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Securities Code: 7840

June 6, 2024

To Our Shareholders:

Shigeru Ikeda,
Representative Director, Chairman and President
FRANCE BED HOLDINGS CO., LTD.
6-22-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo

Notice of the 21st Annual General Meeting of Shareholders

You are hereby notified that the 21st Annual General Meeting of Shareholders of FRANCE BED HOLDINGS CO., LTD. (the “Company”) will be held as follows (on the next page).

When convening this General Meeting of Shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on the Company’s website. Please access the website by using the Internet address shown below to review the information.

The Company’s website:

<https://francebed-hd.co.jp/ir/shareholder/meeting/> (in Japanese)

(To view this information, access the website listed above and click on “Notice of the 21st Annual General Meeting of Shareholders.”)

In addition to the Company’s website, this information can also be reviewed on the website for the Tokyo Stock Exchange (TSE).

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Access the TSE website by using the internet address shown above, enter “FRANCE BED HOLDINGS CO., LTD.” in “Issue name (company name)” or the Company’s securities code “7840” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

In lieu of attending the meeting in person, you may exercise your voting rights by electromagnetic means (i.e., via the Internet) or in writing. After reviewing the Reference Documents for the General Meeting of Shareholders, please exercise your voting rights in writing or through the voting site by no later than 5:45 p.m. on Monday, June 24, 2024 (JST).

If any major changes should occur in the operation of the General Meeting of Shareholders due to changes in circumstances, we will provide notification on the Company’s website (<https://francebed-hd.co.jp/>) (in Japanese).

1. Date and Time: Tuesday, June 25, 2024 at 10:00 a.m. (Reception will start at 9:00 a.m.)

2. Place: SUNSKY ROOM, 30th Floor, Shinjuku L Tower
1-6-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo

3. Purpose of the Meeting:

Matters to be reported:

1. Reports on the 21st term (April 1, 2023 to March 31, 2024) Business Report, Consolidated Financial Statements, and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
2. Report on Financial Statements for the 21st term (April 1, 2023 to March 31, 2024)

Matters to be resolved:

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| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Amendment to the Articles of Incorporation |
| Proposal No. 3 | Election of Five Directors Who Are Not Audit and Supervisory Committee Members |
| Proposal No. 4 | Election of Three Directors Who Are Audit and Supervisory Committee Members |
| Proposal No. 5 | Revision of Restricted Stock-Based Remuneration System for Directors (Excluding External Directors and Directors Who Are Audit and Supervisory Committee Members) |

- For those attending the meeting on the day, please submit the voting rights form included with this convocation notice to the reception desk.
- Due to revisions in the Companies Act, items for which measures for providing information in electronic format are to be taken should primarily be reviewed by accessing the websites on the previous page. The Company has provided paper-based documents only to those shareholders who requested such by the dividend record date, but paper-based documents for this General Meeting of Shareholders will be provided regardless of whether a request for such copies has been made.
Among these items for which measures for providing information in electronic format are to be taken, in accordance with the provisions of laws and regulations and the Articles of Incorporation of the Company, the following items are not included in the paper-based documents delivered to shareholders. The Audit and Supervisory Committee and the Accounting Auditor have audited the documents subject to audit, including the following matters.
 - (1) “System to Ensure the Appropriateness of Business” and “Overview of Operational Status of System to Ensure the Appropriateness of Operations” in the Business Report
 - (2) “Consolidated Statement of Changes in Equity” and “Notes Regarding Consolidated Financial Statements” in the Consolidated Financial Statements
 - (3) “Statement of Changes in Equity” and “Notes Regarding Non-consolidated Financial Statements” in the Financial Statements
- No memorabilia have been prepared for shareholders attending the General Meeting of Shareholders. We thank you for your understanding.
- If revisions are made to the matters for which measures for providing information in electronic format are to be taken, a notice of the revisions and the details of the matters before and after the revisions will be posted on the Company’s aforementioned website (previous page) and the TSE website.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Year-end dividends

The Company considers the return of profits to shareholders as one of the most important issues in maximizing shareholder value, and strives to maintain stable dividends as a matter of basic policy. Comprehensively taking into account factors including this basic policy, Company's business performance, business environment, and the need to strengthen the Company's financial position, and as the Company exhibited strong business performance and achieved year-on-year increases in both sales and profit, the Company proposes to increase the year-end dividend by ¥2 from that of the previous year.

(1) Type of dividend property

To be paid in cash.

(2) Allotment of dividend property and their aggregate amount

The Company proposes to pay a dividend of ¥22 per common share of the Company.

In this event, total dividends will be ¥759,828,586.

As the Company has already paid an interim dividend of ¥17 per share on December 5, 2023, the annual dividend will be ¥39 per share.

(3) Effective date of dividends of surplus

The effective date of dividends will be June 26, 2024.

Proposal No. 2 Amendment to the Articles of Incorporation

1. Reasons for the proposal

With the enforcement of the Act for Partial Amendment of the Act on Strengthening Industrial Competitiveness, etc. (Act No. 70 of 2021), a listed company may hold a Shareholders Meeting without a Designated Location (so-called “virtual-only shareholders meeting”) under certain conditions by providing to that effect in its Articles of Incorporation.

The Company aims to make its general meeting of shareholders active, efficient and smooth by facilitating attendance by more shareholders regardless of where they reside, and also to reduce the risks of infectious diseases and such other risks as in the event of major natural disasters. Therefore, to enable the Company to hold a shareholders meeting without a designated location, the Company proposes to add Article 11, paragraph 2 to its Articles of Incorporation.

For the time being, a shareholders meeting without a designated location shall be held only when it is difficult to hold a general meeting of shareholders in physical form in the event of an emergency situation due to causes such as the spread of a new infection or occurrence of a large-scale natural disaster, and only after careful deliberation and judgment by the Board of Directors.

Note that in making this amendment, the Company has obtained confirmation of the Minister of Economy, Trade and Industry and the Minister of Justice that it falls under the requirements set forth in Ordinances of the Ministry of Economy, Trade and Industry and the Ministry of Justice.

2. Details of the amendments

Details of the amendments are as follows.

(Changes are underlined.)

Current Articles of Incorporation	Proposed amendments
Chapter III General Meeting of Shareholders Article 11. (Convocation) An ordinary general meeting of shareholders of the Company shall be convened in June every year. An extraordinary general meeting of shareholders shall be convened whenever necessary. (New)	Chapter III General Meeting of Shareholders Article 11. (Convocation) <u>1.</u> (No change) <u>2. The Company may hold a general meeting of shareholders as a shareholders meeting without a designated location.</u>

Proposal No. 3 Election of Five Directors Who Are Not Audit and Supervisory Committee Members

The terms of office of all five Directors who are not Audit and Supervisory Committee Members will expire at the conclusion of this meeting. Therefore, the Company proposes the election of five Directors who are not Audit and Supervisory Committee Members.

This proposal has been considered by the Audit and Supervisory Committee, and no issues were pointed out.

The candidates for Directors who are not Audit and Supervisory Committee Members are as follows:

Candidate No.	Name of candidate		Current position in the Company	Years served
1	Shigeru Ikeda	Reelection	Representative Director, Chairman and President	20 years
2	Kazumi Ikeda	Reelection	Representative Director and Vice President	6 years
3	Tatsuhiko Kuwata	Reelection	Director	3 years
4	Yoshiro Yoshino	Reelection	Director	3 years
5	Akihiko Osada	Reelection	Director	3 years

Reelection Candidate for Director to be reelected

Candidate No.	Name Date of birth	Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	<p>Shigeru Ikeda 74 years old (July 19, 1949)</p> <p>Reelection</p> <p>Attendance at Board of Directors meetings 17/17 (100%)</p>	<p>Apr. 1973 Joined FRANCE BED CO., LTD.</p> <p>June 1991 Representative Director and Vice President, FRANCE BED CO., LTD.</p> <p>June 1999 Representative Director and President, and Manager, Sales Headquarters, FRANCE BED CO., LTD. Director and Chairman, FRANCE BED MEDICAL SERVICE Co., Ltd. (current FRANCE BED CO., LTD.)</p> <p>Apr. 2001 Representative Director and President, FRANCE BED CO., LTD. (to present)</p> <p>Mar. 2004 Representative Director and President of the Company (in charge of Audit Group)</p> <p>Nov. 2011 Representative Director and Chairman, Francebed Medical Home Care Research Subsidy Foundation (current FRANCE BED HOME CARE FOUNDATION) (to present)</p> <p>June 2012 Chairman, JIANGSU FRANCE BED CO., LTD. (to present)</p> <p>Jan. 2016 Representative Director and President of the Company (in charge of Audit Group and in charge of Secretarial Group)</p> <p>June 2019 Representative Director, Chairman and President of the Company (in charge of Audit Group and in charge of Secretarial Group) (to present)</p> <p>Significant concurrent positions outside the Company Representative Director and President, FRANCE BED CO., LTD. Representative Director and Chairman, FRANCE BED HOME CARE FOUNDATION Chairman, JIANGSU FRANCE BED CO., LTD.</p>	5,527,290 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Shigeru Ikeda possesses the above background, is familiar with corporate management as a Representative Director of the Company and the Company's major business company FRANCE BED CO., LTD., and can be expected to continue to play a considerable role in decisions on important matters of the Group and the supervision of business execution as a Director, the Company has selected him as a candidate for Director.</p>			

Candidate No.	Name Date of birth	Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
2	<p>Kazumi Ikeda 46 years old (October 5, 1977)</p> <p>Reelection</p> <p>Attendance at Board of Directors meetings 16/17 (94%)</p>	<p>Apr. 2005 Joined Matsushita Electric Industrial Co., Ltd. (current Panasonic Holdings Corporation)</p> <p>July 2008 Joined FRANCE BED CO., LTD.; Section Manager in charge, attached to Sales Headquarters</p> <p>June 2011 Representative Director and President, FRANCE BED SALES CO., LTD. Representative Director, FB Tomonokai Co., Ltd. Representative Director and President, TOKYO BED CO., LTD. Director, Deputy Manager, Sales and Planning Headquarters, Supervising Business Headquarters, FRANCE BED CO., LTD.</p> <p>June 2017 Managing Director, Manager, Sales and Planning Headquarters, Supervising Business Headquarters, FRANCE BED CO., LTD. Director, FRANCE BED SALES CO., LTD.</p> <p>June 2018 Director and Managing Executive Officer, Manager, Sales and Planning Headquarters, Supervising Business Headquarters, FRANCE BED CO., LTD. Director of the Company (in charge of Corporate Planning Group)</p> <p>Sep. 2018 Director, JIANGSU FRANCE BED CO., LTD. (to present)</p> <p>Oct. 2018 Director and Managing Executive Officer, General Manager, Administrative Planning Department and in charge of Corporate Business Headquarters Overseas, FRANCE BED CO., LTD.</p> <p>Apr. 2019 Director and Managing Executive Officer, Manager, Administrative Planning Headquarters, FRANCE BED CO., LTD.</p> <p>June 2019 Representative Director and Vice President, Executive Officer and Manager of Administrative Planning Headquarters, FRANCE BED CO., LTD. Representative Senior Managing Director of the Company (in charge of Corporate Planning Group) Director, TOKYO BED CO., LTD. (to present)</p> <p>Oct. 2020 Director and Chairman, KASHIDASU Co., Ltd.</p> <p>June 2021 Representative Director and Vice President of the Company (in charge of Corporate Planning Group) (to present)</p> <p>Apr. 2022 Representative Director and Vice President, Executive Officer, FRANCE BED CO., LTD. (to present)</p> <p>Significant concurrent positions outside the Company Representative Director and Vice President, Executive Officer, FRANCE BED CO., LTD. Director, TOKYO BED CO., LTD. Director, JIANGSU FRANCE BED CO., LTD.</p>	564,300 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Kazumi Ikeda possesses the above background, is familiar with management policy and administration as Director in charge of the Corporate Planning Group of the Company and as Representative Director and Vice President, Executive Officer of the Company's major business company FRANCE BED CO., LTD., and further possesses knowledge and capabilities concerning new business development as well as a background as President of subsidiaries and experience in corporate management. Based on these experiences, and as he can be expected to continue to play a considerable role in decisions on important matters of the Group and the supervision of business execution as a Director, the Company has selected him as a candidate for Director.</p>			

Candidate No.	Name Date of birth	Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	<p>Tatsuhiko Kuwata 66 years old (September 13, 1957)</p> <p>Reelection</p> <p>Attendance at Board of Directors meetings 17/17 (100%)</p>	<p>Apr. 1980 Joined FRANCE BED CO., LTD.</p> <p>Apr. 2009 General Manager of Nagoya Branch, Home Furnishings and Health Business Headquarters, FRANCE BED CO., LTD.</p> <p>Apr. 2010 Deputy Division Manager, Nagoya/Osaka Division, Home Furnishings and Health Business Headquarters, FRANCE BED CO., LTD.</p> <p>Apr. 2011 General Manager, Chubu Sales Department, Central Japan Division, Supervising Business Headquarters, FRANCE BED CO., LTD.</p> <p>Apr. 2012 Division Manager, Northern Japan Division, Supervising Business Headquarters, FRANCE BED CO., LTD.</p> <p>Apr. 2014 Executive Officer, Division Manager, Northern Japan Division, Supervising Business Headquarters, FRANCE BED CO., LTD.</p> <p>Apr. 2017 Executive Officer, Division Manager, Central Japan Division, Supervising Business Headquarters, FRANCE BED CO., LTD.</p> <p>June 2018 Senior Executive Officer, Division Manager, Central Japan Division, Supervising Business Headquarters, FRANCE BED CO., LTD.</p> <p>Oct. 2018 Senior Executive Officer, Division Manager, Home Furnishings Western Japan Division, Home Furnishings Business Headquarters, FRANCE BED CO., LTD.</p> <p>June 2019 Director and Managing Executive Officer, Manager, Home Furnishings Business Headquarters, and Division Manager, Home Furnishings Eastern Japan Division, FRANCE BED CO., LTD.</p> <p>Oct. 2019 Director and Managing Executive Officer, Manager, Home Furnishing Business Headquarters, FRANCE BED CO., LTD.</p> <p>June 2021 Director of the Company (in charge of Corporate Planning Group) (to present) Director and Senior Managing Executive Officer, Manager, Home Furnishings Business Headquarters, FRANCE BED CO., LTD. (to present)</p> <p>Oct. 2023 Director, TOKYO BED CO., LTD. (to present)</p> <p>Significant concurrent positions outside the Company Director and Senior Managing Executive Officer, FRANCE BED CO., LTD. Director, TOKYO BED CO., LTD.</p>	29,900 shares
<p>[Reasons for nomination as candidate for Director] Tatsuhiko Kuwata possesses the above background, is familiar with the Home Furnishings and Health Business as Director in charge of the Corporate Planning Group of the Company and as Director and Senior Managing Executive Officer of the Company's major business company FRANCE BED CO., LTD., and possesses deep knowledge and capabilities in specific fields of expertise. Based on these experiences, and as he can be expected to continue to play a considerable role in decisions on important matters of the Group and the supervision of business execution as a Director, the Company has selected him as a candidate for Director.</p>			

Candidate No.	Name Date of birth	Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
4	<p>Yoshiro Yoshino 64 years old (January 2, 1960)</p> <p>Reelection</p> <p>Attendance at Board of Directors meetings 17/17 (100%)</p>	<p>Mar. 1989 Joined FRANCE BED MEDICAL SERVICE Co., Ltd. (current FRANCE BED CO., LTD.)</p> <p>Apr. 2009 General Manager, Chubu Sales Department, Rental Sales Headquarters, Medical Services Business Headquarters, FRANCE BED CO., LTD.</p> <p>Apr. 2010 General Manager, Western Japan Sales Department, Medical Services Business Headquarters, FRANCE BED CO., LTD.</p> <p>Apr. 2011 Deputy Division Manager, Western Japan Division and General Manager, Kyushu Branch, Supervising Business Headquarters, FRANCE BED CO., LTD.</p> <p>Apr. 2013 Division Manager, Western Japan Division, Supervising Business Headquarters, FRANCE BED CO., LTD.</p> <p>Apr. 2014 Executive Officer, Division Manager, Western Japan Division, Supervising Business Headquarters, FRANCE BED CO., LTD.</p> <p>June 2018 Senior Executive Officer, Division Manager, Western Japan Division, Supervising Business Headquarters, FRANCE BED CO., LTD.</p> <p>Oct. 2018 Senior Executive Officer, Deputy Manager, Medical Business Headquarters and General Manager, Medical Sales Promotion Department, FRANCE BED CO., LTD.</p> <p>Mar. 2019 Senior Executive Officer, Deputy Manager, Medical Business Headquarters and General Manager, Medical Sales Promotion Department and Division Manager, Medical Eastern Japan Division, FRANCE BED CO., LTD.</p> <p>June 2019 Director and Managing Executive Officer, Manager, Medical Business Headquarters and General Manager, Medical Sales Promotion Department and Division Manager, Medical Eastern Japan Division, FRANCE BED CO., LTD.</p> <p>Sep. 2019 Director, JIANGSU FRANCE BED CO., LTD.</p> <p>Oct. 2019 Director and Managing Executive Officer, Manager, Medical Business Headquarters and Division Manager, Medical Eastern Japan Division, FRANCE BED CO., LTD.</p> <p>Nov. 2020 Director and Managing Executive Officer, Manager, Medical Business Headquarters, FRANCE BED CO., LTD. (to present)</p> <p>June 2021 Director of the Company (in charge of Corporate Planning Group) (to present)</p> <p>Significant concurrent positions outside the Company Director and Managing Executive Officer, FRANCE BED CO., LTD.</p>	21,600 shares
<p>[Reasons for nomination as candidate for Director] Yoshiro Yoshino possesses the above background, is familiar with the Medical Services Business as Director in charge of the Corporate Planning Group of the Company and as Director and Managing Executive Officer of the Company's major business company FRANCE BED CO., LTD., and possesses deep knowledge and capabilities in specific fields of expertise. Based on these experiences, and as he can be expected to continue to play a considerable role in decisions on important matters of the Group and the supervision of business execution as a Director, the Company has selected him as a candidate for Director.</p>			

Candidate No.	Name Date of birth	Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
5	<p>Akihiko Osada 58 years old (June 5, 1966)</p> <p>Reelection</p> <p>Attendance at Board of Directors meetings 17/17 (100%)</p>	<p>Apr. 1989 Joined FRANCE BED CO., LTD.</p> <p>June 2012 Director, TSUBASA CO., LTD.</p> <p>Apr. 2013 General Manager, Administrative Department, Administrative Headquarters, FRANCE BED CO., LTD.</p> <p>Apr. 2015 Head, Accounting Office, Accounting Group of the Company</p> <p>Apr. 2018 Executive Officer, General Manager, Administrative Department, Administrative Headquarters, FRANCE BED CO., LTD.</p> <p>Oct. 2020 Audit & Supervisory Board Member, KASHIDASU Co., Ltd. (to present)</p> <p>Apr. 2021 Executive Officer, Deputy Manager, Administrative Headquarters and General Manager, Administrative Department, FRANCE BED CO., LTD.</p> <p>June 2021 Director of the Company (in charge of Accounting Group) Director and Executive Officer, Manager, Administrative Headquarters and General Manager, Administrative Department, FRANCE BED CO., LTD.</p> <p>July 2021 Director (in charge of Accounting/General Affairs Group) and General Manager, Administrative Department of the Company</p> <p>Aug. 2023 Director of the Company (in charge of Accounting/General Affairs Group) (to present) Director and Executive Officer, Manager, Administrative Headquarters, FRANCE BED CO., LTD. (to present)</p> <p>Significant concurrent positions outside the Company Director and Executive Officer, FRANCE BED CO., LTD. Audit & Supervisory Board Member, KASHIDASU Co., Ltd. Audit & Supervisory Board Member, JIANGSU FRANCE BED CO., LTD.</p>	13,500 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Akihiko Osada possesses the above background, is familiar with accounting, finances, and general affairs as Director in charge of the Accounting/General Affairs Group of the Company and as Director and Executive Officer and Manager of the Administrative Headquarters of the Company's major business company FRANCE BED CO., LTD., and possesses wide-ranging knowledge necessary for management of a pure holding company. Based on these experiences, and as he can be expected to continue to play a considerable role in decisions on important matters of the Group and the supervision of business execution as a Director, the Company has selected him as a candidate for Director.</p>			

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Pursuant to the provisions of Article 430-3, paragraph (1) of the Companies Act, the Company has concluded director's limited liability insurance agreements with an insurance company, with Directors as insured. The insurance premiums for the insurance agreements are borne in full by the Company, with no premium borne by the insured. The insurance covers losses that may arise from the Director's and insured's assumption of liability incurred in the course of the performance of duties as an officer or a person at a certain position, or receipt of claims pertaining to the pursuit of such liability. If this proposal is approved and adopted, and each of the candidates assumes the office, the candidates will be included as insured in the policy. The Company intends to renew the insurance agreement with the same content at the next time of renewal.

Proposal No. 4 Election of Three Directors Who Are Audit and Supervisory Committee Members

The terms of office of Directors who are Audit and Supervisory Committee Members Akihito Kimura, Shuichi Nakamura, and Satoshi Watanabe will expire at the conclusion of this meeting. Therefore, the Company proposes the election of three Directors who are Audit and Supervisory Committee Members.

The Audit and Supervisory Committee has already given its consent to this proposal.

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

Candidate No.	Name of candidate		Current position in the Company	Years served
1	Akihito Kimura	Reelection	Director (Full-time Audit and Supervisory Committee Member)	12 years
2	Shuichi Nakamura	Reelection External Independent	External Director (Audit and Supervisory Committee Member)	10 years
3	Satoshi Watanabe	Reelection External Independent	External Director (Audit and Supervisory Committee Member)	5 years

Reelection Candidate for Director to be reelected
External Candidate for external Director
Independent Independent officer as defined by the securities exchange, etc.

Candidate No.	Name Date of birth	Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	<p>Akihito Kimura 62 years old (July 20, 1961)</p> <p>Reelection</p> <p>Attendance at Board of Directors meetings 17/17 (100%)</p>	<p>Apr. 1985 Joined Long-Term Credit Bank of Japan (current SBI Shinsei Bank, Limited)</p> <p>Nov. 2004 Deputy General Manager, General Affairs Department, FRANCE BED MEDICAL SERVICE Co., Ltd. (current FRANCE BED CO., LTD.)</p> <p>May 2005 General Manager, Sales Promotion Department, Sales Headquarters, FRANCE BED MEDICAL SERVICE Co., Ltd.</p> <p>Apr. 2009 Executive Officer, General Manager, Sales Promotion Department, Rental Sales Headquarters, Medical Services Business Headquarters, FRANCE BED CO., LTD.</p> <p>Dec. 2009 Audit & Supervisory Board Member, TSUBASA CO., LTD. (to present)</p> <p>Apr. 2010 Executive Officer, General Manager, Business Planning Department, Medical Services Business Headquarters, FRANCE BED CO., LTD.</p> <p>Apr. 2011 Executive Officer, General Manager, Business Administration Department, Sales Planning Headquarters, Supervising Business Headquarters, FRANCE BED CO., LTD.</p> <p>Apr. 2012 Executive Officer attached to Sales Planning Headquarters, Supervising Business Headquarters, FRANCE BED CO., LTD.</p> <p>June 2012 Audit & Supervisory Board Member, FRANCE BED CO., LTD. (to present) Full-time Audit & Supervisory Board Member of the Company</p> <p>Apr. 2013 Audit & Supervisory Board Member, FRANCE BED MEDICAL SERVICE Co., Ltd. (to present)</p> <p>June 2016 Director (Full-time Audit and Supervisory Committee Member) of the Company (to present)</p> <p>Significant concurrent positions outside the Company Audit & Supervisory Board Member, FRANCE BED CO., LTD. Audit & Supervisory Board Member, TSUBASA CO., LTD. Audit & Supervisory Board Member, FRANCE BED MEDICAL SERVICE Co., Ltd.</p>	3,500 shares
<p>[Reasons for nomination as a candidate for Director who is an Audit and Supervisory Committee Member] Akihito Kimura has worked for financial institutions for many years, possesses considerable knowledge of finance and accounting, and has a wealth of experience and achievements in the sales and planning departments of operating companies, as well as experience as a full-time Audit and Supervisory Committee Member of the Company. For these reasons, the Company believes that he will continue to properly execute the duties of the Audit and Supervisory Committee, and has selected him as a candidate for Director who is an Audit and Supervisory Committee Member.</p>			

Candidate No.	Name Date of birth	Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
2	<p>Shuichi Nakamura 75 years old (August 22, 1948)</p> <p>Reelection External Independent</p> <p>Attendance at Board of Directors meetings 17/17 (100%)</p>	<p>Apr. 1973 Joined Ministry of Health and Welfare (current Ministry of Health, Labour and Welfare)</p> <p>Apr. 1990 Section Manager, Senior Welfare Section, Senior Health and Welfare Department, Minister's Secretariat, Ministry of Health and Welfare</p> <p>July 1992 Section Manager, Pension Section, Pension Bureau, Ministry of Health and Welfare</p> <p>July 1996 Section Manager, Planning Section, Health Insurance Bureau, Ministry of Health and Welfare</p> <p>July 1998 Section Manager, Policy Section, Minister's Secretariat, Ministry of Health and Welfare</p> <p>Jan. 2001 Inspector (in charge of Medical Insurance and Medical Policy), Minister's Secretariat, Ministry of Health, Labour and Welfare</p> <p>July 2002 Director, Health and Welfare Bureau for the Elderly, Ministry of Health, Labour and Welfare</p> <p>Aug. 2005 Director, Social Welfare and War Victims' Relief Bureau, Ministry of Health, Labour and Welfare</p> <p>Sep. 2008 Chairman, Health Insurance Claims Review and Reimbursement Services</p> <p>Oct. 2010 Director, Office in charge of Social Security Reform, Cabinet Secretariat</p> <p>Jan. 2012 Chairman, General Incorporated Association Forum for Social Security Policy (to present)</p> <p>Apr. 2012 Professor, International University of Health and Welfare Graduate School (Visiting Professor from Apr. 2024)</p> <p>June 2014 External Director of the Company</p> <p>June 2016 External Director (Audit and Supervisory Committee Member) of the Company (to present)</p> <p>June 2019 Director, Medical System Network Co., Ltd. (to present)</p> <p>Significant concurrent positions outside the Company Chairman, General Incorporated Association Forum for Social Security Policy Visiting Professor, International University of Health and Welfare Graduate School Director, Medical System Network Co., Ltd.</p>	0 shares
<p>[Reasons for nomination as a candidate for Director (External) who is an Audit and Supervisory Committee Member and expected roles]</p> <p>Shuichi Nakamura has engaged in welfare and labor administration related to medical care, long-term care, welfare, etc. for many years, and possesses extensive experience and wide-ranging insight. The Company expects that he will continue to leverage that insight and, particularly regarding the Medical Services Business, will provide supervision, advice, etc. with regard to the execution of duties by Directors from an expert perspective, and has selected him as a candidate for Director who is an Audit and Supervisory Committee Member. If elected, the Company plans that Shuichi Nakamura, as a Nomination and Remuneration Committee Member, will be involved in the appointment of officers of the Company and the determination of remuneration, etc. from an objective and neutral standpoint.</p>			

Candidate No.	Name Date of birth	Career summary, position and responsibility at the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	<p>Satoshi Watanabe 74 years old (August 19, 1949)</p> <p>Reelection External Independent</p> <p>Attendance at Board of Directors meetings 17/17 (100%)</p>	<p>Apr. 1984 Registered as Attorney (Daini Tokyo Bar Association) Registered as Patent Attorney Attorney, Ogawa Legal and Patent Office</p> <p>Apr. 1987 Head, Watanabe Patent Attorney's Office Judiciary Committee Member, Tokyo Summary Court (to present)</p> <p>Jan. 1997 Head, Watanabe Patent Attorney's Office (to present)</p> <p>Apr. 2000 Committee Member, Japan Intellectual Property Arbitration Center (to present)</p> <p>Apr. 2001 Vice President, Daini Tokyo Bar Association</p> <p>Apr. 2002 Member, JFBA (Japan Federation of Bar Associations) Committee on Intellectual Property Rights (to present)</p> <p>Apr. 2007 Extraordinary Member, Industrial Property Council</p> <p>Apr. 2008 Member, Tokyo Third-Party Committee for Confirmation of Pension, Ministry of Internal Affairs and Communications</p> <p>Apr. 2010 Councilor, Northern Kanto Regional Council on Defense Facilities, Defense Agency (current Ministry of Defense)</p> <p>June 2010 Chair, Disciplinary Committee, Daini Tokyo Bar Association</p> <p>June 2013 Member, Mediation Committee, Nuclear Damage Dispute Resolution Center (to present)</p> <p>June 2016 Substitute External Director (Audit and Supervisory Committee Member) of the Company</p> <p>Apr. 2018 Chairman, Northern Kanto Regional Council on Defense Facilities, Ministry of Defense</p> <p>Sep. 2018 External Director (Audit and Supervisory Committee Member) of the Company (to present)</p> <p>Mar. 2019 Executive Board Member, Tama Art University (to present)</p> <p>Significant concurrent positions outside the Company Head, Watanabe Patent Attorney's Office Executive Board Member, Tama Art University</p>	0 shares
<p>[Reasons for nomination as a candidate for Director (External) who is an Audit and Supervisory Committee Member and expected roles]</p> <p>Satoshi Watanabe has been active as an attorney for many years, and possesses extensive experience and expert knowledge. The Company expects that he will continue to leverage that insight and will provide supervision, advice, etc. with regard to the strengthening of the Company's compliance structure and the execution of duties by Directors, and has selected him as a candidate for Director who is an Audit and Supervisory Committee Member. He has never in the past been directly involved in the management of a company. However, the Company judges he will appropriately fulfill his duties as an outside Director (Audit and Supervisory Committee Member) based on the above reasons. If elected, the Company plans that Satoshi Watanabe, as a Nomination and Remuneration Committee Member, will be involved in the appointment of officers of the Company and the determination of remuneration, etc. from an objective and neutral standpoint.</p>			

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Shuichi Nakamura and Satoshi Watanabe are candidates for external Director. The Company has provided notification of their status as independent officers to the Tokyo Stock Exchange, and intends to continue such notification if their elections are approved.
 3. Akihito Kimura is a Director (full-time Audit and Supervisory Committee Member) of the Company. His term of office will be 12 years, including the time he has been a full-time Auditor before the Company transitioning to a company with an Audit and Supervisory Committee, as of the close of this Annual General Shareholders' Meeting.
 4. Shuichi Nakamura is an outside Director (Audit and Supervisory Committee Member) of the Company. His term of office will be ten years, including the time he has been an outside Director before the Company transitioning to a company with an Audit and Supervisory Committee, as of the close of this Annual General Shareholders' Meeting.
 5. Satoshi Watanabe is an outside Director (Audit and Supervisory Committee Member) of the Company. His term of office will be five years as of the close of this Annual General Shareholders' Meeting.

6. The Company has concluded limited liability agreements with Shuichi Nakamura and Satoshi Watanabe on the maximum amount of liability for damages pursuant to the provisions of Article 423, paragraph (1) of the Companies Act. If the elections of Shuichi Nakamura and Satoshi Watanabe are approved, the Company plans to enter into the aforementioned limited liability agreement with both.
7. Pursuant to the provisions of Article 430-3, paragraph (1) of the Companies Act, the Company has concluded directors' limited liability insurance agreements with an insurance company, with Directors as insured. The insurance premiums for the insurance agreements are borne in full by the Company, with no premium borne by the insured. The insurance covers losses that may arise from the Director's and insured's assumption of liability incurred in the course of the performance of duties as an officer or a person at a certain position, or receipt of claims pertaining to the pursuit of such liability. If this proposal is approved and adopted, and each of the candidates assumes the office, the candidates will be included as insured in the policy. The Company intends to renew the insurance agreement with the same content at the next time of renewal.

Reference: Skill Matrix of Directors following the General Meeting of Shareholders

If each of the candidates described in this notice is elected as originally proposed, the Board of Directors of the Company will consist of members, including Directors who are Audit and Supervisory Committee Members that are not for reelection in this meeting, with the following skills.

Name	Gender	Position in the Company (scheduled)	Corporate management	Technology and R and D	Sales and marketing	Finance and accounting	Legal affairs and compliance	Academics and experts (Fields of expertise)	Personnel, labor, and human resources development
Shigeru Ikeda	Male	Representative Director, Chairman and President	●	●	●				
Kazumi Ikeda	Male	Representative Director and Vice President	●	●	●				●
Tatsuhiko Kuwata	Male	Director	●		●				●
Yoshiro Yoshino	Male	Director	●		●				●
Akihiko Osada	Male	Director	●			●	●		
Akihito Kimura	Male	Director (Full-time Audit and Supervisory Committee Member)	●			●	●		
Shuichi Nakamura	Male	External Director (Audit and Supervisory Committee Member)	●					●	
Satoshi Watanabe	Male	External Director (Audit and Supervisory Committee Member)					●		
Shigeo Yamashita	Male	External Director (Audit and Supervisory Committee Member)	●		●				
Noriko Otsuka	Female	External Director (Audit and Supervisory Committee Member)				●	●		

* The above list indicates fields of more specialized knowledge, based on the experience of the noted individuals. It is not intended to indicate all applicable areas of knowledge.

Proposal No. 5 Revision of Restricted Stock-Based Remuneration System for Directors (Excluding External Directors and Directors Who Are Audit and Supervisory Committee Members)

1. Reasons for the proposal

At its 14th Annual General Shareholders' Meeting held on June 23, 2017, the Company received approval to introduce a restricted stock-based remuneration system (hereinafter, the "System") for Directors of the Company (excluding external Directors and Directors who are Audit and Supervisory Committee Members; hereinafter, "Eligible Directors") for the purpose of granting incentives to endeavor to sustainably improve the Company's corporate value, as well as to pursue the further sharing of value with shareholders. The amount of remuneration for granting of restricted stock shall be no more than ¥100,000,000 per year, and the total number of common shares of the Company to be issued or disposed as restricted stock-based remuneration shall be no more than 120,000 shares per year.

The purpose of this revision is to further motivate Eligible Directors to contribute to the sustainable improvement of the Company's corporate value and to share value with shareholders for as long as possible by holding the restricted stock until the time of their resignation or retirement. Therefore, the Company proposes to revise the contents of the System as follows.

2. Details of the amendments

Specifically, among the terms of the restricted stock allotment agreement to be concluded with Eligible Directors upon the allotment of restricted stock, the transfer restriction period will be revised from "the period predetermined by the Board of Directors of the Company, which is a period between three to six years from the date of receipt of allotment" to "the period from the date of receipt of allotment to the time immediately following the resignation or retirement from the position as an officer or employee of the Company or its subsidiary that is predetermined by the Board of Directors of the Company." Additionally, the conditions on the tenure of Eligible Directors for lifting of transfer restrictions (hereinafter, the "Tenure Conditions") will be changed from "the position of Director of the Company" to "the position as an officer or employee of the Company or its subsidiary that is predetermined by the Board of Directors of the Company." In addition, necessary changes will be made with regard to the lifting of transfer restrictions and handling upon resignation or retirement in line with said changes to the restriction period and Tenure Conditions.

Simultaneously, should the above points be approved as originally proposed, the same changes will be made with to the restriction periods and Tenure Conditions for restricted stocks already granted to Eligible Directors based on the System prior to revision (limited to stocks whose transfer restrictions have not been lifted as of June 25, 2024), subject to obtaining the consent of such Eligible Directors.

The System prior to revision constitutes one type of stock-based remuneration system whose actual amount of remuneration fluctuates based on the stock price of the Company. Said System consisted of "long-term performance-based share-based remuneration," which carries the condition of continuously serving as a Director of the Company for a certain period of time, and in addition to this, "medium-term performance-based share-based remuneration," which carries the condition of meeting performance targets to improve corporate value over the medium to long term.

Should this proposal be approved and passed, the System, which constitutes one type of stock-based remuneration system whose actual amount of remuneration fluctuates based on the stock price of the Company, will consist of "tenure conditions-type restricted stock-based remuneration," which carries the condition of serving in a position as an officer or employee of the Company or its subsidiary that is predetermined by the Board of Directors of the Company, and in addition to this, "performance conditions-type restricted stock-based remuneration," which carries the condition of meeting performance targets predetermined by the Board of Directors of the Company.

The changes based on this proposal consist solely of the above-stated changes to the restriction period and Tenure Conditions and accompanying required changes, and no changes will be made to the total amount of monetary remuneration claims to be granted for the allotment of restricted stock, the total number of common shares of the Company to be issued or disposed under the System, etc.

Additionally, the Company has decided on the conditions for granting restricted stock to Eligible Directors in this proposal taking into account the above purpose, the Company's business conditions, the Company's policy for determining the content of individual remuneration for Directors (Note that should this proposal be approved and passed, to also ensure consistency with the content approved, the Company intends to change said policy

as stated under “Reference” below.), and other various circumstances, and the Company believes these conditions to be appropriate.

While there are currently five Eligible Directors, if Proposal No. 3: “Election of Five Directors Who Are Not Audit and Supervisory Committee Members” is approved and passed as originally proposed, the number of Eligible Directors will be five.

3. Overview of the restricted stock allotment agreement after revisions (hereinafter, the “Allotment Agreement”)

(1) Transfer Restriction Period

Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of the common shares of the Company allotted to them under the Allotment Agreement (hereinafter, the “Allotted Shares”) during the period from the date of receipt of allotment under the Allotment Agreement to the time immediately following the resignation or retirement from any position as an officer or employee of the Company or its subsidiary that is predetermined by the Board of Directors of the Company (hereinafter, the “Restriction Period”). The restrictions described in the preceding sentence will hereinafter be collectively referred to as the “transfer restrictions.” However, if the time immediately following such resignation or retirement is before the date that is three months after the end of the fiscal year that includes the date on which the Allotted Shares are to be allotted, the end of the Restriction Period shall be adjusted as necessary to a reasonable extent.

(2) Handling upon resignation or retirement

If an Eligible Director resign or retire from any position as an officer or employee of the Company or its subsidiary that is predetermined by the Board of Directors of the Company prior to the expiration of the period predetermined by the Board of Directors of the Company (hereinafter, the “Service Provision Period”), the Company shall automatically acquire the Allotted Shares without contribution, unless there is a justifiable reason for said resignation or retirement, such as the expiration of the term of office or death.

(3) Lifting of transfer restrictions

(i) Tenure conditions-type restricted stock-based remuneration

Notwithstanding the provisions of (1) above, the Company shall lift the transfer restrictions on all of the Allotted Shares upon expiration of the Restriction Period on the condition that the Eligible Director has remained in the position as an officer or employee of the Company or its subsidiary that is predetermined by the Board of Directors of the Company throughout the Service Provision Period. However, (i) if the relevant Eligible Director retires or resigns from any position as an officer or employee of the Company or its subsidiary that is predetermined by the Board of Directors of the Company prior to the expiration of the Service Provision Period for a justifiable reason, or (ii) if the relevant Eligible Director, even after the expiration of the Service Provision Period, retires or resigns from any the position as an officer or employee of the Company or its subsidiary that is predetermined by the Board of Directors of the Company prior to the expiration of the Restriction Period for any reason other than justifiable reasons, the number of the Allotted Shares for which transfer restrictions are to be lifted and the timing for which transfer restrictions are to be lifted shall be reasonably adjusted as necessary. Additionally, the Company shall automatically acquire without contribution the Allotted Shares on which the transfer restrictions have not been lifted as of the time immediately after transfer restrictions were lifted in accordance with the above provisions.

(ii) Performance conditions-type restricted stock-based remuneration

Notwithstanding the provisions of (1) above, the Company shall, upon expiration of the Restriction Period, lift the transfer restrictions on shares in a number corresponding to the degree of achievement of consolidated return on equity (consolidated ROE) and other performance targets predetermined by the Board of Directors of the Company, on the condition that the Eligible Director has remained in the position as an officer or employee of the Company or its subsidiary that is predetermined by the Board of Directors of the Company throughout the Service Provision Period. However, (i) if the relevant Eligible Director retires or resigns from any position as an officer or employee of the Company or its subsidiary that is predetermined by the Board of Directors of the Company prior to the expiration of the Service Provision Period for a justifiable reason, or (ii) if the relevant Eligible Director, even after the expiration of the Service Provision Period, retires or resigns from any the position as an officer or employee of the Company or its subsidiary that is predetermined by the Board of Directors of the Company prior to the expiration of the Restriction Period for any reason other than

justifiable reasons, the number of the Allotted Shares for which transfer restrictions are to be lifted and the timing for which transfer restrictions are to be lifted shall be reasonably adjusted as necessary. Additionally, the Company shall automatically acquire without contribution the Allotted Shares on which the transfer restrictions have not been lifted as of the time immediately after transfer restrictions were lifted in accordance with the above provisions.

Note that once the degree of achievement of performance targets predetermined by the Board of Directors of the Company has been determined, the Company shall automatically acquire without contribution all or part of the Allotted Shares for which transfer restrictions are not lifted at the time of determination not to lift the transfer restrictions.

(4) Treatment during reorganization, etc.

Notwithstanding the provisions of (1) above, if, during the Restriction Period, matters relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. are approved at the Company's General Meeting of Shareholders (or at a meeting of its Board of Directors in cases where approval at the Company's General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company, by a resolution of its Board of Directors, will lift the transfer restrictions on the Allotted Shares with the number of shares that is reasonably determined considering the period from the start date of the Restriction Period to the date of approval of the reorganization, etc. prior to the date on which the reorganization, etc. becomes effective. Additionally, in cases specified above, the Company shall automatically acquire without contribution the Allotted Shares on which the transfer restrictions have not been lifted as of the time immediately after the transfer restrictions were lifted.

(5) Other matters

In addition to the above, the method for expressing intentions and giving notifications in the Allotment Agreement, the method for amending the Allotment Agreement, and other matters to be determined by the Board of Directors shall be laid out in the Allotment Agreement.

Reference: Policy for Determining Content of Individual Remuneration for Directors

I. Basic Policy

The remuneration for the Company's Directors who are not Audit and Supervisory Committee Members (hereinafter, "Executive Directors") shall be linked to shareholders' interests to fully function as an incentive to continuously improve the Company's corporate value, and shall be highly linked to the Company's business performance, reflecting the individual contribution to the Company's business performance according to not only the position but also the nature of the duties, and in determining the remuneration for individual Executive Directors, the Company's basic policy is to set the remuneration at an appropriate level that enables Directors to fully demonstrate their abilities to enhance the Company's corporate value over the medium to long term.

More specifically, the remuneration of Executive Directors (excluding External Directors) shall be paid in the form of (1) basic remuneration (monthly remuneration) for fixed remuneration, (2) performance-based monetary remuneration for variable remuneration, and (3) stock-based remuneration. Note that the remuneration of External Directors in a position independent of the business execution of the Company shall only consist of basic remuneration (monthly remuneration), a form of fixed remuneration, in light of their duties.

II. Matters set forth for each remuneration type (Policy for determining amount and calculation method thereof)

1. Basic remuneration (Monetary remuneration)

The amount of basic remuneration shall be determined as monthly fixed remuneration following total consideration in accordance with position, the nature of duties, years of service, etc. while factoring in levels at other companies and employee remuneration levels as well as the Company's performance, etc.

2. Performance-based monetary remuneration

Performance-based monetary remuneration shall be an amount calculated largely in accordance with consolidated net sales, consolidated ordinary profit and the degree of achievement of target values for the duties that individual Executive Directors are in charge of for each fiscal year as monetary remuneration that is highly linked to performance and factors in Key Performance Indicators (KPIs) in order to elevate Executive Directors' awareness of improving performance each fiscal year as well as to ensure that the level of contribution of individual Executive Directors to Company performance is properly reflected.

3. Stock-based remuneration (Non-monetary remuneration)

Stock-based remuneration (non-monetary remuneration) is provided in the form of restricted shares of the Company (new shares or treasury shares) accompanied with the condition that they shall not be transferred, have a security interest on them, or otherwise disposed of for a predetermined period (hereinafter, "Transfer Restriction") with the aim of promoting profit-sharing among Executive Directors and shareholders and strengthening the incentive to improve medium- to long-term corporate value. Such stock-based remuneration shall consist of two types: "tenure conditions-type restricted stock-based remuneration," which is subject largely to the condition of continuous service as Executive Directors, etc. of the Company for a specified period of time, and "performance conditions-type restricted stock-based remuneration," which, in addition to the condition above, is largely subject to the condition of the level of achievement of performance targets set in advance by the Company's Board of Directors with a view to the improvement of the Company's corporate value over the medium term.

In order to grant restricted stock, for Executive Directors eligible for that granting, the Company will conduct the lump payment of monetary remuneration claims equivalent to consideration for the execution of duties largely in accordance with the position of each Director as set forth in advance by the Board of Directors. In principle, for tenure conditions-type restricted stock-based remuneration, this will be paid in the amount for one year from the appointment of the Director (reappointment included) to the expiration of their term of service and, for performance conditions-type restricted stock-based remuneration, in the amount of the number of years from the appointment of the Director (reappointment included) to the end of the period of the medium-term management plan prepared by the Company. The Directors will pay in all of those monetary remuneration claims as property contributed in kind.

The price per share to be paid in this case is based on the closing price per share for the Company's common shares on the Tokyo Stock Exchange as of the business day immediately before the date of resolution by the

Board of Directors, and is determined by the Board of Directors within a range that is not particularly favorable to the Directors eligible for allotment of such common shares. The number of shares to be individually granted is also determined based on the above.

III. Matters set forth with regard to remuneration overall

1. Policy for determining percentage for each type of remuneration, etc.

The percentage for each type of remuneration, etc. shall have a composition whose weight accounted for by performance-linked remuneration intensifies along with higher positions based on remuneration levels whose benchmark is companies with a business scale on par with the Company that belong to related business categories and lines of business. The percentage guideline shall be the ratio of basic remuneration (monthly remuneration) to performance-based monetary remuneration to stock-based remuneration (total amount of cost amortization for restricted stock-based remuneration granted under the two remuneration types of tenure conditions-type and performance-conditions-type), or 60:35:5. (When KPIs are 100% achieved)

2. Policy for determining timing or conditions of granting remuneration, etc.

(1) Basic remuneration

Basic remuneration shall be a fixed monthly salary.

(2) Performance-based monetary remuneration

Performance-based monetary remuneration will be paid once a year within four months after the end of the fiscal year.

(3) Stock-based remuneration (Non-monetary remuneration)

Restricted stock-based remuneration in the form of stock-based remuneration (non-monetary remuneration) shall, in principle, be granted within one month following the decision at the meeting of the Board of Directors held within one month after the conclusion of ordinary general meeting of shareholders to persons newly elected or reelected to Executive Directors of the Company, and shall be paid with the lifting of transfer restrictions at the time the transfer restriction period expires based on the below agreement.

The granting of stock-based remuneration shall be subject to the condition of an agreement between the Company and Executive Directors eligible for granting consisting largely of the following content: (i) In principle, the period while the Executive Directors were in service in a position as an officer or employee of the Company or its subsidiary that is predetermined by the Board of Directors of the Company shall be the restriction period, (ii) During the Transfer Restriction period, Executive Directors are prohibited from transferring to a third party, creating a security interest on, or otherwise disposing in any way of the granted shares; (iii) During the Transfer Restriction period, should certain events arise, the Company must acquire all or part of such shares without consideration, (iv) Tenure conditions-type restricted stock-based remuneration shall be subject to the condition of serving in a position as an officer or employee of the Company or its subsidiary that is predetermined by the Board of Directors of the Company continuously for a certain period, (v) In addition to the condition in (iv), for performance conditions-type restricted stock-based remuneration, the number of shares for which Transfer Restrictions will be lifted shall be determined in accordance with the degree of achievement of performance targets set in advance in the medium-term management plan, etc. by the Board of Directors of the Company, such as consolidated Return on Equity (consolidated ROE), and (vi) All or part of Transfer Restrictions on the shares granted shall be lifted in accordance with certain conditions.

IV. Method of determining content of individual remuneration, etc.

With regard to the amount of individual remuneration for Executive Directors and External Directors who are not Audit and Supervisory Committee Members of the Company, the Company may delegate the specific content thereof to the Representative Director and President based on a resolution of the Board of Directors. Said authority shall consist of performing the evaluation and allocation of the amount of basic remuneration for each Executive Director and External Director who is not an Audit and Supervisory Committee Member and performance-based monetary remuneration for Executive Directors within the limits of the total amount of remuneration, etc. resolved at the General Meeting of Shareholders.

The Board of Directors shall consult with the Nomination and Compensation Committee, whose member majority is made up of Independent External Directors, on drafts and receive advice and recommendations to ensure that such authority is properly exercised by the Representative Director and President. The Representative Director and

President who is delegated shall respect the advice and recommendations of the Nomination and Compensation Committee to the Board of Directors and make decisions.

Note that for stock-based remuneration, the number of shares to be allocated for each individual Executive Director will be determined by the Board of Directors based on the advice and recommendations of the Nomination and Compensation Committee within the limits on the total amount resolved at the General Meeting of Shareholders separately of basic remuneration, performance-based monetary remuneration, and other forms of cash remuneration.

V. Matters concerning Nomination and Compensation Committee

The Company established a Nomination and Compensation Committee for the purpose of clarifying the remuneration determination process pertaining to the remuneration of Directors who are not Audit and Supervisory Committee Members of the Company and Group companies, which have introduced a restricted stock-based remuneration system, and to ensure the transparency and fairness of the determination of remuneration.

The Nomination and Compensation Committee shall consist of at least three Committee Members elected by the Board of Directors that include the Representative Director, the majority of which shall be Independent External Directors. The Nomination and Compensation Committee Chair will be selected with a resolution of the Committee. In accordance with advice sought by the Board of Directors of the Company and Group companies pertaining to the remuneration of Directors who are not Audit and Supervisory Committee Members of the Company and Group companies, which have introduced a restricted stock-based remuneration system, the Nomination and Compensation Committee will perform deliberations and offer advice and recommendations to the Board of Directors on matters largely consisting of the following: (i) Policy on determining the content of the remuneration of each individual Director who is not an Audit and Supervisory Committee Member (including the selection of performance and other metrics serving as evaluation metrics for performance-based monetary remuneration, standards for granting stock-based remuneration, etc.) and (ii) Content of the remuneration, etc. of each individual Director who is not an Audit and Supervisory Committee Member.