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Securities code: 3393

June 07, 2023

(Start date of measures for electronic provision: May 31, 2023)

**To Shareholders with Voting Rights:**

Hideyuki Hongo  
Representative Director and  
President  
Startia Holdings, Inc.  
2-3-1 Nishi-shinjuku, Shinjuku-ku,  
Tokyo, Japan

**NOTICE OF CONVOCATION OF  
THE 28th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

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

We hereby inform you that the 28th Annual General Meeting of Shareholders of Startia Holdings, Inc. (the “Company”) will be held as described below.

In convening this general meeting of shareholders, the Company has taken measures for electronic provision, and posted matters subject to measures for electronic provision as “Notice of Convocation of the 28th Annual General Meeting of Shareholders” on the following website on the Internet.

The Company website (<https://www.startiaholdings.com>)

Please access the above website, and select “IR” followed by “General Meeting of Shareholders.”

In addition to the above, the information is also available on the following website on the Internet.

Tokyo Stock Exchange Website

(<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>)

Please access the above website, and enter the Company’s name or securities code to perform a search, then select “Basic information” followed by “Documents for public inspection/PR information” to view the information.

If you are unable to attend the meeting, you can exercise your voting rights via the Internet or in writing. Please review the Reference Documents for the General Meeting of Shareholders included in the matters subject to measures for electronic provision and exercise your voting rights by 6:00 p.m. on Wednesday, June 21, 2023 (JST).

End

- 1. Date and Time:** Thursday, June 22, 2023 at 10:00 a.m. Japan time  
(The reception desk will open at 9:30 a.m.)
- 2. Place:** Main Conference Room, “FUYO”  
1st floor, HOTEL SUNROUTE PLAZA SHINJUKU  
2-3-1 Yoyogi, Shibuya-ku, Tokyo, Japan

### 3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company's 28th Fiscal Year (April 1, 2022 - March 31, 2023) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company's 28th Fiscal Year (April 1, 2022 - March 31, 2023)

**Proposals to be resolved:**

- Proposal 1:** Partial Amendments to the Articles of Incorporation  
**Proposal 2:** Election of Five (5) Directors  
**Proposal 3:** Election of One (1) Substitute Audit & Supervisory Board Member  
**Proposal 4:** Revision of the Share-based Remuneration Plan for Directors  
**Proposal 5:** Appointment of Accounting Auditor

### 4. Other matters regarding this Notice:

In accordance with the provisions of laws and regulations and Article 14 of the Articles of Incorporation of the Company, the following items are not described in the paper copy of the matters subject to measures for electronic provision that has been delivered to our shareholders. Accordingly, the documents included in the paper copy of the matters subject to measures for electronic provision are part of the documents audited by the Accounting Auditor in preparing their audit report, and also part of the documents audited by the Audit & Supervisory Board members in preparing their audit report. Please also note that the page numbers of the paper copy that has been delivered are the same as those of the matters subject to measures for electronic provision.

- "Outline of the System" and "Outline of the Operating Status of the System to Ensure the Appropriateness of Business Activities" in "Systems and Policy of the Company"
- Consolidated Statement of Changes in Equity
- Notes to Consolidated Financial Statements
- Non-consolidated Statement of Changes in Equity
- Notes to Non-Consolidated Financial Statements

End

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- ⊙ When attending the meeting, please present the enclosed Voting Rights Exercise Form at the reception desk of the venue.
  - ⊙ Any changes to the matters subject to measures for electronic provision that may arise will be posted on the respective websites where the information is posted.
  - ⊙ No souvenirs will be provided for shareholders who attend the meeting.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Partial Amendments to the Articles of Incorporation

#### 1. Reasons for amendments

- (1) The Company proposes to amend Article 2 (Purpose) of the current Articles of Incorporation in order to add businesses to be newly started and other businesses intended to be developed in the future in the Group's business activities, and also to streamline and integrate similar and related items of purpose by deleting the items of purpose that are unlikely to be implemented in line with the current status of the Group's business.
- (2) In line with the above amendments, we shall adjust the numbering of items as required, make the notation system of the items of purpose consistent, and implement other necessary amendments.

#### 2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>Article 1 (Omitted)</p> <p>(Purpose)</p> <p>Article 2 The purpose of the Company shall be to engage in the following business activities and to control and manage the business activities conducted by companies (including foreign companies), partnerships (including entities overseas that are equivalent to partnerships), and other similar business entities that engage in the following business activities, by holding shares or equity in such companies:</p> <ol style="list-style-type: none"> <li>1. <u>Telecommunications provider services related to the telecommunications business, such as telephone and internet</u></li> <li>2. Consultation services, planning, designing, and operation and management related to information systems and telecommunication systems</li> <li>3. <u>Consultation services related to management including production, sales, and finance</u></li> <li>4. Sale, lease, maintenance, or support business for computers, office equipment, telecommunications equipment and their peripheral equipment</li> </ol>	<p>Article 1 (Unchanged)</p> <p>(Purpose)</p> <p>Article 2 The purpose of the Company shall be to engage in the following business activities and to control and manage the business activities conducted by companies (including foreign companies), partnerships (including entities overseas that are equivalent to partnerships), and other similar business entities that engage in the following business activities, by holding shares or equity in such companies:</p> <ol style="list-style-type: none"> <li>1. <u>Telecommunications provider and other telecommunications business such as telephone, IP telephone, and fiber-optic lines and internet connections</u></li> <li>2. Consultation services, planning, designing, and operation and management related to information systems and telecommunication systems</li> <li>3. <u>Various</u> consultation services</li> <li>4. Sale, lease, <u>brokerage, intermediation,</u> maintenance, or support business for computers, office equipment, telecommunications equipment, <u>other office equipment,</u> and their peripheral equipment</li> </ol>

Current Articles of Incorporation	Proposed Amendments
5. <u>Brokerage and intermediation in the sale of computers, office equipment, telecommunications equipment, and their peripheral equipment</u>	(Deleted)
6. <u>Real estate transaction</u>	(Deleted)
7. <u>Interior finishing work business</u>	(Deleted)
8. <u>Telecommunications engineering work business</u>	5. <u>Telecommunications engineering work business, electrical work business, and plumbing work business</u>
9. <u>Electrical work business</u>	(Deleted)
10. <u>Air conditioning facility engineering work business</u>	(Deleted)
11. <u>Plumbing work business</u>	(Deleted)
12. <u>Sale of interior goods</u>	(Deleted)
13. <u>Purchase and sale of used office equipment, used telecommunications equipment, and used products of their peripheral equipment</u>	6. <u>Purchase and sale of used office equipment, used telecommunications equipment, and used products of their peripheral equipment</u>
14. <u>Construction work business</u>	(Deleted)
15. <u>Fee-based job placement business</u>	7. <u>Fee-based job placement business</u>
16. <u>Worker dispatch business</u>	8. <u>Worker dispatch business</u>
17. <u>Fitting work business</u>	(Deleted)
18. <u>First-class consigned freight forwarding business</u>	(Deleted)
19. <u>Non-life insurance agency business</u>	(Deleted)
20. <u>Payment and billing agency services</u>	9. <u>Payment and billing agency services</u>
21. <u>Sale, installation, maintenance, or lease of LED lighting and other environment-related equipment and their peripheral equipment /parts</u>	10. <u>Sale, installation, maintenance, or lease of LED lighting and other environment-related equipment and their peripheral equipment and parts</u>
22. <u>Electricity retail business and intermediary/brokerage/agency services in the electricity retail business</u>	11. <u>Electricity retail business and intermediary, brokerage, and agency services in the electricity retail business</u>
23. <u>Gas retail business and intermediary/brokerage/agency services in the gas retail business</u>	12. <u>Gas retail business and intermediary, brokerage, and agency services in the gas retail business</u>
24. <u>Agency services for telephone answering</u>	13. <u>Agency services for telephone answering</u>
25. <u>Management, investment, purchase and sale, and possession of securities</u>	14. <u>Management, investment, purchase and sale, and possession of securities</u>
26. <u>Planning, development and sale of various financial products</u>	(Deleted)
27. <u>Investment business and investment advisory business</u>	(Deleted)
28. <u>Brokerage and intermediation for domestic and foreign investee companies</u>	15. <u>Brokerage and intermediation for domestic and foreign investee companies</u>
29. <u>Production and sale of homepage</u>	16. <u>Production and sale of homepage</u>
30. <u>Development and sale of applications</u>	17. <u>Development and sale of applications</u>

Current Articles of Incorporation	Proposed Amendments
<p><u>31.</u> Production and sale of internet content (Newly established)</p> <p><u>32.</u> Publication of books</p> <p><u>33.</u> <u>Publication and sale of e-books</u></p> <p><u>34.</u> Planning/production of advertisements and advertising agency business</p> <p><u>35.</u> Planning, development, provision, and sale of products and services using the blockchain technology</p> <p><u>36.</u> <u>Various consulting business</u></p> <p><u>37.</u> <u>Sale and leasing of specially-controlled medical devices, etc.</u></p> <p><u>38.</u> Business that provides customers with access to storage servers, web servers, mail servers, or other telecommunications facilities connected to the Internet and their peripheral equipment.</p> <p><u>39.</u> Intermediation between business consignors and contractors</p> <p><u>40.</u> Operation of Internet media</p> <p><u>41.</u> Sales outsourcing business</p> <p><u>42.</u> Help desk service business</p> <p><u>43.</u> Education/training programs service for human resource development (Newly established)</p> <p><u>44.</u> Agency services for data entry, document management, and other clerical work</p> <p><u>45.</u> Operation and management of shared office space</p> <p><u>46.</u> Planning, organizing, and operation of lectures, games/sports events, and other various events</p> <p><u>47.</u> <u>International trading business</u></p> <p><u>48.</u> Any other businesses that are incidental or related to the preceding items.</p>	<p><u>18.</u> Production and sale of internet content</p> <p><u>19.</u> <u>3D measuring, and creation of 3D figures, videos, and drawings</u></p> <p><u>20.</u> <u>Publication and sale of books and e-books</u> (Deleted)</p> <p><u>21.</u> Planning <u>and</u> production of advertisements and advertising agency business</p> <p><u>22.</u> Planning, development, provision, and sale of products and services using the blockchain technology (Deleted) (Deleted)</p> <p><u>23.</u> Business that provides customers with access to storage servers, web servers, mail servers, or other telecommunications facilities connected to the Internet and their peripheral equipment.</p> <p><u>24.</u> Intermediation between business consignors and contractors</p> <p><u>25.</u> Operation of Internet media</p> <p><u>26.</u> Sales outsourcing business</p> <p><u>27.</u> Help desk service business</p> <p><u>28.</u> Education <u>and</u> training programs service for human resource development</p> <p><u>29.</u> <u>Employment transition support business and employee settlement support business</u></p> <p><u>30.</u> Agency services for data entry, document management, and other clerical work</p> <p><u>31.</u> Operation and management of shared office space</p> <p><u>32.</u> Planning, organizing, and operation of lectures, games <u>and</u> sports events, and other various events (Deleted)</p> <p><u>33.</u> Any other businesses that are incidental or related to the preceding items.</p>
Articles 3 to 42 (Omitted)	Articles 3 to 42 (Unchanged)

**Proposal 2: Election of Five (5) Directors**

The terms of office of all six (6) Directors will expire at the conclusion of this meeting. Therefore, the Company proposes the election of five (5) Directors.

The candidates for Director are as follows.

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Hideyuki Hongo (May 1, 1966)	<p>Oct. 1986      Joined Kita Nihon Maruhachi Mawata Co., Ltd.  Aug. 1992      Joined Shigai Denwa Service Co., Ltd.  Sep. 1993      Joined General Tsushin Kogyo Co., Ltd.  Jul. 1994      Joined Japan Digital Communications Co., Ltd.  Feb. 1996      Founded Telecomnet Co., Ltd. (currently the Company)  (current position)  Representative Director and President  Oct. 1996      Telecomnet Co., Ltd. was reorganized as ND Telecom  Co., Ltd. (currently the Company)  Representative Director and President  Apr. 2006      Director, Startia Renergy, Inc.  Apr. 2007      CEO  Apr. 2009      Director, Startia Lab, Inc.  Mar. 2013      Director, Startia Shanghai, Inc.  Jun. 2013      Chairman, Horma Service Co., Ltd.  Director, Gendai Agency Inc.  Feb. 2017      Director, IMJ Investment Partners Pte. Ltd. (currently  Spiral Ventures Pte. Ltd.)  Feb. 2017      Director, Y&amp;P Holdings Pte. Ltd.  Mar. 2018      Representative Director, Hoshinowa, a general  incorporated foundation (currently a public interest  incorporated foundation) (current position)  Sep. 2018      Representative Director, Kumamoto Creation  Entrepreneur Network, a general incorporated association  (currently KUMAMOTO INNOVATION BASE, a general  incorporated association)  May 2019      Group CEO  Jun. 2021      President/Director, Startia Asia Pte. Ltd.  Jun. 2021      Director, Startiawill, Inc. (current position)  Jul. 2021      Director, SIKI, Inc. (current position)  Dec. 2021      Founder and Director, Kumamoto Creation Entrepreneur  Network, a general incorporated association (currently  KUMAMOTO INNOVATION BASE, a general  incorporated association) (current position)  Apr. 2022      Director, Startia Asia Pte. Ltd. (current position)  Jan. 2023      Director, xIB JAPAN, a general incorporated association  (current position)  Apr. 2023      CEO (current position)</p> <p>[Significant concurrent positions]  Representative Director, Hoshinowa, a public interest incorporated foundation  Founder and Director, KUMAMOTO INNOVATION BASE, a general  incorporated association  Director, Startia Asia Pte. Ltd.  Director, Startiawill, Inc.  Director, xIB JAPAN, a general incorporated association</p>	2,949,600
<p>[Reasons for nomination as a candidate for Director]  Since the founding of the Company in 1996, Mr. Hideyuki Hongo has been engaged in its management as the Representative Director. In light of his expertise in the overall management and administrative and operational work of group companies, we have nominated him again as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	*Mitsuru Kasai (July 4, 1965)	<p>Apr. 1987      Joined Emerald Green Club Co., Ltd.</p> <p>Apr. 1989      Joined Long Distance Call Service Co., Ltd.</p> <p>Sept. 1993     Joined Nihon Sogo Tsushin K.K.</p> <p>Dec. 1997      Founded Tokyo Telesystem Co., Ltd. Representative Director</p> <p>Oct. 2002     Joined ND Telecom Co., Ltd. (currently the Company)</p> <p>Apr. 2007     General Manager, Business Communication Business Division</p> <p>Jun. 2007     Director</p> <p>Apr. 2009     Managing Executive Officer General Manager, Business Solutions Business Headquarters</p> <p>Apr. 2010     General Manager, Office Management Division Senior Managing Executive Officer General Manager, Business Solutions Business Division</p> <p>Jun. 2010     Director, Startia Lab, Inc.</p> <p>Apr. 2011     General Manager, Infrastructure Business Headquarters</p> <p>Apr. 2014     General Manager, Support Business Division</p> <p>Apr. 2015     General Manager, Sales Headquarters</p> <p>Apr. 2016     General Manager, Infrastructure Business Headquarters</p> <p>Nov. 2017     Founded Startia, Inc. Representative Director (current position)</p> <p>Nov. 2021     Representative Director, Startia Lead, Inc. (current position)</p> <p>[Significant concurrent positions] Representative Director, Startia, Inc. Representative Director, Startia Lead, Inc.</p>	132,400
<p>[Reasons for nomination as a candidate for Director] Since joining the Company in 2002, he has been engaged primarily in IT infrastructure-related business and served as head of business. After the transition to a holding company structure in April 2018, he has served as Representative Director of Startia, Inc. In light of his expertise in the overall management and administrative and operational work, we have nominated him as a new candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Takao Uematsu (February 17, 1976)	<p>Apr. 1996      Joined Tochigi Hino Motors, Ltd.</p> <p>Sep. 2004      Joined the Company</p> <p>Apr. 2009      Audit &amp; Supervisory Board Member, Startia Lab, Inc.</p> <p>Apr. 2012      General Manager, Administration Department</p> <p>Apr. 2015      Executive Officer</p> <p>Sep. 2015      Audit &amp; Supervisory Board Member, Crosscheck Co., Ltd.</p> <p>Apr. 2017      General Manager, Administration Division</p> <p>Nov. 2017      Audit &amp; Supervisory Board Member, Startia, Inc. (current position); Audit &amp; Supervisory Board Member, StartiaRaise, Inc. (current position)</p> <p>Jun. 2018      Director (current position)</p> <p>Mar. 2019      Audit &amp; Supervisory Board Member, Startia Lab, Inc. (currently Cloud CIRCUS, Inc.) (current position)</p> <p>May 2019      Group Operating Officer (responsible for finance)</p> <p>Nov. 2021      Audit &amp; Supervisory Board Member, Startia Lead, Inc. (current position)</p> <p>[Significant concurrent positions] Audit &amp; Supervisory Board Member, Startia, Inc. Audit &amp; Supervisory Board Member, Cloud CIRCUS, Inc. Audit &amp; Supervisory Board Member, StartiaRaise, Inc. Audit &amp; Supervisory Board Member, Startia Lead, Inc.</p>	7,400
<p>[Reasons for nomination as a candidate for Director] Since joining the Company, Mr. Takao Uematsu has been engaged mainly in finance and accounting. After having worked as Finance and Accounting Officer, he currently serves as a Director. In light of his wealth of business experience at the Company, as well as his expertise in the overall management and administrative and operational work, we have nominated him again as a candidate for Director.</p>			



No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	Yuko Furuichi (November 3, 1988)	Apr. 2011      Joined CyberAgent, Inc. (seconded to CyberZ, Inc.) Nov. 2013      Joined dmg::events Japan K.K. (currently Comexposium Japan K.K.) Apr. 2019      President and CEO, Comexposium Japan K.K. (current position) Jun. 2021      Outside Director, the Company (current position) [Significant concurrent positions] President and CEO, Comexposium Japan K.K. Advisor, Advance Women at Work™ in the United States	-
[Reasons for nomination as a candidate for Outside Director and expected roles] Ms. Yuko Furuichi has been engaged in a wide range of work in the overall management of a company developing the planning and operation of conferences in the fields of marketing, advertising, commerce, and digitalization, with a wealth of experience and track record in the marketing industry. We believe that she is able to provide advice on the Company's management. In expectation of her contribution, we have nominated her again as a candidate for Outside Director.			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	* Tetsuhiro Nakamoto (April 13, 1973)	<p>Apr. 1996      Joined The Industrial Bank of Japan, Limited (now Mizuho Bank, Ltd.)</p> <p>Feb. 2006      Director, IBJ Inc.</p> <p>Oct. 2007      Representative Director, Bridal Net Co., Ltd.</p> <p>Dec. 2008      Executive Vice President and Representative Director, IBJ, Inc.</p> <p>Aug. 2013      Representative Director, TNnetwork Inc. (current position)</p> <p>Apr. 2014      Representative Director, IBT Tech Inc.</p> <p>Dec. 2016      Representative Director, Kamome Co., Ltd.</p> <p>Mar. 2017      Representative Director, IBJ Life Design Support Co., Ltd.</p> <p>Apr. 2017      Representative Director, IBJ Wedding Co., Ltd.</p> <p>May. 2020      Representative Director, ZWEI Inc.</p> <p>Jul. 2022      Outside Director, RITA Group Holdings Co., Ltd. (current position)</p> <p>Oct. 2022      Representative Director, Wellness Dining Co., Ltd. (current position)</p> <p>[Significant concurrent positions]  Representative Director, TNnetwork Inc.  Outside Director, RITA Group Holdings Co., Ltd.  Representative Director, Wellness Dining Co., Ltd.</p>	10,000
<p>[Reasons for nomination as a candidate for Outside Director and expected roles]  Mr. Tetsuhiro Nakamoto has been engaged in a wide range of work in the overall management of numerous companies developing IT and overseas businesses and has a wealth of experience and track record in the financial industry. We believe that he is able to provide advice on the Company's management. In expectation of his contribution, we have nominated him as a new candidate for Outside Director.</p>			

- (Notes) 1. \* Indicates new candidates
2. There are no special interests between each candidate and the Company.
  3. Ms. Yuko Furuichi and Mr. Tetsuhiro Nakamoto are candidates for Outside Director. The Company has notified the Tokyo Stock Exchange (TSE) of Ms. Yuko Furuichi as an independent officer as stipulated by the Tokyo Stock Exchange, and will designate her again as an independent officer if the reappointment is approved. In addition, if the appointment of Mr. Tetsuhiro Nakamoto is approved, he will become a new independent officer, and the Company believes that he has a high degree of independence that is free from any risk of conflict of interest with general shareholders.
  4. Ms. Yuko Furuichi is currently serving as the Company's Outside Director. Her term of office as an Outside Director will be two (2) years at the conclusion of this Annual General Meeting of Shareholders.
  5. The Company has entered into a limited liability agreement with Ms. Yuko Furuichi and will continue the agreement if her reappointment is approved. In addition, the Company plans to enter into a limited liability agreement with Mr. Tetsuhiro Nakamoto if his appointment is approved. The agreement covers liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, provided that the requirements stipulated by laws and regulations are met, in the amount specified in advance at 100,000 yen or above, or the minimum liability amount stipulated by laws and regulations, whichever is higher.
  6. The Company has entered into a directors and officers liability insurance agreement with an insurance company that compensates for damages, expenses arising from litigation, or other losses to be incurred by the insureds. Each candidate will be included as the insured under the insurance. The Company will renew the insurance on the same terms and conditions at the next renewal.
  7. Neither Ms. Yuko Furuichi nor Mr. Tetsuhiro Nakamoto is an executive or an officer of a specified associated service provider of the Company, and none has been an executive of a specified associated service provider of the Company in the past ten years.
  8. Neither Ms. Yuko Furuichi nor Mr. Tetsuhiro Nakamoto is to receive, or has received in the past two years, a large amount of money or other assets from the Company or a specified associated service provider of the Company.
  9. Neither Ms. Yuko Furuichi nor Mr. Tetsuhiro Nakamoto is a spouse, a relative within the third degree of kinship, or any other equivalent person, of an executive or an officer of the Company or a specified associated service provider of the Company.
  10. Neither Ms. Yuko Furuichi nor Mr. Tetsuhiro Nakamoto has been an executive of a stock company that the Company has, in the past two years, succeeded to or received assignment of rights and obligations due to a merger, absorption-type company split, incorporation-type company split, or acceptance of assignment of business, as of the time immediately prior to such merger, etc.

The following shows the skill matrix of Directors and Audit & Supervisory Board Members if the Proposal 2 is approved and resolved as originally proposed.

Officer name	Sex (M/F)	Management	Finance	Human resources	Legal	IT (DX)	Marketing	Sustainability	Overseas
Hideyuki Hongo	M	●		●			●		
Mitsuru Kasai	M	●		●			●		
Takao Uematsu	M	●	●		●				
Yuko Furuichi	F						●	●	●
Tetsuhiro Nakamoto	M	●	●			●			
Satoru Gennai	M	●	●			●			
Michio Arai	M	●	●				●		
Junko Gono	F				●			●	●
Gyota Matsunaga	M			●	●			●	

**Proposal 3: Election of One (1) Substitute Audit & Supervisory Board Member**

In the event that the number of Audit & Supervisory Board Members falls below the number stipulated by laws and regulations, the election of one (1) substitute Audit & Supervisory Board Member is proposed in advance.

The effect of the appointment in this proposal may be cancelled by a resolution of the Board of Directors with the consent of the Audit & Supervisory Board only prior to the assumption of office.

The consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidate for substitute Audit & Supervisory Board Member is as follows.

Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
Mikihiko Ota (January 12, 1985)	Mar. 2011 Graduated from Chuo Law School Sep. 2011 Passed the bar examination Dec. 2012 Registered as an attorney Sep. 2013 Joined Fuji Joint Law Office May 2018 Belongs to Dai-Ichi Tokyo Bar Association	—
[Reasons for nomination as a candidate for substitute Audit & Supervisory Board Member] Although Mr. Mikihiko Ota has no experience in directly engaging in company management, we expect him to provide advice and guidance to us from a professional, fair, and neutral standpoint as an attorney, particularly with regard to compliance. We have therefore nominated him as a candidate for substitute Outside Audit & Supervisory Board Member.		

- (Notes)
1. There are no special interests between the candidate and the Company.
  2. Mr. Mikihiko Ota is a candidate for substitute Outside Audit & Supervisory Board Member.
  3. The Company will enter into an agreement to limit liability for damages with Mr. Mikihiko Ota if he assumes office as an Outside Audit & Supervisory Board Member. The agreement covers liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, provided that the requirements stipulated by laws and regulations are met, in the amount specified in advance at 100,000 yen or above, or the minimum liability amount stipulated by laws and regulations, whichever is higher.
  4. Mr. Mikihiko Ota will be designated as an Independent Officer according to the rules of the Tokyo Stock Exchange if he assumes office as an Audit & Supervisory Board Member. The Company has judged that he is highly independent, with no risk of conflict of interests between him and general shareholders.
  5. The Company shall enter into a directors and officers liability insurance agreement with an insurance company that compensates for damages, expenses arising from litigation, or other losses to be incurred by the insureds. If Mr. Mikihiko Ota assumes office as an Audit & Supervisory Board Member, he will be included as the insured under the insurance. The Company will renew the insurance on the same terms and conditions at the next renewal.
  6. Mr. Mikihiko Ota is not an executive or an officer of a specified associated service provider of the Company, and he has not been an executive or an officer of a specified associated service provider of the Company in the past ten years.
  7. Mr. Mikihiko Ota is not to receive, or has not received in the past two years, a large amount of money or other assets from the Company or a specified associated service provider of the Company.
  8. Mr. Mikihiko Ota is not a spouse, a relative within the third degree of kinship, or any other equivalent person, of an executive or an officer of the Company or a specified associated service provider of the Company.
  9. Mr. Mikihiko Ota has not been an executive of a stock company that the Company has, in the past two years, succeeded to or received assignment of rights and obligations due to a merger, absorption-type company split, incorporation-type company split, or acceptance of assignment of business, as of the time immediately prior to such merger, etc.

#### **Proposal 4: Revision of the Share-based Remuneration Plan for Directors**

##### 1. Reasons for the proposal and reasons why it is appropriate

At the 24th Annual General Meeting of Shareholders held on June 20, 2019, the Company obtained an approval for the introduction of a share-based remuneration plan called a “Board Benefit Trust (BBT)” (hereinafter, “Current BBT Plan”) for Directors of the Company (including Outside Directors) and Directors of subsidiaries of the Company (excluding Outside Directors) (hereafter, collectively with Directors of the Company (including Outside Directors), “Directors Eligible for the Current BBT Plan”). The plan was approved to operate for five (5) fiscal years from the fiscal year ended March 31, 2020 to the fiscal year ending March 31, 2024 (hereinafter, “Initial Coverage Period”) and is currently in operation. (Hereinafter, the resolution of the Annual General Meeting of Shareholders described above is referred to as the “Original Resolution.”)

The Group’s management philosophy is to “strive to be a leading company that identifies social and market needs, creating a better future for people and our customers as well as developing excellent businesses and talents,” and we are striving to increase corporate value through the growth of operating companies and strengthened governance by the holding company, as we keep up with the changing times in the IT industry with an eye on the latest technological trends and implement prompt decision making and conduct management in an agile manner. The Company, having considered various incentive plans that would contribute to the enhancement of corporate value, believes that by maximizing the benefits of a Trust Scheme and an RS Scheme, the linkage between Directors’ remuneration and the Company’s performance and share value can be made clearer, and that by having Directors share not only the benefits of a rise in the share price but also the risk of a decline in the share price with shareholders, it is possible to further enhance their awareness of contributing to improving the Company’s performance and increasing corporate value over the medium to long term. Therefore, the Company has determined that it is appropriate to, along with the Current BBT Plan, newly introduce a stock benefit trust (Board Benefit Trust-Restricted Stock (BBT-RS)) (hereinafter, “BBT-RS Plan”) for Directors of the Company (excluding Outside Directors) and Directors of subsidiaries of the Company (excluding Outside Directors) (hereafter, collectively with Directors of the Company (excluding Outside Directors), “Directors Eligible for the BBT-RS Plan”) that places restrictions for a certain period of time on the transfer of shares to be granted to the Directors Eligible for the BBT-RS Plan. (The newly introduced part is hereinafter referred to as “BBT-RS2,” and the Company proposes implementing BBT-RS2 retroactively for the fiscal year ended March 31, 2023.)

In addition, with respect to the Current BBT Plan, the Company has determined that after the Initial Coverage Period, it is appropriate to continue the plan, by excluding Outside Directors of the Company from the current eligible parties and revising the plan to a stock benefit trust (Board Benefit Trust-Restricted Stock (BBT-RS) for Directors of the Company (excluding Outside Directors) and Directors of subsidiaries of the Company (excluding Outside Directors), which places restrictions for a certain period of time on the transfer of shares to be granted (The revised part is hereinafter referred to as “BBT-RS1”). The Company plans to implement BBT-RS1 starting in the fiscal year ending March 31, 2025. Therefore, the Current BBT Plan will continue to exist in parallel with BBT-RS2 until that time. (Hereinafter, the Current BBT Plan, BBT-RS1, and BBT-RS2 will be collectively referred to as the “Plan.”)

This proposal requests approval for the new introduction of BBT-RS2 and for the revision of the Current BBT Plan to the BBT-RS1 starting from the fiscal year ending March 31, 2025.

As with the Original Resolution, this proposal seeks to clarify the linkage between the remuneration of the Directors Eligible for the Current BBT Plan and the Directors Eligible for the BBT-RS Plan and the Company’s business performance and share value. The purpose of this proposal is to have the Directors Eligible for the Current BBT Plan and the Directors Eligible for the BBT-RS Plan share not only the benefits of a rise in the share price but also the risk of a decline in the share price with shareholders in order to further enhance their awareness of contributing to improving the Company’s performance and increasing corporate value over the medium to long term. The Company believes that the contents of this proposal are appropriate because they are consistent with the Company’s policy regarding the determination of individual director’s remuneration.

With this proposal, the Company asks for an approval of the specific method of calculating the amount of remuneration and the specific contents of the remuneration (remuneration under the Current

BBT Plan will be paid until the end of the fiscal year ending March 31, 2024) in order to pay the remuneration for Directors of the Company under the Current BBT Plan, BBT-RS1, and BBT-RS2, separately from the amount of remuneration for Directors approved at the Extraordinary General Meeting of Shareholders held on November 2, 2001 (annual amount at a maximum of 240 million yen (not including portions for employee salaries)). The Company requests shareholders to leave the details of the Plan to the discretion of the Board of Directors within the framework described in 2. below.

If Proposal 2 is approved as originally proposed, there will be five (5) Directors Eligible for the Current BBT Plan (including 2 Outside Directors) and three (3) Directors Eligible for BBT-RS2 (Outside Directors are not eligible for the plan). In addition, BBT-RS1 will start from the fiscal year ending March 31, 2025. If the candidates for Director proposed in Proposal 2 are in office during the fiscal year ending March 31, 2025, there will be three (3) Directors Eligible for BBT-RS1 (Outside Directors are not eligible for the plan).

## 2. Specific calculation method and specific details of the amount of remuneration, etc. under the Plan

### (1) Overview of the Plan

The Plan is a stock remuneration plan, under which the shares of the Company are obtained through a trust established with funds provided by the Company as capital (Hereinafter, the trust established under the Plan will be referred to as the “Trust.”) and the shares of the Company and money in an amount equal to the fair value of the shares of the Company (hereinafter, the “Shares of the Company, etc.”) will be distributed via the Trust to the Directors Eligible for the Current BBT Plan under the Current BBT Plan and to the Directors Eligible for the BBT-RS Plan under BBT-RS1 and BBT-RS2, in accordance with the Regulations Concerning Stock Remuneration for Directors established by the Company. Under the Current BBT Plan, the Shares of the Company, etc. are distributed to the Directors Eligible for the Current BBT Plan at a predetermined time after the Initial Coverage Period (or at the time of retirement in the case of those who retire during the Initial Coverage Period), in principle, in accordance with the Regulations Concerning Stock Remuneration for Directors. Meanwhile, under BBT-RS1 and BBT-RS2, the shares of the Company are distributed to the Directors Eligible for the BBT-RS Plan at a certain time each year, in principle, and the money in an amount equal to the fair value of the shares of the Company is distributed to the Directors Eligible for the BBT-RS Plan three (3) years after the points have been granted (or at the time of retirement for those who retire before the three (3) years have passed), in principle, in accordance with the Regulations Concerning Stock Remuneration for Directors. If a Director Eligible for the BBT-RS Plan receives shares of the Company during their term of office, the Director Eligible for the BBT-RS Plan shall, prior to receiving the shares of the Company, enter into a transfer restriction agreement with the Company as described in 3. below. As a result, the shares of the Company that the Directors Eligible for the BBT-RS Plan receive during their term of office will be restricted from being transferred or otherwise disposed of for a period of three (3) years (or until the time of retirement for those who retire before the three (3) years have passed), in principle.

### (2) Those eligible for the Plan

- a. The Current BBT Plan (to be terminated at the end of the fiscal year ending March 31, 2024)  
Directors of the Company (including Outside Directors) and Directors of subsidiaries of the Company (excluding Outside Directors)
- b. BBT-RS2 (starting retroactively from the fiscal year ended March 31, 2023)  
Directors of the Company (excluding Outside Directors) and Directors of subsidiaries of the Company (excluding Outside Directors)
- c. BBT-RS1 (starting from the fiscal year ending March 31, 2025) (revision of the Current BBT Plan)  
Directors of the Company (excluding Outside Directors) and Directors of subsidiaries of the Company (excluding Outside Directors)

### (3) Period of the Trust

From August 2019 until the termination of the Trust. (No specific termination date has been set for the period of the Trust, and the Trust shall continue as long as the Plan continues. The Plan

shall be terminated due to the delisting of the shares of the Company, the repeal of the Regulations Concerning Stock Remuneration for Directors, etc.).

(4) Amount of funds in the Trust

To the extent approved in the Original Resolution, and in accordance with the Current BBT Plan, the Company has established the Trust by contributing funds necessary for the Trust to acquire a number of shares reasonably expected to be required to provide remuneration in the form of shares of the Company for a certain period of time in advance. Specifically, for the Initial Coverage Period, in order to provide remuneration under the Current BBT Plan to the Directors Eligible for the Current BBT Plan, the Company established the Trust by contributing approximately 62.59 million yen as the funds to acquire shares, and the Trust acquired 121,300 shares of the Company using those funds. The Trust shall continue to exist as a trust under the Plan following the revision in this proposal.

The Company plans to use the shares of the Company acquired under the Current BBT Plan by the Trust with the money contributed to the Trust by the Company to distribute remuneration in the form of Shares of the Company, etc. under the Current BBT Plan as well as to distribute remuneration in the form of Shares of the Company, etc. under BBT-RS1 and BBT-RS2. However, for the Initial Period of Coverage, the Company shall contribute additional money in an amount equivalent to the amount of funds considered necessary for the Trust to acquire in advance a certain number of shares reasonably expected to be required to provide remuneration in the form of shares of the Company under BBT-RS2. When the Company decides to make additional contributions, the decision shall be disclosed in a timely and appropriate manner.

In addition, after the Initial Period of Coverage, the Company shall continue to contribute additional funds to the Trust every five (5) fiscal years, in principle, until the termination of the Plan in an amount considered necessary for the Trust to acquire in advance a certain number of shares reasonably expected to be required to distribute remuneration in the form of the Shares of the Company, etc. under the Plan for the following five (5) fiscal years (hereinafter, "Period of Coverage"). However, when such an additional contribution to the Trust is made, if, on the day immediately prior to the beginning of each Period of Coverage, any shares of the Company (the shares of the Company equivalent to the number of points granted to the Directors Eligible for the Current BBT Plan and Directors Eligible for the BBT-RS Plan, excluding those for which the Shares of the Company, etc. have not yet been distributed) or money remain in the Trust (hereinafter, "Remaining Shares, etc."), the Remaining Shares, etc. shall be used to fund remuneration under the Plan during the subsequent Period of Coverage and the amount of the additional contribution shall be calculated taking into account the Remaining Shares, etc. When the Company decides to make additional contributions, the decision shall be disclosed in a timely and appropriate manner.

(Note) The actual amount of money that the Company will contribute to the Trust will be the total amount of the above-mentioned funds for the acquisition of shares and the estimated amount of funds necessary for expenses such as trust fees.

(5) Method of acquisition and number of shares to be acquired by the Trust

The acquisition of the shares of the Company by the Trust shall be conducted using the funds contributed in accordance with (4) above. Shares of the Company shall be acquired through the stock exchange, by subscribing to the disposal of treasury shares by the Company, or by subscribing to new shares issued by the Company.

For the Initial Coverage Period, the maximum number of points to be granted to Directors Eligible for the Current BBT Plan and Directors Eligible for the BBT-RS Plan shall be 221,500 points per fiscal year as described in (6) below. However, considering the number of shares acquired by the Trust during the Initial Coverage Period, the number of shares of the Company to be additionally acquired by the Trust during the Initial Coverage Period shall be a maximum of 220,000 shares. In addition, after the Initial Coverage Period, the maximum number of points to be granted to Directors Eligible for the BBT-RS Plan shall be 220,000 points per fiscal year as described in (6) below. Therefore, the number of shares of the Company to be acquired by the Trust for each Coverage Period after the Initial Coverage Period shall be a maximum of 1,100,000

shares. Details of the acquisition of the shares of the Company by the Trust shall be disclosed in a timely and appropriate manner.

(6) Maximum number of shares to be granted to Directors Eligible for the Current BBT Plan and Directors Eligible for the BBT-RS Plan

The Directors Eligible for the Current BBT Plan and Directors Eligible for the BBT-RS Plan shall be granted points for each fiscal year in accordance with the Regulations Concerning Stock Remuneration for Directors as described below.

(i) The Current BBT Plan (to be terminated at the end of the fiscal year ending March 31, 2024)

Directors of the Company (excluding Outside Directors) and Directors of subsidiaries of the Company (excluding Outside Directors) will be granted a certain number of points for each fiscal year as determined in accordance with the Regulations Concerning Stock Remuneration for Directors, taking into consideration the degree of achievement of their business performance and other factors. In addition, Outside Directors of the Company are granted a certain number of points for each fiscal year as determined according to their position in the Company in accordance with the Regulations Concerning Stock Remuneration for Directors.

(ii) BBT-RS2 (starting retroactively from the fiscal year ended March 31, 2023)

Directors of the Company (excluding Outside Directors) and Directors of subsidiaries of the Company (excluding Outside Directors) will be granted a certain number of points for each fiscal year as determined in accordance with the Regulations Concerning Stock Remuneration for Directors, taking into consideration the degree of achievement of their business performance and other factors.

(iii) BBT-RS1 (starting from the fiscal year ending March 31, 2025) (revision of the Current BBT Plan))

Directors of the Company (excluding Outside Directors) and Directors of subsidiaries of the Company (excluding Outside Directors) will be granted a certain number of points for each fiscal year as determined in accordance with the Regulations Concerning Stock Remuneration for Directors, taking into consideration the degree of achievement of their business performance and other factors.

During the Initial Coverage Period, the total number of points per fiscal year to be granted to Directors Eligible for the Current BBT Plan and Directors Eligible for the BBT-RS Plan is a maximum of 221,500 points per fiscal year (including 41,500 points for Directors of the Company (including 1,500 points for Outside Directors of the Company)). Starting from the fiscal year ending March 31, 2025 (after the Current BBT Plan is revised to the BBT-RS1), the total number of points per fiscal year to be granted to Directors Eligible for the BBT-RS Plan is a maximum of 220,000 points per fiscal year (including 40,000 points for Directors of the Company).

This decision was made based on comprehensive consideration of the current level of remuneration paid to Directors, and the trends of the number of Directors Eligible for the Current BBT Plan and Directors Eligible for the BBT-RS Plan, as well as future prospects, and it is deemed to be appropriate.

The points to be granted to the Directors Eligible for the Current BBT Plan and the Directors Eligible for the BBT-RS Plan shall be converted to shares of the Company at the rate of one share per point when they are granted shares of the Company as described in (7) below. (However, if a stock split, gratis allotment of shares, or reverse stock split of the shares of the Company occurs after approval of this proposal, the maximum number of points and the number of points already granted or the conversion ratio shall be adjusted to a reasonable extent in proportion to the relevant ratio, etc.)

For the Initial Coverage Period, the ratio of the number of shares equivalent to the maximum number of points to be granted in each fiscal year to the Directors Eligible for the Current BBT Plan and the Directors Eligible for the BBT-RS Plan, which is 221,500 shares, to the total number of outstanding shares (as of March 31, 2023, after deducting treasury shares), which is 9,662,334 shares, is approximately 2.3%. In addition, after the Initial Coverage Period, the ratio of the number of shares equivalent to the maximum number of points to be granted in each fiscal year to the Directors Eligible for the BBT-RS Plan, which is 220,000 shares, to the total number of



outstanding shares (as of March 31, 2023, after deducting treasury shares), which is 9,662,334 shares, is approximately 2.3%.

The number of points for the Directors Eligible for the Current BBT Plan and the Directors Eligible for the BBT-RS Plan that forms the basis for benefits in the form of Shares of the Company, etc. as described in (7) below shall be the number of points granted to the Directors Eligible for the Current BBT Plan and the Directors Eligible for the BBT-RS Plan as at the time the benefits are determined as described in (7) below, in principle. (Hereinafter, the points calculated in this manner will be referred to as the “Number of Fixed Points.”)

- (7) Specific method of calculation of the amount of benefits and remuneration in the form of Shares of the Company, etc.

Directors Eligible for the Current BBT Plan and Directors Eligible for the BBT-RS Plan who meet the requirements to qualify as beneficiaries shall receive from the Trust the number of Company’s shares corresponding to the “Number of Fixed Points” determined in accordance with (6) above, in principle, at a certain point in time by completing the designated procedures for determining beneficiaries. However, if the requirements stipulated in the Regulations Concerning Stock Remuneration for Directors are met, the Trust may, at a certain point in time, distribute a certain percentage of the benefits as monetary benefits in an amount equivalent to the market value of the shares of the Company instead of distribution in the form of shares of the Company. In some cases, the Trust may sell shares of the Company in order to provide monetary benefits.

Under the Current BBT Plan, Directors Eligible for the Current BBT Plan shall receive remuneration in the form of Shares of the Company, etc. at a certain point in time after the end of the Initial Coverage Period, in principle, in accordance with the Regulations Concerning Stock Remuneration for Directors. (at the time of retirement for those who retire during the Initial Period of Coverage) Meanwhile, under BBT-RS1 and BBT-RS2, Directors Eligible for the BBT-RS Plan shall receive remuneration in the form of shares of the Company at a certain point in time each year, in principle, in accordance with the Regulations Concerning Stock Remuneration for Directors. Directors Eligible for the BBT-RS Plan shall receive monetary benefits in an amount equivalent to the market value of the shares of the Company three (3) years after the points were granted, in principle. (at the time of retirement for those who retire before the three (3) years have passed)

When a Director Eligible for the BBT-RS Plan receives remuneration in the form of shares of the Company during their term of office, the Director Eligible for the BBT-RS Plan shall, prior to receiving benefits in the form of shares of the Company, enter into a transfer restriction agreement with the Company as described in 3. below. As a result, shares of the Company received by the Director Eligible for the BBT-RS Plan during their term of office shall be restricted from being transferred or otherwise disposed of for a period of three (3) years, in principle. (until the time of retirement for those who retire before the three (3) years have passed)

Even the Directors Eligible for the Current BBT Plan and the Directors Eligible for the BBT-RS Plan who have already received points shall not be able to obtain all or part of the rights to be granted benefits if a resolution for dismissal was adopted at a general meeting of shareholders, if they retired due to certain illegal acts during their terms of office, or if there were inappropriate acts during their terms of office that could cause damage to the Company.

The amount of remuneration paid to the Directors of the Company shall be calculated on the basis of multiplying the total number of points granted to the Director of the Company at the time of granting points by the book value per share of the Company held by the Trust. (However, in the event of a stock split, gratis allotment of shares, or reverse stock split, etc. of the shares of the Company, the amount shall be adjusted to a reasonable degree in proportion to the relevant ratio, etc.). In addition, if, in accordance with the Regulations Concerning Stock Remuneration for Directors, monetary benefits are paid in exceptional cases, the amount of the monetary benefit may be added to the remuneration, if deemed appropriate.

- (8) Exercise of voting rights

The voting rights of the shares of the Company held by the Trust account shall not be exercised in their entirety in accordance with the instructions of the administrator of the Trust. This is

intended to ensure the neutrality in the management of the Company regarding the exercise of voting rights of the shares of the Company held by the Trust account.

(9) Handling of dividends

The dividends of the shares of the Company held by the Trust account shall be received by the Trust and used to fund the acquisition of shares of the Company or for compensation paid to the trustee of the Trust. If the Trust is terminated, dividends etc. remaining in the Trust shall be distributed to the Directors Eligible for the Current BBT Plan and the Directors Eligible for the BBT-RS Plan in office at the time in proportion to the number of points held by each of them, in accordance with the Regulations Concerning Stock Remuneration for Directors.

(10) Handling at the time of termination of the Trust

The Trust shall be terminated in the event of the delisting of the shares of the Company, the repeal of the Regulations Concerning Stock Remuneration for Directors, or a similar event.

Of the remaining assets of the Trust at the time of termination of the Trust, all of the remaining shares of the Company will be acquired by the Company without compensation and then cancelled by a resolution of the Board of Directors. Of the remaining assets of the Trust at the time of termination of the Trust, the monetary portion remaining after excluding the amount of money to be paid to the Directors Eligible for the Current BBT Plan and the Directors Eligible for the BBT-RS Plan as per the item (9) shall be granted to the Company.

3. Outline of the Transfer Restriction Agreement Pertaining to the Shares to Be Granted to the Directors Eligible for the BBT-RS Plan

When a Director Eligible for the BBT-RS Plan receives remuneration in the form of shares of the Company during their term of office, the Director Eligible for the BBT-RS Plan shall, prior to receiving remuneration in the form of shares of the Company, enter into a transfer restriction agreement (hereinafter, the "Transfer Restriction Agreement") with the Company, the details of which are outlined below. (Directors Eligible for the BBT-RS Plan shall receive remuneration in the form of shares of the Company subject to entering into the Transfer Restriction Agreement.) However, if a Director Eligible for the BBT-RS Plan has already retired at the time the remuneration in the form of shares of the Company is distributed, the shares of the Company may be granted without entering into the Transfer Restriction Agreement.

(i) Details of Transfer Restrictions

Directors Eligible for the BBT-RS Plan may not transfer, grant as collateral, or otherwise dispose of the shares of the Company received as remuneration for a period of three (3) years, in principle, from the date when they received the remuneration in the form of shares of the Company. (until the time of retirement for those who retire before the three (3) years have passed)

(ii) Acquisition by the Company without consideration

In the case of certain illegal acts or if the requirements for the lifting of transfer restrictions as described in (iii) below are not met, the Company shall acquire the shares concerned without consideration.

(iii) Lifting of Transfer Restrictions

If a Director Eligible for the BBT-RS Plan has been continuously in office as a Director of the Group for three (3) years, in principle, from the time they received the remuneration in the form of shares of the Company (until the time of retirement for those who retire before the three (3) years have passed), or if they retire from the position of Director of the Group for justifiable reasons or if they retire due to death, the transfer restrictions shall be lifted at the said point in time.

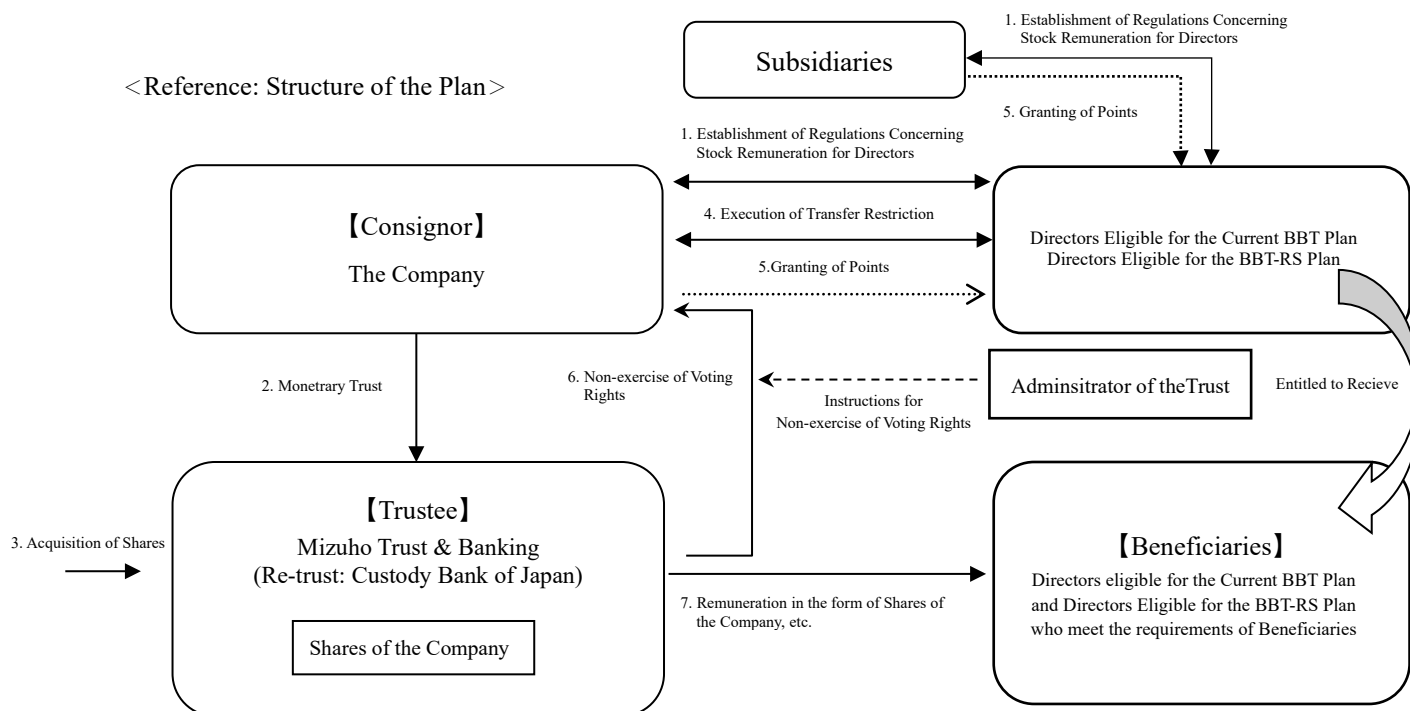
(iv) Handling in the event of organizational restructuring, etc.

If a merger agreement or other organizational restructuring, etc. in which the Company becomes a dissolving company is approved at a general meeting of shareholders of the Company, etc., during the transfer restriction period, the transfer restrictions shall be lifted by a resolution of the Board of Directors of the Company as of the time immediately before the day prior to the day on which the organization restructuring takes effect.

The shares of the Company subject to the transfer restrictions under this Transfer Restriction Agreement will be managed in a dedicated account opened by the Director Eligible for the BBT-RS Plan at a securities company designated by the Company during the transfer restriction period so that they cannot be transferred, granted as collateral, or otherwise disposed of during the transfer restriction period.

In addition to the above, the method of declaration of intent and the method of notification under the Transfer Restriction Agreement, the method of revising the Transfer Restriction Agreement, and other matters to be determined by the Board of Directors shall be set forth in the Transfer Restriction Agreement.

<Reference: Structure of the Plan>



1. Within the scope of framework approved in this proposal and in the proposal at a general meeting of shareholders of subsidiaries of the Company pertaining to the system of remuneration for Directors regarding the Plan, the Company and subsidiaries of the Company shall establish the Regulations Concerning Stock Remuneration for Directors.
2. The Company shall hold money in trust to the extent approved regarding each of the proposals in 1.
3. The Trust shall acquire shares of the Company through the stock exchange using the money held in the Trust in 2. above as funds, by subscribing to the disposal of treasury shares by the Company, or by subscribing to new shares issued by the Company.
4. The Directors Eligible for the BBT-RS Plan shall enter into a Transfer Restriction Agreement with the Company that restricts them from transferring or otherwise disposing of the shares of the Company they receive during their term of office for a period of three (3) years, in principle, (until the time of retirement for those who retire before the three (3) years have passed) and that includes a certain provision specifying that the Company may acquire shares with no consideration.
5. The Company and subsidiaries of the Company shall grant points to Directors Eligible for the Current BBT Plan and Directors Eligible for the BBT-RS Plan in accordance with the Regulations Concerning Stock Remuneration for Directors stipulated by the Company and the subsidiaries of the Company.
6. The Trust shall not exercise voting rights with respect to the Company's shares in the Trust Account in accordance with the instructions of the administrator of the Trust, who is independent from the Company.
7. The Trust shall, at a certain point in time, distribute shares of the Company to Directors Eligible for the Current BBT Plan and Directors Eligible for the BBT-RS Plan who meet the requirements for beneficiaries as stipulated in the Regulations Concerning Stock Remuneration for Directors (hereinafter, "Beneficiaries") in proportion to the number of points granted to the Beneficiaries. However, if the Directors Eligible for the Current BBT Plan and the Directors Eligible for the BBT-RS Plan meet the requirements stipulated in the Regulations Concerning Stock Remuneration for Directors, a certain percentage of the points may be paid in cash at an amount equivalent to the market value of the shares of the Company at a certain point in time.

**Proposal 5: Appointment of Accounting Auditor**

The Accounting Auditor, Deloitte Touche Tohmatsu LLC, will retire at the conclusion of this Annual General Meeting of Shareholders due to expiration of the term of office. Accordingly, the Company, based on the decision of the Audit & Supervisory Board, requests the approval of the election of Kanade Partnership as the new Accounting Auditor.

The Audit & Supervisory Board considered it appropriate to appoint an auditor who is expected to conduct audits from a new perspective, since the current accounting auditor has been conducting audits for a long period of time, and the Audit & Supervisory Board has made a comparative review of different audit firms based on the current status of the Company's business. As a result, we have determined that Kanade Partnership is suitable as the accounting auditor of the Company, after comprehensively taking into account their expertise, independence, and quality control system as required of an accounting auditor, and their audit track record, audit remuneration, etc.

The name, address of principal office, and history of the candidate for accounting auditor are as follows.

(As of May 1, 2023)

Name	Kanade Partnership		
Address of Principal Office	Toyo Building 1-2-10 Nihonbashi, Chuo-ku, Tokyo		
History	Established October 1, 2020		
Summary	Capital	¥69, 000 thousand	
	Partners	Partners (Certified Public Accountant)	12
		Specified Partner	1
	Staff (Certified Public Accountant)		32
	Staff (Other)		22
	Total		67
	Number of Companies involved		26

[Reference]

■ Policies and procedures for the election of candidates for Director and Audit & Supervisory Board Member

(Directors)

1. Policies

The Company shall nominate candidates for Director from a broad and diverse range of personnel in accordance with the following nomination policies, in addition to the judgment of their legal eligibility.

- Possess excellent personality and ethics as well as broad insight
- Possess a company-wide perspective, the ability to analyze and make decisions objectively, and excellent foresight
- Possess in-depth knowledge and experience in management, excellent business sense, familiarity with various management issues, and credentials to maximize the interests of the Company and its shareholders

2. Procedures

In order to ensure fairness and transparency in the nomination of candidates for Director, the Company shall establish a Nomination and Advisory Committee, as a voluntary advisory body, consisting of Directors, Independent Outside Directors, and Outside Audit & Supervisory Board Members selected by the Board of Directors. The Board of Directors nominates candidates for Director after a review based on the opinions of Independent Outside Directors, etc.

(Audit & Supervisory Board Members)

1. Policies

The Company shall nominate candidates for Audit & Supervisory Board Member from a broad and diverse range of personnel in accordance with the following nomination policies, in addition to the judgment of their legal eligibility.

- Possess excellent personality and ethics as well as broad insight
- Possess in-depth understanding and knowledge of the Company's business
- Possess expert knowledge and experience in law, finance, or accounting, as well as credentials to enhance the Company's auditing system

2. Procedures

In order to ensure fairness and transparency in the nomination of candidates for Audit & Supervisory Board Member, the Company shall propose candidates for Audit & Supervisory Board Member to the Audit & Supervisory Board after a review based on the opinions of Independent Outside Directors, etc. at the Nomination and Advisory Committee. Then, the Board of Directors nominates candidates for Audit & Supervisory Board Member with the consent of the Audit & Supervisory Board.

- Concept of the Board of Directors as a whole in terms of the balance of knowledge, experience, and ability, diversity, and size

The Board of Directors of the Company is composed of Directors with a wealth of knowledge and experience in respective business fields, in order to supervise business execution and make important decisions. The Outside Directors meet the independence criteria set forth by the Tokyo Stock Exchange and have extensive experience in management, which enables discussions based on their opinions from an independent and neutral standpoint. Furthermore, Audit & Supervisory Board Members, who understand the Company's business activities and have a wealth of knowledge and experience in finance, accounting, or law, attend the Board of Directors and express their opinions as needed. Thus, the Board of Directors of the Company appropriately secures the balance, diversity, and size, and functions effectively.

- Concept of Independence of Outside Officers

#### Independence criteria for Outside Officers

For the purpose of objectively judging independence of Outside Directors and Outside Audit & Supervisory Board Members (hereinafter, "Outside Officers"), the Company has established the independence criteria for Outside Officers as described below. The Company shall determine that an Outside Officer is not independent enough for the Company if the person meets any of the following items.

- (1) A person who is or was in the past an executive (Note 1) of the Group (Note 2)
- (2) A Director, Executive Managing Officer, Audit & Supervisory Board Member, or significant employee of a major shareholder (Note 3) of the Company
- (3) A Director, Executive Managing Officer, Audit & Supervisory Board Member, or significant employee of a major lender (Note 4) of the Company
- (4) An employee or a worker of an accounting auditor of the Company
- (5) A Director, Executive Managing Officer, Audit & Supervisory Board Member, or Executive Officer mutually dispatched between the Company and other companies
- (6) A person who receives large amount of money (Note 5) or other financial benefits from the Company other than remuneration for officers
- (7) A Director, Executive Managing Officer, Audit & Supervisory Board Member, or significant employee of a major business partner (Note 6) of the Company
- (8) A close relative (Note 7) who has fallen under any of the paragraphs (1) through (7) above

(Note 1) The Group refers to the Company and its subsidiaries.

(Note 2) An executive refers to an executive stipulated in Article 2, Paragraph (3), Item (vi), of the Ordinance for Enforcement of the Companies Act.

(Note 3) A major shareholder refers to one of the top ten (10) shareholders shown in the Company's most recent business report.

(Note 4) A major lender refers to the major lender of the Group shown in the Company's most recent business report.

(Note 5) Large amount of money refers to remuneration and donations, etc. for professional services, etc., totaling 10 million yen or more per year.

(Note 6) A major business partner refers to a company, etc. that pays or receives compensation of more than 1% of the consolidated net sales of the business partner or the Company for transactions with the Group

(Note 7) A close relative refers to a relative within the second degree of kinship, a spouse, or a person who shares the same livelihood with the said person.

End