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(Securities Code 3244)
February 7, 2020

To Shareholders with Voting Rights:

Yasuhiro Ogawa
Representative Director and President
Samty Co., Ltd.
4-3-24 Nishinakajima, Yodogawa-ku,
Osaka-shi, Osaka, Japan

NOTICE OF THE 38th ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

You are cordially invited to attend the 38th Annual General Meeting of Shareholders of Samty Co., Ltd. (the "Company"). The meeting will be held for the purposes as described below.

We would also like you to exercise your voting rights by methods described on the next page.

- 1. Date and Time:** **Thursday, February 27, 2020 at 10:00 a.m. Japan time**
2. Place: **2F Washington Hotel Plaza Shin Osaka "Les Lumieres"**
5-5-15 Nishinakajima, Yodogawa-ku, Osaka-shi, Osaka, Japan
(Please refer to the map at the end.)

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements for the Company's 38th Fiscal Year (December 1, 2018 - November 30, 2019)
 2. Results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements for the Company's 38th Fiscal Year

Proposals to be resolved:

- Proposal 1:** **Appropriation of Surplus**
Proposal 2: **Partial Amendment to the Articles of Incorporation**
Proposal 3: **Election of 2 Directors**
Proposal 4: **Election of 2 Corporate Auditors**
Proposal 5: **Election of Accounting Auditor**
Proposal 6: **Revision of the Amount of Compensation for Directors relating to the Restricted Stock Compensation Plan and the Share Price-linked Point-based Monetary Compensation Plan**

Procedures for Exercise of Voting Rights

- **Attending the meeting**

When attending the meeting, **please submit** the enclosed Voting Rights Exercise Form **at the reception**. For the purpose of conserving resources, **please bring this Notice with you** to the meeting.

Date and time: Thursday, February 27, 2020 at 10:00 a.m. Japan time (venue opens at 9:00 a.m.)

- **Not attending the meeting**

- **Exercise of voting rights by mail (in writing)**

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and **return it by mail. The completed form must reach us no later than the following voting deadline.**

Voting deadline: Wednesday, February 26, 2020 at 5:50 p.m. Japan time

- **Exercise of voting rights online**

Please access the designated voting rights exercise website and **indicate your vote for or against the proposals by no later than the following voting deadline.**

Voting deadline: Wednesday, February 26, 2020 at 5:50 p.m. Japan time

Please see page 4 for details.

Treatment of Voting Rights That Are Exercised Multiple Times

- (1) If you have exercised your voting rights both in writing and online, only the vote exercised online will be valid.
- (2) If you have exercised your voting rights more than once online, the last vote will be valid. The same applies to a case where you have exercised your voting rights more than once using a PC, a smartphone and a cell phone.

- Of the documents to be provided in this Notice, “Systems to Ensure the Appropriateness of Operations,” “Notes to Consolidated Financial Statements” and “Notes to Non-consolidated Financial Statements” of the Business Report are posted on the Company’s website (<https://www.samty.co.jp/ir/stock/meeting.html>) in accordance with provisions of laws and regulations and the Articles of Incorporation, and therefore are not provided in this Notice. As such, the Appendix of this Notice is part of the statements that were audited by the Corporate Auditors and the Accounting Auditor when preparing the Audit Report.

- Should the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements, and the Reference Documents for the General Meeting of Shareholders require revisions, they will be posted on the Company’s website (<https://www.samty.co.jp/ir/stock/meeting.html>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company considers the return of profits to shareholders as a key management priority. The Company's basic policy for the dividend payout is to reflect its business performance while comprehensively taking into consideration aspects such as its future business plans and financial positions. In light of such factors as the further development and expansion of its business in the future, as well as the building of a stronger financial structure, and by increasing internal reserves for the future, the Company will make a return of profits that reflects actual business results.

With regard to the year-end dividend for the fiscal year ended November 30, 2019 in view of profit returns commensurate with the strong business performance during the fiscal year, the Company will pay an increased dividend.

Allotment of dividend property to the shareholders and the total amount thereof:

44 yen per common share of the Company

(Reference)

The annual dividend for the current fiscal year, including the interim dividend, will be ¥79 per share. (an increase of 11 yen per share compared to the previous fiscal year)

Total amount of dividend: 1,801,561,564 yen

Date when dividends of surplus become effective:

February 28, 2020

Proposal 2: Partial Amendment to the Articles of Incorporation

1. Reasons for the amendment

The Company will increase the maximum number of Directors as stipulated in Article 18 (Number of Directors) of the current Articles of Incorporation by 2 from 8 to 10 in order to enhance the effectiveness of the Board of Directors and further strengthen the management structure and the corporate governance through decision-making process fostered by more active discussions.

2. Description of the amendment

Description of the amendment is as follows:

(Amended part is underlined.)

Current	Proposed amendment
(Number of Directors) Article 18. The Company shall have not more than <u>eight (8)</u> Directors	(Number of Directors) Article 18. The Company shall have not more than <u>ten (10)</u> Directors.

Proposal 3: Election of 2 Directors

The Company will increase the number of Directors by 2 in order to strengthen its management structure and corporate governance, conditional upon the approval of Proposal 2 regarding the maximum number of Directors. Accordingly, the election of 2 Directors is proposed. Their term of office will be the remaining term of office of the other incumbent Directors pursuant to the Company's Articles of Incorporation.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Takaharu Terauchi (December 4, 1962) [New appointment]	<p>April 1986 Joined Daikyo Kanko Incorporated (currently DAIKYO INCORPORATED)</p> <p>March 2001 Joined ES-CON JAPAN Ltd.</p> <p>March 2007 Executive Officer of ES-CON JAPAN Ltd.</p> <p>March 2008 Director of ES-CON JAPAN Ltd.</p> <p>April 2013 Joined the Company; Deputy General Manager, Tokyo Branch Office</p> <p>April 2017 General Manager, Fukuoka Branch Office, Branch Office Management Division</p> <p>February 2019 Executive Officer; Vice President of Samty Asset Management Co., Ltd.</p> <p>October 2019 Executive Officer; General Manager, Group Sales Promotion Department (to present)</p>	2,000
<p>[Reason for nomination as candidate for Director]</p> <p>Having worked for a real estate company and engaged in businesses of the overall sales and marketing division serving as head of a branch office, vice president of a subsidiary and head of the sales promotion division the Group, Mr. Takaharu Terauchi has extensive experience and expertise in the overall real estate business. He assumed the position of Executive Officer of the Company in February 2019 and has since properly fulfilled his duties. The Company nominated him as a candidate for Director because we believe that he is capable of continuing to contribute to the management of the Company by leveraging his extensive experience and track record.</p>			
2	Kotaro Yoshida (June 3, 1968) [New appointment] [External]	<p>April 1992 Joined Daiwa Securities Co. Ltd. (currently Daiwa Securities Group Inc.)</p> <p>October 2012 Managing Director, Daiwa Direct Planning Department, Daiwa Securities Co. Ltd.</p> <p>October 2016 Managing Director, Product Solution Planning Department of Daiwa Securities Co. Ltd.</p> <p>April 2019 Managing Director, Corporate Planning Department of Daiwa Securities Group Inc. and Daiwa Securities Co. Ltd. (to present)</p> <p>April 2019 Senior Managing Director of Daiwa Corporate Investment Co., Ltd. (to present)</p> <p>April 2019 Senior Managing Director of Daiwa PI Partners Co. Ltd. (to present)</p> <p>April 2019 Senior Managing Director of Daiwa Fund Consulting Co. Ltd. (to present)</p> <p>June 2019 External Director of MONEY PARTNERS GROUP CO., LTD. (to present)</p> <p>September 2019 Corporate Auditor of Global X Japan Co. Ltd. (to present)</p> <p>[Significant concurrent position]</p> <p>Managing Director, Corporate Planning Department of Daiwa Securities Group Inc.;</p> <p>Managing Director, Corporate Planning Department of Daiwa Securities Co. Ltd.;</p> <p>Senior Managing Director of Daiwa Corporate Investment Co., Ltd.;</p> <p>Senior Managing Director of Daiwa PI Partners Co. Ltd.;</p> <p>Senior Managing Director of Daiwa Fund Consulting Co. Ltd.;</p> <p>External Director of MONEY PARTNERS GROUP CO., LTD.; and</p> <p>Corporate Auditor of Global X Japan Co. Ltd.</p>	0
<p>[Reason for nomination as candidate for External Director]</p> <p>Mr. Kotaro Yoshida has extensive experience and expert knowledge about financial instruments transactions obtained from working as head of the corporate planning division at a securities company, as well as experience in management at other companies. The Company nominated him as a candidate for External Director because we believe that he is capable of contributing to strengthening the management and corporate governance of the Company by leveraging his extensive experience and track record.</p>			

(Notes)

1. There are no special interests between the candidates for Director and the Company. Mr. Kotaro Yoshida is an employee of Daiwa Securities Group Inc., which is a major shareholder of the Company and an “other affiliated company”, with which the Company has entered into a capital and business alliance agreement.
2. Mr. Kotaro Yoshida is a candidate for External Director.
3. Upon the approval of the election of Mr. Kotaro Yoshida, the Company intends to enter into an agreement with Mr. Kotaro Yoshida in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act to limit his liability pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations.

Proposal 4: Election of 2 Corporate Auditors

At the conclusion of this Annual General Meeting of Shareholders, the term of office of Corporate Auditors Mitsusuke Koi and Toshihiro Sawa will expire. Accordingly, the election of 2 Corporate Auditors is proposed.

This proposal was approved by the Board of Corporate Auditors in advance.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions		Number of shares of the Company held
1	Mitsusuke Koi (September 6, 1950)	April 1974	Joined Kinki Sogo Bank, Ltd. (currently Kansai Mirai Bank, Limited)	2,200
	[Reappointment] [External] [Independent]	December 2002	General Manager, Internal Audit Department of The Kinki Osaka Bank, Ltd. (currently Kansai Mirai Bank, Limited)	
	[Period of service as External Corporate Auditor] 8 years (at the conclusion of this Annual General Meeting of Shareholders)	June 2003	Executive Officer; in charge of Internal Audit Department of The Kinki Osaka Bank, Ltd.	
		June 2004	Full-time Corporate Auditor of The Kinki Osaka Bank, Ltd.	
		June 2005	Managing Director of Resona Card Co.,Ltd.	
		February 2012	Corporate Auditor of the Company	
		February 2014	Full-time Corporate Auditor of the Company (to present)	
[Reason for nomination as candidate for External Corporate Auditor] Mr. Mitsusuke Koi has extensive experience and expertise obtained from working as head of the internal audit division and corporate auditor at a financial institution, as well as experience in management as managing director at a company. He assumed the position of External Corporate Auditor of the Company in February 2012 and has properly fulfilled his duties as Full-time Corporate Auditor from an independent and neutral perspective since February 2014. The Company nominated him as a candidate for External Corporate Auditor because we believe that he is capable of continuing to contribute to strengthening the audit system of the Company by leveraging his extensive experience and track record.				
2	Toshihiro Sawa (November 25, 1953)	April 1976	Joined The Sanwa Bank, Ltd. (currently MUFG Bank, Ltd.)	0
	[Reappointment] [External] [Independent]	January 1996	General Manager, Fussa Branch, The Sanwa Bank, Ltd.	
	[Period of service as External Corporate Auditor] 1 year (at the conclusion of this Annual General Meeting of Shareholders)	April 2000	General Manager, Sannomiya Branch, The Sanwa Bank, Ltd.	
		November 2003	Representative Director, UFJ Business Service Osaka Co., Ltd.	
		April 2007	Joined SAGAWA PRINTING CO., LTD.; General Manager, Human Resources and Corporate Management Division	
		April 2014	Director, SAGAWA PRINTING CO., LTD.	
		April 2017	Advisor, SAGAWA PRINTING CO., LTD. (to present)	
		February 2019	Corporate Auditor of the Company (to present)	
[Reason for nomination as candidate for External Corporate Auditor] Mr. Toshihiro Sawa has many years of experience in financial institutions, and experience in management serving as representative director and director at different companies. He assumed the position of External Corporate Auditor of the Company in February 2019 and has since properly fulfilled his duties from an independent and neutral perspective. The Company nominated him as a candidate for External Corporate Auditor because we believe that he is capable of contributing to strengthening the audit system of the Company by leveraging his extensive experience and track record.				

(Notes)

1. There are no special interests between the candidates for Corporate Auditor and the Company.
2. Messrs. Mitsusuke Koi and Toshihiro Sawa are candidates for External Corporate Auditors.
3. Messrs. Mitsusuke Koi and Toshihiro Sawa meet the independence standards for external officers of the Company (described on page 9), and the Company has submitted a notification of their appointment as Independent Corporate

Auditors to the Tokyo Stock Exchange. Upon the approval of their reelection, the Company intends to reappoint them as Independent Corporate Auditors.

4. Mr. Mitsusuke Koi is concurrently serving as Corporate Auditor of a subsidiary of the Company.
5. The Company has entered into agreements with Messrs. Mitsusuke Koi and Toshihiro Sawa in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act to limit their liability pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreements is the amount stipulated by laws and regulations. Upon the approval of their reelection, the Company intends to renew said agreements.

(Reference) Independence Standards for External Officers

If an external officer (External Director and External Corporate Auditor) meets the following standards, it is determined that said external officer is independent and has no risk of conflict of interest with general shareholders.

1. The external officer is not presently or has not been in the past an executive, etc. (Note 1) of the Samty Group (Note 2).
 - Note 1: An “executive, etc.” means a Director (excluding External Director), a Corporate Auditor (excluding External Corporate Auditor), an Executive Officer, an Accounting Advisor, and an officer or an employee who holds a similar management position.
 - Note 2: The “Samty Group” means the Company and its subsidiaries and affiliates.
2. The external officer is not presently or has not been in the past five years:
 - (1) A major shareholder (Note 3) of the Company or an executive, etc. thereof; or
 - (2) An executive, etc. of a company whose major shareholder (Note 3) is the Samty Group.
 - Note 3: A “major shareholder” means a shareholder who holds 10% or more of the voting rights of a company.
3. The external officer is not presently or has not been in the past five years a major business partner (Note 4) of the Samty Group or an executive, etc. thereof.
 - Note 4: A “major business partner” means a business partner whose transactions with the Samty Group total 2% or more of consolidated net sales of either of the two parties.
4. The external officer is not presently or has not been in the past five years:
 - (1) A recipient of compensation of 10 million yen or more per year from the Samty Group as consultant, or an accounting or legal professional (if the recipient is a legal entity or an association, an individual that belongs to such a legal entity or association), besides compensation as Director or Corporate Auditor; or
 - (2) An executive, a partner or an employee of the Accounting Auditor of the Samty Group.
5. The external officer is not presently or has not been in the past five years a recipient of donation of 10 million yen or more per year from the Samty Group (if the recipient is a legal entity or an association, an individual that belongs to such a legal entity or association).
6. The external officer is not presently or has not been in the past five years an executive, etc. of a company, between which and officers of the Samty Group are mutually appointed.
7. The external officer is not a relative within two degrees of kinship of an individual falling under any of 1 through 6 above (excluding those who are insignificant).
8. The external officer is not an individual who is involved in a matter that may give rise to a significant conflict of interest in executing duties or who has interests that potentially influence decision making.

Proposal 5: Election of Accounting Auditor

The term of office of the Accounting Auditor of the Company, Hibiki Audit Corporation, will expire and it will retire from the position of Accounting Auditor at the conclusion of this Annual General Meeting of Shareholders. Accordingly, based on the resolution of the Board of Corporate Auditors, the election of a new Accounting Auditor is proposed.

Upon comprehensively evaluating its independence, expertise, implementation status of audits, quality management structure and audit fees, etc., Ernst & Young ShinNihon LLC has been selected as a candidate for Accounting Auditor by the Board of Corporate Auditors, because the Company believes that it is adequate to serve as Accounting Auditor and conduct audits responding to changes in the business environment and business strategies of the Group on the grounds of its extensive experience in the audit of listed real estate companies.

The candidate is as follows:

(As of September 30, 2019)

Name	Ernst & Young ShinNihon LLC		
Main Office	1-1-2 Yuraku-cho, Chiyoda-ku, Tokyo		
Corporate History	April 2000	Established Century Ota Showa & Co.	
	July 2001	Changed name to Shin Nihon & Co.	
	July 2008	Changed name to Ernst & Young ShinNihon LLC	
	July 2018	Renamed (Japanese name only)	
Corporate Profile	Capital		¥1,019 million
	Members	Certified Public Accountants	3,107 persons
		Successful CPA exam candidates, etc.	912 persons
		Other staff	1,374 persons
		Total	5,393 persons
Number of audit clients		3,839 companies	

Proposal 6: Revision of the Amount of Compensation for Directors relating to the Restricted Stock Compensation Plan and the Share Price-linked Point-based Monetary Compensation Plan

The amount of compensation, etc. for the Directors of the Company was set and approved in the 37th Annual General Meeting of Shareholders held on February 27, 2019 at not more than 700 million yen per year (including not more than 30 million yen per year for External Directors). Separately from this amount, approval was obtained as follows for the compensation amount, etc. for Directors of the Company excluding External Directors (hereinafter referred to as “Eligible Director(s)”) relating to the restricted stock compensation plan (a compensation plan in which shares are granted with the condition that transfer restriction of such shares shall be canceled at the time of retirement; hereinafter referred to as “Plan A”) and a point-based monetary compensation plan linked to the share price at the time the transfer restriction of restricted stock is canceled through Plan A (hereinafter referred to as “Plan B”). Also, in Plan B, the amount equivalent to what would be paid in taxes when the transfer restriction on the restricted stock, granted in accordance with Plan A, is canceled would be granted as monetary compensation. This aims to encourage the Directors to continue holding the stocks in the long-term even after their retirement.

(1) Total amount of monetary compensation paid for granting restricted stock to the Eligible Directors in accordance with Plan A

Not more than 100 million yen per year

(Total number of the Company’s common shares to be issued or disposed of: not more than 100,000 shares per year)

(2) Amount of compensation in accordance with Plan B

Amount calculated based on the calculation formula stated in 2 “Revision of Compensation for Directors relating to Plan B” below by using the points granted with the upper limit of 100,000 points (1 point = 1 share) per year

With the objectives of flexibly offering more incentives to the Eligible Directors to achieve sustained improvement of the corporate value of the Company and of sharing more of common interests with our shareholders, the Company requests approval for the revision of the compensation, etc. for Directors granted by Plans A and B as stated below.

For both of the Plans, the Company requests that determination of the specific allocation of compensation to Eligible Directors be delegated to the Board of Directors as previously requested.

Currently, the number of Eligible Directors is 6, and if Proposal 3 is approved as proposed, the number of Eligible Directors will be 7.

1. Revision of Compensation for Directors relating to Plan A

The total amount of monetary compensation claim to be granted by Plan A shall be not more than 300 million yen per year, an amount considered reasonable in light of the objective above. The total number of the Company’s common shares to be issued or disposed of shall be not more than 300,000 shares per year (however, in the event that the Company conducts a stock split of its common shares (including the gratis allotment of the common shares of the Company), a reverse stock split or any similar event requiring the adjustment of the total number of common shares to be issued or disposed of as restricted stock after this proposal is approved, the said total number of shares shall be adjusted to a reasonable extent).

The summary of Plan A is as follows (there are no changes other than the above).

Based on the resolution of the Board of Directors of the Company, the Company shall provide the entire amount of monetary compensation receivables arising from this proposal as contributions in kind, and the Eligible Directors shall receive the Company’s common shares that have been issued or disposed of. The amount payable per share shall be determined by the Board of Directors within a range that is not specially advantageous to the Eligible Directors, based on the closing price of the Company’s shares on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution of the Board of Directors (if no trading is reported on that day, the closing price of the Company’s shares on the most recent trading day preceding that day). Furthermore, the issuance or disposal of the Company’s common shares shall be conditional upon the conclusion of a Restricted Stock Allotment Agreement (hereinafter referred to as the “Allotment Agreement”) between the Company and the Eligible Director, containing the outline and the following contents.

- (1) An Eligible Director who receives allotment of the Company’s common shares (hereinafter referred to as the “Allotted Shares”) in accordance with the Allotment Agreement must not transfer to a third party, attach a security interest on or in any other way dispose of the Allotted Shares (hereinafter referred to as “Transfer Restriction”) during the period from the grant date of the said Allotted Shares to the date on which the said Eligible Director resigns or retires from the position of Director of the Company or

other positions determined by the Company's Board of Directors (hereinafter referred to as the "Transfer Restriction Period").

- (2) In the event that an Eligible Director resigns or retires from the position set forth in paragraph (1) above prior to the expiry of the period determined by the Board of Directors (hereinafter referred to as the "Period of Service"), the Company shall, as a matter of course, acquire the Allotted Shares without consideration, provided, however, that this shall not apply if there are grounds deemed justifiable by the Board of Directors of the Company.
- (3) Notwithstanding the provision of paragraph (1) above, the Company shall, conditional upon the Eligible Director remaining in the position set forth in paragraph (1) above during the Period of Service, cancel the Transfer Restriction of all Allotted Shares at the time of expiry of the Transfer Restriction Period. However, in the event that the Eligible Director resigns or retires from the position set forth in paragraph (1) above prior to the expiry of the Period of Service, for grounds deemed justifiable by the Board of Directors of the Company in paragraph (2) above, the Company shall adjust the number of the Allotted Shares for which the Transfer Restriction is to be canceled, as well as the timing of cancellation of the Transfer Restriction, as necessary, in a reasonable manner.
- (4) The Company shall, as a matter of course, acquire without consideration any Allotted Shares for which Transfer Restriction had not been canceled based on the provisions of paragraph (3) above at the expiry of the Transfer Restriction Period.
- (5) Notwithstanding the provision of paragraph (1) above, in the event that, during the Transfer Restriction Period, a proposal regarding a merger agreement in which the Company becomes a non-surviving company, a share exchange agreement or a share transfer plan in which the Company becomes a wholly-owned subsidiary, or any other proposal that involves organizational restructuring, etc. is approved in a General Meeting of Shareholders of the Company (at a meeting of the Board of Directors of the Company, in cases where approval by the General Meeting of Shareholders of the Company is not required for such organizational restructuring, etc.), the Company shall, by resolution of the Board of Directors of the Company, cancel the Transfer Restriction of the Allotted Shares prior to the effective date of such organizational restructuring, etc. The number of such Allotted Shares for which Transfer Restriction is to be canceled shall be determined in a reasonable manner based on the period from the commencement of the Period of Service to the date of approval of such organizational restructuring, etc.
- (6) In cases set forth in paragraph (5) above, the Company shall, as a matter of course, acquire without consideration any Allotted Shares remaining for which Transfer Restriction is not canceled, at the time immediately after Transfer Restriction has been canceled, in accordance with the provision of paragraph (5) above.
- (7) The Allotment Agreement shall include the methods of indicating intention and notification under the Allotment Agreement, the procedures for revising the Allotment Agreement and other matters to be determined by the Board of Directors.

2. Revision of Compensation for Directors relating to Plan B

In conjunction with the revision of compensation amount relating to Plan A stated in 1 above, the Company proposes to change the upper limit of points granted to Eligible Directors each year in Plan B to 300,000 points (1 point = 1 share).

The summary of Plan B is as follows (there are no changes other than the above).

- (1) Eligible Directors, by the resolution of the Board of Directors of the Company, shall be granted points every year calculated based on the following calculation formula with the upper limit of 300,000 points (1 point = 1 share) per year (hereinafter referred to as the "Points").

Number of points to be granted per year = Number of restricted stock granted in that year × 50%

- (2) The Points shall continue to be granted and accumulated during the Eligible Director's term of office, and Eligible Director's accumulated points shall be finalized at the time the Eligible Director resigns or retires from the position determined by the Board of Directors of the Company or when the Transfer Restriction is otherwise canceled.
- (3) An Eligible Director shall receive monetary payment at the time the Eligible Director resigns or retires from the position stated in paragraph (2) above or when the Transfer Restriction is otherwise canceled, in the amount calculated based on the following calculation formula as the upper limit, by multiplying the accumulated points held by the said Eligible Director in paragraph (2) above (however, in the event that the Transfer Restriction on all or a part of the restricted stock which has been granted to the said Eligible Director in accordance with Plan A has not been canceled, the number of shares for which the

Transfer Restriction was not canceled shall be deducted from the number of accumulated points; hereinafter the same shall apply) by the closing price of the Company's shares on the Tokyo Stock Exchange on the date on which the said Eligible Director resigns or retires from the position stated in paragraph (2) above or when the Transfer Restriction is otherwise canceled (if no trading is reported on that day, the closing price of the Company's shares on the most recent trading day preceding that day; hereinafter, the same shall apply).

Amount of monetary compensation payment = Number of accumulated points in (2) above × Closing price of the Company's shares on the date the Transfer Restriction is canceled

- (4) In the event that the Company conducts a stock split of its common shares (including the gratis allotment of the common shares of the Company), a reverse stock split or any similar event requiring the adjustment of the upper limit and the total number of the Points, after this proposal is approved, the said upper limit and the total number of the Points shall be adjusted to a reasonable extent.
- (5) Other specifics of Plan B shall be determined by internal rules set forth by the Board of Directors.