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(Securities Code 6418)

June 2, 2021

To Our Shareholders

Yojiro Kamihigashi
President and Representative Director
Japan Cash Machine Co., Ltd.
2-3-15 Nishiwaki, Hirano-ku, Osaka

Convocation Notice of the 68th Ordinary General Meeting of Shareholders

Japan Cash Machine Co., Ltd. (hereinafter referred to as the “Company”) hereby notifies you that the 68th Ordinary General Meeting of Shareholders will be held as follows.

We sincerely apologize for the significant trouble and concern caused by COVID-19. Our thoughts are with those who have contracted the disease, and we are praying for their speedy recovery.

In lieu of attending the meeting in person, you may exercise your voting right in writing. Please refer to the documents for the Ordinary General Meeting of Shareholders attached and vote on the proposals using the form enclosed herein to exercise your voting right. The form should be returned to the Company on or before 5:30 p.m. on Thursday, June 24, 2021.

1. Date and time: 10:00 a.m., Thursday, June 24, 2021 (Reception starts at 9:00 a.m.)

2. Venue: Namba SkyO, Convention Hall (7th floor), 5-1-60, Namba, Chuo-ku, Osaka

* Please note that the venue has been changed from the previous year.

3. Meeting Agenda:

Reports:

1. Reports on the Business results Report, the Consolidated Financial Statements and the Results of the Audit of the Consolidated Financial Statements by the Independent Auditor and the Audit & Supervisory Board for the 68th Fiscal Year (from April 1, 2020 to March 31, 2021) .
2. Reports on the Non-Consolidated Financial Statements for the 68th Fiscal Year (from April 1, 2020 to March 31, 2021)

Resolutions:

Proposal 1: Election of Six (6) Board Directors

Proposal 2: Revision of the Amount of Remuneration to be Paid to Directors and Audit & Supervisory Board Members

Proposal 1: Election of Six (6) Board Directors

The term of office of all eight (8) Board Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the Company has proposed to elect six (6) Board Directors, inclusive of two (2) External Directors to further improve the efficiency of the management system.

Each candidate is nominated at the Board of Directors Meeting based on the report of the Nomination and Remuneration Advisory Committee, which is chaired by an Independent External Board Director and the majority of its members are External Board Directors to ensure fairness and transparency.

The candidates are as follows:

No.		Name	Current Position and Responsibility in the Company	Attendance Ratio at the Board of Directors meetings (68 th Fiscal Year)
1	Reappointment	Yojiro Kamihigashi	President and Representative Director	100.0% (17 out of 17 meetings)
2	Reappointment	Tsuyoshi Takagaki	Executive Director and Senior Executive Officer, Executive General Manager of Corporate Planning Division	100.0% (17 out of 17 meetings)
3	Reappointment	Yoshihiro Iuchi	Director and Senior Executive Officer, Executive General Manager of Global Strategy Division, In Charge of Sales Division and Production Division	100.0% (17 out of 17 meetings)
4	Reappointment	Norihito Nakatani	Director and Senior Executive Officer, Executive General Manager of First R&D Division and Quality Division	100.0% (17 out of 17 meetings)
5	Reappointment External Independent	Koji Yoshikawa	External Director	100.0% (17 out of 17 meetings)
6	Reappointment External Independent	Tatsuhiko Saruwatari	External Director	100.0% (13 out of 13 meetings)

Note: Attendance ratio at the Board of Directors meetings of Mr. Tatsuhiko Saruwatari refers to the ratio only after his appointment for Board Director on June 25, 2020.

【Reference】 Composition of the Board of Directors is shown below if and when this proposal is approved as proposed.

The Company selects Board Directors and Audit & Supervisory Board Member, after the Nomination and Remuneration Advisory Committee examines and reports on the skills, know-how, diversity, etc. that the Board of Directors should possess in light of the Company group's business strategy, based on the experience and achievements of each candidate.

Board Member (including candidates) Skills Matrix

Name & Title			Management Experience/ Corporate Strategy	Global Experience	Production/ Manufacturing	Technology/ R&D	Sales/ Marketing	Finance/ Accounting/ M&A	Human Resources/ Labor management/ Talent Development	Legal/ Risk Management
Yojiro Kamihigashi	BD		●	●		●	●			
Tsuyoshi Takagaki	BD	NR	●					●	●	●
		EC								
Yoshihiro Iuchi	BD	NR	●	●	●	●	●			
		EC								
Norihito Nakatani	BD		●	●	●	●				
Koji Yoshikawa	BD	NR								●
	EO	EC								
Tatsuhiko Saruwatari	BD	NR	●			●			●	
	EO	EC								
Michimasa Teraoka	AS		●				●	●		
Hiroshi Morimoto	AS	NR	●							●
	EO	EC								
Yoko Sato	AS		●					●		
	EO	EC								

(Note)1. The above positions are those held at the time of this Ordinary General Meeting of Shareholders.

2. Mr. Yamazawa, Audit & Supervisory Board Member, will resign from his position at the conclusion of this Annual General Meeting of Shareholders.

Abbreviations for the above positions are as follows

BD Board Director AS Audit & Supervisory Board Member EO External Officer

NR Nomination and Remuneration Advisory Committee EC External Officer Council

No.

1

Yojiro Kamihigashi

June 5, 1959 (Date of Birth)

Reappointment

■ Number of
the Company's Shares Held
1,458,283

■ Number of
years served as Director
(at the conclusion of this
Ordinary General Meeting
of Shareholders)

28 Years

■ Attendance Ratio of the
Board of Directors meetings
100.0% (17/17)
(68th Fiscal Year)

■ Career Summary, Position and Responsibility in the Company

Oct. 1984 Joined Japan Cash Machine Co., Ltd.
Jun. 1993 Board Director
May 1995 Board Director
General Manager of Overseas Sales Department
Jun. 2006 Board Director
Executive Officer
Executive General Manager of International Division
Apr. 2007 President and Representative Board Director
(present)
Jun.2020 President of JCM Systems Co., Ltd. (present)

■ Important concurrent positions

President of JCM Systems Co., Ltd.

Reason for selecting the candidate for Director

Mr. Yojiro Kamihigashi has management experience at overseas subsidiaries. Capitalizing on this experience, he currently exerts his effective leadership in the management of the Company group's global business development. He plays an important decision-making role, while overseeing business execution activities. Since it is expected that he will continue to perform his duties appropriately and will contribute to adding up corporate value to the Company, we consider him a suitable candidate for Director. Accordingly, he is a proposed candidate for Director.

Special interests between the candidate and the Company

There is no special interest between the candidate and the Company.

Directors and Officers Liability Insurance

The Company has entered into a liability insurance contract for Board Directors and Audit & Supervisory Board Members with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. If the election of the candidate for Board Director is approved, the candidate will continue to be included as an insured under the insurance policy. The insurance contract is scheduled to be renewed with the same terms and conditions at the next renewal. The details of the contract are as outlined below:

- The scope of the insured under this insurance policy is the Company's officers (Board Directors and Audit & Supervisory Board Members) and Officers of domestic and overseas subsidiaries (Board Directors, Audit & Supervisory Board Members, etc.), and the insured does not pay insurance premiums.
- The insurance contract will cover the loss incurred by the insured (compensation for damages and litigation expenses (legal fees, etc.) borne by the individual).

No.

2

Tsuyoshi Takagaki

Reappointment

September 13, 1961 (Date of Birth)

■ Number of
the Company's Shares Held

5,300

■ Number of
years served as Director
(at the conclusion of this
Ordinary General Meeting
of Shareholders)

8 Years

■ Attendance Ratio of the
Board of Directors meetings

100.0% (17/17)
(68th Fiscal Year)

■ Career Summary, Position and Responsibility in the Company

Aug. 1997	Joined Japan Cash Machine Co., Ltd.
Jun. 2007	Executive Officer Deputy Executive General Manager of Administration Division
Oct. 2011	Senior Executive Officer Executive General Manager of Human Resources, General Affairs and Corporate Planning Division
Jun. 2013	Board Director and Senior Executive Officer
Dec. 2013	Executive General Manager of Corporate Planning Division (present)
Jun. 2019	Executive Board Director, Senior Executive Officer (present)

Reason for selecting the candidate for Director

Since joining the Company, Mr. Tsuyoshi Takagaki has worked for the development of the Company group, taking charge of general affairs, legal, compliance, and human resources. He currently makes effective business decisions based on his experiences accumulated through his career, while also currently supervises execution of effective business activities as Executive Director. Since it is expected that he will continue to perform his duties appropriately and will contribute to adding up corporate value to the Company, we consider him a suitable candidate for Director. Accordingly, he is a proposed candidate for Director.

Special interests between the candidate and the Company

There is no special interest between the candidate and the Company.

Directors and Officers Liability Insurance

The Company has entered into a liability insurance contract for Board Directors and Audit & Supervisory Board Members with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. If the election of the candidate for Board Director is approved, the candidate will continue to be included as an insured under the insurance policy. The insurance contract is scheduled to be renewed with the same terms and conditions at the next renewal. The details of the contract are as outlined below:

- The scope of the insured under this insurance policy is the Company's officers (Board Directors and Audit & Supervisory Board Members) and Officers of domestic and overseas subsidiaries (Board Directors, Audit & Supervisory Board Members, etc.), and the insured does not pay insurance premiums.
- The insurance contract will cover the loss incurred by the insured (compensation for damages and litigation expenses (legal fees, etc.) borne by the individual).

No.

3

Yoshihiro Iuchi

Reappointment

May 21, 1960 (Date of Birth)

■ Number of
the Company's Shares Held

11,600

■ Number of
years served as Director
(at the conclusion of this
Ordinary General Meeting
of Shareholders)

3 Years

■ Attendance Ratio of the
Board of Directors meetings

100.0% (17/17)
(68th Fiscal Year)

■ Career Summary, Position and Responsibility in the Company

Mar. 2004 Joined Japan Cash Machine Co., Ltd.

Jun. 2007 Executive Officer

Deputy Executive General Manager of
International Division

Nov. 2010 Representative Director of JCM Gold (H.K.) Ltd.

Jun. 2016 Senior Executive Officer

In Charge of Production

Jun. 2018 Director and Senior Executive Officer,

Executive General Manager of Global Strategy
Division (present)

Jul. 2019 In Charge of Sales Division and Production

Division (present)

Reason for selecting the candidate for Director

Since joining the Company, Mr. Yoshihiro Iuchi has engaged mainly in overseas sales activities, and then worked as the representative Director of a subsidiary company that controls overseas production. Currently, he serves as Director with playing a useful role of overseeing appropriate decision making and business execution from a global perspective. Since it is expected that he will continue to perform his duties appropriately and will contribute to adding up corporate value to the Company, we consider him a suitable candidate for Director. Accordingly, he is a proposed candidate for Director.

Special interests between the candidate and the Company

There is no special interest between the candidate and the Company.

Directors and Officers Liability Insurance

The Company has entered into a liability insurance contract for Board Directors and Audit & Supervisory Board Members with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. If the election of the candidate for Board Director is approved, the candidate will continue to be included as an insured under the insurance policy. The insurance contract is scheduled to be renewed with the same terms and conditions at the next renewal. The details of the contract are as outlined below:

- The scope of the insured under this insurance policy is the Company's officers (Board Directors and Audit & Supervisory Board Members) and Officers of domestic and overseas subsidiaries (Board Directors, Audit & Supervisory Board Members, etc.), and the insured does not pay insurance premiums.
- The insurance contract will cover the loss incurred by the insured (compensation for damages and litigation expenses (legal fees, etc.) borne by the individual).

No.

4

Norihito Nakatani

Reappointment

February 20, 1960 (Date of Birth)

■ Number of
the Company's Shares Held
9,700

■ Number of
years served as Director
(at the conclusion of this
Ordinary General Meeting
of Shareholders)

2 Years

■ Attendance Ratio of the
Board of Directors meetings
100.0% (17/17)
(68th Fiscal Year)

■ Career Summary, Position and Responsibility in the Company

Oct. 1990	Joined Japan Cash Machine Co., Ltd.
Jun. 2007	Executive Officer, Deputy Executive General Manager of SCM Division
May 2008	Deputy Executive General Manager of Engineering Division
Nov. 2010	Representative Director of JCM China Co., Ltd.
Jun. 2015	In charge of Production of Creating and Manufacturing Division
Jun. 2016	Executive General Manager of Production Division
Jun. 2017	Executive General Manager of Second R&D Division
Jun. 2018	Senior Executive Officer Executive Director of JCM Systems Co., Ltd. Director and Senior Executive Officer (present)
Jun. 2019	Executive General Manager of Quality Division (present),
Jul. 2019	Executive General Manager of First R&D Division (present)

Reason for selecting the candidate for Director

Since joining the Company, Mr. Norihito Nakatani has engaged mainly in production-related operations, and then worked as the representative Director of a subsidiary company that controls overseas production. Currently, he serves as Director, responsible for Quality Division and the Research and Development Division overseeing appropriate decision making and business execution from the relevant work experience. Since it is expected that he will continue to perform his duties appropriately and will contribute to adding up corporate value to the Company, we consider him a suitable candidate for Director. Accordingly, he is a proposed candidate for Director.

Special interests between the candidate and the Company

There is no special interest between the candidate and the Company.

Directors and Officers Liability Insurance

The Company has entered into a liability insurance contract for Board Directors and Audit & Supervisory Board Members with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. If the election of the candidate for Board Director is approved, the candidate will continue to be included as an insured under the insurance policy. The insurance contract is scheduled to be renewed with the same terms and conditions at the next renewal. The details of the contract are as outlined below:

- The scope of the insured under this insurance policy is the Company's officers (Board Directors and Audit & Supervisory Board Members) and Officers of domestic and overseas subsidiaries (Board Directors, Audit & Supervisory Board Members, etc.), and the insured does not pay insurance premiums.
- The insurance contract will cover the loss incurred by the insured (compensation for damages and litigation expenses (legal fees, etc.) borne by the individual).

No.

5

Koji Yoshikawa

February 8, 1950 (Date of Birth)

Reappointment

External

Independent

■ Number of the Company's Shares Held

-

■ Number of years served as Director (at the conclusion of this Ordinary General Meeting of Shareholders)

7 Years

■ Attendance Ratio of the Board of Directors meetings
100.0% (17/17)
(68th Fiscal Year)

■ Career Summary, Position and Responsibility in the Company

Apr. 1978	Appointed Public Prosecutor, Osaka District Public Prosecutors Office
Apr. 2000	Deputy Manager, Special Investigation Department, Osaka District Public Prosecutors Office
Apr. 2004	Prosecutor, Supreme Public Prosecutors Office
Jul. 2005	Deputy Chief Public Prosecutor, Osaka District Public Prosecutors Office
Jan. 2009	Chief Public Prosecutor, Kobe District Public Prosecutors Office
Jan. 2010	Resigned from Prosecutor
Mar. 2010	Registered as Attorney
Jun. 2014	External Director of the Company (present)

■ Important concurrent positions

Attorney (Baba Law Firm)
External Audit & Supervisory Board Member of NCS&A Co., Ltd.

Reason for selecting the candidate for Director

Although Mr. Koji Yoshikawa has not been directly involved in the management of a company, he has extensive knowledge and expertise as a judicial officer. He has been giving appropriate advice to the Company group that operates compliance-oriented management, such as maintaining casino gaming licenses in the U.S. Since it is expected that he will contribute to strengthening the function of supervising the execution of duties of other Directors and management transparency, we consider him an appropriate candidate for External Director of the Company. Accordingly, he is a proposed candidate for External Director.

Matters regarding independence

The Company nominates this candidate as an Independent Director based on the regulations of the Tokyo Stock Exchange and has reported such to the Exchange. It should also be mentioned that the Company has its own standards for judging independence, separately from those stipulated by the Exchange, and this candidate also fulfills the standards of the Company.

Special interests between the candidate and the Company

There is no special interest between the candidate and the Company.

Regarding agreements limiting the liability

The Company concluded a contract with this candidate to limit his liability for damages under Article 423 (1) of the Companies Act based on the stipulation in Article 427 (1) of the same. The maximum amount of the liability for damages under the said contract shall be ten million yen or the minimum amount of the liability prescribed by Article 425 (1) of the Companies Act, whichever is higher. If the reelection of this candidate is approved, we plan to continue the contract.

Directors and Officers Liability Insurance

The Company has entered into a liability insurance contract for Board Directors and Audit & Supervisory Board Members with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. If the election of the candidate for Board Director is approved, the candidate will continue to be included as an insured under the insurance policy. The insurance contract is scheduled to be renewed with the same terms and conditions at the next renewal. The details of the contract are as outlined below:

- The scope of the insured under this insurance policy is the Company's officers (Board Directors and Audit & Supervisory Board Members) and Officers of domestic and overseas subsidiaries (Board Directors, Audit & Supervisory Board Members, etc.), and the insured does not pay insurance premiums.
- The insurance contract will cover the loss incurred by the insured (compensation for damages and litigation expenses (legal fees, etc.) borne by the individual).

No.

6

Tatsuhiko Saruwatari

March 1, 1953 (Date of Birth)

Reappointment

External

Independent

■ Number of the Company's Shares Held

-

■ Number of years served as Director (at the conclusion of this Ordinary General Meeting of Shareholders)

1 Years

■ Attendance Ratio of the Board of Directors meetings since his appointment on June 25, 2020

100.0% (13/13)
(68th Fiscal Year)

■ Career Summary, Position and Responsibility in the Company

Apr. 1976	Joined Toto Kiki Ltd. (current TOTO Ltd.)
Jun. 2001	Director, Executive Officer, Director of Equipment Business Group of the Same Company
Jun. 2002	Director, Managing Executive Officer, Director of Equipment Business Group, General Manager of Central Technology Center of the Same Company
Jun. 2006	Director, Senior Managing Executive Officer, In Charge of Research & Technology Group, Corporate Planning Department of the Same Company
May. 2013	External Audit & Supervisory Board Member of Izutsuya Co., Ltd.
Jun. 2013	Representative Director, Executive Vice President of TOTO Ltd.
Jun. 2016	External Audit & Supervisory Board Member of Noritake Co., Ltd. (present)
Jun. 2020	External Board Director of the Company (present)

■ Important concurrent positions

External Audit & Supervisory Board Member of Noritake Co., Ltd.

Reason for selecting the candidate for Director

Mr. Tatsuhiko Saruwatari has a wealth of experience and broad knowledge as a manager and is expected to provide advice and suggestions in management activities aimed at realizing the sustainable enhancement of the corporate value of the Company's group. In addition, we consider him an appropriate candidate for the position of external Board Director of the Company, who aims to strengthen the supervisory function of Board Directors' business execution and further improve the transparency of management.

Matters regarding independence

The Company nominates this candidate as an Independent Director based on the regulations of the Tokyo Stock Exchange and has reported such to the Exchange. It should also be mentioned that the Company has its own standards for judging independence, separately from those stipulated by the Exchange, and this candidate also fulfills the standards of the Company.

Special interests between the candidate and the Company

There is no special interest between the candidate and the Company.

Regarding agreements limiting the liability

The Company concluded a contract with this candidate to limit his liability for damages under Article 423 (1) of the Companies Act based on the stipulation in Article 427 (1) of the same. The maximum amount of the liability for damages under the said contract shall be ten million yen or the minimum amount of the liability prescribed by Article 425 (1) of the Companies Act, whichever is higher. If the reelection of this candidate is approved, we plan to continue the contract.

Directors and Officers Liability Insurance

The Company has entered into a liability insurance contract for Board Directors and Audit & Supervisory Board Members with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. If the election of the candidate for Board Director is approved, the candidate will continue to be included as an insured under the insurance policy. The insurance contract is scheduled to be renewed with the same terms and conditions at the next renewal. The details of the contract are as outlined below:

- The scope of the insured under this insurance policy is the Company's officers (Board Directors and Audit & Supervisory Board Members) and Officers of domestic and overseas subsidiaries (Board Directors, Audit & Supervisory Board Members, etc.), and the insured does not pay insurance premiums.
- The insurance contract will cover the loss incurred by the insured (compensation for damages and litigation expenses (legal fees, etc.) borne by the individual).

Independence Standards for External Officer
(External Director and External Audit & Supervisory Board Member)

The Company defines the standards for the independence of External Directors and External Audit & Supervisory Board Members of the Company (hereinafter referred to collectively as “external officer”) as follows. Based on an investigation by the Company to an extent possible, it is considered that an external officer is sufficiently independent of the Company if none of the following criteria is applicable.

1. A person who executes business (including managing director, executive officer, and employee, but excluding Audit & Supervisory Board Member, hereinafter referred to collectively as “executor”) of the Company or its consolidated subsidiaries (hereinafter referred to generally as “the Company group”) or has been an executors of the Company group for the past ten years
2. An entity whose major sales destination is the Company group (referring to groups that provide products or services for the Company group, including both direct partners and their parent company, subsidiaries, and business group composed of subsidiaries of the same parent company, and the same applies hereinafter, with a transaction volume in the latest fiscal year of more than 2% of the annual consolidated sales of them) or their executors
3. An entity that is a major sales destination of the Company group (referring to groups to which the Company group provides products or services with a transaction volume in the latest fiscal year of more than 2% of the annual consolidated sales of the Company group) or their executors
4. Legal expert, accounting expert, consultant, or advisor who receives a substantial amount of cash or economic benefits (more than five million yen annually for individuals and twelve million yen for an organization in cash or economic benefits during the latest fiscal year excluding Director’s compensation) from the Company group apart from Director’s compensation (if a corporate body or an association is a recipient of the economic benefit, its members)
5. A person who belongs to the audit corporation that carries out statutory audits of the Company group
6. A person who receives donations or funding exceeding a certain fixed amount from the Company (10 million yen annually on average over the past three fiscal years (if a corporate body or an association is the recipient of the donation or funding, its executors))
7. An executor who belongs to a major financial institution from which the Company group receives loans (financial institutions that provide loans equivalent to more than 2% of the consolidated asset of the Company group as of the end of the latest fiscal year) or their parent company or subsidiary
8. A major shareholder of the Company group (those who directly and indirectly own 10% or more of the total voting rights in terms of the holding ratio of voting rights in the latest fiscal year) or if the major shareholder is a corporate body, executor of the corporate body
9. An executor of another company who is concurrently an External Director of the Company group (if an executor of the Company group is an External Director of another company whose executor is also an external officer of the Company)
10. Those to which 2 - 9 above are applicable for the past five years
11. Spouse and relative by affinity within the second degree of kinship of those who apply to any of the above 1 - 10 (limited to those who have an important position, including Director (excluding External Director), executive officer, and senior management employee above general manager, attorney belonging to legal company, certified public accountant belonging to an audit corporation or an accounting firm, councilor, director, and supervisor, belonging to a incorporated foundation, incorporate association, or incorporated educational institution, or others of equivalent importance from an objective and reasonable point of view)
12. Apart from the above, those who have a particular reason for not being able to carry out the duties of an independent external officer, such as those with a conflict of interest with the Company

It should also be mentioned that even when one applies to any of the above 2 - 11, if the person fulfills the conditions to be an external officer under the Companies Act, and if the Company considers the person appropriate to be an independent external officer, it is possible for this person, as an exception, to be a candidate for independent external officer with the reasons for the nomination articulated.

Proposal 2: Revision of the Amount of Remuneration to be Paid to Board Directors and Audit & Supervisory Board Members

The amount of remuneration for Board Directors of the Company was approved at the 54th Ordinary General Meeting of Shareholders held on June 27, 2007 as 20 million yen or less per month (excluding employee salaries). The Company paid the basic remuneration for Board Directors within this limit of remuneration. In addition, if Board Director's bonuses are to be paid, the Company has separately consulted with the General Meeting of Shareholders on the specific amount to be paid.

In this proposal, taking into consideration the past payment results and the number of Directors in the future, etc. comprehensively, the Company proposes to revise and set the annual amount of remuneration for Board Directors to 180 million yen or less (excluding employee salaries) inclusive of 20 million yen or less to be set as the annual amount of remuneration for External Board Directors. This is in accordance with the resolution by the Board of Directors on the basic policy on remuneration, etc. for individual Board Director, which, in view of strengthening incentives for Board Directors to improve performance in the future, included reviewing Board Directors' remuneration level and system and, as a result of such review, revising the maximum amount of remuneration to Board Directors from monthly to annual amount, as well as amount of bonuses to be paid to Board Directors, in addition to fixed basic remuneration amount, within the range of such remuneration level. The Remuneration for External Board Directors will be composed only of basic remuneration, as is the case under the current practice.

Bonuses to Directors (excluding External Board Directors) shall be determined by the Board of Directors based on the Board Directors remuneration determination policy resolved by the Board of Directors, based on the recommendations of the Nomination and Remuneration Advisory Committee together with basic remuneration.

In addition, the amount of remuneration for Audit & Supervisory Board Members was approved at 8 million yen or less per month at the 54th Annual General Meeting of Shareholders held on June 27, 2007. However, in line with the revision of the maximum amount of remuneration for Board Directors from monthly to annual amount, the Company proposes to change the amount of such remuneration from monthly amount to annual amount, and to set the annual amount to 45 million yen or less, taking into consideration the past payment amount as well as the number of Audit & Supervisory Board Members.

The Remuneration of Audit & Supervisory Board Members will be composed only of basic remuneration, as is under the current practice. .

The Company currently has eight (8) Board Directors. However, if Proposal 1 "Election of Six (6) Board Directors" is approved, the number of Board Directors will be reduced to six (6) (including two (2) External Directors), and because one (1) Audit & Supervisory Board Member will resign at the conclusion of this Annual General Meeting of Shareholders, the number of Audit & Supervisory Board Members will be three (3) (including two External Audit & Supervisory Board Members).

This proposal has been resolved by the Board of Directors based on the report of the Nomination and Remuneration Advisory Committee and is considered appropriate.

The basic policy regarding the content of individual remuneration for Board Directors is as follows.

[Basic Policy]

The Company will establish a remuneration system that clearly states its commitment to steady implementation of its growth strategy, that functions as a sound incentive to enhance not only its short-term performance but also its sustainable corporate value over the medium- to long-term period, and that adopts

shareholder-oriented view which emphasizes shareholders' interest and position.

Remuneration for Board Directors consists of "basic remuneration", "bonuses," which are short-term performance-linked remuneration, and "stock remuneration," which is medium- to long-term performance-linked remuneration.

"Basic remuneration" is a fixed remuneration to be paid monthly according to the position, and the performance evaluation of each Board Director can be reflected on this to a certain extent.

"Bonuses" are performance-linked remuneration paid annually on the day following the date of the general meeting of shareholders when the office term expires once a year, in consideration of not only the degree of achievement of consolidated net income for each fiscal year, but also qualitative factors such as the strengthening of the business foundation.

"Stock remuneration" is paid in shares of the Company's common stock subject to restrictions on transfer for a certain period of time, and will be granted to Board Directors (excluding External Directors) in accordance with their positions to provide incentives for sustained enhancement of the Company's corporate value and shareholder value over the medium to long term period.