

*This document has been translated from a part of the Japanese original for the convenience of non-Japanese shareholders. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.*

Securities identification code: 9603

January 5, 2021

To our shareholders:

Hideo Sawada  
Chairman and President  
**H.I.S. Co., Ltd.**

6-2-18 Nishishinjuku,  
Shinjuku-ku, Tokyo, JAPAN

(The address above is the registered address of the Company.  
Head office operations are conducted at the address below.)

4-1-1 Toranomon,  
Minato-ku, Tokyo, JAPAN

### **NOTICE OF THE 40TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

We are pleased to announce the 40th Ordinary General Meeting of Shareholders of H.I.S. Co., Ltd. (the “Company”), which will be held as described below.

**This year, we place utmost priority on ensuring the safety of our shareholders and accordingly seek to help prevent the spread of the novel coronavirus disease (COVID-19). To such ends, as it is possible to exercise your voting rights in writing, we highly recommend that you refrain from visiting the meeting in person, but instead exercise your voting rights in writing beforehand. Please indicate your approval or disapproval of the proposals on the enclosed voting form after reviewing the attached Reference Documents for the General Meeting of Shareholders, and return it by postal mail to reach us no later than 6:30 p.m., Tuesday, January 26, 2021 (Japan Standard Time).**

#### Meeting Details

- 1. Date and time:** Wednesday, January 27, 2021 at 10:00 a.m. (Japan Standard Time)
- 2. Venue:** Hilton Tokyo  
Meeting room “Kiku” (“Kikuyo”/“Kikka”) on the fourth floor  
6-6-2 Nishishinjuku, Shinjuku-ku, Tokyo, Japan
- 3. Purposes:**

#### **Items to be reported:**

1. Business Report and Consolidated Financial Statements for the 40th Term (from November 1, 2019 to October 31, 2020), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
2. Non-Consolidated Financial Statements for the 40th Term (from November 1, 2019 to October 31, 2020)

#### **Items to be resolved:**

- Proposal 1:** Appropriation of surplus
- Proposal 2:** Partial amendments to the Articles of Incorporation (1)  
(Changes to business purposes)
- Proposal 3:** Partial amendments to the Articles of Incorporation (2)  
(Changes to location of head office)

- Proposal 4:** Partial amendments to the Articles of Incorporation (3)  
(Changes to total number of shares authorized to be issued)
- Proposal 5:** Election of seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 6:** Election of one (1) Director who is an Audit and Supervisory Committee Member

This year, we will not be handing out gifts to shareholders attending the meeting. We appreciate your understanding.

## **Measures for preventing the spread of COVID-19**

### **<Requests to shareholders>**

- To avoid the spread of COVID-19, we strongly recommend that you refrain from attending the meeting in person regardless of your physical condition, and exercise your voting rights in writing beforehand instead.

### **<Requests to shareholders attending the meeting>**

- We ask that all shareholders attending the meeting wear face masks and take precautions to prevent the spread of infection. Those not wearing a face mask may be refused entry to the venue.
- You will be asked to have your temperature taken with a non-contact thermometer at the reception desk. We may prohibit you from entering the meeting venue if you have a temperature of 37.5 degrees Celsius or above, exhibit cold symptoms, or otherwise seem to be unwell. Moreover, staff members at the meeting venue may furthermore approach you and ask you to leave the venue if they deem that you appear unwell during the meeting.
- Seating will be limited at the meeting venue in order to ensure proper social distancing. Please note that we may refuse entry into the venue if there are no vacant seats left.
- The amount of time scheduled for handling items of business during the General Meeting of Shareholders has been reduced relative to previous years in order to better avoid the spread of COVID-19. Accordingly, we are imposing a limit of two questions per shareholder during the question and answer session.
- Officers, others attending the meeting, and venue staff will have their temperature and health checked and be required to wear face masks. In addition, there are additional measures in place to prevent the spread of infection, and your understanding and cooperation with such measures is requested.

**It is possible that the response measures, etc. of the Company will change depending on the situation in the future. In the event that matters occur in which shareholders must be notified, the Company plans to post them on its website (<https://www.his.co.jp/en/>) as they occur.**

## Reference Documents for the General Meeting of Shareholders

### Proposal 1: Appropriation of surplus

The Company proposes the appropriation of surplus as follows.

The Company has recorded a net loss for the fiscal year under review due to effects of the spread of COVID-19. Under such circumstances, we regrettably seek to forgo the year-end dividend given the dire task we face of bringing stability to our financial position to restore earnings.

Moreover, we aim to strengthen our financial standing having taken into account the business environment going forward, and accordingly seek to compensate for lack of sufficient retained earnings brought forward by drawing down the general reserve pursuant to the provisions of Article 452 of the Companies Act, as follows.

Item and amount of decrease in surplus	General reserve	12,000,000,000 yen
Item and amount of increase in surplus	Retained earnings brought forward	12,000,000,000 yen

**Proposal 2: Partial amendments to the Articles of Incorporation (1)  
(Changes to business purposes)**

1. Reasons for proposal

- (1) This proposal again brings up this matter the General Meeting of Shareholders upon having partially revised content in light of changes in circumstances as stated below, with respect to Proposal 3 “Partial amendments to the Articles of Incorporation,” such that was approved and adopted at the Company’s 39th Ordinary General Meeting of Shareholders (the “Previous General Meeting of Shareholders”) held on January 29, 2020. Details of the proposal approved and adopted at the Previous General Meeting of Shareholders are stated herein under “[Reference] Proposal 3 of the 39th Ordinary General Meeting of Shareholders of the Company” (pages 13 to 16).
- (2) We had been aiming to shift to a holding company structure by the target date of August 1, 2020, but have since revised our initial plans because building a new organizational structure took more time than initially anticipated given that we had to focus our business resources on the task of addressing the impact of COVID-19. As a result, the Company serving as the splitting company and NEW H.I.S. Co., Ltd. serving as the succeeding company concluded an “agreement to modify the absorption-type company split agreement” as of June 24, 2020, to change the effective date of the absorption-type company split to November 1, 2021 (planned), from August 1, 2020, as had been set forth in the “absorption-type company split agreement” approved and adopted under Proposal 2 at the Previous General Meeting of Shareholders and concluded as of December 12, 2019, between the two companies. The Company has issued a press release and has given electronic public notice to that effect.
- (3) The partial amendments to the Articles of Incorporation approved and adopted at the Previous General Meeting of Shareholders (including changes to the business purposes) are to take effect when the absorption-type company split comes into effect pursuant to the “absorption-type company split agreement.” Therefore, the timing of the change is currently slated for November 1, 2021.
- (4) Meanwhile, the Group is seeking further diversification to strengthen its businesses beyond its travel business with the aim of swiftly restoring its earnings performance while addressing recent dramatic changes in the business environment. The Company finds it necessary to align Articles of Incorporation content to these circumstances without further delay, and accordingly deems that the changes made to wording regarding its business purposes should take effect on the day subsequent to the date of this General Meeting of Shareholders, upon having made the partial amendments relative to Proposal 3 of the Previous General Meeting of Shareholders.

2. Effective date of the amendments

January 28, 2021

3. Details of proposed amendments

Details of the proposed amendments are as stated in the Attachment (Article 2, pages 8 to 12).

**Proposal 3: Partial amendments to the Articles of Incorporation (2)  
(Changes to location of head office)**

1. Reasons for proposal

This proposal again brings up the matter of changing the effective date with respect to Proposal 3 “Partial amendments to the Articles of Incorporation” approved and adopted at the Previous General Meeting of Shareholders, in the same manner as the previous proposal. Having reached the milestone of its 40th term, the Company relocated its head office functions in Minato-ku, Tokyo in June 2020, with the aim of seeking its further evolution and development in the new business environment. Accordingly, per Proposal 3 of the Previous General Meeting of Shareholders, the location of the head office as stipulated in Article 3 of the current Articles of Incorporation will change from Shinjuku-ku, Tokyo, to Minato-ku, Tokyo.

2. Effective date of the amendments

January 28, 2021 (the date subsequent to the day of this General Meeting of Shareholders, as with the previous proposal)

3. Details of proposed amendments

Details of the proposed amendments are as stated in the Attachment (Article 3, page 11).

**Proposal 4: Partial amendments to the Articles of Incorporation (3)  
(Changes to total number of shares authorized to be issued)**

1. Reasons for proposal

The total number of shares authorized to be issued as stipulated in Article 6 of the current Articles of Incorporation is to be changed from 88,551,450 shares to 150,000,000 shares as part of preparations to make it possible for the Company to flexibly arrange financing when necessary amid the currently challenging business environment.

2. Effective date of the amendments

January 28, 2021 (the date subsequent to the day of this General Meeting of Shareholders, as with Proposal 2)

3. Details of proposed amendments

Details of the proposed amendments are as stated in the Attachment (Article 6, page 11).

[Attachment]

(Amended parts are underlined)

Current Articles of Incorporation	Proposed amendments
<p>Article 1 (Corporate Name)</p> <p>The name of the Company shall be “<u>Kabushiki Kaisha Eichi • Ai • Esu</u>,” and expressed in English as “<u>H.I.S. Co., Ltd.</u>”</p>	<p>Article 1 (Corporate Name) <i>&lt;effective from November 1, 2021 (planned)&gt;</i></p> <p>The name of the Company shall be “<u>H.I.S. HOLDINGS Kabushiki Kaisha</u>,” and expressed in English as “<u>H.I.S. HOLDINGS INC.</u>”</p>
<p>Article 2 (Purpose)</p> <p>The purposes of the Company shall be to engage in the <u>following businesses</u>:</p>	<p>Article 2 (Purpose) <i>&lt;effective from January 28, 2021&gt;</i></p> <p>The purposes of the Company shall be to engage in the <u>businesses listed in the following items and, by owning shares or equity in entities which engage in the businesses listed in the following items, encompassing companies (including foreign companies), partnerships (including entities that are equivalent to a partnership in a foreign country), or business entities equivalent thereto, to control and manage the business activities of such entities.</u></p>
<p>1) (Omitted)</p>	<p>1) (Unchanged)</p>
<p>2) Information provision services utilizing the Internet, as well as intermediary and agency business for booking accommodation facilities, tourist facilities, <u>and</u> restaurants, etc.;</p>	<p>2) Information provision services utilizing the Internet, as well as intermediary and agency business for booking accommodation facilities, tourist facilities, restaurants, <u>various types of events</u>, etc.;</p>
<p>3) <u>Sale</u>, and import/export affairs of travel goods, folk arts, marine products, food, soft-drinks, dairy products, liquor, medicinal products <u>and</u> daily goods;</p>	<p>3) <u>Wholesale business, retail business, mail order business, intermediary business, information provision</u>, and import/export affairs of travel goods, folk arts, marine products, food, soft-drinks, dairy products, liquor, <u>confectioneries, medicinal products, quasi-drugs, medical devices, cosmetics, precious metals, agricultural products, fresh foods, processed products, daily goods, tobacco, flowering plants, revenue stamps, stamps, paint, various types of merchandise, and miscellaneous machinery and equipment</u>;</p>
<p>4) (Omitted)</p>	<p>4) (Unchanged)</p>
<p>5) Nonlife insurance agency business;</p>	<p>5) <u>Nonlife insurance and nonlife insurance</u> agency business;</p>
<p><u>6)</u> Operation of hotels <u>and</u> restaurants;</p>	<p><u>6)</u> <u>Development, operation and management of</u> tourist areas, tourist facilities, health and recreation facilities, <u>movie theaters, art galleries, aquariums, museums, performance theaters, concert halls, clubhouses, marine/leisure facilities, and cultural centers</u>;</p>
<p><u>7)</u> Operation of theme parks, amusement facilities, and amenity facilities;</p>	<p><u>7)</u> <u>Consulting business, procurement, sale, and operation of</u> wedding venues, reception venues, clothing rental, <u>and</u> bridal-related goods;</p>
<p><u>8)</u> <u>Business relating to the development of</u> tourist areas <u>and</u> tourist facilities;</p>	<p>(Combined with 6)</p>
<p><u>9)</u> <u>Business relating to the development and</u> operation of health and recreation facilities;</p>	<p>8) Fund transfer business under the Act on Fund Settlement;</p> <p>(Combined with 6)</p>
	<p><u>9)</u> Gift certificate, prepaid card <u>and discount coupon</u> issuance, sales and agency business;</p>

Current Articles of Incorporation	Proposed amendments
10) Business relating to collection and provision of medical information, and administration of health screenings, check-ups, and examinations;	10) Consigned operation of public facilities under the designated manager system, in accordance with Local Autonomy Act;
11) Wedding venue, reception venue, or clothing rental <u>consulting business, and procurement and sale of</u> bridal-related goods;	11) Operation <u>and management</u> of hotels, <u>traditional Japanese inn and</u> restaurants;
12) Support for marketing research and feasibility studies in Japan and overseas, in addition to researching, gathering and providing business information;	12) Operation <u>and management</u> of theme parks, amusement facilities, and amenity facilities;
13) Publishing business;	(Combined with 34) 13) <u>Farming, livestock farming, operation and management of farms and ranches, and processing and sale of commodities produced therefrom;</u>
14) <u>Manufacture and sale of character goods;</u> (Newly established)	(Deleted) 14) <u>Operation and management of cleaning business, hair-dressing and beauty salon business, barbering business, and bathhouse business;</u>
15) Planning and production of visual, music and game content, as well as the production, distribution, sale and import/export of physical media containing the said content; (Newly established)	15) <u>Entertainment business and development, operation and management of specified complex tourist facilities areas;</u>
16) Advertising business;	(Combined with 34) 16) Power generation and power supply from natural energy sources, etc.;
17) Sales, leasing, management and intermediation of real estate;	17) <u>Power, volatile oil, kerosene, lubricant and other petroleum product retail and gas supply business;</u>
18) Buildings transaction business;	18) <u>Air transport business, air transport agency business, marine transport business, road passenger transport business, road freight transport business, and services business incidental to transport;</u>
19) Car parking business; (Newly established)	19) <u>Business related to sales and maintenance of automobiles, automotive components, marine vessels, and mechanical equipment;</u>
20) Air transport business; (Newly established)	(Combined with 18 and amended) 20) <u>Food manufacturing business, beverage manufacturing business, and liquor manufacturing business;</u>
21) <u>Marine transportation business;</u> (Newly established)	(Combined with 18 and amended) 21) <u>Financing business, settlement agent business, money lending business, credit card business, and money exchange business;</u>
22) <u>Motor transportation business;</u> (Newly established)	(Combined with 18 and amended) 22) <u>Planning, operation and consulting business related to events and sales promotion as well as management consultant business;</u>
23) Financing business;	(Combined with 21) 23) Sales, leasing, management and intermediation of real estate;
24) Money exchange business;	(Combined with 21) 24) Buildings transaction business;

Current Articles of Incorporation	Proposed amendments
<u>25)</u> Fund transfer business under the Act on Fund Settlement;	<u>25)</u> Car parking business;
<u>26)</u> Sales of discount coupons;	(Combined with 21)
<u>27)</u> Gift certificate <u>and</u> prepaid card issuance, sales and agency business;	<u>26)</u> Business relating to collection and provision of medical information, and administration of health screenings, check-ups, and examinations;
<u>28)</u> General lease business;	<u>27)</u> Support for marketing research and feasibility studies in Japan and overseas, in addition to researching, gathering and providing business information;
<u>29)</u> (Omitted)	<u>28)</u> Planning and production of <u>movie</u> , visual, music, and game <u>and other digital</u> content, as well as the production, distribution, sale and import/export of physical media containing the said content;
<u>30)</u> Worker dispatch business;	<u>29)</u> (Unchanged)
<u>31)</u> Power generation and power supply from natural energy sources, etc.;	<u>30)</u> Research, development, manufacture and sale of household and service robots;
<u>32)</u> Power retail and gas supply business;	<u>31)</u> Telecommunications business as specified in the Telecommunications Business Act;
<u>33)</u> Research, development, manufacture and sale of household and service robots;	(Combined with 17)
<u>34)</u> <u>Financing or investment in operation or management of horticulture, livestock farming, poultry farming, farms and ranches, and juridical persons that conduct said activities;</u>	<u>32)</u> Development, manufacture, sales and leasing of equipment related to telecommunications;
<u>35)</u> <u>Processing, sale, import and export of commodities produced from horticulture, livestock farming, poultry farming, and farms and ranches;</u>	<u>33)</u> Business related to education, <u>learning-support business, and childcare business;</u> (Combined with 13 and amended)
<u>36)</u> <u>Maintenance or acquisition of forests, management and operation of mountains and forests, and conducting silviculture and forestry business;</u>	<u>34)</u> <u>Publishing business, advertising business, printing business, translation business, and interpretation business;</u> (Combined with 13 and amended)
<u>37)</u> Fishing;	<u>35)</u> General lease business; (Deleted)
<u>38)</u> (Omitted)	<u>36)</u> Worker dispatch business <u>and employment placement business;</u>
<u>39)</u> Telecommunications business as specified in the Telecommunications Business Act;	<u>37)</u> <u>Forestry business, fishing, and aquaculture business, as well as construction, mining, quarrying, gravel extraction;</u>
<u>40)</u> Development, manufacture, sales and leasing of equipment related to telecommunications; (Newly established)	<u>38)</u> (Unchanged)
	<u>39)</u> Management of residential facilities business for foreign nationals in National Strategic Special Zones, <u>and</u> residential accommodation business;
	<u>40)</u> <u>Funeral subcontracting and sale and rental of products related to funerals, as well as business related to the overall life ending business;</u>

Current Articles of Incorporation	Proposed amendments
<p><u>41)</u> Management of residential facilities business for foreign nationals in National Strategic Special Zones, residential accommodation business, <u>traditional Japanese inn business, and rental business;</u> (Newly established)</p> <p><u>42)</u> Consigned operation of public facilities under the designated manager system, in accordance with Local Autonomy Act; (Newly established)</p> <p><u>43)</u> Business related to education; (Newly established)</p> <p>44) (Omitted)</p> <p>45) (Omitted)</p>	<p><u>41)</u> <u>Cable broadcasting business, and planning and production of television and radio programming;</u></p> <p><u>42)</u> <u>Planning, development, sales, distributorship, consigned development, etc., servicing, consulting involving software, application software, and IT cloud computing, as well as services incidental to the Internet;</u> (Combined with 33)</p> <p><u>43)</u> <u>Building maintenance, hotel maintenance, and security;</u></p> <p>44) (Unchanged)</p> <p>45) (Unchanged)</p>
<p>Article 3 (Location of Head Office)</p> <p>The head office of the Company shall be located in <u>Shinjuku-ku</u>, Tokyo.</p>	<p>Article 3 (Location of Head Office) &lt;effective from January 28, 2021&gt; The head office of the Company shall be located in <u>Minato-ku</u>, Tokyo.</p>
<p>Article 4 and Article 5 (Omitted)</p>	<p>Article 4 and Article 5 (Unchanged)</p>
<p>Article 6 (Total Number of Shares Authorized to Be Issued)</p> <p>The total number of shares authorized to be issued by the Company shall be <u>eighty-eight million five hundred and fifty-one thousand four hundred and fifty (88,551,450) shares.</u></p>	<p>Article 6 (Total Number of Shares Authorized to Be Issued) &lt;Effective from January 28, 2021&gt; The total number of shares authorized to be issued by the Company shall be <u>one hundred and fifty million (150,000,000) shares.</u></p>
<p>Article 7 to Article 20 (Omitted)</p>	<p>Article 7 to Article 20 (Unchanged)</p>
<p>Article 21 (Representative Directors, etc.)</p> <p>1) The Board of Directors will elect several Representative Directors from Directors (excluding Directors who are Audit and Supervisory Committee Members) by resolution of the Board of Directors.</p> <p>2) One Chairman-Director <u>and</u> one President-Director may be elected <u>from Representative Directors</u> by resolution of the Board of Directors.</p>	<p>Article 21 (Representative Directors, etc.) &lt;effective from November 1, 2021 (planned)&gt; (Unchanged)</p> <p>1) (Unchanged)</p> <p>2) One Chairman-Director, one President-Director, <u>and several Vice-President-Directors, Executive Managing Directors, and Managing Directors</u> may be elected by resolution of the Board of Directors.</p>
<p>Article 22 to Article 41 (Omitted)</p>	<p>Article 22 to Article 41(Unchanged)</p>

Current Articles of Incorporation	Proposed amendments
<p data-bbox="240 300 810 734"> Supplementary Provisions  (Transitional measures regarding the exemption of liability of auditors prior to the transition to a company with an Audit and Supervisory Committee)  Exemption of liability of Audit and Supervisory Board Members (including former Audit and Supervisory Board Members) for acts under Article 423, Paragraph 1 of the Companies Act, as well as limited liability agreements concluded with Audit and Supervisory Board Members, which occurred prior to the conclusion of the 35th general meeting of shareholders for the business year ending October 31, 2015 (to be held on January 27, 2016) shall be governed by Article 27 of the Articles of Incorporation as of before changes come into effect upon the conclusion of said general meeting of shareholders. </p> <p data-bbox="427 763 624 795" style="text-align: center;">(Newly established)</p>	<p data-bbox="815 300 1380 432"> Supplementary Provisions  (Transitional measures regarding the exemption of liability of auditors prior to the transition to a company with an Audit and Supervisory Committee)  <u>Article 1</u> (Unchanged) </p> <p data-bbox="815 763 1380 1059"> <u>Article 2 (Effectuation)</u>  In the main body of the Articles of Incorporation, <u>the amendments to Article 2, Article 3, and Article 6 shall take effect on January 28, 2021, and furthermore Article 1 and Article 21 shall take effect subject to the absorption-type company split taking effect pursuant to the absorption-type company split agreement entered into between the Company and NEW H.I.S. Co., Ltd. This Article shall be deleted after all such provisions take effect.</u> </p>

Note 1: Some underlining does not coincide with the Japanese version because of translation adjustments.

Note 2: The effective date of Article 1 (Corporate Name) and Article 21 (Representative Directors, etc.) shall be November 1, 2021 (or otherwise if the effective date is further changed in accordance with the absorption-type company split agreement, then the effective date subsequent to that change), which is the new effective date of the absorption-type company split, on the condition of the absorption-type company split having taken effect in accordance with the absorption-type company split agreement approved and adopted under Proposal 3 at the Previous General Meeting of Shareholders. In addition, to better articulate the Company's business purposes, item 42 "Business other than that listed in the preceding items" of Article 2 (Purpose) shall be deleted from among the proposed amendments to the Articles of Incorporation under Proposal 3 of the Previous General Meeting of Shareholders.

[Reference] Proposal 3 of the 39th Ordinary General Meeting of Shareholders of the Company

**Proposal 3: Partial amendments to the Articles of Incorporation**

1. Major reason for amendments

- (1) As stated in Proposal 2, “Approval of absorption-type company split agreement,” the Company will amend Article 1 (Corporate Name) of its current Articles of Incorporation in association with its transition to a holding company structure as of August 1, 2020 (planned). Moreover, in order to prepare for diversification of business activities and future business expansion of the Group subsequent to the transition to the holding company structure, the Company will make requisite amendments to Article 2 (Purpose) and Article 21 (Representative Directors, etc.) of the current Articles of Incorporation.
- (2) Reaching the milestone of its 40th term, the Company has decided to relocate and expand its head office in Minato-ku, Tokyo, with the aim of seeking its further evolution and development in the new business environment. Accordingly, the location of the head office as stipulated in Article 3 (Location of Head Office) of the current Articles of Incorporation will change from Shinjuku-ku, Tokyo, to Minato-ku, Tokyo, as of August 1, 2020.

2. Date that amendments to the Articles of Incorporation will come into effect

Amendments to the Articles of Incorporation under this proposal are to take effect on August 1, 2020 (or otherwise if the Effective Date is changed in accordance with the absorption-type company split agreement, then the Effective Date subsequent to that change), which is the Effective Date of the absorption-type company split, on the condition of the absorption-type company split having taken effect in accordance with the absorption-type company split agreement approved under Proposal 2 “Approval of absorption-type company split agreement,” with that proposal having been approved and adopted as originally proposed.

3. Details of proposed amendments

The details of the changes are as follows.

(Amended parts are underlined)

Current Articles of Incorporation	Proposed amendments
<p>Article 1 (Corporate Name) The name of the Company shall be “<u>Kabushiki Kaisha Eichi · Ai · Esu,</u>” and expressed in English as “<u>H.I.S. Co., Ltd.</u>”</p> <p>Article 2 (Purpose) The purposes of the Company shall be to engage in the <u>following businesses:</u></p> <p>1) to 2) (Omitted)</p> <p>3) <u>Sale,</u> and import/export affairs of travel goods, folk arts, marine products, food, soft-drinks, dairy products, liquor, medicinal products <u>and</u> daily goods;</p> <p>4) (Omitted)</p>	<p>Article 1 (Corporate Name) The name of the Company shall be “<u>H.I.S. HOLDINGS Kabushiki Kaisha,</u>” and expressed in English as “<u>H.I.S. HOLDINGS INC.</u>”</p> <p>Article 2 (Purpose) The purposes of the Company shall be to engage in the <u>businesses listed in the following items and, by owning shares or equity in companies (including foreign companies), partnerships (including entities that are equivalent to a partnership in a foreign country), or business entities equivalent thereto, to control and manage the business activities of such companies, etc.</u></p> <p>1) to 2) (Unchanged)</p> <p>3) <u>Wholesale business, retail business, mail order business,</u> and import/export affairs of travel goods, folk arts, marine products, food, soft-drinks, dairy products, liquor, medicinal products, <u>cosmetics, agricultural products, processed products,</u> daily goods <u>and various types of merchandise;</u></p> <p>4) (Unchanged)</p>

Current Articles of Incorporation	Proposed amendments
5) Nonlife insurance agency business;	5) <u>Nonlife insurance and</u> nonlife insurance agency business;
6) Operation of hotels and restaurants;	6) Development, operation <u>and management</u> of tourist areas, tourist facilities <u>and</u> health and recreation facilities;
7) Operation of theme parks, amusement facilities, and amenity facilities;	7) Wedding venue, reception venue, or clothing rental consulting business, and procurement and sale of bridal-related goods;
8) <u>Business relating to the development of</u> tourist areas <u>and</u> tourist facilities;	8) Fund transfer business under the Act on Fund Settlement;
9) <u>Business relating to</u> the development and operation of health and recreation facilities;	9) Gift certificate, prepaid card <u>and</u> discount coupon issuance, sales and agency business;
10) Business relating to collection and provision of medical information, and administration of health screenings, check-ups, and examinations;	10) Consigned operation of public facilities under the designated manager system, in accordance with Local Autonomy Act;
11) Wedding venue, reception venue, or clothing rental consulting business, and procurement and sale of bridal-related goods;	11) Operation <u>and management</u> of hotels, <u>traditional Japanese inn</u> and restaurants;
12) Support for marketing research and feasibility studies in Japan and overseas, in addition to researching, gathering and providing business information;	12) Operation <u>and management</u> of theme parks, amusement facilities, and amenity facilities;
13) Publishing business;	13) <u>Farming</u> , operation <u>and</u> management of farms and ranches, and processing of commodities produced <u>therefrom</u> ;
14) <u>Manufacture and sale of character goods</u> ; (Newly established)	(Deleted)
15) Planning and production of visual, music and game content, as well as the production, distribution, sale and import/export of physical media containing the said content; (Newly established)	14) <u>Operation and management of cleaning business, hair-dressing and beauty salon business, and bathhouse business</u> ;
16) Advertising business;	15) <u>Entertainment business and development, operation and management of specified complex tourist facilities areas</u> ;
17) Sales, leasing, management and intermediation of real estate;	16) Power generation and power supply from natural energy sources, etc.;
18) Buildings transaction business;	17) Power retail and gas supply business;
19) Car parking business; (Newly established)	18) Air transport business, <u>air transport agency business</u> , marine transportation business, <u>and</u> motor transportation business;
20) Air transport business; (Newly established)	19) <u>Automobile maintenance business</u> ;
21) Marine transportation business;	20) <u>Food manufacturing business, beverage manufacturing business, and liquor manufacturing business</u> ;
22) Motor transportation business; (Newly established)	21) <u>Financing business, settlement agent business, money lending business, credit card business, and money exchange business</u> ;
23) Financing business;	22) <u>Management consultant business</u> ;
	23) Sales, leasing, management and intermediation of real estate;

Current Articles of Incorporation	Proposed amendments
<u>24)</u> Money exchange business;	<u>24)</u> Buildings transaction business;
<u>25)</u> Fund transfer business under the Act on Fund Settlement;	<u>25)</u> Car parking business;
<u>26)</u> Sales of discount coupons;	<u>26)</u> Business relating to collection and provision of medical information, and administration of health screenings, check-ups, and examinations;
<u>27)</u> Gift certificate <u>and</u> prepaid card issuance, sales and agency business;	<u>27)</u> Support for marketing research and feasibility studies in Japan and overseas, in addition to researching, gathering and providing business information;
<u>28)</u> General lease business;	<u>28)</u> Planning and production of visual, music and game content, as well as the production, distribution, sale and import/export of physical media containing the said content;
29) (Omitted)	29) (Unchanged)
<u>30)</u> Worker dispatch business;	<u>30)</u> Research, development, manufacture and sale of household and service robots;
<u>31)</u> Power generation and power supply from natural energy sources, etc.;	<u>31)</u> Telecommunications business as specified in the Telecommunications Business Act;
<u>32)</u> Power retail and gas supply business;	<u>32)</u> Development, manufacture, sales and leasing of equipment related to telecommunications;
<u>33)</u> Research, development, manufacture and sale of household and service robots;	<u>33)</u> Business related to education <u>and learning support business</u> ;
<u>34)</u> <u>Financing or investment in operation or management of <u>horticulture, livestock farming, poultry farming, farms and ranches, and juridical persons that conduct said activities</u></u> ;	<u>34)</u> Publishing business <u>and</u> advertising business;
<u>35)</u> <u>Processing, sale, import and export of commodities produced <u>from horticulture, livestock farming, poultry farming, and farms and ranches</u></u> ;	<u>35)</u> General lease business;
<u>36)</u> <u>Maintenance or acquisition of forests, management and operation of mountains and forests, and conducting silviculture and forestry business</u> ;	(Deleted)
<u>37)</u> Fishing;	<u>36)</u> Worker dispatch business <u>and employment placement business</u> ;
38) (Omitted)	<u>37)</u> <u>Forestry business, fishing, and aquaculture business</u> ;
<u>39)</u> Telecommunications business as specified in the Telecommunications Business Act;	38) (Unchanged)
<u>40)</u> Development, manufacture, sales and leasing of equipment related to telecommunications;	<u>39)</u> Management of residential facilities business for foreign nationals in National Strategic Special Zones, <u>and</u> residential accommodation business;
<u>41)</u> Management of residential facilities business for foreign nationals in National Strategic Special Zones, residential accommodation business, <u>traditional Japanese inn business, and rental business</u> ;	<u>40)</u> Investment in and financing of any of the preceding items;
<u>42)</u> Consigned operation of public facilities under the designated manager system, in accordance with Local Autonomy Act; (Newly established)	<u>41)</u> Any business incidental to any of the preceding items;
<u>43)</u> Business related to education;	<u>42)</u> <u>Business other than that listed in the preceding items</u>

Current Articles of Incorporation	Proposed amendments
<p><u>44)</u> Investment in and financing of any of the preceding items;</p> <p><u>45)</u> Any business incidental to any of the preceding items</p> <p>Article 3 (Location of Head Office) The head office of the Company shall be located in <u>Shinjuku-ku</u>, Tokyo.</p> <p>Article 4 to Article 20 (Omitted)</p> <p>Article 21 (Representative Directors, etc.)</p> <p>1) The Board of Directors will elect several Representative Directors from Directors (excluding Directors who are Audit and Supervisory Committee Members) by resolution of the Board of Directors.</p> <p>2) One Chairman-Director <u>and</u> one President-Director may be elected <u>from</u> <u>Representative Directors</u> by resolution of the Board of Directors.</p> <p>Article 22 to Article 41 (Omitted)</p> <p style="text-align: center;">Supplementary Provisions (Transitional measures regarding the exemption of liability of auditors prior to the transition to a company with an Audit and Supervisory Committee) Exemption of liability of Audit and Supervisory Board Members (including former Audit and Supervisory Board Members) for acts under Article 423, Paragraph 1 of the Companies Act, as well as limited liability agreements concluded with Audit and Supervisory Board Members, which occurred prior to the conclusion of the 35th general meeting of shareholders for the business year ending October 31, 2015 (to be held on January 27, 2016) shall be governed by Article 27 of the Articles of Incorporation as of before changes come into effect upon the conclusion of said general meeting of shareholders.</p> <p style="text-align: center;">(Newly established)</p>	<p>Article 3 (Location of Head Office) The head office of the Company shall be located in <u>Minato-ku</u>, Tokyo.</p> <p>Article 4 to Article 20 (Unchanged)</p> <p>Article 21 (Representative Directors, etc.)</p> <p>1) (Unchanged)</p> <p>2) One Chairman-Director, one President-Director, <u>and several Vice-President-Directors, Executive Managing Directors, and Managing Directors</u> may be elected by resolution of the Board of Directors.</p> <p>Article 22 to Article 41(Unchanged)</p> <p style="text-align: center;">Supplementary Provisions (Transitional measures regarding the exemption of liability of auditors prior to the transition to a company with an Audit and Supervisory Committee) <u>Article 1</u> (Unchanged)</p> <p><u>Article 2 (Effectuation)</u> <u>Amendments to Article 1, Article 2, Article 3, and Article 21 can take effect only after Proposal 2 “Approval of absorption-type company split agreement,” which is proposed for the 39th Ordinary General Meeting of Shareholders, is approved and adopted as originally proposed, and also after the absorption-type company split takes effect pursuant to the absorption-type company split agreement. This Article shall be deleted after the amendments to said articles take effect.</u></p>

\* Some underlining does not coincide with the Japanese version because of translation adjustments.

**Proposal 5: Election of seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)**

At the conclusion of this meeting, the terms of office of all eight (8) Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire. In that regard, the Company proposes to elect seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members).

Note that the Audit and Supervisory Committee has deemed the contents of this proposal to be appropriate.

Candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows.

No.	Name	Position and responsibilities in the Company	
1	<b>Hideo Sawada</b>	Chairman and President Executive Officer-Representative Director Group Chief Executive Officer (CEO)	Reelection
2	<b>Tatsuya Nakamori</b>	Director, Senior Managing Executive Officer President of H.I.S. Japan Chief Digital Officer (CDO)	Reelection
3	<b>Masayuki Oda</b>	Director, Managing Executive Officer Responsible for Business Planning Headquarters, Affiliated Company Headquarters, Head Office HR Headquarters, CS/ES, General Affairs and CSR Manager of Overseas Business Strategy Headquarters	Reelection
4	<b>Atsushi Yamanobe</b>	Director, Senior Executive Officer Vice President of H.I.S. Japan Manager of Corporate Operations Headquarters	Reelection
5	<b>Mutsumi Gomi</b>	Director, Senior Executive Officer Responsible for Southeast Asia and South Asia areas	Reelection
6	<b>Motoshi Yada</b>	Director	Reelection
7	<b>Hidetaka Sawada</b>	Director	Reelection
Reelection	Candidate for Director to be reelected		

No.	Name (Date of birth)	Career summary, position and responsibilities [Significant concurrent positions]	Number of the Company's shares owned
1	<p style="text-align: center;"><b>Reelection</b></p> <p style="text-align: center;">Hideo Sawada (February 4, 1951)</p>	<p>December 1980 Establishment of the Company; Representative Director and President</p> <p>March 1999 President of H.S. SECURITIES Co. Ltd. (currently Sawada Holdings Co., Ltd.)</p> <p>March 2003 Director and Chairman of Agricultural Bank of Mongolia LLC (currently Khan Bank LLC) (present position)</p> <p>June 2004 Chairman-Director of the Company</p> <p>December 2009 Chairman-Representative Director</p> <p>March 2010 President and CEO of Huis Ten Bosch Co., Ltd.</p> <p>September 2012 Chairman of Public Interest Incorporated Foundation Tokyo Symphony Orchestra (present position)</p> <p>November 2016 Chairman and President-Representative Director, Chief Executive Officer (CEO) of the Company Chairman of Sawada Holdings Co., Ltd. (present position)</p> <p>November 2017 Representative Director, Chairman and President of H.I.S. Hotel Holdings Co., Ltd.</p> <p>January 2018 Chairman and President Executive Officer-Representative Director, Group Chief Executive Officer (CEO) of the Company (present position)</p> <p>May 2018 Director of H.I.S. Energy Holdings Co., Ltd. (present position)</p> <p>January 2019 Representative Director and Chairman of H.I.S. Hotel Holdings Co., Ltd. (present position)</p> <p>May 2019 Director and Chairman of Huis Ten Bosch Co., Ltd.</p> <p>[Significant concurrent positions] Chairman of Sawada Holdings Co., Ltd. Representative Director and Chairman of H.I.S. Hotel Holdings Co., Ltd. Director and Chairman of Khan Bank LLC</p>	17,943 thousand shares

**Reasons for nomination as candidate for Director**

Hideo Sawada served as Representative Director and President of the Company from its establishment in December 1980 until May 2004. During this period, he played a leading role in the Company's development while shaping and fostering the Company's culture, including thinking of the customer, valuing speed, and maintaining the spirit of venture capitalism. After assuming the role of Chairman-Director, Sawada was involved with education concerning development of business strategy widely throughout the Group, and he took personal responsibility in setting a good example as leader during the business restoration of Huis Ten Bosch Co., Ltd.

In the reorganization of the management execution structure implemented in November 2016, taking into consideration a pure holding company function aimed at achieving aggressive governance, Sawada was appointed as Chief Executive Officer (CEO) concurrent with his position as Representative Director. In this position, Sawada has done his utmost to ensure the development of the Group. Sawada has been nominated as a candidate for Director for his accomplishments and experience as a manager, as well as the good judgment and network of personal connections that he has developed, which continue to be valuable to the decision-making of the Board of Directors, while also being beneficial to the Group's augmentation of its business domains and global expansion, as well as sustainable growth and improvement in corporate value.

Furthermore, the Company and H.I.S. Hotel Holdings Co., Ltd., of which Sawada is Director, are in a business relationship involving primarily the purchase of travel materials.

No.	Name (Date of birth)	Career summary, position and responsibilities [Significant concurrent positions]	Number of the Company's shares owned
2	<p style="text-align: center;"><b>Reelection</b></p> <p style="text-align: center;">Tatsuya Nakamori (August 4, 1967)</p>	<p>November 1986    Joined the Company</p> <p>January 2010    Director responsible for Overall Control of West Japan Region Operations, Manager of Kansai Operations Headquarters</p> <p>February 2014    Director responsible for Overall Control of West Japan Region Operations</p> <p>March 2014      Managing Director responsible for Airline Ticket Purchasing and Arrangement, and Online Travel Business</p> <p>April 2014      Managing Director responsible for Airline Ticket Purchasing and Arrangement, and Online Travel Business Control, Manager of Head Office Purchasing Headquarters</p> <p>November 2016   Managing Director, President of H.I.S. Japan</p> <p>January 2018     Director, Senior Managing Executive Officer, President of H.I.S. Japan</p> <p>August 2020     Director, Senior Managing Executive Officer, President of H.I.S. Japan, Chief Digital Officer (CDO) (present position)</p>	<p style="text-align: center;">18 thousand shares</p>
<p><b>Reasons for nomination as candidate for Director</b></p> <p>Tatsuya Nakamori has extensive business experience in the Company's marketing and sales sectors, and has leveraged his track record in the procurement and planning sectors to participate in the management of the Company.</p> <p>In the reorganization of the management execution structure implemented in November 2016, Nakamori was appointed as President of H.I.S. Japan, a quasi-in-house company, and serves as the overall supervisor for the business departments handling overseas travel departing from Japan and domestic travel within Japan, and he has been engaged in the management of the Company.</p> <p>Nakamori has been nominated as a candidate for Director for his experience and accomplishments, which are expected to continue to aid the decision-making of the Board of Directors, while contributing to the Group's augmentation of its business domains and global expansion, as well as sustainable growth and improvement in corporate value.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities [Significant concurrent positions]	Number of the Company's shares owned
3	<p style="text-align: center;"><b>Reelection</b></p> <p style="text-align: center;">Masayuki Oda (January 1, 1966)</p>	<p>June 1996      Joined the Company</p> <p>March 2014    Officer, Manager of Kansai Operations Headquarters</p> <p>January 2016   Director responsible for Kansai, Chugoku, Shikoku, Kyushu Operations and Global Product Marketing, Manager of Kansai Operations Headquarters</p> <p>November 2016 Director, Vice President of H.I.S. Japan, Manager of Domestic Travel Operations Headquarters</p> <p>January 2018   Director, Senior Executive Officer, Vice President of H.I.S. Japan, Manager of Domestic Travel Operations Headquarters</p> <p>February 2018 Director, Managing Executive Officer responsible for Business Planning Headquarters, Overseas Business Strategy Headquarters and Overseas System Development Headquarters, Manager of Affiliated Company Headquarters</p> <p>November 2018 Director, Managing Executive Officer responsible for Business Planning Headquarters and Overseas Business Strategy Headquarters, Manager of Affiliated Company Headquarters</p> <p>May 2019      Director, Managing Executive Officer responsible for Business Planning Headquarters, Affiliated Company Headquarters, Head Office HR Headquarters, CS/ES, General Affairs and CSR, Manager of Overseas Business Strategy Headquarters (present position)</p>	3 thousand shares
<p><b>Reasons for nomination as candidate for Director</b></p> <p>Masayuki Oda has extensive business experience in marketing and sales sectors of the Company, and has participated in the management of the Company since January 2016 as a Director.</p> <p>In the reorganization of the management execution structure implemented in November 2016, Oda was appointed as Vice President of H.I.S. Japan, a quasi-in-house company, and serves as the supervisor of domestic travel section for H.I.S. Japan, which handles overseas travel departing from Japan and domestic travel within Japan. Now he has also been responsible for Business Planning Headquarters, Affiliated Company Headquarters, Head Office HR Headquarters, CS/ES, General Affairs and CSR, and is Manager of Overseas Business Strategy Headquarters.</p> <p>Oda has been nominated as a candidate for Director for his experience and accomplishments, which are expected to continue to aid the decision-making of the Board of Directors, while contributing to the Group's augmentation of its business domains and global expansion, as well as sustainable growth and improvement in corporate value.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities [Significant concurrent positions]	Number of the Company's shares owned
4	<p style="text-align: center;"><b>Reelection</b></p> <p style="text-align: center;">Atsushi Yamanobe (March 18, 1970)</p>	<p>April 1993      Joined the Company</p> <p>March 2014      Officer, Manager of Kanto Sales Business Department, Manager of Kanto WEB Business Department, Manager of Special Office Business for Kanto Corporation and Group</p> <p>January 2016      Director responsible for East Japan Region Operations, Manager of Kanto Overseas Travel Operations Headquarters</p> <p>November 2016      Director, Vice President of H.I.S. Japan, Manager of Kansai Operations Headquarters</p> <p>January 2018      Director, Senior Executive Officer, Vice President of H.I.S. Japan, Manager of Kansai Operations Headquarters</p> <p>March 2018      Director, Senior Executive Officer, Vice President of H.I.S. Japan, Manager of Corporate Travel Operations Headquarters</p> <p>November 2019      Director, Senior Executive Officer, Vice President of H.I.S. Japan, Manager of Corporate Operations Headquarters (present position)</p>	3 thousand shares
<p><b>Reasons for nomination as candidate for Director</b></p> <p>Atsushi Yamanobe has extensive business experience in marketing and sales sectors of the Company, and has participated in the management of the Company since January 2016 as a Director.</p> <p>In the reorganization of the management execution structure implemented in November 2016, Yamanobe was appointed as Vice President of H.I.S. Japan, a quasi-in-house company, and serves as the supervisor in the west Japan area for H.I.S. Japan West, which handles overseas travel departing from Japan and domestic travel within Japan. Since March 2018, he has also served as Manager of Corporate Travel Operations Headquarters, and has also controlled the corporate client business.</p> <p>Yamanobe has been nominated as a candidate for Director for his experience and accomplishments, which are expected to continue to aid the decision-making of the Board of Directors, while contributing to the Group's augmentation of its business domains and global expansion, as well as sustainable growth and improvement in corporate value.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities [Significant concurrent positions]	Number of the Company's shares owned
5	<p style="text-align: center;"><b>Reelection</b></p> <p>Mutsumi Gomi (June 6, 1968)</p>	<p>April 1992      Joined the Company</p> <p>May 2010      Manager of East Japan FIT Business Department</p> <p>September 2012      Temporarily assigned to PT. HARUM INDAH SARI TOURS &amp; TRAVEL, President and Director of PT. HARUM INDAH SARI TOURS &amp; TRAVEL, Branch Manager in charge of Overall Control of Jakarta</p> <p>January 2016      Officer of the Company, temporarily assigned to PT. HARUM INDAH SARI TOURS &amp; TRAVEL, President and Director of PT. HARUM INDAH SARI TOURS &amp; TRAVEL, Branch Manager in charge of Overall Control of Jakarta</p> <p>December 2017      Officer, temporarily assigned to PT. HARUM INDAH SARI TOURS &amp; TRAVEL, President and Director of PT. HARUM INDAH SARI TOURS &amp; TRAVEL, Manager of Southeast Asia General Operation Headquarters and Branch Manager in charge of Overall Control of Jakarta</p> <p>January 2018      Director, Senior Executive Officer, temporarily assigned to PT. HARUM INDAH SARI TOURS &amp; TRAVEL, President and Director of PT. HARUM INDAH SARI TOURS &amp; TRAVEL, Manager of Southeast Asia General Operation Headquarters and Branch Manager in charge of Overall Control of Jakarta</p> <p>November 2018      Director, Senior Executive Officer, Chief Information Officer (CIO) and responsible for Southeast Asia and South Asia areas</p> <p>April 2020      Director, Senior Executive Officer responsible for Southeast Asia and South Asia areas (present position)</p>	4 thousand shares
<p><b>Reasons for nomination as candidate for Director</b></p> <p>Mutsumi Gomi has extensive business experience in marketing, sales and procurement sectors of the Company, and involving working overseas. In January 2016 he became an Officer and while serving as the supervisor for the Company's subsidiary in Indonesia he has contributed to the significant growth of business handling overseas travel departing from Indonesia. Furthermore, since November 2017, he has been drafting and executing growth strategies for Southeast Asia, a growth market, as the Manager of Southeast Asia General Operation Headquarters. As a Director since January 2018 and as Chief Information Officer (CIO) and responsible for Southeast Asia and South Asia areas since November 2018, he has also been contributing to the management of the Company.</p> <p>Gomi has been nominated as a candidate for Director for his experience and accomplishments, which are expected to continue to aid the decision-making of the Board of Directors, while contributing to the Group's augmentation of its business domains and global expansion, as well as sustainable growth and improvement in corporate value.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities [Significant concurrent positions]	Number of the Company's shares owned
6	<p style="text-align: center;"><b>Reelection</b></p> <p style="text-align: center;">Motoshi Yada (July 25, 1961)</p>	<p>April 1984      Joined Japan Ground Self-Defense Force</p> <p>August 1993    Joined the Company</p> <p>May 1998       Assistant Manager of Kanto Operations Headquarters</p> <p>May 2000       Manager of Head Office President Office</p> <p>September 2001 Manager of Head Office Human Resource Department</p> <p>November 2004 Manager of Kansai Operations Headquarters</p> <p>October 2005   Advisor of Kyushu Industrial Transportation Co., Ltd. (currently Kyushu Sangyo Kotsu Holdings Co., Ltd.)</p> <p>November 2005 Representative Director and President (present position)</p> <p>January 2020   Director of the Company (present position)</p> <p>[Significant concurrent positions]</p> <p>Representative Director and President of Kyushu Sangyo Kotsu Holdings Co., Ltd.</p>	<p style="text-align: center;">– thousand shares</p>
<p><b>Reasons for nomination as candidate for Director</b></p> <p>Motoshi Yada has extensive business experience in the marketing and product planning sectors of the Company, and is also familiar with the Company's management and human resource departments, having held the positions of Manager of Head Office President Office and Manager of Head Office Human Resource Department of the Company. Since 2005, when Yada was appointed as Representative Director and President of Kyushu Industrial Transportation Co., Ltd. (currently Kyushu Sangyo Kotsu Holdings Co., Ltd.), he has led the redevelopment business in the center of Kumamoto Prefecture and driven the Group's regional revitalization business, which includes regional revitalization and contributing to the recovery efforts following the 2016 Kumamoto earthquakes, significantly contributing to the growth of the entire Group.</p> <p>Yada has been nominated as a candidate for Director for his experience and accomplishments, which are expected to aid the decision-making of the Board of Directors, while contributing to the Group's augmentation of its business domains and global expansion, as well as sustainable growth and improvement in corporate value.</p> <p>Furthermore, the Company and Kyushu Sangyo Kotsu Holdings Co., Ltd., of which Yada is Representative Director and President, are in a business relationship involving primarily the sale of travel products.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities [Significant concurrent positions]	Number of the Company's shares owned
7	<p style="text-align: center;"><b>Reelection</b></p> <p style="text-align: center;">Hidetaka Sawada (November 2, 1981)</p>	<p>April 2005      Joined Nikko Cordial Securities Inc. (currently SMBC Nikko Securities Inc.)</p> <p>June 2006      Director of Sawada Holdings Co., Ltd.</p> <p>September 2006 Director of H.S. SECURITIES CO., LTD.</p> <p>February 2012 Representative Director and President of Bestone.Com Co., Ltd. (present position)</p> <p>July 2016      Representative Director and President of Fivestarcruise Inc. (present position)</p> <p>January 2019 Representative Director of EBISU RYOKAN (present position)</p> <p>January 2020 Director of the Company (present position)</p> <p>[Significant concurrent positions]</p> <p>Representative Director and President of Bestone.Com Co., Ltd.</p> <p>Representative Director and President of Fivestarcruise Inc.</p>	654 thousand shares
<p><b>Reasons for nomination as candidate for Director</b></p> <p>Hidetaka Sawada developed his knowledge in financial matters, etc. at Sawada Holdings Co., Ltd. and has experience as a manager, having served as Director. Sawada also has extensive business experience and knowledge regarding IT, etc. In 2012, Sawada was appointed as Representative Director and President of Bestone.Com Co., Ltd. and successfully listed the company on the Mothers Section of the Tokyo Stock Exchange in 2018.</p> <p>Sawada has been nominated as a candidate for Director for his experience and accomplishments, which are expected to aid the decision-making of the Board of Directors, while contributing to the Group's augmentation of its business domains and global expansion, as well as sustainable growth and improvement in corporate value.</p> <p>Furthermore, there is no special interest between the Company and Bestone.Com Co., Ltd. or Fivestarcruise Inc., both of which Sawada is Representative Director and President.</p>			

**Proposal 6: Election of one (1) Director who is an Audit and Supervisory Committee Member**

At the conclusion of this meeting, Yasuo Katsura will resign as Director who is an Audit and Supervisory Committee Member. Therefore, the Company proposes to elect Atsushi Nabeshima as his substitute.

This proposal has been agreed to by the Audit and Supervisory Committee.

In addition, Nabeshima is a candidate for Outside Director, and his term of office shall begin from the conclusion of this meeting and shall end, in accordance with the Articles of Incorporation, upon the expiration of the term of office of the resigning Director who is an Audit and Supervisory Committee Member.

His career summary is as follows.

Name (Date of birth)	Career summary, position and responsibilities [Significant concurrent positions]	Number of the Company's shares owned
<p><b>New candidate</b></p> <p><b>Outside</b></p> <p><b>Independent</b></p> <p>Atsushi Nabeshima (August 2, 1946)</p>	<p>July 1969      Joined Tokio Marine &amp; Fire Insurance Co., Ltd.</p> <p>July 1995      Director of Tokio Marine Medical Service Co., Ltd.</p> <p>July 2001      Compliance Officer of Tokio Marine Anshin Life Insurance Co., Ltd.</p> <p>June 2003      Director of HABA Laboratories, Inc.</p> <p>December 2007      Director and President of Shinshu Pharmaceutical, Inc.</p> <p>July 2011      Advisor of Unicolloid Co., Ltd. Advisor of Merci Daiki Co., Ltd.</p> <p>June 2019      Executive Director of Showa Kaikan (present position)</p> <p>[Significant concurrent positions] Executive Director of Showa Kaikan</p>	<p>– thousand shares</p>
<p><b>Reasons for nomination as candidate for Director who is an Audit and Supervisory Committee Member, etc.</b></p> <p>Atsushi Nabeshima has extensive experience and knowledge encompassing organization management of a large traditional company at Tokio Marine &amp; Fire Insurance Co., Ltd., and management of a venture-type listed company at HABA Laboratories, Inc. He is expected to provide advice and suggestions concerning the management of the Company from an independent and objective perspective, drawing on his superior knowledge concerning corporate ethics and corporate governance, and to fulfill the responsibilities of the Audit and Supervisory Committee. Accordingly, he has been nominated as a candidate for Director who is an Audit and Supervisory Committee Member and for Outside Director.</p> <p>Furthermore, if Nabeshima is elected as a Director who is an Audit and Supervisory Committee Member and an Outside Director, it is planned to newly conclude a limited liability agreement for damages referred to in Article 423, Paragraph 1, based on Article 427, Paragraph 1 of the Companies Act (the amount of limited liability is the amount specified in Article 425, Paragraph 1 of the Companies Act). It is also planned to designate him as an independent officer and to notify the Tokyo Stock Exchange accordingly.</p> <p>Additionally, there is no special interest between the Company and Showa Kaikan, of which Nabeshima is Executive Director.</p>		

<b>New candidate</b>	Candidate for Director to be newly elected
<b>Outside</b>	Candidate for Outside Director
<b>Independent</b>	Independent officer as defined by the securities exchange