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(Stock Exchange Code 3319)  
March 12, 2021

**To Shareholders with Voting Rights:**

Nobuya Ishizaka  
President and CEO  
Golf Digest Online Inc.  
2-10-2 Higashi-Gotanda, Shinagawa-ku, Tokyo

**NOTICE OF  
THE 22nd ANNUAL GENERAL MEETING OF  
SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.  
The 22nd Annual General Meeting of Shareholders of Golf Digest Online Inc. (the “Company”) will be held for the purposes as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by either of the methods below. Please review the Reference Documents for the General Meeting of Shareholders presented on subsequent pages, and exercise your voting rights by 5:30 p.m., Friday, March 26, 2021.

[Exercising your voting rights in writing]

Please indicate your approval or disapproval for each proposal on the enclosed Voting Rights Exercise Form, and return it so that it will be received before the above voting deadline.

[Exercising your voting rights through electronic means (via the internet, etc.)]

Please refer to the Voting Rights Exercise Guide on article 4, and enter your approval or disapproval for each proposal according to directions on the screen, by the abovementioned voting deadline.

If you exercise your voting rights both in writing and through electronic means, the voting rights exercised through electronic means will be effective.

If you exercise your voting rights more than once through electronic means, or repeatedly by means of a personal computer, smartphone, or mobile phone, the voting rights exercised most recently will be considered as the effective exercise of your voting rights.

- 1. Date and Time:** Monday, March 29, 2021 at 1:00 p.m. Japan time  
(Doors open at 12:30 p.m. Japan time)
- 2. Place:** Osaki Bright Core Hall,  
3F, Osaki Bright Core,  
5-5-15, Kita-Shinagawa, Shinagawa-ku, Tokyo
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 22nd Term (January 1, 2020 - December 31, 2020) and results of audits by the Accounting Auditor and the Board of Auditors of the Consolidated Financial Statements
  2. Non-Consolidated Financial Statements for the Company's 22nd Term (January 1, 2020 - December 31, 2020)

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Eight Directors
- Proposal 3:** Election of an Auditor
- Proposal 4:** Presentation of Retirement Bonus for Director
- Proposal 5:** Revision of Terms for Stock Acquisition Rights as Stock Options to Directors  
(Excluding Outside Directors)

Reminder

When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

Disclosure on the Internet

The items listed below are posted on the Company's website in accordance with the applicable laws and regulations and provisions of Article 17 of the Company's Articles of Incorporation and therefore are not attached to the Notice of the General Meeting of Shareholders. Please visit the Company's website for these documents.

- Systems to ensure appropriate operations
- Consolidated Statements of Changes in Net Assets from the Consolidated Financial Statements as well as Notes to the Consolidated Financial Statements
- Non-consolidated Statements of Changes in Net Assets from the Non-consolidated Financial Statements as well as Notes to the Non-consolidated Financial Statements

Should the Reference Documents for the General Meeting of Shareholders, Business Report, Non-Consolidated Financial Statements and Consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website.

<The Company's website URL>

<https://company.golfdigest.co.jp/ir/>

# Reference Documents for the General Meeting of Shareholders

## Proposal 1: Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Information regarding year-end dividend

The Company proposes to pay the following year-end dividend for the 22nd term in consideration of its business results for the fiscal year under review and the prospects for business development going forward.

1. Type of Dividend: Cash
2. Dividend Payment and Total Amount:
  - 5.50 yen per share of common stock of the Company
  - Total amount of dividends: 100,505,328 yen
3. Effective Date of Distribution of Surplus: March 30, 2021

## Proposal 2: Election of Eight Directors

The terms of office of all seven (7) Directors will expire at the conclusion of this year's Annual General Meeting of Shareholders.

Accordingly, the election of eight Directors is proposed.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Past experience, status and positions in the Company and significant concurrent positions	Number of shares of the Company held
1	Nobuya Ishizaka (December 10, 1966)	<p>April 1990      Joined Mitsubishi Corporation</p> <p>June 1999      Received MBA from Harvard University</p> <p>May 2000      Established Golf Digest Online Inc. President, Representative Director and Chief Executive Officer (to present)</p> <p>September 2014      President and Representative Director of GDO GolfTEC Co., Ltd. (to present)</p> <p>April 2016      Director of GolfTEC Enterprises, LLC (USA)</p> <p>November 2016      President and Representative Director of KIDS GOLF Inc.</p> <p>April 2017      President and Representative Director of GDO Sports, Inc. (USA) (to present)</p> <p>November 2017      Representative Director of Japan Speedgolf Association (to present)</p> <p>July 2018      Chairman and Director of GolfTEC Enterprises, LLC (USA) (to present)</p>	3,121,200
<p>[Reason for nomination]</p> <p>As the founder of the Company, Mr. Nobuya Ishizaka has led the Company Group over the years based on his extensive experience and broad knowledge of overall internet services and the golf industry, including growing the Company into one of the largest comprehensive golf service websites in Japan. The Company proposes the appointment of Mr. Nobuya Ishizaka as Director based on the expectation that his achievements, ability and experience will continue to be essential for the management of the Company as a person driving the Company's sustainable corporate value enhancement.</p>			
2	Takehiro Yoshikawa (May 9, 1971)	<p>April 1995      Joined THE FUJI FIRE AND MARINE INSURANCE COMPANY, LIMITED (currently AIG General Insurance Company, Ltd.)</p> <p>April 2003      Joined Golf Course Service Department of the Company</p> <p>March 2007      General Manager of Golf Course Service Department of the Company</p> <p>January 2010      Executive Officer of the Company Manager of Golf Course Business Unit of the Company</p> <p>July 2013      General Manager of Customer Experience Design Department of the Company</p> <p>March 2014      Director of the Company</p> <p>March 2020      Vice-President and Director of the Company (to present) Chief Operating Officer of the Company (to present)</p> <p>April 2020      Director of GolfTEC Enterprises LLC (USA) (to present)</p>	43,700
<p>[Reason for nomination]</p> <p>Mr. Takehiro Yoshikawa has profound knowledge of the Company's businesses, including the Golf Course Business. The Company proposes the appointment of Mr. Takehiro Yoshikawa as Director based on the expectation that his achievements, ability and experience will continue to be essential for the management of the Company as a person driving the Company Group's sustainable corporate value enhancement.</p>			

No.	Name (Date of birth)	Past experience, status and positions in the Company and significant concurrent positions	Number of shares of the Company held
3	Hiroshi Nishino (June 11, 1968)	<p>April 1992      Joined Solomon Brothers Asia Securities Limited (Currently, Citigroup Global Markets Japan Inc.)</p> <p>April 2002      Joined Deutsche Bank Group</p> <p>January 2005    Joined Recruit Co., Ltd. (currently, Recruit Holdings Co., Ltd.)</p> <p>January 2013    Joined Mitsui &amp; Co., Ltd.</p> <p>April 2016      President and Representative Director of Takanohane Advisory LLC (to present)</p> <p>July 2018       Director of GolfTEC Enterprises LLC (USA) (to present)</p> <p>October 2018    Joined the Company as an Executive Director and Chief Financial Officer (to present)</p> <p>March 2019     Director of the Company (to present)</p>	—
<p>[Reason for nomination]</p> <p>Mr. Hiroshi Nishino has extensive experience and achievements in, and profound knowledge of, corporate management and corporate financing. The Company considers him to be an individual who will drive sustainable improvement in the Group's corporate value mainly through the formulation of important matters that form the basis of the Group's management policy, such as its capital policy and business planning and the Company proposed him as a candidate for Director based on the judgment that his achievement, skills and experience are essential for the Company's management.</p>			
4	Genichi Kimura (December 25, 1962)	<p>April 1986      Joined Dai Nippon Printing Co., Ltd.</p> <p>December 1990   President and Representative Director of Kimura Sogyo Co., Ltd. (to present)</p> <p>November 1995   President and Representative Director of Motor Magazine Ltd. (to present)</p> <p>November 1997   President and Representative Director of Golf Digest Sha Co., Ltd. (to present)</p> <p>May 2000       Director of the Company (to present)</p> <p>February 2002   President and Representative Director of Tomei Kanko Kaihatsu Co., Ltd. (to present)</p>	1,250,000
<p>[Reason for nomination]</p> <p>Mr. Genichi Kimura has profound knowledge of the golf industry, and the Company proposes his appointment as Outside Director based on the expectation that he will provide various advices and opinions to the Company's business promotion measures to contribute to the management of the Company. There are business relationships between the Company and the companies of which Mr. Genichi Kimura serves as President and Representative Director. However, the Company has determined that such business relationships are unlikely to affect the independence of Mr. Genichi Kimura considering the scale of the business transactions. His term of office as Outside Director of the Company will be 20 years and 10 months as of the close of the General Meeting of Shareholders.</p>			
5	Masahiro Kimura (May 23, 1966)	<p>April 1989      Joined Daishowa Paperboard Co., Ltd. (currently Nippon Paper Industries Co., Ltd.)</p> <p>February 1990   Director of Kimura Sogyo Co., Ltd. (to present)</p> <p>November 1992   Managing Director of Golf Digest Sha Co., Ltd.</p> <p>February 1995   Director of Tomei Kanko Kaihatsu Co., Ltd. (to present)</p> <p>May 2000       Director of the Company</p> <p>September 2004 Director of the Company (to present)</p> <p>November 2015 Senior Managing Director of Golf Digest Sha Co., Ltd. (to present)</p>	900,000
<p>[Reason for nomination]</p> <p>Mr. Masahiro Kimura has profound knowledge of the golf industry, and the Company proposes his appointment as Outside Director based on the expectation that he will provide various advice and opinions concerning the Company's business promotion measures to contribute to the management of the Company. There are business relationships between the Company and the companies of which Mr. Masahiro Kimura serves as Senior Managing Director and Director. However, the Company has determined that such business relationships are unlikely to affect the independence of Mr. Masahiro Kimura considering the scale of the business transactions. His term of office as Outside Director of the Company will be 16 years and 6 months as of the close of the General Meeting of Shareholders.</p>			

No.	Name (Date of birth)	Past experience, status and positions in the Company and significant concurrent positions	Number of shares of the Company held
6	Toshinori Iwasawa (June 19, 1966)	<p>April 1990      Joined ITOCHU Corporation</p> <p>January 1996      Joined Pricewaterhouse Consultants Co., Ltd.</p> <p>July 1997      Joined Deloitte Tohmatsu Consulting LLC (currently ABeam Consulting Ltd.)</p> <p>August 2005      Managing Director of ABeam Consulting (USA) Ltd.</p> <p>October 2007      Executive Officer and Managing Director of ABeam Consulting Ltd. (Representative of Japan)</p> <p>February 2008      Chief Executive Officer and Managing Director of ABeam Consulting Ltd.</p> <p>April 2009      President and Chief Executive Officer of ABeam Consulting Ltd.</p> <p>March 2016      Director of the Company (to present)</p> <p>November 2020      Coordination Officer, National Strategy Office of IT, Cabinet Secretariat of Japan (part-time) (to present)</p>	—
<p>[Reason for nomination]</p> <p>Mr. Toshinori Iwasawa has extensive experience and achievements and deep insight in relation to the management of an IT-related company, and the Company proposes his appointment as Outside Director based on the expectation that he will provide various opinions and advice as an expert on important matters that form the basis of the Company's capital policy, IT-related measures and management measures, such as business plans, to contribute to the management of the Company. There is a business relationship between the Company and ABeam Consulting Ltd. for which Mr. Toshinori Iwasawa previously served as President and Chief Executive Officer. However, the Company has determined that such business relationship is unlikely to affect the independence of Mr. Toshinori Iwasawa because he has now retired from ABeam Consulting Ltd. and is no longer involved in its management. His term of office as Outside Director of the Company will be 5 years as of the close of the General Meeting of Shareholders.</p>			
* 7	Shigeyuki Mito (May 9, 1957)	<p>April 1989      Registered as Attorney at Law with Dai-ichi Tokyo Bar Association</p> <p>October 1990      Participated in the Establishment of TMI Associates</p> <p>April 1999      Partner of TMI Associates (to present)</p> <p>June 2002      Outside Corporate Auditor of Takara Co., Ltd. (currently Tomy Company, Ltd.)</p> <p>December 2002      Outside Corporate Auditor of TYO Inc.</p> <p>March 2006      Outside Corporate Auditor of Tomy Company, Ltd.</p> <p>April 2006      Instructor of Waseda University Graduate School of Sport Sciences (to present)</p> <p>May 2006      Outside Corporate Auditor of Broccoli Co., Ltd. (to present)</p> <p>July 2006      Outside Corporate Auditor of Shonan Bellmare Co., Ltd.</p> <p>June 2010      Outside Corporate Auditor of Yoshimoto Kogyo Co., Ltd. (currently Yoshimoto Kogyo Holdings Co., Ltd.)</p> <p>February 2011      Auditor of The Miyake Issey Foundation (to present)</p> <p>April 2014      Outside Director of Shonan Bellmare Co., Ltd.</p> <p>June 2015      Outside Director of Tomy Company, Ltd. (to present)</p> <p>June 2016      Outside Director of Yoshimoto Kogyo Co., Ltd. (currently Yoshimoto Kogyo Holdings Co., Ltd.) (to present)</p> <p>June 2016      Outside Corporate Auditor of Nippon Columbia Co., Ltd.</p> <p>April 2018      Visiting Professor at Musashino University Graduate School of Law (to present)</p> <p>June 2018      Outside Director of Faith, Inc. (to present)</p> <p>October 2019      Outside Director of General Incorporated Association PHR Promotion Committee (to present)</p> <p>May 2020      Outside Auditor of Athlete Flag Foundation (to present)</p> <p>June 2020      Outside Corporate Auditor of Shonan Bellmare Co., Ltd. (to present)</p> <p>September 2020      Outside Corporate Auditor of Yoshimoto Integrated Fund Co., Ltd. (to present)</p>	—
<p>[Reason for nomination]</p> <p>Mr. Shigeyuki Mito has extensive knowledge and experience of corporate legal affairs gained as an attorney-at-law and as an outside director and outside auditor of private enterprises and other organizations. Whilst Mr. Shigeyuki Mito has not participated in company management except as an Outside Director or an Outside Corporate Auditor, the Company proposes the appointment of Mr. Shigeyuki Mito as Outside Director judging him to be the right person for the job based on the expectation that his advice on the Company's overall management issues, based on his knowledge and experience, will contribute to the enhancement of the Company's corporate governance.</p>			

No.	Name (Date of birth)	Past experience, status and positions in the Company and significant concurrent positions	Number of shares of the Company held
* 8	Makiko Takahashi (May 12, 1967)	<p>April 1993      Joined the Kanagawa Academy of Science and Technology</p> <p>January 2004      Project Associate Professor, Intellectual Property and Technology Transfer, Office of Industry Liaison, Tokyo Institute of Technology</p> <p>September 2006      Project Associate Professor, Center for Research Strategy and Support, Tohoku University</p> <p>April 2010      Research Strategy Planning Member and Senior Officer in the Strategic Analysis Section of Corporate Planning Department of Institute of Physical and Chemical Research (RIKEN)</p> <p>July 2014      Professor at Kanazawa Institute of Technology Graduate School of Innovation Management (to present)</p> <p>May 2017      Outside Director of Bellssystem24 Holdings, Inc. (to present)</p> <p>April 2020      Director of The High Energy Accelerator Research Organization (KEK) (to present)</p>	—
<p>[Reason for nomination]</p> <p>Ms. Makiko Takahashi has extensive experience and a high level of expertise in relation to industry-academia collaborative research and development projects, the transfer of technologies originating at universities, and intellectual property management, and she is also an expert in knowledge creation through public-private partnerships. Whilst Ms. Makiko Takahashi has not participated in company management except as an Outside Director, the Company proposes the appointment of Ms. Makiko Takahashi as Outside Director judging her to be the right person for the job based on the expectation that the Company can utilize her advice and opinions based on such experience and knowledge in the Company's process management and new technology initiatives.</p>			

(Notes)

- \* indicates new Outside Director candidates.
- Director candidates Mr. Genichi Kimura and Mr. Masahiro Kimura are President and Representative Director and Senior Managing Director of Golf Digest Sha Co., Ltd., respectively, which is our affiliate company and has a business relationship and capital relationship with the Company.
- Director candidates Mr. Genichi Kimura and Mr. Masahiro Kimura are President and Representative Director and Director of Tomei Kanko Kaihatsu Co., Ltd., respectively, which has a business relationship with the Company.
- There are no special interests between the Company and other candidates for Directors.
- The Company has concluded a directors and officers liability insurance agreement with an insurance company and shall use this insurance to compensate damages in the event of claim for damages arising as a result of actions taken by Directors during their term of office based on their position. An outline of the content of this directors and officers liability insurance agreement is as described below. The Director candidates will be included in the insured under this directors and officers liability insurance agreement if they are elected as Directors, and the Company plans to renew this insurance agreement with the same terms and conditions for the remainder of their term of office.

(1) Scope of the insured	Directors and Auditors
(2) Outline of the content of the insurance agreement	Directors and Auditors shall be compensated for any legal damages or legal costs incurred in the event of claim for damages arising as a result of actions taken by them (or their failure to take action) based on their position.

- Mr. Genichi Kimura, Mr. Masahiro Kimura, Mr. Toshinori Iwasawa, Mr. Shigeyuki Mito and Ms. Makiko Takahashi are candidates for Outside Directors.
- Matters relating to the candidates for Outside Directors
  - Agreement limiting liability with Outside Directors

The Company has set forth in its Articles of Incorporation that "Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with Directors (excluding Executive Directors, or Managers or any other employees) that limits their liability for damages arising from negligence in fulfilling their duties, provided that the amount based on such agreement shall be no greater than the amount prescribed by laws and regulations." In accordance with the above-mentioned provision of the Articles of Incorporation, the Company has concluded an agreement limiting liability with Mr. Genichi Kimura, Mr. Masahiro Kimura and Mr. Toshinori Iwasawa. If the re-election of Mr. Genichi Kimura, Mr. Masahiro Kimura and Mr. Toshinori Iwasawa is approved, the Company shall maintain this agreement limiting liability with them, and if the election of Mr. Shigeyuki Mito and Ms. Makiko Takahashi is approved, the Company shall conclude a similar agreement limiting liability with them. The maximum amount of liability under this agreement is the minimum liability amount as provided in laws and regulations.
  - Independent Directors

The Company has set standards for appointment of Independent Directors. The Company, based on such standards, has appointed Mr. Toshinori Iwasawa, Mr. Shigeyuki Mito and Ms. Makiko Takahashi as Independent Directors and registered them as Independent Directors at the Tokyo Stock Exchange Inc. based on the regulations provided by the Exchange.

### Proposal 3: Election of an Auditor

The term of office of Auditor Keiichi Uezumi will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of one (1) Auditor is proposed. The Board of Auditors has previously given its approval to this proposal. The candidate for Auditor is as follows:

Name (Date of birth)	Past experience, status and positions in the Company and significant concurrent positions	Number of shares of the Company held
Keiichi Uezumi (October 6, 1969)	October 1992      Joined Chuo Coopers & Lybrand International Tax Office (currently Zeirishi-Hojin PricewaterhouseCoopers) April 1996      Registered as Certified Public Accountant January 1997      Joined Los Angeles Office, PricewaterhouseCoopers LLP July 2004      President and Representative Director of Bizadvisors, Inc. (to present) September 2005      Auditor of the Company (to present) October 2007      Auditor of Golf Paradise Co., Ltd.	—
[Reason for nomination] The Company proposes the appointment of Mr. Keiichi Uezumi as Outside Auditor to incorporate his extensive experience and great insight in relation to finance and accounting gained as a certified public accountant into the Company's audits. His term of office as Outside Auditor of the Company will be 15 years and 6 months as of the close of the General Meeting of Shareholders.		

(Notes)

1. There are no special interests between the candidate for Auditor and the Company.
2. The Company has concluded a directors and officers liability insurance agreement with an insurance company and shall use this insurance to compensate damages in the event of claim for damages arising as a result of actions taken by Auditors during their term of office based on their position. An outline of the content of this directors and officers liability insurance agreement is as described below. The Auditor candidate will be included in the insured under this directors and officers liability insurance agreement if he is elected as Auditor, and the Company plans to renew this insurance agreement with the same terms and conditions for the remainder of his term of office.

(1) Scope of the insured	Directors and Auditors
(2) Outline of the content of the insurance agreement	Directors and Auditors shall be compensated for any legal damages or legal costs incurred in the event of claim for damages arising as a result of actions taken by them (or their failure to take action) based on their position.

3. Mr. Keiichi Uezumi is an Outside Auditor candidate.
4. Matters to be stated concerning Outside Auditor Candidate

Agreement limiting liability with Outside Auditor

The Company has set forth in its Articles of Incorporation that "Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with Auditors that limits their liability for damages arising from negligence in fulfilling their duties, provided that the amount based on such agreement shall be no greater than the amount prescribed by laws and regulations" and it has concluded an agreement limiting liability with Mr. Keiichi Uezumi in accordance with the above Articles of Incorporation. If the re-election of Mr. Keiichi Uezumi is approved, the Company plans to continue this agreement with him. The maximum amount of liability under this agreement is the minimum liability amount as provided in laws and regulations.



#### **Proposal 4: Presentation of Retirement Bonus for Director**

The Company proposes presenting a retirement bonus, in accordance with the Rules on Retirement Bonuses for Directors set out by the Company, to Mr. Osamu Ito, who retired as Director of the Company on March 30, 2020, to reward him for his services during his time in office. The Company proposes leaving matters such as the specific amount and the timing and method of presentation to be determined by the Board of Directors.

A brief career history of Mr. Osamu Ito is as follows.

Name	Brief career history	
Osamu Ito	March 2013	Director of the Company
	March 2020	Retired as Director of the Company (on expiration of term of office)

## **Proposal 5: Revision of Terms for Stock Acquisition Rights as Stock Options to Directors (Excluding Outside Directors)**

The current amounts of compensation for directors are the amounts approved at the 9th Annual General Meeting of Shareholders of the Company held on March 26, 2008, which are up to an annual amount of 200 million yen (of which, the portion for outside directors is an annual amount of up to 50 million yen), and separate from the remuneration of directors of the Company (excluding Outside Directors; hereinafter “Eligible Directors”), a remuneration amount for stock acquisition rights issued as stock options to Eligible Directors not exceeding an annual amount of 50 million yen.

In light of circumstances such as subsequent changes in the capital structure and the economic situation, the Company proposes leaving the remuneration amount for stock acquisition rights issued as stock options allocated to Eligible Directors unchanged at a maximum annual amount of 50 million yen and scrapping the previous terms of the stock options and proposes new stock acquisition rights to be issued to directors as stock options with the terms set out below, in order to further enhance the effect of adoption of the stock option system alongside expansion in earnings, to encourage directors to own shares during their term of office, and to give more flexibility to the number of stock acquisition rights granted.

These stock options are to be allotted mainly for the purpose of increasing motivation and morale to improve the Company’s performance and enhance its corporate value, are determined based on comprehensive consideration of a wide range of factors, including the contribution of Directors to the Company, and the Company believes that their terms are reasonable.

The Company currently have seven Directors (including four Outside Directors) and will have eight Directors (including five Outside Directors) if Proposal 2 is approved.

### **The specific terms and maximum number of stock acquisition rights issued as stock options to Directors (excluding Outside Directors) of the Company**

#### **1. Class and number of shares to be issued or exercised upon exercise of stock acquisition rights**

The class of shares to be issued or exercised upon exercise of the stock acquisition rights shall be shares of common stock of the Company, and the number of shares to be issued or exercised upon exercise of the stock acquisition rights (hereinafter “number of shares granted”) shall be 100 shares. However, if the Company conducts a stock split (including a free distribution of the Company’s common stock; the same definition applies to stock splits described below) or consolidation of its common stock after the date of resolution of this proposal (hereinafter the “resolution date”), the number of shares granted shall be adjusted in accordance with the following formula. Fractional shares arising out of the adjustment shall be discarded.

Adjusted Number of Shares Granted = Original number of shares granted x Stock split or stock consolidation ratio

In addition to the above items, when the Company implements a merger or a company split or is otherwise similarly required to adjust the number of shares granted after the resolution date, the Company reserves the right to adjust the number of shares granted within reasonable limits. If the Company implements a change in the share trading unit of the common stock of the Company (excludes as a result of stock split or stock consolidation; the same definition applies to changes in the share trading unit described below) after the resolution date, the Company reserves the right to adjust the number of shares granted according to the ratio of the change in the share trading unit within reasonable limits with respect to stock acquisition rights whose issuance is resolved by the Company’s Board of Directors on or after the effective date of the change in the share trading unit.

#### **2. Total number of stock acquisition rights**

The Company shall set 1,250 stock acquisition rights as the maximum total number of stock acquisition rights to be allotted to Directors (excluding Outside Directors) within one year from the day of the Annual General Meeting of Shareholders for each fiscal year. However, when the number of shares granted is adjusted as a

result of a change in the share trading unit, the Company reserves the right to adjust the total number of stock acquisition rights within reasonable limits according to the ratio of the adjustment.

3. Paid-in amount for stock acquisition rights

No payment of money is required in exchange for the stock acquisition rights.

The fact that the payment of money is not required does not mean that the stock acquisition rights are issued on advantageous terms.

4. Value of assets to be contributed upon exercise of each share acquisition right

The value of property to be contributed upon the exercise of each stock acquisition right shall be the paid-in amount per share deliverable upon exercise of each stock acquisition right (hereinafter the “exercise price”) multiplied by the number of shares granted.

The exercise price shall be the price of the Company’s common stock on the Tokyo Stock Exchange as at the closing of regular trading on the date the stock acquisition rights are allotted (hereinafter the “allotment date”) (or when there was no trading, the closing price on the immediately preceding date).

When it is necessary to adjust the exercise price, for example, when, after the allotment date, the Company implements a stock split or stock consolidation of the Company’s common stock, issues new shares at a price below market value, or conducts a cancellation of treasury stock (excluding cancellation through sale of treasury stock in accordance with Article 194 (Demand for Sale to Holder of Shares Less than One Unit) of the Companies Act of Japan, conversion of securities which are convertible into the common stock of the Company or any convertible securities, or the exercise of stock acquisition rights entitling the holder to demand delivery of the common stock of the Company (including those granted as bonds with stock acquisition rights), or makes gratis allotment of another class of shares to common shareholders or pays dividends to common shareholders on shares of another company, the Company reserves the right to adjust the exercise price within reasonable limits.

5. Exercise period for the stock acquisition rights

The exercise period shall be determined by the Board of Directors of the Company between the second anniversary of the resolution date and the tenth anniversary of the resolution date.

6. Restriction on acquisition of stock acquisition rights by transfer

Any acquisition of stock acquisition rights by transfer shall require approval by resolution of the Board of Directors of the Company.

7. Clause on the acquisition of stock acquisition rights

When any of the proposals described in (1), (2), (3), (4) or (5) below are approved by a general meeting of shareholders of the Company (or resolved at a meeting of the Board of Directors of the Company when a resolution of a general meeting of shareholders is not required), the Company may acquire the stock acquisition rights without consideration on a date to be determined separately by the Board of Directors of the Company.

- (1) Proposal for approval of a merger agreement under which the Company is to be dissolved
- (2) Proposal for approval of a company split agreement or company split plan under which the Company is to be split
- (3) Proposal for approval of a stock exchange agreement or stock transfer plan under which the Company is to become a wholly owned subsidiary
- (4) Proposal for approval to change the Company’s Articles of Incorporation to establish provisions concerning the requirement for the Company’s approval with regard to the acquisition of all outstanding shares through a transfer
- (5) Proposal for approval to change the Company’s Articles of Incorporation to establish provisions concerning the requirement for the Company’s approval with regard to the acquisition through a transfer of shares issued upon the exercise of these stock options or concerning the acquisition by the Company of all shares issued upon the exercise of stock options by resolution of the Company’s General Meeting of Shareholders

8. Conditions for exercising the stock acquisition rights

- (1) If holders of stock acquisition rights waive the stock acquisition rights, the relevant stock acquisition rights

may not be exercised thereafter.

- (2) Holders of stock acquisition rights must be in the position of officer or employee of the Company or the Company's affiliated companies at the time of exercise of those rights. However, this shall not apply to holders of stock acquisition rights who have retired as a result of expiration of their term of office, who lost their position due to reaching compulsory retirement age or as a result of actions taken at the Company's discretion, or when the Company deems there to be another justifiable reason.
- (3) Other conditions pertaining to the exercise of stock acquisition rights shall be determined by the Company's Board of Directors.

After the close of the general meeting of shareholders, the Company plans to allot stock acquisition rights with the same terms as the above stock acquisition rights to the executive officers and employees of the Company and to the officers of its subsidiaries.