercising voting rights by mail (in writing)]

Please indicate your approval or disapproval for the proposals on the enclosed Voting Rights Exercise Form, and then return it to the Company so that it arrives by the deadline specified above.

1. Date and Time: Thursday, June 27, 2024 at 10:00 a.m. (Japan Standard Time)

2. Venue: 2F Conference Room, Head Office, Nippon COMSYS Corporation,
Oval Court Osaki Mark West Building,
17-1, Higashigotanda 2-chome, Shinagawa-ku, Tokyo

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 21st Term (from April 1, 2023 to March 31, 2024), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
2. Non-Consolidated Financial Statements for the 21st Term (from April 1, 2023 to March 31, 2024)

Items to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Five (5) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal 3:** Issuance of Subscription Rights to Shares as Share Options

4. Matters concerning measures for electronic provision:

In the convocation of the General Meeting of Shareholders, measures for electronic provision will be implemented and the relevant information will be published on the Company’s website on the Internet.

The Company’s website:

<https://www.comsys-hd.co.jp/ir/library/library7.html> (in Japanese)

In addition to posting matters subject to measures for electronic provision on the Company's website, the Company also posts this information on the website of Tokyo Stock Exchange, Inc. (TSE). To peruse this information from the latter website, access the TSE website (Listed Company Search) by using the Internet address shown below, enter "COMSYS Holdings" in "Issue name (company name)" or the Company's securities code "1721" in "Code," and click "Search." Then, click "Basic information" and select "Documents for public inspection/PR information." Under "Filed information available for public inspection," click "Click here for access" under "[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting]."

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

5. Matters Determined on the Convocation of the Meeting:

- (1) If the Voting Rights Exercise Form contains no indication of approval or disapproval for each proposal, the vote will be regarded as having indicated approval for the relevant proposal.
 - (2) You may exercise your voting rights by proxy only in cases where the proxy is another shareholder of the Company who also owns voting rights. The proxy will be required to present a document certifying the power of representation to the Company.
 - (3) If you exercise your voting rights both via the Internet and in writing the votes made via the Internet shall prevail.
 - (4) If you exercise your voting rights multiple times via the Internet, the last vote submitted shall prevail.
- If you attend the General Meeting of Shareholders in person, please submit the enclosed Voting Rights Exercise Form at the reception on your arrival. Please note that persons, such as proxies and accompanying persons, other than the shareholders who are eligible to vote will not be allowed entry to the meeting even if the above persons bring the Voting Rights Exercise Form with them (however, an assisting person, guide dog, hearing dog, service dog, or other assistance animal will be allowed entry to assist a shareholder with a physical disability).
 - If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and details of the matters before and after the revisions will be posted on the Company's website and the TSE website for your confirmation.
 - Results of the resolutions of the General Meeting of Shareholders will be published on the Company's website instead of sending them in writing.
- Company's website <https://www.comsys-hd.co.jp/ir/library/library7.html> (in Japanese)

Reference Documents for the General Meeting of Shareholders

Proposals and Referential Matters

Proposal 1: Appropriation of Surplus

COMSYS Holdings has positioned the return of profits to shareholders as a key management priority. The Company adopts the basic policy of ensuring the stable and continuous dividends of surplus while taking into consideration its operating performance. Guided by the aforementioned policy, the Company proposes the following year-end dividends for the fiscal year in comprehensive consideration of factors such as business performance and payout ratio.

Matters related to year-end dividends

- (1) Type of dividend property
Cash
- (2) Allocation of dividend property and total amount thereof
55 yen per share of the Company's common stock
Total dividend 6,565,779,165 yen
- (3) Effective date of distribution of dividends of surplus
June 28, 2024

Proposal 2: Election of Five (5) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

At the conclusion of this General Meeting, the terms of office of all five (5) currently serving Directors (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply hereafter in this proposal) will expire. Therefore, the Company proposes that five (5) Directors be elected.

This proposal has been reviewed by the Audit and Supervisory Committee without objection.

The candidates for Directors are as follows:

No.	Name	Current position and responsibilities in the Company Significant concurrent positions outside the Company		Attendance at Board of Directors Meetings
1	Takashi Kagaya	Reelection	Chairman, Director Chairman, Director of Nippon COMSYS Corporation	10/10 (100%)
2	Hiroshi Tanabe	Reelection	President, Representative Director President, Representative Director of Nippon COMSYS Corporation	7/7 (100%)
3	Hideyuki Noike	Reelection	Director In charge of Business Strategy (Carrier Business) Director, Managing Executive Officer, General Manager of Communication EX Business Division of Nippon COMSYS Corporation	10/10 (100%)
4	Kunihiko Uchide	Reelection	Director In charge of Business Strategy (Non-Carrier Business) Director, Managing Executive Officer, General Manager of IT Business Division of Nippon COMSYS Corporation President, Representative Director of COMSYS JOHO SYSTEM Corporation	10/10 (100%)
5	Toru Mashimo	Reelection	Director, General Manager of Finance & Accounting Department, General Manager of Corporate Planning Department, and Manager of Business Expansion Strategy Office, In charge of Company Operations (Finance, Corporate) Director, Executive Officer, General Manager of Corporate Planning Department of Nippon COMSYS Corporation	7/7 (100%)

No.	Name (Date of birth)	Career summary, position and responsibilities	Number of the Company's shares owned
1	<p style="text-align: center;">Takashi Kagaya (March 12, 1957) For reelection</p> <p style="text-align: center;">Tenure as Director 9 years Attendance at Board of Directors Meetings 10/10 (100%)</p>	<p>June 2008 Director, General Manager of Chiba Branch of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION</p> <p>June 2012 Managing Director, General Manager of Tokyo Branch of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION</p> <p>July 2014 Managing Director, General Manager of Tokyo Division of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION</p> <p>June 2015 Vice President, Director of Nippon COMSYS Corporation</p> <p>June 2015 Director of the Company</p> <p>June 2016 President, Representative Director of Nippon COMSYS Corporation</p> <p>June 2016 Representative Director of the Company</p> <p>June 2017 President, Representative Director of the Company</p> <p>Apr. 2023 Chairman, Director of Nippon COMSYS Corporation (present position)</p> <p>Apr. 2024 Chairman, Director of the Company (present position)</p> <p>Significant concurrent positions outside the Company: Chairman, Director of Nippon COMSYS Corporation</p>	52,700
<p>Reasons for nomination as candidate for Director</p> <p>As Director of the Company and a COMSYS Group company, Takashi Kagaya has played a leading role in the Company's overall management and contributed toward the enhancement of corporate value of the Group. He possesses deep knowledge from his many years of experience in the telecommunications industry and abundant experience in business management. He has also demonstrated excellent character and keen discernment. Therefore, the Company has nominated him for re-election as Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities	Number of the Company's shares owned
2	<p data-bbox="363 562 512 651">Hiroshi Tanabe (June 2, 1962) For reelection</p> <p data-bbox="320 689 555 842">Tenure as Director 1 year Attendance at Board of Directors Meetings 7/7 (100%)</p>	<p data-bbox="611 264 1238 450">June 2015 Director, Executive Manager of Maintenance and Service Operation Department, Executive Manager of Engineering Department, Network Business Headquarters of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION</p> <p data-bbox="611 461 1238 577">June 2018 Managing Director, Senior Executive Manager of Network Business Headquarters of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION</p> <p data-bbox="611 589 1238 741">June 2020 Senior Executive Vice President, Representative Director, General Manager of Digital Innovation Division of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION</p> <p data-bbox="611 752 1238 779">June 2022 Associate Director of the Company</p> <p data-bbox="611 790 1238 842">June 2022 Vice President, Representative Director of Nippon COMSYS Corporation</p> <p data-bbox="611 853 1238 904">Apr. 2023 President, Representative Director of Nippon COMSYS Corporation (present position)</p> <p data-bbox="611 916 1238 967">June 2023 Vice President, Representative Director of the Company</p> <p data-bbox="611 978 1238 1030">Apr. 2024 President, Representative Director of the Company (present position)</p> <p data-bbox="611 1041 1238 1131">Significant concurrent positions outside the Company: President, Representative Director of Nippon COMSYS Corporation</p>	20,300
<p data-bbox="272 1144 756 1171">Reasons for nomination as candidate for Director</p> <p data-bbox="272 1178 1442 1326">As Director of the Company and a COMSYS Group company, Hiroshi Tanabe has played a leading role in the Company's overall management and contributed toward the enhancement of corporate value of the Group. He possesses deep knowledge from his many years of experience in the telecommunications industry and abundant experience in business management. He has also demonstrated excellent character and keen discernment. Therefore, the Company has nominated him for re-election as Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities	Number of the Company's shares owned
3	<p>Hideyuki Noike (February 26, 1964) For reelection</p> <p>Tenure as Director 4 years Attendance at Board of Directors Meetings 10/10 (100%)</p>	<p>July 2014 General Manager of Hokkaido Division and General Manager of Hokkaido Branch of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION</p> <p>June 2016 Director, General Manager of Hokkaido Division and General Manager of Hokkaido Branch of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION</p> <p>June 2017 Director, General Manager of Tokyo Division of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION</p> <p>June 2019 Director, Managing Executive Officer of Nippon COMSYS Corporation</p> <p>June 2019 General Manager of Corporate Planning Department of the Company</p> <p>June 2020 Director, General Manager of Corporate Planning Department of the Company</p> <p>June 2021 Director of the Company (present position)</p> <p>June 2023 Director, Managing Executive Officer, General Manager of NTT Business Division and General Manager of DOCOMO Business Division of Nippon COMSYS Corporation</p> <p>Apr. 2024 Director, Managing Executive Officer, General Manager of Communication EX Business Division of Nippon COMSYS Corporation (present position)</p> <p>[Responsibility] In charge of Business Strategy (Carrier Business)</p> <p>Significant concurrent positions outside the Company: Director, Managing Executive Officer, General Manager of Communication EX Business Division of Nippon COMSYS Corporation</p>	11,500
<p>Reasons for nomination as candidate for Director</p> <p>Hideyuki Noike has been involved in management, having served the Company and a COMSYS Group company as Director. He has a wealth of knowledge from his many years of experience in the telecommunications industry and abundant experience in business administration. He has also demonstrated excellent character and keen discernment. Therefore, the Company has nominated him for re-election as Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities	Number of the Company's shares owned
4	<p>Kunihiko Uchide (April 7, 1961) For reelection</p> <p>Tenure as Director 4 years Attendance at Board of Directors Meetings 10/10 (100%)</p>	<p>Oct. 2009 General Manager of Business Planning Section, SE Division of NTT Communications Corporation</p> <p>Oct. 2012 Deputy General Manager of Third Sales Division of NTT Communications Corporation</p> <p>June 2014 CEO & President of NTT World Engineering Marine Corporation</p> <p>July 2017 Executive Officer, Deputy Manager of IT Business Division of Nippon COMSYS Corporation</p> <p>June 2018 Director, Executive Officer, General Manager of IT Business Division of Nippon COMSYS Corporation</p> <p>June 2020 Director, Managing Executive Officer, General Manager of IT Business Division of Nippon COMSYS Corporation (present position)</p> <p>June 2020 Director of the Company (present position)</p> <p>Apr. 2024 President, Representative Director of COMSYS JOHO SYSTEM Corporation (present position)</p> <p>[Responsibility] In charge of Business Strategy (Non-Carrier Business)</p> <p>Significant concurrent positions outside the Company: Director, Managing Executive Officer, General Manager of IT Business Division of Nippon COMSYS Corporation President, Representative Director of COMSYS JOHO SYSTEM Corporation</p>	10,500
<p>Reasons for nomination as candidate for Director</p> <p>Kunihiko Uchide has been involved in management, having served the Company and a COMSYS Group company as Director. He has a wealth of knowledge from his many years of experience in the telecommunications industry and abundant experience in business administration. He has also demonstrated excellent character and keen discernment. Therefore, the Company has nominated him for re-election as Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities	Number of the Company's shares owned
5	<p data-bbox="341 591 528 680">Toru Mashimo (February 1, 1965) For reelection</p> <p data-bbox="320 719 552 875">Tenure as Director 1 year Attendance at Board of Directors Meetings 7/7 (100%)</p>	<p data-bbox="612 264 1235 353">July 2013 General Manager of Planning Department, Tokyo Branch of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION</p> <p data-bbox="612 360 1235 450">July 2017 General Manager of Interconnection Promotion Department of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION</p> <p data-bbox="612 456 1235 584">July 2021 PT Manager of Career Business Production, New Business Development Headquarters of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION</p> <p data-bbox="612 591 1235 680">July 2022 Associate Director, General Manager of Corporate Planning Department of the Company</p> <p data-bbox="612 687 1235 777">July 2022 Executive Officer, General Manager of Corporate Planning Department of Nippon COMSYS Corporation</p> <p data-bbox="612 784 1235 873">June 2023 Director, Executive Officer, General Manager of Corporate Planning Department of Nippon COMSYS Corporation (present position)</p> <p data-bbox="612 880 1235 1037">June 2023 Director, General Manager of Finance & Accounting Department, General Manager of Corporate Planning Department, and Manager of Business Expansion Strategy Office of the Company (present position)</p> <p data-bbox="612 1043 1235 1099">[Responsibility] In charge of Company Operations (Finance, Corporate)</p> <p data-bbox="612 1106 1235 1196">Significant concurrent positions outside the Company: Director, Executive Officer, General Manager of Corporate Planning Department of Nippon COMSYS Corporation</p>	3,400
<p data-bbox="272 1207 754 1234">Reasons for nomination as candidate for Director</p> <p data-bbox="272 1240 1436 1357">Toru Mashimo has been involved in management, having served the Company and a COMSYS Group company as Director. He has a wealth of knowledge and abundant experience from his many years of experience in the Corporate Planning Department. He has also demonstrated excellent character and keen discernment. Therefore, the Company has nominated him for re-election as Director.</p>			

- Notes:
1. There is no special interest between the candidates and the Company.
 2. Pursuant to the provisions of Article 430-3, Paragraph 1 of the Companies Act, the Company has taken out a directors' and officers' liability insurance (D&O insurance) from an insurance company to supplement the costs of liabilities (legal compensation and court costs) arising from execution of duties by the insured persons including Directors of the Company (however, this excludes liabilities for damages resulting from intentional acts of the insured person, illegal profit sharing, criminal acts, etc.). If candidates are elected and assume the office, they will be added to the insured persons of this insurance.
The Company intends to renew this insurance agreement with the same contents at the time of next renewal.

Reference:

The Company’s Board of Directors consists of directors who are familiar with the Company’s business and outside directors who monitor management from an independent standpoint to enhance management efficiency and to maintain and strengthen sound management by enhancing the audit function by the Audit Committee members. In appointing internal directors, the Company places importance on the ability and track record of directors who are familiar with their respective business segments, and are capable of understanding the overall business and carrying out activities, able to make accurate and prompt decisions, and are able to appropriately manage risks, and their diversity of individual backgrounds and experience that can be utilized. With respect to the appointment of outside directors, the Company places importance on comprehensively considering that they satisfy the requirements of the Company’s independence criteria and have diverse viewpoints, a wealth of experience, a high level of insight and expertise, and are familiar with management in total, and in particular, include directors who have management experience at other companies. In order to solve the Company’s issues, the Company has defined the areas in which it particularly expects each director to contribute, namely “Business management,” “Equipment construction and operation/Project management,” “New business development/Business expansion promotion,” “DX promotion/Technology development,” “Legal/Risk management,” “Human Resources/Labor/Diversity,” “Accounting/Finance,” and “Sustainability.”

Name		Business management	Equipment construction and operation/Project management	New business development/Business expansion promotion	DX promotion/Technology development	Legal/Risk management	Human Resources/Labor/Diversity	Accounting/Finance	Sustainability
Director (excluding Audit and Supervisory Committee Member)	Takashi Kagaya	●	●	●	●		●		●
	Hiroshi Tanabe	●	●	●	●		●		●
	Hideyuki Noike	●	●	●	●				
	Kunihiko Uchide	●	●	●	●				
	Toru Mashimo	●		●		●		●	●
	Atsushi Yasunaga	●				●	●		
Outside Director	Kenichi Nakatogawa					●		●	●
	Hiroyuki Asai	●	●	●			●		●
	Kyoko Ichikawa					●	●	●	●
	Masaya Hirano					●	●		●

Note: Fields that are particularly expected of each director are listed.

The above skill matrix does not represent all the knowledge and experience of each director.

Proposal 3: Issuance of Subscription Rights to Shares as Share Options

The Company requests approval for subscription rights to shares as share options to be issued without compensation to the Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) of the Company and to Directors and Executive Officers of the Company’s subsidiaries, pursuant to Articles 236, 238 and 239 of the Companies Act, and for the authority to determine the subscription requirements to be delegated to the Company’s Board of Directors.

Since the issuance of subscription rights to shares to the Company’s Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) constitutes remuneration to Directors as provided for under Article 361, Paragraph 1 of the Companies Act, the Company additionally requests approval of the specific methods for calculating the amount of remuneration, pursuant to Article 361, Paragraph 1, Item 2 of the said Act, and the maximum number of subscription rights to shares, etc., pursuant to Article 361, Paragraph 1, Item 4 of the said Act.

1. Reasons for issuing subscription rights to shares with particularly advantageous conditions

The Company intends to issue subscription rights to shares, under the subscription requirements specified below, to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) of the Company and to Directors and Executive Officers of the Company’s subsidiaries for the purpose of bolstering their morale and their motivation to contribute toward the betterment of business performance, and to further enhance business management so as to improve share value.

2. Outline of issuance of subscription rights to shares

(1) Persons eligible for the allotment of subscription rights to shares

Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) of the Company and Directors and Executive Officers of the Company’s subsidiaries

(2) Class and number of shares underlying the subscription rights to shares

The upper limit of common shares to be granted is 600,000 shares. However, if the number of granted shares is adjusted as set forth below, the upper limit shall be the amount obtained by multiplying the number of shares after adjustment by the total number of subscription rights to shares.

The number of shares underlying the subscription rights to shares (hereinafter referred to as the “Number of Granted Shares”) shall be 100 common shares. If the Company conducts a share split (including any allotment of common shares in the Company without compensation; the same shall apply hereafter) or any share consolidation for its common shares after the date when the subscription rights to shares were allotted (hereinafter referred to as the “Date of Allotment”), the Number of Granted Shares shall be adjusted in accordance with the formula set forth below. Such adjustment shall be made only for the Number of Granted Shares of those subscription rights to shares that are not exercised at the time of adjustment, and any fraction of less than one (1) share created as a result of the adjustment shall be discarded.

$$\begin{array}{l} \text{Post-adjustment} \\ \text{Number of} \\ \text{Granted Shares} \end{array} = \begin{array}{l} \text{Pre-adjustment} \\ \text{Number of} \\ \text{Granted Shares} \end{array} \times \text{Share split (or share consolidation) ratio}$$

In addition to the above, the Number of Granted Shares shall be adjusted to the extent reasonable if, after the Date of Allotment, there occurs any event that would require such adjustment.

(3) Total number of subscription rights to shares

Up to 6,000 subscription rights to shares.

(4) Money to be paid in exchange for granting of the subscription rights to shares

No payment shall be required to be made in exchange for the granting of subscription rights to shares for which the subscription requirements may be determined as delegated by this General Meeting.

(5) Value of the property to be contributed upon exercise of subscription rights to shares

The value of the property to be provided as contribution upon the exercise of each subscription rights to shares shall be the amount calculated by multiplying the Number of Granted Shares by the amount of payment for one (1) share that will be issued after the exercise of the subscription rights to shares (hereinafter referred to as the “Exercise Price”).

The Exercise Price shall be 1.05 times the average closing price of the common shares of the Company in regular trading on the Tokyo Stock Exchange on each day of the month preceding the month in which the Date of Allotment fell (excluding days on which there is no such closing price), rounded up to the nearest yen; provided, however, that if such calculated price is lower than the closing price on the Date of Allotment (if no transactions are conducted on this date, it shall be the closing price of the immediately preceding date), then the Exercise Price shall be equal to the amount of the closing price on the Date of Allotment.

If any of the circumstances described in the items below occur after the Date of Allotment, the Exercise Price may be adjusted as specified in the relevant item.

- I. If the Company conducts any share split or share consolidation, the Exercise Price shall be adjusted in accordance with the formula shown below and any fraction less than one (1) yen arising from the adjustment shall be rounded up to the nearest yen.

$$\text{Post-adjustment Exercise Price} = \text{Pre-adjustment Exercise Price} \times \frac{1}{\text{Share split (or share consolidation) ratio}}$$

- II. If the Company issues new shares or disposes of its treasury shares at a price lower than the market price at the time (excluding the case where the issuance of new shares or disposal of treasury shares is made pursuant to the exercise of the subscription rights to shares), the Exercise Price shall be adjusted in accordance with the formula shown below, and any fraction less than one (1) yen arising from the adjustment shall be rounded up to the nearest yen.

$$\text{Post-adjustment Exercise Price} = \text{Pre-adjustment Exercise Price} \times \frac{\text{Total number of issued shares} + \frac{\text{Number of newly issued shares} \times \text{Amount of subscription payment per share}}{\text{Current market price}}}{\text{Total number of issued shares} + \text{Number of newly issued shares}}$$

In the above formula, “Total number of issued shares” denotes the number obtained by subtracting the number of treasury shares held by the Company from the number of outstanding common shares. In the case of any disposal of treasury shares, the formula shall be applied by replacing “Number of newly issued shares” with “Number of disposed treasury shares.”

- III. If an adjustment of the Exercise Price is necessary due to the Company undergoing a merger, company split, or other similar event, the Exercise Price may be adjusted to a reasonable extent in view of the conditions of the merger, company split, or similar event.

(6) Period during which the subscription rights to shares may be exercised

The exercise period shall be six (6) years commencing on the day after the third anniversary of the Date of Allotment.

(7) Conditions for exercising subscription rights to shares

- I. A person to whom the subscription rights to shares are allotted (hereinafter referred to as the “Allottee”) must, at the time of the exercise of subscription rights to shares, be holding the position of Director, Audit & Supervisory Board Member, Executive Officer, or employee of the Company or a subsidiary of the Company; provided, however, that this shall not apply to cases where the Allottee leaves the Company before exercising the subscription rights to shares due to expiry of tenure, mandatory retirement, or retirement at the convenience of the Company.
- II. Subscription rights to shares may not be transferred by succession.
- III. Each subscription right to shares may not be partially exercised.

- (8) Matters concerning increase in capital stock and legal capital surplus by the issuance of shares upon exercise of subscription rights to shares
- I. The amount of increase in capital stock by issuing shares upon the exercise of subscription rights to shares shall be half of the upper limit of capital increase as calculated pursuant to the provisions of Article 17, Paragraph 1 of the Ordinance for Corporate Accounting, with fractions of less than one (1) yen arising from the calculation to be rounded up to the nearest yen.
 - II. The amount of increase in legal capital surplus by issuing shares upon the exercise of subscription rights to shares shall be the amount obtained by subtracting the amount of increase in capital stock out therein from the upper limit of capital increase as described in Item I above.
- (9) Restriction on acquisition of subscription rights to shares by transfer
Any acquisition of subscription rights to share by transfer shall be subject to the approval by resolution of the Board of Directors of the Company.
- (10) Circumstances and conditions for acquisition of subscription rights to shares
In cases where a resolution for the approval of a merger agreement under which the Company will become a non-surviving company, an incorporation-type split agreement or a company split plan that would render the Company an incorporated company, a share exchange agreement that would render the Company a wholly-owned subsidiary, or a share transfer plan is adopted at this General Meeting of Shareholders (or, if the approval of the General Meeting of Shareholders is not required, a resolution of the Board of Directors of the Company or a decision by an Executive Officer delegated pursuant to the provisions of Article 416, Paragraph 4 of the Companies Act or by a Director delegated pursuant to the provisions of Article 399-13, Paragraph 5 of the Companies Act is made), the Company may acquire the subscription rights to shares without compensation on a date specified separately by the Board of Directors.
- (11) Rules pertaining to subscription rights to shares during organizational restructuring
If the Company merges (limited to cases wherein the Company becomes a non-surviving company), conducts an incorporation-type split agreement or a company split (limited to cases wherein the Company becomes an incorporated company), or conducts a share exchange or share transfer (limited to cases wherein the Company becomes a wholly-owned subsidiary; the above cases are hereinafter collectively referred to as “Organizational Restructuring”), subscription rights to shares of a corporation described in Article 236, Paragraph 1, Items 8.1 through 8.5 of the Companies Act (hereinafter referred to as “Restructured Company”) shall be granted to Allottees holding subscription rights to shares that remain unexercised (hereinafter referred to as “Remaining Subscription Rights to Shares”) immediately before the date when the Organizational Restructuring takes effect (the date when the absorption-type merger takes effect, the date on which the Company becomes an incorporated company upon the merger, the date when the company split takes effect, the date on which the Company becomes an incorporated company upon the company split, the date when the share exchange takes effect, or the date when the wholly-owning parent company is established by share transfer; the same shall apply hereafter). In such an event, the Remaining Subscription Rights to Shares shall cease to exist and the Restructured Company shall issue new subscription rights to shares. However, the same shall apply only to cases where it is stipulated in the absorption-type merger agreement, the incorporation-type merger agreement, the absorption-type company split agreement, the company split plan, the share exchange agreement, or the share transfer plan that the subscription rights to shares of the Restructured Company are to be issued in accordance with the following items.
- I. Number of subscription rights to shares of the Restructured Company to be issued
The number shall be equal to the number of Remaining Subscription Rights to Shares held by the Allottees, respectively.
 - II. Class of the shares of the Restructured Company underlying the subscription rights to shares
The shares shall be common shares of the Restructured Company.
 - III. Number of the shares of the Restructured Company underlying the subscription rights to shares
To be decided according to (2) above after taking into consideration the conditions of the Organizational Restructuring.

- IV. Value of the property to be contributed upon exercise of subscription rights to shares
The value of the property to be contributed upon the exercise of subscription rights to shares shall be the amount obtained by multiplying the amount to be paid after restructuring, which is obtained by adjusting the Exercise Price specified in (5) above in view of the conditions of Organizational Restructuring, by the number of shares of the Restructured Company underlying the subscription rights to shares as determined in accordance with III above.
- V. Period during which the subscription rights to shares may be exercised
The period from the commencement date of the period during which the subscription rights to shares may be exercised as stipulated in (6) above or the date on which the Organizational Restructuring becomes effective, whichever comes later, until the expiration date for the period during which the subscription rights to shares may be exercised as stipulated in (6) above.
- VI. Matters concerning increase in capital stock and legal capital surplus by the issuance of shares upon exercise of subscription rights to shares
To be determined in accordance with (8) above.
- VII. Restriction on acquisition of subscription rights to shares by transfer
Any acquisition of subscription rights to shares by transfer shall be subject to the approval by resolution of the Board of Directors of the Restructured Company.
- VIII. Circumstances and conditions for acquisition of subscription rights to shares
To be determined in accordance with (10) above.

(12) Rules pertaining to fractions of less than one (1) share arising from the exercise of subscription rights to shares

Fractions of less than one (1) share in the number of shares issued upon the exercise of subscription rights to shares shall be discarded.

3. Specific methods for calculating the amount of remuneration to Directors

The amount of subscription rights to shares the Company issues to Directors as remuneration shall be the amount obtained by multiplying the fair value of one (1) subscription right to shares on the Date of Allotment by the total number of subscription rights to shares (up to 2,000) allotted to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) incumbent on the Date of Allotment. The fair value of subscription rights is calculated using the Black-Scholes model based on the conditions that are applicable on the Date of Allotment. If Proposal 2 is approved in its original form, the number of eligible Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) shall become five (5).

4. Reasons for appropriateness of granting subscription rights to shares

See “1. Reasons for issuing subscription rights to shares with particularly advantageous conditions” for purposes of issuing subscription rights to shares.

The Company defined the policy on determining remuneration to individual Directors in the Board of Directors meeting held on February 5, 2021 as described under “V. Policy for Determining the Content of Individual Remuneration for Directors” within “3) Remuneration for Directors in FY2023” of “3. Status of Corporate Officers” in the Business Report (Japanese only). Granting subscription rights to shares in this proposal is in line with the given policy, and the policy will remain unchanged if this proposal is approved. Also, the Company believes granting subscription rights to shares is appropriate because the amount to be paid for exercising subscription rights to shares will be set to exceed the market price of the Company’s common shares as of the day of the Board of Directors meeting to determine the allotment, and the number of shares issued to exercise subscription rights to shares only accounts for 0.45% of the total number of issued shares, which is too small to cause equity dilution.