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(Stock Exchange Code 9757)  
March 5, 2021

**To Shareholders with Voting Rights:**

Sakae Takashima  
President and Group CEO  
Funai Soken Holdings Inc.  
4-4-10 Kitahama, Chuo-ku, Osaka

**NOTICE OF  
THE 51st ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

This is to notify you that the 51st Ordinary General Meeting of Shareholders of Funai Soken Holdings Inc. (the “Company”) will be held for the purposes as described below.

Please exercise your voting rights by either of the following methods.

**Guidance for Exercise of Voting Rights**

**Attending the meeting**

Please submit the enclosed Voting Rights Exercise Form at the reception desk on the day of the meeting. If you plan to attend the meeting in person, it is not necessary to exercise your voting rights via either postal mail (Voting Rights Exercise Form) or the Internet.

**Not attending the meeting**

[Exercise of voting rights via postal mail (Voting Rights Exercise Form)]

Please review the attached Reference Documents for the General Meeting of Shareholders and indicate your approval or disapproval of the proposals on the enclosed Voting Rights Exercise Form and return it by postal mail. The completed form must reach the Company by 5:45 p.m. Japan time on Friday, March 26, 2021.

[Exercise of voting rights via the Internet, etc.]

Please access the voting website (<https://evote.tr.mufig.jp/>), use the “login ID” and “temporary password” printed on the Voting Rights Exercise Form, and follow the on-screen instructions to input your approval or disapproval of the proposals by 5:45 p.m. Japan time on Friday, March 26, 2021.

If you have exercised your voting rights using both Voting Rights Exercise Form and the Internet, only the vote via the Internet shall be deemed effective.

To shareholders using smartphones

If you exercise your voting rights via smartphone, you may exercise your voting rights without entering your “login ID” and “temporary password” for one login only.

- 1. Date and Time:** Saturday, March 27, 2021 at 10:00 a.m. Japan time
- 2. Place:** Naniwa Room on the 20th floor of Hotel Granvia Osaka located at 3-1-1, Umeda, Kita-ku, Osaka
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements for the Company's 51st Fiscal Year (January 1, 2020 - December 31, 2020)
  2. Results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements for the Company's 51st Fiscal Year
- Proposals to be resolved:**
- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Six (6) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
- Proposal 3:** Determination of the Amount and Details of Compensation, etc. in Stock Acquisition Rights as Stock Compensation-type Stock Option for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

Of the documents to be included in this Notice, the following documents are posted on the Company's website (<https://hd.funaisoken.co.jp/>) in accordance with provisions of laws and regulations as well as Article 16 of the Company's Articles of Incorporation (Japanese version only) and therefore are not provided in the Appendix to this Notice.

- 1) Of the Business Report (Japanese version only), "Structure and Policy of the Company"
- 2) Of the Consolidated Financial Statements (Japanese version only), "Consolidated Statement of Changes In Equity" and "Notes to Consolidated Financial Statements"
- 3) Of the Non-consolidated Financial Statements (Japanese version only), "Statement of Changes in Equity" and "Notes to Non-consolidated Financial Statements"

The Consolidated Financial Statements and Non-consolidated Financial Statements provided in the Appendix to this Notice are part of the Consolidated Financial Statements and Non-consolidated Financial Statements that were audited by the Accounting Auditor and the Audit and Supervisory Committee in preparing the accounting audit report and the audit report, respectively.

#### **Instructions**

- When attending the meeting, please bring this Notice with you.
- No souvenirs will be provided to shareholders attending the meeting. We appreciate your understanding.
- Should the Reference Documents for the General Meeting of Shareholders, the Business Report, and Consolidated Financial Statements and Non-consolidated Financial Statements require amendments, the amended versions will be posted on the Company's website (<https://hd.funaisoken.co.jp/>).

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

While striving to enhance its financial structure and business foundation, the Company views appropriate profit returns to shareholders as one of its most important management issues, and its basic policy is to pay out dividends upon considering business performance. Based on this policy, the year-end dividend is proposed as follows.

1. Type of dividend property  
Cash
2. Matters concerning allotment of dividend property and the total amount  
25 yen per share of common stock of the Company  
For a total of 1,237,205,700 yen  
Together with an interim dividend (20 yen per share), the annual dividend will be 45 yen per share.
3. Effective date of distribution of surplus  
Monday, March 29, 2021



**Proposal 2:** Election of Six (6) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

The terms of office of all six (6) Directors (excluding Directors serving as Audit and Supervisory Committee Members) will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the election of six (6) Directors (excluding Directors serving as Audit and Supervisory Committee Members) is proposed again.



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

Candidate No.		Name	Current positions at the Company	Attendance at the Board of Directors meetings
1	[Reappointment]	Sakae Takashima	President and Group CEO	100% (13 out of 13 meetings)
2	[Reappointment]	Takayuki Nakatani	Director and Executive Vice President	100% (10 out of 10 meetings)
3	[Reappointment]	Tatsuro Ono	Director and Executive Vice President	100% (13 out of 13 meetings)
4	[Reappointment]	Takahisa Okumura	Director and Senior Vice President	100% (13 out of 13 meetings)
5	[Reappointment]	[Outside Director] [Independent Officer] Nobuyuki Isagawa	Outside Director	100% (13 out of 13 meetings)
6	[Reappointment]	[Outside Director] [Independent Officer] Miki Mitsunari	Outside Director	100% (10 out of 10 meetings)

(Notes) Attendance at the Board of Directors meetings for Mr. Takayuki Nakatani and Ms. Miki Mitsunari is based on the number of the Board of Directors meetings held after they assumed office on March 28, 2020.

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	 Sakae Takashima (May 29, 1957)  [Reappointment]  [Attendance at the Board of Directors meetings] 13 out of 13 meetings (100%)	<p>April 1980      Joined the Company</p> <p>March 1998      Director, General Manager, Osaka Management Guidance Division</p> <p>March 2004      Director, Executive Vice President; General Manager, Consulting Divisional Headquarters</p> <p>March 2008      Vice President, Executive Officer; General Manager, Consulting Operations Divisional Headquarters</p> <p>March 2010      President, Executive Officer and COO</p> <p>July 2014      President and Group CEO (current position) President, Executive Officer, Funai Consulting Inc.</p> <p>[Reasons for nomination as a candidate for Director]            Since he assumed the position of President of the Company, Mr. Sakae Takashima has led the Group with strong leadership based on his broad perspective, extensive experience and insight. We have continued to nominate him as Director because we believe that he is well qualified for enhancing sustainable growth of the Group and its corporate value over the medium- to long-term through such means as strengthening profitability based on the stock-type business (recurring revenue model) and promoting Group management for further business domain expansion.</p>	420,467
2	 Takayuki Nakatani (August 16, 1968)  [Reappointment]  [Attendance at the Board of Directors meetings] 10 out of 10 meetings (100%)	<p>April 1991      Joined the Company</p> <p>March 2010      Executive Officer; Deputy General Manager, Management Consulting Department II, Consulting Operations Divisional Headquarters</p> <p>March 2013      Director, Executive Officer; Deputy General Manager, Tokyo Management Consulting Divisional Headquarters; General Manager, Management Consulting Department I</p> <p>July 2014      Director, Executive Officer; General Manager, Tokyo Management Consulting Divisional Headquarters, Funai Consulting Inc.</p> <p>March 2015      Director, Senior Vice President; General Manager, Consulting Operations Divisional Headquarters President, Funai Consulting Shanghai Inc</p> <p>March 2016      President, Executive Officer, Funai Consulting Inc.</p> <p>March 2020      Director, Executive Vice President; General Manager, Business Management Divisional Headquarters (current position)</p> <p>[Reasons for nomination as a candidate for Director]            Mr. Takayuki Nakatani has gained many years of experience as a management consultant at Funai Consulting Inc., a core operating company of the Group. He has significantly led initiatives to expand the company's business performance through development of the customer base and implementation of sales strategies as President of Funai Consulting Inc. We have continued to nominate him as Director because we have judged that he is well qualified for promoting growth of the Group.</p>	170,020

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	 <p>Tatsuro Ono (May 8, 1963)</p> <p>[Reappointment]</p> <p>[Attendance at the Board of Directors meetings] 13 out of 13 meetings (100%)</p>	<p>April 1987      Joined the Company</p> <p>March 2007      Director, Executive Officer; General Manager, Management Consulting Department I</p> <p>March 2010      Director, Senior Vice President; Deputy General Manager, Business Operations Division; General Manager, Management Consulting Department II</p> <p>January 2014      Director, Senior Vice President; General Manager, Human Resources Development Divisional Headquarters</p> <p>April 2018      Director, Senior Vice President; General Manager, Business Management Divisional Headquarters</p> <p>March 2019      Director, Executive Vice President; General Manager, Business Management Divisional Headquarters</p> <p>January 2020      Director, Executive Vice President; General Manager, HR Divisional Headquarters (current position)</p> <p>[Reasons for nomination as a candidate for Director] Mr. Tatsuro Ono has focused on recruiting and developing excellent talent as a person responsible for the human resource department of the Group, and also has promoted new businesses and supervised investment projects as a person responsible for business administration. We have continued to nominate him as Director because we have judged that he is well qualified for promoting growth of the Group going forward.</p>	140,440
4	 <p>Takahisa Okumura (July 13, 1959)</p> <p>[Reappointment]</p> <p>[Attendance at the Board of Directors meetings] 13 out of 13 meetings (100%)</p>	<p>July 1997      Joined the Company</p> <p>March 2013      Director, Executive Officer; Deputy General Manager, Staff Management Division; General Manager, Finance Department; General Manager, Internal Control Office (Director in charge of financial affairs)</p> <p>July 2014      Director, Executive Officer; General Manager, Management Administration Divisional Headquarters; General Manager, Internal Control Office</p> <p>March 2015      Corporate Auditor, Funai Consulting Inc.</p> <p>January 2016      Director, Executive Officer; General Manager, Management Administration Divisional Headquarters, the Company</p> <p>March 2017      Director, Senior Vice President; General Manager, Management Administration Divisional Headquarters (current position)</p> <p>[Reasons for nomination as a candidate for Director] As a person responsible for the finance department, Mr. Takahisa Okumura has contributed to the formulation and execution of the Group-wide financial strategies and capital policies, enhancement and promotion of IR structures, strengthening of governance systems and proper operation of internal control reporting systems. We have continued to nominate him as Director because we have judged that he is well qualified for promoting optimal Group management under a holding company structure going forward.</p>	60,940

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	 Nobuyuki Isagawa (December 8, 1966)  [Reappointment]  [Outside Director] [Independent Officer]  [Term of office as Director] Five years (at the conclusion of this meeting)  [Attendance at the Board of Directors meetings] 13 out of 13 meetings (100%)	<p>April 1989      Joined New Japan Securities Co., Ltd. (currently, Mizuho Securities Co., Ltd.)</p> <p>April 1998      Assistant Professor, School of Business Administration, Kobe University</p> <p>April 2007      Professor, Graduate School of Business Administration</p> <p>January 2011    Outside Director, TASAKI &amp; Co., Ltd.</p> <p>March 2016      Director, the Company (current position)</p> <p>April 2016      Professor, Graduate School of Management, Kyoto University (current position)</p> <p>March 2020      Outside Director, Inbound Tech Inc. (current position)</p> <p>[Reasons for nomination as a candidate for Outside Director]  Mr. Nobuyuki Isagawa is well versed in the areas of finance, corporate value evaluation, value creation management and corporate governance. He also possesses highly specialized expertise as a university professor and broad experience as Chairperson of the Japan Finance Association. Based on his insight, he has been active in speaking at Board of Directors meetings, properly fulfilling his function as an Outside Director of the Company to supervise Executive Directors. We have continued to nominate him as Outside Director to seek his advice for the Group's management going forward.</p>	-
6	 Miki Mitsunari (February 29, 1972)  [Reappointment]  [Outside Director] [Independent Officer]  [Term of office as Director] One year (at the conclusion of this meeting)  [Attendance at the Board of Directors meetings] 10 out of 10 meetings (100%)	<p>April 1994      Joined TOKYU LAND CORPORATION</p> <p>February 2001    Joined Fuji Sogo Research Institute (currently, Mizuho Information &amp; Research Institute, Inc)</p> <p>September 2011   President, FINEV inc. (current position)</p> <p>November 2013   Temporary member, Subcommittee on Environmental Measures for Industry, Committee on Industrial Science and Technology Policy and Environment, Industrial Structure Council, Ministry of Economy, Trade and Industry (current position)</p> <p>February 2015    Chairman, Association of Property Revitalization (current position)</p> <p>March 2020      Director, the Company (current position)</p> <p>June 2020      Director (part-time), Japan Accreditation Board (current position)</p> <p>June 2020      External Director, YAMADA HOLDINGS CO., LTD. (current position)</p> <p>[Reasons for nomination as a candidate for Outside Director]  Ms. Miki Mitsunari has expertise in ESG management of corporations, environmental issues related to real estate, and environmental regulations in Japan and overseas. She provides research and consulting services on environmental business and risk management to companies. We have continued to nominate her as Outside Director of the Company because we have judged that she is well qualified for promoting diversity of the Company's Board of Directors and ESG of the Group.</p>	-

- (Notes) 1. No special conflict of interest exists between the Company and any of the candidates for Directors.  
2. Mr. Nobuyuki Isagawa and Ms. Miki Mitsunari are candidates for Outside Directors. It will be five years since the

appointment of Mr. Nobuyuki Isagawa as an Outside Director of the Company at the conclusion of this Ordinary General Meeting of Shareholders. It will be one year since the appointment of Ms. Miki Mitsunari as an Outside Director of the Company at the conclusion of this Ordinary General Meeting of Shareholders. The Company has designated them as Independent Officers stipulated by the Tokyo Stock Exchange, and registered them with the Exchange.

3. Although Mr. Nobuyuki Isagawa has never been involved in corporate management except as outside director and outside corporate auditor, the Company nominated him as a candidate for Outside Director based on a belief that he would properly execute his role as an Outside Director as he is a specialist in business administration.
4. If the election of Mr. Nobuyuki Isagawa and Ms. Miki Mitsunari is approved, the Company intends to renew agreements with them to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreement is the minimum amount stipulated by laws and regulations.
5. The Company has concluded Directors and Officers Liability Insurance (D&O Insurance) contract that insures each candidate for Director. The insurance premiums are fully borne by the Company. The insurance policy covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability. The Company plans to renew the insurance policy with the same contents if the election of each candidate for Director is approved.



**Proposal 3:** Determination of the Amount and Details of Compensation, etc. in Stock Acquisition Rights as Stock Compensation-type Stock Option for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

The details of the Company's stock compensation-type stock options for Directors were approved at the 42nd Ordinary General Meeting of Shareholders held on March 24, 2012. The amount of compensation, etc. for Directors (excluding Directors serving as Audit and Supervisory Committee Members) was approved to be not more than an annual amount of 450,000 thousand yen (including an annual amount of not more than 20,000 thousand yen for Outside Directors), and stock acquisition rights to be granted as stock compensation-type stock options to Directors (excluding Outside Directors) within an annual amount of 100,000 thousand yen were approved at the 50th Ordinary General Meeting of Shareholders held on March 28, 2020. The details of the stock compensation-type stock options have remained unchanged since then.

Considering that the matters to be resolved at general meetings of shareholders regarding details of stock compensation-type stock options have been clarified as a result of the enforcement of the Act Partially Amending the Companies Act (Act No. 70 of 2019), the Company requests approval of shareholders again for the approved proposal to grant stock acquisition rights as stock compensation-type stock options to Directors (excluding Outside Directors) within an annual amount of 100,000 thousand yen, and to determine the details of the stock acquisition rights to be granted as stock compensation-type stock options, within an annual amount of compensation, etc. for Directors (excluding Directors serving as Audit and Supervisory Committee Members) of 450,000 thousand yen (including an annual amount of not more than 20,000 thousand yen for Outside Directors). The amount payable as consideration for stock acquisition rights to be granted as stock options under this proposal will be determined based on the fair value of the stock acquisition rights at the time of allotment. Payment will be made by offsetting against this amount the compensation rights of Directors (excluding Outside Directors), based on against their compensation, etc. in the form of stock acquisition rights as stock compensation-type stock options under this proposal. If Proposal 2 is approved as proposed, the number of Directors (excluding Outside Directors and Directors serving as Audit and Supervisory Committee Members, who are not eligible for the allotment of stock options under this proposal) will be four (4).

The details of stock options under this proposal supplement the details determined by resolution of the General Meeting of Shareholders held on March 24, 2012, in accordance with the requirements made clear by the Act Partially Amending the Companies Act (Act No. 70 of 2019), and do not substantially change this content.

These numbers and amounts of compensation, etc. will not include Executive Officer compensation for Directors concurrently serving as Executive Officers.

1. Reason why the allotment of stock acquisition rights as stock compensation-type stock options is deemed appropriate

As the Company's policy regarding compensation, etc. for officers, it is proposed to grant stock compensation-type stock options, exercisable only at retirement, with the aim of having Directors share values with shareholders, and increasing their motivation for improved business performance and boosting their morale.

Stock options under this proposal will be stock compensation-type stock options, which allow Directors to receive shares of the Company at the exercise price of one yen per share by exercising their stock acquisition rights. They have been determined in accordance with the rank and roles of each Director. The details are deemed appropriate.

2. Details of stock acquisition rights as stock compensation-type stock options for Directors (excluding Outside Directors)

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

The class of shares subject to stock acquisition rights will be shares of common stock of the Company.

The number of shares to be delivered upon exercise of one stock acquisition right (hereinafter referred to as the "Number of Shares Deliverable") will be 180 shares. If the Number of Shares Deliverable is adjusted, then the maximum total number of shares to be delivered to Directors of the Company will be calculated by multiplying the adjusted Number of Shares Deliverable by the maximum number of stock acquisition rights stated in (2) below.

In the event that the Company splits shares of common stock (including a gratis allotment of shares of common stock; the same applies hereafter regarding share splits) or consolidates shares of common stock on

or after the day on which this proposal is resolved (hereinafter the “Date of Resolution”), the Number of Shares Deliverable will be adjusted in accordance with the following formula. Any resulting fractional shares will be disregarded.

$$\text{Adjusted Number of Shares Deliverable} = \text{Number of Shares Deliverable before adjustment} \times \frac{1}{\text{share split ratio or share consolidation ratio}}$$

Moreover, in the event that adjustment to the Number of Shares Deliverable becomes necessary due to the company executing a corporate merger, company split or other comparable action on or after the Date of Resolution, the Company may adjust the Number of Shares Deliverable as appropriate, within reasonable limits.

The maximum number of shares that Directors can receive through the exercise of stock acquisition rights allotted within the one-year period beginning on the day of the Ordinary General Meeting of Shareholders for each fiscal year will be 63,000 shares. However, this maximum will be adjusted accordingly if the number of shares is adjusted as described above.

(2) Total number of stock acquisition rights

The maximum number of stock acquisition rights to be allotted within the one-year period beginning on the day of the Ordinary General Meeting of Shareholders for each fiscal year will be 350. However, this maximum will be adjusted accordingly if the number of shares is adjusted as described in Item (1) above.

(3) Amount payable for stock acquisition rights

The amount payable for each stock acquisition right will be determined by the Company’s Board of Directors based on the fair value of the stock acquisition right, calculated using a fair calculation method such as the Black-Scholes model.

(4) Value of property to be contributed on the exercise of stock acquisition rights

The value of property to be contributed on the exercise of each stock acquisition right will be calculated by multiplying the Number of Shares Deliverable by the exercise price, which shall be of one yen per share for each share to be delivered through the exercise of the stock acquisition right.

(5) Period during which stock acquisition rights can be exercised

The period during which stock acquisition rights can be exercised will be determined by the Company’s Board of Directors, within a range of 30 years beginning from the day following the allotment of the stock acquisition rights.

(6) Conditions for exercising the stock acquisition rights

- 1) A stock acquisition right cannot be exercised in part
- 2) The holder of stock acquisition rights can exercise the rights within the period during which the stock acquisition rights can be exercised, and no earlier than the day following the day when the said holder ceases to occupy any of the offices of Director, Corporate Auditor or Executive Officer at the Company or subsidiary of the Company where the said holder served on the day when the stock acquisition rights were allotted.
- 3) In the event that the holder of stock acquisition rights abandons the stock acquisition rights, he/she cannot exercise the said stock acquisition rights thereafter.
- 4) Other conditions for exercising the stock acquisition rights will be determined by the Company’s Board of Directors.

(7) Restrictions on the acquisition of stock acquisition rights by transfer

The approval of the Company’s Board of Directors is required for the acquisition of stock acquisition rights by transfer.

(8) Grounds for the acquisition of stock acquisition rights by the Company, and conditions of acquisition

In the event that the Company’s General Meeting of Shareholders (or the Company’s Board of Directors, in cases where a resolution of the General Meeting of Shareholders is not required) approves any of the proposals 1), 2), 3), 4) or 5) below, the Company may acquire stock acquisition rights for no consideration, on a day to be determined separately by the Company’s Board of Directors.

- 1) A proposal to approve a corporate merger agreement where the Company is the absorbed company
- 2) A proposal to approve a corporate demerger agreement or corporate demerger plan where the

Company is the demerged company

- 3) A proposal to approve a share exchange agreement or share transfer plan where the Company becomes a wholly-owned subsidiary
  - 4) A proposal to approve changes to the Company's Articles of Incorporation to establish provisions, applying to all of the Company's shares, requiring the Company's approval for the acquisition of the said shares by transfer
  - 5) A proposal to approve changes to the Company's Articles of Incorporation to establish provisions, applying to the class of shares subject to stock acquisition rights, requiring the Company's approval for the acquisition of the said shares by transfer, or enabling the Company to acquire all of the said shares by resolution of the Company's General Meeting of Shareholders
- (9) Other matters concerning stock acquisition rights
- Other matters concerning stock acquisition rights will be determined by the Company's Board of Directors, which decides on the subscription requirements for stock acquis