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Securities Code 9007
June 7, 2023

To Shareholders with Voting Rights:

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

**NOTICE OF
THE 102ND 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 102nd Annual General Meeting of Shareholders of Odakyu Electric Railway Co., Ltd. (the “Company”) will be held for the purposes as described below.

In convening this meeting, the Company has taken measures for electronic provision and posted electronic provision measures matters on the Company’s website below on the Internet.

- Company’s website:
<https://www.odakyu.jp/ir/stockholder/conference.html>
- Website on which the materials for general meetings of shareholders are posted:
<https://d.sokai.jp/9007/teiji/> (Japanese version only)
- Tokyo Stock Exchange’s website (Listed Company Search):
<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>
* Please access the TSE website above, enter and search for “Odakyu Electric Railway” in the “Issue name (company name)” field or “9007,” the securities code of the Company, in the “Code” field, select “Basic Information” and then “Documents for public inspection/PR information,” and inspect the information posted in “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”

If you do not attend the meeting, you can exercise your voting rights in writing or via the Internet, etc. Please review the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights following the “Guidance on the exercise of voting rights” on page 3 (Japanese version only) by 5:45 p.m., the end of the Company’s business hours, on Wednesday, June 28, 2023, Japan time.

- 1. Date and Time:** Thursday, June 29, 2023, 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 102nd Fiscal Year (April 1, 2022 - March 31, 2023) 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 102nd Fiscal Year (April 1, 2022 - March 31, 2023)
- Proposals to be resolved:**
- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of 10 Directors
- Proposal 3:** Partial Revision and Continuation of the Stock Compensation Plan for Directors

- Of electronic provision measures matters, 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,” “Auditors’ Report,” and “Independent Auditors’ Report” are not contained in the documents delivered to shareholders who have requested the delivery of paper-based documents. The Accounting Auditor and Auditors have audited documents including the above items.
- Any corrections or amendments made to the subject to electronic provision measures matters will be posted on the respective websites where they are posted.
- As a result of the implementation of the electronic provision system under the Companies Act as amended, the materials for general meetings of shareholders* that were previously delivered in paper-based format are to be provided by posting on the Company’s websites, in principle; however, for this meeting, the Reference Documents for the General Meeting of Shareholders and the “Business Progress and Results” and “Issues to be Addressed” in the Business Report are equally sent to all the shareholders having voting rights.

* The materials for general meetings of shareholders refer to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, the Non-consolidated Financial Statements and the Auditor’s Report.

Inquiries about the electronic provision system	Sumitomo Mitsui Trust Bank, Limited. Stock Transfer Agency Business Planning Department 0120-533-600 (toll-free) Hours: 9:00 a.m. - 5:00 p.m. (excluding Saturdays, Sundays, and national holidays)
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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 102nd 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
¥21 per share of common stock of the Company, for a total amount of ¥7,676,384,310
- (3) Effective date of distribution of surplus
June 30, 2023

The Company decided to forego payment of interim dividend for the fiscal year under review due to the continued unclear external conditions mainly because of the impacts of COVID-19. Subject to the approval and resolution of this proposal as originally proposed, the annual dividends for the fiscal year under review will be ¥21 per share, an increase of ¥11 from the previous fiscal year.

Proposal 2: Election of 10 Directors

The terms of office of all Directors will expire at the conclusion of this meeting. Accordingly, the election of 10 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) (President and Executive Officer)	14/14
2	Reappointment Male Isamu Arakawa	Director (Representative Director) Senior Managing Executive Officer	14/14
3	Reappointment Male Takashi Hayama	Director Senior Managing Executive Officer	14/14
4	Reappointment Male Akinori Tateyama	Director Managing Executive Officer	14/14
5	Reappointment Male Satoshi Kuroda	Director Managing Executive Officer	14/14
6	Reappointment Male Shigeru Suzuki	Director Managing Executive Officer	14/14
7	Reappointment Outside Director Independent Director Female Hiroko Nakayama	Outside Director	14/14
8	Reappointment Outside Director Independent Director Male Toru Ohara	Outside Director	14/14
9	Reappointment Outside Director Independent Director Male Takehide Itonaga	Outside Director	13/14
10	Reappointment Outside Director Independent Director Male Shiro Kondo	Outside Director	12/12 (*)

* As for Director Shiro Kondo, the attendance at Board of Directors' meetings held after his assumption of office on June 29, 2022 is stated.

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	<p style="text-align: center;"><u>Reappointment</u> <u>Male</u> Koji Hoshino (April 26, 1955) 29,680 shares</p>	<p>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 Executive Officer of the Company 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) Jun. 2022 Assumed the office of President and Executive Officer of the Company (to present)</p> <p>Significant concurrent positions: Outside Director of Kanagawa Chuo Kotsu Co., Ltd.</p>
	Reason for nomination as a candidate for Director	<p>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.</p>
2	<p style="text-align: center;"><u>Reappointment</u> <u>Male</u> Isamu Arakawa (April 30, 1960) 23,266 shares</p>	<p>Apr. 1983 Joined the Company Jun. 2013 Executive Officer of the Company 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 Executive Director (Representative Director) of the Company Jun. 2022 Assumed the office of Director (Representative Director) of the Company (to present) Jun. 2022 Assumed the office of Senior Managing Executive Officer of the Company (to present)</p> <p>Responsibilities at the Company: Division Director of Corporate Strategy & Planning Division</p>
	Reason for nomination as a candidate for Director	<p>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 priority measures and rebuilding of the business portfolio towards achievement of the management vision as Division Director of Corporate Strategy & Planning Division and has knowledge regarding the hotel business.</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
3	<p style="text-align: center;"><u>Reappointment</u> <u>Male</u> Takashi Hayama (December 23, 1961) 17,700 shares</p>	<p>Apr. 1985 Joined the Company Jun. 2013 Executive Officer of the Company Jun. 2015 President & CEO (Representative Director) of Odakyu Housing Co., Ltd. Jun. 2017 Director of the Company Jun. 2017 President & CEO (Representative Director) of ODAKYU Resorts Co., Ltd. Apr. 2020 Managing Director of the Company Apr. 2020 Executive Officer of the Company Jun. 2022 Assumed the office of Director of the Company (to present) Jun. 2022 Managing Executive Officer of the Company Apr. 2023 Assumed the office of Senior Managing Executive Officer of the Company (to present)</p> <p>Responsibilities at the Company: Responsible for Customer Value Creation Department, Digital Business 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.
4	<p style="text-align: center;"><u>Reappointment</u> <u>Male</u> Akinori Tateyama (May 3, 1963) 19,140 shares</p>	<p>Apr. 1986 Joined the Company Jun. 2014 Executive Officer of the Company Jun. 2018 Director of the Company Apr. 2019 President & CEO (Representative Director) of Odakyu Restaurant system Co., Ltd. Apr. 2022 Managing Director of the Company Apr. 2022 Executive Officer of the Company Apr. 2022 Assumed the office of Division Director of Transportation Services Division of the Company (to present) Jun. 2022 Assumed the office of Director of the Company (to present) Jun. 2022 Assumed the office of Managing Executive Officer of the Company (to present)</p> <p>Responsibilities at the Company: Division Director of Transportation Services Division Responsible for Tourist Business Development Department</p>
	Reason for nomination as a candidate for Director	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 strengthening of a sustainable management system in the transportation domain as Division Director of Transportation Services 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
5	<p style="text-align: center;">Reappointment Male</p> <p>Satoshi Kuroda (July 5, 1962)</p> <p>14,140 shares</p>	<p>Apr. 1986 Joined the Company</p> <p>Jun. 2014 Executive Officer of the Company</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 Managing Director of the Company</p> <p>Apr. 2021 Assumed the office of Division Director of Community Development Division of the Company (to present)</p> <p>Jun. 2022 Assumed the office of Director of the Company (to present)</p> <p>Jun. 2022 Assumed the office of Managing Executive Officer 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.
6	<p style="text-align: center;">Reappointment Male</p> <p>Shigeru Suzuki (September 30, 1965)</p> <p>12,915 shares</p>	<p>Apr. 1988 Joined the Company</p> <p>Jun. 2017 Executive Officer of the Company</p> <p>Apr. 2020 President & CEO (Representative Director) of ODAKYU Resorts Co., Ltd.</p> <p>Jun. 2021 Director of the Company</p> <p>Apr. 2022 Managing Director of the Company</p> <p>Apr. 2022 Executive Officer of the Company</p> <p>Jun. 2022 Assumed the office of Director of the Company (to present)</p> <p>Jun. 2022 Assumed the office of Managing Executive Officer of the Company (to present)</p> <p>Responsibilities at the Company: Responsible for General Affairs Department, Corporate Communications Department and Personnel Department</p>
	Reason for nomination as a candidate for Director	Since joining the Company, he has engaged mainly in corporate planning and personnel divisions. The Company renominates him as a candidate for Director as he is contributing to the strengthening of corporate governance as a Director responsible for general affairs 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
7	<p style="text-align: center;"> Reappointment Outside Director Independent Director Female </p> <p>Hiroko Nakayama (February 6, 1945)</p> <p>4,000 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.
8	<p style="text-align: center;"> Reappointment Outside Director Independent Director Male </p> <p>Toru Ohara (March 7, 1954)</p> <p>1,500 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>
	Reason for nomination as a candidate for Outside Director and an outline of expected roles	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.

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	<div style="text-align: center;"> Reappointment Outside Director Independent Director Male Takehide Itonaga (November 29, 1954) 4,500 shares </div>	<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 Chairman (Representative Director) of SOHGO HOUSING Co., Ltd. (retired in June 2021)</p> <p>Jun. 2020 Assumed the office of Director of the Company (to present)</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>
10	<div style="text-align: center;"> Reappointment Outside Director Independent Director Male Shiro Kondo (October 7, 1949) 1,600 shares </div>	<p>Apr. 1973 Joined Ricoh Company, Ltd.</p> <p>Jun. 2003 Managing Director of Ricoh Company, Ltd.</p> <p>Jun. 2005 Director of Ricoh Company, Ltd. Senior Managing Executive Officer of Ricoh Company, Ltd.</p> <p>Apr. 2007 Representative Director of Ricoh Company, Ltd. President of Ricoh Company, Ltd.</p> <p>Apr. 2013 Representative Director of Ricoh Company, Ltd. Chairman of Ricoh Company, Ltd.</p> <p>Apr. 2016 Representative Director, Chairman of Ricoh Company, Ltd.</p> <p>Apr. 2017 Director, Chairman of Ricoh Company, Ltd. (retired in June 2018)</p> <p>Jun. 2022 Assumed the office of Director of the Company (to present)</p> <p>He has management experience and broad insight in the technical 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.</p>

(Notes)

1. Of the candidates for Director, Ms. Hiroko Nakayama, Mr. Toru Ohara, Mr. Takehide Itonaga and Mr. Shiro Kondo are candidates for Outside Director.
 - (1) NAKAMURAYA CO., LTD. of which Ms. Hiroko Nakayama assumes the office as Outside Director, got referred to prosecutors on suspicion of violating the Immigration Control and Refugee Recognition Act (illegal employment promotion) in December 2021. Although she had been regularly making proposals and brought to its attention from the viewpoint of legal compliance at the Board of Directors, she had not noticed this fact until this case was discovered. This case was not prosecuted. However, she has fulfilled her responsibilities by making specific proposals for improving the organizational structure to the Business Management Emergency Headquarters which was established to prevent recurrence.
 - (2) Ms. Hiroko Nakayama, Mr. Toru Ohara, Mr. Takehide Itonaga and Mr. Shiro Kondo are incumbent Outside Directors, and Ms. Hiroko Nakayama will have served for a period of 8 years, Mr. Toru Ohara and Mr. Takehide Itonaga will have served for a period of 3 years, respectively, and Mr. Shiro Kondo will have served for a period of 1 year, as of the conclusion of this General Meeting of Shareholders.
 - (3) The Company has designated Ms. Hiroko Nakayama, Mr. Toru Ohara, Mr. Takehide Itonaga and Mr. Shiro Kondo as Independent Directors prescribed by the regulations of Tokyo Stock Exchange, Inc. and submitted a notification of the appointment to the same Exchange.
 - (4) Independence Standards for Outside Officers of the Company are as stated on page 11, and Ms. Hiroko Nakayama, Mr. Toru Ohara, Mr. Takehide Itonaga and Mr. Shiro Kondo satisfy the said standards. Furthermore, the following items provide supplementary information related to independence.
 - 1) 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.
 - 2) 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.
2. The Company has entered into agreements with each of Ms. Hiroko Nakayama, Mr. Toru Ohara, Mr. Takehide Itonaga and Mr. Shiro Kondo 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 Ms. Hiroko Nakayama, Mr. Toru Ohara, Mr. Takehide Itonaga and Mr. Shiro Kondo, the Company plans to continue such agreements with each of them. In addition, subject to the approval of the election of Mr. Shiro Kondo, the Company plans to enter into such agreements with him.
3. The Company has entered into a Directors and Officers Liability Insurance contract under Article 430-3, Paragraph 1 of the Companies Act 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 the skills matrix is as stated on page 12.
5. Matters regarding strategic shareholdings are as stated on page 13.

(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)

Skills matrix after the conclusion of this meeting

The Board of Directors of the Company strives to ensure the balance between knowledge, experience and skills of the Board of Directors as a whole, and diversity. In light of the management vision and the medium-term management plan based on this vision as well as the business characteristics of the Group, the Company believes that the Board of Directors should possess skills related to important matters for the supervisory function (corporate management, finance & accounting, law & risk management, and human resources & labor management), matters listed in the management vision (sustainability [ESG] and IT & digital), and important business segments (transportation business and real estate business).

Skills matrix in the case where Proposal 2 is approved as originally proposed is as follows.

		Corporate management	Finance & Accounting	Law & Risk management	Human resources & Labor management	Sustainability (ESG)	IT & Digital	Transportation business	Real estate business
Directors	Koji Hoshino	○			○			○	
	Isamu Arakawa	○		○		○	○		○
	Takashi Hayama	○	○				○		○
	Akinori Tateyama	○			○			○	
	Satoshi Kuroda	○						○	○
	Shigeru Suzuki	○		○	○	○			
	Hiroko Nakayama				○	○			
	Toru Ohara	○	○			○			
	Takehide Itonaga	○							○
	Shiro Kondo	○					○		
Auditors	Toshiro Yamamoto	○	○				○		
	Shinji Nagano	○		○	○	○		○	
	Masataka Ito	○	○						
	Takeshi Hayashi	○		○	○				
	Yukako Wagatsuma			○					

* This table does not represent all of the skills possessed by each Director and Auditor.

(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 100th fiscal year FY2020	The 101st fiscal year FY2021	The 102nd fiscal year FY2022
Number of issues (Issues)	Listed	38	26	23
	Unlisted	34	34	35
	Total	72	60	58
Total carrying amount (Millions of yen)	Listed	53,236	31,936	34,452
	Unlisted	414	414	416
	Total	53,651	32,350	34,868
Ratio against net assets [total of listed and unlisted shares] (%)		15.2	9.3	9.0

Proposal 3: Partial Revision and Continuation of the Stock Compensation Plan for Directors

(1) Reason for the proposal and reason for considering such compensation plan as appropriate

The Company has operated the stock compensation plan (hereinafter, “the Plan”) aimed at the payment of stock compensation using a trust as compensation to Directors concurrently serving as Executive Officers, whose introduction was approved by shareholders at the 97th Annual General Meeting of Shareholders held on June 28, 2018. This proposal seeks approval for the continuation of the Plan after changing the persons eligible for the Plan to “Directors other than Outside Directors.” Furthermore, the Company proposes that decisions regarding the details of the Plan be delegated to the Board of Directors, within the scope described in the below item (2).

The Plan was introduced with the objective to further heighten Directors’ motivation to contribute to improving business performance and increasing corporate value for the medium to long term, by further clarifying the linkage between compensation for Directors and the shareholders’ value of the Company, and having Directors share the benefits and risks of fluctuations in the share price with shareholders. The Company believes that this revision will contribute to the achievement of the objective as described above as it will enable the Company to deliver the Company’s shares to the Directors other than Outside Directors under the Plan, whether the Directors concurrently serve as Executive Officers, thereby further clarifying linkage between Directors’ compensation and the value of the Company’s shares.

Under this proposal, stock compensation will be paid to Directors in office other than Outside Directors during the period of 5 fiscal years from the fiscal year ending March 31, 2024 until the fiscal year ending March 31, 2028 (hereinafter, the “Applicable Period”), separately to the maximum amount of compensation for Directors approved as “within ¥470 million per annum (of which, ¥60 million or less for Outside Directors)” at the 97th Annual General Meeting of Shareholders held on June 28, 2018.

Even if this proposal is approved and resolved as originally proposed, no revision will be made to the Company’s basic policy on determining the content of remuneration, etc. for individual directors, except for the revision to reflect the change of the persons eligible for the Plan.

From the above, this proposal is necessary and reasonable for the payment of compensation in accordance with that policy and the achievement of the objectives of the Plan, and therefore, the Company believes that this proposal is appropriate.

Furthermore, if Proposal 2 “Election of 10 Directors” is approved and resolved as originally proposed, 6 Directors will be eligible for the Plan.

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

(2) Amount and content of compensation, etc. under the Plan, etc.

Overview of the Plan after revision under this proposal is as follows (only the underlined portions are to be revised and there will be no revision to the remaining portions).

1) Overview of the Plan

As approved at the 97th Annual General Meeting of Shareholders, the Plan is a stock compensation plan whereby the Company's shares will be acquired by a trust established through the contribution of money by the Company (hereinafter, "the Trust"), points will be granted to each Director by the Company in accordance with the Share Delivery Regulations established by the Board of Directors of the Company, and an equivalent number of the Company's shares will be delivered to each Director through the Trust. Furthermore, the timing of when Directors receive delivery of the Company's shares will be when Directors retire, in principle.

a) Persons eligible for the Plan	Directors (<u>other than Outside Directors</u>) of the Company
b) Applicable Period	<u>From the fiscal year ending March 31, 2024 until the fiscal year ending March 31, 2028</u>
c) Maximum amount of money to be contributed by the Company as necessary funds for acquiring the Company's shares for delivery to Directors during the extended trust period in item b) (<u>a period of 5 years from September 2023 to August 2028</u>)	Total amount of ¥400 million yen (Equivalent to ¥80 million yen per year)
d) Method of acquiring the Company's shares	Through disposal of treasury shares, or through acquisition through stock exchanges (including after-hours trading)
e) Maximum total number of points to be granted to Directors in item a)	38,000 points per fiscal year (190,000 points total for 5 fiscal years) *1 point = 1 share
f) Standard for granting points	Points are to be granted in accordance with position
g) Timing of the delivery of the Company's shares to Directors in item a)	Upon retirement, in principle

2) Maximum amount of money to be contributed by the company

The Company shall extend the trust period of the Trust for 5 years, and as the necessary funds for acquiring the Company's shares to deliver to Directors based on the Plan during such extension of the trust period, the Company shall contribute additional money to the Trust up to a maximum total amount of ¥400 million as compensation for Directors in office during the Applicable Period (Note). The Trust shall acquire the Company's shares using money entrusted by the Company as funds, through disposals of treasury shares by the Company, or through acquisition through stock exchanges (including after-hours trading).

(Note) The additional money actually entrusted to the Trust by the Company will be an amount that includes the expected amount of required expenses, such as trust compensation and the trust administrator's compensation, in addition to funds for the acquisitions of the Company's shares as described above.

Furthermore, the Applicable Period may be extended for a period of up to 5 fiscal years as specified each time by determination of the Board of Directors of the Company, and in connection with such extension, the trust period of the Trust may be extended and the Plan continue for a further period of time (including effectively extending the trust period by transferring the trust assets of the Trust to a trust with the same purpose as the Trust established by the Company; hereinafter, the same applies). In this case, during such extended years of the trust period, the Company shall make additional contributions of money to the Trust up to a maximum amount of the number of years of extension of the trust period multiplied by ¥80 million, as the necessary funds for additional acquisitions of the Company's shares to deliver to Directors under the Plan, and continue granting points and delivering the Company's shares during the extended trust period, as described in the below item 3).

In addition, even in cases where the Applicable Period is not extended as described above and the Plan is not continued, if there are Directors who have been granted points but have yet to retire at the expiration of the trust period, the trust period of the Trust may be extended until these Directors retire and the delivery of the Company's shares is completed.

3) Calculation method and maximum number of the Company's shares to be delivered to Directors

a) Method of granting points to Directors, etc.

In accordance with the Share Delivery Regulations established by the Board of Directors of the Company, the Company shall grant points to each Director in accordance with his or her position on the point granting date during the trust period set forth in the Share Delivery Regulations. However, the total maximum number of points that the Company shall grant to Directors shall be 38,000 points per fiscal year.

b) Delivery of the Company's shares corresponding to the number of points granted

Directors shall receive delivery of the Company's shares corresponding to the number of points granted as described in the above item a), in accordance with the procedures described in the below item c). However, if a Director is dismissed or resigns or in other similar cases from his or her office as such due to damages he or she caused to the Company, all or a part of the points granted up to that time will be invalidated by a resolution of the Board of Directors, and such Director shall not be eligible for beneficiary rights pertaining to the expired points.

Furthermore, 1 point shall equal 1 share in the Company. However, if circumstances arise where it is deemed reasonable to adjust the number of the Company's shares to be delivered, such as a share split, consolidation of shares, etc. in relation to the Company's shares, then the Company shall make reasonable adjustments in accordance with the split ratio, consolidation ratio, etc.

c) Delivery of the Company's shares to Directors

The Company's shares as described in the above item b) shall be delivered from the Trust to each Director, by conducting the prescribed beneficiary identification procedures by each Director when he or she retires in principle.

However, a certain proportion of these shares in the Company may be sold and converted to cash in the Trust, and delivered as money instead of the Company's shares, in order for the Company to withhold funds for the payment of withholding income tax and other taxes at source. In addition, in the event that the Company's shares in the Trust are tendered in a tender offer and settlement is made, etc., and if the Company's shares are converted to cash in the Trust, money may be delivered instead of the Company's shares.

4) Voting rights

Voting rights pertaining to the Company's shares in the Trust shall uniformly not be exercised. By adopting this method, the Company aims to ensure the neutrality toward the Company's management of the exercise of voting rights pertaining to the Company's shares in the Trust.

5) Treatment of dividends

Dividends pertaining to the Company's shares in the Trust shall be received by the Trust, and shall be allocated to payment for acquisition of the Company's shares, trust compensation for trustees of the Trust, etc.