

Stock Code : 9450

To Those Shareholders with Voting Rights

## NOTICE OF THE 24ND (FY2023) ANNUAL GENERAL MEETING

Proposed resolutions and reference matters

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

The appropriation of retained earnings will be as follows.

The Group considers the return of profits to shareholders as one of its highest management priorities while aiming to expand business performance through investment for growth. We aim to pay out dividends to shareholders in excess of the payout ratio of the previous year. We will strive to maintain stable dividends while aiming to return profits to shareholders in line with business performance. Based on the above, we will pay a year-end dividend of 10 yen per share, consisting of an ordinary dividend of 8 yen per share and a commemorative dividend of 2 yen per share for the 20th anniversary of our founding, to shareholders as of the end of the current fiscal year.

Matters related to the Year-end Dividends

1. Type of dividend assets

Cash

2. Matters concerning the allotment of the Dividend Property to shareholders and the total amount thereof

10 yen per share of common stock

Total dividend 204,100,280 yen

3. Effective date of the distribution of the surplus

September 28, 2023

## Proposal No.2: Election of seven Director (excluding Audit and Supervisory Committee Members)

Reason for the proposal

All (seven) directors (excluding directors who are Audit and Supervisory Committee members; hereinafter the same on this agenda) will expire at the conclusion of the General Meeting. We would like to ask for the election of seven directors.

If this proposal is approved as a draft, two of the seven directors will be independent directors as stipulated by the Tokyo Stock Exchange and the Sapporo Stock Exchange.

(Selection of Director Candidates)

Based on our corporate philosophy, our basic policy is to select candidates for the Board of Directors who embody that philosophy at a high level and who can be expected to contribute to the further development of our group, and to propose their election at the annual general meeting of shareholders for a term of one year.

Specifically, the Board of Directors selects candidates for the Board of Directors who have played a leading role in the IT industry, financial industry, corporate management, legal affairs, public administration, consulting, and other fields, have abundant practical experience and specialized knowledge, and are capable of making appropriate management decisions and providing supervision. The Board of Directors also selects candidates based on the diversity and balance of their skills.

If the proposal for the election of directors is approved at the General Meeting of Shareholders as originally proposed, seven directors will be appointed, which is considered an appropriate size for appropriate management decision-making and supervision. The Company also places importance on the diversity of its Board of Directors and has selected two female candidates out of seven. With respect to this proposal, the Audit Committee of the Company has determined that all the candidates are suitable for the position of director.

The nominees for Directors, excluding Audit Committee members, are as follows.

Candidate Number	Name	Position and responsibilities	Director meeting Attendance status
1	<span style="border: 1px solid black; padding: 2px;">Reappointment</span> Masanori Inomata	President of the Representative Director	14 times/14 times (100%)
2	<span style="border: 1px solid black; padding: 2px;">Reappointment</span> Takafumi Hamauzu	Managing Director Corporate general manager of Corporate Planning Division	14 times/14 times (100%)
3	<span style="border: 1px solid black; padding: 2px;">Reappointment</span> Hisashi Kaneko	Managing director, Head of Business Use Sales Division and Head of Business Development Office (current)	14 times/14 times (100%)
4	<span style="border: 1px solid black; padding: 2px;">Reappointment</span> Mie Ishimaru	Director General Manager of Corporate Administration Division	14 times/14 times (100%)
5	<span style="border: 1px solid black; padding: 2px;">Reappointment</span> Daisuke Ishikawa	Executive Officers Head of Home Use Sales Division and General Manager of Business Use Sales Division	14 times/14 times (100%)
5	<span style="border: 1px solid black; padding: 2px;">Reappointment</span> Nobuyuki Shinoda	<span style="border: 1px solid black; padding: 2px;">Outside the Company</span> <span style="border: 1px solid black; padding: 2px;">Independence</span> Director Chairperson of the Compensation Committee	14 times/14 times (100%)
6	<span style="border: 1px solid black; padding: 2px;">Reappointment</span> Chikako Shimahata	<span style="border: 1px solid black; padding: 2px;">Outside the Company</span> <span style="border: 1px solid black; padding: 2px;">Independence</span> Director	14 times/14 times (100%)

Reappointment

Candidate for reappointed director

New appointment

Candidate for new director

Outside the Company

Candidate for Outside director

Independence

Candidates for Independent Officers under the provisions of the Tokyo Stock Exchange and the Sapporo Stock Exchange

Candidate Number	Name (Date of Birth)	Brief personal history, position in us, and responsibility [status of important concurrent positions]	Own Number of our shares
1	Masanori Inomata (Born February 26, 1965) [Director candidates] Reappointment	Arp. 1987      Joined Koa Fire and Marine Insurance. (Currently Sompo Japan Insurance Inc.) Dec. 1995      Representative Director of My Net. Nov. 2003      President and Chief Executive Director of the Company (current) Dec. 2008      Corporate Auditor of LEOC Jun. 2011      Representative Director of MI Corporation, Inc. (current) Jan. 2020      Director of FG-Lab Inc. (current) Mar. 2020      Director of BizGenesis Inc. (current) Feb. 2021      Director of FG Smart Asset Inc. (current) Jul. 2021      President and CEO of Offgrid-Lab Inc. (current position) May. 2022      Director General of Sakura Aid, General Incorporated Association. (current) Nov. 2022      Director of General Incorporated Foundation MI Management (current) Jan. 2023      Outside Director of 3eee Inc. (current)	2,822,400 shares
		Reasons for Director Candidates Since the company's founding, he has served as president of the Representative Director, and throughout this time he has formed and cultivated a corporate culture that leads our development and gathers as many "thanks" as possible. He is continuing to grow the business results by guiding our group broadly in terms of the development of the business strategies, taking the initiative, and taking the initiative. These achievements, experiences, and accumulated knowledge and contacts will continue to contribute to the decision-making of our director association, as well as are useful for the global expansion of the business and the enhancement of corporate value, and we have made him a director candidate.	
		Special interest There is no special interest between the company.	

Candidate Number	Name (Date of Birth)	Brief personal history, position in us, and responsibility [status of important concurrent positions]	Own Number of our shares
2	Takafumi Hamauzu (Born January 20, 1976) [Director candidates] Reappointment	<p>Apr. 2000      Joined Areaquest Co., Ltd.</p> <p>Dec. 2000      Joined Venture Link Inc.</p> <p>Apr. 2007      Joined ORIX Capital Corporation</p> <p>Feb. 2011      General manager of the Corporate Planning Office</p> <p>Jun. 2011      President of Chintai Seikatsu Corporation</p> <p>Jan. 2013      Executive officer and general manager of the corporate planning office</p> <p>Mar. 2014      Senior executive officer and general manager of the business administration division</p> <p>Mar. 2016      Managing Director and general manager of the business administration division</p> <p>Oct. 2016      Managing executive officer and deputy general manager of the sales promotion division</p> <p>Sep. 2018      Managing Director and general manager of the business administration division</p> <p>Feb. 2021      Auditor of FG Smart Asset Inc. (current)</p> <p>Jul. 2021      Managing Director of General Manager of Corporate Planning Division</p> <p>Sep. 2022      Senior Managing Director of General Manager of Corporate Planning Division (current)</p>	117,200 shares
	Reasons for Director Candidates	Since joining us, he has worked in the operations of the Corporate Planning Division and the Sales Division, and currently oversees the Corporate Planning Division. He has been mainly involved in making decisions on important management matters and supervising business execution and have promoted the strengthening of management and sales divisions. He has extensive business expertise and general management knowledge, and are therefore qualified as Director of our company, and have been designated as candidates for director.	
	Special interest	There is no special interest between the company	

Candidate Number	Name (Date of Birth)	Brief personal history, position in us, and responsibility [status of important concurrent positions]	Own Number of our shares
3	<p>Hisashi Kaneko</p> <p>(Born April 25, 1966)</p> <p>[Director candidates]</p> <p>Reappointment</p>	<p>Apr. 1989    Joined Ome Shinkin Bank</p> <p>Jul. 1994    Joined Osaka USEN Broadcasting Corporation. (currently USEN Corporation)</p> <p>Jun. 2019    Joined UCOM Corporation</p> <p>Oct. 2013    Joined the Company, General Manager of East Japan Sales Department, Condominium ISP Business Division</p> <p>Jul. 2015    Executive Officer, General Manager of East Japan Sales Department, Sales Division of the Company</p> <p>Jul. 2016    Senior Executive Officer, General Manager of East Japan Sales Department, Sales Division of the Company</p> <p>Feb. 2020    Managing Executive Officer, General Manager of Residence Wi-Fi Sales Dept., Sales Promotion Div.</p> <p>Feb. 2021    Director of FG Smart Asset Inc. (current)</p> <p>Jul. 2021    Senior Executive Officer, General Manager of Sales Promotion Division and General Manager of Business Development Department of the Company.</p> <p>Jul. 2022    Managing director, Head of Sales Business Use Sales promotion Department and Head of Business Development Department (current).</p> <p>Sep. 2022    Director of Offgrid-Lab Inc. (current)</p>	110,800 shares
	Reasons for Director Candidates	<p>In addition to his abundant experience and achievements through many years of business execution in the telecommunications-related business, he has insight into management. Since joining our company, he has worked in the operations of the sales department, and currently oversees the Sales Promotion Division. He was mainly involved in making decisions on important management matters and supervising the execution of business and worked to strengthen the sales division. He has extensive business expertise and general management knowledge, and are therefore qualified as director of our company, and have been designated as candidates for director.</p>	
	Special interest	There is no special interest between the company	

Candidate Number	Name (Date of Birth)	Brief personal history, position in us, and responsibility [status of important concurrent positions]	Own Number of our shares
4	Mie Ishimaru (Born November 2, 1969) [Director candidates] <div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div>	<p>Nov. 1997      Joined Asahi Auditing Corporation (currently limited liability Azsa Auditing Corporation)</p> <p>Apr. 2003      Certificated Public Accountant</p> <p>May. 2011      Registered as a certified public tax accountant</p> <p>Jun. 2012      Director of Densan Corporation.</p> <p>Jul. 2018      Outside Director of Japanpara Co., Ltd. (current)</p> <p>Sep.2018      Outside independent Director</p> <p>Sep. 2019      Deputy general manager of Director business administration division and the general manager of the finance and accounting department</p> <p>Jan. 2020      Auditor of FG-Lab Inc. (current)</p> <p>Mar. 2020      Auditor of BizGenesis Inc.</p> <p>Jul. 2021      General Manager of Director Corporate Administration Division and General Manager of the Finance and Accounting Department</p> <p>Jan. 2023      General Manager of Director Corporate Administration Division (current)</p>	8,000 shares
	Reasons for Director Candidates	Since joining our company, she has worked in the business administration department and currently oversees the business administration headquarters. She has been involved in overseeing the execution of business by the business management department and has been engaged in the management and supervision of the Finance and Accounting Department. As a certified public accountant, she is qualified as a director because she has a wealth of careers and expertise, and she has become a candidate for director.	
	Special interest	There is no special interest between the company	

Candidate Number	Name (Date of Birth)	Brief personal history, position in us, and responsibility [status of important concurrent positions]	Own Number of our shares
5	Daisuke Ishikawa  (Born July 31, 1989) [Director candidates]  <span style="border: 1px solid black; padding: 2px;">Reappointment</span>	<p>Apr. 2012      Joined the Company.</p> <p>Aug. 2019      General Manager of Residence Wi-Fi Sales Dept., Sales Promotion Div.</p> <p>Jul. 2020      General Manager of East Japan Sales Dept., Sales Promotion Div.</p> <p>Sep. 2021      Executive Officer, Deputy General Manager of Sales Promotion Division and General Manager of East Japan Sales Department</p> <p>Jul. 2022      Executive Officer, Head of Home Use Sales Division and General Manager of West Japan Sales Department.</p> <p>Sep. 2022      Director, Head of Home Use Sales Division and General Manager of West Japan Sales Department.</p> <p>May. 2023      Director, Head of Home Use Sales Division and General Manager of West Japan Sales Department.</p> <p>Aug. 2023      Director, Head of Home Use Sales Division and General Manager of Business Use Sales Division (current)</p>	3,400 shares
	Reasons for Director Candidates	Since joining our company, I have worked in the operations of the sales department, and currently oversee the Home Use Sales Division. We have promoted the decision-making of important matters in the sales department and the strengthening of the sales department. Because of our extensive business experience, we have decided to be qualified as a director of the Company and have appointed a candidate for the Board of Directors.	
	Special interest	There is no special interest between the company	

Candidate Number	Name (Date of Birth)	Brief personal history, position in us, and responsibility [status of important concurrent positions]	Own Number of our shares
6	<p>Nobuyuki Shinoda</p> <p>(Born August 30, 1951)</p> <p>[Candidates for external Director]</p> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="border: 1px solid black; padding: 2px;">Reappointment</div> <div style="border: 1px solid black; padding: 2px;">Outside the Company</div> <div style="border: 1px solid black; padding: 2px;">Independence</div> </div>	<p>Apr. 1974      Joined Seibu Department Store Corporation.</p> <p>Mar. 1995      General Manager of Human Resources Division, Personnel Division, Ikebukuro Personnel Division, same company as above</p> <p>Mar. 1997      Joined Loft Corporation</p> <p>Sep. 2002      Executive Officer of Loft Corporation</p> <p>May. 2008      Director Executive Officer and in charge of Corporate Planning of Loft Corporation</p> <p>Mar. 2011      In charge of the Administration Division of Loft Corporation</p> <p>Apr. 2016      Joined Citizen Retail Planning Corporation</p> <p>Jun. 2016      Outside Independent Director (current)</p> <p>Jan. 2020      Chairman of our Compensation Committee</p> <p>Aug. 2023      Chairman of our Nominating and Compensation Committee (current)</p>	3,800 shares
	Reasons for Outside Director Candidates and Expected Roles	Based on his wealth of knowledge and experience in management cultivated to date, we expect him to carry out supervision of our overall management and provide appropriate advice from an objective perspective and have made him the company an outside director candidate. After the appointment, we expect him to make use of his expertise as an experienced manager to make comments at Director meetings, etc. on the formulation of management plans, etc. mainly from a managerial perspective, and to supervise the progress of management plans, etc.	
	Special interest	There is no special interest between the company.	



Candidate Number	Name (Date of Birth)	Brief personal history, position in us, and responsibility [status of important concurrent positions]	Own Number of our shares
7	Chikako Shimahata (Born January 30, 1985) [Candidates for external Director]	Apr. 2007 Joined Sapporo Branch of Shinko Securities (currently Mizuho Securities)	No Shares
		Oct. 2012 Joined Japan Pension Service Sapporo West Pension Office	
		Apr. 2013 Registration as a certified social insurance and labor consultant	
		Apr. 2013 Pirika Office Representative of Labor Relations Office (current)	
		Jun. 2020 Representative Director of Pirika Corporation (current)	
		Sep. 2020 Outside Director of the Company (current)	
	Reasons for Outside Director Candidates and Expected Roles	Shimahata is qualified as a certified social insurance and labor consultant and has a wealth of careers and expertise in personnel and labor affairs. In order to make use of her knowledge/experience in our director committee system, we have appointed her as an outside director candidate. We hope that she will utilize her expertise as a certified social insurance and labor consultant to strengthen the supervisory functions of management in general and the supervisory functions of conflicts of interest, mainly from a labor law perspective.	
	Special interest	There is no special interest between the company	

(NOTE)

1. For "Number of Shares of the Company Owned," the numbers of shares held as of June 30, 2023, for the respective candidates are shown.
2. Nobuyuki Shinoda and Chikako Shimahata are candidates for outside independent directors. If both are elected as directors, we plan to continue to make them independent directors as stipulated by the Tokyo Stock Exchange and the Sapporo Stock Exchange.
3. Nobuyuki Shinoda and Chikako Shimahata, candidates for outside director, are currently outside directors of the Company. As of the conclusion of this general meeting, the years since their appointment as outside directors will be seven years for Mr. Nobuyuki Shinoda and three years for Ms. Chikako Shimahata.
4. We have an officer liability insurance contract with the insurance company, and in the event each candidate is elected as a director, we shall become the insured under the such insurance contract. It will be updated in the next update. Please refer to page 19 of the business report for an insurance policy outline.
5. We have stipulated in the Articles of Incorporation that we may enter into a limited liability agreement with outside directors to limit their liability for damages as stipulated in Paragraph 1 of Article 423 of the Companies Act in accordance with the provisions of Paragraph 1 of Article 427 of the same Act, in order to attract appropriate personnel with a high degree of independence as outside directors. As a result, Nobuyuki Shinoda and Chikako Shimahata have concluded a limited liability agreement with us to limit their liability to the amount stipulated by laws and regulations, and if the reappointment of both of them is approved, we plan to continue the above-limited liability agreement.

### Proposal No.3: Election of three Directors as members of the Audit Committee

Reason for the proposal

The terms of office of all three (3) Directors as members of the Audit Committee will expire at the conclusion of this General Meeting of Shareholders, and therefore, the Company proposes the election of three (3) Directors as members of the Audit Committee. If this proposal is approved as proposed, two of the three (3) Directors who are members of the Audit Committee will be appointed as independent directors as stipulated by the Tokyo Stock Exchange and the Sapporo Securities Exchange.

The nominees for the position of director as a member of the Audit Committee are as follows

Candidate Number	Name	Position and responsibilities	Director meeting Attendance status	Audit Committee meeting Attendance status
1	Reappointment Tetsuo Tatsuta	Audit Committee Member	14 times/14 times (100%)	15 times/15 times (100%)
2	Reappointment Tomohiro Obata	Outside the Company Independence Outside Audit Committee Member	14 times/14 times (100%)	15 times/15 times (100%)
3	Reappointment Hiroschi Kamada	Outside the Company Independence Outside Audit Committee Member	14 times/14 times (100%)	15 times/15 times (100%)

Candidate Number	Name (Date of Birth)	Brief personal history, position in us, and responsibility [status of important concurrent positions]	Own Number of our shares
1	Tetsuo Tatsuta  (Born November 22, 1949) [Candidates for Audit Committee Member]  Reappointment	<p>Apr 1973    Joined Hokkaido Bank</p> <p>Jul 2002    Managing Director of Kyokuichi Logistics</p> <p>May 2003    Managing Director of Marukita Corporation</p> <p>May 2006    President and Representative Director of Marukita Corporation</p> <p>Jun 2014    Senior Managing Director of Kyokuichi</p> <p>Jun 2014    Auditor of Kyokuichi Logistics</p> <p>Jun 2014    Auditor of Towa Shokuhin</p> <p>Apr 2017    Senior Managing Director of Kyokuichi Holdings</p> <p>May 2017    Corporate Auditor of Marukita Corporation</p> <p>Oct 2018    Joined the Company</p> <p>Jun 2019    Outside Corporate Auditor of Furano Local Wholesale Market</p> <p>Aug 2019    General Manager of Internal Audit Office of the Company</p> <p>Sep 2021    Appointed Director of the Company (Full-time Audit Committee Member) (current)</p> <p>Sep 2021    Appointed Auditor of Feibo Netcom Technology</p> <p>Jun 2023.    Part-time Auditor of Uohan</p>	4,100 shares
	Reasons for Audit Committee Member Candidates and Expected Roles	He has been engaged in the banking industry for many years and has played a role in supporting the Hokkaido economy. Based on his wealth of knowledge and experience in business management, he can be expected to supervise the overall management of the Company and provide accurate advice from an objective viewpoint. Therefore, we have nominated him as a candidate for the position of Director and Audit Committee Member.	
	Special interest	There is no special interest between the company	

Candidate Number	Name (Date of Birth)	Brief personal history, position in us, and responsibility [status of important concurrent positions]	Own Number of our shares
2	<p>Tomohiro Obata (Born October 15, 1975) [Candidates for Audit Committee Member]</p> <div style="display: flex; justify-content: space-around; width: 100px;"> <div style="border: 1px solid black; padding: 2px;">Reappointment</div> <div style="border: 1px solid black; padding: 2px;">Outside the Company</div> <div style="border: 1px solid black; padding: 2px;">Independent</div> </div>	<p>Oct 2005 Registered as a lawyer (Daini Tokyo Bar Association)  Oct 2005 Joined Hiraide Law Office (currently Hiraide &amp; Takahashi Law Office)  Jan 2012 Co-established Ohta &amp; Obata Law Office, Representative of Tokyo Office  Jun 2013 Outside Corporate Auditor, RS Technology, Inc.  Nov 2015 Outside Director of Tohoku Enterprise  Jun 2016 Outside Corporate Auditor of the Company  May 2020 Representative Partner of PLAZA Law Office (current)  May 2021 Outside Corporate Auditor of Paradigm Shift Corporation (current)  Sep 2021 Outside Director of the Company (Member of the Audit Committee) (current)</p>	3,800 shares
	Reasons for Audit Committee Member Candidates and Expected Roles	<p>He is a licensed attorney at law and has an extensive career and professional knowledge and experience in the legal field. We nominated him as a candidate for outside director as a member of the Audit and Supervisory Committee so that he can apply his knowledge and experience to the Company's Board of Directors structure. After his election, we expect that he will utilize his expertise as an attorney to strengthen the Company's overall management supervision function and conflict of interest supervision function, mainly from a legal perspective.</p>	
	Special interest	There is no special interest between the company	

Candidate Number	Name (Date of Birth)	Brief personal history, position in us, and responsibility [status of important concurrent positions]	Own Number of our shares
3	Hiroshi Kamada  (Born Feb 20, 1957) [Candidates for Audit Committee Member]	Apr 1979 Joined Hayasaka Accounting Office May 1980 Joined France Vette Sales Apr 1982 Joined Hokkaido Commerce and Industry Guidance Center Apr 1986 Registered as a small and medium-sized enterprise diagnostician (Commerce 208717) Apr 2000 Joined Hokkaido Small and Medium Business Support Center (currently Hokkaido Small and Medium Business Support Center) Apr 2015 Director of the Corporate Promotion Department Apr 2016 Counselor, Management Support Department, Hokkaido Small and Medium Business Support Center Apr 2017 Representative of Office K. (current) Apr 2017 Outside Corporate Auditor of the Company Dec 2020 Auditor of MI Foundation (current) Sep 2021 Outside Director of the Company (Audit Committee Member) (current)	- shares
	Reappointment Outside the Company Independent		
	Reasons for Audit Committee Member Candidates and Expected Roles	He is nominated as a candidate for Outside Director as a member of the Audit Committee because we expect him to supervise the overall management of the Company from an objective perspective and provide accurate advice based on his extensive knowledge and experience in business management. After his election, we expect him to utilize his expertise as a person with management experience to make comments at meetings of the Board of Directors, etc. concerning the formulation of management plans, etc., mainly from a managerial perspective, and to supervise the progress of management plans, etc.	
	Special interest	There is no special interest between the company	

(NOTE)

1. For "Number of Shares of the Company Owned," the numbers of shares held as of June 30, 2023, for the respective candidates are shown.
2. Tomohiro Obata and Hiroshi Kamada are candidates for outside independent directors and members of the Audit Committee. If both are elected as directors, the Company will continue to appoint them as independent directors as stipulated by the Tokyo Stock Exchange and the Sapporo Stock Exchange.
3. Tomohiro Obata and Hiroshi Kamada are currently outside directors (Audit & Supervisory Board Member) of the Company and will have been in office as outside Audit & Supervisory Board Members for two years for Mr. Tomohiro Obata and two years for Mr. Hiroshi Kamada at the conclusion of this General Meeting of Shareholders.
4. We have an officer liability insurance contract with the insurance company, and in the event each candidate is elected as a director, we shall become the insured under the such insurance contract. It will be updated in the next update. Please refer to page 19 of the business report for an insurance policy outline.
5. We have stipulated in the Articles of Incorporation that we may enter into a limited liability agreement with outside directors to limit their liability for damages as stipulated in Paragraph 1 of Article 423 of the Companies Act in accordance with the provisions of Paragraph 1 of Article 427 of the same Act, in order to attract appropriate personnel with a high degree of independence as outside directors. As a result, Tomohiro Obata and Hiroshi Kamada have concluded a limited liability agreement with us to limit their liability to the amount stipulated by laws and regulations, and if the reappointment of both of them is approved, we plan to continue the above limited liability agreement.

(Reference) Skill matrix of directors

	Audit and Supervisory Committee Member	Outside Directors and Auditors	Corporate management	Understanding of our business	ESG · SDGs	Financial accounting	Human Resources and Labor	Legal compliance	Sales strategy marketing	New business technologies	Diversity (age/nationality/sex)
Masanori Inomata			●	●	●	●	●	●	●	●	
Takafumi Hamauzu			●	●	●	●	●	●	●		
Hisashi Kaneko				●					●	●	
Mie Ishimaru			●	●		●	●	●			●
Nobuyuki Shinoda		●	●				●	●	●		
Chikako Shimahata		●	●		●		●	●			●
Daisuke Ishikawa				●					●		●
Tetsuo Tatsuta	●		●	●				●			
Tomohiro Obata	●	●	●					●			
Hiroshi Kamada	●	●	●					●			

#### **Proposal No.4: Revision of Remuneration for Directors Other Than Audit Committee Members in the Form of Stock Compensation**

The Company resolved at the 22nd Ordinary General Meeting of Shareholders held on September 28, 2021 that the amount of monetary remuneration for directors other than those who are members of the Audit Committee shall be no more than 350 million yen per year (50 million yen per year for outside directors, but not including the portion of employee salaries for directors who serve concurrently as employees).

The amount of salary of outside directors shall not exceed 350 million yen per year (including 50 million yen per year for outside directors, but not including the salary for employees of directors who concurrently serve as employees). The Company's Board of Directors approved at the same Ordinary General Meeting of Shareholders a proposal to introduce a short-term stock compensation plan (hereinafter referred to as "Subject Director I") for directors other than those who are members of the Audit Committee (excluding outside directors), which is separate from the said compensation plan.

The Company resolved at the Ordinary General Meeting of Shareholders to introduce a short-term stock compensation plan ("Plan I") for directors other than those who are members of the Audit and Supervisory Committee and for directors who are members of the Audit and Supervisory Committee, separately from such compensation. The long-term stock compensation plan for directors other than directors who are members of the Audit and Supervisory Committee (hereinafter referred to as "Subject Director II," and together with Subject Director I, "Subject Directors") (hereinafter referred to as "Long-term Stock Compensation Plan I").

The Company will introduce a long-term stock compensation plan (hereinafter referred to as "Plan II" and together with Plan I, the "Plan") for directors other than directors who are members of the Audit and Supervisory Committee (hereinafter referred to as "Subject Directors II" and together with Subject Director I, the "Subject Directors"). The maximum amount of compensation for each service period under Plan I shall be 50 million yen or less, the total number of shares of common stock of the Company to be issued or disposed of Subject Director I for each service period shall be 15,000 shares or less, the maximum amount of compensation for each service period under Plan II shall be 100 million yen (including 10 million yen for all Outside Directors), and the maximum amount of compensation for each service period under Plan II shall be 10 million yen. The total number of shares of the Company's common stock to be issued or disposed of to subject Director II for each service period shall not exceed 23,000 shares (of which 1,400 shares shall be issued to all outside directors).

In light of the recent significant fluctuations in the Company's stock price compared to the time of introduction of this plan due to changes in the global market environment and other factors, the Board of Directors of the Company has approved this plan in order to clarify the linkage between the compensation of subject directors and the Company's performance and stock value, thereby providing incentives to continuously improve the Company's corporate value, as well as to further enhance the relationship between subject directors and all shareholders. In order to maintain the purpose of the Plan, which is to further promote value sharing between the Directors and shareholders, we request your approval to increase the maximum total number of shares of common stock of the Company to be issued or disposed of to the Subject Directors under the Plan. Specifically, the total number of shares of common stock of the Company to be issued or disposed of to Subject Director I under this Plan I for each service period shall not exceed 56,000 shares, and the total number of shares of common stock of the Company to be issued or disposed of to Subject Director II under this Plan II for each service period shall not exceed 112,000 shares (including 12,000 shares for all Outside Directors).

The total number of shares of the Company's common stock to be issued or disposed of to the subject Director II under this Plan II for each service period shall be 112,000 shares (including 12,000 shares for all Outside Directors). However, if the total number of outstanding shares of the Company is increased or decreased due to a reverse stock split or stock consolidation (including gratis allotment of shares), the above maximum number of shares shall be adjusted in accordance with the following formula. The maximum number of shares to be issued shall be adjusted in accordance with the abovementioned ratio.

This proposal is because the Company's stock price has fluctuated significantly since the introduction of this plan due to changes in the global market environment, etc. Therefore, while the maximum total number of shares of common stock of the Company to be issued or disposed of to the Subject Directors under this plan will be increased, the total amount of compensation to be granted to the Subject Directors under this plan will not be increased. The Company has not raised the total amount of compensation to be granted to Directors under the Plan. This proposal is also in line with the Company's policy on the determination of the content of individual remuneration, etc. for Directors (for an overview of the policy, please refer to "Business Report 4. The policy is necessary and reasonable to grant remuneration to subject directors in accordance with the "Regulations on Remuneration, etc. for Directors (4) Delegation of Determination of Details of Individual Remuneration, etc. for Directors" in "4. Furthermore, the ratio of the maximum number of shares to be issued or disposed of in a year under each of the Plan I and Plan II to the total number of outstanding shares (as of June 30, 2023) is approximately 0.27% under Plan I and approximately 0.54% under Plan II, respectively, and the dilution ratio is minimal.

If Proposal 2 is approved as originally proposed, there will continue to be 5 subject Directors I and 7 subject Directors II.

## **Proposal No.5: Revision of Remuneration for Directors who are Audit Committee Members in relation to Stock-based Remuneration**

The Company resolved at the 22nd Ordinary General Meeting of Shareholders held on September 28, 2021 that the amount of monetary remuneration for directors who are members of the Audit and Supervisory Committee of the Company shall be 60 million yen or less per year, and at the same Ordinary General Meeting of Shareholders, a stock compensation plan (hereinafter referred to as the "Plan") for directors who are members of the Audit and Supervisory Committee (hereinafter referred to as "Subject Directors") was established separately from such amount. The Company will introduce a stock compensation plan (the "Plan") for directors who are members of the Audit and Supervisory Board (the "Subject Directors"), separately from the compensation amount, at the same ordinary general meeting of shareholders. The maximum amount of compensation under the Plan for each service period shall be 20 million yen or less, and the total number of shares of common stock of the Company to be issued or disposed of to the Subject Directors for each service period shall be 4,000 shares or less.

In light of the recent significant fluctuations in the Company's stock price compared to the time of introduction of this plan due to changes in the global market environment and other factors, and in order to maintain the purpose of this plan, which is to prevent damage to the Company's corporate value and provide incentives for maintaining the Company's credibility by sharing value with shareholders, the Board of Directors of the Company has approved a resolution that the total number of shares of common stock of the Company to be issued or disposed of to subject directors under this plan shall not exceed 1,000,000 yen. The Company requests your approval to increase the maximum total number of shares of common stock of the Company to be issued or disposed of to the Subject Directors under the Plan.

Specifically, the Company proposes that the total number of shares of common stock of the Company to be issued or disposed of to the Subject Directors under the Plan for each Service Period shall be 23,000 shares or less. However, if the total number of issued shares of the Company increases or decreases due to a reverse stock split or a stock split (including gratis allotment of shares), the above upper limit shall apply. The maximum number of shares shall be adjusted in accordance with such ratio. The specific timing and distribution of the payment to each subject director (including the base amount of stock-based compensation by position) shall be determined upon consultation with the subject directors. The details of this plan, except for the above details, will be determined through discussions among the Subject Directors.

The details of this plan will remain as they are now, except for the above-mentioned details.

This proposal is based on the fact that the Company's stock price has fluctuated significantly since the introduction of this plan in response to changes in the global market environment and other factors, and while the maximum total number of shares of common stock of the Company to be issued or disposed of to the Subject Directors under this plan will be increased, the total amount of compensation to be granted to the Subject Directors under this plan will not be increased. The Company has not raised the total amount of compensation to be granted to subject Directors under the Plan. The ratio of the maximum number of shares to be issued or disposed of in a year under the Plan to the total number of shares issued and outstanding (as of June 30, 2023) is approximately 0.11%, and the dilution ratio is minimal.

Therefore, the Company believes that the content of this proposal is appropriate.

If Proposal 3 is approved as originally proposed, there will continue to be three subject directors.