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(Stock Exchange Code 8276)  
April 27, 2022

**To Shareholders with Voting Rights:**

Masashi Hiramatsu  
Representative Director and  
Executive President  
HEIWADO CO., LTD.  
1 Nishiima-cho, Hikone-shi, Shiga,  
Japan

**NOTICE OF  
THE 65TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

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

Please be informed that the 65th Annual General Meeting of Shareholders of HEIWADO CO., LTD. (the “Company”) will be held as described below.

Furthermore, you can exercise your voting rights in writing or via the internet instead of attending the meeting in person. Please read the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by following the Instructions for the Exercise of Voting Rights (pages 4 and 5 of the Japanese original), no later than 6:00 p.m. on Wednesday, May 18, 2022, Japan time.

\* The Company will not provide any gifts to attendees of the General Meeting of Shareholders. Thank you for your understanding.

- 1. Date and Time:** Thursday, May 19, 2022 at 10:00 a.m. Japan time
- 2. Place:** HATOC Hall, 3F of the Head Office of HEIWADO CO., LTD. located at 1 Nishiima-cho, Hikone-shi, Shiga, Japan
- 3. Meeting Agenda:**
  - Matters to be reported:**
    1. Business Report and Consolidated Financial Statements for the Company’s 65th Fiscal Year (February 21, 2021 - February 20, 2022), and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
    2. Non-consolidated Financial Statements for the Company’s 65th Fiscal Year (February 21, 2021 - February 20, 2022)
  - Proposals to be resolved:**
    - Proposal 1:** Disposition of Surplus
    - Proposal 2:** Partial Amendments to the Articles of Incorporation
    - Proposal 3:** Election of Six Directors (Excluding Directors who are Members of the Audit and Supervisory Committee)
    - Proposal 4:** Election of Three Directors who are Members of the Audit and Supervisory Committee
    - Proposal 5:** Election of One Substitute Director who is a Member of the Audit and Supervisory Committee
    - Proposal 6:** Granting of Condolence Money for Retired Directors

- Notes:
1. When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
  2. Among the documents to be provided with this convocation notice, the Consolidated Statement of Changes in Shareholders' Equity and Notes to the Consolidated Financial Statements in the consolidated financial statements, and the Statement of Changes in Shareholders' Equity and Notes to Non-consolidated Financial Statements in the financial statements have been posted on the Company's website (<http://www.heiwado.jp>) in accordance with the provisions of relevant laws and regulations as well as Article 15 of the Company's Articles of Incorporation, and therefore are not provided in the appendix to this convocation notice.
  3. Should the Reference Materials for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, or the Financial Statements require revisions by the day before the General Meeting of Shareholders, the revised versions will be posted on the Company's website (<http://www.heiwado.jp/>).

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Disposition of Surplus

The Company aims to fulfill shareholders' expectations even in the current severe business environment surrounding the Company, while paying attention to securing internal reserves to strengthen corporate structure. As a result, the Company proposes year-end dividends as follows:

(1) Type of dividend property:

Cash

(2) Items related to the allocation of dividend property and its total amount:

The Company proposes to increase its year-end dividend by 4 yen to 23 yen per share of its common stock (a total of 42 yen including the interim dividend of 19 yen per share).

Accordingly, the total amount distributed will be 1,206,320,422 yen.

(3) Date the distribution of surplus comes into effect:

May 20, 2022

**Proposal 2: Partial Amendments to the Articles of Incorporation**

1. Reasons for the amendment

- (1) With the intent of improving convenience for its shareholders, the Company proposes to establish new provisions regarding the additional purchasing system of shares less than one unit, and also to make necessary amendments in line with this change.
- (2) The amended provisions stipulated in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) will come into effect on September 1, 2022. Accordingly, in preparation for the introduction of the system for electronic provision of materials for General Meetings of Shareholders, the Articles of Incorporation of the Company shall be amended as follows:
  - (i) The proposed Article 16, Paragraph 1 provides that information contained in the Reference Materials for the General Meeting of Shareholders, etc., shall be provided electronically.
  - (ii) The purpose of the proposed Article 16, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
  - (iii) The provisions related to the internet disclosure and deemed provision of the Reference Materials for the General Meeting of Shareholders, etc. (Article 15 of the current Articles of Incorporation) will become unnecessary and therefore will be deleted.
  - (iv) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc., shall be established.

2. Details of amendments

The details of the amendments are as follows:

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>(Rights in Relation to Shares Less than One Unit)                      Article 9 Shareholders of the Company who hold shares less than one unit may not exercise any rights other than those listed below with respect to their shares less than one unit.</p> <p>(1)-(3)                          &lt;Provisions omitted&gt;                          &lt;Newly established&gt;</p>	<p>(Rights in Relation to Shares Less than One Unit)                      Article 9 &lt;Unchanged&gt;</p> <p>(1)-(3)                          &lt;Unchanged&gt;</p> <p>(4) <u>The right to make requests set forth in the following Article</u></p>
<p>&lt;Newly established&gt;</p> <p>Articles <u>10-14</u>                          &lt;Provisions omitted&gt;</p>	<p><u>(Additional purchasing system of shares less than one unit)</u>  <u>Article 10 A shareholder of the Company who holds shares less than one unit may, in accordance with the provisions of the Share Handling Rules, demand that the Company sell to the shareholder such number of shares which, together with the number of shares less than one unit held by such shareholder, will constitute one Share Unit.</u></p> <p>Articles <u>11-15</u>                          &lt;Unchanged&gt;</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>(Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.)</u>  <u>Article 15</u> <u>The Company may, when convening a General Meeting of Shareholders, deem that it has provided its shareholders with information pertaining to matters to be described or indicated in the Reference Materials for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements, and the Consolidated Financial Statements, by disclosing such information through the Internet in accordance with the provisions stipulated in the Ordinance of the Ministry of Justice.</u></p> <p style="text-align: center;">&lt;Newly established&gt;</p> <p>Articles <u>16-36</u>            &lt;Provisions omitted&gt;</p> <p style="text-align: center;">Supplementary provisions</p> <p>Articles 1-2            &lt;Provisions omitted&gt;</p> <p style="text-align: center;">&lt;Newly established&gt;</p>	<p style="text-align: center;">&lt;Deleted&gt;</p> <p>(Measures for Electronic Provision, Etc.)  <u>Article 16</u> <u>The Company shall, when convening a General Meeting of Shareholders, provide information contained in the Reference Materials for the General Meeting of Shareholders, etc., electronically.</u>  <u>2</u> <u>Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p> <p>Articles <u>17-37</u>            &lt;Unchanged&gt;</p> <p style="text-align: center;">Supplementary provisions</p> <p>Articles 1-2            &lt;Unchanged&gt;</p> <p><u>Article 3</u> <u>The deletion of Article 15 of the Articles of Incorporation prior to the amendments and the proposed establishment of Article 16 shall come into effect on September 1, 2022, the date of enforcement of the amended provisions stipulated in the proviso to Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u>  <u>2</u> <u>Notwithstanding the provisions of the preceding paragraph, Article 15 (Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.) of the Articles of Incorporation prior to the amendments shall remain in force with respect to a General Meeting of Shareholders to be held on a date within six months from the Effective Date.</u>  <u>3</u> <u>This Article shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the General Meeting of Shareholders set forth in the preceding paragraph, whichever is later.</u></p>

**Proposal 3: Election of Six Directors (Excluding Directors who are Members of the Audit and Supervisory Committee)**

The terms of office of all five Directors (excluding Directors who are members of the Audit and Supervisory Committee) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, we propose to elect six Directors (excluding Directors who are members of the Audit and Supervisory Committee), increasing the number of Directors by one, in order to strengthen our management system.

The candidates for Directors (excluding Directors who are members of the Audit and Supervisory Committee) are as follows:

Candidate No.	Name	Current position and responsibilities	Candidate attributes	Attendance at Board of Directors' meetings
1	Masashi Hiramatsu	Representative Director and Executive President Senior General Manager of Sales Management	Reelection	100% (14/14)
2	Kohei Natsuhara	Director and Senior Managing Executive Officer Senior General Manager of Administration	Reelection	100% (14/14)
3	Yohei Natsuhara	Director and Managing Executive Officer Deputy Senior General Manager of Sales Management and Senior General Manager of Product	Reelection	100% (14/14)
4	Shigeki Kosugi	Director and Managing Executive Officer Senior General Manager of Development	Reelection	100% (14/14)
5	Shigeru Fukushima	Director and Senior Corporate Officer Senior General Manager of Store Sales	Reelection	100% (14/14)
6	Shinichi Ueyama	—	New election Outside Independent	—

Candidate No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company (Significant concurrent positions)	Number of the Company's shares owned
1	Masashi Hiramatsu (November 19, 1957)	January 2010      Joined the Company May 2010            Managing Director and Assistant to the President; in charge of Corporate Planning Division  February 2011      Managing Director; Senior General Manager of Corporate Planning Division February 2012      Managing Director; Senior General Manager of Store Sales February 2013      Managing Director; Senior General Manager of Sales Management May 2015            Senior Managing Director; Senior General Manager of Sales Management May 2017            Representative Director, President, and COO; Senior General Manager of Sales Management May 2020            Representative Director and Executive President; Senior General Manager of Sales Management (current position)  [Significant concurrent position] Representative Director and Vice President, Nihon Ryutsu Sangyo Co., Ltd.	3,000
[Reason for nomination as candidate for Director] Having served as Representative Director of the Company from May 2017, following positions including Senior General Manager of Corporate Planning Division, Senior General Manager of Store Sales, and Senior General Manager of Sales Management in the capacity of the Company's Director, he has a wealth of experience and a broad range of knowledge in the fields of corporate planning and sales, as well as a wide variety of business experience at other companies. Therefore, the Company has renominated him as a candidate for Director.			

Candidate No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company (Significant concurrent positions)	Number of the Company's shares owned
2	Kohei Natsuhara (September 25, 1973)	September 2001    Joined the Company May 2012            Director; General Manager of Sales Division February 2013    Director; Senior General Manager of Store Sales and Deputy Senior General Manager of Sales Management May 2014            Managing Director; Senior General Manager of Store Sales and Deputy Senior General Manager of Sales Management May 2015            Senior Managing Director; Senior General Manager of Store Sales and Deputy Senior General Manager of Sales Management February 2016    Senior Managing Director; Senior General Manager of Corporate Planning Division and General Manager of President's Office February 2017    Senior Managing Director; Senior General Manager of Administration and General Manager of China Office February 2018    Senior Managing Director; Senior General Manager of Administration , General Manager of China Office, and General Manager of Information Management Division May 2018            Senior Managing Director; Senior General Manager of Administration and General Manager of China Office May 2020            Director and Senior Managing Executive Officer; Senior General Manager of Administration and General Manager of China Office February 2022    Director and Senior Managing Executive Officer; Senior General Manager of Administration (current position) [Significant concurrent positions] Chairman, Heiwado (China) Co., Ltd. Chairman, Hunan Heiwa Wuye Fazhan Co., Ltd. Representative Director and President, Peace & Green Co., Ltd. Representative Director, PARIYA Co., Ltd. Chairman of the Board, Heiwado Corporate Pension Fund Chairman of the Board, Heiwado Health Insurance Association	340,000
[Reason for nomination as candidate for Director] Having served as Senior General Manager of Corporate Planning Division and General Manager of President's Office, following positions including General Manager of Sales Division and Senior General Manager of Store Sales in the capacity of the Company's Director, he has a wealth of experience and a broad range of knowledge in the fields of sales and corporate planning. Therefore, the Company has renominated him as a candidate for Director.			



Candidate No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company (Significant concurrent positions)	Number of the Company's shares owned
3	Yohei Natsuhara (February 18, 1975)	<p>April 2002      Joined the Company</p> <p>May 2012      Director; General Manager of Sales Promotion Division</p> <p>February 2013    Director; General Manager of Sales Promotion Division and Deputy Senior General Manager of Product</p> <p>February 2014    Director; General Manager of Sales Promotion Division and Supervisor of Corporate Strategy Office</p> <p>February 2016    Director; Deputy Senior General Manager of Sales Management and Supervisor, Corporate Strategy Office</p> <p>February 2017    Director; Senior General Manager of Product</p> <p>May 2017        Managing Director; Senior General Manager of Product</p> <p>May 2020        Director and Managing Executive Officer; Senior General Manager of Product</p> <p>February 2021    Director and Managing Executive Officer; Deputy Senior General Manager of Sales Management; and Senior General Manager of Product (current position)</p> <p>[Significant concurrent position] Representative Director and President, Heiwa Kanko Kaihatsu Co., Ltd.</p>	340,000
		<p>[Reason for nomination as candidate for Director] Having served as Senior General Manager of Product , following positions including General Manager of Sales Promotion Division, Supervisor of Corporate Strategy Office, Deputy Senior General Manager of Sales management, and Supervisor of Corporate Strategy Office in the capacity of the Company's Director, he has a wealth of experience and a broad range of knowledge in the fields of sales and corporate strategy. Therefore, the Company has renominated him as a candidate for Director.</p>	
4	Shigeki Kosugi (March 8, 1959)	<p>April 1981      Joined the Company</p> <p>February 2013    General Manager of Tenant Management Division</p> <p>May 2016        Executive Officer; General Manager of Tenant Management Division</p> <p>May 2019        Director; General Manager of Tenant Management Division</p> <p>May 2020        Director and Senior Executive Officer; General Manager of Tenant Management Division</p> <p>September 2020    Director and Senior Executive Officer; Senior General Manager of Development Division and General Manager of Tenant Management Division</p> <p>February 2021    Director and Managing Executive Officer; Senior General Manager of Development Division and General Manager of Tenant Management Division</p> <p>February 2022    Director and Managing Executive Officer; Senior General Manager of Development Division (current position)</p>	5,300
		<p>[Reason for nomination as candidate for Director] Having served as Senior General Manager of Development Division, following positions including Director and General Manager of Tenant Management Division, with extensive experience in the areas of product planning and store operations, he has a wealth of experience and a broad range of knowledge in the field of tenant and store development. Therefore, the Company has renominated him as a candidate for Director.</p>	

Candidate No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company (Significant concurrent positions)	Number of the Company's shares owned	
5	Shigeru Fukushima (August 5, 1959)	March 1983 May 2015 February 2016 May 2020	Joined the Company Director; Supervisor of Food Control and General Manager of Food Division Director; Senior General Manager of Store Sales Director and Senior Executive Officer; Senior General Manager of Store Sales (current position)	4,300
		<p>[Reason for nomination as candidate for Director] Having served as Senior General Manager of Store Sales, following positions including Supervisor of Food Control and General Manager of Food Division in the capacity of the Company's Director, he has a wealth of experience and knowledge in the fields of product planning and store operations. Therefore, the Company has renominated him as a candidate for Director.</p>		
6	*Shinichi Ueyama (October 6, 1957)	April 1980 July 1984 April 1986 July 1992 September 2000 September 2003 March 2007	Joined Ministry of Transport (currently Ministry of Land, Infrastructure, Transport and Tourism) Seconded to the Ministry of Foreign Affairs Joined McKinsey & Company, Inc. Japan Partner, McKinsey & Company, Inc. Japan Research Professor, Georgetown University, U.S.A. Special Research Professor, Keio University Graduate School of Media and Governance Professor, Faculty of Policy Management, Keio University (current position)	0
		<p>[Significant concurrent positions] Professor, Faculty of Policy Management, Keio University Outside Corporate Auditor, Aso Corporation Outside Director, Myster Engineering Corporation Advisor, Advantage Advisors Co., Ltd. Outside Director, Star Flyer Inc. Chair, Policy Evaluation Committee, Ministry of Land, Infrastructure, Transport and Tourism Executive Advisor to the Governor, Osaka Prefecture Government Executive Advisor to the Mayor, Osaka City Government Policy Advisor to the Governor, Aichi Prefecture Government</p> <p>[Reason for nomination as candidate for Outside Director and expected roles] Having worked on numerous corporate reforms, as well as organizational reforms for municipalities and international organizations as a management consultant after serving the central government, he has extensive knowledge and experience. The Company has newly nominated him as a candidate for Outside Director with the expectation that he will engage in and supervise the corporate strategy and structural reform of the Group by leveraging a wealth of knowledge and experience relating to corporate management.</p>		

- (Notes)
1. An asterisk (\*) indicates a candidate for new Director.
  2. Mr. Masashi Hiramatsu concurrently serves as Representative Director at Nihon Ryutsu Sangyo Co., Ltd., and the Company procures products from the said company.
  3. There are no special interests between the other candidates for Director and the Company.
  4. Mr. Shinichi Ueyama is a candidate for Outside Director.
  5. The Company intends to enter into a liability limitation agreement with Mr. Shinichi Ueyama in accordance with the Company's Articles of Incorporation to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act as prescribed in Article 427, Paragraph 1 of the Companies Act, if his election is approved at this General Meeting of Shareholders. However, the maximum amount of liability for damages pursuant to the agreement shall be the limit stipulated by laws and regulations.
  6. The Company intends to register Mr. Shinichi Ueyama with Tokyo Stock Exchange, Inc. as an Independent Officer based on the stipulations of the Exchange, if his election is approved at this General Meeting of Shareholders.
  7. The Company has entered into the directors and officers liability insurance (D&O insurance) agreement as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with all Directors designated as the insured. The D&O insurance agreement shall cover damage that may arise as a result of the insureds assuming responsibility for the execution of their duties or receiving claims in pursuit of the said liability. The insurance premiums for the insureds are entirely borne by the Company. If each candidate is appointed to the position of Director, each

candidate will be included as the insured under the D&O insurance agreement. The Company plans to renew the insurance agreement in June 2022.

**Proposal 4: Election of Three Directors who are Members of the Audit and Supervisory Committee**

The terms of office of three Directors who are members of the Audit and Supervisory Committee will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of three Directors who are members of the Audit and Supervisory Committee is proposed.

This proposal has received the approval of the Audit and Supervisory Committee.

The candidates are described as follows:

Candidate No.	Name	Positions and responsibilities	Candidate attributes	Attendance at Board of Directors' meetings	Attendance at Audit and Supervisory Committee meetings
1	Susumu Yamakawa	Outside Director (Member of the Audit and Supervisory Committee)	Reelection Outside Independent	100% (14/14)	100% (12/12)
2	Shiro Takashima	Outside Director (Member of the Audit and Supervisory Committee)	Reelection Outside Independent	100% (14/14)	100% (12/12)
3	Shinji Motomochi	—	New election	—	—

Candidate No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company (Significant concurrent positions)	Number of the Company's shares owned
1	Susumu Yamakawa (January 18, 1952)	<p>March 1985 Registered as Certified Public Tax Accountant (Kusatsu Branch of Kinki Certified Public Tax Accountants' Association)</p> <p>May 1985 Established Yamakawa Accounting Office</p> <p>May 2003 Established Chuosoken Certified Tax Accountants Corporation (current position)</p> <p>May 2018 Outside Director (Member of the Audit and Supervisory Committee) of the Company (current position)</p> <p>September 2019 Established Chuosoken, Inc. (current position)</p> <p>[Significant concurrent positions] Certified Public Tax Accountant, Chuosoken Certified Tax Accountants Corporation Chairman, Chuosoken, Inc.</p>	0
		<p>[Reason for nomination as candidate for Outside Director who is a member of the Audit and Supervisory Committee and an overview of expected roles]</p> <p>Having established a certified tax accountants corporation and a business entity, he has a wealth of experience as a corporate manager, as well as extensive experience and expertise in the fields of taxation and accounting as a certified public tax accountant. The Company has renominated him as a candidate for Outside Director who is a member of the Audit and Supervisory Committee with the expectation that he will make appropriate recommendations regarding taxation and accounting among others, and audit and supervise the execution of duties by Directors from an independent standpoint, thereby enhancing the functions of the Board of Directors.</p>	
2	Shiro Takashima (July 21, 1972)	<p>April 1999 Registered as Attorney (Osaka Bar Association)</p> <p>April 1999 Joined Yodoyabashi Godo Law Office (currently Yodoyabashi &amp; Yamagami Legal Professional Corporation) (current position)</p> <p>June 2013 Bar examiner (Commercial Code)</p> <p>May 2020 Outside Director (Member of the Audit and Supervisory Committee) of the Company (current position)</p> <p>[Significant concurrent positions] Attorney, Yodoyabashi &amp; Yamagami Legal Professional Corporation Outside Director, Toabo Corporation Corporate Auditor, Nihon Hoso Unyu Co., Ltd.</p>	0
		<p>[Reason for nomination as candidate for Outside Director who is a member of the Audit and Supervisory Committee and an overview of expected roles]</p> <p>Having served as an outside director and outside corporate auditor at leading Japanese corporations with his extensive experience and expertise in corporate legal affairs and various legal matters as an attorney, he possesses a wealth of experience in providing advice and in auditing from an independent standpoint. Although he has never been involved in corporate management in any way other than as an Outside Director or Corporate Auditor, the Company has renominated him as a candidate for Outside Director who is a member of the Audit and Supervisory Committee with the expectation that he will make appropriate recommendations regarding corporate legal affairs and various legal matters among others, and audit and supervise the execution of duties by Directors from an independent standpoint, thereby enhancing the functions of the Board of Directors.</p>	

Candidate No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company (Significant concurrent positions)	Number of the Company's shares owned
3	*Shinji Motomochi (April 6, 1962)	March 1986      Joined the Company	5,396
		February 2012      General Manager of Human Resources Division	
		February 2022      Assistant to Senior General Manager of Administration and General Manager in charge of Human Resources (current position)	
	[Reason for nomination as candidate for Director who is a member of the Audit and Supervisory Committee] Having managed multiple stores, he has a wealth of experience and knowledge in store operation and personnel and human resources development as General Manager of Human Resources Division. Based on his past achievements and personality, the Company has judged that he can appropriately audit and supervise the execution of the duties by Directors and make recommendations regarding the human resources strategy of the Company. Therefore, the Company has newly nominated him as a candidate for Director who is a member of the Audit and Supervisory Committee.		

- (Notes)
1. An asterisk (\*) indicates a candidate for new Director.
  2. There are no special interests between the candidates for Director and the Company.
  3. Mr. Susumu Yamakawa and Mr. Shiro Takashima are candidates for Outside Director.
  4. The Company has entered into a liability limitation agreement with Mr. Susumu Yamakawa and Mr. Shiro Takashima in accordance with the Company's Articles of Incorporation to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act as prescribed in Article 427, Paragraph 1 of the Companies Act. If their elections are approved, the Company plans to continue the said agreement with each of them. However, the maximum amount of liability for damages pursuant to the agreement shall be the limit stipulated by laws and regulations.
  5. The Company has registered Mr. Susumu Yamakawa and Mr. Shiro Takashima with Tokyo Stock Exchange, Inc. as Independent Officers based on the stipulations of the Exchange. If these candidates are reelected and take office, the Company intends to continue to register them as Independent Officers. Furthermore, the Company has concluded an advisory agreement with Yodoyabashi & Yamagami Legal Professional Corporation to which Mr. Shiro Takashima belongs. However, as the amount of his annual remuneration is less than 10 million yen, the Company judges that there is no risk of this having an impact on his independence.
  6. The terms of office of Mr. Susumu Yamakawa and Mr. Shiro Takashima as Outside Directors who are members of the Audit and Supervisory Committee of the Company will be four years for Mr. Susumu Yamakawa and two years for Mr. Shiro Takashima as at the conclusion of this Annual General Meeting of Shareholders since their assumption of office.
  7. The Company has entered into the directors and officers liability insurance (D&O insurance) agreement as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with all Directors designated as the insured. The insurance premiums for the insureds are entirely borne by the Company. If each candidate is appointed to the position of Director who is a member of the Audit and Supervisory Committee, each candidate will be included as the insured under the D&O insurance agreement. The Company plans to renew the insurance agreement in June 2022.

[Reference] If Proposals 3 and 4 are approved as proposed, the composition of the Board of Directors will be as follows:

Name	Position to be assumed	Areas of Expertise (Skill Matrix)							
		Overall Corporate Management	Sales / Marketing	Supply Chain	Information System DX	Finance / Accounting	HR / Labor	Legal / Compliance / Risk Management	Sustainability
Masashi Hiramatsu	Representative Director and Executive President	○	○				○	○	○
Kohei Natsuhara	Director and Senior Managing Executive Officer		○						○
Yohei Natsuhara	Director and Managing Executive Officer		○	○					○
Shigeki Kosugi	Director and Managing Executive Officer		○	○					
Shigeru Fukushima	Director and Senior Corporate Officer		○	○					
Shinichi Ueyama	Outside Director	○	○		○			○	
Shinji Motomochi	Director (Full-time Audit and Supervisory Committee Member)		○				○		
Susumu Yamakawa	Outside Director (Audit and Supervisory Committee Member)	○				○			
Shiro Takashima	Outside Director (Audit and Supervisory Committee Member)							○	

Note: The skills matrix above is not an exhaustive list of all the expertise and knowledge each candidate possesses.

**Proposal 5: Election of One Substitute Director who is a Member of the Audit and Supervisory Committee**

In preparation for a situation in which the number of Directors who are members of the Audit and Supervisory Committee falls below the number stipulated by laws and regulations, the Company proposes the election of one substitute Director who is a member of the Audit and Supervisory Committee in advance.

The election of the candidate below may be nullified by resolution of the Board of Directors, with the consent of the Audit and Supervisory Committee, only before he assumes office.

Additionally, this proposal has received the approval of the Audit and Supervisory Committee.

The candidate for substitute Director who is a member of the Audit and Supervisory Committee is as follows:

Name (Date of birth)	Career summary and positions and responsibilities at the Company (Significant concurrent positions)	Number of the Company's shares owned
Yukio Yamada (September 18, 1947)	April 1974      Joined King Co., Ltd. March 1978      Director; Assistant General Manager, Integrated Development Department January 1981     Managing Director; Senior General Manager, Administration Headquarters October 1983     Representative Director and President June 2018        Chairman & CEO (current position)	0
[Reason for nomination as candidate for substitute Outside Director who is a member of the Audit and Supervisory Committee and expected roles] He possesses a wealth of experience and knowledge as a corporate manager. The Company has renominated him as a candidate for substitute Outside Director who is a member of the Audit and Supervisory Committee with the expectation that he will audit and supervise the overall management of the Company as a top executive, and the execution of duties by Directors from an independent standpoint, thereby enhancing the functions of the Board of Directors of the Company.		

- (Notes)
1. There are no special interests between Mr. Yukio Yamada and the Company.
  2. Mr. Yukio Yamada is a candidate for substitute Outside Director who is a member of the Audit and Supervisory Committee.
  3. The Company intends to enter into a liability limitation agreement with Mr. Yukio Yamada in accordance with the Company's Articles of Incorporation to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act as prescribed in Article 427, Paragraph 1 of the Companies Act, if he assumes the office of Director who is a member of the Audit and Supervisory Committee. However, the maximum amount of liability for damages pursuant to the agreement is the limit stipulated by laws and regulations.
  4. The Company intends to register Mr. Yukio Yamada with Tokyo Stock Exchange, Inc. as an Independent Officer based on the stipulations of the Exchange, if he assumes the office of Director who is a member of the Audit and Supervisory Committee.
  5. The Company has entered into the directors and officers liability insurance (D&O insurance) agreement as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with all Directors designated as the insured. The insurance premiums for the insureds are entirely borne by the Company. If Mr. Yukio Yamada assumes the office of Director who is a member of the Audit and Supervisory Committee, he will be included as the insured under the D&O insurance agreement.



**Proposal 6: Granting of Condolence Money for Retired Directors**

The Company wishes to grant condolence money to the deceased Outside Director Hiroko Tanaka, who passed away on September 14, 2021, and the deceased Representative Director Hirakazu Natsuhara, who passed away on December 20, 2021, respectively, under the Company's prescribed standards to reward them for their service as Directors. The Company proposes that the specific amounts, the timing and method of payment, and other factors be determined by the Board of Directors.

The details of said condolence money are based on the Company's internal rules concerning congratulatory and condolence allowances for Directors, and therefore are determined to be reasonable.

The brief career histories of each person are as described below.

Name	Brief Career History	
Hiroko Tanaka	May 2020 September 2021	Outside Director of the Company Passed away
Hirakazu Natsuhara	March 1968 July 1970 June 1975 May 1983 May 1989 May 2017 May 2020 December 2021	Joined the Company Director Senior Managing Director Director and Vice President Representative Director and President Representative Director, Chairman, and CEO Representative Director and Executive Chairman Passed away