

To Our Shareholders

Hirotsugu Okuwa
President and Representative Director

I am pleased to have this opportunity to address our shareholders, having assumed the position of President and Representative Director.

I would like to express my sincere appreciation for your understanding and support of OKUWA Co., Ltd.'s business activities.

Since opening Wakayama Prefecture's first supermarket in the city of Shingu in 1959, OKUWA has made steady progress with the support of local residents. During that time, our guiding ethos has been to contribute to local communities through commerce.

We believe that OKUWA's mission is to grow and develop as a company rooted in local communities that helps to make customers' lives more fulfilling and comfortable. Our starting point is to create stores that can deliver convenience and enjoyment attuned to diversifying customer needs. In doing so, we are guided by our three core principles, which have remained unchanged since the Company's founding: improve customers' lifestyles, make a major contribution to society, and maintain gratitude and trust.

At the start of fiscal 2021 (the fiscal year ending February 20, 2022), we transitioned to a new management structure. Under this new structure we will seek to respond promptly to a constantly changing social environment by uniting all employees throughout the Group to fulfill the expectations of our customers and shareholders, our business partners, and other stakeholders including our employees themselves. In conjunction with this, we will contribute to local communities, striving to take on new challenges for further growth and increase our corporate value.

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

April 2021

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

(Securities Code: 8217)
April 22, 2021

To Shareholders with Voting Rights

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

Notice of Convocation of the 52nd Ordinary General Meeting of Shareholders

Dear Shareholders:

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

You are hereby notified that the 52nd Ordinary General Meeting of Shareholders of OKUWA Co., Ltd. (the “Company”) will be held for the purposes as described below.

Instead of attending the meeting, you can exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights according to the guidance on pages 3 and 4 by 6 p.m. on Wednesday, May 12, 2021, Japan time.

- 1. Date and Time:** Thursday, May 13, 2021 at 10 a.m. Japan time
- 2. Place:** Large Hall, 4th floor, Education and Training Center, OKUWA Co., Ltd.
184-3 Nakajima, Wakayama City, Wakayama, Japan
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report and Non-consolidated Financial Statements for the Company’s 52nd fiscal year (February 21, 2020 to February 20, 2021)
 2. Consolidated Financial Statements and the results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements for the Company’s 52nd fiscal year (February 21, 2020 to February 20, 2021)
 - Matters to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Election of Twelve (12) Directors
 - Proposal 3:** Election of One (1) Substitute Audit & Supervisory Board Member
 - Proposal 4:** Revisions of Details Relating to Stock Acquisition Rights Granted as Stock Options to Directors (Excluding Outside Directors and Other Non-executive Directors)

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

Guide to Exercising Voting Rights

If you are not attending the meeting

- Exercising voting rights in writing

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

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

Deadline: To arrive by 6 p.m. on Wednesday, May 12, 2021

- Exercising voting rights by Smart Voting or via the Internet

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

For details, please refer to the next page.

Exercise deadline: 6 p.m. on Wednesday, May 12, 2021

If you are attending the meeting:

- Attending the General Meeting of Shareholders

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

Please bring this Notice with you to save resources.

Date and time of the General Meeting of Shareholders: 10 a.m. on Thursday, May 13, 2021

Exercising voting rights in writing

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

- How to fill out the Voting Rights Exercise Form

Please indicate your vote for or against each proposal here.

Proposal 2

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

- Precautions for mailing the Voting Rights Exercise Form

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

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

Exercising voting rights by Smart Voting

1. Access the smartphone voting rights exercise website
Scan the “smartphone voting rights exercise website login QR code[®]” printed on the lower right corner of the enclosed Voting Rights Exercise Form using a smartphone or a tablet device.
* QR code[®] is a registered trademark of DENSO WAVE INCORPORATED.
2. Open the voting rights exercise website
Please indicate your vote for or against each proposal by following the on-screen instructions.
 - “Approve” all Company proposals
 - Vote on each proposal individually

If you wish to change your vote after exercising your voting rights, you will need to scan the QR code[®] again and enter the “voting code” and “password” printed on the enclosed Voting Rights Exercise Form. Alternatively, you can also access the voting rights exercise website directly (<https://www.web54.net>) from a personal computer.

Exercising voting rights via the Internet

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

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

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

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

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

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

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

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

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

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

1. Matters concerning year-end dividends

- (1) Type of dividend property
Cash
- (2) Matters concerning the allotment of dividend property to shareholders and the amount thereof
13 yen per share of the Company's common stock, for a total of 569,879,596 yen
- (3) Effective date of distribution of surplus
May 14, 2021

2. Matters concerning appropriation of surplus

- (1) Account title of increased surplus and the amount thereof
General reserve: 3,500,000,000 yen
- (2) Account title of decreased surplus and the amount thereof
Retained earnings brought forward: 3,500,000,000 yen

Proposal 2: Election of Twelve (12) Directors

The terms of office of all eleven (11) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of twelve (12) Directors is proposed, increasing the number of Directors by one (1) in order to strengthen the management team.

The candidates for Director are as follows:

No.	Name	Current position at the Company	Attendance at meetings of the Board of Directors
1	<u>Reappointment</u> Ikuji Okuwa (Age 79)	Chairman of the Board	100% (13 out of 13 meetings)
2	<u>Reappointment</u> Hirotugu Okuwa (Age 51)	President and Representative Director	100% (13 out of 13 meetings)
3	<u>Reappointment</u> Kozo Togawa (Age 58)	Managing Director	100% (13 out of 13 meetings)
4	<u>Reappointment</u> Yoji Takeda (Age 56)	Director	100% (13 out of 13 meetings)
5	<u>Reappointment</u> Yukio Tamiya (Age 58)	Director	100% (13 out of 13 meetings)
6	<u>New appointment</u> Jun Konishi (Age 55)	-	-
7	<u>New appointment</u> Masakatsu Okuwa (Age 46)	-	-
8	<u>Reappointment</u> Shoji Okuwa (Age 74)	Director	100% (13 out of 13 meetings)
9	<u>Reappointment</u> Keiji Okuwa (Age 72)	Director	100% (13 out of 13 meetings)
10	<u>Reappointment</u> Toshio Okuwa (Age 69)	Director	100% (13 out of 13 meetings)
11	<u>Reappointment</u> Shinzo Takano (Age 71) <u>Outside</u> <u>Independent</u>	Outside Director	100% (13 out of 13 meetings)
12	<u>Reappointment</u> Ichiro Okamoto (Age 66) <u>Outside</u> <u>Independent</u>	Outside Director	100% (9 out of 9 meetings)

<u>New appointment</u>	New candidate for Director
<u>Reappointment</u>	Candidate for reappointment as Director
<u>Outside</u>	Candidate for Outside Director
<u>Independent</u>	Independent officer as prescribed by stock exchanges, etc.

Note: Attendance at meetings of the Board of Directors by Mr. Ichiro Okamoto refers to meetings held after he became a Director on May 14, 2020.

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Ikuji Okuwa (March 1, 1942) <u>Reappointment</u>	<p>March 1964 Joined Shingu Store, Shufu No Mise Ltd. February 1969 Managing Director, the Company November 1984 Vice President and Director May 1989 President and Representative Director May 1998 Chairman and Representative Director May 2008 Chairman and Representative Director, and CEO February 2020 Chairman of the Board (current position)</p> <p>[Reasons for selection as a candidate for Director] Mr. Ikuji Okuwa has been involved in the management of the Company for many years. The Company renominates him as a candidate for Director as it believes that he will be able to contribute to enhancing the Company's corporate value and strengthening its governance with his abundant knowledge and leadership.</p>	3,280,000
2	Hirotsugu Okuwa (April 23, 1970) <u>Reappointment</u>	<p>December 1996 Joined the Company August 2002 Store Manager, Minoshima Store February 2004 Senior Buyer of Fisheries, Food Business Division February 2006 Assistant General Manager, Development Headquarters September 2007 Assistant General Manager, Finance Division February 2010 Senior General Manager, Business Reform Office January 2013 General Manager, Food Business Division February 2013 Executive Officer and General Manager, Food Business Division May 2013 Director; Executive Officer; and General Manager, Food Business Division February 2014 Director; Executive Officer; and General Manager, Food Headquarters February 2016 Managing Director; Executive Officer; and General Manager, Human Resources and General Affairs Headquarters February 2019 Senior Managing Director; Executive Officer; and General Manager, Sales Headquarters February 2020 Vice President and Representative Director, and General Manager, Sales Headquarters February 2021 President and Representative Director, and General Manager, Sales Headquarters (current position)</p> <p>Significant concurrent positions: Chairman and Representative Director, OAK-FOODS Corporation Vice President, Nihon Ryutsu Sangyo Co., Ltd.</p> <p>[Reasons for selection as a candidate for Director] Mr. Hirotsugu Okuwa has served as the General Manager of the Food Headquarters, the Human Resources and General Affairs Headquarters, and the Sales Headquarters since taking office as Director, drawing on his abundant experience and profound insight into all aspects of management. The Company renominates him as a candidate for Director, as it expects that he will play a vital role in decision-making on important management matters and supervision of business execution.</p>	530,000

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Kozo Togawa (August 20, 1962) <u>Reappointment</u>	<p>April 1987 Joined The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited)</p> <p>October 2012 General Manager, Futakotamagawa Consulting Office Business Department, Sumitomo Mitsui Trust Bank, Limited</p> <p>October 2015 General Manager, Kumamoto Branch, Sumitomo Mitsui Trust Bank, Limited</p> <p>June 2017 Joined the Company Deputy General Manager, Administration Headquarters</p> <p>February 2018 General Manager, Administration Headquarters</p> <p>May 2018 Managing Director; Executive Officer; General Manager, Administration Headquarters; and General Manager, IR Office (current position)</p> <p>[Reasons for selection as a candidate for Director] Mr. Kozo Togawa possesses profound insight into finance and economics in general, which he acquired in his previous job. The Company renominates him as a candidate for Director as it believes that he is a suitable person to enhance the Company's corporate value based on his business achievements in finance and accounting, information management, and other departments.</p>	1,000
4	Yoji Takeda (September 17, 1964) <u>Reappointment</u>	<p>March 1987 Joined the Company</p> <p>April 2011 General Manager, Price Cut Retail Format Division</p> <p>October 2012 General Manager, Super Center Retail Format Division</p> <p>February 2013 General Manager, Osaka and Hyogo Retail Division</p> <p>August 2014 General Manager, Osaka, Hyogo and Nara Retail Division</p> <p>February 2015 Executive Officer and General Manager, Osaka, Hyogo and Nara Retail Division</p> <p>February 2016 Executive Officer; General Manager, Retail Headquarters; and General Manager, Business Reform Office</p> <p>May 2016 Director; Executive Officer; General Manager, Retail Headquarters; and General Manager, Business Reform Office</p> <p>February 2019 Director; Executive Officer; General Manager, Retail Business Division; and General Manager, Business Reform Office</p> <p>June 2019 Director; Executive Officer; General Manager, Food Business Division; and General Manager, Quality Control Office</p> <p>February 2020 Director; Executive Officer; General Manager, Food Business Division; General Manager, Quality Control Office; and General Manager, Fresh Food Division</p> <p>February 2021 Director; Executive Officer; General Manager, Food Business Division; and General Manager, Quality Control Office (current position)</p> <p>[Reasons for selection as a candidate for Director] Mr. Yoji Takeda has many years of experience in the management and operation of the Company's stores and has demonstrated the ability to take action by establishing store formats and implementing store operation reforms. The Company renominates him as a candidate for Director as it expects that he will use this to contribute to the improvement of the Company's future business performance and make appropriate management decisions.</p>	5,000

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	Yukio Tamiya (January 23, 1963) <u>Reappointment</u>	<p>April 1987 Joined The Kiyō Bank, Ltd. October 2011 General Manager, Sumiyoshi Branch, The Kiyō Bank, Ltd. July 2013 Deputy General Manager, Head Office Marketing Department, The Kiyō Bank, Ltd. October 2015 General Manager, General Affairs Department, The Kiyō Bank, Ltd. July 2017 Joined the Company Deputy General Manager, Development Headquarters February 2018 General Manager, Development Headquarters May 2018 Director; Executive Officer; General Manager, Development Headquarters; and General Manager, Risk Management Office February 2019 Director; Executive Officer; General Manager, Human Resources and General Affairs Headquarters; General Manager, Development Headquarters; and General Manager, Risk Management Office September 2019 Director; Executive Officer; General Manager, Human Resources and General Affairs Headquarters; and General Manager, Development Headquarters (current position)</p> <p>[Reasons for selection as a candidate for Director] Mr. Yukio Tamiya possesses profound insight into finance and economics in general, which he acquired in his previous job. The Company renominates him as a candidate for Director as it expects that he will make appropriate management decisions based on his business achievements in development, and human resources and general affairs departments, as well as his abilities and knowledge in promoting compliance.</p>	1,000
6	Jun Konishi (September 30, 1965) <u>New appointment</u>	<p>April 1989 Joined the Company February 2013 General Manager, Kinan Retail Division February 2015 General Manager, Wakayama Retail Division February 2016 General Manager, Osaka, Hyogo and Nara Retail Division February 2017 General Manager, Kinki Retail Division No. 1 February 2018 Executive Officer and General Manager, Tokai Retail Division No. 1 June 2019 Executive Officer and General Manager, Retail Business Division (current position)</p> <p>[Reasons for selection as a candidate for Director] Mr. Jun Konishi possesses abundant operational expertise, particularly in sales departments, as well as knowledge regarding the distribution industry and all aspects of the Company's management. The Company nominates him as a candidate for Director as it expects that he will play a vital role in decision-making on important management matters and business execution.</p>	1,000
7	Masakatsu Okuwa (October 18, 1974) <u>New appointment</u>	<p>April 2003 Joined the Company February 2005 Temporarily assigned to PARTYHOUSE Co., Ltd. January 2014 President and Director, PARTYHOUSE Co., Ltd. February 2020 Returned from temporary assignment (to the Company's Human Resources and General Affairs Headquarters) March 2020 Deputy General Manager, Human Resources and General Affairs Headquarters and Deputy General Manager, Development Headquarters February 2021 Executive Officer and General Manager, Housing and Apparel Business Division (current position)</p> <p>[Reasons for selection as a candidate for Director] Mr. Masakatsu Okuwa has abundant experience and expertise as a corporate manager of the Company and its Group companies, and possesses professional insight. The Company nominates him as a candidate for Director as it believes that he will be able to contribute to the sustainable growth and enhancement of corporate value of the Company over the medium to long term.</p>	467,000

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
8	Shoji Okuwa (December 6, 1946) <u>Reappointment</u>	<p>February 1969 Audit & Supervisory Board Member, the Company May 1974 Director May 1987 Senior Managing Director and General Manager, Nanki Retail Business Division May 1998 Deputy Chairman of the Board February 2003 Director (current position)</p> <p>[Reasons for selection as a candidate for Director] The Company renominates Mr. Shoji Okuwa as a candidate for Director as it expects that he will utilize his profound insight into all aspects of management in the Company's business.</p>	240,900
9	Keiji Okuwa (February 18, 1949) <u>Reappointment</u>	<p>March 1971 Joined the Company May 1980 Director May 1987 Senior Managing Director February 1992 Vice President and Director May 1998 President and Representative Director May 2008 Deputy Chairman of the Board May 2011 Director (current position)</p> <p>Significant concurrent positions: Chairman and Representative Director, O-Entertainment Co., Ltd.</p> <p>[Reasons for selection as a candidate for Director] Mr. Keiji Okuwa served as the President and Representative Director of the Company from 1998, and has abundant experience and profound insight as a corporate manager of the Company and its Group companies. The Company renominates him as a candidate for Director as it believes that he will be able to utilize his experience and insight in the management of the Company.</p>	819,100
10	Toshio Okuwa (June 10, 1951) <u>Reappointment</u>	<p>February 1976 Joined the Company May 1980 Director and General Manager, Sunready Business Division February 1984 Director and General Manager, Specialty Store Division July 1986 Director and General Manager, Specialty Store Headquarters February 1991 Retired as Director May 1994 Director October 2012 Director and Assistant to the Chairman of the Board (in charge of Group Management Reform) November 2013 Director; Executive Officer; Assistant to the Chairman of the Board; and General Manager, Human Resources and General Affairs Headquarters (in charge of Group Management Reform) May 2014 Deputy Chairman of the Board; Executive Officer; General Manager, Human Resources and General Affairs Headquarters; and General Manager, Development Headquarters February 2015 Deputy Chairman of the Board; Executive Officer; and General Manager, Human Resources and General Affairs Headquarters May 2015 Deputy Chairman of the Board; Executive Officer; General Manager, Human Resources and General Affairs Headquarters; and General Manager, Management Strategy Office February 2016 Deputy Chairman of the Board; Executive Officer; and General Manager, Management Strategy Office February 2019 Director (current position)</p> <p>Significant concurrent positions: Chairman and Representative Director, PARTYHOUSE Co., Ltd.</p> <p>[Reasons for selection as a candidate for Director] The Company renominates Mr. Toshio Okuwa as a candidate for Director as it believes that he will be able to utilize his abundant experience and profound insight as a corporate manager of the Company in the management of the Company.</p>	1,233,000

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
11	<p>Shinzo Takano (October 1, 1949)</p> <p><input type="checkbox"/> Reappointment <input type="checkbox"/> Outside <input type="checkbox"/> Independent</p> <p>Number of years as Outside Director Four (4) Years</p>	<p>April 1968 Recruited by Wakayama Prefectural Police</p> <p>March 2005 Chief of Shingu Police Station</p> <p>March 2007 Chief of Wakayama Kita Police Station</p> <p>March 2008 General Manager, Traffic Division, Wakayama Prefectural Police Headquarters</p> <p>March 2009 Chief of Wakayama Nishi Police Station</p> <p>April 2010 Joined Mitsui Sumitomo Insurance Company, Limited</p> <p>March 2016 Retired from Mitsui Sumitomo Insurance Company, Limited</p> <p>May 2017 Outside Director, the Company (current position)</p> <p>[Reasons for selection as a candidate for Outside Director and expected role] Mr. Shinzo Takano has many years of diverse experience and broad insight within the police organization, combined with experience of performing important duties. The Company renominates him as a candidate for Outside Director as it expects that he will draw on his diverse experience and insight to play a vital role in advising on all aspects of management and strengthening the supervisory function, from a perspective transcending the industry to which the Company belongs.</p>	0
12	<p>Ichiro Okamoto (February 10, 1955)</p> <p><input type="checkbox"/> Reappointment <input type="checkbox"/> Outside <input type="checkbox"/> Independent</p> <p>Number of years as Outside Director One (1) Year</p>	<p>April 1979 Joined Osaka Regional Taxation Bureau</p> <p>July 2007 Deputy District Director, Higashiyodogawa Tax Office</p> <p>July 2009 District Director, Izumisano Tax Office</p> <p>April 2013 Appeals Judge and Director, Second Department, Osaka Regional Tax Tribunal</p> <p>July 2013 District Director, Okinawa Tax Office</p> <p>July 2014 District Director, Wakayama Tax Office</p> <p>August 2015 Certified public tax accountant (current position)</p> <p>May 2020 Outside Director, the Company (current position)</p> <p>[Reasons for selection as a candidate for Outside Director and expected role] Mr. Ichiro Okamoto possesses professional knowledge, as well as broad expertise and experience, as a certified public tax accountant, combined with a perspective independent from the business executors of the Company. The Company renominates him as a candidate for Outside Director as it expects that, in light of these achievements and his abundant experience, he will play a vital role in helping to improve transparency of the Board of Directors and strengthen its supervisory function.</p>	0

Notes:

- The number of years as Outside Director represents the number of years at the conclusion of this General Meeting of Shareholders.
- Mr. Hirotugu Okuwa, a candidate for Director, concurrently serves as Chairman and Representative Director of OAK-FOODS Corporation. The Company leases real estate and loans funds to, and guarantees obligations of OAK-FOODS Corporation.
- Mr. Hirotugu Okuwa, a candidate for Director, concurrently serves as Vice President of Nihon Ryutsu Sangyo Co., Ltd. The Company purchases products from Nihon Ryutsu Sangyo Co., Ltd.
- Mr. Keiji Okuwa, a candidate for Director, concurrently serves as Chairman and Representative Director of O-Entertainment Co., Ltd. The Company leases real estate to O-Entertainment Co., Ltd.
- Mr. Toshio Okuwa, a candidate for Director, concurrently serves as Chairman and Representative Director of PARTYHOUSE Co., Ltd. The Company leases real estate and facilities to, and guarantees obligations of PARTYHOUSE Co., Ltd.
- There are no special interests between any of the other candidates and the Company.
- Mr. Shinzo Takano and Mr. Ichiro Okamoto are candidates for Outside Director.
- The Company has registered Mr. Shinzo Takano and Mr. Ichiro Okamoto as independent officers with the Tokyo Stock Exchange. If they are elected as originally proposed, the Company intends to continue to register them as independent officers.
The Company has adopted the independence criteria prescribed by the Tokyo Stock Exchange as the Company's criteria for assessing the independence of outside officers.
- Although Mr. Shinzo Takano has no direct experience in corporate management, the Company believes that he will be able to appropriately perform the duties of an Outside Director based on his diverse experience within the police organization.
- Although Mr. Ichiro Okamoto has no direct experience in corporate management, the Company believes that he will be able to appropriately perform the duties of an Outside Director based on his professional perspectives and experience as

a certified public tax accountant.

11. Pursuant to Article 27 of the Articles of Incorporation, the Company has entered into liability limitation agreements with Mr. Shoji Okuwa, Mr. Keiji Okuwa, and Mr. Toshio Okuwa, candidates for Director, and Mr. Shinzo Takano and Mr. Ichiro Okamoto, candidates for Outside Director, to limit their liability to the maximum amount stipulated by laws and regulations. If this proposal is approved and they are reappointed, the Company intends to renew these agreements.
12. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with all the Company's Directors as the insured. If the candidates are appointed or reappointed as Directors of the Company, they will become the insured under this insurance contract. The Company plans to renew this insurance contract with the same details at the time of the next renewal. For an overview of this contract, refer to page 31 of the Business Report (available in Japanese only).

Proposal 3: Election of One (1) Substitute Audit & Supervisory Board Member

In order to prepare for the case where the number of Audit & Supervisory Board Members falls below the number required by laws and regulations, the election of Ms. Akiko Baba is proposed as a candidate for substitute Outside Audit & Supervisory Board Member.

The effectiveness of the election under this proposal may be cancelled by resolution of the Board of Directors, provided such cancellation is made prior to the candidate's assumption of office, with the consent of the Audit & Supervisory Board.

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

The candidate for substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
Akiko Baba (Name on family register: Akiko Otani) (October 13, 1979) <u>Outside</u> <u>Independent</u>	February 2012 Registered as an attorney (affiliated with the Daini Tokyo Bar Association) May 2014 Transferred registration to Wakayama Bar Association Joined Otani Law Office (current position) April 2016 Member of Wakayama City Administrative Complaint Review Board (current position)	0
	[Reasons for selection as a candidate for substitute Outside Audit & Supervisory Board Member] Ms. Akiko Baba has abundant experience and insight as an attorney, and possesses sufficient experience and insight to ensure the soundness of corporate management and promote compliance management from a perspective independent from management. The Company nominates her as it believes that she will be able to utilize her experience and insight in the Company's audit operations.	

Notes:

1. There are no special interests between Ms. Akiko Baba and the Company.
2. Ms. Akiko Baba is a candidate for substitute Outside Audit & Supervisory Board Member.
3. In the event that the number of Audit & Supervisory Board Members falls below the number required by laws and regulations and Ms. Akiko Baba assumes office as Outside Audit & Supervisory Board Member, pursuant to Article 36 of the Articles of Incorporation, the Company intends to enter into a liability limitation agreement with her to limit her liability to the maximum amount stipulated by laws and regulations.
4. If Ms. Akiko Baba, a candidate for substitute Outside Audit & Supervisory Board Member, assumes office as Audit & Supervisory Board Member, the Company intends to register her as an independent officer with the Tokyo Stock Exchange.
5. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with all the Company's Audit & Supervisory Board Members as the insured. If Ms. Akiko Baba assumes office as an Audit & Supervisory Board Member of the Company, she will become the insured under this insurance contract. For an overview of this contract, refer to page 31 of the Business Report (available in Japanese only).

Proposal 4: Revisions of Details Relating to Stock Acquisition Rights Granted as Stock Options to Directors (Excluding Outside Directors and Other Non-executive Directors)

The current amount of compensation in the form of stock-compensation type stock options granted to the Company's Directors (excluding Outside Directors and other Non-executive Directors; hereinafter, "Eligible Directors") was approved at the 44th Ordinary General Meeting of Shareholders held on May 17, 2013. The amount is categorized separately from monetary compensation for Directors and comprises stock acquisition rights issued up to a maximum value of 100 million yen per year.

The Act Partially Amending the Companies Act (Act No. 70 of 2019), which went into effect on March 1, 2021, requires that the specific details of stock acquisition rights granted to Directors as compensation be approved by general meetings of shareholders. In order to continue the Company's existing stock option plan, therefore, shareholders are requested to approve the revisions of the details below with regard to matters concerning the exercise of stock acquisition rights allotted to Eligible Directors. These details remain the same as hitherto, with no change in the maximum value of 100 million yen set for the amount of compensation in the form of stock acquisition rights issued as stock options to be allocated to Eligible Directors.

Taking into account the policy for deciding the details of individual compensation for the Company's Directors, as determined by resolution of the Board of Directors, the purpose of these stock options is to enable Directors to share with shareholders the benefits and risks of fluctuations in the Company's stock price in order to provide them with further incentive to improve the Company's performance over the medium to long term and boost corporate value. The number of stock acquisition rights granted to each Director was decided based on a monetary amount determined according to each Director's position and degree of contribution to their role, together with the price of the Company's stock when the stock acquisition rights were granted. The Company believes that the number of stock acquisition rights granted to each Director is appropriate.

These stock options are stock-compensation type stock options under which the exercise price for each share that can be received upon exercise of a stock acquisition right is one yen. Upon allotment of stock acquisition rights as stock options, the Company shall pay to the Eligible Directors monetary compensation equivalent to the amount payable by the Directors for the stock acquisition rights as determined based on fair value. Thus, instead of the Directors paying the amount payable for the stock acquisition rights, the payment obligation will be offset by the right to claim this compensation.

Six (6) Directors are currently eligible to be granted these stock acquisition rights; if shareholder approval is obtained for Proposal 2, the number of Eligible Directors will be seven (7).

Specific Details of Stock Acquisition Rights Granted as Stock-compensation Type Stock Options

(1) Class and number of shares subject to the stock acquisition rights

The class of shares to be issued upon the exercise of the stock acquisition rights shall be common stock of the Company. The number of shares to be delivered per stock acquisition right exercised (hereinafter, "Number of Shares Deliverable") shall be 100 shares. If the Company conducts a stock split (including an allotment of shares without consideration; the same shall apply hereinafter with regard to stock splits), or a stock consolidation, of its common stock after the date on which a resolution is made with regard to this proposal (hereinafter, the "Resolution Date"), the Company shall use the formula below to adjust the number of shares to be granted upon the exercise of each stock acquisition right that has not been exercised at the time of such stock split or consolidation. Fractions of less than one share resulting from the adjustment shall be discarded.

Post-adjustment number of shares to be granted = Pre-adjustment number of shares to be granted x stock split or stock consolidation ratio

In addition, if the Company conducts a merger or company split after the allotment date of the stock acquisition rights, or an adjustment of the number of shares to be granted becomes necessary for another equivalent reason, the number of shares to be granted shall be adjusted appropriately to the extent reasonable.

(2) Total number of stock acquisition rights

The maximum number of stock acquisition rights to be issued up to a date not exceeding one (1) year from the date of the Ordinary General Meeting of Shareholders for each business year shall be 1,000.

(3) Amount payable for stock acquisition rights

The amount payable for each stock acquisition right shall be the fair value calculated upon the allotment of the stock acquisition rights according to the Black-Scholes Model.

(4) Amount of assets to be contributed upon exercise of stock acquisition rights

The amount of assets to be contributed upon exercise of stock acquisition rights shall be one yen for each share that can be received upon exercise of a stock acquisition right, multiplied by the total number of shares to be granted.

(5) Exercise period for stock acquisition rights

Stock acquisition rights may be exercised until a date not exceeding forty (40) years from the day immediately following the date of allotment of stock acquisition rights.

(6) Key terms for exercising stock acquisition rights

A holder of stock acquisition rights may exercise those rights all at once during a limited period of ten (10) days from the day immediately following the date of forfeiture of his or her position as Director at the Company.

(7) Restriction on acquiring stock acquisition rights by transfer

Acquisition of stock acquisition rights by transfer shall require the approval of the Company's Board of Directors.

(8) Provisions regarding acquisition of stock acquisition rights

The Company shall be able to acquire stock acquisition rights without consideration in the cases detailed below.

(i) If a Director to whom stock acquisition rights were allotted becomes unable to exercise all or part of the stock acquisition rights in accordance with the provisions of the contract for allotment of stock acquisition rights, the Company may acquire the stock acquisition rights in question without consideration.

(ii) If approval by the General Meeting of Shareholders (or, in cases where approval by the General Meeting of Shareholders is not required, resolution by the Board of Directors) is obtained for a merger agreement in which the Company will be the dissolved company, a company split agreement or plan in which the Company will be the split company, or a share exchange agreement or share transfer plan in which the Company will become a wholly owned subsidiary, the Company may, on a day to be determined separately by the Company's Board of Directors, acquire any stock acquisition rights that have not been exercised as of that date.

(9) Other details of stock acquisition rights

Particulars of (1) to (8) above and other details related to stock acquisition rights shall be determined at the meeting of the Board of Directors that decides the subscription requirements for stock acquisition rights.