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(Stock Exchange Code 8708)

June 4, 2021

To Shareholders with Voting Rights:

Takuya Aizawa
President
AIZAWA SECURITIES CO., LTD.
1-20-3 Nihonbashi, Chuo-ku,
Tokyo, Japan

NOTICE OF THE 101ST ANNUAL GENERAL MEETING OF SHAREHOLDERS

We are pleased to inform you that the 101st Annual General Meeting of Shareholders of AIZAWA SECURITIES CO., LTD. (the “Company”) will be held for the purposes as described below.

In order to prevent the spread of the coronavirus disease (COVID-19) infection, we strongly encourage our shareholders to exercise your voting rights in advance in writing or via the Internet, etc. to the extent possible. If you attend the meeting, please kindly check the COVID-19 infection situation and your own physical condition on the date of the event, and give thoughtful attention to the prevention of the infection, including wearing a face cover. In addition, the Company may, at its discretion, take some measures required to ensure the safety of our shareholders and prevent the spread of infection at the site of the meeting. We kindly appreciate your cooperation in this regard.

When exercising your voting rights in writing or via the Internet, etc., please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 5:00 p.m. (JST) on Thursday, June 24, 2021.

- 1. Date and Time:** Friday, June 25, 2021 at 10:00 a.m. Japan time
(Reception opens at 9:00 a.m.)
- 2. Place:** 4F, Bellesalle Tokyo Nihonbashi, Tokyo Nihonbashi Tower
2-7-1 Nihonbashi, Chuo-ku, Tokyo, Japan
* The Company will not hand out souvenirs to those who will attend the General Meeting of Shareholders this year as well. We would appreciate your understanding.
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the 101st Fiscal Year (April 1, 2020 - March 31, 2021) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
 2. Non-consolidated Financial Statements for the 101st Fiscal Year (April 1, 2020 - March 31, 2021)
- Proposals to be resolved:**
- Proposal 1:** Approval of Absorption-type Company Split Agreement
- Proposal 2:** Partial Amendment to the Articles of Incorporation
- Proposal 3:** Election of Six (6) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
- Proposal 4:** Election of Three (3) Directors Serving as Audit and Supervisory Committee Members

- Proposal 5:** Election of One (1) Substitute Director Serving as Audit and Supervisory Committee Member
- Proposal 6:** Determination of the Amount of the Remuneration for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
- Proposal 7:** Determination of the Amount of the Remuneration for Directors Serving as Audit and Supervisory Committee Members
- Proposal 8:** Determination of the Amount of the Remuneration for Granting to Directors (Excluding Directors Serving as Audit and Supervisory Committee Members) Restricted Stock

In accordance with the provisions of laws and regulations and Article 18 of the Company's Articles of Incorporation, the following matters are posted on the Company's website, and are not included in this Notice and attached documents. (URL: https://www.aizawa.co.jp/ir/library/general_meeting.html)

- <1> The Non-consolidated Financial Statements of AIZAWA Investments Co., Ltd. pertaining to the company's final fiscal year
- <2> "Systems to Ensure Appropriateness of Business Operations" in the Business Report
- <3> Notes to the Consolidated Financial Statements
- <4> Notes to the Non-consolidated Financial Statements

Thus, documents provided with this Notice constitute a portion of the scope of audit in the Independent Auditor's Report and the Audit Report by the Audit & Supervisory Board.

Should the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements require any revisions, the revisions will be posted on the Company's website (<https://www.aizawa.co.jp>).

Reference Documents for the General Meeting of Shareholders

Proposal 1: Approval of Absorption-type Company Split Agreement

1. Reasons for implementing the absorption-type company split

Under the management philosophy of “Serving more people for their prosperity and happy lives through securities investment,” the Company engages in the wealth building business, while upholding its vision to be a “Hope Courier,” a company that delivers hope to customers by providing financial instruments, and to be “a retail securities firm that goes beyond retailing” by not only offering conventional securities house services, but also supporting customers in resolving their issues.

The financial industry, in which the Company operates its business, is facing demands to reform its traditional sales model, which has been largely dependent on in-person visits, due to the impact of the COVID-19 pandemic, and is currently finding itself in an intensively competitive environment due to the trend of lower commission fees centered around online securities firms, while competitors are entering the securities business, including independent financial advisors (IFA) and those from other industries.

Under these circumstances, it is imperative to establish an organizational system that allows for more appropriate and speedier decision making and more flexible execution of business strategies than ever before.

Accordingly, the Company and its subsidiaries and affiliates (collectively referred to as “the Group”) have decided to segment the Group’s businesses into four sectors—securities, financial instruments intermediary, asset management, and investment—and to shift to a holding company structure under which operating companies engaged in each sector as core business are controlled by the holding company. The Group has reached a conclusion that the shift to a holding company structure will enable the Group to, among other aims, achieve greater agility in its business operations as the entire Group, speed up decision making, enhance its financial position through more effective resource allocation, and formulate strategies for creating new businesses without being limited by the conventional mindset. Under the new system, the Group will seek to become a comprehensive financial services group that offers high quality services.

In order to shift to a holding company for the reasons above, the Company proposes that AIZAWA SECURITIES DIVISION PREPARATION CO., LTD., a wholly-owned subsidiary of the Company, succeed to the rights and obligations pertaining to the financial instruments business, one of the businesses currently operated by the Company, and AIZAWA Investments Co., Ltd., a wholly-owned subsidiary of the Company, succeed to the rights and obligations pertaining to the investment business, effective as of October 1, 2021 (scheduled).

2. Outline of the details of the absorption-type company split agreement

(1) “Absorption-type company split agreement (copy)” (AIZAWA SECURITIES DIVISION PREPARATION CO., LTD.)

Absorption-type Company Split Agreement

AIZAWA SECURITIES CO., LTD. (“Party A”) and AIZAWA SECURITIES DIVISION PREPARATION CO., LTD. (“Party B”) hereby enter into this Absorption-type Company Split Agreement (“this Agreement”) as set forth below, regarding an absorption-type company split whereby Party B shall succeed to the rights and obligations held by Party A in respect of the financial instruments business and related businesses (the “Business”), one of the businesses of Party A (the “Company Split”).

Article 1 (Trade names and domiciles of the companies that are the parties to this Agreement)

The trade names and domiciles of the splitting company and the successor company pertaining to the Company Split shall be as follows:

(Party A) The splitting company

Trade name: AIZAWA SECURITIES CO., LTD.

Domicile: 1-20-3, Nihonbashi, Chuo-ku, Tokyo, Japan

(Party B) The successor company

Trade name: AIZAWA SECURITIES DIVISION PREPARATION CO., LTD.

Domicile: 1-20-3, Nihonbashi, Chuo-ku, Tokyo, Japan

Article 2 (Assets, liabilities, employment contracts, and other rights and obligations to be succeeded)

1. The details of the assets, liabilities, employment contracts, other rights and obligations, and contractual status succeeded by Party B from Party A as a result of the Company Split (the “Rights, Obligations and Others to be Succeeded”) shall be as specified in the “Itemized List of Rights, Obligations and Others to be Succeeded” attached hereto; provided that if permission, authorization or approval by relevant government or public authorities is required for the transfer of any of the Rights, Obligations and Others to be Succeeded, such Rights, Obligations and Others to be Succeeded shall be transferred and succeeded by the Company Split subject to the acquisition of such permission, authorization or approval; and provided further that if any conflict arises in respect of the Rights, Obligations and Others to be Succeeded due to the provisions of the contracts pertaining thereto, Party A and Party B shall have a consultation about such conflict.
2. The succession of any and all liabilities by Party B from Party A under the provisions of paragraph 1 of this Article shall be performed in the form of a concomitant assumption of liabilities (*chojo-teki saimu hikiuke*); provided, however, that, Party B shall ultimately assume all such liabilities between Party A and Party B, and if Party A has assumed any of such liabilities to be succeeded by performing obligations or otherwise, Party A shall be entitled to claim compensation from Party B for any and all costs and expenses incurred by Party A in connection with such assumption.
3. If the transfer of any of the Rights, Obligations and Others to be Succeeded is subject to registration, entry, notice, consent or any other proceeding, or entails any of such proceedings as a perfection requirement, Party A shall, subject to consultation between Party A and Party B, cooperate with Party B in such proceeding as needed. Party B shall bear the registration fees and other costs and expenses for such proceeding.

Article 3 (Delivery of money, etc. for the company split)

Upon the execution of the Company Split, Party B shall issue 200,000 shares of its common stock and allocate and deliver all of the shares to Party A as the consideration for the Rights, Obligations and Others to be Succeeded.

Article 4 (Amounts of Party B’s share capital and others)

The amounts of Party B’s share capital and legal capital surplus as a result of the Company Split shall be as stated herein below; provided, however, that Party A and Party B may change such amounts subject to consultation between Party A and Party B, depending on the state of the assets and liabilities of the Business as of the date upon which the Company Split takes effect (the “Effective Date”).

- | | |
|-----------------------------|--|
| (1) Share capital | 0 yen |
| (2) Legal capital surplus | 0 yen |
| (3) Other capital surplus | Equal to changes in equity less the amounts of the preceding items |
| (4) Legal retained earnings | 0 yen |
| (5) Other retained earnings | 0 yen |

Article 5 (Effective date of the Company Split)

The Effective Date shall be October 1, 2021; provided, however, that if deemed necessary due to progress in proceedings hereunder or for any other reason, the Effective Date may be changed subject to consultation between Party A and Party B.

Article 6 (Approval by the general meeting of shareholders)

1. Party A shall obtain approval for this Agreement at the general meeting of its shareholders scheduled to be held on June 25, 2021 to perform the Company Split; provided, however, that if deemed necessary due to progress in proceedings hereunder or for any other reason, this process may be changed subject to consultation between Party A and Party B.
2. Party B shall obtain approval for this Agreement at the general meeting of its shareholders scheduled to be held on June 25, 2021 to perform the Company Split; provided, however, that if deemed necessary due to progress in proceedings hereunder or for any other reason, this process may be changed subject to consultation between Party A and Party B.

Article 7 (Change of trade names)

1. Subject to the Company Split taking effect, Party A shall change its trade name to “AIZAWA SECURITIES GROUP CO., LTD.” as of the Effective Date.
2. Subject to the Company Split taking effect, Party B shall change its trade name to “AIZAWA SECURITIES CO., LTD.” as of the Effective Date.

Article 8 (Non-competition)

Party A shall in no way be subject to the obligations not to compete in connection with the Business even after the Company Split.

Article 9 (Due care of a prudent manager)

During the period between the execution of this Agreement and the Effective Date, Party A and Party B shall execute their respective operations and manage and operate their respective properties with the due care of a prudent manager, and Party A and Party B shall not perform any act which may have a material effect on their respective properties, rights and obligations without prior consultation between Party A and Party B.

Article 10 (Modification of the terms and conditions of this Agreement and termination of this Agreement)

During the period between the execution of this Agreement and the Effective Date, Party A and Party B may modify the terms and conditions for the Company Split or terminate this Agreement subject to consultation between Party A and Party B, in the event that: any material change has occurred in the state of assets or business of Party A or Party B due to a natural disaster or any other event; statutory approval by relevant government or public authorities is not granted; a certain event has occurred that constitutes a major impediment to the execution of the Company Split; or otherwise it becomes difficult to achieve the objectives of the Company Split.

Article 11 (Matters for consultation)

The matters stipulated in this Agreement or any matter necessary in respect of the Company Split shall be determined upon consultation between Party A and Party B in accordance with the purpose of this Agreement.

IN WITNESS WHEREOF, Party A and Party B have caused this Agreement to be duly prepared, by placing their signatures and seals thereon, and Party A shall retain the original and Party B shall retain one copy thereof.

April 28, 2021

Party A 1-20-3, Nihonbashi, Chuo-ku, Tokyo, Japan
AIZAWA SECURITIES CO., LTD.
Takuya Aizawa, President and Representative Director (seal)

Party B 1-20-3, Nihonbashi, Chuo-ku, Tokyo, Japan
AIZAWA SECURITIES DIVISION PREPARATION CO., LTD.
Takuya Aizawa, President and Representative Director (seal)

Attachment: Itemized List of Rights, Obligations and Others to be Succeeded

Party B shall succeed to the assets, liabilities, employment contracts, other rights and obligations, and contractual status from Party A pertaining to the Business of Party A as of the Effective Date of the Company Split that are set forth herein below, as a result of the Company Split; provided that the assets and liabilities included in the Rights, Obligations and Others to be Succeeded shall be determined based on the balance sheet and other accounts as of March 31, 2021, which shall be adjusted with addition and subtraction to reflect any change that may occur until the day before the Effective Date of the Company Split.

1. Assets to be succeeded

Any and all assets, excluding the following:

- (1) Cash and deposits necessary for Party A as funds for managing and controlling its subsidiaries and affiliates after the Company Split
- (2) Other current assets (excluding those pertaining to the Business)
- (3) Tangible fixed assets and intangible fixed assets (excluding those pertaining to the Business)
- (4) Investment securities for long-term holding and pure investment purposes (excluding foreign bonds) and investments in securities of subsidiaries and affiliates

- (5) Long-term loans to subsidiaries and affiliates, long-term guarantee deposits (excluding leasehold deposits for the head office building), and facility membership including golf club membership

2. Liabilities to be succeeded

Any and all liabilities, excluding the following:

- (1) Liabilities pertaining to the assets not to be succeeded
- (2) Other current liabilities (excluding those pertaining to the Business)
- (3) Long-term borrowings
- (4) Liabilities for national and local taxes and other liabilities under public law that have accrued before the Company Split takes effect

3. Employment contracts and others to be succeeded

Any and all employment contracts that the Party A has entered into as of the Effective Date of the Company Split and any and all rights and obligations thereunder

4. Other rights and obligations to be succeeded

- (1) Contracts other than employment contracts
Any and all contractual statuses under such contracts pertaining to the Business and the rights and obligations thereunder, excluding such contractual statuses, rights and obligations that relate to the control, management and group operation in respect of the operations of the companies whose shares are held by Party A
- (2) Intellectual property rights
Any and all industrial property rights, copyrights, know-how, and trademarks pertaining to the Business, excluding such industrial property rights, copyrights, know-how, and trademarks that relate to the control, management and group operation in respect of the operations of the companies whose shares are held by Party A
- (3) Permissions, authorization and others
Any and all permissions, authorizations, approvals, registrations and notifications pertaining to the Business that may be succeeded under laws and regulations, excluding such permissions, authorizations, approvals, registrations and notifications that relate to the control, management and group operation in respect of the operations of the companies whose shares are held by Party A

- (2) “Absorption-type company split agreement (copy)” (AIZAWA Investments Co., Ltd.)

Absorption-type Company Split Agreement

AIZAWA SECURITIES CO., LTD. (“Party A”) and AIZAWA Investments Co., Ltd. (“Party B”) hereby enter into this Absorption-type Company Split Agreement (“this Agreement”) as set forth below, regarding an absorption-type company split whereby Party B shall succeed to the rights and obligations held by Party A in respect of the investment business (the “Business”), one of the businesses of Party A (the “Company Split”).

Article 1 (Trade names and domiciles of the companies that are the parties to this Agreement)

The trade names and domiciles of the splitting company and the successor company pertaining to the Company Split shall be as follows:

(Party A) The splitting company

Trade name: AIZAWA SECURITIES CO., LTD.

Domicile: 1-20-3, Nihonbashi, Chuo-ku, Tokyo, Japan

(Party B) The successor company

Trade name: AIZAWA Investments Co., Ltd.

Domicile: 1-20-3, Nihonbashi, Chuo-ku, Tokyo, Japan

Article 2 (Assets, liabilities, employment contracts, and other rights and obligations to be succeeded)

1. The details of the assets, liabilities, employment contracts, other rights and obligations, and contractual status succeeded by Party B from Party A as a result of the Company Split (the “Rights, Obligations and Others to be Succeeded”) shall be as specified in the “Itemized List of Rights, Obligations and Others to be Succeeded” attached hereto; provided that if permission, authorization

or approval by relevant government or public authorities is required for the transfer of any of the Rights, Obligations and Others to be Succeeded, such Rights, Obligations and Others to be Succeeded shall be transferred and succeeded by the Company Split subject to the acquisition of such permission, authorization or approval; and provided further that if any conflict arises in respect of the Rights, Obligations and Others to be Succeeded due to the provisions of the contracts pertaining thereto, Party A and Party B shall have a consultation about such conflict.

2. The succession of any and all liabilities by Party B from Party A under the provisions of paragraph 1 of this Article shall be performed in the form of a concomitant assumption of liabilities (*chojo-teki saimu hikiuke*); provided, however, that, Party B shall ultimately assume all such liabilities between Party A and Party B, and if Party A has assumed any of such liabilities to be succeeded by performing obligations or otherwise, Party A shall be entitled to claim compensation from Party B for any and all costs and expenses incurred by Party A in connection with such assumption.
3. If the transfer of any of the Rights, Obligations and Others to be Succeeded is subject to registration, entry, notice, consent or any other proceeding, or entails any of such proceedings as a perfection requirement, Party A shall, subject to consultation between Party A and Party B, cooperate with Party B in such proceeding as needed. Party B shall bear the registration fees and other costs and expenses for such proceeding.

Article 3 (Delivery of money, etc. for the company split)

Upon the execution of the Company Split, Party B shall issue 20,000 shares of its common stock and allocate and deliver all of the shares to Party A as the consideration for the Rights, Obligations and Others to be Succeeded.

Article 4 (Amounts of Party B's share capital and others)

The amounts of Party B's share capital and legal capital surplus as a result of the Company Split shall be as stated herein below; provided, however, that Party A and Party B may change such amounts subject to consultation between Party A and Party B, depending on the state of the assets and liabilities of the Business as of the date upon which the Company Split takes effect (the "Effective Date").

- | | |
|-----------------------------|--|
| (1) Share capital | 0 yen |
| (2) Legal capital surplus | 0 yen |
| (3) Other capital surplus | Equal to changes in equity less the amounts of the preceding items |
| (4) Legal retained earnings | 0 yen |
| (5) Other retained earnings | 0 yen |

Article 5 (Effective date of the Company Split)

The Effective Date shall be October 1, 2021; provided, however, that if deemed necessary due to progress in proceedings hereunder or for any other reason, the Effective Date may be changed subject to consultation between Party A and Party B.

Article 6 (Approval by the general meeting of shareholders)

1. Party A shall obtain approval for this Agreement at the general meeting of its shareholders scheduled to be held on June 25, 2021 to perform the Company Split; provided, however, that if deemed necessary due to progress in proceedings hereunder or for any other reason, this process may be changed subject to consultation between Party A and Party B.
2. Party B shall obtain approval for this Agreement at the general meeting of its shareholders scheduled to be held on June 25, 2021 to perform the Company Split; provided, however, that if deemed necessary due to progress in proceedings hereunder or for any other reason, this process may be changed subject to consultation between Party A and Party B.

Article 7 (Non-competition)

Party A shall in no way be subject to the obligations not to compete in connection with the Business even after the Company Split.

Article 8 (Due care of a prudent manager)

During the period between the execution of this Agreement and the Effective Date, Party A and Party B shall execute their respective operations and manage and operate their respective properties with the due care of a prudent manager, and Party A and Party B shall not perform any act which may have a material effect on their respective properties, rights and obligations without prior consultation between Party A and Party B.

Article 9 (Modification of the terms and conditions of this Agreement and termination of this Agreement)

During the period between the execution of this Agreement and the Effective Date, Party A and Party B may modify the terms and conditions for the Company Split or terminate this Agreement subject to consultation between Party A and Party B, in the event that: any material change has occurred in the state of assets or business of Party A or Party B due to a natural disaster or any other event; statutory approval by relevant government or public authorities is not granted; a certain event has occurred that constitutes a major impediment to the execution of the Company Split; or otherwise it becomes difficult to achieve the objectives of the Company Split.

Article 10 (Matters for consultation)

The matters stipulated in this Agreement or any matter necessary in respect of the Company Split shall be determined upon consultation between Party A and Party B in accordance with the purpose of this Agreement.

IN WITNESS WHEREOF, Party A and Party B have caused this Agreement to be duly prepared, by placing their signatures and seals thereon, and Party A shall retain the original and Party B shall retain one copy thereof.

April 28, 2021

Party A 1-20-3, Nihonbashi, Chuo-ku, Tokyo, Japan
AIZAWA SECURITIES CO., LTD.
Takuya Aizawa, President and Representative Director (seal)

Party B 1-20-3, Nihonbashi, Chuo-ku, Tokyo, Japan
AIZAWA Investments Co., Ltd.
Kazuhiro Mashiba, President and Representative Director (seal)

Attachment: Itemized List of Rights, Obligations and Others to be Succeeded

Party B shall succeed to the assets, liabilities, employment contracts, other rights and obligations, and contractual status from Party A pertaining to the Business of Party A as of the Effective Date of the Company Split that are set forth herein below, as a result of the Company Split; provided that the assets and liabilities included in the Rights, Obligations and Others to be Succeeded shall be determined based on the balance sheet and other accounts as of March 31, 2021, which shall be adjusted with addition and subtraction to reflect any change that may occur until the day before the Effective Date of the Company Split.

1. Assets to be succeeded

The assets to be succeeded shall be the following:

- (1) Tangible fixed assets pertaining to the Business
- (2) Securities for pure investment purposes (excluding foreign bonds)

2. Liabilities to be succeeded

The liabilities to be succeeded shall be the following:

- (1) Liabilities pertaining to the assets to be succeeded

3. Employment contracts and others to be succeeded

Party B shall not succeed to the status under employment contracts pertaining to the Business or to the rights and obligations thereunder.

4. Other rights and obligations to be succeeded

- (1) Contracts other than employment contracts
Any and all contractual statuses pertaining to the Business and the rights and obligations thereunder
- (2) Intellectual property rights
No intellectual property right shall be succeeded.

(3) Permissions, authorization and others

Permissions, authorizations, approvals, registrations and notifications pertaining to the Business that may be transferred and succeeded under laws and regulations, excluding such permissions, authorizations, approvals, registrations and notifications that Party A needs to continue to hold

3. Summary of the contents of the matters set forth in Article 183 of the Regulation for Enforcement of the Companies Act

(1) Matters concerning the appropriateness of the consideration

(i) Matters concerning the number of shares to be delivered

Upon the absorption-type split, which will take effect on October 1, 2021, the successor company, AIZAWA SECURITIES DIVISION PREPARATION CO., LTD., will newly issue 200,000 shares of its common stock and allocate and deliver all of the shares to the splitting company, the Company.

Upon the absorption-type split, which will take effect on October 1, 2021, the successor company, AIZAWA Investments Co., Ltd., will newly issue 20,000 shares of its common stock and allocate and deliver all of the shares to the splitting company, the Company.

Because the successor companies are wholly-owned subsidiaries of the Company and will deliver to the Company all of the shares they will newly issue upon the absorption-type split which will take effect on October 1, 2021, the numbers of the shares to be issued by the successor companies were determined by mutual consultation between the Company and the successor companies, and were judged to be appropriate.

(ii) Matters concerning share capital and legal capital surplus

The amounts of the successor companies' share capital and legal capital surplus to be increased as a result of the absorption-type split are as follows, respectively, and the Company judged that the amounts are appropriate in light of the successor companies' respective businesses and the assets and liabilities to be succeeded by each of the successor companies from the Company.

Successor company	Share capital	Legal capital surplus
AIZAWA SECURITIES DIVISION PREPARATION CO., LTD.	3,000 million yen	0 million yen
AIZAWA Investments Co., Ltd.	300 million yen	220 million yen

(2) The contents of the financial statements and other relevant accounts pertaining to the successor company's most recent fiscal year

(i) AIZAWA SECURITIES DIVISION PREPARATION CO., LTD.

AIZAWA SECURITIES DIVISION PREPARATION CO., LTD. has not closed a fiscal year yet because the company was established on April 1, 2021. The balance sheet of the company as of the date of its establishment is as follows:

(Unit: Millions of yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	300	Current liabilities	-
Cash and deposits	300	Non-current liabilities	-
Non-current assets	-	Total liabilities	-
		(Net assets)	
		Shareholders' equity	300
		Share capital	300
		Capital surplus	-
		Retained earnings	-
		Total net assets	300
Total assets	300	Total liabilities and net assets	300

(ii) AIZAWA Investments Co., Ltd.

In accordance with the provisions of laws and regulations and Article 18 of the Company's Articles of Incorporation, the financial statements and other relevant accounts of AIZAWA Investments Co., Ltd. pertaining to the company's final fiscal year are posted on the Company's website (https://www.aizawa.co.jp/ir/library/general_meeting.html).

- (3) The contents of disposal of material properties, assumption of material liabilities, and any other event having a material effect on the status of company properties that occurred after the last day of the successor company's most recent fiscal year or after the date of the establishment of the successor company
There is no relevant event.
- (4) The contents of disposal of material properties, assumption of material liabilities, and any other event having a material effect on the status of company properties that occurred after the last day of the splitting company's most recent fiscal year
There is no relevant event.

Proposal 2: Partial Amendment to the Articles of Incorporation

1. Reasons for the amendment

(1) As described in proposal 1 “Approval of Absorption-type Company Split Agreement,” the Company will shift to a holding company structure as of the Effective Date, October 1, 2021 (scheduled). Accordingly, the Company proposes that, effective as of the Effective Date, October 1, 2021 (scheduled), ARTICLE 1 (Name of the Company) and ARTICLE 2 (Objective of the Company) of the Articles of Incorporation of the Company be amended, on the condition that proposal 1 is approved as proposed and this Absorption-type Company Split takes effect.

(2) As the Group will shift to a holding company structure, the Company will move its head office to Minato-ku, Tokyo, with the aim of enhancing the Group’s overall functions and increasing management efficiency while also promoting the Company’s Career Development Program (CDP) to advance the Group employees’ work-life balance, and accordingly proposes that ARTICLE 3 (Location of Head Office) of the Articles of Incorporation be amended.

This amendment will take effect as of the date of relocation of the head office to be determined at the Board of Directors meeting that will be held by June 30, 2021.

(3) The Company intends to shift from a Company with a Board of Company Auditors to a Company with an Audit and Supervisory Committee, with the aim of increasing the supervisory function of the Board of Directors, further strengthening its corporate governance system and enhancing its corporate value by appointing Audit and Supervisory Committee Members who take charge of auditing and supervising Directors’ execution of their duties to members of the Board of Directors with voting rights. Therefore, the Company proposes that the Articles of Incorporation be amended as described below.

This amendment will take effect at the conclusion of this General Meeting of Shareholders.

(i) The provisions concerning Directors serving as Audit and Supervisory Committee Members and the Audit and Supervisory Committee will be newly established and the provisions concerning the Corporate Auditors and the Board of Corporate Auditors be deleted, as required for the shift to a Company with an Audit and Supervisory Committee.

(ii) Provisions concerning the delegation of authorities to Directors serving as executive officers to make decision on the execution of important duties will be newly established in order to increase management efficiency and enable speedy decision making.

(iii) The Company will enter into a liability limitation agreement with Directors who do not serve as executive officers as well to ensure that they will be able to fully perform their expected roles, and the Articles of Incorporation will be amended accordingly.

(iv) In addition, the Company proposes modifications of the wording and other changes necessary in connection with the amendment above.

2. Details of the amendment

The details of the amendment are as described below. (The amended parts are underlined.)

Details of the amendment

(The amended parts are underlined.)

Current Articles of Incorporation	Proposed amendment
CHAPTER 1 General Provisions	CHAPTER 1 General Provisions
ARTICLE 1 (Name of the Company) The name of the Company shall be Aizawa Shoken Kabushiki Kaisha. It shall be written in English as AIZAWA SECURITIES CO., LTD.	ARTICLE 1 (Name of the Company) The name of the Company shall be <u>Aizawa Shoken Group Kabushiki Kaisha</u> . It shall be written in English as <u>AIZAWA SECURITIES GROUP CO., LTD.</u>
ARTICLE 2 (Objective of the Company) The Company shall operate following business 1. <u>Buying and selling of securities, trading of listed derivatives in domestic or foreign markets.</u> 2. <u>Intermediary, agency, and proxy businesses involving buying and selling of securities,</u>	ARTICLE 2 (Objective of the Company) The Company shall operate following business <u>and control and manage the operations of companies (including foreign companies), partnerships (including foreign entities equivalent to partnerships) and other equivalent business entities</u>

<p>ARTICLE 3 (Location of Head Office) The head office of the Company shall be situated at <u>Chuo-ku, Tokyo</u></p>	<p>ARTICLE 3 (Location of Head Office) The head office of the Company shall be situated at <u>Minato-ku, Tokyo</u></p>
<p>ARTICLE 4 (Organizational Bodies) The Company shall have the following organizational bodies in addition to the general meeting of Shareholders and Directors</p> <ol style="list-style-type: none"> 1. Board of Directors 2. <u>Auditors</u> 3. <u>Board of Auditors</u> 4. Accounting Auditors 	<p>ARTICLE 4 (Organizational Bodies) The Company shall have the following organizational bodies in addition to the general meeting of Shareholders and Directors</p> <ol style="list-style-type: none"> 1. Board of Directors 2. <u>Audit and Supervisory Committee</u> (Deleted) 3. Accounting Auditors
<p>ARTICLE 5 (Omitted)</p>	<p>ARTICLE 5 (Same as current)</p>
<p>CHAPTER 2 Shares</p>	<p>CHAPTER 2 Shares</p>
<p>ARTICLE 6 to ARTICLE 11 (Omitted)</p>	<p>ARTICLE 6 to ARTICLE 11 (Same as current)</p>
<p>CHAPTER 3 General Meeting of Shareholders</p>	<p>CHAPTER 3 General Meeting of Shareholders</p>
<p>ARTICLE 12 to ARTICLE 18 (Omitted)</p>	<p>ARTICLE 12 to ARTICLE 18 (Same as current)</p>
<p>CHAPTER 4 Directors and Board of Directors</p>	<p>CHAPTER 4 Directors and Board of Directors</p>
<p>ARTICLE 19 (Number of Directors) Number of Directors of the Company shall be within <u>twelve (12)</u> members.</p> <p>(New)</p>	<p>ARTICLE 19 (Number of Directors) Number of Directors of the Company (<u>excluding Directors serving as Audit and Supervisory Committee Members</u>) shall be within <u>eight (8)</u> members.</p> <ol style="list-style-type: none"> 2. <u>Number of Directors of the Company serving as Audit and Supervisory Committee Members shall be within four (4) members.</u>
<p>ARTICLE 20 (Election of Directors) Directors shall be elected by resolutions of a general meeting of shareholders.</p> <ol style="list-style-type: none"> 2. Resolution for the election of directors shall be required the attendance of shareholders owning not less than one-third (1/3) of total voting rights of qualified shareholders and shall be adopted by majority vote. 3. Resolution for the election of directors shall not be conducted by cumulative voting. 	<p>ARTICLE 20 (Election of Directors) Directors shall be elected by resolutions of a general meeting of shareholders, <u>while making distinction between Directors serving as Audit and Supervisory Committee Members and other Directors.</u></p> <ol style="list-style-type: none"> 2. (Same as current) 3. (Same as current)
<p>ARTICLE 21 (Term of Office of Directors) The term of office of each of the Directors shall expire at the close of the ordinary general meeting of shareholders held for the last business year that ends within one (1) year from assumption of office.</p> <p>(New)</p>	<p>ARTICLE 21 (Term of Office of Directors) The term of office of each of the Directors (<u>excluding Directors serving as Audit and Supervisory Committee Members</u>) shall expire at the close of the ordinary general meeting of shareholders held for the last business year that ends within one (1) year from assumption of office.</p> <ol style="list-style-type: none"> 2. <u>The term of office of a Director serving as an Audit and Supervisory Committee Member</u>

<p>(New)</p> <p>(New)</p>	<p><u>shall expire at the close of the ordinary general meeting of shareholders held for the last business year that ends within two (2) years from assumption of office.</u></p> <p>3. <u>The term of office of a Director serving as an Audit and Supervisory Committee Member who was elected as a substitute for a Director serving as an Audit and Supervisory Committee Member who retired before the expiration of his or her term of office, shall expire upon the expiration of the term of office of the retired Director serving as an Audit and Supervisory Committee Member.</u></p> <p>4. <u>The effective term of a resolution for the election of a substitute Director serving as an Audit and Supervisory Committee Member elected in accordance with Article 329, Paragraph 3, of the Companies Act shall be until the beginning of the ordinary general meeting of shareholders for the last business year that ends within two (2) years after such election.</u></p>
<p>ARTICLE 22 (Representative Directors and Executive Directors) By resolutions of the Board of Directors, Representative Directors shall be elected.</p> <p>2. By resolutions of the Board of Directors, one (1) each for Chairman of the Board, President Director, few each for Vice President Director, Senior Managing Director, Managing Director (Few) shall be assigned.</p>	<p>ARTICLE 22 (Representative Directors and Executive Directors) By resolutions of the Board of Directors, Representative Directors shall be elected <u>from among Directors (excluding Directors serving as Audit and Supervisory Committee Members).</u></p> <p>2. By resolutions of the Board of Directors, one (1) each for Chairman of the Board and President Director and a few each for Vice President Director, Senior Managing Director and Managing Director shall be assigned <u>from among Directors (excluding Directors serving as Audit and Supervisory Committee Members).</u></p>
<p>ARTICLE 23 (Omitted)</p>	<p>ARTICLE 23 (Same as current)</p>
<p>ARTICLE 24 (Convocation Notice of Meeting of the Board of Directors) Convocation Notice of Meeting of the Board of Directors shall be sent to each of Directors <u>and Auditors</u> at least three (3) days before the date set for such meeting. Provided, however, that in case of emergency, period of notice may be shortened from the period mentioned above.</p> <p>2. Meeting of the Board of Directors may be held without process of convocation notice under all of Directors <u>and Auditors</u> consent.</p>	<p>ARTICLE 24 (Convocation Notice of Meeting of the Board of Directors) Convocation Notice of Meeting of the Board of Directors shall be sent to each of Directors at least three (3) days before the date set for such meeting. Provided, however, that in case of emergency, period of notice may be shortened from the period mentioned above.</p> <p>2. Meeting of the Board of Directors may be held without process of convocation notice under all of Directors consent.</p>
<p>(New)</p>	<p><u>ARTICLE 25 (Delegation of Decision Regarding Execution of Important Duties)</u> <u>Pursuant to the provisions of Article 399-13, Paragraph 6, of the Companies Act, the Board of Directors may delegate decisions regarding execution of important duties (excluding matters set forth in items of the same Article, Paragraph 5, of</u></p>

	<u>the Companies Act), in whole or in part, to Directors by resolution of the Board of Directors.</u>
ARTICLE 25 (Omitted)	ARTICLE <u>26</u> (Same as current)
ARTICLE 26 (Minute Book of the Meeting of the Board of Directors) The Company shall state or make record at the minute book of the meeting of the Board of Directors for progress and result of the proceeding and another issue which is prescribed by law, then affix the name and seal or electronic signature by Directors <u>and Auditors</u> in attendance.	ARTICLE <u>27</u> (Minute Book of the Meeting of the Board of Directors) The Company shall state or make record at the minute book of the meeting of the Board of Directors for progress and result of the proceeding and another issue which is prescribed by law, then affix the name and seal or electronic signature by Directors in attendance.
ARTICLE 27 (Omitted)	ARTICLE <u>28</u> (Same as current)
ARTICLE 28 (Remuneration for Directors) Remuneration, Bonus and other property benefit in compensation for the performance of duty for Directors shall be decided by resolution of a general meeting of shareholders.	ARTICLE <u>29</u> (Remuneration for Directors) Remuneration, bonus and other property benefit in compensation for the performance of duty for Directors shall be decided by resolution of a general meeting of shareholders, <u>while making distinction between Directors serving as Audit and Supervisory Committee Members and other Directors.</u>
ARTICLE <u>29</u> (Exemption of Director's Responsibility) (Omitted) 2. The Company shall be allowed to execute an agreement with <u>External Directors</u> for their indemnity liability prescribed in the Companies Act, article 423 paragraph1, within the amount legally limited, provided they are acting in good faith and without serious negligence.	ARTICLE <u>30</u> (Exemption of Director's Responsibility) (Same as current) 2. The Company shall be allowed to execute an agreement with <u>Directors (excluding Directors serving as executive officers)</u> for their indemnity liability prescribed in the Article 423, Paragraph1, of the Companies Act within the amount legally limited, provided they are acting in good faith and without serious negligence.
CHAPTER 5 Auditors and Board of Auditors	(Deleted)
ARTICLE 30 (Number of Auditors) Number of Auditors of the Company shall be within five (5) members.	(Deleted)
ARTICLE 31 (Election of Auditors) Auditors shall be elected by resolutions of a general meeting of shareholders. 2. Resolution for the election of auditors shall be required the attendance of shareholders owning not less than one-third (1/3) of total voting rights of qualified shareholders and shall be adopted by majority vote.	(Deleted)
ARTICLE 32 (Term of Office of Auditors) The term of office of each of the Auditors shall expire at the close of the ordinary general meeting of shareholders held for the last business year that ends within four (4) years from assumption of office. 2. Term of Office of the substitute Auditor of retirement Auditor shall expire at the close of the term of office of retirement Auditor.	(Deleted)
ARTICLE 33 (Full-time Auditors)	(Deleted)

By resolutions of the Board of Auditors, Full-time Auditors shall be elected.	(Deleted)
ARTICLE 34 (Convocation Notice of Meeting of the Board of Auditors) Convocation Notice of Meeting of the Board of Auditors shall send to each of Auditors at least three (3) days before the date set for such meeting. Provided, however, that in case of emergency, period of notice may be shorten from the mention above. 2. Meeting of the Board of Auditors may be held without process of convocation notice under all of Auditors consent.	(Deleted)
ARTICLE 35 (Resolution of the Board of Auditors) Resolutions of the Board of Auditors shall be adopted by majority vote of the Auditors, unless otherwise provided for by law or regulations.	(Deleted)
ARTICLE 36 (Minute Book of the Meeting of the Board of Auditors) The Company shall state or make record at the minute book of the meeting of the Board of Auditors for progress and result of the proceeding and another issue which is prescribed by law, then affix the name and seal or electronic signature by Auditors in attendance.	(Deleted)
ARTICLE 37 (Rule of the Meeting of the Board of Auditors) The matters relating to the meeting of the Board of Auditors shall be decided in accordance with the rule of the meeting of the Board of Auditors other than law and regulations, or this article of incorporations.	(Deleted)
ARTICLE 38 (Remuneration for Auditors) Remuneration, Bonus and other property benefit in compensation for the performance of duty for Auditors shall be decided by resolution of a general meeting of shareholders.	(Deleted)
ARTICLE 39 (Exemption of Auditor's Responsibility) The Company shall be allowed to exempt Auditor including past Auditor from indemnity liability prescribed in the Companies Act, article 423, Paragraph 1 by Directors Resolution, within the amount legally limited, provided they are acting in good faith and without serious negligence. 2. The Company shall be allowed to execute an agreement with External Auditors for their indemnity liability prescribed in the Companies Act, article 423 paragraph1, within the amount legally limited, provided they are acting in good faith and without serious negligence.	(Deleted)
(New)	<u>CHAPTER 5 Audit and Supervisory Committee</u>
(New)	<u>ARTICLE 31 (Full-Time Audit and Supervisory Committee Members)</u>

	<u>The Audit and Supervisory Committee may elect a full-time Audit and Supervisory Committee Member by resolution.</u>
(New)	<u>ARTICLE 32 (Convocation Notice of Audit and Supervisory Committee Meeting)</u> <u>The Convocation Notice of Audit and Supervisory Committee Meeting shall be sent to each of Audit and Supervisory Committee Members at least three (3) days before the date set for such meeting: provided, however, that in case of emergency, such period may be shortened.</u> <u>2. The Audit and Supervisory Committee Meeting may be held without following the convocation procedure set forth above, subject to the consent of all of the Audit and Supervisory Committee Members.</u>
(New)	<u>ARTICLE 33 (Method for Resolution at the Audit and Supervisory Committee Meeting)</u> <u>Unless otherwise provided for by laws and regulations, any resolution at an Audit and Supervisory Committee Meeting shall be adopted by majority vote of the Audit and Supervisory Committee Members present at the meeting where a majority of the Audit and Supervisory Committee Members eligible for such adoption is in attendance.</u>
(New)	<u>ARTICLE 34 (Minute Book of the Audit and Supervisory Committee Meeting)</u> <u>Progress and results of the proceedings at the Audit and Supervisory Committee Meeting and other matters stipulated by laws and regulations pertaining thereto shall be stated and recorded on a minute book that shall be signed and sealed, or electronically signed, by the Audit and Supervisory Committee Members present.</u>
(New)	<u>ARTICLE 35 (Rules of the Audit and Supervisory Committee)</u> <u>The matters regarding the Audit and Supervisory Committee shall be subject to the Rules of the Audit and Supervisory Committee determined by the Audit and Supervisory Committee, as well as laws and regulations and these Articles of Incorporation.</u>
CHAPTER 6 Accounting Auditors	CHAPTER 6 Accounting Auditors

ARTICLE <u>40</u> to ARTICLE <u>42</u> (Omitted)	ARTICLE <u>36</u> to ARTICLE <u>38</u> (Same as current)
CHAPTER 7 Accounts	CHAPTER 7 Accounts
ARTICLE <u>43</u> to ARTICLE <u>44</u> (Omitted)	ARTICLE <u>39</u> to ARTICLE <u>40</u> (Same as current)
ARTICLE <u>45</u> (Record Date of Dividends Based on Surplus) (Omitted)	ARTICLE <u>41</u> (Record Date of Dividends Based on Surplus) (Same as current)
(New)	<u>2. The record date of interim dividends of the Company shall be on September 30 each year.</u>
(New)	<u>3. The Company may determine a record date of dividends in addition to the dates set forth in the preceding two paragraphs to pay dividends.</u>
ARTICLE <u>46</u> (Interim Dividends) The Company may, by a resolution of the Board of Directors, pay interim dividends by the record date September 30 each year.	(Deleted)
ARTICLE <u>47</u> (Omitted)	ARTICLE <u>42</u> (Same as current)
(New)	<u>Supplementary Provision</u>
(New)	<u>ARTICLE 1 (Transitional Measures Concerning the Exemption of Liability of Corporate Auditors)</u> <u>The Company may, by resolution of the Board of Directors, exempt Corporate Auditors (including former Corporate Auditors) from the liability for damages stipulated in Article 423, Paragraph 1, of the Companies Act due to any act performed by Corporate Auditors before the conclusion of the 101st ordinary general meeting of shareholders to the extent stipulated by laws and regulations.</u>
(New)	<u>ARTICLE 2 (Effective Date of the Partial Amendment to these Articles of Incorporation)</u> <u>The amendment to ARTICLE 1 and ARTICLE 2 of these Articles of Incorporation shall take effect as of October 1, 2021.</u> <u>2. The amendment to ARTICLE 3 of these Articles of Incorporation shall take effect as of the date of transfer of the head office determined at the Board of Directors Meeting to be held by June 30, 2021.</u> <u>3. The provisions of this ARTICLE shall be automatically deleted when the effective dates for the amendments set forth in the preceding Paragraph 1 have passed.</u>

Proposal 3: Election of Six (6) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

If proposal 2 “Partial Amendment to the Articles of Incorporation” is approved as proposed, the Company will shift to a company with an Audit and Supervisory Committee and the terms of office of all seven (7) Directors will expire at the time when the amendments take effect. Accordingly, the Company proposes that six (6) Directors who will serve after the shift to a company with an Audit and Supervisory Committee (excluding Directors serving as Audit and Supervisory Committee Members; hereinafter, the same shall apply in this proposal) be elected.

This proposal will only take effect on the condition that the amendments to the Articles of Incorporation take effect as proposed in proposal 2 “Partial Amendment to the Articles of Incorporation.”

The candidates for Directors are as follows:

No.	Name		Current positions and responsibilities at the Company
1	Takuya Aizawa	Reappointment	President and Representative Director In charge of Audit Department
2	Atsushi Ohishi	Reappointment	Director and Senior Managing Executive Officer Supervisor of Sales Promotion Division, Supervisor of Solution Division and Head of IFA Business Division
3	Naoi Nijjima	Reappointment Female	Director and Managing Executive Officer Supervisor of Compliance Division
4	Kazuhiro Mashiba	Reappointment	Director and Managing Executive Officer Supervisor of Administration Division, Supervisor of Product Division and Supervisor of Investment Adviser Department
5	Atsuo Takahashi	Reappointment Outside Independent	Director
6	Kunimi Tokuoka	Reappointment Outside Independent	Director

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
1	<p style="text-align: center;"><u>Reappointment</u></p> <p style="text-align: center;">Takuya Aizawa (September 5, 1974)</p>	<p>October 1997 Joined Nomura Research Institute, Ltd. July 2005 Joined the Company March 2010 Senior General Manager; Dedicated General Manager, Planning Department June 2012 Director May 2013 Director, YAHATA SECURITIES CO., LTD. (currently AIZAWA SECURITIES CO., LTD.) June 2014 Senior Managing Director; Head of Administration Division June 2014 Director, AIZAWA Investments Co., Ltd. (current position) June 2016 Representative Senior Managing Director; Head of Administration Division March 2017 President, Japan Asia Securities Co., Ltd. (currently AIZAWA SECURITIES CO., LTD.) March 2017 Director June 2018 Director, JAPAN SECURITIES INC. (current position) July 2018 President October 2018 President COO and CHO June 2019 President CEO and CHO April 2020 President and Representative Director (current position) April 2021 President and Representative Director, AIZAWA SECURITIES DIVISION PREPARATION CO., LTD. (current position)</p> <p>[Business in Charge in the Company] Audit Department</p> <p>[Significant concurrent positions] President and Representative Director, AIZAWA SECURITIES DIVISION PREPARATION CO., LTD. Director, AIZAWA Investments Co., Ltd. Director, JAPAN SECURITIES INC.</p>	867,508
<p>[Reason for nomination as a candidate for Director] Mr. Takuya Aizawa, serving as President and Representative Director, is in charge of the management of the Group and is leading the Company toward establishing the wealth building business under the Company's medium-term management plan. He has extensive knowledge relating to finance-related systems acquired through engaging in the finance-related system engineering business, and also has a high level of expertise in the financial instruments business and corporate management in general as he has been mainly involved in product planning, corporate planning, and IR, as well as in the management of subsidiaries, since joining the Company. Accordingly, we consider him qualified to take charge of enhancing the Company's medium- to long-term corporate value and again nominate him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
2	<p data-bbox="209 775 384 801">Reappointment</p> <p data-bbox="177 837 416 898">Atsushi Ohishi (December 10, 1967)</p>	<p data-bbox="432 271 1283 1070"> April 1990 Joined the Company July 2005 General Manager, Investment Bank Department July 2005 President, AIZAWA Investments Co., Ltd. July 2006 General Manager, Investment Bank Department I June 2009 Executive Officer; General Manager, Planning Department June 2009 Director, AIZAWA Investments Co., Ltd. (current position) May 2013 Director, YAHATA SECURITIES CO., LTD. (currently AIZAWA SECURITIES CO., LTD.) June 2013 Executive Officer; Head of Business Strategy Division and General Manager, Planning Department June 2014 Director; Head of Business Strategy Division and General Manager, Planning Department March 2017 Director, Japan Asia Securities Co., Ltd. (currently AIZAWA SECURITIES CO., LTD.) April 2017 Managing Director; Head of Sales Division and General Manager, Chugoku region Sales Division May 2019 Managing Director CMO January 2020 Managing Director CMO and General Manager, Underwriting Department April 2020 Director and Managing Executive Officer April 2021 Director and Senior Managing Executive Officer (current position) April 2021 Director, AIZAWA SECURITIES DIVISION PREPARATION CO., LTD. (current position) April 2021 Director, Life Design Partners, Inc. (current position) </p> <p data-bbox="432 1099 879 1218"> [Business in Charge in the Company] Supervisor of Sales Promotion Division Supervisor of Solution Division Head of IFA Business Division </p> <p data-bbox="432 1249 1262 1368"> [Significant concurrent positions] Director, AIZAWA SECURITIES DIVISION PREPARATION CO., LTD. Director, Life Design Partners, Inc. Director, AIZAWA Investments Co., Ltd. </p>	30,200
<p data-bbox="177 1406 756 1435">[Reason for nomination as a candidate for Director]</p> <p data-bbox="177 1435 1474 1615">Mr. Atsushi Ohishi, serving as Director and Senior Managing Executive Officer, has been contributing to the enhancement of the Company's corporate value as he promotes the Company's wealth building business by enhancing the sale of stock products and securing stable earnings. He has been engaged in retail sales, investment banking, sales planning, and corporate planning as well as in the management of subsidiaries at the Company and its subsidiaries, and has a wealth of experience, achievements, and expertise in corporate management in general. In view of these achievements, we again nominate him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
3	<p style="text-align: center;"> Reappointment Female Naoi Niijima (July 6, 1960) </p>	<p>February 1989 Joined the Company</p> <p>August 2000 Manager, Corporate Planning Section, Corporate Planning Department</p> <p>June 2007 General Manager, Planning Department I</p> <p>August 2011 Senior General Manager; Deputy Head of Administration Division and General Manager, General Affairs and Personnel Department</p> <p>June 2014 Executive Officer; Deputy Head of Administration Division and General Manager, General Affairs and Personnel Department</p> <p>June 2015 Audit & Supervisory Board Member, AIZAWA Investments Co., Ltd. (current position)</p> <p>March 2017 Executive Officer; Head of Administration Division</p> <p>March 2017 Audit & Supervisory Board Member, Japan Asia Securities Co., Ltd. (currently AIZAWA SECURITIES CO., LTD.)</p> <p>April 2017 Executive Officer; Head of Compliance Division</p> <p>June 2017 Director; Head of Compliance Division</p> <p>March 2018 Director; Head of Compliance Division and General Manager, Sales Administration Department</p> <p>July 2018 Director; Head of Compliance Division</p> <p>April 2020 Director and Managing Executive Officer (current position)</p> <p>February 2021 Director, Aizawa Asset Management Co., Ltd. (current position)</p> <p>April 2021 Director, AIZAWA SECURITIES DIVISION PREPARATION CO., LTD. (current position)</p> <p>April 2021 Director, Life Design Partners, Inc. (current position)</p> <p>[Business in Charge in the Company] Supervisor of Compliance Division</p> <p>[Significant concurrent positions] Director, AIZAWA SECURITIES DIVISION PREPARATION CO., LTD. Director, Life Design Partners, Inc. Director, Aizawa Asset Management Co., Ltd. Audit & Supervisory Board Member, AIZAWA Investments Co., Ltd.</p>	25,500
<p>[Reason for nomination as a candidate for Director]</p> <p>Ms. Naoi Niijima, serving as Director and Managing Executive Officer, is not only vigorously managing and strengthening the Company's compliance system in order to establish the wealth building business but is also contributing to the enhancement of the Company's corporate value with a wealth of experience and high level of expertise in risk management. She also has a wealth of experience and achievements in the financial instruments business and corporate management in general as she served as General Manager, General Affairs and Personnel Department, Head of Administration Division, and Head of Compliance Division, after engaging in corporate planning. In view of these achievements, and because she has been contributing to the enhancement of the Company's corporate value by promoting discussions within the Company from various angles including women's viewpoints, we again nominate her as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
4	<p style="text-align: center;"><u>Reappointment</u></p> <p>Kazuhiro Mashiba (April 29, 1966)</p>	<p>April 1990 Joined NAITO Securities Co., Ltd.</p> <p>April 2001 Joined the Company</p> <p>June 2011 President, AIZAWA Investments Co., Ltd. (current position)</p> <p>October 2011 General Manager, Accounting Department</p> <p>May 2013 Audit & Supervisory Board Member, YAHATA SECURITIES CO., LTD. (currently AIZAWA SECURITIES CO., LTD.)</p> <p>June 2016 Executive Officer; General Manager, Accounting Department</p> <p>March 2017 Audit & Supervisory Board Member, Japan Asia Securities Co., Ltd. (currently AIZAWA SECURITIES CO., LTD.)</p> <p>April 2017 Senior Executive Officer; Head of Administration Division and General Manager, Corporate Planning Department</p> <p>March 2018 Senior Executive Officer; Head of Administration Division, General Manager, Corporate Planning Department and General Manager, Business Management Department</p> <p>June 2018 Director; Head of Administration Division</p> <p>May 2019 Director CFO</p> <p>May 2019 Director, JAPAN SECURITIES INC. (current position)</p> <p>April 2020 Director and Senior Executive Officer</p> <p>June 2020 Director, Asuka Asset Management Co., Ltd. (currently Aizawa Asset Management Co., Ltd.) (current position)</p> <p>April 2021 Director and Managing Executive Officer (current position)</p> <p>April 2021 Director, AIZAWA SECURITIES DIVISION PREPARATION CO., LTD. (current position)</p> <p>[Business in Charge in the Company] Supervisor of Administration Division Supervisor of Product Division Investment Adviser Department</p> <p>[Significant concurrent positions] Director, AIZAWA SECURITIES DIVISION PREPARATION CO., LTD. Director, Aizawa Asset Management Co., Ltd. President, AIZAWA Investments Co., Ltd. Director, JAPAN SECURITIES INC.</p>	21,000
<p>[Reason for nomination as a candidate for Director] Mr. Kazuhiro Mashiba, serving as Director and Managing Executive Officer, has been contributing to the enhancement of the Company's corporate value by actively expressing his opinions and making proposals as an officer in charge of investor relations, disclosure, accounting and finance. He also has a wealth of experience, achievements and expertise in corporate management in general as he served as General Manager, Accounting Department and Head of Administration Division and engaged in investment banking and corporate planning as well as in the management of subsidiaries at the Company and its subsidiaries. In view of these achievements, we again nominate him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
5	<div style="border: 1px solid black; padding: 2px; display: inline-block; text-align: center;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; text-align: center;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; text-align: center;">Independent</div> Atsuo Takahashi (November 12, 1940)	April 1964 Joined Ministry of Finance June 1991 Deputy Director-General of the Banking Bureau, Ministry of Finance June 1993 Director-General of the Customs and Tariff Bureau July 1998 Served as Managing Director, Senior Managing Director and Vice Chairman, Japan Securities Dealers Association April 2004 Commissioner, Auditing Oversight Board of Certified Public Accountant July 2005 Chairman of the Board, Japan Securities Research Institute November 2007 Chairman, Japan Investor Protection Fund June 2011 Special Temporary Employee, Japan Securities Research Institute June 2012 Director, the Company (current position)	—
<p>[Reason for nomination as a candidate for Outside Director and the summary of expected roles]</p> <p>Mr. Atsuo Takahashi served as Deputy Director-General of the Ministry of Finance and Managing Director, Senior Managing Director and Vice Chairman of Japan Securities Dealers Association, and has a wealth of expertise and experience in finance in general, the financial instruments business and related areas. He has been duly performing his duties as Outside Director, including supervision of the performance of the Company's operations, and has actively expressed his opinions at meetings of the Company's Board of Directors. In addition, he serves as a Nomination and Remuneration Advisory Committee Member and has been contributing to the Company's efforts to establish a robust management system through improvement of transparency and equity in management, review of the Director remuneration system and decisions on the level of Directors' remuneration. Accordingly, we believe that he will be able to continue to duly perform his duties as Outside Director, and nominate him as a candidate for Outside Director. He will have served as an Outside Director of the Company for nine (9) years at the conclusion of this General Meeting of Shareholders.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
6	<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Independent</div> Kunimi Tokuoka (November 27, 1951)	April 1976 Joined the Industrial Bank of Japan, Ltd. (currently Mizuho Bank, Ltd.) May 1987 Seconded to IBJ International plc, Associate Director July 1993 General Manager, Bond Sales Division I, IBJ Securities Co., Ltd. (currently Mizuho Securities Co., Ltd.) June 1999 Executive Officer October 2000 Managing Executive Officer; General Manager, Market Sales Group April 2007 Managing Executive Officer; General Manager, Global Investment Bank Department September 2008 Senior Managing Executive Officer, Aozora Bank, Ltd. June 2009 Representative Director and Deputy President June 2016 Director, the Company (current position) July 2017 Outside Director (Audit and Supervisory Committee Member), ES NETWORKS CO., LTD. (current position) [Significant concurrent positions] Outside Director (Audit and Supervisory Committee Member), ES NETWORKS CO., LTD.	—
<p>[Reason for nomination as a candidate for Outside Director and the summary of expected roles]</p> <p>Having served as Executive Officer, IBJ Securities Co., Ltd. (currently Mizuho Securities Co., Ltd.) and Representative Director and Deputy President, Aozora Bank, Ltd., etc., Mr. Kunimi Tokuoka has long been affiliated with financial institutions and engaged in corporate management. He has actively expressed his opinions and played a prominent role in the discussion at meetings of the Company's Board of Directors from the viewpoint of corporate management in general. In addition, he serves as a Nomination and Remuneration Advisory Committee Member and has engaged in review of the Company's Director remuneration system and decisions on the level of Directors' remuneration. In view of these achievements and his wealth of expertise and experience in finance in general, the financial instruments business and related areas, we believe that he will be able to continue to duly perform his duties as Outside Director, such as providing appropriate advice for the management of the Company, and nominate him as a candidate for Outside Director. He will have served as an Outside Director of the Company for five (5) years at the conclusion of this General Meeting of Shareholders.</p>			

- (Notes) 1. There are no special interests between each candidate for Directors and the Company.
2. Mr. Atsuo Takahashi and Mr. Kunimi Tokuoka are candidates for Outside Directors. The Company has registered them as independent officers with the Tokyo Stock Exchange pursuant to the rules stipulated by the Exchange. If the election of the candidates is approved, the Company will register them as independent officers with the Exchange.
3. To facilitate the recruitment of talented human resources as Outside Directors, the Company has stipulated in its Articles of Incorporation that it may enter into an agreement with Outside Directors to limit their liability for damages to the Company to a certain range. The Company has entered into the liability limitation agreement with Mr. Atsuo Takahashi and Mr. Kunimi Tokuoka.
- Outline of the contents of the agreement is as follows:
- If an Outside Director is liable for damages to the Company due to negligence of his/her duty, his/her liability will be limited to the minimum amount of liability stipulated in Article 425, Paragraph 1 of the Companies Act.
 - The aforementioned liability limitation shall be applied only in cases where such Outside Director performed his/her duties giving rise to such liabilities in good faith and without gross negligence.
- If the election of Mr. Atsuo Takahashi and Mr. Kunimi Tokuoka as Outside Directors is approved, the Company plans to enter into a similar liability limitation agreement with them.
4. The Company has concluded with an insurance company a directors and officers liability insurance agreement that covers the Company's directors and officers as the insured and compensates the insured for damages that may arise in the event that the insured are held liable, or incur any claim made in pursuit of such liability, with regard to the performance of their duties. If their election is approved, the six candidates for Directors will continue to be covered by the insurance agreement as the insured. The Company will renew the insurance agreement on similar terms and conditions during their terms of office.

Proposal 4: Election of Three (3) Directors Serving as Audit and Supervisory Committee Members

If proposal 2 “Partial Amendment to the Articles of Incorporation” is approved as proposed, the Company will shift to a company with an Audit and Supervisory Committee. Accordingly, the Company proposes that three (3) Directors serving as Audit and Supervisory Committee Members be elected.

The Company has obtained the consent of the Board of Auditors for this proposal.

This proposal will only take effect on the condition that the amendments to the Articles of Incorporation take effect as proposed in proposal 2 “Partial Amendment to the Articles of Incorporation.”

The candidates for Directors serving as Audit and Supervisory Committee Members are as follows:

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
1	<p><u>New appointment</u> <u>Outside</u> <u>Independent</u></p> <p>Satoshi Yamamoto (May 7, 1954)</p>	<p>April 1978 Joined The Mitsui Trust Company, Limited (currently Sumitomo Mitsui Trust Bank, Limited)</p> <p>November 2001 General Manager, Pension Business Dept. III, Chuo Mitsui Trust and Banking Company Limited (currently Sumitomo Mitsui Trust Bank, Limited)</p> <p>March 2002 General Manager, Pension Business Dept. III, Mitsui Asset Trust and Banking Company, Limited (currently Sumitomo Mitsui Trust Bank, Limited)</p> <p>October 2007 Executive Officer, The Chuo Mitsui Trust and Banking Company, Limited (currently Sumitomo Mitsui Trust Bank, Limited)</p> <p>June 2009 Director, Managing Executive Officer</p> <p>June 2010 Director and President, Chuo Mitsui Asset Management Company, Limited (currently Sumitomo Mitsui Trust Asset Management Co., Ltd.)</p> <p>April 2012 Director and Vice President, Sumitomo Mitsui Trust Asset Management Co., Ltd.</p> <p>June 2012 Director and Vice President, Japan Stockholders Data Service Company, Limited</p> <p>October 2013 Advisor, Developer Sanshin Inc., and Advisor, Sumitomo Mitsui Trust TA Solution Co., Ltd.</p> <p>June 2014 Audit & Supervisory Board Member, the Company (current position)</p> <p>June 2020 Auditor, Asuka Asset Management Co., Ltd. (currently Aizawa Asset Management Co., Ltd.) (current position)</p> <p>[Significant concurrent positions] Auditor, Aizawa Asset Management Co., Ltd.</p>	11,300
<p>[Reason for nomination as a candidate for Outside Director serving as Audit and Supervisory Committee Member and the summary of expected roles]</p> <p>Mr. Satoshi Yamamoto has a high level of expertise in finance and major achievements as a corporate executive. He has been duly performing his duties as Outside Audit & Supervisory Board Member, including supervision of the performance of the Company’s operations, and has actively expressed his opinions at meetings of the Company’s Board of Directors as Outside Audit & Supervisory Board Member. We expect that he will be able to contribute to enhancing transparency in management at the Company and strengthening the Company’s auditing system by leveraging his high level of expertise in governance, compliance and related areas, and accordingly nominate him as a candidate for Outside Director serving as Audit and Supervisory Committee Member. He will have served as Outside Audit & Supervisory Board Member of the Company for seven (7) years at the conclusion of this General Meeting of Shareholders.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
2	<p style="text-align: center;"> New appointment Outside Independent </p> <p>Yukinori Hanafusa (May 10, 1975)</p>	<p>April 1998 Joined Aoyama Audit Corporation</p> <p>July 2001 Registered as Certified Public Accountant</p> <p>July 2003 Joined Japan Asia Holdings Limited (currently Japan Asia Group Limited)</p> <p>August 2009 Established Accounting Works Co., Ltd.; President (current position)</p> <p>March 2015 Audit & Supervisory Board Member, ARCLAND SERVICE CO., LIMITED (currently ARCLAND SERVICE HOLDINGS CO., LTD.)</p> <p>March 2016 Outside Director (Audit and Supervisory Committee Member), ARCLAND SERVICE CO., LIMITED (currently ARCLAND SERVICE HOLDINGS CO., LTD.) (current position)</p> <p>September 2017 Outside Director (Audit and Supervisory Committee Member), PeptiDream Inc. (current position)</p> <p>May 2018 Audit & Supervisory Board Member, GIFT inc.</p> <p>January 2019 Outside Director (Audit and Supervisory Committee Member), GIFT inc. (current position)</p> <p>June 2019 Representative Partner, Hanafusa Hirota Tax Accountant Corporation (current position)</p> <p>June 2020 Director, the Company (current position)</p> <p>[Significant concurrent positions] President, Accounting Works Co., Ltd. Outside Director (Audit and Supervisory Committee Member), ARCLAND SERVICE HOLDINGS CO., LTD. Outside Director (Audit and Supervisory Committee Member), PeptiDream Inc. Outside Director (Audit and Supervisory Committee Member), GIFT inc. Representative Partner, Hanafusa Hirota Tax Accountant Corporation</p>	-
<p>[Reason for nomination as a candidate for Outside Director serving as Audit and Supervisory Committee Member and the summary of expected roles]</p> <p>As a Certified Public Accountant, Mr. Yukinori Hanafusa is experienced in corporate accounting and auditing, and has vast professional knowledge and experience, including a wealth of experience as an outside director and auditor and as an executive at listed companies, as well as deep insights. We expect that he will engage in review of the Company's Director remuneration system and decisions on the level of Directors' remuneration as a Nomination and Remuneration Advisory Committee Member and will be able to duly perform his duties as Outside Director, such as providing appropriate advice for the management of the Company, and accordingly nominate him as a candidate for Outside Director serving as Audit and Supervisory Committee Member. He will have served as Outside Director of the Company for one (1) year at the conclusion of this General Meeting of Shareholders.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
3	<p>[New appointment]</p> <p>Koutaro Sato (November 8, 1958)</p>	<p>April 1983 Joined Orient Watch Co., Ltd.</p> <p>April 1989 Joined Tokyo Securities Co, Ltd. (currently Tokai Tokyo Securities Co., Ltd.)</p> <p>October 2004 Seconded to Tokai Tokyo Securities (Asia) Limited, Managing Director</p> <p>October 2008 Joined Japan Asia Securities Co., Ltd. (currently AIZAWA SECURITIES CO., LTD.), General Manager, Foreign Equity Department</p> <p>October 2010 Head of Product Division</p> <p>July 2012 Executive Officer; Head of Product Division</p> <p>July 2018 Executive Officer; Head of Product Division, the Company</p> <p>April 2020 Senior Executive Officer; Head of Product Division</p> <p>April 2021 Advisor (current position)</p> <p>April 2021 Audit & Supervisory Board Member, AIZAWA SECURITIES DIVISION PREPARATION CO., LTD. (current position)</p> <p>[Significant concurrent positions] Audit & Supervisory Board Member, AIZAWA SECURITIES DIVISION PREPARATION CO., LTD.</p>	7,900
<p>[Reason for nomination as a candidate for Director serving as Audit and Supervisory Committee Member] Mr. Koutaro Sato has long engaged in the securities business, and has a wealth of experience, achievements and expertise in the financial instruments business as he served as General Manager of Foreign Equity Department and Head of Product Division and also engaged in the management of an overseas subsidiary. Accordingly, we nominate him as a candidate for Director serving as Audit and Supervisory Committee Member.</p>			

- (Notes) 1. There are no special interests between each candidate for Directors and the Company.
2. Mr. Satoshi Yamamoto and Mr. Yukinori Hanafusa are candidates for Outside Directors serving as Audit and Supervisory Committee Members. The Company has registered them as independent officers with the Tokyo Stock Exchange pursuant to the rules stipulated by the Exchange. If the election of the candidates is approved, the Company will register them as independent officers with the Exchange.
3. To facilitate the recruitment of talented human resources as Outside Directors, the Company has stipulated in its Articles of Incorporation that it may enter into an agreement with Outside Directors to limit their liability for damages to the Company to a certain range. The Company has entered into the liability limitation agreement with Mr. Satoshi Yamamoto.
- Outline of the contents of the agreement is as follows:
- If an Outside Director is liable for damages to the Company due to negligence of his/her duty, his/her liability will be limited to the minimum amount of liability stipulated in Article 425, Paragraph 1 of the Companies Act.
 - The aforementioned liability limitation shall be applied only in cases where such Outside Director performed his/her duties giving rise to such liabilities in good faith and without gross negligence.
 - If proposal 2 “Partial Amendment to the Articles of Incorporation” is approved as proposed and the election of Mr. Satoshi Yamamoto as Outside Director serving as Audit and Supervisory Committee Member is approved, the Company plans to enter into a similar liability limitation agreement with him.
4. To facilitate the recruitment of talented human resources as Outside Directors, the Company has stipulated in its Articles of Incorporation that it may enter into an agreement with Outside Directors to limit their liability for damages to the Company to a certain range. The Company has entered into the liability limitation agreement with Mr. Yukinori Hanafusa.
- Outline of the contents of the agreement is as follows:
- If an Outside Director is liable for damages to the Company due to negligence of his/her duty, his/her liability will be limited to the minimum amount of liability stipulated in Article 425, Paragraph 1 of the Companies Act.
 - The aforementioned liability limitation shall be applied only in cases where such Outside Director performed his/her duties giving rise to such liabilities in good faith and without gross negligence.
 - If proposal 2 “Partial Amendment to the Articles of Incorporation” is approved as proposed and the election of Mr. Yukinori Hanafusa as Outside Director serving as Audit and Supervisory Committee Member is approved, the Company plans to enter into a similar liability limitation agreement with him.
5. The Company has concluded with an insurance company a directors and officers liability insurance agreement that covers the Company’s directors and officers as the insured and compensates the insured for damages that may arise in the event that the insured are held liable, or incur any claim made in pursuit of such liability, with regard to the

performance of their duties. If their election is approved, the three candidates will continue to be covered by the insurance agreement as the insured. The Company will renew the insurance agreement on similar terms and conditions during their terms of office.

Proposal 5: Election of One (1) Substitute Director Serving as Audit and Supervisory Committee Member

If proposal 2 “Partial Amendment to the Articles of Incorporation” is approved as proposed, the Company will shift to a company with an Audit and Supervisory Committee. Accordingly, in preparation for the possibility of the number of Directors serving as Audit and Supervisory Committee Members falling below the number stipulated in laws and regulations, the Company proposes that one (1) substitute Director serving as Audit and Supervisory Committee Member be elected.

The Company has obtained the consent of the Board of Auditors for this proposal.

This proposal will only take effect on the condition that the amendments to the Articles of Incorporation take effect as proposed in proposal 2 “Partial Amendment to the Articles of Incorporation.”

The candidate for a substitute Director serving as Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Career summary, positions and responsibilities	Number of shares of the Company held
<div style="text-align: center;"> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div> </div> <p>Kunimi Tokuoka (November 27, 1951)</p>	April 1976 Joined the Industrial Bank of Japan, Ltd. (currently Mizuho Bank, Ltd.)	—
	May 1987 Seconded to IBJ International plc, Associate Director	
	July 1993 General Manager, Bond Sales Division I, IBJ Securities Co., Ltd. (currently Mizuho Securities Co., Ltd.)	
	June 1999 Executive Officer	
	October 2000 Managing Executive Officer; General Manager, Market Sales Group	
	April 2007 Managing Executive Officer; General Manager, Global Investment Bank Department	
	September 2008 Senior Managing Executive Officer, Aozora Bank, Ltd.	
	June 2009 Representative Director and Deputy President	
	June 2016 Director, the Company (current position)	
	July 2017 Outside Director (Audit and Supervisory Committee Member), ES NETWORKS CO., LTD. (current position)	
[Significant concurrent positions] Outside Director (Audit and Supervisory Committee Member), ES NETWORKS CO., LTD.		
<p>[Reason for nomination as a candidate for a substitute Outside Director serving as Audit and Supervisory Committee Member and the summary of expected roles]</p> <p>Having served as Managing Executive Officer, IBJ Securities Co., Ltd. (currently Mizuho Securities Co., Ltd.) and Representative Director and Deputy President, Aozora Bank, Ltd., etc., Mr. Kunimi Tokuoka has long been affiliated with financial institutions and engaged in corporate management. He has a wealth of expertise and experience in finance in general, the financial instruments business and related areas, and we believe that he will be able to continue to duly perform his duties as Outside Director, such as providing appropriate advice for the management of the Company, and accordingly nominate him as a candidate for a substitute Outside Director serving as Audit and Supervisory Committee Member. He will have served as an Outside Director of the Company for five (5) years at the conclusion of this General Meeting of Shareholders.</p>		

- (Notes) 1. There are no special interests between the candidate for Director and the Company.
2. If proposal 3 “Election of Six (6) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)” is approved as proposed, the candidate will take office as Outside Director who is not an Audit and Supervisory Committee Member. In the event, however, that the number of Directors serving as Audit and Supervisory Committee Members falls below the number stipulated in laws and regulations, then the candidate will retire as Director who is not an Audit and Supervisory Committee Member and take office as Outside Director serving as Audit and Supervisory Committee Member.
3. To facilitate the recruitment of talented human resources as Outside Directors, the Company has stipulated in its Articles of Incorporation that it may enter into an agreement with Outside Directors to limit their liability for damages to the Company to a certain range. The Company has entered into the liability limitation agreement with the candidate. If the election of the candidate is approved and the candidate takes office as Outside Director serving as Audit and Supervisory Committee Member, the Company plans to enter into a liability limitation agreement with the candidate. Outline of the contents of the agreement is as follows:

- If an Outside Director is liable for damages to the Company due to negligence of his/her duty, his/her liability will be limited to the minimum amount of liability stipulated in Article 425, Paragraph 1 of the Companies Act.
 - The aforementioned liability limitation shall be applied only in cases where such Outside Director performed his/her duties giving rise to such liabilities in good faith and without gross negligence.
4. As the candidate satisfies the requirements for an independent officer set forth in the rules of the Tokyo Stock Exchange, the Company has registered him as an independent officer with the Exchange, and if he takes office as Outside Director serving as Audit and Supervisory Committee Member, the Company will continue to designate him as an independent officer.
 5. The Company has concluded with an insurance company a directors and officers liability insurance agreement that covers the Company's directors and officers as the insured and compensates the insured for damages that may arise in the event that the insured are held liable, or incur any claim made in pursuit of such liability, with regard to the performance of their duties. If the election of the candidate is approved and takes office as Outside Director serving as Audit and Supervisory Committee Member, the candidate will be covered by the insurance agreement as the insured. The Company will renew the insurance agreement on similar terms and conditions during his terms of office.

Proposal 6: Determination of the Amount of the Remuneration for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

The Company obtained approval at the 87th Annual General Meeting of Shareholders held on June 26, 2007, for the proposal that the amount of remuneration for Directors be not more than 600 million yen per year (excluding employee salaries for Directors serving as employees). If proposal 2 “Partial Amendment to the Articles of Incorporation” is approved as proposed, the Company will shift to a company with an Audit and Supervisory Committee. Accordingly, the Company proposes that, in view of various factors including the recent economic climate, the amount of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members; hereinafter the same applies in this proposal) after the shift to a company with an Audit and Supervisory Committee be set at not more than 400 million yen per year (of which, not more than 50 million yen per year for Outside Directors) and that the specific amount, the date of payment, and other terms of such remuneration for each Director shall be determined by resolution of the Board of Directors.

The Company’s basic policy for the remuneration for Directors after the shift to a company with an Audit and Supervisory Committee is that it shall be composed of fixed remuneration, which is the basic remuneration, performance-linked remuneration, and stock-based remuneration and that the amount of the remuneration for each Director be determined by giving consideration to each Director’s position and level of contribution to the Company’s financial performance and the balance of short-term incentives and medium- to long-term incentives. The Company’s policy for determination of the remuneration for each Director is as described on page 47 of the Business Report (in Japanese). The amount of remuneration presented in this proposal represents fixed remuneration and performance-linked remuneration to be paid in accordance with this policy (the Company plans to maintain this policy after this proposal is approved), and the Company has determined that the amount is appropriate; provided that the remuneration does not include employee salaries for Directors serving as employees.

The number of Directors, which is currently seven (7), will be six (6) (including two (2) Outside Directors), if proposal 2 “Partial Amendment to the Articles of Incorporation” and proposal 3 “Election of six (6) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)” are approved as proposed.

This proposal will only take effect on condition that the amendment takes effect as proposed in proposal 2 “Partial Amendment to the Articles of Incorporation.”

Proposal 7: Determination of the Amount of the Remuneration for Directors Serving as Audit and Supervisory Committee Members

If proposal 2 “Partial Amendment to the Articles of Incorporation” is approved as proposed, the Company will shift to a company with an Audit and Supervisory Committee. Accordingly, the Company proposes that, in view of various factors including the recent economic climate, the amount of remuneration for Directors serving as Audit and Supervisory Committee Members after the shift to a company with an Audit and Supervisory Committee be set at not more than 100 million yen per year and that the specific amount, the date of payment, and other terms of such remuneration for each Director serving as an Audit and Supervisory Committee Member shall be determined by consultation by Directors serving as Audit and Supervisory Committee Members. The Company has determined that the amount of remuneration presented in this proposal is appropriate in light of the duties of Directors serving as Audit and Supervisory Committee Members.

The number of Directors serving as Advisory and Supervisory Committee Members will be three (3) (including two (2) Outside Directors), if proposal 2 “Partial Amendment to the Articles of Incorporation” and proposal 4 “Election of three (3) Directors Serving as Audit and Supervisory Committee Members” are approved as proposed.

This proposal will only take effect on condition that the amendment takes effect as proposed in proposal 2 “Partial Amendment to the Articles of Incorporation.”

Proposal 8: Determination of the Amount of the Remuneration for Granting to Directors (Excluding Directors Serving as Audit and Supervisory Committee Members) Restricted Stock

The Company obtained approval at the 99th Annual General Meeting of Shareholders held on June 25, 2019, for the proposal of setting the amount of the remuneration for Directors for granting restricted stock to Directors (excluding Outside Directors) at not more than 50 million yen per year and the total number of restricted stock that may be allotted at not more than 50,000 shares, with the aim of providing Directors (excluding Outside Directors) with incentives for seeking sustained enhancement of the Company's corporate value while also further promoting the sharing of value with Company's shareholders. If proposal 2 "Partial Amendment to the Articles of Incorporation" is approved as proposed, the Company will shift to a company with an Audit and Supervisory Committee. Accordingly, the Company hereby proposes for approval paying the remuneration for granting restricted stock to Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors; hereinafter "Eligible Director(s)") after the shift.

The purpose of this system is to provide Eligible Directors with incentives for seeking sustained enhancement of the Company's corporate value and to further promote the sharing of value with Company's shareholders. Since the Company still needs to fulfill this purpose after the shift to a company with an Audit and Supervisory Committee, the Company considers the introduction of this system for Eligible Directors as appropriate.

The total amount of the monetary remuneration to be paid to Eligible Directors for granting restricted stock based on this proposal is separate from the amount of the remuneration for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members) proposed for approval in Proposal 6 "Determination of the Amount of the Remuneration for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)," and the Company hereby proposes setting the total amount of the monetary remuneration claims to be provided as the remuneration for Eligible Directors related to restricted stock at not more than 100 million yen per year.

The Company's policy for determination of the remuneration for each Director is as described on page 47 of the Business Report (in Japanese). The Company has determined the maximum amount of the remuneration, the total number of the Company's common stock that may be issued or disposed of, and other terms and conditions for the grant of restricted stock to Eligible Directors as set out in this proposal, by comprehensively taking into account various factors, such as the purpose of this system mentioned above, the state of the Company's business, the level of Directors' contribution to the Company, and the Company's policy for determination of the remuneration for each Director (the Company plans to maintain this policy after this proposal is approved). Therefore, the Company considers the terms and conditions as appropriate.

If proposal 3 "Election of Six (6) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)" is approved as proposed, the number of Directors, which is currently seven (7) (including three (3) Outside Directors), will be six (6) (including two (2) Outside Directors). The summary of the specific details and the maximum number of the restricted stock to be granted to Eligible Directors are as described below. This proposal will take effect on condition that the amendment set out in proposal 2 "Partial Amendment to the Articles of Incorporation" takes effect.

1. Allotment of restricted stock and payment for restricted stock

The Company, based on the resolution of the Board of Directors of the Company, shall provide Eligible Directors with monetary remuneration claims that shall be not more than said annual total amount as the remuneration related to restricted stock, and each Eligible Director will make an in-kind contribution of the entire amount of said monetary remuneration claims to receive allotted restricted stock.

The amount of the payment for the restricted stock shall be determined by the Board of Directors of the Company based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day before the date of the resolution by the Board of Directors of the Company on the issuance or disposal of the restricted stock (provided that if no transactions are made for the Company's common stock on such reference date, the closing price on the most recent trading date prior to such reference date shall apply) and to the extent that the amount is not particularly advantageous to the Eligible Directors who receive the restricted stock.

In addition, the monetary remuneration claims shall be provided on condition that the Eligible Directors have agreed to said in-kind contribution and have also concluded a Restricted Stock Allotment Agreement that contains the terms and conditions set forth in paragraph 3 below.

2. Maximum number of the restricted stock

The total number of the restricted stock that may be allotted to Eligible Directors shall be not more than 60,000 shares per year and shall be the maximum number of the restricted stock that may be allotted in each fiscal year.

Provided, however, that if, after the date of the resolution on this proposal, the Company splits its common stock (or allots its common stock without contribution) or reverse-splits its common stock, or otherwise it becomes necessary to adjust the total number of the restricted stock that may be allotted, the Company may reasonably adjust such total number of the restricted stock.

3. Details of the Restricted Stock Allotment Agreement

The Restricted Stock Allotment Agreement to be concluded between the Company and the Eligible Directors who receive allotted restricted stock based on the resolution of the Board of Directors of the Company for such allotment shall include the following terms and conditions:

(1) Restrictions on transfer

For a period of time that shall be determined by the Board of Directors of the Company and shall be between 5 years and 30 years (hereinafter the "Transfer Restriction Period"), the Eligible Directors who have received allotted restricted stock may not transfer to a third party, pledge, mortgage, transfer as an *inter vivos* gift, bequeath or otherwise dispose of the restricted stock.

(2) Acquisition of restricted stock without charge

If an Eligible Director who has received restricted stock retires from Director of the Company and Director of the Company's subsidiary in the period from the date of commencement of the Transfer Restriction Period to the date prior to the date of the first Annual General Meeting of Shareholders held after such commencement date, the Company shall, as a matter of course, acquire, without charge, the restricted stock allotted to said Eligible Director (the "Allotted Shares"), except where the Eligible Director retires for a reason deemed by the Board of Directors of the Company to be justifiable.

In addition, the Company shall, as a matter of course, acquire, without charge, those of the Allotted Shares for which restrictions on transfer are not canceled subject to the provisions of (3) below at the time of expiry of the Transfer Restriction Period set forth in (1) above.

(3) Cancellation of restrictions on transfer

On condition that the Eligible Director who has received restricted stock continues to hold the position of Director of the Company or Director of the Company's subsidiary for the period from the date of commencement of the Transfer Restriction Period to the date of the first Annual General Meeting of Shareholders held after such commencement date, the Company shall cancel the restrictions on transfer on all of the Allotted Shares at the time of expiry of the Transfer Restriction Period.

Provided, however, that if the Eligible Director retires from Director of the Company and Director of the Company's subsidiary prior to the expiry of the Transfer Restriction Period for a reason deemed by the Board of Directors of the Company to be justifiable, the Company shall reasonably adjust the number of the Allotted Shares for which the restrictions on transfer are to be canceled and the time of such cancellation as needed.

(4) Measures in case of organizational restructuring

If, during the Transfer Restriction Period, a proposal for a merger agreement under which the Company will be the dissolving company, a share exchange agreement or a share transfer plan under which the Company will be a wholly-owned subsidiary, or any other organizational restructuring arrangement is approved at a General Meeting of Shareholders of the Company (or approved by the Board of Directors of the Company if such proposal does not require an approval at a General Meeting of Shareholders of the Company), the Company shall, prior to the effective date of such organizational restructuring, cancel the restrictions on transfer for a certain number of the Allotted Shares that shall be reasonably determined by the resolution of the Board of Directors of the Company, taking into account the period from the date of commencement of the Transfer Restriction Period to the date of the approval for such organizational restructuring.

In such case, the Company shall, as a matter of course, acquire, without charge, those of the Allotted Shares for which the restrictions on transfer are still not canceled immediately after the cancellation of restrictions on transfer pursuant to the preceding provisions.