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Securities code 9788

June 9, 2022

To All Shareholders:

Kan Yoshimura, President

**NAC CO., LTD.**

1-25-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo

## **Notice of Convocation of the 51st Annual General Meeting of Shareholders**

We are pleased to inform you that the 51st Annual General Meeting of Shareholders of the NAC CO., LTD. will be held as follows:

**Since voting rights can be exercised in writing or via the Internet, please review the reference documents for the General Meeting of Shareholders below and exercise your voting rights by no later than 5:30 p.m. on Tuesday, June 28, 2022.**

**1. Date and time:** 10:00 a.m., Wednesday, June 29, 2022 (Reception starts at 9:00 a.m.)

**2. Venue:** Eminence Hall, 5th floor, South Tower, Keio Plaza Hotel Tokyo  
2-2-1 Nishi-Shinjuku, Shinjuku-Ku, Tokyo

**3. Agenda:**

**Reports:**

1. Business Report, Consolidated Financial Statements, and reports by the Financial Auditor and the Audit & Supervisory Board on the audit results of Consolidated Financial Statements for the 51st fiscal year (from April 1, 2021 to March 31, 2022).
2. Non-consolidated Financial Statements for the 51st fiscal year (from April 1, 2021 to March 31, 2022).

**Resolutions:**

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|----------------|--|
| Proposal No. 1 | Appropriation of Surplus                         |
| Proposal No. 2 | Payment of Bonuses to Officers                   |
| Proposal No. 3 | Amendment to the Articles of Incorporation       |
| Proposal No. 4 | Election of Three Directors                      |
| Proposal No. 5 | Election of One Audit & Supervisory Board Member |

[Notes]

- If attending the meeting in person, please complete and submit the enclosed voting form at the reception desk of the venue. In addition, the exercising of voting rights by proxy is permitted only when another shareholder who has voting rights is delegated as proxy. In this case, it is necessary to submit written proof of their right of proxy.
- Amendments to the reference documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements will be posted on the Company's website.
- Among the documents to be provided at the time of this convocation notice, the "Consolidated Statements of Changes in Shareholders' Equity" and the "Notes to Consolidated Financial Statements" as well as the "Non-Consolidated Statements of Changes in Shareholders' Equity" and the "Notes to Non-consolidated Financial Statements" are posted on the Company's website in accordance with laws and regulations and Article 15 of the Articles of Incorporation. As a result, they are not described in the documents provided on the matters to be reported.
- Internet disclosures are part of the documents audited by Audit & Supervisory Board Members and Financial Auditor.

[COVID-19 countermeasures at the venue of the General Meeting of Shareholders]

- If you attend the venue in person, you are asked to put on a mask and take other measures to prevent infection.
- Please be aware that, depending on the situation, Directors and Audit & Supervisory Board Members of the Company may wear masks while making their reports or during the Q&A session at the General Meeting of Shareholders.
- The staff operating the venue will thoroughly check their own physical condition on the day, and wear masks.
- Alcohol-based disinfectants will be distributed around the venue, and we ask that attendees use them to disinfect their hands.
- In order to minimize the risk of infection, we will increase the spacing between shareholder seats.
- During the Q&A session, the microphone will be cleaned with an alcohol-based disinfectant for each person asking questions.
- **The temperature of every shareholder will be taken as they enter the venue for the General Meeting of Shareholders. Shareholders whose body temperature reads 37.5°C or higher, or shareholders who appear to be unwell, will be addressed by staff of the Company and measures to prevent infection (such as refusing the person in question entry to the venue, or instructing them to leave the venue) may be taken. Your understanding in this matter is appreciated.**

Going forward, in the event of important changes to the way this General Meeting of Shareholders is operated, details will be posted on the Company website.

**Company website: <https://www.nacoo.com/>**

## Reference Documents for the General Meeting of Shareholders

### Proposal No. 1      **Appropriation of Surplus**

The Company proposes the appropriation of surplus as follows:

#### **Year-end dividends**

The year-end dividend for the 51st fiscal year is based on a consolidated dividend to net assets ratio within 4% (annually) and a dividend payout ratio within 100%.

- (1) **Type of dividend property**  
Cash
- (2) **Allotment of dividend property and their aggregate amount**  
¥29 per common share of the Company  
Total dividends: ¥654,727,606
- (3) **Effective date of dividends of surplus**  
June 30, 2022

Proposal No. 2      **Payment of Bonuses to Officers**

The Company intends to provide bonuses to officers totaling ¥17 million, which is 1% of net income attributable to owners of the parent for the 51st fiscal year (¥15 million for Directors including ¥2 million for outside Directors, and ¥2 million for Audit & Supervisory Board Members including ¥1 million for outside Audit & Supervisory Board Members) to a total of 13 officers, comprising nine Directors (including four outside Directors) and three Audit & Supervisory Board Members (including three outside Audit & Supervisory Board Members) as of the end of the fiscal year under review, taking into account the business performance of the 51st fiscal year.

This proposal was approved by the Board of Directors after deliberations by the Nomination and Remuneration Advisory Committee, which consists of a total of five members, including four independent outside Directors and one independent outside Audit & Supervisory Board Member, and the details of this proposal are judged to be appropriate.

The Company would like to have the amount paid to each officer determined by the Board of Directors and Audit & Supervisory Board, respectively for the Directors and the Audit & Supervisory Board Members.

Proposal No. 3      **Amendment to the Articles of Incorporation**

1. Reasons for the Amendment

Since the revised provisions provided for in a proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the General Meeting of Shareholders in electronic format.

- (1) Article 15, paragraph 1 in proposed amendments below will stipulate that the Company shall take measures for providing information that constitutes the content of reference documents for the General Meeting of Shareholders, etc. in electronic format.
- (2) Article 15, paragraph 2 in proposed amendments below will establish the provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
- (3) Since the provisions for Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc. (Article 15 of the current Articles of Incorporation) will no longer be required, they will be deleted.
- (4) Accompanying the aforementioned new establishment and deletion, supplementary provisions regarding the effective date, etc. will be established.

2. Details of the Amendment

The details of the amendment are as follows.

(Underlined text denotes amended sections.)

Current Articles of Incorporation	Proposed amendments
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents of the General Meeting of Shareholders, Etc.)</u></p> <p><u>Article 15</u></p> <p><u>When the Company convenes a General Meeting of Shareholders, if it discloses information that is to be stated or presented in the reference documents for the General Meeting of Shareholders, business report, financial statements and consolidated financial statements through the internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p>	<p>(Deleted)</p>



Proposal No. 4      **Election of Three Directors**

The term of office of three Directors including Hironari Kawakami, Yuichiro Koiso, and Kazuyoshi Wakimoto, will expire at the conclusion of this General Meeting of Shareholders. In that regard, the Company proposes the election of three Directors to be reappointed to further enhance the management system of the Company. Moreover, this proposal was considered by the Nomination and Remuneration Advisory Committee, which reported that there were no particular matters that needed to be raised.

The candidates for Director are as follows:

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Hironari Kawakami (October 28, 1965)  Reelection  Tenure as Director 8 years Attendance at Board of Directors meetings 13/13	Jun. 2012      Joined the Company Apr. 2013      Senior Executive Officer, General Manager of Administrative Division of Business Support Company Apr. 2014      Managing Executive Officer Jun. 2014      Director (current position) Apr. 2016      General Manager of Business Support Division (current position) Feb. 2021      Representative of Beauty and Health Business Company (current position) Jun. 2021      Representative of Housing Sales Business Company (current position) Jul. 2021      Senior Managing Executive Officer (current position) [Significant concurrent positions outside the Company] President and Representative Director of JIMOS Co., Ltd. President and Representative Director of NAC life partners Co., Ltd. Director of J-wood Co., Ltd. Director of KDI CORPORATION Director of Good Life Business Support Inc. Director of TOREMY Co., Ltd. Audit & Supervisory Board Member of ACE HOME Co., Ltd.	24,173
Reasons for nomination as candidate for Director Hironari Kawakami has fulfilled his duties in supervising management as the person responsible for the Corporate Division, and has strived to strengthen the management structure of the Group as a whole, as well as promoting financial and other strategies. By leveraging this highly specialized knowledge and experience on the management of the Company, we believe he is capable of continuing to strengthen the management structure of the Company, and of executing his duties as a Director and making appropriate decisions with regard to important matters in overall management. Therefore, the Company requests that he be elected as a Director.			

- Notes:
1. There is no special interest between the candidate for Director and the Company.
  2. The number of shares owned is as of March 31, 2022. In addition, the number of shares owned includes the portion he owns in the NAC Officer Stock Ownership Plan.

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
2	Yuichiro Koiso (April 12, 1959)  Reelection  Tenure as Director 8 years Attendance at Board of Directors meetings 13/13	Jan. 2013      Joined the Company Apr. 2013      Managing Executive Officer, General Manager of CreCla Business Division of Delivery Business Company Apr. 2014      Representative of CreCla Business Company (current position) Jun. 2014      Director (current position) Jul. 2021      Senior Managing Executive Officer (current position) [Significant concurrent positions outside the Company] President and Representative Director of ACC Co., Ltd.	11,226
<p>Reasons for nomination as candidate for Director</p> <p>Yuichiro Koiso has made a number of important contributions to strengthening the business foundations of the CreCla Business, improving performance through such measures as directing the operation of affiliated stores and management of sales. Based on his abundant experience and track record, he can make appropriate decisions and supervise the execution of duties on important matters in overall management as a Director, and he can be expected to contribute to the growth and value enhancement of the Group. Therefore, the Company requests that he be elected as a Director.</p>			

- Notes:
1. There is no special interest between the candidate for Director and the Company.
  2. The number of shares owned is as of March 31, 2022. In addition, the number of shares owned includes the portion he owns in the NAC Officer Stock Ownership Plan.



Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Kazuyoshi Wakimoto (July 12, 1961)  Reelection  Tenure as Director 6 years Attendance at Board of Directors meetings 13/13	Apr. 1984      Joined the Company Apr. 2010      Executive Officer, Head of the Operations Office, Operations Department, CreCla Business Division Jan. 2011      Deputy General Manager, Rental Business Division Apr. 2012      General Manager of With Business Apr. 2016      Senior Executive Officer, Representative of Rental Business Company (current position) Jun. 2016      Director (current position) Jul. 2019      Managing Executive Officer (current position) [Significant concurrent positions outside the Company] President and Representative Director of Good Life Business Support Inc. Director of Earnest Co., Ltd.	13,406
<p>Reasons for nomination as candidate for Director</p> <p>Since joining the Company in April 1984, Kazuyoshi Wakimoto has contributed to its expansion through the Rental Business and the CreCla Business, and as its Representative he has led the core business of Rental Business Company since April 2016, and helped enhance corporate value. The Company judges that he is an appropriate person to drive the further growth and development of the Company, and therefore requests that he be elected as a Director.</p>			

- Notes:
1. There is no special interest between the candidate for Director and the Company.
  2. The number of shares owned is as of March 31, 2022. In addition, the number of shares owned includes the portion he owns in the NAC Officer Stock Ownership Plan.

Proposal No. 5      **Election of One Audit & Supervisory Board Member**

The term of office of Toru Owada will expire at the conclusion of this General Meeting of Shareholders. In that regard, the Company proposes the election of one Audit & Supervisory Board Member to be reappointed to further enhance the management system of the Company.

Moreover, this proposal was considered by the Nomination and Remuneration Advisory Committee, which reported that there were no particular matters that needed to be raised. In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidate for Audit & Supervisory Board Members is as follows:

Name (Date of birth)	Career summary and position in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
<p>Toru Owada (March 8, 1974)</p> <p>Reelection Outside Independent</p> <p>Tenure as Director 4 years</p> <p>Attendance at Board of Directors meetings 13/13</p> <p>Attendance at Audit &amp; Supervisory Board meetings 7/7</p>	<p>Apr. 1996      Joined SHIMIZU CORPORATION</p> <p>Nov. 2000      In charge of Planning management Department, Tokyo Metropolitan Area Business Headquarters</p> <p>Jun. 2002      In charge of Bangkok Sales Office (Overseas Branch)</p> <p>Jan. 2008      Joined Fukuda Tax Office</p> <p>Aug. 2009      Joined YCA Tax Office</p> <p>Dec. 2012      Joined Nishi Akira Tax Office</p> <p>Jun. 2017      Representative Partner of Ai Tax Firm</p> <p>Jun. 2018      Audit &amp; Supervisory Board Member of the Company (current position)</p> <p>Mar. 2020      Representative of Toru Owada Tax Office (current position)</p> <p>[Significant concurrent positions outside the Company] Representative of Toru Owada Tax Office</p>	<p>-</p>
<p>Reasons for nomination as candidate for outside Audit &amp; Supervisory Board Member</p> <p>Due to his extensive experience as a tax accountant, Toru Owada not only has plentiful insights into corporate management based on his knowledge of the field of taxation but has also provided appropriate advice and supervision to the Company. Based on this the Company judges that he will execute his duties as outside Audit &amp; Supervisory Board Member appropriately, and again nominated him as a candidate for outside Audit &amp; Supervisory Board Member.</p>		

- Notes:
1. There is no special interest between the candidate for Audit & Supervisory Board Member and the Company.
  2. Toru Owada is a candidate for outside Audit & Supervisory Board Member.
  3. In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Toru Owada to limit liability for damages under Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability shall be the amount stipulated by law. If the appointment of Toru Owada is approved at this meeting, the Company plans to renew said agreement with Toru Owada.
  4. The Company has submitted notification to Tokyo Stock Exchange that Toru Owada has been designated as an independent officer as provided for by the aforementioned exchange. If the reelection of Mr. Owada is approved, the Company plans for his designation as an independent officer to continue.