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Securities Code 9007
June 7, 2021

To Shareholders with Voting Rights:

Koji Hoshino
President & CEO
Odakyu Electric Railway Co., Ltd.
2-28-12, Yoyogi, Shibuya-ku, Tokyo

**NOTICE OF
THE 100TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

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

We are pleased to notify you that the 100th Annual General Meeting of Shareholders of Odakyu Electric Railway Co., Ltd. (the “Company”) will be held for the purposes as described below.

If you do not attend the meeting, you can exercise your voting rights in writing or via the Internet, etc. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights following the “Guidance on the exercise of voting rights” on page 2 (Japanese version only) by 5:45 p.m., the end of the Company’s business hours, on Monday, June 28, 2021, Japan time.

1. Date and Time: Tuesday, June 29, 2021, at 10:00 a.m. Japan time (reception opens at 9:00 a.m.)

2. Place: “Century Room” on the basement level 1 of Hyatt Regency Tokyo located at 2-7-2, Nishi-Shinjuku, Shinjuku-ku, Tokyo, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 100th Fiscal Year (April 1, 2020 - March 31, 2021) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Auditors
 2. Non-consolidated Financial Statements for the Company’s 100th Fiscal Year (April 1, 2020 - March 31, 2021)

Proposals to be resolved:

Proposal 1: Appropriation of Surplus

Proposal 2: Election of 12 Directors

- Pursuant to the laws and regulations as well as the provisions in Article 16 of the Articles of the Incorporation, the “Principal businesses and offices, etc.,” “Employees,” “Principal lenders,” “Accounting Auditor,” “Systems to ensure the execution of duties by Directors conform to laws and regulations and the Articles of Incorporation and other systems to ensure appropriateness of operations by the corporate group consisting of the Company and its subsidiaries (Basic policies on establishment of internal control systems),” “Basic policies on parties desirable to control determination of corporate finance and business policies,” “Consolidated statements of changes in net assets,” “Notes to the Consolidated Financial Statements,” “Statements of changes in net assets” and “Notes to the Non-consolidated Financial Statements” are posted on the Company’s website (<https://www.odakyu.jp/ir/index.html>), therefore, they are not attached to this convocation notice. The Accounting Auditor and Auditors have audited documents including the above items posted on the Company’s website.
- Should the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements require revisions, the revised versions will be disclosed immediately by posting them on the above Company’s website, or on the documents to be sent to the shareholders.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company intends to use internal reserves for vigorous investment in priority fields and growth fields in an effort to improve financial performance. The Company's basic policy for returning profits to shareholders is to maintain stable dividend payment as a result of improved performance with a dividend payout ratio of approximately 30%.

Based on the above basic policy, the year-end dividend for the 100th fiscal year is proposed as follows.

- (1) Type of dividend property
Cash
- (2) Matters concerning the allotment of dividend property to shareholders and the total amount thereof
¥10 per share of common stock of the Company, for a total amount of ¥3,655,479,290
- (3) Effective date of distribution of surplus
June 30, 2021

The Company decided not to pay interim dividend for the fiscal year under review to stabilize its financial base in light of the harsh business environment, business performance and financial status. Subject to the approval and resolution of this proposal as originally proposed, the annual dividends for the fiscal year under review will be ¥10 per share, a decrease of ¥11 from the previous fiscal year.

Proposal 2: Election of 12 Directors

The terms of office of all Directors will expire at the conclusion of this meeting. Accordingly, the election of 12 Directors is proposed.

Additionally, this proposal has received approval from the Nomination and Compensation Advisory Committee, in which Independent Outside Directors comprise a majority of the members.

The candidates are as follows.

[Reference] List of candidates

| No. | Name | Position at the Company | Attendance at Board of Directors' meetings |
|-----|--|--|--|
| 1 | Reappointment Male Koji Hoshino | President & CEO (Representative Director) | 13/13 |
| 2 | Reappointment Male Isamu Arakawa | Executive Director (Representative Director) | 13/13 |
| 3 | Reappointment Male Shu Igarashi | Managing Director | 13/13 |
| 4 | Reappointment Male Takashi Hayama | Managing Director | 13/13 |
| 5 | Reappointment Male Shinji Nagano | Managing Director | 13/13 |
| 6 | Reappointment Male Satoshi Kuroda | Managing Director | 13/13 |
| 7 | Reappointment Outside Director Independent Director Male Tamotsu Nomakuchi | Outside Director | 13/13 |
| 8 | Reappointment Outside Director Independent Director Female Hiroko Nakayama | Outside Director | 12/13 |
| 9 | Reappointment Outside Director Independent Director Male Toru Ohara | Outside Director | 10/10 *1 |
| 10 | Reappointment Outside Director Independent Director Male Takehide Itonaga | Outside Director | 9/10 *1 |
| 11 | Reappointment Male Akinori Tateyama | Director | 13/13 |
| 12 | New candidate Male Shigeru Suzuki | *2 | *2 |

*1 As for Directors Toru Ohara and Takehide Itonaga, the attendance at Board of Directors' meetings held after their assumption of office on June 26, 2020 is stated.

*2 Not applicable as he is a new candidate.

| No. | Name (Date of birth) Number of shares of the Company held | Career summary, positions and responsibilities at the Company, and significant concurrent positions |
|-----|---|---|
| 1 | <div style="text-align: center;"> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Male</div> Koji Hoshino (April 26, 1955) 28,480 shares </div> | Apr. 1978 Joined the Company Jun. 2003 Executive Officer of the Company Jun. 2008 Director of the Company Jun. 2010 President & CEO (Representative Director) of Odakyu Bus Co., Ltd. Jun. 2013 Managing Director of the Company Jun. 2013 Assumed the office of Executive Officer of the Company (to present) Jun. 2013 Division Director of Transportation Services Division of the Company Jun. 2015 Executive Director of the Company Apr. 2017 Assumed the office of President & CEO (Representative Director) of the Company (to present) Significant concurrent positions: Outside Director of Kanagawa Chuo Kotsu Co., Ltd. |
| | Reason for nomination as a candidate for Director | Since joining the Company, he has engaged mainly in railway and corporate planning divisions. The Company renominates him as a candidate for Director as he is demonstrating strong leadership to promote business restructuring and other measures to enhance corporate value as President & CEO and has a wealth of experience, such as knowledge regarding the urban transportation business. |
| 2 | <div style="text-align: center;"> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Male</div> Isamu Arakawa (April 30, 1960) 21,466 shares </div> | Apr. 1983 Joined the Company Jun. 2013 Assumed the office of Executive Officer of the Company (to present) Jun. 2016 Director of the Company Apr. 2018 Managing Director of the Company Apr. 2018 Division Director of Lifestyle Creation Division of the Company Apr. 2020 Assumed the office of Division Director of Corporate Strategy & Planning Division of the Company (to present) Apr. 2021 Assumed the office of Executive Director (Representative Director) of the Company (to present) Responsibilities at the Company: Division Director of Corporate Strategy & Planning Division |
| | Reason for nomination as a candidate for Director | Since joining the Company, he has engaged mainly in general affairs and hotel administrative divisions. The Company renominates him as a candidate for Director as he is contributing to the promotion of initiatives towards achievement in Future Fields and the operation of systems that generate new businesses as Division Director of Corporate Strategy & Planning Division and has knowledge regarding the hotel business. |
| 3 | <div style="text-align: center;"> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Male</div> Shu Igarashi (October 6, 1961) 12,115 shares </div> | Apr. 1984 Joined the Company Jun. 2012 Assumed the office of Executive Officer of the Company (to present) Jun. 2016 Director of the Company Apr. 2017 Assumed the office of Division Director of Transportation Services Division of the Company (to present) Apr. 2018 Assumed the office of Managing Director of the Company (to present) Responsibilities at the Company: Division Director of Transportation Services Division Responsible for Tourist Business Development Department |
| | Reason for nomination as a candidate for Director | Since joining the Company, he has engaged mainly in railway and corporate planning divisions. The Company renominates him as a candidate for Director as he is contributing to the establishment of a sustainable transportation infrastructure as Division Director of Transportation Services Division and has knowledge regarding the tourist business. |

| No. | Name (Date of birth) Number of shares of the Company held | Career summary, positions and responsibilities at the Company, and significant concurrent positions |
|-----|---|--|
| 4 | <p style="text-align: center;">Reappointment Male Takashi Hayama (December 23, 1961)</p> <p style="text-align: center;">15,400 shares</p> | <p>Apr. 1985 Joined the Company</p> <p>Jun. 2013 Executive Officer of the Company</p> <p>Jun. 2015 President & CEO (Representative Director) of Odakyu Housing Co., Ltd.</p> <p>Jun. 2017 Director of the Company</p> <p>Jun. 2017 President & CEO (Representative Director) of ODAKYU Resorts Co., Ltd.</p> <p>Apr. 2020 Assumed the office of Managing Director of the Company (to present)</p> <p>Apr. 2020 Assumed the office of Executive Officer of the Company (to present)</p> <p>Responsibilities at the Company: Responsible for Customer Value Creation Department, Investor Relations Office and Finance & Accounting Department</p> |
| | Reason for nomination as a candidate for Director | Since joining the Company, he has engaged mainly in finance & accounting and corporate planning divisions. The Company renominates him as a candidate for Director as he is contributing to the establishment of a stable financial base as a Director responsible for finance & accounting and has knowledge regarding finance and accounting and the real estate business. |
| 5 | <p style="text-align: center;">Reappointment Male Shinji Nagano (August 12, 1961)</p> <p style="text-align: center;">25,700 shares</p> | <p>Apr. 1985 Joined the Company</p> <p>Jun. 2013 Executive Officer of the Company</p> <p>Jun. 2015 President & CEO (Representative Director) of Odakyu Engineering Co., Ltd.</p> <p>Apr. 2018 Assumed the office of Executive Officer of the Company (to present)</p> <p>Jun. 2018 Director of the Company</p> <p>Apr. 2020 Assumed the office of Managing Director of the Company (to present)</p> <p>Responsibilities at the Company: Responsible for General Affairs Department, CSR/Corporate Communications Department and Personnel Department</p> |
| | Reason for nomination as a candidate for Director | Since joining the Company, he has engaged mainly in railway and legal divisions. The Company renominates him as a candidate for Director as he is contributing to strengthen corporate governance structure as an officer responsible for general affairs and has knowledge regarding travel business. |
| 6 | <p style="text-align: center;">Reappointment Male Satoshi Kuroda (July 5, 1962)</p> <p style="text-align: center;">12,940 shares</p> | <p>Apr. 1986 Joined the Company</p> <p>Jun. 2014 Assumed the office of Executive Officer of the Company (to present)</p> <p>Jun. 2019 Director of the Company</p> <p>Apr. 2020 Division Director of Lifestyle Creation Division and Manager of Development Planning Department of the Company</p> <p>Apr. 2021 Assumed the office of Managing Director of the Company (to present)</p> <p>Apr. 2021 Assumed the office of Division Director of Community Development Division of the Company (to present)</p> <p>Responsibilities at the Company: Division Director of Community Development Division</p> |
| | Reason for nomination as a candidate for Director | Since joining the Company, he has engaged mainly in railway and real estate divisions. The Company renominates him as a candidate for Director as he is contributing to the promotion of development that captures the characteristics of each area as Division Director of Community Development Division and has knowledge regarding railway technology. |

| No. | Name (Date of birth) Number of shares of the Company held | Career summary, positions and responsibilities at the Company, and significant concurrent positions |
|-----|--|--|
| 7 | <p style="text-align: center;"> Reappointment Outside Director Independent Director Male Tamotsu Nomakuchi (November 18, 1940) 0 shares </p> | <p>Apr. 1965 Joined Mitsubishi Electric Corporation</p> <p>Apr. 2001 Executive vice president (Representative Director) of Mitsubishi Electric Corporation</p> <p>Apr. 2002 Representative Director, President and CEO of Mitsubishi Electric Corporation</p> <p>Jun. 2003 Representative Executive Officer, President and CEO, and Director of Mitsubishi Electric Corporation</p> <p>Apr. 2006 Chairman of Mitsubishi Electric Corporation</p> <p>Apr. 2009 Director of Mitsubishi Electric Corporation</p> <p>Apr. 2009 President, National Institute of Advanced Industrial Science and Technology</p> <p>Jun. 2010 Honorary Corporate Advisor of Mitsubishi Electric Corporation</p> <p>Apr. 2013 Executive Corporate Advisor of Mitsubishi Electric Corporation</p> <p>Apr. 2013 Assumed the office of Grand Emeritus Advisor, National Institute of Advanced Industrial Science and Technology (to present)</p> <p>Jun. 2015 Assumed the office of Director of the Company (to present)</p> <p>Jul. 2016 Assumed the office of Special Corporate Adviser of Mitsubishi Electric Corporation (to present)</p> <p>Significant concurrent positions: Special Corporate Adviser of Mitsubishi Electric Corporation Grand Emeritus Advisor, National Institute of Advanced Industrial Science and Technology</p> |
| | Reason for nomination as a candidate for Outside Director and an outline of expected roles | He has management experience and broad insight into the engineering field. The Company renominates him as a candidate for Outside Director expecting him to fulfill his role of enhancing the management supervisory function through activities including deliberations at the Board of Directors and the Nomination and Compensation Advisory Committee from an independent and objective perspective by drawing on these experiences. |
| 8 | <p style="text-align: center;"> Reappointment Outside Director Independent Director Female Hiroko Nakayama (February 6, 1945) 2,800 shares </p> | <p>Apr. 1967 Joined Tokyo Metropolitan Government</p> <p>Jun. 1999 Director General, Secretariat of Personnel Commission, Tokyo Metropolitan Government</p> <p>Jul. 2001 Director General, Secretariat to Audit and Inspection Commissioners, Tokyo Metropolitan Government</p> <p>Nov. 2002 Mayor of Shinjuku (retired in November 2014)</p> <p>Jun. 2007 President (Representative Director) of Tokyo Eco Service Co., Ltd. (retired in June 2009)</p> <p>Jun. 2015 Assumed the office of Director of the Company (to present)</p> <p>Apr. 2016 Assumed the office of Chairperson of Personal Commission, Metropolitan Area Cities (to present)</p> <p>Significant concurrent positions: Chairperson of Personal Commission, Metropolitan Area Cities Outside Director of NAKAMURAYA CO., LTD. Outside Director of TOKYU RECREATION CO., LTD.</p> |
| | Reason for nomination as a candidate for Outside Director and an outline of expected roles | She has experience in promoting the revitalization of local community among others as Mayor of Shinjuku, and extensive knowledge based on such experience. The Company renominates her as a candidate for Outside Director expecting her to fulfill her role of enhancing the management supervisory function through activities including deliberations at the Board of Directors and the Nomination and Compensation Advisory Committee from an independent and objective perspective by drawing on these experiences. |

| No. | Name (Date of birth) Number of shares of the Company held | Career summary, positions and responsibilities at the Company, and significant concurrent positions |
|-----|--|--|
| 9 | <p style="text-align: center;"> <u>Reappointment</u> <u>Outside Director</u> <u>Independent Director</u> <u>Male</u> Toru Ohara (March 7, 1954) 300 shares </p> | <p>Apr. 1978 Joined Tokio Marine & Fire Insurance Co., Ltd. (currently Tokio Marine & Nichido Fire Insurance Co., Ltd.) (retired in August 2000)</p> <p>Jun. 1992 Director of Tokio Marine MC Asset Management Co., Ltd. (currently Tokio Marine Asset Management Co., Ltd.)</p> <p>Jun. 1999 Executive Officer of Tokio Marine Asset Management Co., Ltd. (retired in August 2000)</p> <p>Sept. 2000 Joined Franklin Templeton Investments Japan Limited (currently Franklin Templeton Japan Co., Ltd.)</p> <p>Oct. 2000 Senior Managing Director of Franklin Templeton Investments Japan Limited</p> <p>Dec. 2009 Special Advisor of Franklin Templeton Investments Japan Limited (retired in March 2010)</p> <p>Apr. 2010 Joined Okasan Asset Management Co., Ltd.</p> <p>Jun. 2015 Senior Managing Director of Okasan Asset Management Co., Ltd.</p> <p>Jun. 2018 Board Member of Okasan Asset Management Co., Ltd. (retired in March 2019)</p> <p>Jun. 2020 Assumed the office of Director of the Company (to present)</p> <p>Reason for nomination as a candidate for Outside Director and an outline of expected roles</p> <p>He has management experience and broad insight based on his work at financial institutions. The Company renominates him as a candidate for Outside Director expecting him to fulfill his role of enhancing the management supervisory function through activities including deliberations at the Board of Directors and the Nomination and Compensation Advisory Committee from an independent and objective perspective by drawing on these experiences.</p> |
| 10 | <p style="text-align: center;"> <u>Reappointment</u> <u>Outside Director</u> <u>Independent Director</u> <u>Male</u> Takehide Itonaga (November 29, 1954) 1,000 shares </p> | <p>Apr. 1977 Joined the Dai-ichi Mutual Life Insurance Company (currently The Dai-ichi Life Insurance Company, Limited)</p> <p>Apr. 2014 Senior Managing Executive Officer of the Dai-ichi Mutual Life Insurance Company (retired in March 2016)</p> <p>Jun. 2016 President (Representative Director) of SOHGO HOUSING Co., Ltd.</p> <p>Jun. 2019 Assumed the office of Chairman (Representative Director) of SOHGO HOUSING Co., Ltd. (to present)</p> <p>Jun. 2020 Assumed the office of Director of the Company (to present)</p> <p>Significant concurrent positions: Chairman (Representative Director) of SOHGO HOUSING Co., Ltd. Outside Audit & Supervisory Board Member of AMANO Corporation</p> <p>Reason for nomination as a candidate for Outside Director and an outline of expected roles</p> <p>He has management experience, broad insight based on his work at financial institutions as well as knowledge regarding the real estate business. The Company renominates him as a candidate for Outside Director expecting him to fulfill his role of enhancing the management supervisory function through activities including deliberations at the Board of Directors and the Nomination and Compensation Advisory Committee from an independent and objective perspective by drawing on these experiences.</p> |
| 11 | <p style="text-align: center;"> <u>Reappointment</u> <u>Male</u> Akinori Tateyama (May 3, 1963) 15,640 shares </p> | <p>Apr. 1986 Joined the Company</p> <p>Jun. 2014 Executive Officer of the Company</p> <p>Jun. 2018 Assumed the office of Director of the Company (to present)</p> <p>Apr. 2019 Assumed the office of President & CEO (Representative Director) of Odakyu Restaurant system Co., Ltd. (to present)</p> <p>Significant concurrent positions: President & CEO (Representative Director) of Odakyu Restaurant system Co., Ltd.</p> <p>Reason for nomination as a candidate for Director</p> <p>Since joining the Company, he has engaged mainly in railway and personnel divisions. The Company renominates him as a candidate for Director as he is contributing to the enhancement of earning capacity through new store openings as President & CEO of Odakyu Restaurant system Co., Ltd. and has knowledge regarding railway technology.</p> |

| No. | Name (Date of birth) Number of shares of the Company held | Career summary, positions and responsibilities at the Company, and significant concurrent positions |
|-----|--|--|
| 12 | <div style="border: 1px solid black; display: inline-block; padding: 2px;">New candidate</div> <div style="border: 1px solid black; display: inline-block; padding: 2px;">Male</div> Shigeru Suzuki (September 30, 1965) 10,615 shares | Apr. 1988 Joined the Company Jun. 2015 Manager of Corporate Planning Department of the Company Jun. 2016 Manager of Group Management Department of the Company Jun. 2017 Executive Officer of the Company Apr. 2020 Assumed the office of President & CEO (Representative Director) of ODAKYU Resorts Co., Ltd. (to present) Significant concurrent positions: President & CEO (Representative Director) of ODAKYU Resorts Co., Ltd. |
| | Reason for nomination as a candidate for Director | Since joining the Company, he has engaged mainly in corporate planning and personnel divisions. The Company nominates him as a candidate for Director as he is currently contributing to the promotion of management restructuring at ODAKYU Resorts Co., Ltd. including changing the business format of hotels as its President & CEO and has knowledge regarding the tourist business. |

(Notes)

1. Of the candidates for Director, Mr. Tamotsu Nomakuchi, Ms. Hiroko Nakayama, Mr. Toru Ohara and Mr. Takehide Itonaga are candidates for Outside Director.
 - (1) Mr. Tamotsu Nomakuchi, Ms. Hiroko Nakayama, Mr. Toru Ohara and Mr. Takehide Itonaga are incumbent Outside Directors, and Mr. Tamotsu Nomakuchi and Ms. Hiroko Nakayama will have served for a period of 6 years, and Mr. Toru Ohara and Mr. Takehide Itonaga will have served for a period of 1 year, respectively, as of the conclusion of this General Meeting of Shareholders.
 - (2) The Company has designated Mr. Tamotsu Nomakuchi, Ms. Hiroko Nakayama, Mr. Toru Ohara and Mr. Takehide Itonaga as Independent Directors prescribed by the regulations of Tokyo Stock Exchange, Inc. and submitted a notification of the appointment to the same Exchange.
 - (3) Independence Standards for Outside Officers of the Company are as stated on page 11, and Mr. Tamotsu Nomakuchi, Ms. Hiroko Nakayama, Mr. Toru Ohara and Mr. Takehide Itonaga satisfy the said standards. Furthermore, the following items provide supplementary information related to independence.
 - 1) Mr. Tamotsu Nomakuchi served as President of the National Institute of Advanced Industrial Science and Technology until March 2013. The Company and the Institute are engaged in transactions based on an outsourcing agreement to test Mobility as a Service (MaaS), but the total transaction amount thereof is insignificant, at less than 1% of both the consolidated revenue from operations of the Company and the ordinary revenue of the Institute.
 - 2) Ms. Hiroko Nakayama served as Mayor of Shinjuku-ku until November 2014. The Company and Shinjuku-ku are engaged in transactions, including loan for use agreements regarding warehouses for disaster stockpile items, but the total transaction amount thereof is insignificant, at less than 0.1% of both the consolidated revenue from operations of the Company and the annual revenue of Shinjuku-ku.
 - 3) Mr. Takehide Itonaga served as business executive at The Dai-ichi Life Insurance Company, Limited, until March 2016. The Dai-ichi Life Insurance Company, Limited, is a lender of the Company, but does not fall under “principal lender” stipulated in the Independence Standards for Outside Officers (financial institution on which the Company is irreplaceably dependent) as the total amount of the borrowings is less than 1% of the consolidated total assets of the Company. Also, the Company and The Dai-ichi Life Insurance Company, Limited, are engaged in transactions including payment of interest, but the total transaction amount thereof is insignificant, at less than 1% of both the consolidated revenue from operations of the Company and the ordinary revenue of The Dai-ichi Life Insurance Company, Limited.
 - (4) SOHGO HOUSING Co., Ltd., where Mr. Takehide Itonaga serves as Representative Director, is a competitor of the Company in the real estate business, and is not engaged in transactions with the Company.
2. The Company has entered into agreements with each of Mr. Tamotsu Nomakuchi, Ms. Hiroko Nakayama, Mr. Toru Ohara and Mr. Takehide Itonaga to limit their liability under Article 423, Paragraph 1 of the Companies Act. The amount of liability for damages under the agreements shall be limited to ¥10 million or the minimum liability agreement set out in Article 425, Paragraph 1 of the Companies Act, whichever is higher. Subject to the approval of the reelection of each of Mr. Tamotsu Nomakuchi, Ms. Hiroko Nakayama, Mr. Toru Ohara and Mr. Takehide Itonaga, the Company plans to continue such agreements with each of them.
3. The Company has entered into a Directors and Officers Liability Insurance contract with an insurance company to insure all of the Directors and Auditors. If the insured receives a claim for damages during the insurance period due to an act (including omissions) they committed in the course of their duty as a Director or Auditor of the Company, the

insurance contract shall cover the statutory liability of the insured. Subject to the approval of the reelection or election of each of the candidates, they will be insured under the insurance contract. The Company plans to retain the Directors and Officers Liability Insurance contract with the same details as above at the time of renewal.

4. Matters regarding strategic shareholdings are as stated on page 12.

(Reference)

Independence Standards for Outside Officers

The Company has established the Independence Standards for Outside Officers. Candidates for Outside Directors and Outside Auditors are judged to be sufficiently independent so long as they do not fall under any of the following categories. The Company nominates candidates for outside officers with career history, experience and professional knowledge that differ from in-house candidates, and those who are capable of enhancing management supervision functions. The balance between enriching the supervision and auditing functions through the accumulation of knowledge in the Company's business and securing independence is also considered.

- 1) A business executive of the Company or its Group company (collectively, the "Group")
- 2) A major shareholder of the Company (who possesses 10% or more of voting rights either directly or indirectly) or a business executive thereof
- 3) A business executive of a principal lender (financial institution or other significant creditor indispensable for the Group's financing and on which the Group is irreplaceably dependent) of the Group
- 4) A business executive of a major business partner (an entity who pays the Group 2% or more of the Group's annual consolidated net sales) of the Group
- 5) A business executive of a company which holds the Group as a major business partner (an entity which receives from the Group 2% or more of its annual consolidated net sales)
- 6) An individual who receives a remuneration of ¥10 million or more per year from the Group other than remuneration as an officer
- 7) A business executive of an entity that receives donations of ¥10 million or more per year from the Group
- 8) A business executive of another company whose position would constitute the person as having an interlocking relationship
- 9) A spouse or relative within two degrees of kinship of an individual with an important position who falls under the above criteria 1) through 8)
- 10) An individual who has fallen under criteria 1) in the past 10 years, an individual who has fallen under criteria 2) in the past 5 years, and an individual who has fallen under criteria 3) through 9) in the past 3 years

(Reference)

Matters regarding strategic shareholdings

(1) Policy on strategic shareholdings

The Company considers it necessary to maintain and develop business relations with various companies in order to achieve the Group Management Principle of helping its customers create “irreplaceable times” and “rich and comfortable lifestyles.” To this end, the Company holds shares that are deemed necessary as a policy based on comprehensive consideration of factors such as business relationships with the issuing company. With regard to strategic shareholdings held by the Company, the Board of Directors annually verifies the aim and rationale of holding from a qualitative perspective, such as contribution to the maintenance and development of business relations with the issuing company, as well as from a quantitative perspective such as cost of capital and dividend income. Our policy calls for reducing shares for which the significance of holding has diminished through sale and other means as a result of such verification.

(2) Policy on exercise of voting rights

The Company exercises the voting rights on strategic shareholdings for all proposals. In exercising the voting rights, the Company pays special attention to proposals that may damage shareholder value in accordance with the Company’s standards for exercising voting rights based on factors such as the business condition, dividend condition and presence or absence of anti-social acts and other scandals of each company. In addition, the Company receives an explanation of the proposal from the issuing company as necessary.

(3) Number of issues of strategic shareholdings, etc.

| | | The 98th fiscal year FY2018 | The 99th fiscal year FY2019 | The 100th fiscal year FY2020 |
|---|----------|--------------------------------|--------------------------------|---------------------------------|
| Number of issues (Issues) | Listed | 45 | 43 | 38 |
| | Unlisted | 36 | 35 | 34 |
| | Total | 81 | 78 | 72 |
| Total carrying amount (Millions of yen) | Listed | 65,155 | 52,019 | 53,236 |
| | Unlisted | 415 | 415 | 414 |
| | Total | 65,571 | 52,435 | 53,651 |
| Ratio against net assets [total of listed and unlisted shares] (%) | | 16.8 | 13.4 | 15.2 |