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(Stock Exchange Code 3360)
June 11, 2021

To Shareholders with Voting Rights:

Kunihisa Furukawa, Chairman and CEO
Hiroataka Ogawa, President and COO
SHIP HEALTHCARE HOLDINGS, INC.
20-8, Kasuga 3-chome, Suita-shi, Osaka

**NOTICE OF
THE 29TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We are pleased to notify you that the 29th Annual General Meeting of Shareholders of SHIP HEALTHCARE HOLDINGS, INC. (the “Company”) will be held as described below.

Given the current situation where shareholders are strongly requested not to leave their homes, in order to prevent the spread of COVID-19 infection, shareholders are advised to exercise their voting rights in advance in writing or via the Internet, etc., and regardless of their health condition, refrain from attending in person on the day of this Annual General Meeting of Shareholders.

If you wish to exercise your voting rights in writing by submitting the Voting Rights Exercise Form or via the Internet without attending the meeting, please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 5:40 p.m. on Monday, June 28, 2021, Japan time.

- 1. Date and Time:** Tuesday, June 29, 2021, at 10 a.m. Japan time (Reception opens at 9 a.m.)
- 2. Place:** Crystal Hall, Senri Hankyu Hotel West Bldg. 2F, located at 2-1-D-1 Shinsenri Higashimachi, Toyonaka-shi, Osaka, Japan
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the Company’s 29th Fiscal Year (April 1, 2020– March 31, 2021) and the results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
 2. Non-Consolidated Financial Statements for the Company’s 29th Fiscal Year (April 1, 2020– March 31, 2021)
 - Proposals to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Partial Amendments to the Articles of Incorporation (Reorganization and Consolidation of Items Specified as Purpose)
 - Proposal 3:** Partial Amendments to the Articles of Incorporation (Addition of Directors with Special Titles)
 - Proposal 4:** Election of Thirteen (13) Directors
 - Proposal 5:** Election of Four (4) Corporate Auditors
 - Proposal 6:** Revision of the Amount of Compensation for Directors
 - Proposal 7:** Revision of the Amount of Compensation for Corporate Auditors
- 4. Matters Regarding This Convocation Notice** In case you are unable to attend the meeting, one (1) shareholder with voting rights can represent you as a proxy at this meeting. However, a document that verifies the proxy right of the person representing you must be submitted.

◎ In order to prevent the spread of COVID-19 infection, those who are admitted to have a fever, those who seem unwell, those who have not been more than 14 days after returning from abroad, or those who are not wearing a mask, may be refused entry and asked to leave the venue. Those shareholders who have not been more than 14 days after returning from abroad are kindly requested to inform us at the reception desk.

◎ Please be informed that no souvenirs will be provided at this Annual General Meeting of Shareholders. We appreciate your understanding.

◎ If the venue or time, etc. of the General Meeting of Shareholders changes for unavoidable reasons, the changes will be promptly posted on the Company's website (<https://www.shiphd.co.jp/en/>). When attending the meeting, please check the Website in advance.

◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

◎ Institutional investors registered in the name of a trust and custody services bank, etc. (including a standing proxy), may use the "Voting Rights Electronic Exercise Platform" operated by ICJ Co., Ltd., as another electromagnetic method other than the use of the Internet for exercising voting rights at the General Shareholders Meeting of the Company, provided that the shareholder has already subscribed to use of the platform.

◎ Should any revisions occur to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements for the Company, the revisions will be posted on the Company's website (<https://www.shiphd.co.jp/en/>).

◎ Other Important Matters on Shares, Matters on Stock Acquisition Rights, etc. of the Company, Matters on Outside Officers, Status of the Accounting Auditor, and Systems to Ensure Appropriate Business Operations and Implementation Status of the Systems in the Business Report; the Consolidated Statements of Changes in Shareholders' Equity and the Notes to the Consolidated Financial Statements in the Consolidated Financial Statements; the Non-Consolidated Statements of Changes in Shareholders' Equity and the Notes to the Non-Consolidated Financial Statements in the Non-Consolidated Financial Statements are posted on the website of the Company (<https://www.shiphd.co.jp/en/>) pursuant to laws and the provision of Article 16 of the Articles of Incorporation of the Company. Therefore, these matters are not included in the attached Reference Documents for the General Meeting of Shareholders. The Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements in the documents attached to this Notice are part of the Business Report and the Consolidated and Non-Consolidated Financial Statements that were audited by the Accounting Auditor and the Board of Corporate Auditors to prepare audit reports.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

Regarding year-end dividends for the Company's 29th fiscal year, it is proposed to pay 80 yen per share, in consideration of its business results for the fiscal year under review, prospects for future business development and the status of internal reserves.

- (1) Type of dividend property:
Cash
- (2) Allotment of dividend property to shareholders and the total amount:
80 yen per share of common stock of the Company
Total amount: 3,774,013,840 yen
- (3) Effective date of dividends from surplus:
June 30, 2021

Proposal 2: Partial Amendments to the Articles of Incorporation (Reorganization and Consolidation of Items Specified as Purpose)

1. Reasons for the proposal

In order to address the diversification of business activities in the future and reorganize the purpose of business so that it better fits the current situation of the Group, it is proposed to reorganize and consolidate the items specified as the purpose of business under Article 2 (Purpose) of the current Articles of Incorporation as per the proposed amendment.

2. Details of the Amendments

The details of the amendments are as follows.

(Underlined portions are amended.)

Current Articles of Incorporation	Proposed Amendments
<p>(Purpose) Article 2. The purpose of the Company shall be to engage in the following businesses and to control and manage the business activities of stock companies, etc. that engage in the following businesses by holding shares or equities of the said stock companies, etc.</p> <ol style="list-style-type: none"> 1. <u>Planning and design supervision related to the construction of medical facilities such as hospitals</u> 2. <u>Management consulting for medical facilities such as hospitals</u> 3. <u>Export/import, sale, maintenance, control, and repair of medical devices, veterinary medical devices, medical consumables, office appliances, physical and chemical devices, and instruments</u> 4. <u>Sale of X-ray films, X-ray chemicals, and X-ray related devices</u> 5. <u>Import and sale of pharmaceuticals, reagents, and quasi-pharmaceuticals</u> 6. <u>Installation of incidental medical facilities</u> 7. <u>Sale and purchase, leasing, management and the intermediate agency service of immovable properties</u> 8. <u>Leasing, maintenance, and management of various movable properties</u> 9. <u>General insurance agency services, insurance agency services and services related to life insurance solicitation in accordance with the Automobile Liability Security Act</u> 10. <u>Design, construction, and construction supervision of hospital and clinic buildings</u> 11. <u>Building work</u> 12. <u>Interior finishing</u> 13. <u>Piping work</u> 14. <u>Electrical work</u> 15. <u>Glazing work</u> 16. <u>Mechanical component installation work</u> 17. <u>Joinery work</u> 18. <u>Design, installation, maintenance, and control of medical gas piping facilities, and sales of medical gases</u> 19. <u>Design and installation of radiation hazard protective facilities</u> 20. <u>Medical consulting</u> 21. <u>Planning, investigation, management, contract operation, and management consulting related to educational businesses</u> 22. <u>Dispatch of workers</u> 23. <u>Financial services including money loan, exchange transaction, debt guarantee, and sale and purchase of receivables</u> 24. <u>Sales and leasing of welfare equipment and nursing care products</u> 25. <u>Real estate businesses in accordance with the Building Lots and Buildings Transaction Business Act</u> 26. <u>Management of dispensing pharmacies</u> 27. <u>Sale of pharmaceuticals, quasi-pharmaceuticals, hygienic materials, and miscellaneous daily goods</u> 28. <u>Management of pay nursing care homes</u> 	<p>(Purpose) Article 2. The purpose of the Company shall be to engage in the following businesses and to control and manage the business activities of stock companies, etc. that engage in the following businesses by holding shares or equities of the said stock companies, etc.</p> <ol style="list-style-type: none"> 1. <u>The following businesses relating to medical facilities, welfare facilities, nursing care facilities, dispensing pharmacies, and other facilities</u> <ol style="list-style-type: none"> <u>(1) Planning and consulting</u> <u>(2) Construction, design, and construction supervision</u> <u>(3) Management, operation, and contract and agency services</u> <u>(4) Maintenance, management, and security</u> 2. <u>Export/import, rental, leasing, maintenance, management, manufacture, and sale of medical devices and other medical products, and welfare and nursing care equipment and devices</u> 3. <u>Export/import, manufacture, and sale of pharmaceuticals, reagents, quasi-pharmaceuticals, and poisonous materials</u> 4. <u>Consulting and support services relating to image diagnoses</u> 5. <u>Services in accordance with the Long-Term Care Insurance Act, the Act on Social Welfare for the Elderly, and the Act on the Comprehensive Support for the Daily and Social Life of Persons with Disabilities</u> 6. <u>Development, manufacture, sale, transmission, rental, leasing, services, maintenance, and consulting of information processing and communication equipment and systems and software relating to peripheral equipment</u> 7. <u>Production, processing, and sale of food, pet products, clothes, miscellaneous daily goods, furniture, household items, office appliances, and cosmetics</u> 8. <u>Management of restaurants and accommodation facilities, and contract operation and management of food services</u> 9. <u>Management of veterinary hospitals, pet boarding facilities, and pet shops</u> 10. <u>Sale and purchase, leasing, management, and the intermediate agency service of immovable properties and real estate business</u> 11. <u>Financial services including money loan, debt guarantee, and sale and purchase of receivables</u> 12. <u>General insurance agency services, insurance agency services in accordance with the Automobile Liability Security Act, and services related to life insurance solicitation</u> 13. <u>Dispatch of workers and fee-charging employment placement business</u> 14. <u>Travel business and travel agency business in accordance with the Travel Agency Act</u> 15. <u>Freight trucking business operation</u> 16. <u>Educational publishing, advertising agency, and planning/operation of events</u> 17. <u>All operations incidental to each of the above items</u>

Current Articles of Incorporation	Proposed Amendments
<p><u>29. Sale of foods, clothes, miscellaneous daily goods, household items, and cosmetics</u></p> <p><u>30. Management of restaurants</u></p> <p><u>31. In-home care service business including home-visit long-term care and preventive home-visit care service and the primary home-visit care service business in accordance with the Long-Term Care Insurance Act</u></p> <p><u>32. Home-visit nursing service and in-home care service business including preventive home-visit nursing service in accordance with the Long-Term Care Insurance Act</u></p> <p><u>33. In-home care service business including visiting long-term care service and preventive visiting long-term care service and primary visiting care service business in accordance with the Long-Term Care Insurance Act</u></p> <p><u>34. In-home care service business including visiting community life nursing services for dementia patients in accordance with the Long-Term Care Insurance Act</u></p> <p><u>35. In-home care service business including living assistance service and preventive long-term care service for residents in pay nursing care homes in accordance with the Long-Term Care Insurance Act</u></p> <p><u>36. In-home care service business including leasing of welfare devices and those for preventive care in accordance with the Long-Term Care Insurance Act</u></p> <p><u>37. In-home care service business including short-stay living assistance services and those for preventive care in accordance with the Long-Term Care Insurance Act</u></p> <p><u>38. In-home care support and prevention care support business in accordance with the Long-Term Care Insurance Act</u></p> <p><u>39. Management of nurseries and child-care centers</u></p> <p><u>40. Planning, proposal, research and development, acquisition, possession, operation, sale and purchase, intermediacy, lease, management, and licensing of intellectual property rights such as patents, utility models, designs, and trademarks, and other intangible property rights</u></p> <p><u>41. Technical training for reading various radiographic images and returning service of radiographic interpretation analysis reports by specialist physicians</u></p> <p><u>42. General consultation in the medical science and radiation fields for image diagnoses</u></p> <p><u>43. Selection of devices for image diagnoses in the medical science and radiotherapy fields, and maintenance of the systems and environment</u></p> <p><u>44. Support for seminars held by medical organizations in the medical science and radiotherapy fields for image diagnoses</u></p> <p><u>45. Support for international cooperation and joint research by medical organizations in the medical science and radiotherapy fields for image diagnoses</u></p> <p><u>46. Support for the development of new diagnostic /therapeutic techniques using medical science for image diagnoses</u></p> <p><u>47. Clerical work agent services for medical organizations</u></p> <p><u>48. Agent services for rental, management, lease, and maintenance of facilities and equipment for medical organizations</u></p> <p><u>49. Clerical work agent services related to the solicitation of health checkup patients</u></p> <p><u>50. Management of veterinary hospitals</u></p> <p><u>51. Management of pet boarding facilities and pet grooming services</u></p> <p><u>52. Management of pet shops</u></p> <p><u>53. Wholesale and sale of pet products and pet food</u></p> <p><u>54. Wholesale and sale of veterinary medical devices, medical consumables, and pharmaceuticals</u></p> <p><u>55. Catering of lunch boxes, food boxes, dishes served on individual trays, etc.</u></p>	

Current Articles of Incorporation	Proposed Amendments
<p><u>56. Food services and food service management for business establishments</u></p> <p><u>57. Management of restaurants and coffeehouses</u></p> <p><u>58. Processing and sale of food</u></p> <p><u>59. Manufacture and sale of gas welding devices</u></p> <p><u>60. Manufacture and sale of steel processing machines</u></p> <p><u>61. Development and sale of computer software for steel processing</u></p> <p><u>62. Manufacture, import, and sale of medical devices</u></p> <p><u>63. Manufacture, import, and sale of medical facilities and devices</u></p> <p><u>64. Manufacture and sale of hospital kitchen facilities and instruments, and residue treatment devices</u></p> <p><u>65. Sale of high pressure gas</u></p> <p><u>66. Maintenance and sterilization/disinfection of medical devices</u></p> <p><u>67. Development and sale of computer software for hospital food supply services</u></p> <p><u>68. Establishment and sale of operational management system for diagnostic material operation</u></p> <p><u>69. Establishment and sale of spatial design of medical facilities</u></p> <p><u>70. Manufacture and sale of health and welfare facilities and devices</u></p> <p><u>71. Information processing and sales maintenance services of computers and related devices, communication devices, and instruments</u></p> <p><u>72. Computerized calculation services</u></p> <p><u>73. Consultation on the introduction and operation of computers and other related devices and communication devices</u></p> <p><u>74. Planning, development, sale, and maintenance of computers and other related devices and communication devices</u></p> <p><u>75. Manufacture, sale, and maintenance of waste treatment devices</u></p> <p><u>76. Cleaning, disinfection, and environmental measurement of hospitals and operating rooms</u></p> <p><u>77. Extermination of harmful insects for hospitals</u></p> <p><u>78. Security guard for buildings, plants, warehouses, schools, hospitals, ports and harbors, ships and VIP's and other security-related operations</u></p> <p><u>79. Sale of stationeries, office supplies, and various printed materials</u></p> <p><u>80. Advertising agency services</u></p> <p><u>81. Manufacture, import, sale and export of rehabilitation devices</u></p> <p><u>82. Manufacture, import, sale and export of physical therapy devices</u></p> <p><u>83. Manufacture, import, sale, and export of welfare equipment for the disabled</u></p> <p><u>84. Manufacture, import, sale, and export of self-help equipment for the disabled</u></p> <p><u>85. Management of health training facilities and research and instruction on the use of such facilities</u></p> <p><u>86. Travel business in accordance with the Travel Agency Act</u></p> <p><u>87. Travel agency business in accordance with the Travel Agency Act</u></p> <p><u>88. Training of travel personnel</u></p> <p><u>89. Practical training of the travel business and training related to business manners, amusement, and sports</u></p> <p><u>90. Contract sale of tickets for the theater, concerts, movies, events, etc.</u></p> <p><u>91. Currency exchange business</u></p> <p><u>92. Translation and interpreting</u></p> <p><u>93. Business related medical tourism</u></p> <p><u>94. Business related to health tourism (Tourism aimed at regaining, maintaining, and enhancing health)</u></p>	

Current Articles of Incorporation	Proposed Amendments
<p><u>95. Development of tourist sites and business related to travel and tourist facilities</u></p> <p><u>96. Freight trucking business operation</u></p> <p><u>97. Freight transport handling business</u></p> <p><u>98. Packaging and loading/unlading operation</u></p> <p><u>99. Management of public facilities including parks and parking lots</u></p> <p><u>100. Fire and disaster management facilities construction business and maintenance and management of such facilities</u></p> <p><u>101. Advice and consultations on heavy ion radiotherapy for cancer</u></p> <p><u>102. Investigation, research, business planning, and fund procurement planning related to heavy ion radiotherapy for cancer</u></p> <p><u>103. Proposal for design and order plan of facilities and equipment related to heavy ion radiotherapy for cancer; related facility management; and management of such buildings and equipment after completion</u></p> <p><u>104. Planning, holding and operation of lecture meetings, symposia or seminars related to heavy ion radiotherapy for cancer or health and medical care</u></p> <p><u>105. Planning of a human resources development related to the heavy ion cancer radiotherapy business</u></p> <p><u>106. All operations incidental to each of the above items</u></p>	

Proposal 3: Partial Amendments to the Articles of Incorporation (Addition of Directors with Special Titles)

- 1. Reasons for the proposal
 In order to build a management structure capable of promptly responding to changes in the business environment and to further strengthen and enhance the management base, it is proposed to add a new provision to establish a Vice Chairman and Director, as a Director with a special title.

- 2. Details of the Amendments
 The details of the amendments are as follows.

(Underlined portions are amended.)

Current Articles of Incorporation	Proposed Amendments
(Representative Directors and Directors with Special Titles) Article 21. The Board of Directors shall select one or more Representative Directors from among Directors. 2. The Board of Directors may, by resolution, select one (1) Chairman, one (1) President, and one or more Vice Presidents, Executive Directors, and Managing Directors.	(Representative Directors and Directors with Special Titles) Article 21. The Board of Directors shall select one or more Representative Directors from among Directors. 2. The Board of Directors may, by resolution, select one (1) Chairman, one (1) President, and one or more <u>Vice Chairmen</u> , Vice Presidents, Executive Directors, and Managing Directors.

Proposal 4: Election of Thirteen (13) Directors

The terms of office of all twelve (12) Directors will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of thirteen (13) Directors is proposed.

The candidates are as follows:

No.				Name	Position at the Company	Attendance at meetings of the Board of Directors
1	Reappointment			Kunihisa Furukawa	Chairman and CEO	100% (13/13 meetings)
2	Reappointment			Kenzo Konishi	Vice Chairman	100% (13/13 meetings)
3	Reappointment			Hiroataka Ogawa	President and COO	100% (13/13 meetings)
4	Reappointment			Futoshi Ohashi	Executive Vice President	100% (13/13 meetings)
5	Reappointment			Koichi Okimoto	Director and Vice President	100% (13/13 meetings)
6	Reappointment			Hiroyuki Kobayashi	Executive Director	100% (13/13 meetings)
7	Reappointment			Hiroshi Yokoyama	Executive Director	100% (13/13 meetings)
8	Reappointment			Shoji Shimada	Director	100% (10/10 meetings)
9	Reappointment			Atsushi Umino	Director	100% (10/10 meetings)
10	Reappointment	Outside	Independent	Seiichiro Sano	Director	100% (13/13 meetings)
11	Reappointment	Outside	Independent	Toshio Imabepu	Director	100% (13/13 meetings)
12	Reappointment	Outside	Independent	Funiyo Ito	Director	100% (13/13 meetings)
13	New appointment	Outside	Independent	Shinya Nishio		-% (-/- meetings)

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
1	Kunihisa Furukawa (April 27, 1945) [Reappointment]	August 1992 November 1992 June 2014	Founder and President of SHIP Corporation (currently the Company) President of GREEN HOSPITAL SUPPLY, INC. (Absorbed by the Company through a merger on March 31, 2002) Chairman and CEO of the Company (to present)	1,236,800
[Reasons for nominating the candidate for Director] Kunihisa Furukawa has been involved in the Company's management as founder and Chairman of the Company and possesses ample insight and extensive professional experience regarding the industry and overall corporate management. The Company reappoints Mr. Furukawa, expecting him to continue to help improve performance of the overall SHIP HEALTHCARE Group (the "Group"), ensure governance and lead further development of the Group.				
2	Kenzo Konishi (July 9, 1957) [Reappointment]	April 1980 April 1991 August 1996 October 1997 August 2007 September 2007 September 2010 June 2016	Joined Konishi Medical Instruments Co., Ltd. Director of Konishi Medical Instruments Co., Ltd. Managing Director of Konishi Medical Instruments Co., Ltd. President of Konishi Medical Instruments Co., Ltd. Chairman and Director of Konishi Medical Instruments Co., Ltd. Representative Director and CEO of Konishi Kyowa Holding Corporation (Absorbed by Konishi Medical Instruments Co., Ltd. through a merger on October 1, 2020) Representative Director, CEO and COO of Konishi Kyowa Holding Corporation Chairman of Konishi Kyowa Holding Corporation (to present) Vice Chairman of the Company (to present)	796,000
[Significant concurrent position] • Chairman of Konishi Medical Instruments Co., Ltd.				
[Reasons for nominating the candidate for Director] Kenzo Konishi possesses extensive experience in managing Konishi Medical Instruments Co., Ltd., which has an approximately 70-year corporate history since establishment. He also has profound knowledge related to the industry and network. The Company reappoints Mr. Konishi, expecting him to continue to create synergies throughout the Group and lead further development of the Group.				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Hiroataka Ogawa (January 14, 1958) [Reappointment]	<p>November 1992 Joined GREEN HOSPITAL SUPPLY, INC. (Absorbed by the Company through a merger on March 31, 2002) Director of GREEN HOSPITAL SUPPLY, INC.</p> <p>January 1993 Joined SHIP Corporation (currently the Company) Director and General Manager, Consulting Services Department of SHIP Corporation</p> <p>April 2004 Executive Director and General Manager, Corporate Planning Office of the Company</p> <p>April 2008 Executive Director and General Manager, Administration Division of the Company</p> <p>April 2009 Executive Director, General Manager, Administration Division, and General Manager, Information System Department of the Company</p> <p>October 2009 Director and General Manager, Business Management Office of the Company</p> <p>June 2012 Director and Vice President, General Manager, Business Management Office of the Company</p> <p>June 2014 President and COO of the Company (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Chairman of GREEN HOSPITAL SUPPLY, INC. • President of KITA OSAKA ESTATE, INC. • President of SHIP HEALTHCARE ESTATE EAST, INC. 	331,500
<p>[Reasons for nominating the candidate for Director]</p> <p>Hiroataka Ogawa has assumed various positions including General Manager, Corporate Planning Office; General Manager, Administration Division; General Manager, Information System Department; General Manager, Business Management Office; Executive Vice President; and President of the Company. Mr. Ogawa possesses ample insight and professional experience related to the industry and overall corporate management. The Company reappoints Mr. Ogawa, expecting him to continue to help improve the Group's performance and lead further development of the Group.</p>			
4	Futoshi Ohashi (May 10, 1964) [Reappointment]	<p>June 1987 Joined F&S UNI MANAGEMENT CO., LTD.</p> <p>May 2000 Director of F&S UNI MANAGEMENT CO., LTD.</p> <p>May 2003 Representative Director and Senior Managing Executive Officer of F&S UNI MANAGEMENT CO., LTD.</p> <p>May 2006 President of F&S UNI MANAGEMENT CO., LTD.</p> <p>January 2007 Director of CENTRAL UNI CO., LTD.</p> <p>October 2009 Director of the Company</p> <p>June 2012 Executive Director and General Manager, Information Strategy Office of the Company</p> <p>June 2014 Executive Vice President of the Company (to present)</p> <p>June 2017 Chairman of F&S UNI MANAGEMENT CO., LTD.</p>	600
<p>[Reasons for nominating the candidate for Director]</p> <p>Futoshi Ohashi possesses extensive knowledge related to intra-hospital logistics of medical consumables and information systems and a track record in corporate management. The Company reappoints Mr. Ohashi, expecting him to continue to lead further development by increasing the number of contracts, improving operations and creating synergies with other business departments.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
5	Koichi Okimoto (September 13, 1957) [Reappointment]	January 1993	Director of SHIP Corporation (currently the Company)	281,500
		January 1993	Director and General Manager, Chugoku Sales Department of GREEN HOSPITAL SUPPLY, INC. (Absorbed by the Company through a merger on March 31, 2002)	
April 2004	Director, Managing Executive Officer and General Manager, Chugoku Business Department of the Company			
April 2008	Managing Director and General Manager, Group Companies Control Department of the Company			
October 2009	Director and General Manager, Group Management Department of the Company			
June 2014	Executive Director and General Manager, Group Companies Control Office of the Company			
June 2016	Director and Vice President, General Manager, Group Management Department of the Company (to present)			
[Reasons for nominating the candidate for Director] Koichi Okimoto possesses ample experience and knowledge in ensuring the governance of and creating synergies among Group companies and launching new businesses. The Company reappoints Mr. Okimoto, expecting him to lead further development of the Group as it expands by ensuring governance and creating synergies.				
6	Hiroyuki Kobayashi (June 21, 1957) [Reappointment]	May 1994	Joined GREEN HOSPITAL SUPPLY, INC. (Absorbed by the Company through a merger on March 31, 2002) General Manager, Medical System Department of GREEN HOSPITAL SUPPLY, INC.	232,100
		April 2002	Director and General Manager, Sales Division of the Company	
April 2003	Director, General Manager, Sales Division, and General Manager, Medical System Sales Department of the Company			
March 2004	Director, Managing Executive Officer, General Manager, Sales Division, and General Manager, Total Pack System Business Division of the Company			
April 2005	Director, Managing Executive Officer, General Manager, Sales Division, and General Manager, Metropolitan Area Business Department of the Company			
April 2008	Executive Director, General Manager, Sales Division, and General Manager, Tokyo Branch Office of the Company			
October 2009	Director of the Company			
June 2014	Executive Director of the Company (to present)			
[Significant concurrent positions] <ul style="list-style-type: none"> • President of Osaka Advanced Medical Imaging Center • Executive Chairman of SHIP AICHI MEDICAL SERVICE, LTD. 				
[Reasons for nominating the candidate for Director] Hiroyuki Kobayashi possesses ample experience in sales activities as General Manager of the Sales Division of the Company and has produced a track record in launching businesses overseas. The Company reappoints Mr. Kobayashi, expecting him to continue to lead the further development of the Group through global business expansion.				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
7	Hiroshi Yokoyama (April 8, 1958) [Reappointment]	<p>January 1993 Joined SHIP Corporation (currently the Company)</p> <p>June 1997 Director and General Manager, Osaka Sales Department, Medical Imaging Business Department of the Company</p> <p>April 2001 Joined FUJIFILM Medical Nishi Nihon Co., Ltd. (currently FUJIFILM Medical Co., Ltd.)</p> <p>September 2007 Joined the Company General Manager, Corporate Planning Office of the Company</p> <p>June 2008 Director and General Manager, Corporate Planning Office of the Company</p> <p>June 2014 Managing Director and General Manager, Corporate Planning Office of the Company</p> <p>June 2016 Managing Director and General Manager, Secretary office of the Company</p> <p>June 2019 Executive Director and General Manager, Secretary office of the Company (to present)</p> <p>[Significant concurrent position] • President of STK Co., Ltd.</p>	100,500
<p>[Reasons for nominating the candidate for Director]</p> <p>Hiroshi Yokoyama has assumed various positions including General Manager, Corporate Planning Office, and General Manager, Secretary office of the Company and possesses ample experience and knowledge in Group governance, Investor relations and Public relations, etc. The Company reappoints Mr. Yokoyama, expecting him to continue to play a role as an open-minded contact point with external individuals and organizations as the Group achieves well-balanced growth.</p>			
8	Shoji Shimada (January 23, 1958) [Reappointment]	<p>August 1997 Joined Konishi Medical Instruments Co., Ltd.</p> <p>January 2006 Deputy General Manager, SPD Business Division of Konishi Medical Instruments Co., Ltd.</p> <p>January 2014 General Manager, Medical Solution Business Division of Konishi Medical Instruments Co., Ltd.</p> <p>November 2015 Executive Officer, General Manager, Medical Solution Business Division of Konishi Medical Instruments Co., Ltd.</p> <p>June 2017 Director, General Manager, Medical Solution Business Division of Konishi Medical Instruments Co., Ltd.</p> <p>June 2020 Director of the Company (to present)</p> <p>June 2021 Managing Director, General Manager, Solution Business Division of Konishi Medical Instruments Co., Ltd. (to present)</p>	—
<p>[Reasons for nominating the candidate for Director]</p> <p>Shoji Shimada has been involved in work such as the starting up of the SPD Business and automated logistic center at Konishi Medical Instruments Co., Ltd., and possesses ample knowledge related to logistics management systems. The Company reappoints Mr. Shimada as Director, expecting him to utilize his knowledge and experience for the Company's management to lead the further development of the Group by creating synergies throughout the Group.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	
9	Atsushi Umino (October 23, 1964) [Reappointment]	April 1983	Joined Sumitomo Bank (currently Sumitomo Mitsui Banking Corporation)	—
		April 2009	General Manager, Hirakata Corporate Business Office of Sumitomo Mitsui Banking Corporation	
		April 2011	General Manager, Shin-Osaka Corporate Business Office of Sumitomo Mitsui Banking Corporation	
		April 2013	General Manager, Kyoto Corporate Business Office-2 of Sumitomo Mitsui Banking Corporation	
		April 2015	General Manager, Umeda Corporate Business Office-2 of Sumitomo Mitsui Banking Corporation	
		May 2018	Joined the Company	
		June 2019	Executive Officer of the Company	
		June 2020	Director of GREEN HOSPITAL SUPPLY, INC. (to present)	
		June 2020	Director of the Company (to present)	
[Reasons for nominating the candidate for Director] Atsushi Umino possesses expertise and experience in finance and other areas that he has acquired as General Manager of Corporate Business Offices at Sumitomo Mitsui Banking Corporation. The Company reappoints Mr. Umino as Director, expecting him to utilize his knowledge and experience for the Company's management to lead the further development of the Group by creating synergies throughout the Group.				
10	Seiichiro Sano (November 20, 1952) [Reappointment] [Outside] [Independent]	April 1977	Joined SANYO Electric Co., Ltd.	—
		April 2005	Executive Officer of SANYO Electric Co., Ltd.	
		April 2007	CEO of SANYO Electric Co., Ltd.	
		June 2007	President of SANYO Electric Co., Ltd.	
		April 2011	Senior Managing Executive Officer of Panasonic Corporation	
		June 2012	Senior Audit & Supervisory Board Member of Panasonic Corporation	
		June 2016	Advisor of Panasonic Corporation	
		June 2017	Director of the Company (to present)	
[Reasons for nominating the candidate for Outside Director and expected roles] Seiichiro Sano assumed various positions including President of SANYO Electric Co., Ltd., and Senior Managing Executive Officer, Senior Audit & Supervisory Board Member and Advisor of Panasonic Corporation and possesses profound insight and extensive experience in corporate management. The Company reappoints Mr. Sano as Outside Director, expecting him to utilize his knowledge and experience for the Company's management and participate in its management from a fair and neutral standpoint.				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	
11	Toshio Imabeppu (July 13, 1956) [Reappointment] [Outside] [Independent]	April 1981	Joined Ministry of Health and Welfare (currently Ministry of Health, Labour and Welfare)	—
		August 2002	Counsellor of Cabinet Secretariat	
		July 2004	Director, Employees' Health Insurance Division of Ministry of Health, Labour and Welfare	
		July 2008	Director, Accounts Division of Ministry of Health, Labour and Welfare	
		July 2013	Director-General, Pharmaceutical and Food Safety Bureau of Ministry of Health, Labour and Welfare	
		July 2014	Director-General, Statistics and Information Policy of Ministry of Health, Labour and Welfare	
		October 2015	Retired from Director-General, Statistics and Information Policy of Ministry of Health, Labour and Welfare	
		June 2016	Advisor of Sompo Risk Management Inc.	
		June 2019	Director of the Company (to present)	
	September 2019	Advisor, Headquarters, Nihon University (to present)		
[Reasons for nominating the candidate for Outside Director and expected roles] Toshio Imabeppu assumed various positions including Director-General, Pharmaceutical and Food Safety Bureau, and Director-General, Statistics and Information Policy of Ministry of Health, Labour and Welfare, and possesses expertise and experience in social welfare, etc. The Company reappoints Mr. Imabeppu as Outside Director, expecting him to utilize his knowledge and experience for the Company's management and participate in its management from a fair and neutral standpoint.				
12	Fumiyo Ito (August 3, 1957) [Reappointment] [Outside] [Independent]	April 1979	Joined National Kyoto Hospital	—
		April 2006	Nursing Specialist, Kinki Group, Headquarters of National Hospital Organization	
		April 2008	Senior Nursing Specialist, National Hospitals Division, Health Policy Bureau of Ministry of Health, Labour and Welfare	
		April 2009	General Manager, Service Safety Section, Medical Department, Headquarters of National Hospital Organization	
		April 2011	General Manager, Nursing Department of National Cerebral and Cardiovascular Center	
		April 2016	General Manager, Nursing Department, Osaka Medical Center of National Hospital Organization	
		March 2019	Retired from Osaka Medical Center of National Hospital Organization	
		April 2019	Joined RAKUWAKAI HEALTH CARE SYSTEM General Manager, Recruitment and Education Department, Headquarters of Rakuwakai	
		June 2019	Director of the Company (to present)	
	April 2020	General Manager, RAKUWAKAI TQM Support Center (to present)		
[Reasons for nominating the candidate for Outside Director and expected roles] Fumiyo Ito assumed various positions including Senior Nursing Specialist, National Hospitals Division, Health Policy Bureau of Ministry of Health, Labour and Welfare, General Manager, Nursing Department of National Cerebral and Cardiovascular Center and General Manager, Nursing Department, Osaka Medical Center of National Hospital Organization, and possesses profound insight and extensive experience as a nursing manager. The Company reappoints Ms. Ito as Outside Director, expecting her to utilize her knowledge and experience for the Company's management and participate in its management from a fair and neutral standpoint.				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	
13	Shinya Nishio (June 5, 1957) [New appointment] [Outside] [Independent]	April 1981	Joined Daiwa Securities Co. Ltd. (currently Daiwa Securities Group Inc.)	—
		April 2005	Senior Managing Director of Daiwa Securities Group Inc.	
		April 2010	Member of the Board, Executive Managing Director and General Manager of Osaka Branch of Daiwa Securities Group Inc.	
		April 2012	Member of the Board, Senior Executive Managing Director and Head of Corporate Institution Sales in Osaka of Daiwa Securities Group Inc.	
		June 2016	Member of the Board, Corporate Executive Officer and Deputy President of Daiwa Securities Group Inc. Representative Director and Deputy President of Daiwa Securities Co. Ltd.	
		April 2018	Member of the Board of Daiwa Securities Group Inc. Representative Director and President of Daiwa Investment Management Inc.	
		April 2021	Advisor of Daiwa Corporate Investment Co., Ltd. (to present) Full-time Advisor of Daiwa PI Partners Co. Ltd. (to present)	
[Reasons for nominating the candidate for Outside Director and expected roles] Shinya Nishio has assumed various positions including Representative Director and Deputy President of Daiwa Securities Group Inc. and possesses expertise and ample experience in the finance and securities industry. The Company newly appoints Mr. Nishio as Outside Director, expecting him to utilize his knowledge and experience for the Company's management and participate in its management from a fair and neutral standpoint.				

(Notes)

1. There is no special interest between each candidate and the Company.
2. The number of shares of the Company held by each candidate indicates the number of shares held as of March 31, 2021, prior to the stock split which became effective April 1, 2021.
3. The Company has entered into a directors and officers (D&O) liability insurance contract with an insurance company as stipulated in Article 430-3 of the Companies Act. The insurance policy covers damages that may arise when the insured assumes liability for the execution of their duties as a Director or receives a claim related to the pursuit of such liability. The candidates will be included in the insurance policy as the insured. The Company plans to renew the contract with the same contents at the next renewal.
4. Seiichiro Sano, Toshio Imabeppu, Fumiyo Ito, and Shinya Nishio are candidates for Outside Director and Independent Officer, who has no risk of having a conflict of interest with general shareholders, as stipulated by Tokyo Stock Exchange, Inc.
5. Independence as Outside Director and liability limitation agreement with the Outside Directors
 - (1) Independence of the candidates for Outside Director
 - 1) Seiichiro Sano's term of office as an Outside Director will be 4 years at the conclusion of this Annual General Meeting of Shareholders. Terms of office of Toshio Imabeppu and Fumiyo Ito as Outside Director will be 2 years at the conclusion of this Annual General Meeting of Shareholders.
 - 2) Neither Seiichiro Sano, Toshio Imabeppu, Fumiyo Ito nor Shinya Nishio is in charge of business execution or an officer of specified related business entities of the Company and they have not been so for the past 10 years.
 - 3) Neither Seiichiro Sano, Toshio Imabeppu, Fumiyo Ito nor Shinya Nishio plans to receive a large amount of money or other assets from the Company or specified related business entities of the Company nor have they received such for the past 2 years.
 - 4) Neither Seiichiro Sano, Toshio Imabeppu, Fumiyo Ito nor Shinya Nishio is the spouse, blood relative within the third degree of kinship or any equivalent person of a person in charge of business execution or an officer of the Company or specified related business entities of the Company.
 - 5) For the past 2 years, neither Seiichiro Sano, Toshio Imabeppu, Fumiyo Ito nor Shinya Nishio has been a person in charge of business execution at a corporation of which the Company assumed rights and liabilities via a merger, an absorption-type company split, an incorporation-type company split or a business transfer right before such mergers, etc.

(2) Facts pertaining to the occurrence of the improper execution of duties while in office, preventive measures taken against and ways to deal with the same after their occurrence
Not applicable

(3) Limited Liability Agreements with Outside Directors

In an attempt to secure capable personnel as Outside Directors, the Company specifies in the Articles of Incorporation that it can conclude agreements with Outside Directors to limit their liability for damages to a certain amount. In accordance with this provision, the Company concluded Limited Liability Agreements with Seiichiro Sano, Toshio Imabeppu, and Fumiyo Ito, candidates for Outside Director. If the reappointment of the candidates is approved at this Annual General Meeting of Shareholders, the Company intends to renew the said agreements with them.

In addition, if the election of Shinya Nishio, candidate for Outside Director, is approved at this Annual General Meeting of Shareholders, the Company intends to conclude said agreement with him.

An outline of the Agreement is as follows.

- In the event damages are incurred to the Company by negligence committed on the part of an Outside Director in the performance of duties, if the Outside Director has acted in good faith and is not grossly negligent in the performance of duties, the amount of liability shall be limited to the amount stipulated in Article 425, Paragraph 1 of the Companies Act.

Proposal 5: Election of Four (4) Corporate Auditors

The term of office of Kenji Hosokawa, Hiroshi Iwamoto, Hidemitsu Nakao and Hiroyasu Oyama as Corporate Auditors will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of four (4) Corporate Auditors is proposed. This proposal is already approved by the Board of Corporate Auditors.

The candidates are as follows:

No.		Name	Position at the Company	Attendance at meetings of the Board of Directors
1	New appointment	Narushige Toda		-% (-/- meetings)
2	Reappointment Outside	Hidemitsu Nakao	Corporate Auditor	85% (11/13 meetings)
3	Reappointment Outside	Hiroyasu Oyama	Corporate Auditor	100% (13/13 meetings)
4	New appointment Outside	Nobuyuki Sano		-% (-/- meetings)

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
1	Narushige Toda (January 25, 1957) [New appointment]	April 1980 April 1999 July 2001 July 2002 April 2003 January 2008 June 2009 June 2012 April 2017 March 2019 October 2019 October 2020	Joined Terumo Corporation Branch Manager, Matsudo Branch of Terumo Corporation General Manager, Sales Department and General Manager, Marketing Department, Interventional Systems Division of Terumo Corporation President, Interventional Systems Division of Terumo Corporation President, PD/DM Division of Terumo Corporation Head of Hokkaido and Tohoku Block of Terumo Corporation Executive Officer and General Manager, Domestic Sales Department of Terumo Corporation Senior Executive Officer of Terumo Corporation Vice President of Olympus Terumo Biomaterials Corp. Resigned from Olympus Terumo Biomaterials Corp. Joined the Company; Advisor to Chairman Assistant to Chairman of the Company (to present)	—
[Reasons for nominating the candidate for Corporate Auditor] Narushige Toda has assumed various positions including Senior Executive Officer of Terumo Corporation and possesses broad knowledge about business management and the healthcare and manufacturing fields. The Company newly appoints Mr. Toda as Corporate Auditor, expecting him to utilize his knowledge and experience for auditing the Group.				
2	Hidemitsu Nakao (December 16, 1943) [Reappointment] [Outside]	April 1966 June 1994 June 1997 April 2001 December 2002 December 2008 December 2012 June 2013	Joined Mitsui Bank (currently Sumitomo Mitsui Banking Corporation) Director and General Manager, Human Resources Department of The Sakura Bank, Limited (currently Sumitomo Mitsui Banking Corporation) Managing Director and General Manager, Nihonbashi Sales Department of The Sakura Bank, Limited Executive Director and Senior Managing Executive Officer of Sumitomo Mitsui Banking Corporation President of HORAI Co., Ltd. Chairman of HORAI Co., Ltd. Senior Advisor of HORAI Co., Ltd. Corporate Auditor of the Company (to present)	—
[Reasons for nominating the candidate for Outside Corporate Auditor] Hidemitsu Nakao has assumed various positions including Executive Director at Sumitomo Mitsui Banking Corporation and as Representative Director at HORAI Co., Ltd. and possesses expertise and experience in finance. The Company reappoints Mr. Nakao as Outside Corporate Auditor, expecting him to utilize his knowledge and experience for the Company's management and audit its management from a fair and neutral standpoint.				
3	Hiroyasu Oyama (February 23, 1946) [Reappointment] [Outside]	March 1968 July 1985 June 2004 June 2010	Joined TOYOSHIMA & CO., LTD. General Manager, Finance Department of TOYOSHIMA & CO., LTD. Director and General Manager of Dojima Kanto Securities Co., Ltd. Corporate Auditor of the Company (to present)	500
[Reasons for nominating the candidate for Outside Corporate Auditor] Hiroyasu Oyama has assumed various positions including Director and General Manager of Dojima Kanto Securities Co., Ltd. and possesses expertise and experience in finance and securities. The Company reappoints Mr. Oyama as Outside Corporate Auditor, expecting him to utilize his knowledge and experience for the Company's management and audit its management from a fair and neutral standpoint.				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	Nobuyuki Sano (December 13, 1971) [New appointment] [Outside]	October 1998 Registered as Accountant Assistant; joined Asahi & Co. (currently KPMG AZSA LLC)	—
		March 2003 Registered as Certified Public Accountant	
January 2005 Established Sano Certified Public Accountant Office			
November 2005 Established GLOBAL CORPORATE CONSULTING, INC.; Director			
June 2006 Registered as Tax Accountant			
August 2008 Established GLOBAL CORPORATE CONSULTING TAX CO. (currently GCC TAX CO.); Representative Partner (to present)			
		April 2016 President of GLOBAL CORPORATE CONSULTING, INC. (to present)	
[Reasons for nominating the candidate for Outside Corporate Auditor] As a Certified Public Accountant and Tax Accountant, Nobuyuki Sano possesses ample knowledge about finance and accounting. The Company newly appoints Mr. Sano as Outside Corporate Auditor, expecting him to utilize his professional expertise and experience for the Company's management and to audit its management from a fair and neutral standpoint.			

(Notes)

1. There is no special interest between each candidate and the Company.
2. The number of shares of the Company held by each candidate indicates the number of shares held as of March 31, 2021, prior to the stock split which became effective April 1, 2021.
3. The Company has entered into a directors and officers (D&O) liability insurance contract with an insurance company as stipulated in Article 430-3 of the Companies Act. The insurance policy covers damages that may arise when the insured assumes liability for the execution of their duties as a Corporate Auditor or receives a claim related to the pursuit of such liability. The candidates will be included in the insurance policy as the insured. The Company plans to renew the contract with the same contents at the next renewal.
4. Hidemitsu Nakao, Hiroyasu Oyama and Nobuyuki Sano are candidates for Outside Corporate Auditor.
5. Independence as Outside Corporate Auditor and liability limitation agreement with the Outside Corporate Auditors
 - (1) Independence of the candidates for Outside Corporate Auditor
 - 1) Hidemitsu Nakao's term of office as an Outside Corporate Auditor will be 8 years at the conclusion of this Annual General Meeting of Shareholders.
 - 2) Hiroyasu Oyama's term of office as an Outside Corporate Auditor will be 11 years at the conclusion of this Annual General Meeting of Shareholders.
 - 3) Neither Hidemitsu Nakao, Hiroyasu Oyama nor Nobuyuki Sano is in charge of business execution or an officer of specified related business entities of the Company and they have not been so for the past 10 years.
 - 4) Neither Hidemitsu Nakao, Hiroyasu Oyama nor Nobuyuki Sano plans to receive a large amount of money or other assets from the Company or specified related business entities of the Company nor have they received such for the past 2 years.
 - 5) Neither Hidemitsu Nakao, Hiroyasu Oyama nor Nobuyuki Sano is the spouse, blood relative within the third degree of kinship or any equivalent person of a person in charge of business execution or an officer of the Company or specified related business entities of the Company.
 - 6) For the past 2 years, neither Hidemitsu Nakao, Hiroyasu Oyama nor Nobuyuki Sano has been a person in charge of business execution at a corporation of which the Company assumed rights and liabilities via a merger, an absorption-type company split, an incorporation-type company split or a business transfer right before such mergers, etc.
 - (2) Facts pertaining to the occurrence of the improper execution of duties while in office, preventive measures taken against and ways to deal with the same after their occurrence
Not applicable
 - (3) Limited Liability Agreements with Outside Corporate Auditors
In an attempt to secure capable personnel as Outside Corporate Auditors, the Company specifies in the Articles of Incorporation that it can conclude agreements with Outside Corporate Auditors to limit their liability for damages to a certain amount. In accordance with this provision, the Company concluded Limited Liability Agreements with Hidemitsu Nakao and Hiroyasu Oyama. If the

reappointment of the candidates is approved at this Annual General Meeting of Shareholders, the Company intends to renew the said Agreements with them.

In addition, if the election of Nobuyuki Sano, a candidate for Outside Corporate Auditor, is approved at this Annual General Meeting of Shareholders, the Company intends to conclude the said Agreement with him.

An outline of the Agreement is as follows.

- In the event damages are incurred to the Company by negligence committed on the part of an Outside Corporate Auditor in the performance of duties, if the Outside Corporate Auditor has acted in good faith and is not grossly negligent in the performance of duties, the amount of liability shall be limited to the amount stipulated in Article 425, Paragraph 1 of the Companies Act.

Proposal 6: Revision of the Amount of Compensation for Directors

(1) Reason for the revision

It was approved at the 20th Annual General Meeting of Shareholders, held on June 28, 2012, that the amount of compensation for Directors of the Company shall not exceed 400 million yen per year (of which the amount for Outside Directors shall not exceed 40 million yen per year). Taking into account various factors, including the subsequent change that has been made to the composition of the Board of Directors (increase in the number of Outside Directors) to enhance corporate governance, the Company proposes to revise the maximum amount of compensation for Directors to 600 million yen per year (of which the maximum amount for Outside Directors shall be 60 million yen per year).

It is also proposed that the employee salaries for Directors concurrently serving as employees shall remain excluded from the amount of compensation for Directors.

If Proposal 4 is approved and resolved as proposed, the number of eligible Directors will be thirteen (13) (of which four (4) are Outside Directors).

(2) Reason the revision of the amount of compensation for Directors is deemed reasonable

The proposed revision of the amount of compensation for Directors takes into account the policy for determining compensation for Directors stated in the business report, and is deemed reasonable from the perspective of strengthening corporate governance, ongoing expansion and securing quality of the role of Directors in light of operations becoming increasingly specialized and sophisticated, and increasing the number of Outside Directors, among others.

Proposal 7: Revision of the Amount of Compensation for Corporate Auditors

It was approved at the 12th Annual General Meeting of Shareholders, held on June 28, 2004, that the amount of compensation for Corporate Auditors of the Company shall not exceed 50 million yen per year. Taking into account various factors, including the subsequent rise in social demand for the enhancement of audit function, the Company proposes to revise the maximum amount of compensation for Corporate Auditors to 60 million yen per year.

If Proposal 5 is approved and resolved as proposed, the number of eligible Corporate Auditors will be four (4) (of which three (3) are Outside Corporate Auditors).