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.

(Stock Exchange Code 3675)
September 11, 2026
(Commencement date of measures for electronic provision: September 7, 2026)

To Shareholders with Voting Rights:

Miki Igarashi
Representative Director,
President and CEO
Cross Marketing Group Inc.
3-20-2 Nishishinjuku, Shinjuku-ku,
Tokyo

NOTICE OF
THE 14TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

We are pleased to announce that the 14th Ordinary General Meeting of Shareholders of Cross Marketing Group Inc. (the "Company") will be held for the purposes as described below.

The Company, when convening this General Meeting of Shareholders, provides information contained in the reference documents for this General Meeting of Shareholders, etc. electronically. The matters to be provided electronically are posted on the website below on the Internet.

The Company's website:
https://www.cm-group.co.jp/en/ir/release/

In addition to the Company's website, the matters to be provided electronically are also posted on the Tokyo Stock Exchange (TSE)'s website. Please access the TSE website below, enter and search for the issue name (Cross Marketing Group) or the stock exchange code (3675), and select "Basic information" and then "Documents for public inspection/PR information" for reference.

TSE website (Listed Company Search):
https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show

If you exercise your voting rights in advance, please review the Reference Documents for General Meeting of Shareholders posted on the websites above and indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form, and return it by no later than 6:30 p.m. on Monday, September 28, 2026, Japan time, or exercise your voting rights through the voting rights exercise website designated by the Company (https://www.web54.net), in accordance with the guidance on pages 4 and 5 of the Japanese version of this document.

1. **Date and Time:** Tuesday, September 29, 2026 at 2:00 p.m. Japan time (reception opens at 1:30 p.m.)

2. **Place:** 1F, Hatsudai Koyama Building, 1-53-6, Hatsudai, Shibuya-ku, Tokyo
(Please refer to the guidance map on the last page.)

3. **Meeting Agenda:**

Matters to be reported: Business Report, Financial Statements and Consolidated Financial Statements for the Company's 14th Fiscal Year (July 1, 2025 - June 30, 2026) and Results of Audits of Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee

Proposals to be resolved:

Proposal 1: Dividend of Surplus
Proposal 2: Election of Two (2) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
Proposal 3: Election of Three (3) Directors Who Are Audit and Supervisory Committee Members
Proposal 4: Election of One (1) Substitute Director Who Is an Audit and Supervisory Committee Member
Proposal 5: Determination of Remuneration for the Granting of Post-Delivery Stock Remuneration to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors)

4. Exercise of Voting Rights

If voting rights are exercised in duplicate both in writing and via the Internet, etc., the exercise of voting rights via the Internet, etc. shall be deemed valid. Additionally, if voting rights are exercised multiple times via the Internet, etc., the last vote shall be deemed valid.

If neither approval nor disapproval is indicated for each proposal on the Voting Rights Exercise Form, the voting shall be deemed and treated as indicating approval.

◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Please also bring this Notice for the sake of paper saving.

◎ Should the matters to be provided electronically require revisions, the details of the revisions will be posted on the websites above.

No gifts will be provided to shareholders attending the General Meeting of Shareholders. Your kind understanding would be appreciated.
We will not hold a corporate briefing after the conclusion of the General Meeting of Shareholders. We will post FY2026/6 Financial Results and Company Briefing Material, and a video of Financial Results Briefing on the Company's website (https://www.cm-group.co.jp/) for investors. We would appreciate it if you could watch it.

- We may ask shareholders who appear to be in poor health not to enter the venue.
- We will seek to advance the smooth progression of proceedings by simplifying the matters to be reported.
- On the day of the meeting, there will be no reserved parking lots. You are kindly requested not to come by car.
- The route in the guidance map on the last page is available for those who use a wheelchair, etc. However, please note that there are some spots with a difference in height on the road.
- There is no restroom available for wheelchair users, etc. in the venue. Please go to a restroom before coming to the venue.

Reference Documents for General Meeting of Shareholders

Proposal 1: Dividend of Surplus

The Company's basic policy is to continue stable distribution of profits through paying dividends, taking into comprehensive consideration capital needs and investment plans of the business as well as the status of cash flows.

The Company proposes to pay a year-end dividend as described below, considering the financial results of this fiscal year, future business development, and other factors.

(1) Type of dividend property:
Cash

(2) Matters concerning the allotment of dividend property to shareholders and the total amount thereof:
7.50 yen per share of common stock of the Company, for a total amount of 140,649,473 yen

(3) Effective date of dividend of surplus:
September 30, 2026

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

The terms of office of all two (2) Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire at the conclusion of this year's Ordinary General Meeting of Shareholders. Accordingly, the election of two (2) Directors (excluding Directors who are Audit and Supervisory Committee Members) is proposed.

The Audit and Supervisory Committee has determined that this proposal is appropriate and there are no special opinions. In addition, the Company resolved this proposal at the Board of Directors meeting after deliberation at the voluntary Nomination and Remuneration Committee whose majority members are Outside Directors registered as Independent Directors with the Tokyo Stock Exchange and which is also chaired by an Outside Director registered as such.

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

No.	Name	Age	Current positions and responsibilities at the Company	Attendance at the Board of Directors meetings
1	[Reappointment] Miki Igarashi	53	Representative Director, President and CEO	15 out of 15 meetings (100%)
2	[Reappointment] Koji Onozuka	49	Managing Director and CFO, General Manager of Corporate Planning Division	15 out of 15 meetings (100%)

(Notes)

1. The age of each candidate is as of the close of this General Meeting of Shareholders.
2. There are no special interests between each candidate for Director and the Company.
3. Attendance at the Board of Directors meetings refers to the attendance at the meetings convened during the 14th fiscal year and does not include the Board of Directors meetings conducted by written resolution.
4. The Company has concluded with an insurance company a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act, and this insurance contract shall cover damages to be borne by insured persons due to their assuming liability for their execution of duties or receiving a claim for the pursuit of such liability. Each candidate will be included in the insured persons under this insurance contract. In addition, this contract will be renewed with the similar terms and conditions at the time of next renewal.
5. The number of shares of the Company held by each candidate for Director includes equity interest in the Officers' Stock Ownership Association.

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Past experience, positions and responsibilities at the Company
(significant concurrent positions)</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">1</td><td>Miki Igarashi
(May 10, 1973)
(Age 53)

[Reappointment]

[Number of years of service as Director]
13 years and three months (at the close of this General Meeting of Shareholders)

[Attendance at the Board of Directors meetings]
15 out of 15 meetings (100%)</td><td>April 1996
April 2003

December 2006
March 2011
December 2011
February 2012

June 2013

March 2014

June 2014
November 2014
January 2015
June 2018
May 2023
June 2024</td><td>Joined Japan Asia Investment Co., Ltd.
Started Cross Marketing Inc. and assumed office as the representative director
Director of Research Panel, Inc.
President and CEO of Cross Marketing Inc. (incumbent)
Representative Director of Cross Communication Inc.
Chairman of Cross Marketing China Inc. (currently Kadence International Inc. (China))
Representative Director, President of Cross Marketing Group Inc.
Representative Director, President and CEO of Cross Marketing Group Inc. (incumbent)
Director of Rarejob, Inc.
Director of Kadence International Business Research Pte. Ltd.
Chairman of Cross Communication Inc.
Outside Director (Audit Committee Member) of Rarejob, Inc.
Chairman of Japan Marketing Research Association (incumbent)
Outside Director of OZVISION Inc.</td><td>5,186,410</td></tr>
<tr><td colspan="4">[Reason for nomination as candidate for Director]
Mr. Miki Igarashi has properly fulfilled his roles, such as deciding on important matters on management and overseeing business execution as Director. In addition, he has led the entire Company Group as Representative Director, President and CEO of the Company, directing business execution of the Company with strong leadership and decision-making capacity as President. Based on the above, we consider his abundant knowledge and ability in management as being essential to the Company’s management and therefore have once again nominated him as a candidate for Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Past experience, positions and responsibilities at the Company
(significant concurrent positions)</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">2</td><td>Koji Onozuka
(October 21, 1976)
(Age 49)

[Reappointment]

[Number of years of service as Director]
12 years (at the close of this General Meeting of Shareholders)

[Attendance at the Board of Directors meetings]
15 out of 15 meetings (100%)</td><td>August 2001
July 2007
October 2007
October 2008
January 2009
November 2010
March 2012

January 2013
January 2014
February 2014
June 2014
September 2014
September 2014
November 2014

March 2015
June 2015

January 2016
December 2020

January 2021
May 2022

January 2023
March 2023
July 2023

September 2025
April 2026
July 2026</td><td>Joined FIELDS CORPORATION
Managing Director of KIZUNA CAST Inc.
Representative Director, President of KIZUNA VISION Inc.
Joined en-japan inc.
Chief of Corporate Planning Department
Director of PHARMA NETWORK Co., Ltd.
Joined Cross Marketing Inc.
Chief of Corporate Planning Department
Manager of Sales Planning Department
Manager of Corporate Business Development Division
Seconded to Cross Marketing Group Inc.
General Manager of Corporate Headquarters
Director of Cross Marketing Inc. (incumbent)
Director of Cross Marketing Group Inc.
Director of Kadence International Business Research Pte. Ltd. (incumbent)
Director of UNCOVER TRUTH Inc.
Managing Director and CFO of Cross Marketing Group Inc. (incumbent)
Manager of Corporate Planning Division
Representative Director and President of Envirosell Japan Inc. (incumbent)
Director of DO HOUSE Inc. (currently excrie Inc.) (incumbent)
Representative Director and President of Cross Ventures Inc. (incumbent)
General Manager of Corporate Planning Division (incumbent)
Outside Director of OpenWork Inc. (incumbent)
Representative Director and President of Fittio Inc. (currently AlternaEx Inc.) (incumbent)
Chairman of Kadence International Inc. (China)
Representative Director and President of MDIU Inc. (incumbent)
Director of DIGITALIO Inc. (incumbent)
Representative Director and President of SDGs Marketing Inc. (incumbent)</td><td>86,276</td></tr>
<tr><td colspan="4">[Reason for nomination as candidate for Director]
Mr. Koji Onozuka has properly fulfilled his roles, such as deciding on important matters on management and overseeing business execution as Director. He has abundant experience in corporate management and corporate planning among others, and in the course of the Company Group’s business expansion, he has contributed to the development of the Company Group, taking charge of the entire corporate business as Managing Director and CFO. Based on the above, we consider his abundant knowledge and ability in management as being essential to the Company’s management and therefore have once again nominated him as a candidate for Director.</td></tr>
</table>

Proposal 3: Election of Three (3) Directors Who Are Audit and Supervisory Committee Members

The terms of office of all three (3) Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this year's Ordinary General Meeting of Shareholders. Accordingly, the election of three (3) Directors who are Audit and Supervisory Committee Members is proposed.

The Audit and Supervisory Committee has previously given its approval to this proposal. In addition, the Company resolved this proposal at the Board of Directors meeting after deliberation at the voluntary Nomination and Remuneration Committee whose majority members are Outside Directors registered as Independent Directors with the Tokyo Stock Exchange and which is also chaired by an Outside Director registered as such.

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

No.	Name	Age	Current positions and responsibilities at the Company	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee meetings
1	[Reappointment] Jun Narimatsu	57	Outside Director (Audit and Supervisory Committee Member)	15 out of 15 meetings (100%)	14 out of 14 meetings (100%)
2	[Reappointment] Teruki Uchida	85	Outside Director (Audit and Supervisory Committee Member)	15 out of 15 meetings (100%)	14 out of 14 meetings (100%)
3	[Reappointment] Yasuaki Tabaru	75	Outside Director (Audit and Supervisory Committee Member)	15 out of 15 meetings (100%)	14 out of 14 meetings (100%)

(Notes)

1. The age of each candidate is as of the close of this General Meeting of Shareholders.
2. There are no special interests between each candidate for Director and the Company.
3. Attendance at the Board of Directors meetings refers to the attendance at the meetings convened during the 14th fiscal year and does not include the Board of Directors meetings conducted by written resolution.
4. The Company has concluded with an insurance company a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act, and this insurance contract shall cover damages that may arise when insured persons assume liability for their execution of duties or receive a claim for the pursuit of such liability. Each candidate will be included in the insured persons under this insurance contract. In addition, this contract will be renewed with the similar terms and conditions at the time of next renewal.
5. Messrs. Jun Narimatsu, Teruki Uchida, and Yasuaki Tabaru are candidates for Outside Directors.
6. Messrs. Jun Narimatsu, Teruki Uchida, and Yasuaki Tabaru will have served for nine years and six months as Outside Directors who are Audit and Supervisory Committee Members at the close of this General Meeting of Shareholders.
7. The Company has entered into liability limitation agreements with Messrs. Jun Narimatsu, Teruki Uchida, and Yasuaki Tabaru in accordance with Article 427, Paragraph 1 of the Companies Act and the maximum amount of liability for damages of an Outside Director who is Audit and Supervisory Committee Member under this agreement shall be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act. In the event that the election of each candidate is approved, the Company will maintain the agreements.
8. The Company has registered Messrs. Jun Narimatsu, Teruki Uchida, and Yasuaki Tabaru as Independent Directors with the Tokyo Stock Exchange, and in the event that the election of each candidate is approved, they will continue to be Independent Directors.
9. The number of shares of the Company held by each candidate for Director includes equity interest in the Officers' Stock Ownership Association.

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Past experience, positions and responsibilities at the Company
(significant concurrent positions)</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">1</td><td>Jun Narimatsu
(November 14, 1968)
(Age 57)

[Reappointment]

[Number of years of service as Director]
Nine years and six months (at the close of this General Meeting of Shareholders)

[Attendance at the Board of Directors meetings]
15 out of 15 meetings (100%)

[Attendance at the Audit and Supervisory Committee meetings]
14 out of 14 meetings (100%)</td><td>November 1996 Joined Hara Accounting Firm
May 1998 Joined Tohmatsu Accounting Firm (currently Deloitte Touche Tohmatsu LLC)
December 2004 Seconded to Tokyo Stock Exchange Inc.
January 2007 Joined Cookpad Inc.
June 2007 Director
July 2007 Corporate Officer
April 2013 Representative Director and President of Muuseo, Inc. (currently NeuerGarten Inc.) (incumbent)
May 2013 Outside Auditor of Nyle Inc.
October 2013 Outside Auditor of Rarejob, Inc.
December 2013 Outside Auditor of HEALIOS K.K.
May 2015 Outside Director (Audit and Supervisory Committee Member) of Nyle Inc.
November 2015 Outside Director (Audit and Supervisory Committee Member) of Wantedly, Inc. (incumbent)
June 2016 Outside Director (Audit and Supervisory Committee Member) of Rarejob, Inc.
March 2017 Outside Director (Audit and Supervisory Committee Member) of Cross Marketing Group Inc. (incumbent)
March 2018 Outside Director of HEALIOS K.K.
Outside Director of Nyle Inc.
March 2025 Outside Director (Audit and Supervisory Committee Member) of Nyle Inc. (incumbent)
March 2026 Outside Director of Metaplanet Inc. (incumbent)
Outside Director of Cookpad Inc. (incumbent)</td><td>1,630</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate for Outside Director and outline of expected roles]
Mr. Jun Narimatsu possesses expert knowledge as a certified public accountant and a high degree of insight acquired through many years of business experience. Based on the above perspective, we can expect that he will fulfil the role of managing and supervising the Company and therefore consider that he will be able to perform his duties properly as Outside Director of the Company.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Past experience, positions and responsibilities at the Company
(significant concurrent positions)</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">2</td><td>Teruki Uchida
(February 28, 1941)
(Age 85)

[Reappointment]

[Number of years of service as Director]
Nine years and six months (at the close of this General Meeting of Shareholders)

[Attendance at the Board of Directors meetings]
15 out of 15 meetings (100%)

[Attendance at the Audit and Supervisory Committee meetings]
14 out of 14 meetings (100%)</td><td>April 1964
April 1981
July 1990

June 1992
June 1993
April 2001
June 2002
February 2007
March 2007
September 2007

November 2012

June 2013
March 2017</td><td>Entered the Ministry of Finance
Counsellor of Japanese Embassy in Washington
Supervision Officer of Tokyo Stock Exchange of Kanto Finance Bureau
Chief of Printing Bureau
Managing Director of Electric Power Development Co., LTD.
Vice President of Osaka Exchange, Inc.
Vice Chief of Takefuji Corporation
Registered as a lawyer
Auditor of Cross Marketing Inc.
Joined Atsumi Law Offices (currently Atsumi & Sakai) (incumbent)
Outside Director of Carchs Holdings Co., Ltd. (currently Ledax Co., Ltd.) (incumbent)
Auditor of Cross Marketing Group Inc.
Outside Director (Audit and Supervisory Committee Member) (incumbent)</td><td>0</td></tr>
<tr><td colspan="4">[Reason for nomination as candidate for Outside Director and outline of expected roles]
Mr. Teruki Uchida possesses many years of experience at the Ministry of Finance, abundant experience as a corporate manager, and professional expertise as a lawyer. Based on the above perspective, we can expect that he will fulfil the role of managing and supervising the Company and therefore consider that he will be able to perform his duties properly as Outside Director of the Company.</td></tr>
</table>

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company (significant concurrent positions)		Number of shares of the Company held
3	Yasuaki Tabaru (April 1, 1951) (Age 75) [Reappointment] [Number of years of service as Director] Nine years and six months (at the close of this General Meeting of Shareholders) [Attendance at the Board of Directors meetings] 15 out of 15 meetings (100%) [Attendance at the Audit and Supervisory Committee meetings] 14 out of 14 meetings (100%)	April 1973 May 1995 June 2002 June 2004 August 2008 March 2009 June 2013 March 2017	Joined Kawasaki Steel Corp. (currently JFE Steel Corporation) Joined LSI Logic Corporation Joined Takefuji Corporation Corporate Officer Auditor of Unimat Yamamaru Securities Co., Ltd. Auditor of Cross Marketing Inc. Auditor of Cross Marketing Group Inc. Outside Director (Audit and Supervisory Committee Member) (incumbent)	0
	[Reason for nomination as candidate for Outside Director and outline of expected roles] Mr. Yasuaki Tabaru possesses abundant experience and a wide range of insights acquired through many years of business experience in the accounting and finance field. Based on the above perspective, we can expect that he will fulfil the role of managing and supervising the Company and therefore consider that he will be able to perform his duties properly as Outside Director of the Company.			

(Reference)

Expertise and experience of candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) and Directors who are Audit and Supervisory Committee Members

If the Proposal 2 and the Proposal 3 are approved, the Board of Directors of the Company will comprise members who possess the following skills.

	Name	Experience in the Company's Business and Industries	Business Promotion and Sales	Business Planning and Business Management	Business Promotion, Design, and Operation	IT/Digital	Global	Finance and Accounting/ Legal Affairs	Compliance/ Governance
1	Miki Igarashi	○	○	○		○	○		
2	Koji Onozuka	○			○		○	○	○
3	Jun Narimatsu					○		○	○
4	Teruki Uchida						○	○	○
5	Yasuaki Tabaru				○			○	○

*These are the knowledge, experience and abilities that the Company particularly expects of each candidate, and do not represent all the insights possessed by each candidate.

Proposal 4: Election of One (1) Substitute Director Who Is an Audit and Supervisory Committee Member

As the effectiveness of the election of Substitute Director who is an Audit and Supervisory Committee Member Mr. Mitsuhiro Mihira, who was elected at the 12th Ordinary General Meeting of Shareholders held on September 27, 2024, will expire at the commencement of this General Meeting of Shareholders, to prepare for the event in which the number of Directors who are Audit and Supervisory Committee Members falls below the required number stipulated by laws and regulations, the election of one (1) Substitute Director who is an Audit and Supervisory Committee Member is proposed in accordance with Article 329, Paragraph 3 of the Companies Act.

The effectiveness of the election based on this proposal, however, shall be able to be revoked by the resolution of the Board of Directors, with the approval of the Audit and Supervisory Committee, provided such cancellation is made prior to the assumption of office.

The Audit and Supervisory Committee has given its approval to this proposal. In addition, the Company resolved this proposal at the Board of Directors meeting after deliberation at the voluntary Nomination and Remuneration Committee whose majority members are Outside Directors registered as Independent Directors with the Tokyo Stock Exchange and which is also chaired by an Outside Director registered as such.

The candidate for Substitute Director who is an Audit and Supervisory Committee Member is as follows:

<table>
<tr><th>Name
(Date of birth)</th><th colspan="2">Past experience, positions and responsibilities at the Company
(significant concurrent positions)</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="7">Mitsuhiro Mihira
(February 3, 1974)
(Age 52)</td><td>April 1996</td><td>Joined Aoyama Audit Corporation/PriceWaterhouse (currently PricewaterhouseCoopers Japan LLC)</td><td rowspan="7">0</td></tr>
<tr><td>July 2001</td><td>Moved to Transaction Service Division of Aoyama Audit Corporation/PriceWaterhouse (currently PwC Advisory LLC)</td></tr>
<tr><td>October 2006</td><td>Transferred to PwC Advisory Co., Ltd (currently PwC Advisory LLC)</td></tr>
<tr><td>July 2015</td><td>Partner of PwC Advisory LLC</td></tr>
<tr><td>July 2020</td><td>Established Mitsuhiro Mihira CPA Office, and assumed office as Representative thereof (incumbent)
Established CPA Trusted Advisor Co., Ltd. (currently Tokiwa Transaction Advisory Co., Ltd.), and assumed office as Representative Director thereof (incumbent)</td></tr>
<tr><td>April 2025</td><td>Outside Auditor of Nippon Denkai, Ltd. (incumbent)</td></tr>
<tr><td>July 2025</td><td>Partner of Tokiwa United Partners LLP (incumbent)</td></tr>
<tr><td colspan="4">[Reason for nomination as candidate for Substitute Outside Director and outline of expected roles]
Mr. Mitsuhiro Mihira possesses expert knowledge as a certified public accountant and tax accountant, as well as a high degree of insights acquired through many years of business experience. Based on the above perspective, we can expect that he will fulfil the role of monitoring and supervising the Company’s management and therefore have determined that he is suitable as a Substitute Outside Director of the Company.</td></tr>
</table>

(Notes)

1. There are no special interests between Mr. Mitsuhiro Mihira and the Company.
2. The Company has concluded with an insurance company a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act, and this insurance contract shall cover damages to be borne by insured persons due to their assuming liability for their execution of duties or receiving a claim for the pursuit of such liability. If Mr. Mitsuhiro Mihira assumes office as a Director who is an Audit and Supervisory Committee Member, he will be included in the insured persons under this insurance contract.
3. Mr. Mitsuhiro Mihira is a candidate for Substitute Outside Director.
4. If Mr. Mitsuhiro Mihira assumes office as a Director who is an Audit and Supervisory Committee Member, the Company plans to enter into a liability limitation agreement with him in accordance with Article 427, Paragraph 1 of the Companies Act and the maximum amount of liability for damages of a Director who is an Audit and Supervisory Committee Member under this agreement shall be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.
5. If Mr. Mitsuhiro Mihira assumes office as a Director who is an Audit and Supervisory Committee Member, the Company plans to register him as an Independent Director with the Tokyo Stock Exchange.

Proposal 5: Determination of Remuneration for the Granting of Post-Delivery Stock Remuneration to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors)

At the 4th Ordinary General Meeting of Shareholders held on March 29, 2017, the amount of remuneration, etc., for Directors (excluding Directors who are Audit and Supervisory Committee Members) of the Company was approved to be within 500 million yen per year (excluding the employee salary portion paid to Directors concurrently serving as employees). Furthermore, separate from this remuneration limit, approval was obtained at the 9th Ordinary General Meeting of Shareholders held on September 29, 2021, to provide remuneration for the granting of restricted stock to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter referred to as "Eligible Director(s)") within a limit of 500 million yen per year (excluding the employee salary portion paid to Directors concurrently serving as employees) (hereinafter referred to as the "Pre-Delivery Stock Remuneration Plan," and the number of shares to be issued or disposed of thereunder shall be limited to 800,000 shares per year).

The Company hereby requests the approval of shareholders to newly introduce two types of post-delivery stock remuneration plans for Eligible Directors: a performance-linked stock remuneration unit (hereinafter referred to as "PSU") plan and a restricted stock unit (hereinafter referred to as "RSU") plan (the PSU plan and RSU plan are collectively referred to as the "Plan").

The PSU plan aims to clarify the linkage between the remuneration of Eligible Directors and the Company's performance, thereby strengthening the incentives for Eligible Directors to further enhance corporate value. It also aims to promote long-term value sharing with shareholders by requiring the continued holding of shares even after the end of the performance evaluation period (hereinafter referred to as the "Evaluation Period").

The RSU plan aims to encourage continued service over a certain period, provide incentives for Eligible Directors to achieve sustainable improvement in the Company's corporate value, and promote long-term value sharing with shareholders.

The current number of Eligible Directors is two (2), and if Proposal 2 is approved as originally proposed, the number of Eligible Directors will continue to be two (2).

In addition, the Company resolved this proposal at the Board of Directors meeting after deliberation at the voluntary Nomination and Remuneration Committee whose majority members are Outside Directors registered as Independent Directors with the Tokyo Stock Exchange and which is also chaired by an Outside Director registered as such.

1. Overview of the Plan

The PSU plan is a performance-linked stock remuneration plan using performance share units, under which the Board of Directors of the Company determines the base number of shares (hereinafter referred to as the "Base Number of Shares to be Granted"), the Evaluation Period, and performance targets during the Evaluation Period, and delivers a number of shares of the Company's common stock calculated based on the degree of achievement, etc., of such performance targets.

The RSU plan is a plan under which, on the condition that an Eligible Director has continuously served as a Director of the Company or in another position determined by the Board of Directors of the Company during a period determined by the Board of Directors of the Company (hereinafter referred to as the "Service Provision Period"), a predetermined number of shares of the Company's common stock is delivered after the end of the Service Provision Period. The plan may also stipulate that the achievement of performance targets determined by the Board of Directors of the Company is a condition for the delivery of the Company's common stock (hereinafter referred to as the "Performance Conditions") (the Performance Conditions are conditions for the delivery of a predetermined number of shares, and the number of shares to be delivered shall not be linked to the degree of achievement of performance targets).

Under the Plan, for both the PSU plan and the RSU plan, certain transfer restrictions will be imposed on the Company's common stock to be delivered. (However, if the Eligible Director has retired or resigned from the position of Director of the Company or any other position determined by the Board of Directors of the Company at the time of delivery of the Company's common stock, such transfer restrictions shall not be imposed.) Based on net sales, profit, and other indicators determined in light of the Company's management policy, the performance indicators for the PSU plan and the performance indicators applicable when the Performance Conditions are attached to the RSU plan will be set by the Board of Directors of the Company after deliberation by the Nomination and Remuneration Committee.

The delivery of the Company's common stock under the Plan shall be carried out by one of the following methods based on a resolution of the Board of Directors of the Company.

1) Issuance or disposal of the Company's common stock without requiring payment of money or contribution of property in kind as remuneration, etc. for Eligible Directors
2) Provision of monetary remuneration claims to Eligible Directors, and having them pay in all the said monetary remuneration claims as property contributed in kind to the Company to receive issuance or disposal of the Company's common stock

Under this method, the amount to be paid in per share shall be determined by the Board of Directors, within a range that is not particularly advantageous to the Eligible Directors who receive the shares, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately prior to the date of each resolution by the Board of Directors (or the closing price on the transaction day immediately prior thereto if no transaction is made on such business day).

2. Maximum amount of remuneration and number of shares to be granted to Eligible Directors

The total number of shares of the Company's common stock to be issued or disposed of to Eligible Directors under the Plan, when combined with the total number of shares of the Company's common stock to be issued or disposed of to Eligible Directors under the Pre-Delivery Stock Remuneration Plan, shall be within the annual limit of 800,000 shares, which is the current limit for the Pre-Delivery Stock Remuneration Plan. The total amount of remuneration shall be within the annual limit of 500 million yen (excluding the employee salary portion paid to Directors concurrently serving as employees), which is the limit for the Pre-Delivery Stock Remuneration Plan, as an amount considered reasonable in light of the above objectives. However, if the total number of the Company's issued shares increases or decreases due to a consolidation or split of shares (including allotment of shares without contribution), the above maximum number of shares shall be adjusted in accordance with such ratio. In addition, when applying the Pre-Delivery Stock Remuneration Plan or the Plan as remuneration for multiple years, the total number of shares granted per year (calculated using the Base Number of Shares to be Granted for the PSU plan and the predetermined number of shares for the RSU plan) is planned to be effectively around 1% of the total number of issued shares of the Company.

Furthermore, the specific timing of payment and the allocation to each Eligible Director shall be determined by the Board of Directors.

3. Conditions for stock delivery

Under the PSU plan, the Company's common stock will be delivered to Eligible Directors when, in summary, the degree of achievement, etc., of performance targets during the Evaluation Period is determined and the following requirements are met.

1) There has been no misconduct as defined by the Board of Directors of the Company.
2) Other requirements determined by the Board of Directors of the Company as necessary to achieve the purpose of a performance-linked stock remuneration plan have been met.

Under the RSU plan, the Company's common stock will be delivered to Eligible Directors after the end of the Service Provision Period when, in summary, the following requirements are met.

1) There has been no misconduct as defined by the Board of Directors of the Company.
2) If the Performance Conditions are attached, those conditions have been achieved.
3) The Eligible Director has continuously served as a Director of the Company or in another position determined by the Board of Directors of the Company during the Service Provision Period, and has satisfied other requirements determined by the Board of Directors of the Company.

Furthermore, for both the PSU plan and the RSU plan, (i) if, prior to the delivery of the Company's common stock, (i-a) an Eligible Director resigns or retires from the position of Director of the Company or another position determined by the Board of Directors of the Company due to death or other reasons deemed justifiable by the Board of Directors of the Company, or (i-b) a merger agreement under which the Company becomes the non-surviving company, a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, or any other matter relating to reorganization, etc., is approved at the General Meeting of Shareholders of the Company (or by the Board of Directors of the Company if such reorganization, etc. does not require the approval of General Meeting of Shareholders of the Company), or (ii) if the Board of Directors of the Company deems there is a justifiable reason, the Company may, as necessary, provide cash in an amount reasonably determined by the Board of Directors of the Company in lieu of the Company's common stock at a time reasonably determined by the Board of Directors of the Company.

4. Overview of transfer restrictions, etc.

The Company's common stock delivered under the Plan shall be subject to transfer restrictions, except in cases where an Eligible Director has already resigned or retired from the position of Director of the Company or another position determined by the Board of Directors of the Company at the time of the stock delivery.

The overview is as follows:

(1) Eligible Directors shall not transfer, create a security interest in, or otherwise dispose of the Company's common stock delivered under the Plan (hereinafter referred to as the "Subject Shares") during the period from the delivery date of the Subject Shares until the date on which the Eligible Director resigns or retires from the position of Director of the Company or another position determined by the Board of Directors of the Company (hereinafter referred to as the "Transfer Restriction Period") (such restrictions are hereinafter referred to as the "Transfer Restrictions").

(2) The Company shall lift the Transfer Restrictions on all of the Subject Shares upon the expiration of the Transfer Restriction Period.

(3) If, during the Transfer Restriction Period, an Eligible Director violates laws and regulations, internal rules, or agreements with the Company, or falls under any other grounds determined by the Board of Directors of the Company as being appropriate for the Company to acquire the Subject Shares without consideration, the Company shall automatically acquire the Subject Shares without consideration.

(4) Notwithstanding the provisions of (1) above, in the event that, during the Transfer Restriction Period, a merger agreement under which the Company becomes the non-surviving company, a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, or any other matter relating to reorganization, etc., is approved at the General Meeting of Shareholders of the Company (or by the Board of Directors of the Company if such reorganization, etc. does not require the approval of General Meeting of Shareholders of the Company), the Company shall lift the Transfer Restrictions on all of the Subject Shares prior to the effective date of such reorganization, etc.

5. Reasons for appropriateness of providing remuneration under this proposal

This proposal is intended to newly introduce post-delivery stock remuneration plans for Eligible Directors, and the Company's common stock to be delivered under the Plan will be granted within the range of the maximum number of shares under the Pre-Delivery Stock Remuneration Plan, which was approved at the 9th Ordinary General Meeting of Shareholders held on September 29, 2021. Therefore, there will be no changes in the maximum number of shares that can be granted to Eligible Directors, and the introduction of the Plan will not result in greater dilution than before.

In addition, at the Board of Directors meeting held on October 14, 2021, the Company set the policies for determining the details of remuneration, etc., of individual Directors (excluding Directors who are Audit and Supervisory Committee Members), the overview of which is described on page 37 of the Business Report (available in Japanese only). If this proposal is approved, the Company plans to amend the policies in line with this proposal.

Therefore, the Company has determined that the provision of remuneration under this proposal is appropriate.