

Notice of Convocation of the 22nd Annual General Meeting of Shareholders

Dear Shareholders:

We would hereby like to inform you that the 22nd Annual General Meeting of Shareholders will be held as follows.

If you are unable to attend, you may exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 6:00 p.m. on Thursday, June 16, 2022.

Yours faithfully

Tetsuro Harada
Representative Director and CEO
Dream Incubator Inc.
3-2-6 Kasumigaseki, Chiyoda-ku, Tokyo, Japan

1	Date and Time	Friday, June 17, 2022, at 10:00 a.m.
2	Venue	31Builedge Kasumigaseki Plaza Hall Kasumigaseki Building, First Floor 3-2-5, Kasumigaseki, Chiyoda-ku, Tokyo, Japan
3	Agenda	<p><u>Items to be reported</u></p> <p>1. Business Report, Consolidated Financial Statements for the 22nd Fiscal Year (from April 1, 2021 to March 31, 2022), as well as Auditing Reports on Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee</p> <p>2. Non-Consolidated Financial Statements for the 22nd Fiscal Year (from April 1, 2021 to March 31, 2022)</p> <p><u>Items to be resolved</u></p> <p>Proposal 1 Partial Revisions to the Articles of Incorporation</p> <p>Proposal 2 Election of Four Directors Who Are Not Audit and Supervisory Committee Members</p> <p>Proposal 3 Election of Two Directors Who Are Audit and Supervisory Committee Members</p> <p>Proposal 4 Election of One Substitute Director Who Is an Audit and Supervisory Committee Member</p> <p>Proposal 5 Partial Revisions of Amounts and Details of the Stock Compensation Plan for Directors Who Are Not Audit and Supervisory Committee Members</p>

- If you plan to attend the meeting in person, please submit the Voting Rights Exercise Form to the receptionist at the meeting.
- Any amendments to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements will be posted on the Company's internet website (<https://www.dreamincubator.co.jp>).
- The "Company Structure and Policies," the "Consolidated Statements of Changes in Equity" and the "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements, and the "Non-Consolidated Statements of Changes in Equity" and the "Notes to Non-Consolidated Financial Statements" in the Non-Consolidated Financial Statements are available on the Company's internet website (<https://www.dreamincubator.co.jp>). Accordingly, they are not included in the attached documents concerning items to be reported, pursuant to the provisions of the law and Article 15 of the Articles of Incorporation. The "Company Structure and Policies" is subject to audit by the Audit and Supervisory Committee. The "Consolidated Statements of Changes in Equity" and "Notes to Consolidated Financial Statements" of the Consolidated Financial Statements and the "Non-Consolidated Statements of Changes in Equity" and "Notes to Non-Consolidated Financial Statements" of the Non-Consolidated Financial Statements are subject to audit by the Accounting Auditor and the Audit and Supervisory Committee, together with the accompanying documents concerning items to be reported.

1. Reasons for the Proposal

- (1) Changes due to the introduction of a system for the electronic provision of materials for the general meeting of shareholders

The revised provisions stipulated in the proviso of Article 1 of the Supplementary Provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will go into effect on September 1, 2022. We propose amending the Company’s Articles of Incorporation to prepare for the introduction of a system for the electronic provision of materials for the general meeting of shareholders.

- 1) Paragraph 1, Article 15 of the proposed revision provides that the information contained in the reference documents for the general meeting of shareholders, etc. shall be subject to measures for electronic provision.
 - 2) Paragraph 2, Article 15 of the proposed revision establishes provisions to limit the scope of items to be included in documents to be delivered to shareholders who have requested document delivery.
 - 3) The provision for Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc. (Article 15 of the current Articles of Incorporation) is to be deleted as it is no longer necessary.
 - 4) In accordance with the new establishment and deletion indicated above, a supplementary provision regarding the effective date is to be added. This supplementary provision shall be deleted after the effective date has passed.
- (2) Change in the method for selecting people authorized to convene and chair meetings of the Board of Directors

Article 22 of the Articles of Incorporation is to be amended to authorize an Outside Director who is the Chairman of the Nomination and Compensation Committee to convene and chair meetings of the Board of Directors, where the purpose is to remove a Representative Director.

2. Details of the Revisions

Details of the revisions are as follows.

(Revisions are underlined.)

Current Articles of Incorporation	Proposed Revisions
CHAPTER 3. GENERAL MEETING OF SHAREHOLDERS <u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.)</u> <u>Article 15. With respect to the convocation of a general meeting of shareholders, the Company may deem that it has provided information pertaining to matters to be stated or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements to shareholders by disclosing such information via the Internet in accordance with the applicable ordinance of the Ministry of Justice.</u>	CHAPTER 3. GENERAL MEETING OF SHAREHOLDERS <Deleted>

Current Articles of Incorporation	Proposed Revisions
<p data-bbox="571 235 765 263"><Newly established></p> <p data-bbox="378 702 938 798">CHAPTER 4. DIRECTORS AND BOARD OF DIRECTORS (People Authorized to Convene and Chair Meetings of the Board of Directors)</p> <p data-bbox="378 812 919 908">Article 22. Meetings of the Board of Directors shall be convened and chaired by a <u>Representative Director</u>, except as otherwise provided by law.</p> <p data-bbox="455 949 919 1114">2 In the event of an accident befalling the <u>Representative Director</u>, another Director shall convene the meeting in the order previously determined by the Board of Directors and shall act as Chairman.</p>	<p data-bbox="975 235 1344 263"><u>(Measures for Electronic Provision, etc.)</u></p> <p data-bbox="975 277 1549 441">Article 15. When convening a general meeting of <u>shareholders, the Company shall take measures to provide in electronic form information corresponding with the reference documents for the general meeting of shareholders, etc.</u></p> <p data-bbox="1052 455 1549 661">2 <u>Of the items to be provided electronically, the Company may omit all or part of the items stipulated by ordinance of the Ministry of Justice from those documents to be delivered to shareholders who have requested delivery of the documents by the record date for voting rights.</u></p> <p data-bbox="975 702 1537 798">CHAPTER 4. DIRECTORS AND BOARD OF DIRECTORS (People Authorized to Convene and Chair Meetings of the Board of Directors)</p> <p data-bbox="975 812 1537 949">Article 22. Meetings of the Board of Directors shall be convened and chaired by a Director <u>determined by the Board of Directors</u>, except as otherwise provided by law.</p> <p data-bbox="1052 949 1549 1114">2 In the event of an accident befalling the <u>person authorized to convene and chair the meeting</u>, another Director shall convene the meeting in the order previously determined by the Board of Directors and shall act as Chairman.</p>
<p data-bbox="571 1196 765 1223"><Newly established></p>	<p data-bbox="975 1168 1219 1196"><u>(Supplementary provision)</u></p> <p data-bbox="975 1210 1549 1662">Article 3. <u>The deletion of Article 15 of the current Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.) and the new establishment of Article 15 (Measures for Electronic Provision, etc.) in the proposed revision shall go into effect on the date of enforcement (September 1, 2022; hereinafter referred to as the “Effective Date”) of the revised provisions stipulated in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019).</u></p> <p data-bbox="1033 1662 1549 1841">2 <u>Notwithstanding the provisions of the preceding paragraph, Article 15 of the current Articles of Incorporation shall remain in force for shareholders' meetings whose date is within six months of the Effective Date.</u></p> <p data-bbox="1033 1841 1549 2019">3 <u>This supplementary provision shall be deleted after six months from the Effective Date or three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Proposal 2

Election of Four Directors Who Are Not
Audit and Supervisory Committee Members

The term of office of all (four) of the Company's Directors (excluding Directors who are Audit and Supervisory Committee members; the same shall apply hereinafter in this proposal) will expire at the conclusion of this general meeting. Accordingly, we request the election of four Directors. With regard to this proposal, the Audit and Supervisory Committee has expressed its opinion that all of the Director candidates are qualified and capable of fulfilling the roles expected of Directors.

Director candidates are as follows.

No.	Name	Age	Current Position, Responsibility	Attendance at Board of Directors Meetings	Attributes of Director Candidates		
1	Tetsuro Harada	56	Representative Director & CEO, Chairman of the Board of Directors	100% (13/13)	Reelection	Executive Officer	—
2	Takayuki Miyake	52	Representative Director, President & COO	100% (13/13)	Reelection	Executive Officer	—
3	Kyohei Hosono	49	Director, Vice President & COO	100% (13/13)	Reelection	Executive Officer	—
4	Tsutomu Fujita	62	Director	100% (11/11)	Reelection	Outside Director	Independent Officer

1

Tetsuro Harada (Born September 22, 1965; age 56)

Reelection



Number of Company shares held: 54,300 shares

Brief Personal History, Positions, Duties, and Important Concurrent Positions

Apr. 1981 Joined the Japan Maritime Self-Defense Force
 Apr. 1990 Joined Nippon Life Insurance Company
 May 1996 Received MBA from the University of California, Berkeley
 Oct. 2000 Joined Dream Incubator
 Jan. 2003 Manager
 Jun. 2006 Executive Officer (current position)
 Nov. 2017 Director, ipet Insurance Co., Ltd. (current position)
 Jun. 2018 Director, Dream Incubator
 Jun. 2020 Representative Director & CEO (current position)
 Oct. 2020 Director, ipet Holdings, Inc. (Audit and Supervisory Committee member)
 Jun. 2021 Director, ipet Holdings, Inc. (current position)

Reasons for Selection as a Candidate for Director

In 2006, Mr. Tetsuro Harada assumed the position of Executive Officer in charge of the Corporate Department. Since then, he has directed all aspects of the Company's business administration and human resources and general affairs, helping to improve the soundness and transparency of the Company's management. Since assuming the position of Representative Director & CEO in 2020, he has striven to enhance corporate governance as Chairman of the Board of Directors. We have determined that his extensive work experience and high level of management insight are necessary to continuously enhance the Company's corporate value, and we request his continued election as a Director.

2

Takayuki Miyake (Born April 24, 1970; age 52)

Reelection



Number of Company shares held: 87,600 shares

Brief Personal History, Positions, Duties, and Important Concurrent Positions

Apr. 1995 Joined the Ministry of International Trade and Industry
 (now the Ministry of Economy, Trade and Industry)
 Jul. 2001 Joined A.T. Kearney
 Jun. 2004 Joined Dream Incubator
 Nov. 2004 Manager
 Oct. 2009 Executive Officer (current position)
 Jun. 2019 Director
 Jun. 2020 Representative Director & COO, Business Production Department
 Jun. 2021 Representative Director, President & COO (current position)

Reasons for Selection as a Candidate for Director

Mr. Takayuki Miyake assumed the position of Executive Officer of the Company in 2009. As officer in charge of the Business Production Department, he has contributed to the establishment and development of our unique consulting services, producing new businesses and industries. He assumed the position of Representative Director and President in 2021, and has promoted efforts to strengthen the Company's earnings base, with a focus on producing businesses. We have determined that his extensive work experience and high level of management insight are necessary to continuously enhance the Company's corporate value, and we request his continued election as a Director.



Number of Company shares held: 38,300 shares

Brief Personal History, Positions, Duties, and Important Concurrent Positions

Apr. 1996 Joined the Overseas Economic Cooperation Fund
(now the Japan Bank for International Cooperation)
 Aug. 1998 Studied abroad at St. Petersburg State University
 Jul. 2000 Masters of Public Administration, University of Michigan
 Oct. 2005 Joined Dream Incubator
 Aug. 2007 Manager
 Oct. 2009 Managing Director in Charge of Asia
 Oct. 2012 Executive Officer (current position)
 Jun. 2019 Director
 Jun. 2020 Representative Director & COO, Incubation Department
 Jun. 2021 Director, Vice President & COO (current position)

Reasons for Selection as a Candidate for Director

Mr. Kyohei Hosono was responsible for global businesses produce that bridge Japan and other parts of Asia by supporting large corporations in their Asian expansion strategies and fostering investment in Asian companies. In addition, as officer in charge of the Incubation Department, he helped to cultivate development in innovative venture companies and growth businesses. We have determined that his extensive work experience and high level of management insight are necessary to continuously enhance the Company's corporate value, and we request his continued election as a Director.



Number of Company shares held: 0 shares

Brief Personal History, Positions, Duties, and Important Concurrent Positions

Apr. 1982 Joined Yamaichi Securities Co., Ltd.
 Oct. 1997 Joined Merrill Lynch Asset Management
 Aug. 2000 Joined Citigroup Global Markets Japan Inc.
 Oct. 2010 Director & Vice Chairman
 Jun. 2016 Advisor, Citigroup Global Markets Japan (current position)
 Jun. 2016 Representative Director, Nihon Senryaku Sogo Kenkyusho Co., Ltd. (current position)
 Apr. 2017 Adjunct Professor, School of Business Administration, Hitotsubashi University (current position)
 Jul. 2017 Representative, Hitotsubashi University Graduate School Fintech Research Forum (current position)
 Apr. 2018 Senior Partner, J Advisory, LLC (current position)
 Sep. 2019 Director, HOUSE DO Co., Ltd. (now &Do Holdings Co., Ltd.)
 Jun. 2020 Outside Director, RIZAP Group, Inc. (current position)
 Jun. 2021 Outside Director, Dream Incubator (current position)
 Jun. 2021 Outside Director, ZUU Co., Ltd. (current position)

Reasons for Selection as a Candidate for Outside Director and Overview of Expected Role

Mr. Tsutomu Fujita has gained extensive experience and insight in corporate management through such roles as Advisor (and formerly Vice Chairman) of Citigroup Global Markets Japan, serving as Outside Director to multiple companies, and his position as Adjunct Professor in the School of Business Administration at Hitotsubashi University. Based on this background, he has helped to strengthen the Company's corporate governance by supervising its management and providing accurate and meaningful advice on the Company's overall management. Through such efforts, we expect that he will continue contributing toward the enhancement of the Group's corporate value, and we therefore request his continued appointment.

Notes: 1. No special-interest relationships exist between the individual candidates and the Company.

2. Mr. Tsutomu Fujita is a candidate for Outside Director. As he satisfies the requirements for an Independent Director as stipulated by the Tokyo Stock Exchange, Inc., if Mr. Fujita assumes the position of Outside Director, we intend to provide notice that he is an Independent Director.

3. Mr. Fujita is currently an Outside Director of the Company. At the conclusion of this general meeting, his period of tenure will be one year.

4. In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Fujita to limit his liability for damages as provided for by Article 423, Paragraph 1 of the Companies Act. If Mr. Fujita performs his duties in good faith and without gross negligence, his maximum liability for damages to the Company shall be limited to the minimum amount stipulated in laws and regulations. If his reelection is approved, the Company intends to continue this agreement with him.

5. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. If the individual candidates are elected and assume their positions as Directors, the Company plans to include them as insured parties under this insurance policy.

Proposal 3

Election of Two Directors Who Are Audit and Supervisory Committee Members

The term of office will expire at the conclusion of this general meeting for the following three of the Company's Directors who are Audit and Supervisory Committee members: Mr. Tadashi Naka, Mr. Akinori Uchida, and Mr. Soichiro Uno. Accordingly, we request the election of two Directors who are Audit and Supervisory Committee members. The Audit and Supervisory Committee has approved this proposal.

The candidates for Directors who are Audit and Supervisory Committee members are as follows.

1

Soichiro Uno

(Born January 14, 1963; age 59)

Reelection



Number of Company shares held: 0 shares

Brief Personal History, Positions, Duties, and Important Concurrent Positions

- Apr. 1988 Registered as an attorney (Dai-Ichi Tokyo Bar Association)
Joined the law firm of Nagashima & Ohno (now Nagashima Ohno & Tsunematsu)
- Nov. 1993 Admitted to the bar in the State of New York
- Jan. 1997 Partner, Nagashima & Ohno (now Nagashima Ohno & Tsunematsu) (current position)
- Jun. 2004 Outside Auditor, SoftBank Corp. (now SoftBank Group Corp.) (current position)
- Jun. 2018 Director, Dream Incubator (Audit and Supervisory Committee member) (current position)
- Jun. 2019 Outside Director, TERUMO Corporation (Audit and Supervisory Committee member) (current position)

Reasons for Selection as a Candidate for Outside Director and Overview of Expected Role

Mr. Soichiro Uno has no previous experience of being involved in the management of a company other than as an outside officer. However, given his extensive knowledge and experience as an attorney and his involvement as an Outside Auditor of Softbank Group Corp. and Outside Director (Audit and Supervisory Committee member) of TERUMO Corporation, we anticipate that he will continue to utilize his experience and expertise to play a role in conducting effective management audits. Accordingly, we request Mr. Uno's continued election as an Outside Director who is an Audit and Supervisory Committee member.



Number of Company shares held: 0 shares

Brief Personal History, Positions, Duties, and Important Concurrent Positions

- Apr. 1981 Joined Nippon Kokan K.K. (now JFE Holdings, Inc.)
- Jul. 1989 Joined McKinsey & Company
- Dec. 1995 Principal (Partner)
- Feb. 2006 Executive Officer, Japan Post Holdings Co., Ltd.
- Oct. 2007 Senior Managing Executive Officer, Japan Post Holdings Co., Ltd.
First Executive Officer, Japan Post Service Co., Ltd. (now Japan Post Holdings Co., Ltd.)
- May 2010 Professor, Business Breakthrough University (current position)
- Jul. 2010 Executive Officer, Chief Operating Officer (COO), The Tokyo Star Bank, Limited
- Jun. 2011 Outside Director, EBARA Corporation
- Dec. 2011 Managing Director of Investigation, Fukushima Nuclear Accident Independent Investigation Commission
- Nov. 2012 Counselor, Nuclear Damage Compensation Facilitation Corporation
(now Nuclear Damage Compensation and Decommissioning Facilitation Corporation)
- Apr. 2014 Dean, Faculty of Business Administration, Professor, Business Breakthrough University (current position)
- Jun. 2014 Director, Business Breakthrough, Inc. (current position)
- May 2015 Director, Academic Panel Member, Public Utility Fund Japan–North America Medical Exchange Foundation
- Apr. 2016 Vice President, Business Breakthrough University (current position)
- Sep. 2016 Special Advisor, Tokyo Metropolitan Government Political Reform Headquarters
- Jul. 2017 Executive Director, Public Utility Fund Japan–North America Medical Exchange Foundation
- Nov. 2017 Member, Tokyo Metropolitan Government Urban Planning Council Committee (current position)
- Mar. 2019 Outside Director and Chairman of the Board of Directors, EBARA Corporation
- Jun. 2021 Director, The CC Innovation, Ltd. (current position)

Reasons for Selection as a Candidate for Outside Director and Overview of Expected Role

In addition to his extensive management experience at such organizations as McKinsey & Company, a consulting firm, as well as Japan Post Holdings Co., Ltd. and The Tokyo Star Bank, Limited, Mr. Sakon Uda has served as Chairman of the Board of Directors as an Outside Director of EBARA Corporation. Given this background, we believe he can offer useful opinions and strategic plans for reinforcing the Company's governance. In addition, we anticipate that he will utilize his experience and insight in auditing the Company's management. Accordingly, we request his election as an Outside Director who is an Audit and Supervisory Committee member.

- Notes: 1. Mr. Soichiro Uno is a partner at the law firm of Nagashima Ohno & Tsunematsu. The Company has a business relationship with this firm with regard to legal services. No special-interest relationships exist between Mr. Sakon Uda and the Company.
2. Mr. Uno and Mr. Uda are both candidates for Outside Director.
3. If Mr. Uno assumes the position of a Director who is an Audit and Supervisory Committee member, the Company may continue to engage Nagashima Ohno & Tsunematsu (where he is a partner) for legal services. In the fiscal year ended March 31, 2022, the transaction amount was minimal, and he meets all the requirements for Independent Director as defined by the Tokyo Stock Exchange, Inc. However, due to the rules of his firm, we do not plan to file notification that Mr. Soichiro Uno is an Independent Director. Meanwhile, Mr. Uda meets all the requirements for Independent Director as defined by the Tokyo Stock Exchange, Inc. If he assumes the position of Director who is an Audit and Supervisory Committee member, we intend to file notification that he is an Independent Director.
4. Mr. Uno is currently an Outside Director who is an Audit and Supervisory Committee member. At the conclusion of this general meeting, his period of tenure will be four years.
5. In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Uno to limit his liability for damages as provided for by Article 423, Paragraph 1 of the Companies Act. If Mr. Uno performs his duties in good faith and without gross negligence, his maximum liability for damages to the Company shall be limited to the minimum amount stipulated in laws and regulations. If his reelection is approved, the Company intends to continue this agreement with him. In addition, if Mr. Uda's election is approved, we intend to enter into the same type of liability limitation agreement with him.
6. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. If the individual candidates are elected and assume their positions as Directors who are Audit and Supervisory Committee members, the Company plans to include them as insured parties under this insurance policy.

Reference

Expected Management Structure if
Proposals 2 and 3 Are Approved

Under the medium-term management plan, we aim to realize our mission statement of “changing societies and creating businesses” while simultaneously enhancing corporate value. To promote and maintain governance over the medium-term plan, the Board of Directors will undertake a modal shift in monitoring. We appoint Directors with broad experience in management, as well as expertise, knowledge, and experience in various fields to improve its effectiveness as Board of Directors.

We believe it is particularly important for the Company’s Directors to have experience in the following areas.

Skills and Experience	Description
Corporate management	General experience, knowledge, and governance experience related to the management of listed companies
Capital markets	Experience and knowledge of investing in listed companies and responding to shareholders and investors
Finance and accounting	Knowledge of finance and accounting and experience in formulating financial strategies, including growth investments and shareholder return strategies
Legal and risk management	Specialized knowledge and experience in corporate legal, regulatory and risk management
Consulting	Consulting experience and management experience in the consulting business
Government, international institutions	Experience in government, related organizations, and international organizations working to resolve social issues through industry
Global	Management experience in a global company or business experience outside Japan

Name	Position	Outside	Areas of Particular Expertise and Experience						
			Corporate Management	Capital Markets	Finance and Accounting	Legal and Risk Management	Consulting	Government, International Institutions	Global
Tetsuro Harada	Representative Director & CEO		Yes		Yes		Yes		
Takayuki Miyake	Representative Director, President & COO		Yes				Yes	Yes	
Kyohei Hosono	Director, Vice President & COO		Yes				Yes	Yes	Yes
Tsutomu Fujita	Director	Yes	Yes	Yes					Yes
Soichiro Uno	Director, Audit and Supervisory Committee member	Yes	Yes			Yes			Yes
Yuriya Komatsu	Director, Audit and Supervisory Committee member	Yes	Yes	Yes	Yes				
Sakon Uda (new election)	Director, Audit and Supervisory Committee member	Yes	Yes	Yes			Yes		

Note: The above skills matrix is a list of skills and areas of expertise that we specifically expect from each candidate. This table does not represent all of the knowledge and experience that each person possesses.

Proposal 4

Election of One Substitute Director Who Is an Audit and Supervisory Committee Member

We request the election of one substitute Director who is an Audit and Supervisory Committee member (a person who could substitute for any of the Directors who are Audit and Supervisory Committee members) to prepare for the situation in which the number of Company Directors who are Audit and Supervisory Committee members falls below the number required by laws and regulations. This proposal has been approved by the Audit and Supervisory Committee.

The candidate for substitute Director who is an Audit and Supervisory Committee member is as follows.

Hideka Morimoto (Born January 4, 1957; age 65)

Number of Company shares held: 0 shares

Brief Personal History, Positions, Duties, and Important Concurrent Positions

Apr. 1981	Joined Environment Agency (now Ministry of the Environment)
Sep. 1997	Private Secretary, Director General of Environment Agency
Feb. 2002	Private Secretary, Minister of the Environment
Jul. 2008	Director, General Affairs Division, Ministry's Secretariat
Jul. 2009	Director, Personnel Division, Ministry's Secretariat
Aug. 2011	Councilor, Cabinet Secretariat and Director, Cabinet Secretariat Nuclear Safety Regulation Organizational Reform
Sep. 2012	Deputy Director General, Nuclear Regulation Agency
Jul. 2014	Ministry's Secretariat, Ministry of the Environment
Jul. 2017	Administrative Vice-Minister, Ministry of the Environment
Jul. 2019	Advisor, Ministry of the Environment
Jan. 2020	Special Advisor, Dream Incubator (current position)
Apr. 2020	Professor, Faculty of Law, Waseda University (current position)
Jun. 2020	Chief Director, Institute for Promoting Sustainable Societies (current position)
Jun. 2021	Outside Director, Takasago Thermal Engineering Co., Ltd. (current position)
Mar. 2022	Outside Director, INPEX Corporation (current position)

Reasons for Selection as a Candidate for Substitute Outside Director and Overview of Expected Role

Mr. Hideka Morimoto has held a number of important posts, including Administrative Vice-Minister at the Ministry of the Environment. Since assuming the position of special advisor to the Company in January 2020, he has provided us with suggestions on management based on his abundant experience and knowledge. Although Mr. Morimoto has no experience of being involved in the management of a company, we expect that he would apply his experience and expertise toward the auditing of our management. Accordingly, we request his election as a substitute Outside Director who is an Audit and Supervisory Committee member.

Notes: 1. No special-interest relationships exist between Mr. Hideka Morimoto and the Company.

2. Mr. Morimoto is a candidate for substitute Outside Director who is an Audit and Supervisory Committee member. As he satisfies the requirements for an Independent Director as stipulated by the Tokyo Stock Exchange, Inc., if Mr. Morimoto assumes the position of Director who is an Audit and Supervisory Committee member, we intend to provide notice that he is an Independent Director.

3. If Mr. Morimoto assumes the position of Director who is an Audit and Supervisory Committee member, in accordance with Article 427, Paragraph 1 of the Companies Act, the Company intends to enter into an agreement with Mr. Morimoto to limit his liability for damages as provided for by Article 423, Paragraph 1 of the Companies Act. If Mr. Morimoto performs his duties in good faith and without gross negligence, his maximum liability for damages to the Company shall be limited to the minimum amount stipulated in laws and regulations.

4. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. If Mr. Morimoto assumes the position of Director who is an Audit and Supervisory Committee member, the Company plans to include him as an insured party under this insurance policy.

Proposal 5

Partial Revisions of Amounts and Details of the Stock Compensation Plan for Directors Who Are Not Audit and Supervisory Committee Members

1. Reasons for the Proposal and Reasons Why Such Remuneration is Reasonable

At the Company's 16th Annual General Meeting of Shareholders on June 13, 2016, we transitioned to a company with an Audit and Supervisory Committee. At that time, we obtained approval to implement a stock compensation plan (hereinafter, the "Plan") for Company Directors who are not Audit and Supervisory Committee members (excluding Outside Directors; the same shall apply hereinafter in this proposal). The Company proposes to partially revise the contents of the Plan and accordingly requests your approval of this proposal.

The Company proposes to revise the contents of the Plan with a view to adjusting the remuneration system for Directors to make it more performance-linked, with the aim of further promoting structural reforms, meeting shareholders' expectations, and further raising awareness of the need to contribute toward increases in corporate value. The current Plan is valid for a five-year period, from the fiscal year ended March 31, 2019 to the fiscal year ending March 31, 2023 (hereinafter, the "Applicable Period"). We propose changing the Applicable Period of the Plan to three years, from the fiscal year ending March 31, 2023 to the fiscal year ending March 31, 2025.

To promote structural reforms, where we aim to realize our mission of "creating businesses and changing societies" that we introduced in fiscal 2021 while simultaneously enhancing corporate value, we propose revising the Plan to reflect Directors' efforts and the results of these efforts to augment performance and increase corporate value over the medium to long term. We believe these revisions are reasonable.

To ensure that the process of determining remuneration for Directors is transparent and objective, the Company has discussed the partial revisions to the Plan with the Nomination and Compensation Committee, the majority of whose members are independent outside executives.

If Proposal 2 ("Election of Four Directors Who Are Not Audit and Supervisory Committee Members") is approved as proposed, the Plan would apply to three Directors.

2. Amounts and Details of Remuneration under the Plan

(1) Overview of the Plan

The Plan is a stock compensation plan. Under the Plan, the Company's shares are acquired through a trust funded by an amount of Directors' remuneration contributed by the Company for the delivery and benefit (hereinafter, "Delivery, etc.") of the Company's shares and cash equivalent to the conversion price of the Company's shares (hereinafter, "Company Shares, etc.") to the Directors. (See (2) and below for details.)

1. Parties to which the Delivery, etc. of Company Shares, etc. applies under this proposal	Company Directors (excluding Outside Directors)
2. Impact of Company shares subject to this proposal on the total number of shares outstanding	
Maximum amount of money the Company will contribute for the acquisition of Company shares subject to Delivery, etc. to Directors (described in (2) below)	¥400 million over the target period of three fiscal years
Method of acquiring Company shares (described in (2) below) and maximum number of Company Shares, etc. for Delivery, etc. to Directors (described in (3) below)	<ul style="list-style-type: none"> • Individual Directors shall be granted a maximum of 170,000 points per year (510,000 points for the initial three-year Applicable Period beginning this fiscal year). • The maximum number of Company Shares, etc. for Delivery, etc. to Directors shall be equivalent to approximately 1.6% of the number of Company shares outstanding (as of March 31, 2022, excluding treasury stock) • The trust may acquire Company shares from the stock market or the Company (disposal of treasury stock).
3. Details of conditions for achieving performance (described in (3) below)	Varies depending on such factors as the status of structural reform initiatives and the achievement of performance targets
4. Timing for Delivery, etc. of Company Shares, etc. to Directors (described in (4) below)	Upon Director retirement

- (2) **Maximum amount of money to be contributed by the Company**
The Company will revise the Plan to have an Applicable Period of three consecutive fiscal years. The maximum amount of money the Company will contribute during the Applicable Period is a total of ¥400 million. The trust will acquire Company shares in the stock market or from the Company (disposal of treasury stock) using the money entrusted to it as the source of funds, in accordance with the instruction of the trust administrator. During the trust period, the Company will grant points to Directors (described in (3) below). Upon retirement, Directors may obtain from the trust Delivery, etc. of Company Shares, etc. equivalent to their number of points at that time.
At the conclusion of the trust period for this trust, the trust may be continued for the Plan by amending the trust agreement and providing an additional trust. In this event, the trust period for the trust would be extended by three years, and the next three fiscal years would constitute the new Applicable Period. For each new Applicable Period, the Company would provide additional monies within the total amount of ¥400 million. The Company would continue to grant points to Directors and perform Delivery, etc. of Company Shares, etc. during the extended trust period.
However, in the event that additional contributions are made and Company shares and monies (hereinafter, “Residual Shares, etc.”) remain as trust assets at the time the trust agreement is revised (unless Delivery, etc. of Company shares corresponding to points granted to Directors is incomplete), the total amount of Residual Shares, etc. and additional trust funds to be contributed shall be within ¥400 million.
- (3) **Calculation method and maximum number of Company shares to be acquired by Directors**
The number of Company shares for Delivery, etc. to Directors shall be determined by points granted to Directors each year during the trust period. Points are to be granted to Directors each year according to such factors as the status of structural reform initiatives and the level of achievement of performance targets. One point shall be equivalent to one share. If an event occurs during the trust period that makes it fair to adjust the number of points, such as a stock split or reverse stock split, adjustments will be made according to the split ratio or reverse split ratio. Company Shares, etc. for Delivery, etc. shall correspond to the cumulative number of points granted each year to individual Directors (hereinafter, “Cumulative Number of Points”) at the time of their retirement.
The maximum total number of points to be granted to each Director per year shall be 170,000 points. The maximum number of Company shares acquired by the trust for Delivery, etc. to Directors shall be 510,000 points, the total of 170,000 points granted for one year times the three years of the trust period. This maximum number of shares is set on the basis of the maximum trust fund amount indicated in (2) above, with reference to the most recent share price and other factors.
- (4) **Timing and method of Delivery, etc. of Company Shares, etc. to Directors**
Directors who have satisfied the beneficiary requirements may, at the time of their retirement, receive Delivery, etc. of Company Shares, etc. equivalent to the Cumulative Number of Points calculated on the basis of (3) above. At that time, the Director shall receive a number of Company shares equal to the Cumulative Number of Points. In accordance with the trust agreement, from the perspective of securing funds for purposes of taxation, some of the shares shall be converted into cash within the trust, and the Director shall receive a cash payment equivalent to the conversion price.
- (5) **Voting rights related to Company shares in the trust**
To ensure management neutrality, voting rights on Company shares in the trust (in other words, Company shares prior to Delivery, etc. to Directors in accordance with (4) above) shall not be exercised during the trust period.
- (6) **Handling of dividends on Company shares in the trust**
After receipt by the trust, for dividends paid on Company shares in the trust, an amount equivalent to one share dividend per point shall be retained in accordance with the Director’s Cumulative Number of Points as of the dividend record date, and shall be paid to the Director along with Delivery, etc. of Company Shares, etc. as described in (4) above.
- (7) **Clawback system, etc.**
Serious misconduct or violation by a Director shall result in the forfeiture of beneficial interest in the shares to be delivered under the Plan (malus) and a request for the return of money equivalent to shares delivered (clawback).
- (8) **Other details of the Plan**
The Board of Directors shall determine other details of the Plan each time the trust agreement is amended or when additional contributions are made to the trust.

(Reference)

If this proposal is approved as proposed, the system of remuneration for Representative Directors would be as follows.

Fixed	Performance-linked	
Base compensation	Cash bonuses	Stock remuneration

The Company's remuneration for Representative Directors comprises a fixed base compensation plus variable compensation in the form of cash bonuses and stock remuneration.

We aim to ensure that each of these types of compensation are approximately equal, in a ratio of 1:1:1.

Overview of the system of remuneration for Representative Directors

- 1) Base compensation
Monthly cash compensation paid to each Director in accordance with his or her position and responsibilities
- 2) Cash bonuses
Short-term performance-linked compensation that is paid on the basis of the Company's performance in a single fiscal year
- 3) Stock remuneration
Medium- to long-term performance-linked compensation that is linked to the status of structural reform initiatives, profit growth from producing businesses, and company-wide performance indicators such as stock price, and is paid upon retirement