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(Securities Code 3244)  
February 8, 2021

**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 39th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

You are cordially notified of the 39th Annual General Meeting of Shareholders of Samty Co., Ltd. (the "Company"). The meeting will be held for the purposes as described below.

Currently, in order to contain the spread of the new coronavirus infection as soon as possible, we are required to continue to thoroughly avoid the risk of spreading the infection. As a result of careful consideration under these circumstances, we have decided to hold this general meeting while taking appropriate measures to prevent infection.

**In view of these circumstances and in order to prevent the spread of the infection, shareholders are requested to refrain from visiting the venue on the day of the general meeting wherever possible and exercise their voting rights in advance in writing or online as directed in the Procedures for Exercise of Voting Rights presented on the next page after perusing the Reference Documents for the General Meeting of Shareholders provided thereafter in this document.**

- 1. Date and Time:** Thursday, February 25, 2021 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

The number of seats available will be significantly smaller than the usual year to keep distance between seats.

You will be allowed to enter the venue on a first-come, first-served basis. When there is no seat left, you may not be allowed to enter the venue. We would appreciate your understanding.

**3. Meeting Agenda:**

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements for the Company's 39th Fiscal Year (December 1, 2019 - November 30, 2020)
  2. Results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements for the Company's 39th Fiscal Year

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Partial Amendment to the Articles of Incorporation  
**Proposal 3:** Election of 11 Directors

## Procedures for Exercise of Voting Rights

- **Attending the meeting (Please carefully consider your attendance.)**

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 25, 2021 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 24, 2021 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 24, 2021 at 5:50 p.m. Japan time

### **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.

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- 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 Audit & Supervisory Board Members 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, 2020 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 ¥82 per share. (an increase of 3 yen per share compared to the previous fiscal year)

Total amount of dividend: 1,776,796,032 yen

#### **Date when dividends of surplus become effective:**

February 26, 2021

**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 1 from 10 to 11 in order to further strengthen the management structure and the corporate governance.

**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>ten (10)</u> Directors.	(Number of Directors) Article 18. The Company shall have not more than <u>eleven (11)</u> Directors.

**Proposal 3:** Election of 11 Directors

The terms of office of all 10 Directors will expire at the conclusion of this Annual General Meeting of Shareholders. The Company will increase the number of External Directors by 1 in order to further strengthen its corporate governance, conditional upon the approval of Proposal 2 regarding the maximum number of Directors. Accordingly, the election of 11 Directors is proposed.

The candidates are as follows:

No.	Name	Current positions and responsibilities at the Company	Attendance at Board of Directors meetings
1	Shigeru Moriyama [Reappointment]	Representative Director and Chairman	100% (14/14)
2	Kazushi Eguchi [Reappointment]	Director and Vice Chairman	100% (14/14)
3	Yasuhiro Ogawa [Reappointment]	Representative Director and President	100% (14/14)
4	Hiroaki Matsui [Reappointment]	Managing Director; In charge of Business Administration Division	100% (14/14)
5	Naohiro Morita [Reappointment]	Managing Director; In charge of Sapporo Branch Office, Nagoya Branch Office, Fukuoka Branch Office, and Architectural Design Department	100% (14/14)
6	Jiro Okawa [Reappointment]	Director; In charge of Osaka Head Office Sales Department and Hiroshima Branch Office; General Manager, Osaka Head Office Sales Department and Osaka Real Estate Business Department	100% (14/14)
7	Takaharu Terauchi [Reappointment]	Director; In charge of Tokyo Branch Office; General Manager, Group Sales Promotion Department	100% (11/11)*
8	Shoichi Sanpei [Reappointment] [External] [Independent]	Director	100% (14/14)
9	Tetsuo Kodera [Reappointment] [External] [Independent]	Director	93% (13/14)
10	Kotaro Yoshida [Reappointment] [External]	Director	100% (11/11)*
11	Naotaka Murata [New appointment] [External]	-	-

[External]: Candidate for an External Director, [Independent]: Independent Director

\*Based on the number of Board of Directors meetings held in the current fiscal year after the assumption of office of Director on February 27, 2020.

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
1	Shigeru Moriyama (February 8, 1950)  [Reappointment]  Attendance at Board of Directors meetings 100% (14/14)	April 1973 December 1982 March 1996 February 2012	Joined Chisan Co., Ltd. Established the Company; Director Representative Director and President Representative Director and Chairman (to present)	3,006,072
	<p>[Reason for nomination as candidate for Director] Having worked for a real estate company, Mr. Shigeru Moriyama has served as Director of the Company since its establishment in December 1982, and he has extensive experience and expertise in the corporate management and overall real estate business. He assumed the position of Representative Director and President of the Company in March 1996, and has served as Representative Director and Chairman since February 2012, making efforts to strengthen the management structure from a broader perspective. 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	Kazushi Eguchi (November 23, 1955)  [Reappointment]  Attendance at Board of Directors meetings 100% (14/14)	April 1979 April 1984 January 1999 January 2004 February 2012 February 2019	Joined Chisan Co., Ltd. Joined the Company General Manager, Sales and Marketing Department Managing Director Representative Director and President Director and Vice Chairman (to present)	803,324
	<p>[Reason for nomination as candidate for Director] Having worked for a real estate company and long led the Company as head of the sales and marketing division, Mr. Kazushi Eguchi has extensive experience and expertise in the corporate management and the overall real estate business. He assumed the positions of Managing Director of the Company in January 2004 and Representative Director and President in February 2012, and has served as Director and Vice Chairman since February 2019, making efforts to strengthen the management structure from a broader perspective. 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>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
3	Yasuhiro Ogawa (April 27, 1967)  [Reappointment]  Attendance at Board of Directors meetings 100% (14/14)	April 1993	Joined The Tokai Bank, Ltd. (currently MUFG Bank, Ltd.)	178,550
		April 2001	Joined the Company	
		January 2005	General Manager, Corporate Planning Office	
		February 2007	Director	
		February 2012	Managing Director	
		December 2014	In charge of Corporate Planning Department and Branch Office Management Division; General Manager, Branch Office Management Division	
		February 2019	Representative Director and President (to present)	
	[Reason for nomination as candidate for Director] Having worked for a city bank and long served as head of the corporate planning division, and also engaged in the wide-ranging businesses of the overall administration division and the sales and marketing division at the Company, Mr. Yasuhiro Ogawa has extensive experience and expertise in the overall real estate business. He assumed the positions of Director of the Company in February 2007 and Managing Director in February 2012, and has properly fulfilled his duties as Representative Director and President since February 2019. 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.			
4	Hiroaki Matsui (January 13, 1960)  [Reappointment]  Attendance at Board of Directors meetings 100% (14/14)	April 1982	Joined Fukutoku Sogo Bank, Limited	62,500
		November 1999	Joined Sanyo Electric Credit Co., Ltd.	
		April 2007	Executive Officer; Deputy General Manager, Finance Business Division of Sanyo Electric Credit Co., Ltd.	
		March 2009	Joined the Company; General Manager, Finance Department	
		February 2010	Director	
		August 2014	In charge of Business Administration Division; General Manager, Business Administration Division and Finance Department	
		February 2019	Managing Director (to present) In charge of Business Administration Division (to present)	
	[Reason for nomination as candidate for Director] Having worked for financial institutions and long served as head of the finance division, and also engaged in businesses of the overall administration division at the Company, Mr. Hiroaki Matsui has extensive experience and expertise in the overall real estate business. He assumed the position of Director of the Company in February 2010, and has properly fulfilled his duties as Managing Director since February 2019. 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.			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	Naohiro Morita (April 1, 1959)  [Reappointment]  Attendance at Board of Directors meetings 100% (14/14)	<p>April 1982      Joined Morita Kensetsu Co., Ltd.</p> <p>April 2004      Joined the Company</p> <p>December 2010    General Manager, Tokyo Branch Office</p> <p>April 2016      Executive Officer</p> <p>April 2017      Deputy General Manager, Branch Office Management Division; General Manager, Tokyo Branch Office</p> <p>February 2018    Director</p> <p>February 2019    Managing Director (to present) In charge of Branch Office Management Division and Architectural Design Department; General Manager, Branch Office Management Division</p> <p>December 2020    In charge of Sapporo Branch Office, Nagoya Branch Office, Fukuoka Branch Office, and Architectural Design Department (to present) Representative Director and President of SAMTY VIETNAM CO., LTD. (to present) Representative Director of S-VIN VIETNAM REAL ESTATE TRADING JOINT STOCK COMPANY (to present)</p> <p>[Significant concurrent positions] Representative Director and President of SAMTY VIETNAM CO., LTD. Representative Director of S-VIN VIETNAM REAL ESTATE TRADING JOINT STOCK COMPANY</p>	37,154
<p>[Reason for nomination as candidate for Director] Having worked for a construction company and engaged in the real estate development division, as well as businesses of the overall sales and marketing division serving as head of a branch office at the Company, Mr. Naohiro Morita has extensive experience and expertise in the overall real estate business. He assumed the positions of Executive Officer of the Company in April 2016 and Director in February 2018, and has properly fulfilled his duties as Managing Director since February 2019. 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>			
6	Jiro Okawa (July 10, 1959)  [Reappointment]  Attendance at Board of Directors meetings 100% (14/14)	<p>April 1983      Joined Toyo Real Estate Co., Ltd.</p> <p>July 2001      Joined Kennedy-Wilson Japan Co., Ltd. (currently Kenedix, Inc.)</p> <p>January 2004      Seconded to KW Pension Fund Advisors, Inc. (currently Kenedix Real Estate Fund Management, Inc.)</p> <p>October 2008    Director of KW Pension Fund Advisors, Inc.</p> <p>August 2014    Joined the Company; General Manager, Real Estate Business Department</p> <p>April 2016      Executive Officer</p> <p>February 2018    General Manager, Real Estate Division Director of Hikone SC Ltd. (to present)</p> <p>February 2019    Director of the Company (to present) In charge of Osaka Head Office Sales Department; General Manager, Osaka Head Office Sales Department and Osaka Real Estate Business Department</p> <p>December 2020    In charge of Osaka Head Office and Hiroshima Branch Office; General Manager, Osaka Head Office and Osaka Real Estate Business Department (to present)</p> <p>[Significant concurrent position] Director of Hikone SC Ltd.</p>	10,800
<p>[Reason for nomination as candidate for Director] Having worked for a real estate company and engaged in businesses of overall real estate transactions and development as head of the real estate division at the Company, Mr. Jiro Okawa has extensive experience and expertise in the overall real estate business. He assumed the positions of Executive Officer of the Company in April 2016 and Director 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>			



No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
7	Takaharu Terauchi (December 4, 1962)  [Reappointment]  Attendance at Board of Directors meetings 100% (11/11)	April 1986 March 2001 March 2007 March 2008 April 2013 April 2017 February 2019 October 2019 February 2020 December 2020 [Significant concurrent position]	<p>Joined Daikyo Kanko Incorporated (currently DAIKYO INCORPORATED)</p> <p>Joined ES-CON JAPAN Ltd.</p> <p>Executive Officer of ES-CON JAPAN Ltd.</p> <p>Director, ES-CON JAPAN Ltd.</p> <p>Joined the Company; Deputy General Manager, Tokyo Branch Office</p> <p>General Manager, Fukuoka Branch Office, Branch Office Management Division</p> <p>Executive Officer</p> <p>Vice President of Samty Asset Management Co., Ltd.</p> <p>General Manager, Group Sales Promotion Department of the Company</p> <p>Director (to present)</p> <p>Representative Director and President of SAMTY Hotel Management Co., Ltd. (to present)</p> <p>In charge of Tokyo Branch Office; General Manager, Group Sales Promotion Department of the Company (to present)</p> <p>Representative Director and President of SAMTY Hotel Management Co., Ltd.</p>	9,800
<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, head of the group sales promotion division, and representative director of a subsidiary, Mr. Takaharu Terauchi has extensive experience and expertise in the overall real estate business and hotel management in general. He assumed the positions of Executive Officer of the Company in February 2019 and Director in February 2020, 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>				
8	Shoichi Sanpei (February 15, 1970)  [Reappointment] [External] [Independent]  Attendance at Board of Directors meetings 100% (14/14)  [Period of service as External Director] 6 years (at the conclusion of this Annual General Meeting of Shareholders)	April 1992 October 1996 January 2002 October 2003 June 2005 July 2005 July 2007 July 2009 February 2015 [Significant concurrent position]	<p>Joined Mitsubishi Electric Micro-Computer Application Software Co., Ltd.</p> <p>Joined Tohmatsu &amp; Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>Joined Kobayashi Office, Co., Ltd.</p> <p>Established Sanpei Certified Public Accountant Office; President (to present)</p> <p>External Corporate Auditor of SUN CAPITAL MANAGEMENT CORP.</p> <p>Joined SYVEC Co., Ltd.</p> <p>Representative Director of SYVEC Co., Ltd.</p> <p>Established Akebono Audit Corporation; Representative Partner (to present)</p> <p>Director of the Company (to present)</p> <p>Representative Partner of Akebono Audit Corporation</p>	1,000
<p>[Reason for nomination as candidate for External Director]</p> <p>Mr. Shoichi Sanpei has extensive experience and expert knowledge about finance and accounting obtained from long years of working as certified public accountant, as well as experience in management at other companies. He assumed the position of External Director of the Company in February 2015 and has since properly fulfilled his duties from an independent and neutral perspective. The Company nominated him as a candidate for External Director because we believe that he is capable of continuing to contribute to strengthening the corporate governance of the Company by leveraging his extensive experience and track record.</p>				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
9	<p>Tetsuo Kodera (March 21, 1953)</p> <p>[Reappointment] [External] [Independent]</p> <p>Attendance at Board of Directors meetings 93% (13/14)</p> <p>[Period of service as External Audit &amp; Supervisory Board Member] 3 years</p> <p>[Period of service as External Director] 2 years (at the conclusion of this Annual General Meeting of Shareholders)</p>	<p>April 1984 Public Prosecutor of Kobe District Public Prosecutors Office</p> <p>July 2011 Chief Prosecutor of Nagasaki District Public Prosecutors Office</p> <p>July 2013 Chief Prosecutor of Sapporo District Public Prosecutors Office</p> <p>September 2015 Registered as attorney (Osaka Bar Association) (to present)</p> <p>February 2016 Audit &amp; Supervisory Board Member of the Company</p> <p>June 2018 External Director (Audit and Supervisory Committee Member) of OKUMURA CORPORATION (to present)</p> <p>February 2019 Director of the Company (to present)</p> <p>[Significant concurrent position] External Director (Audit and Supervisory Committee Member) of OKUMURA CORPORATION</p>	2,350
<p>[Reason for nomination as candidate for External Director] Mr. Tetsuo Kodera has extensive experience and expertise obtained from long years of working as public prosecutor and attorney. He assumed the positions of External Audit &amp; Supervisory Board Member of the Company in February 2016 and External Director 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 Director because we believe that he is capable of continuing to contribute to strengthening the corporate governance of the Company by leveraging his extensive experience and track record. Despite the fact that he has never directly involved in managing a company, the Company considers that he is able to properly fulfill his duties as External Director from an objective perspective, based on his wide experience in his area of expertise.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
10	<p>Kotaro Yoshida (June 3, 1968)</p> <p>[Reappointment] [External]</p> <p>Attendance at Board of Directors meetings 100% (11/11)</p> <p>[Period of service as External Director] 1 year (at the conclusion of this Annual General Meeting of Shareholders)</p>	<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>February 2020   Director of the Company (to present)</p> <p>[Significant concurrent positions]</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. He assumed the position of External Director of the Company in February 2020 and has since properly fulfilled his duties from an independent and neutral perspective. The Company nominated him as a candidate for External Director because we believe that he is capable of continuing to contribute to strengthening the management and corporate governance of the Company by leveraging his extensive experience and track record.</p>			
11	<p>Naotaka Murata (May 2, 1970)</p> <p>[New appointment] [External]</p> <p>Attendance at Board of Directors meetings -</p>	<p>October 1992    Joined Showa Ota &amp; Co. (currently Ernst &amp; Young ShinNihon LLC)</p> <p>August 2002    Established Murata Certified Public Accountant Office; President (to present)</p> <p>August 2005    Joined Takumi &amp; Co. (currently Daichi &amp; Co.); Representative Partner (to present)</p> <p>[Significant concurrent position]</p> <p>Representative Partner of Daichi &amp; Co.</p>	0
<p>[Reason for nomination as candidate for External Director]</p> <p>Mr. Naotaka Murata has extensive experience and expert knowledge about finance and accounting obtained from long years of working as certified public accountant. The Company nominated him as a candidate for External Director because we believe that he is capable of contributing to strengthening the corporate governance of the Company by leveraging his extensive experience and track record. Despite the fact that he has never directly involved in managing a company, the Company considers that he is able to properly fulfill his duties as External Director from an objective perspective, based on his wide experience in his area of expertise.</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. Additionally, Mr. Naotaka Murata is a representative partner of Daichi & Co., which had been our Accounting Auditor until February 27, 2018.
2. Messrs. Shoichi Sanpei, Tetsuo Koderu, Kotaro Yoshida, and Naotaka Murata are candidates for External Directors.
3. Messrs. Shoichi Sanpei and Tetsuo Koderu meet the independence standards for external officers of the Company (described on page 13), and the Company has submitted a notification of their appointment as Independent Directors to the Tokyo Stock Exchange. Upon the approval of their reelection, the Company intends to reappoint them as Independent Directors.
4. The Company has entered into agreements with Messrs. Shoichi Sanpei, Tetsuo Koderu, and Kotaro Yoshida 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. In addition, upon the approval of election of Mr. Naotaka Murata, the Company intends to enter into a similar agreement with him.

## **(Reference) Independence Standards for External Officers**

If an external officer (External Director and External Audit & Supervisory Board Member) 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: The “Samty Group” means the Company and its subsidiaries and affiliates.

Note 2: An “executive, etc.” means a Director (excluding External Director), an Audit & Supervisory Board Member (excluding External Audit & Supervisory Board Member), an Executive Officer, an Accounting Advisor, and an officer or an employee who holds a similar management position.

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 Audit & Supervisory Board Member; 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.