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Securities Code: 8876

June 9, 2021

Dear Shareholders,

Relo Group, Inc.
4-3-23, Shinjuku, Shinjuku-ku, Tokyo

Notice of the 54th Annual General Meeting of Shareholders

You are cordially invited to attend the 54th Annual General Meeting of Shareholders of Relo Group, Inc. as per the schedule below.

If you are unable to attend the meeting, you may exercise your voting rights in writing or via the Internet (<https://www.web54.net>). Please first review the Reference Materials presented herein, indicate “for” or “against” for each agenda item shown on the enclosed Form for Exercising Voting Rights by 5:00 p.m. Japan Standard Time on Wednesday, June 23, 2021.

Sincerely,

Kenichi Nakamura
President and Representative Director

1. **Date & Time:** 10 a.m. on Thursday June 24, 2021 (reception starts at 9:30 a.m.)
2. **Venue:** Meeting room "Ohgi," South Tower 4F, Keio Plaza Hotel
2-2-1 Nishishinjuku, Shinjuku-ku, Tokyo
* Please note that no souvenir is prepared for shareholders attending the meeting.
3. **Meeting Agenda:**
 - (1) **Items to be reported:**
 - (i) Business reports and consolidated financial statements for the Company’s 54th business term (from April 1, 2020 to March 31, 2021) and audit result reports of consolidated financial statements by the financial Auditor and the Board of Company Auditors
 - (ii) Reports of non-consolidated financial statements for the Company’s 54th business term (from April 1, 2020 to March 31, 2021)
 - (2) **Items to be reported:**
 - Item 1:** Appointment of Eight Directors
 - Item 2:** Appointment of One Company Auditor
 - Item 3:** Determination of Amount and Details of Remuneration Related to Stock Options for Directors and Company Auditors

If you attend the meeting in person, please bring the enclosed Form for Exercising Voting Rights and present it at the reception desk. To save resources, please bring this notice with you.

If any revision is made to the reference materials for the general meeting of shareholders, business reports, non-consolidated financial statements, or consolidated financial statements, the post-revision details will be posted on the Company’s website (<https://www.relo.jp>) on the Internet.

Reference Materials for the Annual General Meeting of Shareholders

Agenda Item 1: Appointment of Eight Directors

The term of office of all (seven) Directors will expire at the conclusion of the current Annual General Meeting of Shareholders.

For this reason, the Company has reviewed the management structure and would like to ask the shareholders to approve the appointment of the eight Directors listed below.

The candidates for Directors are as follows:

Candidate Number	Name (Date of Birth)	Career History, Position and Responsibility in the Company (Status of Important Concurrent Posts)	Number of Shares of the Company Owned (Attendance at Board of Directors' meetings)
1	Masanori Sasada (June 10, 1945)	<p>Jan. 1971 Joined the Company</p> <p>Jul. 1978 President and Representative Director of the Company</p> <p>Apr. 2003 President and Representative Director of the Company concurrently serving as Chief Executive Officer</p> <p>Jun. 2003 Chairman and Representative Director of the Company</p> <p>Jun. 2009 Director of the Company</p> <p>Apr. 2012 Chairman of the Board of the Company (current post), Group Coordinator of the Company (current post)</p>	668,000 shares (100% 16/16 meetings)
		<p style="text-align: center;">Reason for appointment as Director</p> <p>The Company has decided to nominate Mr. Masanori Sasada as a candidate for Director because the Company believes that he possesses extensive experience, a good track record, and valuable knowledge about the management of the Relo Group, and feels that he is qualified to make decisions on important managerial matters and supervise the execution of operations.</p>	
2	Kenichi Nakamura (April 14, 1966)	<p>Apr. 1989 Joined the Company</p> <p>Apr. 2004 Corporate Officer of the Company</p> <p>Jun. 2009 Director of the Company</p> <p>Oct. 2010 President and Representative Director of the Company, Director-General concurrently serving as Officer in charge of the Internal Audit Unit (current post)</p>	1,164,700 shares (100% 16/16 meetings)
		<p style="text-align: center;">Reason for appointment as Director</p> <p>The Company has decided to nominate Mr. Kenichi Nakamura as a candidate for Director because the Company believes that, as the President and Representative Director of the Company, he possesses extensive experience, a good track record, and valuable knowledge. With his leadership, he is qualified to make decisions on important managerial matters and to execute operations.</p>	

Candidate Number	Name (Date of Birth)	Career History, Position and Responsibility in the Company (Status of Important Concurrent Posts)	Number of Shares of the Company Owned (Attendance at Board of Directors' meetings)
3	Yasushi Kadota (November 26, 1966)	<p>Oct. 2000 Joined the Company</p> <p>Apr. 2005 Corporate Officer of the Company</p> <p>Jun. 2006 Director of the Company</p> <p>Jun. 2009 Senior Managing Director of the Company (current post)</p> <p>Jun. 2010 Director of Nihon Housing Co., Ltd. (current post)</p> <p>Apr. 2015 Representative Director of Relo Financial Solutions, Ltd. (current post)</p> <p>Apr. 2016 Officer in charge of the Corporate staff section (current post)</p> <p>Apr. 2019 Other Business Administrator of the Company (current post)</p> <p>Apr. 2021 Overseas Strategic Business Administrator of the Company (current post)</p> <p>[Status of Important Concurrent Posts] Director of Nihon Housing Co., Ltd. Representative Director of Relo Financial Solutions, Ltd.</p> <p>Reason for appointment as Director</p> <p>The Company has decided to nominate Mr. Yasushi Kadota as a candidate for Director because the Company believes that he possesses extensive experience, a good track record, and valuable knowledge about the Company's business management, and feels that he is qualified to make decisions on important managerial matters and to execute operations.</p>	699,300 shares (100% 16/16 meetings)
4	Kenji Koshinaga (March 12, 1970)	<p>Apr. 1992 Joined the Company</p> <p>Aug. 2001 Representative Director of Relax Communications Co., Ltd. (current Relo Club, Ltd.)</p> <p>Jun. 2009 Director of the Company</p> <p>Apr. 2015 Managing Director of the Company (current post)</p> <p>Nov. 2015 Officer in charge of the Business Development Unit of the Company (current post)</p> <p>Oct. 2017 Director of Relocation Japan, Limited (current post)</p> <p>Apr. 2018 Representative Director of Relo Partners, Ltd.</p> <p>Apr. 2019 Main Business Administrator of the Company (current post)</p> <p>[Status of Important Concurrent Posts] Director of Tohto Co., Ltd. Director of Relocation Japan, Limited Representative Director of Relo Partners, Ltd.</p> <p>Reason for appointment as Director</p> <p>The Company has decided to nominate Mr. Kenji Koshinaga as a candidate for Director because the Company believes that he possesses extensive experience, a good track record, and valuable knowledge about the management of the Company and its business companies, and feels that he is qualified to make decisions on important managerial matters and to execute operations.</p>	804,300 shares (100% 16/16 meetings)

Candidate Number	Name (Date of Birth)	Career History, Position and Responsibility in the Company (Status of Important Concurrent Posts)	Number of Shares of the Company Owned (Attendance at Board of Directors' meetings)
5	Takeshi Kawano (March 24, 1975)	<p>Apr. 1997 Joined the Company</p> <p>Apr. 2016 Representative Director of Relo Club, Ltd.</p> <p>Jun. 2018 Director of the Company (current post)</p> <p>Apr. 2019 Chief Information Officer (CIO) of the Company (current post)</p> <p>[Status of Important Concurrent Posts] Director of Relo Club, Ltd., Director of Relocation Japan, Limited, Director of Relo Partners, Ltd., Director of Relocation International, Inc. and Director of Relo Excel International, Inc.</p> <p>Reason for appointment as Director</p> <p>The Company has decided to nominate Mr. Takeshi Kawano as a candidate for Director because the Company believes that he possesses extensive experience, a good track record, and valuable knowledge of the management of the Company and its business companies, given his time as President and Representative Director of Relo Club, Ltd. and his significant contribution to an improvement in the profit margin of the corporate fringe benefit business through system investments. We also feel that he is qualified to make decisions on important managerial matters and execute operations.</p>	167,700 shares (100% 16/16 meetings)
6	Katsuhiko Koyama (April 2, 1965)	<p>Apr. 1989 Joined the Company</p> <p>Dec. 2002 Manager of the Human Resources Development Unit</p> <p>Feb. 2005 Corporate Officer of the Company</p> <p>Jun. 2013 Director of the Company in charge of the Human Resources Development Unit and the Risk Management Unit</p> <p>Apr. 2015 In charge of the Shared Service Unit of the Company</p> <p>Jun. 2016 Company Auditor of the Company (current post)</p> <p>Reason for appointment as Director</p> <p>The Company has decided to appoint Mr. Katsuhiko Koyama as candidate for Director because the Company believes that he possesses extensive experience, a good track record and valuable knowledge in the HR division at the Company and feels he is qualified to make decisions on important managerial matters and to execute operations.</p>	435,500 shares (100% 16/16 meetings)

Candidate Number	Name (Date of Birth)	Career History, Position and Responsibility in the Company (Status of Important Concurrent Posts)	Number of Shares of the Company Owned (Attendance at Board of Directors' meetings)
7	Takashi Ohnogi (May 26, 1953)	<p>Jul. 1987 Representative of Ohnogi Accounting Office (now Ohnogi Accounting Group) (current post)</p> <p>Apr. 1990 Company Auditor of the Company</p> <p>Jun. 2015 Outside Director of the Company (current post)</p> <p>[Status of Important Concurrent Posts] Representative of Ohnogi Accounting Group</p> <p>Reason for appointment as Director</p> <p>The Company has decided to appoint Mr. Takashi Ohnogi as a candidate for Outside Director because the Company believes that, as a certified public accountant and a certified tax accountant, he possesses extensive experience, a good track record and valuable knowledge. In addition, the Company can expect to receive valuable advice from him about our efforts to strengthen the Company's corporate governance and feels that he is qualified to make decisions on important managerial matters and to supervise the execution of operations.</p> <p>The Company expects that, as Outside Director, Mr. Takashi Ohnogi will continue to make appropriate assessments of the Company's business performance and other aspects and exercise effective supervision over management from an independent and objective standpoint.</p>	215,000 shares (100% 16/16 meetings)
8	Kazuya Udagawa (April 7, 1952)	<p>Oct. 1994 Representative of Udagawa Kazuya Law Office (current post)</p> <p>Jun. 2012 Company Auditor of the Company</p> <p>Jun. 2017 Outside Director of the Company (current post)</p> <p>[Status of Important Concurrent Posts] Representative of Udagawa Kazuya Law Office</p> <p>Reason for appointment as Director</p> <p>The Company has decided to appoint Mr. Kazuya Udagawa as a candidate for Outside Director because the Company believes that, as a lawyer, he possesses extensive experience, a good track record and valuable knowledge. In addition, the Company can expect to receive valuable advice from him about our efforts to strengthen the Company's corporate governance and feels that he is qualified to make decisions on important managerial matters and to supervise the execution of operations.</p> <p>The Company expects that, as Outside Director, Mr. Kazuya Udagawa will continue contributing to further improvement of the function of supervising and checking management, including conflicts of interest, from an independent and objective standpoint.</p>	6,500 shares (100% 16/16 meetings)

Notes:

1. There are no special relationships between the candidates and the Company.
2. Attendance of Mr. Katsuhiko Koyama is attendance whilst serving as Standing Company Auditor.
3. Mr. Takashi Ohnogi is currently an Outside Director of the Company, and his term of office will be 6 years at the conclusion of the 54th Annual General Meeting of the Shareholders. Mr. Ohnogi has also served as an Outside Company Auditor of the Company in the past.
4. Mr. Kazuya Udagawa is currently an Outside Director of the Company, and his term of office will be 4 year at the conclusion of the 54th Annual General Meeting of the Shareholders. Mr. Udagawa has also served as an Outside

Company Auditor of the Company in the past.

5. The Company has concluded an agreement with Mr. Ohnogi and Mr. Udagawa that limits the liability for damages prescribed in Article 423, Paragraph 1 of the Companies Act to the amount prescribed by laws in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act. If the reappointment of Mr. Ohnogi and Mr. Udagawa is approved, the Company plans to extend the aforementioned agreement with Mr. Ohnogi and Mr. Udagawa.
6. The Company has filed Messers. Mr. Ohnogi and Mr. Udagawa as independent officers with Tokyo Stock Exchange in accordance with the provisions of Tokyo Stock Exchange.
7. The Company has concluded an indemnification agreement as stipulated in Article 430-2, paragraph 1 of the Companies Act with the incumbent Directors and Company Auditors. Under the terms of this indemnification agreement, the Company will indemnify expenses defined in item 1 of said paragraph and losses defined in Item 2 of said paragraph within the limits stipulated by laws and regulations and if the reappointment of the incumbent directors is approved, the Company plans to renew the above indemnification agreement with each Director.

If the appointment of Mr. Katsuhiko Koyama is approved, the Company plans to conclude an indemnification agreement as described above with him.

8. The Company has concluded a Directors' and officers' liability insurance agreement with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The incumbent Directors and Company Auditors are all included in the insured persons under this insurance agreement. This insurance agreement covers compensation for damages and litigation expenses incurred by insured persons as a result of claims made against them for action taken by them (or inaction) within the scope of their role as officer, etc. of the Company and all premiums of the insured persons are paid by the Company in full. If the reappointment of the each of the incumbent Directors is approved, each of them will be included in the insured persons under this insurance agreement. The Company plans to renew this insurance agreement without any significant changes during their term of office.

If the appointment of Mr. Katsuhiko Koyama is approved, he will be included in the insured persons under the abovementioned insurance agreement.

Agenda Item 2: Appointment of One Company Auditor

Company Auditor Mr. Katsuhiko Koyama will resign at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, the election of one Company Auditor to succeed the resigning Company Auditor is requested.

The term of office of the newly elected Company Auditor shall be concurrent with the term of office of the resigning Company Auditor in accordance with the provisions of the Company's Articles of Incorporation.

The consent of the Board of Company Auditors to this proposal has been obtained.

The candidate for Company Auditors is as follows.

Candidate Number	Name (Date of Birth)	Career History, Position and Responsibility in the Company (Status of Important Concurrent Posts)	Number of Shares of the Company Owned (Attendance at Board of Directors' meetings) (Attendance at Board of Company Auditors' meetings)
1	Masayuki Iwai (February 21, 1964)	<p>Apr. 1987 Joined Sanwa Bank, Ltd. (current MUFG Bank, Ltd.)</p> <p>Oct. 2007 Joined Relax Communications Co., Ltd. (current Relo Club, Ltd.)</p> <p>Dec. 2007 Corporate Officer of Relax Communications Co., Ltd.</p> <p>Apr. 2012 Director of Relax Communications Co., Ltd</p> <p>Apr. 2016 Corporate Officer in charge of the Human Resources Development Unit, the Risk Management Unit, and the Shared Service Unit of the Company</p> <p>Apr. 2020 Corporate Officer in charge of the Human Resource Development Unit, the Personnel Affairs and Payroll Unit and the General Affairs Unit of the Company (current post)</p>	<p>177,000 shares</p> <p>(--meetings /-- meetings)</p> <p>(--meetings /-- meetings)</p>
		Reason for appointment as Company Auditor	
		The Company has decided to appoint Mr. Masayuki Iwai as a candidate for Company Auditor because the Company believes that he possesses extensive experience, a good track record, and valuable knowledge concerning Group management based on his experience in managing an operating company and in the personnel operations of the Company and feels that he is able to draw on this in the work of auditing the Company to audit the execution of the duties of Directors from an objective and fair perspective.	

Notes:

1. There is no special relationship between the candidate and the Company.
2. If the appointment of Mr. Masayuki Iwai is approved, the Company plans to conclude an agreement with him that limits the liability for damages prescribed in Article 423, paragraph 1 of the Companies Act to the amount prescribed by laws in accordance with the provisions of Article 427, paragraph 1 of the Companies Act.
3. If the appointment of Mr. Masayuki Iwai is approved, the Company plans to conclude an indemnification agreement with him as stipulated in Article 430-2, paragraph 1 of the Companies Act. Under the terms of this indemnification agreement, the Company will indemnify expenses defined in item 1 of said paragraph and losses defined in Item 2 of said paragraph within the limits stipulated by laws and regulations
4. If the appointment of Mr. Masayuki Iwai is approved, he will be included in the insured persons under the Directors' and officers' liability insurance agreement that the Company has concluded with an insurance company as stipulated in Article 430-3, paragraph 1 of the Companies Act. This insurance agreement covers compensation for damages and

litigation expenses incurred by insured persons as a result of claims made against them for action taken by them (or inaction) within the scope of their role as officer, etc. of the Company and all premiums of the insured persons are paid by the Company in full. The Company plans to renew this insurance agreement without any significant changes during their term of office.

Agenda Item 3: Determination of Amount and Details of Remuneration Related to Stock Options for Directors and Company Auditors

At the 51st Annual General Meeting of Shareholders held on June 26, 2018, shareholders approved a proposal to set the amount of annual remuneration for Directors of the Company at 400 million yen or less (of which the annual remuneration for outside Directors is 20 million yen or less; provided, however, that remuneration for Directors does not include salaries for employees for Directors concurrently holding the post of employee) and at the 49th Annual General Meeting of Shareholders held on June 23, 2016, shareholders approved a proposal to set the amount of annual remuneration for Company Auditors at 50 million yen or less. The Company would now like to ask shareholders to approve the granting of stock acquisition rights as stock options, separate from such monetary compensation, in order to incentivize and motivate Directors of the Company to improve the corporate value of the Group in the long term and to encourage Company Auditors to conduct proper audits.

If the Agenda Item 1 (Appointment of Eight Directors) is approved as originally proposed, the Company shall have eight Directors (of whom, two are Outside Directors), and if the Agenda Item 2 (Appointment of One Company Auditor) is approved as originally proposed, the Company shall have four Company Auditors.

1. Outline of issuance of stock acquisition rights

(1) Number of stock acquisition rights

The maximum number of stock acquisition rights to be issued within each fiscal year shall be 2,500 for Directors (including 100 for Outside Directors) and 250 for Company Auditors.

(2) Cash payment in exchange for stock acquisition rights

No cash payment shall be required in exchange for the stock acquisition rights, and the Company shall issue the stock acquisition rights free of charge.

(3) The class and number of shares to be acquired upon exercise of stock acquisition rights

The class of shares to be issued or transferred upon exercise of the stock acquisition rights shall be common stock of the Company, and the aggregate number of such shares shall be the product of the aggregate number of stock acquisition rights multiplied by 100 shares.

In the event that the Company conducts a stock split or a consolidation of shares after the allotment date of the stock acquisition rights (hereinafter referred to as the "Allotment date"), the number of shares to be issued or transferred upon exercise of the stock acquisition rights shall be adjusted using the following formula. Provided, however, that such adjustment shall be made with respect to the number of shares to be issued or transferred upon exercise of the stock acquisition rights that have not yet been exercised at the time of adjustment, and any fraction less than one share arising from the adjustment shall be rounded down.

Number of shares after adjustment = Number of shares before adjustment x Ratio of split or consolidation

Other than the above, in the event it becomes necessary to adjust the number of shares after the Allotment Date, the Company may make reasonable adjustments to the number of shares as deemed necessary.

When the number of shares is to be adjusted, the Company shall notify holders of the stock acquisition rights (hereinafter referred to as the "Stock Acquisition Right Holders") of necessary information, or make a public announcement thereof, no later than the day before the date on which number of shares after adjustment takes effect. Provided, however, that if the Company cannot give notification or make a public announcement no later than the day before the date on which such number of shares after adjustment takes effect, the Company shall give notification or make a public announcement promptly thereafter.

(4) Value of assets to be contributed upon exercise of each stock acquisition right

The assets to be contributed upon exercise of the stock acquisition rights shall be cash, and the value of the assets to be contributed upon exercise of each of the stock acquisition rights shall be an amount obtained by multiplying the amount to be paid in per share that is deliverable upon exercise of the stock acquisition rights (hereinafter referred to as the "Exercise Price") by the number of shares to be issued or transferred upon exercise of the stock acquisition rights. The Exercise Price shall be one yen.

If any of the reasons shown below arise after the Allotment Date, the Exercise Price shall be adjusted accordingly.

- (i) In the event that the Company conducts a stock split or stock consolidation with respect to its common stock, the Exercise Price shall be adjusted, depending on the ratio of the stock split or stock consolidation, in accordance with the following formula, with any fraction less than one yen arising from the adjustment rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Ratio of stock split or stock consolidation}}$$

- (ii) In the event that the Company issues new shares of common stock or disposes of treasury shares at a price below the market price (excludes sale of treasury shares pursuant to the provisions of Article 194 of the Companies Act (Demand for Sale to Holder of Shares Less than One Unit) and conversion or exercise of securities convertible into common stock of the Company or stock acquisition rights (including bonds with stock acquisition rights) entitling holder to demand delivery of convertible securities or common stock of the Company), the Exercise Price shall be adjusted in accordance with the following formula, with any fraction less than one yen arising from the adjustment rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{\text{Number of shares already issued} + \frac{\text{Number of shares newly issued} \times \text{Amount paid in per share}}{\text{Market price per share}}}{\text{Number of shares already issued} + \text{Number of shares newly issued}}$$

The "Market price" in the above formula shall be the average closing price (including indicative prices; hereinafter the same) in ordinary trading of shares of common stock of the Company on the Tokyo Stock Exchange for a period of thirty (30) trading days (excluding days when no closing price is quoted) commencing on the forty-fifth (45th) trading day prior to the date on which the Exercise Price after adjustment takes effect (hereinafter referred to as the "Effective Date"). The "average" shall be calculated to the hundredth of a yen and then rounded to the nearest tenth.

The "Number of shares already issued" in the above formula shall be the total number of issued shares of common stock of the Company less the number of shares of common stock the Company holds as treasury shares ; and in the case of disposition of treasury shares of common stock of the Company, the "Number of shares newly issued" in the formula shall be replaced with the "Number of treasury shares disposed of."

- (iii) The Effective Date shall be determined in accordance with the following provisions.

When adjusted in accordance with (i) above, the Exercise Price after adjustment shall be effective from the day after the record date of the stock split (or the effective date of the stock split if no record date is specified) in the case of a stock split, or from the effective date of the stock consolidation in the case of a stock consolidation.

When adjusted in accordance with (ii) above, the Exercise Price after adjustment shall be effective from the day following the payment date for the issuance or the disposition (if the payment period is set, then the last day of the payment period) (or if there is a record date, from the day following the record date).

- (iv) Other than (i) and (ii) above, in the event of unavoidable reasons requiring adjustment of the Exercise Price, after the Allotment Date, the Company shall make reasonable adjustments to the Exercise Price as deemed necessary.
- (v) If the Exercise Price is adjusted, the Company shall notify Stock Acquisition Right Holders of necessary information, or make a public announcement thereof, no later than the day before the Effective Date.

Provided, however, that if the Company cannot give notification or make a public announcement no later than the day before the Effective Date, the Company shall give notification or make a public announcement promptly thereafter.

(5) Period during which the stock acquisition rights can be exercised (hereinafter referred to as the "Exercise Period")

The Exercise Period shall be a period of two years commencing on the tenth anniversary of the Allotment Date.

Provided, however, that if the last day of the Exercise Period is not a business day of the administrator of the shareholder registry (refers to administrator of shareholders registry defined in Article 123 of the Companies Act) of the Company, the preceding business day shall be the last day.

(6) Conditions for exercise of stock acquisition rights

(i) Stock Acquisition Right Holders must hold the position of Director, Company Auditor or employee of the Company or Director, Company Auditor or employee of a subsidiary of the Company when exercising the stock acquisition rights. Provided, however, that Stock Acquisition Right Holders may still exercise the stock acquisitions rights if they have retired from the position of Director, Company Auditor or employee of the Company or Director, Company Auditor or employee of a subsidiary of the Company due to expiration of their term of office as Director or Company Auditor or mandatory retirement as an employee or when another justifiable reason is acknowledged at a meeting of the Board of Directors.

(ii) Even if Stock Acquisition Right Holders satisfy the conditions for exercise of stock acquisition rights set out in the preceding paragraph, if, on or before the date of exercising the stock acquisition rights, Stock Acquisition Right Holders violate laws or regulations, are subject to disciplinary action provided for in the employment rules of their employer, cause damage or the risk thereof to the Company or a subsidiary of the Company, or the Board of the Directors of the Company otherwise judges that allowing them to exercise the stock acquisition rights would be inappropriate in light of the spirit in which they were granted, the Board of Directors may extinguish the right to exercise the stock acquisition rights.

(iii) If Stock Acquisition Right Holders die, heirs of Stock Acquisition Right Holders may exercise the stock acquisition rights.

(7) Conditions for acquisition of stock acquisition rights

The Company may acquire the stock acquisition rights without any consideration if a proposal for approval of a merger agreement under which the Company shall become an absorbed company is approved at a shareholders meeting of the Company (or the Board of Directors of the Company if the surviving company, etc. (refers to "Surviving Company, etc." as defined in Article 784, paragraph 1 of the Companies Act; the same applies hereinafter) is a special controlling company (refers to "Special Controlling Company" as defined in Article 468, paragraph 1 of the Companies Act; the same applies hereinafter) of the Company) or if a proposal for approval of a share exchange agreement or a share transfer plan under which the Company shall become a wholly-owned subsidiary is approved at a shareholders meeting of the Company (or the Board of Directors of the Company in the case of a proposal for approval of a share exchange agreement under which the Company shall become a wholly owned subsidiary and the surviving company. etc. is a special controlling company of the Company).

(8) Restriction on acquisition of stock acquisition rights by transfer

Any acquisition of the share acquisition rights by transfer shall be subject to approval by the Board of Directors of the Company.

2. Specific calculation method of remuneration of Directors and Company Auditors

The amount of the stock acquisition rights to be issued as remuneration for Directors and Company Auditors of the Company shall be the product of the fair value of each of the stock acquisition rights on the Allotment Date multiplied by the aggregate number of the stock acquisition rights to be allotted to Directors and Company Auditors on the Allotment Date. The fair value of the stock acquisition rights shall be a value assessed appropriately in accordance with the Accounting Standard for Stock Options (Accounting Standards Board of Japan (ASBJ) Statement No.8, issued on December 27, 2005) and “Guidance on Accounting Standard for Stock Options” (ASBJ Guidance No.11).

3. Reasons for deeming grating of stock acquisition rights appropriate

The stock acquisition rights are stock options to be allotted to further the interests of shareholders by incentivizing Directors of the Company to improve corporate value in the long term and to encourage Company Auditors to conduct proper audits.

The Company established a policy for determining the remuneration of Directors at a meeting of the Board of Directors held on February 25, 2021 and details of the policy are as stated on page 35 of the business report. However, if approval for this proposal is obtained, the Company plans to amend part of the policy as explained later and the Company judges that the details of this proposal are reasonable even in light of said policy.

【Policy for determining the details of remuneration, etc. of each Director after amendment】

The remuneration of Directors of the Company is composed of monthly fixed monetary remuneration and non-monetary remuneration (share remuneration-type stock options) to be issued to coincide with the start, etc. of the medium-term management plan. The proportions of monetary remuneration and non-monetary remuneration shall be determined appropriately taking into account that the purpose of the share remuneration-type stock options is to provide incentive to improve corporate value in the medium and long term.

The remuneration granted to individual Directors shall be determined based on comprehensive consideration of a wide range of factors including the responsibilities of each Director as well as business performance and their degree of contribution and the Board of Directors shall, by its resolution, delegate authority to Director and Chairman Masanori Sasada (Group Coordinator) and Representative Director and President Kenichi Nakamura (in charge of overall management and the Internal Audit Department) to determine the amount/number within the limits of the overall amount of remuneration approved by the General Meeting of Shareholders. Authority is delegated to the Director and Chairman and the Representative Director and President because they are judged most qualified to properly evaluate, through consultation, the Group's overall performance, the contribution of each Director and other relevant factors.

The Nomination and Compensation Committee, which consists of the Representative Director and President and at least three Outside Directors, shall consider the fairness and objectivity of the amount of remuneration for each Director determined by the Director and Chairman and the Representative Director and President and where necessary the Outside Directors, who make up the Committee, shall provide advice and guidance to the Director and Chairman and the Representative Director and President and the policy determined by the Director and Chairman and the Representative Director and President shall also be reported to the Board of Directors of the Company.