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Securities Code 9066  
June 7, 2021

**To Shareholders with Voting Rights:**

Masahiro Tsutsui  
President and Representative Director  
NISSIN CORPORATION  
6-81 Onoe-cho, Naka-ku, Yokohama-shi, Kanagawa, Japan

**NOTICE OF  
THE 112TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

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

We hereby notify you that the 112th Annual General Meeting of Shareholders of Nissin Corporation (the “Company”) will be held as described below.

**In order to prevent the spread of COVID-19, the Company encourages all shareholders, if at all possible, to exercise their voting rights in writing or via electromagnetic methods (the Internet, etc.) in advance instead of attending the Meeting in person.** In that case, please review the attached Reference Documents for the General Meeting of Shareholders, convey your vote for or against the proposals by mailing the enclosed Voting Rights Exercise Form or via the website (<https://evote.tr.mufg.jp/>) so that it is received by 5:45 p.m. Japan time on Tuesday, June 22, 2021.

The Annual General Meeting of Shareholders will be streamed live. For details on how to watch the live streaming, please refer to page 5 of the convocation notice. Please be advised that shareholders may not exercise voting rights, express opinions, ask questions, etc. via live streaming.

- Considering the COVID-19 pandemic, all attendees are kindly requested to take every possible step to prevent the infection such as wearing a face mask while fully checking their physical condition and the current situation surrounding the COVID-19 on the date of the Meeting.
- We will reduce seating capacity in an effort to create more distance between attendees. Therefore, admission may be restricted due to the limited number of seats available.
- We will not hand out gifts to attendees. We appreciate your understanding.

**1. Date and Time:** Wednesday, June 23, 2021 at 10:00 a.m. Japan time

**2. Place:** Yokohama Symposia, 9F Industry & Trade Center Building,  
2 Yamashita-cho, Naka-ku, Yokohama-shi, Kanagawa, Japan

**3. Meeting Agenda:**

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 112th Fiscal Year (April 1, 2020 - March 31, 2021) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee
  2. Non-consolidated Financial Statements for the Company’s 112th Fiscal Year (April 1, 2020 - March 31, 2021)

**Proposals to be resolved:**

- Proposal 1:** Partial Amendment to the Articles of Incorporation
- Proposal 2:** Election of Six (6) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal 3:** Election of Three (3) Directors Who Are Audit & Supervisory Committee Members
- Proposal 4:** Decision on Compensation for the Delivery of Restricted Stock to Directors (Excluding Outside Directors and Directors Who Are Audit & Supervisory Committee Members)

#### 4. Information on Exercise of Voting Rights:

In the event that your voting rights are exercised via both mail and the Internet, etc., the vote exercised via the Internet, etc. will be regarded as valid.

Furthermore, in the event that your voting rights are exercised multiple times via the Internet, etc., the last vote made will be regarded as valid.

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- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception.
  - ◎ The following items are posted on the Company's website (<https://www.nissin-tw.com/>) in accordance with provisions of laws and regulations as well as Article 16 of the Company's Articles of Incorporation, and therefore are not provided in this Notice.
    - 1) Notes to Consolidated Financial Statements
    - 2) Notes to Non-consolidated Financial StatementsAccordingly, the appendixes provided with this Notice form part of the documents audited by the Audit & Supervisory Committee and the Accounting Auditor when preparing their respective audit reports.
  - ◎ Should revisions arise to the Reference Documents for the General Meeting of Shareholders, the Business Report, Non-consolidated and Consolidated Financial Statements, they will be posted on the Company's website (<https://www.nissin-tw.com/>).
  - ◎ Depending on the state of the COVID-19 infection on the date of the Meeting, the Company will take necessary preventive measures. Should significant changes arise to the operation of the 112th Annual General Meeting of Shareholders, they will be posted on the Company's website (<https://www.nissin-tw.com/>).

## Exercising Voting Rights via the Internet

To exercise voting rights via the Internet, please access the Voting Rights Exercise Website (<https://evote.tr.mufg.jp/>) designated by the Company from a PC, smartphone, or mobile phone, and exercise your voting rights by following the instructions on the screen.

Deadline for exercise of voting rights: Tuesday, June 22, 2021 at 5:45 p. m.

\* Votes must be submitted by the deadline above.

The website will be unavailable from 2 a.m. to 5 a.m. daily.

### Method of exercise of voting rights by scanning the QR code

- Using a smartphone

With a smartphone, you can log in to the website without entering your login ID and temporary password to exercise voting rights.

Log in to the website by scanning the QR Code for Login on the right side of the enclosed Voting Rights Exercise Form, and follow the instructions on the screen to enter your vote for or against each proposal.

\* This method of exercise of voting rights can be performed only once.

If you intend to login to the website for the second time or QR Code is unsupported on your phone, please refer to the section below.

\* QR Code is registered trademarks of DENSO WAVE INCORPORATED.

### Method of exercise of voting rights by entering login ID and temporary password

- Using a PC or logging in for the second time with a smartphone

1. Access the Voting Rights Exercise Website

<https://evote.tr.mufg.jp/>

Click “次の画面へ (Next)”.

2. Log in to the website

Enter the login ID and temporary password described on the right side of the enclosed Voting Rights Exercise Form.

Enter the ID and password and click “ログイン (Login).”

3. Change the password

Enter the current password, a new password, and confirm password. Make sure not to forget the new password.

Click “送信 (Submit).”

Follow the instructions on the screen to enter your vote for or against each proposal.

It may not be possible to exercise the voting rights from a PC or smartphone depending on the Internet environment of the shareholder if using a firewall, antivirus software, or proxy server, or if TLS encrypted transmission is not designated when connecting to the Internet.

- Exercising voting rights with a mobile phone

Access the Voting Rights Exercise Website

<https://evote.tr.mufg.jp/>

For security reasons, you cannot vote by a mobile phone that does not have functions of TLS encrypted transmission or transmission of mobile phone information.

### [Notes]

- In order to prevent unauthorized access by third parties other than shareholders (so-called "spoofing") and to prevent tampering with content of the voting, shareholders will be asked to change the temporary password on the Voting Rights Exercise Website.
- You will be provided with a new login ID and temporary password each time an Annual General Meeting of Shareholders is convened.

- The costs incurred when accessing the Voting Rights Exercise Website (such as Internet access fees) will be the responsibility of the shareholder. Similarly, fees required to use mobile phones, such as packet transmission fees, will also be the responsibility of the shareholder.
- Votes via the Internet will be accepted until 5:45 p.m. on Tuesday, June 22, 2021. However, you are cordially requested to exercise your voting rights earlier. If you have any questions, contact the Help Desk below.

For inquiries about the system or other matters, contact:  
Securities Agency Division (Help Desk), Mitsubishi UFJ Trust and Banking Corporation  
Phone: 0120-173-027 (Toll Free within Japan) (available from 9 a.m. to 9 p.m.)

## Live streaming of the General Meeting of Shareholders

Instead of attending the General Meeting of Shareholders in person, you will be able to watch the meeting on the date via live streaming on the Internet as described below.

1. Please access the following website designated by the Company

Date of live streaming: Wednesday, June 23, 2021

From 10 a.m. to the end of the General Meeting of Shareholders  
The live streaming website will be set up around 9:30 a.m.

Live streaming URL: <https://v.srdb.jp/9066/2021soukai/>

2. When a login screen appears, enter the login ID and password as described below

Login ID : Shareholder ID indicated on your Voting Rights Exercise Form

Password : Zip code of your registered address (excluding hyphens)

3. Click the login button to watch the live streaming

[Notes on the live streaming]

- Shareholders watching the live streaming may not exercise voting rights, express opinions, or ask questions, etc. on the day of the Annual General Meeting of Shareholders. Please exercise the voting rights beforehand in writing or via the Internet after reviewing pages 3 to 4 in this notice.
- You may not be able to watch the live streaming depending on the PC used, Internet environment, connection state, or other factors.
- Any fees to watch the live streaming including communication charges shall be borne by shareholders.
- Photographing, video recording, sound recording, and storing the live streaming are prohibited.
- Sharing the shareholder ID and password with any third party is strictly prohibited.
- In consideration of the privacy of attending shareholders, the live streaming will show only the seating area for the chairperson and officers.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Partial Amendment to the Articles of Incorporation

1. Reason for the amendment

The Company has introduced an Executive Officer system, implementing swifter decision-making and a stronger supervisory function for the Board of Directors. Accordingly, it is proposed to decrease the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) prescribed under Article 20, Paragraph 1 of the current Articles of Incorporation from “a maximum of fifteen (15)” to “a maximum of ten (10).”

2. Details of the amendment

The details of the amendment are as follows:

(The amended portion is underlined.)

Current Articles of Incorporation	Proposed Amendment
<p>Chapter 4. Directors and the Board of Directors</p> <p>(Number of Directors)</p> <p>Article 20 The Company shall have a maximum of <u>fifteen (15)</u> Directors (excluding Directors who are Audit &amp; Supervisory Committee Members).</p> <p>2. The Company shall have a maximum of four (4) Directors who are Audit &amp; Supervisory Committee Members.</p>	<p>Chapter 4. Directors and the Board of Directors</p> <p>(Number of Directors)</p> <p>Article 20 The Company shall have a maximum of <u>ten (10)</u> Directors (excluding Directors who are Audit &amp; Supervisory Committee Members).</p> <p>2. The Company shall have a maximum of four (4) Directors who are Audit &amp; Supervisory Committee Members.</p>



**Proposal 2:** Election of Six (6) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)




The terms of office of all Directors (8 persons) (excluding Directors who are Audit & Supervisory Committee Members; hereinafter, the same applies in this proposal) will expire at the closing of this General Meeting of Shareholders.

Accordingly, the election of six (6) Directors is proposed.


Furthermore, the Audit & Supervisory Committee has expressed its view that the candidates for Director presented in this proposal are suitable, as a result of discussions from perspectives such as the qualifications of each candidate and the composition of the Board of Directors, based on discussions at the Nominating and Compensation Committee.

The candidates for Director are as follows:

Candidate No.	Name (Date of birth)	Number of shares of the Company held	Past experience, positions, responsibilities, and significant concurrent positions	
1	 Masahiro Tsutsui (Feb. 25, 1953) [Reappointment]	50,720	Apr. 1975	Joined Mitsui O.S.K. Lines, Ltd.
			Jul. 1986	Joined the Company
			Jun. 1993	Director
			Apr. 2001	Managing Director
			Jun. 2005	Senior Managing Director
			Jun. 2007	Representative Director and Vice President
			Jun. 2008	President, Chief Operating Officer and Representative Director
			Jun. 2019	Representative Director, Yokohama Air Cargo Terminal Co., Ltd. (to present)
			Jun. 2020	Representative Director, President and Executive Officer (to present)
	[Reason for nomination as candidate for Director] Mr. Masahiro Tsutsui promotes the globalization of the Group as President, Chief Operating Officer and Representative Director. He is nominated as a candidate for Director to draw on his experience and achievements as Chief Operating Officer gained through his career for the sustainable improvement of the Group's corporate value.			
2	 Junichiro Watanabe (May 30, 1956) [Reappointment]	6,600	Apr. 1981	Joined The Sanwa Bank, Ltd.
			Nov. 2009	Joined the Company
			Jun. 2010	Executive Officer
			Jun. 2012	Director and Executive Officer
			Oct. 2012	Director and Managing Executive Officer
			Apr. 2016	Director and Senior Managing Executive Officer
			Apr. 2020	Assistant to the President, General Manager, Sales Division and Head of Operational Headquarters (to present)
			Jun. 2020	Representative Director and Senior Managing Executive Officer (to present)
	[Reason for nomination as candidate for Director] Mr. Junichiro Watanabe has been engaged in management as a manager of sales, planning, and administrative divisions, and is striving to enhance the Group's profitability as General Manager of the Sales Division and Assistant to the President. He is nominated as a candidate for Director to maximize the effect of his expertise in the financial industry and his achievements as General Manager of the Sales Division gained through his career.			

Candidate No.	Name (Date of birth)	Number of shares of the Company held	Past experience, positions, responsibilities, and significant concurrent positions	
3	 Masataka Tsutsui (Oct. 10, 1967) [Reappointment]	10,588	Apr. 1990 Apr. 2011 Apr. 2013 Jun. 2014 Apr. 2016 Apr. 2020 Apr. 2020	Joined the Company General Manager, Personnel Department Executive Officer Director and Executive Officer Director and Managing Executive Officer Director and Senior Managing Executive Officer (to present) General Manager, Operational Headquarters (to present)
[Reason for nomination as candidate for Director] Mr. Masataka Tsutsui is striving to respond to globalization in customs operations and ensure personnel development, with abundant experience and insight centered on the customs and personnel divisions. He is nominated as a candidate for Director to draw on his experience in the administration and sales divisions gained through his career and his insight into customs operations for profit expansion in the international shipping division.				
4	 Tomonao Ishiyama (Feb. 28, 1959) [Reappointment]	4,620	Apr. 1982 Apr. 2010 Apr. 2011 Apr. 2014 Jun. 2015 Apr. 2017 Apr. 2020	Joined the Company General Manager, Audit Department General Manager, Accounting Department Executive Officer Director and Executive Officer Director and Managing Executive Officer (to present) Head of AEO Arrangements Office, Corporate Planning Department, Business Administration Office, Accounting Department and Subsidiaries and Associates Management Office (to present)
[Reason for nomination as candidate for Director] Mr. Tomonao Ishiyama has been engaged in accounting and financing divisions over many years, possessing abundant experience, and is striving to promote compliance. He is nominated as a candidate for Director to draw on his experience and knowledge regarding finance and accounting for the further strengthening of internal control and risk management.				
5	 Seiji Torio (Jul. 4, 1954) [Reappointment]	5,900	Apr. 1978 Apr. 2006 Apr. 2009 Jun. 2012 Apr. 2015 Apr. 2015 Jun. 2017 Apr. 2021	Joined the Company President, Nissin Transportation & Warehousing (H.K.) General Manager, China Business Department, the Company Executive Officer Managing Executive Officer General Manager, Kansai Division Director and Managing Executive Officer (to present) Head of special missions (business advancement and travel business), in charge of General Sales Department No.3, Business Solution Sales Department, International Sales Department No.1, No.2, and No.3 (to present)
[Reason for nomination as candidate for Director] Mr. Seiji Torio has been engaged in international logistics operations in Japan and overseas, and possesses abundant practical experience, including managing a subsidiary in China. He is nominated as a candidate for Director to draw on his experience to further expand sales as well as to promote business advancement and strengthen travel business as special missions.				



Candidate No.	Name (Date of birth)	Number of shares of the Company held	Past experience, positions, responsibilities, and significant concurrent positions	
6	 Susumu Fujimoto (Dec. 5, 1948) [Reappointment] [Outside] [Independent]	1,600	Apr. 1972	Joined Ministry of Finance
			Jun. 1992	Director, Asian Development Bank
			Jun. 1998	Director-General, Yokohama Customs
			Jun. 2007	Director, MS&AD Insurance Group Holdings
			Apr. 2008	Director, Managing Executive Officer, Mitsui Sumitomo Insurance Company, Limited
			Apr. 2014	Director, Executive Vice President, MS&AD Insurance Group Holdings
			Apr. 2014	Vice President Executive Officer, Mitsui Sumitomo Insurance Company Limited
			Apr. 2016	Director, Chairman, InterRisk Research Institute & Consulting, Inc.
			Oct. 2018	Advisor, the Company
			Apr. 2019	Director and Chairman, Tokai Tokyo Research Institute Co., Ltd. (to present)
			Jun. 2019	Director, the Company (to present)
[Reason for nomination as candidate for Outside Director and a summary of expected roles] Mr. Susumu Fujimoto possesses abundant experience and deep insight gained through his long career as a government official and as a corporate manager. Therefore, the Company has nominated him as a candidate for Outside Director. We expect him to provide opinions and advice from an independent standpoint by sharing his experience, insight, and knowledge.				

Notes:



- There are no special interests between each candidate for Director and the Company.
- Mr. Masahiro Tsutsui has served as Representative Director of Yokohama Air Cargo Terminal Co., Ltd. since June 2019. The Company has transactions concerning air cargo warehouse operations, etc. with Yokohama Air Cargo Terminal Co., Ltd. and the payment amount is JPY 33 million per annum.
- Mr. Susumu Fujimoto is a candidate for Outside Director. The Company has registered Mr. Susumu Fujimoto as independent directors to the Tokyo Stock Exchange, Inc. (TSE), and if their reappointment is approved, they will continue to serve as independent directors.
- Mr. Susumu Fujimoto, currently an Outside Director of the Company, will have served for 2 years at the conclusion of this General Meeting of Shareholders.
- Mr. Susumu Fujimoto served as a Director of MS&AD Insurance Group Holdings until June 2016. Although the Company has transactions concerning marine insurance, etc. with MS&AD Insurance Group Holdings and its subsidiaries, the transaction amount is very small, not more than JPY 100 million.
- Mr. Susumu Fujimoto served as an Advisor to the Company until June 2019, but he has never been involved in business execution of the Company and its subsidiaries, and the purpose is to receive advice in the management based on his experience and insight.
- Mr. Susumu Fujimoto and the Company, in accordance with the Articles of Incorporation of the Company, have concluded agreements to limit their liabilities, and the maximum amount of liabilities set forth by the agreements are the amount stipulated by laws and regulations. The Company intends to continue the said agreements if his reappointment is approved at this General Meeting of Shareholders.
- The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3 of the Companies Act with an insurance company. The outline of the insurance contract is stated below. Each candidate has already been included as the insured of the insurance contract, and will continue to be the insured after reelection. The said insurance contract is planned to be renewed in February 2022.  
 [Outline of the insurance contract]
  - Scope of the insured  
 Directors (including retired Directors), Operating Officers, and managerial employees\*  
 \* Persons who are designated as "important employees" under the Companies Act by resolution of the Board of Directors, excluding those who are Operating Officers. (For the Company, this refers to the persons who are General Managers of Departments)
  - Actual ratio of premiums paid by the insured  
 The premiums are fully paid by the Company. Therefore, the insured does not bear the premiums.
  - Outline of events insured against  
 The said insurance contract covers damage (legal damages and litigation expenses) in the event that a claim for damages is made against the insured due to an act committed in the course of their duties.
  - Measures to prevent the appropriateness of duties of Directors from being impaired  
 There are certain exemptions under the insurance contract, such as damages arising from the insured's intentional, unlawful gain or benefit and criminal acts. In addition, for the appropriateness of duties of Directors, the deductible amount is prescribed under the insurance contract, and damages up to this deductible amount shall not be subject to coverage.


**Proposal 3: Election of Three (3) Directors Who Are Audit & Supervisory Committee Members**

The terms of office of all Directors who are Audit & Supervisory Committee Members (3 persons) will expire at the closing of this General Meeting of Shareholders. Accordingly, the election of three (3) Directors who are Audit & Supervisory Committee Members is proposed.

Furthermore, the Audit & Supervisory Committee's consent has been obtained for this proposal.

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

Candidate No.	Name (Date of birth)	Number of shares of the Company held	Past experience, positions, responsibilities, and significant concurrent positions	
1	 Tsuyoshi Fujine (Jun. 11, 1955) [Reappointment] [Outside] [Independent]	3,200	Apr. 1978	Joined The Bank of Yokohama, Ltd.
			Dec. 2004	General Manager, Compliance Control Division
			Jun. 2005	General Manager, Internal Audit Department
			Mar. 2010	Director and Managing Executive Officer, Saikaya Department Store Co., Ltd.
			Jun. 2013	Full-time Corporate Auditor, the Company
			May 2014	Corporate Auditor, Nissin Travel Service Co., Ltd. (to present)
			May 2015	Corporate Auditor, Nicchu Peace Travel Service Co., Ltd. (to present)
			Jun. 2015	Director and Audit & Supervisory Committee Member (Full-Time), the Company (to present)
	[Reason for nomination as candidate for Outside Director and a summary of expected roles] Mr. Tsuyoshi Fujine possesses broad experience mainly in the banking industry and deep insight on management and considerable knowledge in finance as a Small and Medium Enterprise Management Consultant. Therefore, the Company has nominated him as a candidate for Outside Director who is an Audit & Supervisory Committee Member. We expect him to provide opinions and advice from an independent standpoint by sharing his experience, insight, and knowledge.			
2	 Fumihiko Masuda (Dec. 20, 1951) [Reappointment] [Outside] [Independent]	2,000	Apr. 1974	Joined Yokohama City
			Apr. 2003	General Manager, Port Management Department, Port and Harbor Bureau
			Apr. 2004	General Manager in charge of Enhancement of International Competitiveness, Port and Harbor Bureau
			Apr. 2009	Director General for Wholesale Market, Economic Affairs Bureau
			Jun. 2012	General Manager, Yokohama Branch, Kanarin Ltd.
			Jun. 2016	Senior Executive Director and General Manager, Sales Promotion Department
			Jun. 2017	Director and Audit & Supervisory Committee Member, the Company (to present)
			Jul. 2017	Director and Advisor, Kanagawa Rinkai Tsun Co., Ltd. (to present)
	[Reason for nomination as candidate for Outside Director and a summary of expected roles] Mr. Fumihiko Masuda possesses abundant experience gained through many years in port administration and deep insight in management. Therefore, the Company has nominated him as a candidate for Outside Director who is an Audit & Supervisory Committee Member. We expect him to provide opinions and advice from an independent standpoint by sharing his experience, insight, and knowledge.			

Candidate No.	Name (Date of birth)	Number of shares of the Company held	Past experience, positions, responsibilities, and significant concurrent positions	
3	 Junko Kogayu (Oct. 10, 1967) [New candidate] [Outside] [Independent]	—	Apr. 1991	Joined Chuo Shinko Audit Corporation
			Mar. 1994	Registered as certified public accountant
			Sep. 2006	Joined PricewaterhouseCoopers Aarata (currently PricewaterhouseCoopers Aarata LLC)
			Aug. 2012	Group leader, Research and Consultation, Self-regulation, Professional Standards and Practices, The Japanese Institute of Certified Public Accountants
			Oct. 2012	Professor, Accounting School, Graduate School of Economics and Management, Tohoku University (to present)
			Jan. 2020	Established Junko Kogayu Certified Public Accountant Office (to present)
			Mar. 2020	Registered as tax accountant
			Apr. 2020	Joined Ayako Takeuchi Tax Accountant Office (to present)
			Dec. 2020	Outside Director who is an Audit & Supervisory Committee Member, NIHON CHORIKI CO., LTD. (to present)
	[Reason for nomination as candidate for Outside Director and a summary of expected roles] Although Ms. Junko Kogayu has never been involved in corporate management other than as an outside director, she has a thorough knowledge of corporate accounting and tax matters as a certified public accountant and a tax accountant. In addition, she has a broad knowledge and wealth of experience in finance and accounting. Therefore, the Company has nominated her as a candidate for Outside Director who is an Audit & Supervisory Committee Member. We expect her to provide opinions and advice from an independent standpoint by sharing her experience, insight, and knowledge.			

Notes:

- There are no special interests between each candidate for Directors who are Audit and Supervisory Committee Member and the Company.
- Messrs. Tsuyoshi Fujine, Fumihiko Masuda and Ms. Junko Kogayu are candidates for Outside Director. The Company has registered Messrs. Tsuyoshi Fujine and Fumihiko Masuda as independent directors to the Tokyo Stock Exchange, and if their reappointment is approved, they will continue to serve as independent directors.
- Mr. Tsuyoshi Fujine, currently an Outside Director who is an Audit & Supervisory Committee Member of the Company, will have served for 6 years at the conclusion of this General Meeting of Shareholders.
- Mr. Fumihiko Masuda, currently an Outside Director who is an Audit & Supervisory Committee Member of the Company, will have served for 4 years at the conclusion of this General Meeting of Shareholders.
- Ms. Junko Kogayu is scheduled to be an independent director pursuant to the provisions of the Tokyo Stock Exchange if her election in this proposal is approved.
- Mr. Tsuyoshi Fujine served as an operator of The Bank of Yokohama, Ltd., a specified related service provider of the Company, until June 2013.
- Messrs. Tsuyoshi Fujine and Fumihiko Masuda and the Company, in accordance with the Articles of Incorporation of the Company, have concluded agreements to limit their liability for damages to the amount stipulated by laws and regulations. The Company intends to continue the said agreements if their reappointment is approved at this General Meeting of Shareholders.
- If Ms. Junko Kogayu's election in this proposal is approved, in accordance with the Articles of Incorporation of the Company, the Company plans to conclude an agreement with her to limit her liability for damages to the amount stipulated by laws and regulations.
- The Company has entered into a directors and officers liability insurance contract pursuant to the provisions under Article 430-3 of the Companies Act with an insurance company. The outline of the insurance contract is stated below. Messrs. Tsuyoshi Fujine and Fumihiko Masuda have already been included as the insured of the insurance contract, and will continue to be the insured after reelection. If Ms. Junko Kogayu's election in this proposal is approved, she will be included as the insured of the insurance contract. The said insurance contract is planned to be renewed in February 2022.  
 [Outline of the insurance contract]
  - Scope of the insured  
 Directors (including retired Directors), Operating Officers, and managerial employees\*  
 \* Persons who are designated as "important employees" under the Companies Act by resolution of the Board of Directors, excluding those who are Operating Officers. (For the Company, this refers to the persons who are General Managers of Departments)
  - Actual ratio of premiums paid by the insured  
 The premiums are fully paid by the Company. Therefore, the insured does not bear the premiums.
  - Outline of events insured against  
 The said insurance contract covers damage (legal damages and litigation expenses) in the event that a claim for damages is made against the insured due to an act committed in the course of their duties.
  - Measures to prevent the appropriateness of duties of Directors from being impaired  
 There are certain exemptions under the insurance contract, such as damages arising from the insured's intentional, unlawful gain or benefit and criminal acts. In addition, for the appropriateness of duties of Directors, the deductible amount is prescribed under the insurance contract, and damages up to this deductible amount shall not be subject to coverage.

**Proposal 4:** Decision on Compensation for the Delivery of Restricted Stock to Directors (Excluding Outside Directors and Directors Who Are Audit & Supervisory Committee Members)

Compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) not exceeding 360 million yen per annum (not including compensation received in the capacity of an employee, for Directors who also serve as employees) was approved by the 106th Annual General Meeting of Shareholders held on June 24, 2015.

As part of a review of the compensation system for officers, the Company requests approval to provide compensation for the delivery of restricted stock to Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members; hereinafter referred to as “Eligible Directors”), in addition to this annual compensation limit, with the aims of providing Eligible Directors with an incentive to strive for the sustained enhancement of the Company’s corporate value, and further promoting value sharing between Eligible Directors and all shareholders.

Compensation for the delivery of restricted stock under this proposal shall be provided to Eligible Directors in the form of monetary claims. The total amount of the monetary claims to be provided to Eligible Directors shall not exceed 50 million yen annually (not including compensation received in the capacity of an employee, for Directors who serve concurrently as employees).

The Board of Directors shall determine the specific timing and allocation of compensation to each Eligible Director.

There are currently eight (8) Directors (excluding Directors who are Audit & Supervisory Committee Members), including one (1) Outside Director. If Proposal 2: Election of Six (6) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members) is approved and passed without alteration, then there will be six (6) Directors (excluding Directors who are Audit & Supervisory Committee Members), including one (1) Outside Director.

Eligible Directors shall receive common shares of the Company through issuance or disposal, in return for contribution in kind of all monetary claims provided under this proposal, based on a resolution of the Board of Directors. The total number of common shares of the Company to be issued or disposed of in this way shall not exceed 50,000 shares. However, should the Company’s common shares undergo a share split (including a gratis allotment of the Company’s common shares), consolidation of shares, or other cause necessitating adjustment to the total number of common shares to be issued or disposed of, with an effective date on or after the date of the approval and passing of this proposal by the General Meeting of Shareholders, then the total number of common shares shall be adjusted as necessary within a reasonable range.

The amount to be paid in per share shall be determined by the Board of Directors, based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day prior to the date of the resolution of the Board of Directors (if no trades occur on that date, the closing price on the most recent trading day of the Company’s shares preceding that date) within a range that is not particularly favorable to the Eligible Directors receiving the common shares. The issuance or disposal of common shares to Eligible Directors, and the receipt of monetary compensation claims as contribution in kind, shall be conditional upon the Company concluding a restricted stock allotment agreement (hereinafter the “Allotment Agreement”) that includes the content shown below, with each Eligible Director. The maximum amount of compensation, the total number of the Company’s common shares to be issued or disposed of, and other conditions regarding the delivery of restricted stock to Eligible Directors under this proposal, are determined based on the purpose described above, the Company’s business conditions, the Company’s decision policy regarding the details of compensation for individual Directors, and other relevant matters. (If this proposal is accepted and passed, then the Company’s decision policy regarding the details of compensation for individual Directors will be amended as shown under [Reference] below.) Moreover, the shares of restricted stock to be delivered based on this proposal represent only 0.24% of the total number of issued shares of the Company (if the maximum number of shares of restricted stock were issued for a period of ten years, then this number would only represent 2.46% of the total number of issued shares of the Company), and the dilution rate is negligible. The delivery of restricted stock under this proposal is therefore deemed appropriate.

The Audit & Supervisory Committee has expressed the opinion that it considers the content of this proposal to be appropriate, as a result of consideration, based on deliberation by the Nominating and Compensation Committee, of factors including its effect as an incentive to achieve sustainable growth and enhance corporate value, as well as the relative proportions of cash compensation and stock compensation.

[Summary of the contents of the Allotment Agreement]

1. Transfer restriction period

Under the Allotment Agreement, an Eligible Director must not transfer, pledge or otherwise dispose of common shares of the Company allotted under the Allotment Agreement (hereinafter the “Allotted Shares”) from the day when the shares were allotted until the time immediately after the Eligible Director retires from the post at the Company or a subsidiary of the Company predesignated by the Company’s Board of Directors (hereinafter the “Transfer Restriction Period”). These restrictions are hereinafter referred to as the “Transfer Restrictions.”

2. Treatment at the time of retirement and gratis acquisition

In the event that an Eligible Director retires from the post at the Company or a subsidiary of the Company predesignated by the Company’s Board of Directors, prior to the expiration of a period predesignated by the Company’s Board of Directors (hereinafter the “Service Period”), except for reasons due to the expiration of the Eligible Director’s term of office, death or other proper cause, the Company shall rightfully acquire the Allotted Shares for no consideration. During the Transfer Restriction Period, the Company may acquire all of the Allotted Shares from an Eligible Director for no consideration, in cases where the Eligible Director has violated law or regulation, or for other cause predesignated by the Company’s Board of Directors

3. Removal of the Transfer Restrictions

Notwithstanding the provisions set forth in 1. above, where an Eligible Director has served continuously in a post at the Company or a subsidiary of the Company predesignated by the Company’s Board of Directors, for the duration of the Service Period, the Company shall remove the Transfer Restrictions pertaining to all Allotted Shares held by the Eligible Director at the conclusion of the Transfer Restriction Period. However, where 1) the Eligible Director has retired from a post at the Company or a subsidiary of the Company predesignated by the Company’s Board of Directors prior to the expiration of the Service Period, due to the expiration of the Eligible Director’s term of office, death or other proper cause as designated in 2. above, or 2) the Eligible Director has retired from a post at the Company or a subsidiary of the Company predesignated by the Company’s Board of Directors after the expiration of the Service Period but before the expiration of the Transfer Restriction Period, for a reason that is not the expiration of the Eligible Director’s term of office, death or other proper cause as designated in 2. above, then the number of Allotted Shares to be released from the Transfer Restrictions, and the timing of that release, shall be reasonably adjusted, as necessary. The Company shall rightfully acquire, for no consideration, the remaining Allotted Shares that have not been released from the Transfer Restrictions, immediately subsequent to the release from the Transfer Restrictions in accordance with the provisions above.

4. Treatment in the case of organizational restructuring, etc.

Notwithstanding the provisions set forth in 1. above, where a merger agreement with the Company as the non-surviving company, a share exchange agreement where the Company becomes a wholly-owned subsidiary, a share transfer plan or another matter concerning an organizational restructuring etc. is approved by the Company’s General Meeting of Shareholders (or the Company’s Board of Directors, for organizational restructuring etc. that does not require the approval of the General Meeting of Shareholders) during the Transfer Restriction Period, the Transfer Restrictions may be removed before the effective date of the organizational restructuring etc. by resolution of the Board of Directors, for a number of the Allotted Shares to be determined reasonably based upon the length of the period from the day when the Transfer Restriction Period commenced to the day when the organizational restructuring etc. was approved. The Company shall rightfully acquire, for no consideration, the remaining Allotted Shares that have not been released from the Transfer Restrictions, immediately subsequent to the release from the Transfer Restrictions in accordance with the provisions above.

5. Other matters

Other matters concerning the allotment agreement shall be determined by the Company’s Board of Directors.

[Reference]

<Compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members): basic policy subsequent to the approval of Proposal 4>

If Proposal 4 is approved and passed without alteration by this General Meeting of Shareholders, then the new basic policy will be as follows.

### 1. Basic policy

Compensation for the Company's Directors (excluding Directors who are Audit & Supervisory Committee Members; hereinafter referred to as "Directors") shall be composed of a basic salary, which is fixed compensation, as well as bonuses and restricted stock compensation, which are variable compensation designed to increase motivation to contribute to improving business performance.

The Company shall aim for a benchmark relative proportion of basic salary to variable bonuses to stock compensation of approximately 7 : 2 : 1.

Compensation for Outside Directors shall consist only of a fixed salary, in view of their roles and independence.

### 2. Determination of Directors' compensation

- (1) Basic compensation shall comprise a fixed monthly salary. The Nominating and Compensation Committee, whose majority members are Outside Directors and which is chaired by an Outside Director, shall deliberate on compensation proposals prepared based on each Director's rank, as well as other information such as management compensation survey data obtained from external research agencies, and within the total compensation limits approved by resolution of the General Meeting of Shareholders. The Nominating and Compensation Committee shall then report its recommendations to the Board of Directors, which shall duly respect these recommendations when determining basic compensation for Directors.
- (2) Bonuses shall be paid at a designated time, in an amount equivalent to from zero (0) to six (6) times the basic monthly salary, varying according to the degree of achievement of performance targets, based on predetermined payment standards indexed against consolidated financial results. The Nominating and Compensation Committee shall deliberate on the total amount of bonuses thus calculated, and its proposed allocation among individual Directors, then report its recommendations to the Board of Directors, which shall duly respect these recommendations when determining bonuses for Directors.
- (3) Non-cash compensation shall comprise stock compensation. Directors shall receive restricted stock with the aims of providing them with an incentive to strive for the sustained enhancement of the Company's corporate value, and further promoting value sharing with all shareholders.

### 3. Determination of compensation for individual Directors

The authority to determine the amount of compensation for individual Directors shall be delegated to the President and Representative Director by resolution of the Board of Directors. This authority shall pertain to the amount of basic salary for each individual Director and the allocation of bonuses among individual Directors.

In order to ensure that this authority is appropriately exercised by the President and Representative Director, the Board of Directors shall submit compensation plans to the Nominating and Compensation Committee for deliberation, and the President and Representative Director shall respect the recommendations reported by the Nominating and Compensation Committee when determining compensation for individual Directors.