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To Our Shareholders,

Securities Code: 9270

November 9, 2021

1-2-70 Konan, Minato-ku, Tokyo

Shinagawa Season Terrace 28F

Valuence Holdings Inc.

Representative Director
and President

Shinsuke Sakimoto

Convocation Notice for the 10th Ordinary General Meeting of Shareholders

Dear Valuence Holdings Inc. Shareholders,

You are hereby notified that the 10th Ordinary General Meeting of Shareholders of Valuence Holdings Inc. (the "Company") will be held as follows.

If you choose not to attend the meeting in person, you can exercise your voting rights by either of the methods on the right. Please review the attached Reference Materials for the General Meeting of Shareholders and exercise your voting rights by 7:00 PM on Wednesday, November 24, 2021 (Japan Standard Time).

1. Date and time	Thursday, November 25, 2021; 10:00 AM (reception opens at 9:00 AM)
2. Venue	1-2-70 Konan, Minato-ku, Tokyo Shinagawa Season Terrace 3F Shinagawa Season Terrace Conference (Please take care not to mistake the meeting venue. It is in the same building as the previous year, but the floor and room are different.)

3. Meeting agenda	Reports	<ol style="list-style-type: none"> 1. Business Report, Consolidated Financial Statements, and Audit Report on the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee for 10th Fiscal Year (from September 1, 2020 to August 31, 2021) 2. Financial statements for the 10th Fiscal Year (from September 1, 2020 to August 31, 2021)
	Matters to be resolved	<ol style="list-style-type: none"> No. 1 Partial amendment to the Articles of Incorporation No. 2 Election of six Directors (excluding Directors who are Audit and Supervisory Committee Members) No. 3 Election of three Directors who are Audit and Supervisory Committee Members No. 4 Revision of remuneration for allocation of restricted stock to Directors (excluding Directors who are Audit and Supervisory Committee Members) No. 5 Delegation of the determination of subscription requirements for the stock acquisition rights to be issued as stock options to the Board of Directors No. 6 Final payment of retirement benefits upon abolition of the retirement benefit system for Directors and Audit and Supervisory Committee Members

Exercise of Voting Rights

If you choose not to attend the General Meeting of Shareholders



Exercise of voting rights in writing

Please indicate your approval or disapproval of resolutions on the voting form (enclosed) and return it by mail.

**Deadline to exercise
voting rights**

Voting forms must be received by 7:00 PM on
Wednesday, November 24, 2021



Exercise of voting rights via the internet

Please access the voting rights exercise website designated by the Company (<https://www.web54.net>) and enter your approval or disapproval of resolutions in accordance with the instructions onscreen.

**Deadline to exercise
voting rights**

Wednesday, November 24, 2021; 7:00 PM

If you choose to attend the General Meeting of Shareholders



Attendance at the General Meeting of Shareholders

Please bring your voting form (enclosed) and submit it at the meeting reception desk. In addition, please bring this booklet as an agenda for the meeting.

**Date and time of the
meeting**

Thursday, November 25, 2021; 10:00 AM
(reception opens at 9:00 AM)

If attending the General Meeting of Shareholders, please submit your voting form (enclosed) at the meeting reception desk. Your temperature will be measured at the entrance to the meeting venue using a non-contact thermometer. Persons who appear unwell or who are not wearing a mask may be refused entry to the venue.

The Company may be forced to change the meeting venue, the start time of the meeting, and other details owing to future circumstances. In this case, the relevant information will be published on the Company's website (<https://www.valuence.inc/ir/>), so please confirm the details there

Notes

- * If voting rights are exercised both in writing and via the internet, the votes submitted via the internet will be treated as valid, regardless of when the votes are received.
- * If voting rights are exercised multiple times via the internet, the final votes submitted will be treated as valid.
- * Any connection fees payable to providers, telecommunications fees payable to telecommunications carriers, and other expenses incurred when using the voting rights exercise website will be borne by the shareholder.

- © Any revisions to the Reference Materials for the General Meeting of Shareholders, Business Report, Financial Statements, or Consolidated Financial Statements will be published on the Company's website (<https://www.valuence.inc/ir/>).
- © Of the documents to be provided with this convocation notice, "Matters related to Stock Acquisition Rights, etc. of the Company", "System to Ensure Appropriate Business Management", and "Operating Status of System to Ensure Appropriate Business Management" (Business Report), "Consolidated Statement of Changes in Shareholders' Equity" and "Notes to Consolidated Financial Statements" (Consolidated Financial Statements), and "Statement of Changes in Shareholders' Equity"

- and "Notes to Financial Statements" (Financial Statements) have been published on the Company's website (<https://www.valuence.inc/ir/>) in conformance with the relevant laws and regulations as well as Article 15 of the Company's Articles of Incorporation, and therefore are not provided in this convocation notice.
- © The Consolidated Financial Statements and Financial Statements audited by the Audit and Supervisory Committee and the Accounting Auditor, and Business Report audited by the Audit and Supervisory Committee consist of each document attached to this convocation notice, in addition to the above items published on the Company's website.

The Company will not provide any gifts or refreshments to attendees of the General Meeting of Shareholders. Thank you for your understanding.

Proposal
No. 1

Partial amendment to the Articles of Incorporation

1. Reasons for proposal

Business purposes are proposed to be added to Article 2 (Purposes) of the existing the Articles of Incorporation to respond to future diversification of the Company's businesses.

2. Amendment details

The following are the proposed revisions to the Company's Articles of Incorporation.

(Underlined text indicates text to be changed)

Current Articles of Incorporation	Proposed Amendment
<p style="text-align: center;">Chapter 1 General Provisions</p> <p>Article 1 <Text omitted></p> <p>(Purposes)</p> <p>Article 2 The purpose of the Company shall be to engage in supervision and management of the business activities of the companies in question through the holding of shares and/or equity in companies that conduct the following businesses and overseas companies that conduct equivalent businesses.</p> <ol style="list-style-type: none"> 1. Purchase and sale, rent, sublease, and related intermediary services related to precious metals, bullion, watches, gems, antiques, art works, and other personal property; auction market and online auction operations 2. Purchase and sale, rent, sublease, and related intermediary services related to real estate; auction market and online auction operations 3. Purchase and sale of alcoholic beverages <New text> <u>4.</u> Management of nonlife insurance agency offices <New text> <p style="text-align: center;"><New text></p> <ol style="list-style-type: none"> <u>5.</u> Internet media business <u>6.</u> Internet advertising business <u>7.</u> Planning, development, and sales of internet-related businesses and products <u>8.</u> IT systems construction and consulting business 	<p style="text-align: center;">Chapter 1 General Provisions</p> <p>Article 1 <As currently adopted></p> <p>(Purposes)</p> <p>Article 2 The purpose of the Company shall be to engage in supervision and management of the business activities of the companies in question through the holding of shares and/or equity in companies that conduct the following businesses and overseas companies that conduct equivalent businesses.</p> <ol style="list-style-type: none"> 1. Purchase and sale, rent, sublease, and related intermediary services related to precious metals, bullion, watches, gems, antiques, art works, and other personal property; auction market and online auction operations 2. Purchase and sale, rent, sublease, and related intermediary services related to real estate; auction market and online auction operations 3. Purchase and sale of alcoholic beverages <u>4. Management of restaurants</u> <u>5. Management of nonlife insurance agency offices</u> <u>6. Businesses and consulting related to the sports and entertainment industries</u> <u>7. Maintenance, protection, and management of intellectual property rights (copyrights, patent rights, trademark rights, utility model rights, design rights, etc.)</u> <u>8.</u> Internet media business <u>9.</u> Internet advertising business <u>10.</u> Planning, development, and sales of internet-related businesses and products <u>11.</u> IT systems construction and consulting business

Current Articles of Incorporation	Proposed Amendment
<p><u>9.</u> Systems development and sales websites related to electronic commerce, systems planning, operations, management, production, sales, and consulting <New text></p> <p><New text></p> <p><u>10.</u> Planning, production, sales, and consulting related to packaging, catalogs, flyers, direct mail, posters, etc.</p> <p><u>11.</u> All business incidental to each of the above items</p> <p>Article 3 through Article 35 <Text omitted></p>	<p><u>12.</u> Systems development and sales websites related to electronic commerce, systems planning, operations, management, production, sales, and consulting</p> <p><u>13. Planning, development, production, sales, operation, and management of blockchain-related systems</u></p> <p><u>14. Investment and incubation of venture capital and start-up companies</u></p> <p><u>15.</u> Planning, production, sales, and consulting related to packaging, catalogs, flyers, direct mail, posters, etc.</p> <p><u>16.</u> All business incidental to each of the above items</p> <p>Article 3 through Article 35 <As currently adopted></p>

Election of six Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all five Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter, the same applies in this proposal) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, we ask for your election of six Directors, increasing the number of Outside Directors by one, in order to ensure the transparency of management and further strengthen corporate governance.

The candidates for Directors are as described below.

Candidate no.	Name	Current title and purview with the Company	Candidate attributes	Attendance at Board of Directors' meetings
1	Shinsuke Sakimoto	Representative Director and President	Reelection	100% (17/17)
2	Susumu Muguruma	Director	Reelection	100% (14/14)
3	Shinichiro Sato	Director; Executive Officer; and General Manager, Corporate Strategy Head Office	Reelection	100% (14/14)
4	Hiroki Tomiyama	Outside Director	Reelection Outside Director Independent Officer	100% (14/14)
5	Yoshihiko Takubo	Outside Director	Reelection Outside Director Independent Officer	100% (14/14)
6	Kenji Fuma	—	New election Outside Director	—

(Note) Mr. Susumu Muguruma, Mr. Shinichiro Sato, Mr. Hiroki Tomiyama, and Mr. Yoshihiko Takubo became newly elected Directors at the 9th Ordinary General Meeting of Shareholders held on November 20, 2020. Their attendance at Board of Directors' meetings represent meetings held since their election.



Tenure as Director (as of the conclusion of this General Meeting of Shareholders)

9 years 11 months

Number of the Company's shares owned

454,100 shares

Attendance at Board of Directors' meetings

100% (17/17)

Career summary, titles, and purview

2004	June	Managing Director, MKS Corporation (currently DOROQUIA HOLATHETA Co., Ltd.)
2011	December	Established SOU Inc. (currently the Company), named Representative Director and President (current position)
2012	January	Director, IO Co., Ltd. (currently PALDA Co., Ltd.)
2012	March	Director, DOROQUIA HOLATHETA Co. Ltd.
2014	July	Director, IBQLO Co., Ltd. (currently DOROQUIA HOLATHETA Co., Ltd.)
2014	September	Representative Director, BRAND CONCIER (currently the Company)
2015	September	Representative Director, Star Buyers Limited (currently Valuence International Limited)
2017	March	Representative Director, Hakkoudo Inc. (currently Valuence Art & Antiques Inc.)
2019	March	Director, Star Buyers Limited (currently Valuence International Limited)
2019	August	Representative Director, FAN AND Co., Ltd. (currently Dual Career Inc.)
2019	September	Representative Director, SOU Preparatory Split Company Inc. (currently Valuence Japan Inc.)
2019	November	Director, SOU Technologies Inc. (currently Valuence Technologies Inc.) (current position)
2020	March	Director, Valuence Japan Inc. (current position) Director, Valuence Real Estate Inc. (current position)
2020	September	Director, Valuence Art & Antiques Inc.
2021	March	Representative Director, Valuence Ventures Inc. (current position)
2021	August	Director, Nankatsu SC Co., Ltd. (current position)

Significant concurrent positions

Director, Valuence Technologies Inc.
 Director, Valuence Japan Inc.
 Director, Valuence Real Estate Inc.
 Representative Director, Valuence Ventures Inc.
 Director, Nankatsu SC Co., Ltd.

Reasons for nomination as a Director candidate

Mr. Shinsuke Sakimoto has led management of the Company's Group as Representative Director and President of the Company since December 2011. He possesses a broad range of knowledge of the business as a whole and a wealth of experience and achievements. As Representative Director and President of the Company, he has played a significant role in terms of both decision-making and the supervision of business execution. In order to further strengthen the enhancement of corporate value under his clear leadership amid major changes in the business environment, we have named him again as a candidate for Director.

Candidate no.

2

Susumu Muguruma

Born July 21, 1971

Reelection



Tenure as Director (as of the conclusion of this General Meeting of Shareholders)

1 year

Number of the Company's shares owned

27,500 shares

Attendance at Board of Directors' meetings

100% (14/14)

Career summary, titles, and purview

2017	August	Joined Amazon Japan G.K.
2018	September	Joined SOU Inc. (currently the Company), named General Manager, Overseas Business Head Office and Division Manager, Overseas Business Strategy Division
2019	March	Director, Star Buyers Limited (currently Valence International Limited) General Manager, Overseas Business Head Office and General Manager, Hong Kong Business Division, the Company
2019	June	Representative Director, Star Buyers Limited (currently Valence International Limited) (current position) General Manager, Overseas Business Head Office and General Manager, Hong Kong Business Division, the Company
2019	September	General Manager, Sales Management Head Office; General Manager, Overseas Business Head Office; and Division Manager, China Business Promotion Division, SOU Inc. (currently the Company)
2020	March	Office Manager, Overseas Subsidiary Management Office, the Company
2020	September	Director and Executive Deputy President, Valence Japan Inc. (current position)
2020	November	Representative Director and President, Valence Japan Inc. (current position) Director, the Company (current position)

Significant concurrent positions

Representative Director, Valence International Limited
Representative Director and President, Valence Japan Inc.

Reasons for nomination as a Director candidate

Mr. Susumu Muguruma possesses superior knowledge and achievements in business fields in Japan and overseas and is responsible for the overseas strategy and business strategy as a whole of the Company's Group, and drives the growth of the Company's Group by leading the creation of revolutionary business plans and creation of businesses based on these plans. Based on these achievements, we have named him again as a candidate for Director.

Candidate no.

3

Shinichiro Sato

Born September 1, 1968

Reelection



Tenure as Director (as of the conclusion of this General Meeting of Shareholders)

1 year

Number of the Company's shares owned

2,600 shares

Attendance at Board of Directors' meetings

100% (14/14)

Career summary, titles, and purview

2015	January	Joined Digital Garage, Inc.
2020	May	Joined the Company, named General Manager, Corporate Planning & Management Head Office
2020	June	General Manager, Corporate Planning & Management Head Office and Division Manager, Human Resources Division, the Company
2020	September	Executive Officer; General Manager, Corporate Planning & Management Head Office; and Division Manager, Human Resources Division, the Company
		Director (current position); General Manager, Corporate Planning & Administration Head Office; and Division Manager, Corporate Planning Division, Valence Japan Inc.
2020	November	Director, Valence Real Estate Inc. (current position)
2021	March	Director; Executive Officer; and General Manager, Corporate Strategy Head Office, the Company (current position)
2021	September	Director, Valence Ventures Inc. (current position)
		Director, Valence Technologies Inc. (current position)

Significant concurrent positions

Director, Valence Japan Inc.
Director, Valence Real Estate Inc.
Director, Valence Ventures Inc.
Director, Valence Technologies Inc.

Reasons for nomination as a Director candidate

Mr. Shinichiro Sato possesses a wealth of experience and a broad range of knowledge in all aspects of corporate management. He contributes to the decision-making of the Board of Directors and the supervision of business execution through this experience and knowledge, and thus contributes to the enhancement of the corporate value of the Company's Group. Based on these achievements, we have named him again as a candidate for Director.

Candidate no.

4

Hiroki Tomiyama

Born September 5, 1976

Reelection

Outside
DirectorIndependent
Officer

Tenure as Director (as of the conclusion of this General Meeting of Shareholders)

1 year

Number of the Company's shares owned

—

Attendance at Board of Directors' meetings

100% (14/14)

Career summary, titles, and purview

1999	April	Joined Daika Kabushiki Kaisha (currently ARATA CORPORATION)
2007	October	Joined SAPPORO DRUG STORE CO., LTD.
2015	May	Representative Director and President, SAPPORO DRUG STORE CO., LTD.
2016	February	Director and Executive Deputy President, EZODEN Co., Ltd. (current position)
2016	August	Established SATUDORA HOLDINGS CO., LTD., named Representative Director and President
2019	July	Representative Director, Chairman, and CEO, Regional Marketing Co., Ltd. (current position)
		Director and Chairman, GRIT WORKS, Inc. (current position)
		Director, CoelaQanth, Inc. (current position)
		Director and CMO, AWL, Inc.
2020	August	Representative Director, President, and CEO, SATUDORA HOLDINGS CO., LTD. (current position)
		Representative Director, President, CEO, SAPPORO DRUG STORE CO., LTD. (current position)
2020	November	Outside Director, the Company (current position)
		Director, RxR Innovation Initiative CO., LTD. (current position)
		Outside Director, Demae-can Co., Ltd. (current position)
2021	April	Outside Director, AWL, Inc. (current position)

Significant concurrent positions

Director and Executive Deputy President, EZODEN Co., Ltd.
 Representative Director, Chairman, and CEO, Regional Marketing Co., Ltd.
 Director and Chairman, GRIT WORKS, Inc.
 Director, CoelaQanth, Inc.
 Representative Director, President, and CEO, SATUDORA HOLDINGS CO., LTD.
 Representative Director, President, CEO, SAPPORO DRUG STORE CO., LTD.
 Director, RxR Innovation Initiative CO., LTD.
 Outside Director, Demae-can Co., Ltd.
 Outside Director, AWL, Inc.

Reasons for nomination as an Outside Director candidate and summary of expected roles

Mr. Hiroki Tomiyama possesses a wealth of experience and knowledge as a corporate manager at other companies. He is expected to continue to utilize his experience and knowledge to enhance the soundness and transparency of decision-making at the Company, etc. through his effective advice on the management of the Company as a whole. Accordingly, we have named him again as a candidate for Outside Director.

Candidate no.

5

Yoshihiko Takubo

Born April 24, 1970

Reelection

Outside
Director

Independent
Officer



Tenure as Director (as of the conclusion of this General Meeting of Shareholders)

1 year

Number of the Company's shares owned

2,400 shares

Attendance at Board of Directors' meetings

100% (14/14)

Career summary, titles, and purview

1995	April	Joined Mitsubishi Research Institute, Inc.
2003	May	Joined GLOBIS CORPORATION
2006	April	Assistant Professor, Management Graduate Course, Graduate School of Management, GLOBIS University
2006	July	Managing Director, GLOBIS CORPORATION (current position)
2008	April	Deputy Graduate Course Dean and Professor, Management Graduate Course, Graduate School of Management, GLOBIS University
2009	December	Managing Director, GLOBIS Graduate School of Management, Incorporated Educational Institution (current position)
2012	April	Graduate Course Dean and Professor, Management Graduate Course, Graduate School of Management, GLOBIS University (current position)
2013	April	Director, KEIZAI DOYUKAI (Japan Association of Corporate Executives) (current position)
2016	March	Outside Director, World Mode Holdings Co., Ltd. (current position)
2020	August	Director, Alba Edu Inc. (current position)
2020	October	Outside Director, Your mystar, Inc. (current position)
2020	November	Outside Director, the Company (current position)

Significant concurrent positions

Managing Director, GLOBIS CORPORATION
Managing Director, GLOBIS Graduate School of Management, Incorporated Educational Institution
Graduate Course Dean and Professor, Management Graduate Course, Graduate School of Management, GLOBIS University
Director, KEIZAI DOYUKAI (Japan Association of Corporate Executives)
Outside Director, World Mode Holdings Co., Ltd.
Director, Alba Edu Inc.
Outside Director, Your mystar, Inc.

Reasons for nomination as an Outside Director candidate and summary of expected roles

Mr. Yoshihiko Takubo has developed expert knowledge in management as Professor at the Graduate School of Management, GLOBIS University over many years, and possesses deep knowledge regarding the environment surrounding corporate management. He is expected to continue to monitor the management of the Company based on his knowledge and experience, while also contributing to the further growth of the Company's Group by providing advice on the Company's management as a whole. Accordingly, we have named him again as a candidate for Outside Director.

Candidate no.

6

Kenji Fuma

Born March 27, 1980

New
election

Outside
Director



Tenure as Director (as of the conclusion of this General Meeting of Shareholders)

—

Number of the Company's shares owned

—

Attendance at Board of Directors' meetings

—

Career summary, titles, and purview

2004	April	Joined Recruit Ablic Inc. (currently Recruit Co., Ltd.)
2013	July	Representative Director, CEO, Neural Inc. (current position)
2019	July	Councilor, Thunderbird School of Global Management General Incorporated Foundation (current position)
2020	June	Trustee, NPO WaterAid Japan (current position)
2021	February	Co-opted Member, Executive Committee, JAPAN PROFESSIONAL FOOTBALL LEAGUE (current position)

Significant concurrent positions

Representative Director, CEO, Neural Inc.
Councilor, Thunderbird School of Global Management General Incorporated Foundation
Trustee, NPO WaterAid Japan
Co-opted Member, Executive Committee, JAPAN PROFESSIONAL FOOTBALL LEAGUE

Reasons for nomination as an Outside Director candidate and summary of expected roles

Mr. Kenji Fuma has managed a company that provides advisory services related to sustainability and ESG investment since 2013, and is active in many ways related to these themes, including lecturing at the World Bank, United Nations University, etc. He also serves on expert panels at central government agencies in Japan. He can be expected to further strengthen the ESG systems of the Company's Group by providing advice related to all aspects of the Company's sustainability and ESG initiatives. Accordingly, we have newly named him as a candidate for Outside Director.

- (Notes)
1. No special relationships exist between the candidates and the Company.
 2. Mr. Hiroki Tomiyama, Mr. Yoshihiko Takubo, and Mr. Kenji Fuma are Outside Director candidates.
 3. Although each candidate serves concurrently as Director at other companies, no special relationships exist with the Company.
 4. The Company has executed liability limitation agreements with Outside Directors Mr. Hiroki Tomiyama and Mr. Yoshihiko Takubo to limit their liability for compensation of damages in Article 423, Paragraph 1 of the Companies Act, and the maximum amount of liability shall be the minimum amount of liability determined in Article 425, Paragraph 1 of the Companies Act if they have performed their duties in good faith and without gross negligence. In the event the elections of Mr. Hiroki Tomiyama and Mr. Yoshihiko Takubo are approved, the Company intends to continue the liability limitation agreements with these two persons. In addition, in the event the election of Kenji Fuma is approved, the Company intends to execute the same liability limitation agreement with him.
 5. The Company has designated Mr. Hiroki Tomiyama and Mr. Yoshihiko Takubo as Independent Officers based on the provisions of the Tokyo Stock Exchange via filings with the Stock Exchange, and if the elections of these two persons are approved, the Company intends to continue to designate them as Independent Officers.
 6. The Company has entered into a directors and officers liability insurance contract with an insurance company to insure Directors, Executive Officers, and Auditors of the Company or its subsidiaries. The insured person shall receive compensation for the damage arising from their liability borne from performance of their duties or the damage arising from claims in pursuit of that liability. The insurance premiums are fully borne by the Company. However, a claim for losses or damage an insured person has caused intentionally or with gross negligence will not be covered by the above-mentioned insurance contract. If the candidates assume the office of Director, each of them will be insured under the insurance contract, which is to be renewed in May 2022.

Election of three Directors who are Audit and Supervisory Committee Members

The terms of office of three Directors who are Audit and Supervisory Committee Members, namely Mr. Masahide Kamachi, Mr. Kiyohito Hamada, and Mr. Takashi Goto, will expire at the conclusion of this General Meeting of Shareholders. Accordingly, we ask for your election of three Directors who are Audit and Supervisory Committee Members.

Furthermore, the consent of the Audit and Supervisory Committee has been obtained in regard to this proposal.

The candidates for Directors who are Audit and Supervisory Committee Members are as described below.

Candidate no.	Name	Current title and purview with the Company	Candidate attributes	Attendance at Board of Directors' meetings
1	Masahide Kamachi	Outside Director	Reelection	100% (17/17)
			Outside Director	
			Independent Officer	
2	Takashi Goto	Outside Director	Reelection	100% (17/17)
			Outside Director	
			Independent Officer	
3	Emi Omura	—	New election	—
			Outside Director	
			Independent Officer	

Candidate no.

1

Masahide Kamachi

Born May 18, 1981

Reelection

Outside
Director

Independent
Officer



Tenure as Director (as of the conclusion of this General Meeting of Shareholders)

2 years

Number of the Company's shares owned

15,240 shares

Attendance at Board of Directors' meetings

100% (17/17)

Career summary, titles, and purview

2005	November	Joined Chuo Aoyama Tax Accountants (currently PwC Tax Japan)
2009	September	Registered as a Certified Public Accountant
2014	December	Registered as a Certified Tax Accountant
2016	November	Established Kamachi Certified Public Accountants Office, named Partner (current position)
2016	November	Managing Partner, Kamachi Certified Tax Accountants Office (current position)
2016	November	Director, the Company (non-executive director)
2017	January	Representative Director, WILL CONSULTING (current position)
2017	March	Outside Auditor, Medley Inc. (current position)
2017	May	Outside Auditor, CHIBO Corporation
2018	September	Outside Director, CHIBO Holdings Co., Ltd. (current position)
2019	November	Outside Director, Audit and Supervisory Committee Member, the Company (current position)
2019	November	Director, Valence Technologies Inc.
2020	April	Full-time Associate Professor, Graduate School of Management, GLOBIS University (current position)

Significant concurrent positions

Partner, Kamachi Certified Public Accountants Office
 Managing Partner, Kamachi Certified Tax Accountants Office
 Representative Director, WILL CONSULTING
 Outside Auditor, Medley Inc.
 Outside Director, CHIBO Holdings Co., Ltd.
 Full-time Associate Professor, Graduate School of Management, GLOBIS University

Reasons for nomination as an Outside Director candidate and summary of expected roles

Mr. Masahide Kamachi possesses advanced expert knowledge developed as a certified public accountant, and in our judgment, he can be expected to play a significant role in the supervision of business execution, etc., as an Audit and Supervisory Committee Member by utilizing his wealth of experience as an outside officer at other companies. Accordingly, we have named him again as a candidate for Outside Director who is an Audit and Supervisory Committee Member.

Candidate no.

2

Takashi Goto

Born June 28, 1979

Reelection

Outside
Director

Independent
Officer



Tenure as Director (as of the conclusion of this General Meeting of Shareholders)

2 years

Number of the Company's shares owned

—

Attendance at Board of Directors' meetings

100% (17/17)

Career summary, titles, and purview

2004	October	Registered as a Lawyer
2004	October	Joined Mori Hamada & Matsumoto
2008	July	Joined STW & Partners (currently Shiomizaka)
2010	January	Partner, STW & Partners (currently Shiomizaka, current position)
2015	December	Outside Auditor, PRAP Japan, Inc. (current position)
2016	June	Outside Auditor, Coreforth Co., Ltd. (current position)
2017	September	Outside Director, Machine Learning Solutions (current position)
2017	November	Auditor, the Company
2018	March	Outside Director, Edge Intelligence Systems (current position)
2018	May	Representative Director, Langsmith (current position)
2019	November	Outside Director, Audit and Supervisory Committee Member, the Company (current position)
		Outside Auditor, Valuence Technologies Inc.
2020	September	Director, Valuence Technologies Inc.
2021	July	Outside Auditor, OsidOri Inc. (current position)

Significant concurrent positions

Partner, Shiomizaka
 Outside Auditor, PRAP Japan, Inc.
 Outside Auditor, Coreforth Co., Ltd.
 Outside Director, Machine Learning Solutions
 Outside Director, Edge Intelligence Systems
 Representative Director, Langsmith
 Outside Auditor, OsidOri Inc.

Reasons for nomination as an Outside Director candidate and summary of expected roles

As a lawyer, Mr. Takashi Goto possesses a wealth of expert knowledge and experience (including experience in corporate management as a corporate director) in the law. Further, he combines significant knowledge and character for exercising administration over corporate management. In our judgment, Mr. Goto is expected to continue to accomplish a significant role in the oversight of business execution as an Audit and Supervisory Committee Member. Accordingly, we have named him again as a candidate for Outside Director who is an Audit and Supervisory Committee Member.



Tenure as Director (as of the conclusion of this General Meeting of Shareholders)

Number of the Company's shares owned

Attendance at Board of Directors' meetings

Career summary, titles, and purview

2002	October	Registered as a Lawyer
2002	October	Joined Minerva Law Office
2007	March	Registered as an attorney in New York State
2008	July	Partner, Athena Law Office
2010	September	Associate Expert, International Labour Office in Geneva, the International Labour Organization
2014	January	Director, Office of International Affairs, Japan Federation of Bar Associations
2014	September	Outside Director, Digital Garage, Inc. (current position)
2019	June	Joined Kamiyacho International Law Office
2021	April	Joined CLS Hibiya Tokyo Law Office (current position)

Significant concurrent positions

Outside Director, Digital Garage, Inc.

Reasons for nomination as an Outside Director candidate and summary of expected roles

Ms. Emi Omura possesses knowledge developed through many years of experience as an attorney, as well as advanced insight related to international law from her time working at an international institution. She can be expected to actively offer her opinions concerning the Company's Group's future global development and ESG initiatives. Accordingly, we have named her as a new candidate for Outside Director who is an Audit and Supervisory Committee Member. Furthermore, Ms. Omura does not have experience of direct participation in corporate management, other than as an outside officer, but given the reasons provided above, we believe she will properly execute her duties as an Outside Director.

- (Notes)
- No special relationships exist between the candidate and the Company.
 - Each candidate is an Outside Director candidate.
 - Although each candidate serves concurrently as Director and Auditor at other companies, no special relationships exist with the Company.
 - Mr. Masahide Kamachi is currently an Outside Director who is an Audit and Supervisory Committee Member of the Company. His term of service as an Outside Director will be five years as of the conclusion of this General Meeting of Shareholders, and his term of service as an Outside Director who is an Audit and Supervisory Committee Member will be two years as of the conclusion of this General Meeting of Shareholders. Mr. Takashi Goto is currently an Outside Director who is an Audit and Supervisory Committee Member of the Company. His term of service as an Outside Director who is an Audit and Supervisory Committee Member will be two years as of the conclusion of this General Meeting of Shareholders.
 - The Company has executed liability limitation agreements with Mr. Masahide Kamachi and Mr. Takashi Goto to limit their liability for compensation of damages in Article 423, Paragraph 1 of the Companies Act, and the maximum amount of liability shall be the minimum amount of liability determined in Article 425, Paragraph 1 of the Companies Act if they have performed their duties in good faith and without gross negligence. In the event the elections of these two persons are approved, the Company intends to continue the liability limitation agreements with them. In addition, in the event the election of Emi Omura is approved, the Company intends to execute the same liability limitation agreement with her.
 - The Company has designated Mr. Masahide Kamachi and Mr. Takashi Goto as Independent Officers based on the provisions of the Tokyo Stock Exchange via filings with the Stock Exchange, and if the elections of these two persons are approved, the Company intends to continue to designate them as Independent Officers. If the election of Ms. Emi Omura is approved, the Company intends to designate her as an Independent Officer via filings with the Exchange.
 - The Company has entered into a directors and officers liability insurance contract with an insurance company to insure Directors, Executive Officers, and Auditors of the Company or its subsidiaries. The insured person shall receive compensation for the damage arising from their liability borne from performance of their duties or the damage arising from claims in pursuit of that liability. The insurance premiums are fully borne by the Company. However, a claim for losses or damage an insured person has caused intentionally or with gross negligence will not be covered by the above-mentioned insurance contract. If the candidates assume the office of Directors who are Audit and Supervisory Committee Members, each of them will be insured under the insurance contract, which is to be renewed in May 2022.

[Reference] Skill matrix of the Board of Directors at end of this General Meeting of Shareholders

The Company's criteria for selecting Directors is that they must be able to contribute to the materialization of the value inherent in the corporate philosophy of the Company's Group at a high level; they must possess a wealth of experience, advanced abilities, and knowledge; and they must be able to contribute to the further development of the Company's Group. Additionally, with regard to the composition of officers serving on the Board of Directors, in order to ensure that the Board of Directors effectively fulfills its roles and responsibilities, the Company does not just prioritize a good overall balance of knowledge, experience, and abilities; instead, the Company also prioritizes the diversity of the composition of the Board of Directors, based on the understanding that diversity – including gender, international experience, professional background, and age – will contribute to the promotion of the Company's Group's businesses and the supervision of management.

In consideration of such factors as the future acceleration of the Company's overseas development, as well as the characteristics of its businesses, the Company determined the areas (skills) that it particularly expected before selecting candidates for Directors.

Furthermore, the Company set forth the above policy in the "Basic Policy on Corporate Governance" (approved by resolution of the Board of Directors at a meeting held on June 24, 2021).

◆ : Refers to items that the Company particularly expects.

Name	Title	Attributes		Experience, knowledge, expertise, etc.					
		Gender	Independence	Corporate management	Finance, accounting	Legal affairs, risk management	Personnel affairs	International business	Sustainability
Shinsuke Sakimoto	Representative Director and President	Male		◆			◆		◆
Susumu Muguruma	Director	Male		◆				◆	
Shinichiro Sato	Director	Male			◆		◆		◆
Hiroki Tomiyama	Outside Director	Male	●	◆					
Yoshihiko Takubo	Outside Director	Male	●	◆			◆		◆
Kenji Fuma	Outside Director	Male						◆	◆
Kenta Takami	Director (Full-time member of the Audit and Supervisory Committee)	Male			◆				

Name	Title	Attributes		Experience, knowledge, expertise, etc.					
		Gender	Independence	Corporate management	Finance, accounting	Legal affairs, risk management	Personnel affairs	International business	Sustainability
Masahide Kamachi	Outside Director (Member of the Audit and Supervisory Committee)	Male	●		◆				
Takashi Goto	Outside Director (Member of the Audit and Supervisory Committee)	Male	●			◆			
Emi Omura	Outside Director (Member of the Audit and Supervisory Committee)	Female	●			◆		◆	◆

Revision of remuneration for allocation of restricted stock to Directors (excluding Directors who are Audit and Supervisory Committee Members)

At the 8th Ordinary General Meeting of Shareholders held on November 22, 2019, with regard to remuneration, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members), the Company received approval for 1) an annual amount of up to 300 million yen (including up to 30 million yen for Outside Directors), and aside from the above limit of remuneration, 2) an annual amount of up to 100 million yen (including up to 20 million yen for Outside Directors) for monetary compensation claims paid as restricted stock remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members),, and at the 9th Ordinary General Meeting of Shareholders held on November 20, 2020, 3) an annual amount of up to 300 million yen (including up to 50 million yen for Outside Directors) for remuneration, etc. related to stock acquisition rights to be allocated as stock options to Directors (excluding Directors who are Audit and Supervisory Committee Members).

This time, as part of revisions of the remuneration plan for Directors (excluding Directors who are Audit and Supervisory Committee Members), in order to have the Company's Directors share the benefits and risks of stock price fluctuations with shareholders more than ever and increase their motivation toward raising the stock price and enhancing corporate value, the Company intends to abolish provisions for remuneration, etc., related to stock acquisition rights to be allocated as stock options, and revise the details of the existing remuneration, etc., related to restricted stock, in addition to abolishing the retirement benefit system for Directors and Audit and Supervisory Committee Members as described in Proposal No. 6 "Final payment of retirement benefits upon abolition of the retirement benefit system for Directors and Audit and Supervisory Committee Members".

Under this proposal, the Company proposes to set the total amount of monetary compensation claims paid as restricted stock remuneration for Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter, referred to as "Eligible Directors") up to 300 million yen per year, aside from the above limit of remuneration 1) for Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members) (an annual amount of up to 300 million yen (including up to 30 million yen for Outside Directors)).

Besides, the specific timing of payment and allocation to each Eligible Director shall be determined by the Board of Directors. If this proposal is approved, restricted stock will not be allocated to Outside Directors, unlike the existing remuneration, etc., related to restricted stock.

In addition, as allocating restricted stock to Eligible Directors, the Company intends to combine two types of restricted stock as required: restricted stock with a Transfer Restriction Period of a certain period, and a condition subsequent to the effect that transfer restrictions will be released in accordance with the level of

achievement of prescribed performance conditions (“Restricted Stock I”), and restricted stock with a Transfer Restriction Period that lasts until the Eligible Director’s retirement (“Restricted Stock II;” hereafter, simply “Restricted Stock,” referring collectively to Restricted Stock I and Restricted Stock II).

The current number of Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members) is five (two of whom are Outside Directors). If resolution No. 2 “Election of six Directors (excluding Directors who are Audit and Supervisory Committee Members)” is approved, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) will be six (three of whom are Outside Directors).

Details, upper limit, etc. of Restricted Stock allocated to the Eligible Directors based on this proposal are as follows.

Furthermore, the Company believes the total amount of remuneration, etc., in this proposal, the total amount of Restricted Stock to be allocated, and other conditions of the granting of Restricted Stock to Eligible Directors based on this proposal are appropriate, as they have been determined following deliberation by the Nomination and Remuneration Committee, taking into consideration the above purposes, the status of the Company’s business performance, including recent economic trends, etc., policies related to determining the details of the remuneration, etc., of individual Directors of the Company (see pages 49 through 52 of the Japanese version of this convocation notice for details of this policy), and various other factors.

1. Allocation and payment of Restricted Stock

Pursuant to a resolution of the Company’s Board of Directors, the Company shall pay monetary compensation claims to the Eligible Directors within the annual amount described above related to Restricted Stock. Further, each Eligible Director shall accept their entire allocation of the Restricted Stock by way of in-kind contributions all of these monetary compensation claims.

Further, the amount to be paid for Restricted Stock shall be based on the closing price of the Company’s common stock on the Tokyo Stock Exchange as of the business day prior to the day of the resolution of the Board of Directors of the Company (or the most-recent closing price if no transactions were executed on the day in question) related to the issuance and/or disposition of said stock, the value of which is within the extent that the amount will not be especially favorable to the Eligible Directors receiving such Restricted Stock.

In addition, the above-referenced monetary compensation claims shall be paid under the conditions that the Eligible Directors agree to the in-kind contribution as described above and that the Restricted Stock Allotment Agreement, which includes summary provided in 3. below, is concluded with the Company.

2. Total number of Restricted Stocks

The total number of Restricted Stocks to be allocated to the Eligible Directors shall be up to 30,000 shares per fiscal year.

Provided, however, that in the event of a stock split of the Company's common stock (including non-compensated allotments of the Company's common stock), a reverse stock split, or other similar event necessitating an adjustment of the total number of Restricted Stocks to be allocated, the Company may adjust the total number of Restricted Stocks in a reasonable manner.

3. Summary of Restricted Stock Allocation Agreement

As allocating Restricted Stock, the Restricted Stock Allocation Agreement executed between the Company and each of the Eligible Directors receiving an allocation of Restricted Stock shall include the following as based on a resolution of the Board of Directors of the Company.

[Restricted Stock I]

a. Details of transfer restriction

Directors receiving an allocation of Restricted Stock I (the allotted Restricted Stock I is referred to as "Allocation Type I" hereinafter in the section [Restricted Stock I]) may not transfer to a third party, pledge, assign as security rights, use as inter vivo gift, bequest, or engage in any other act of disposal for Allocation Type I shares allocated to said Director for a period determined by the Board of Directors of the Company (hereinafter, referred to as "Transfer Restriction" in the section [Restricted Stock I]), which shall not be less than one year of the day such allocation is received (hereinafter, referred to as "Transfer Restriction Period" in the section [Restricted Stock I]).

b. Acquisition of Restricted Stock without consideration

In the event that Directors receiving an allocation of Restricted Stock I retire as a Director of the Company prior to the conclusion of the Transfer Restriction Period, the Company shall automatically acquire Allocation Type I shares without payment of consideration, unless the reason for such Directors' retirement is recognized justifiable by the Board of Directors of the Company.

The Company shall automatically acquire those Allocation Type I shares that, as of the time of the conclusion of the Transfer Restriction Period described in a., above, have not been released based on the provisions of release of Transfer Restriction as provided in c., below.

Further, the Company may automatically acquire Allocation Type I shares without payment of consideration in the event of failure to achieve performance conditions determined by the Board of Directors of the Company or other defined reasons arising prior to the conclusion of the Transfer Restriction Period.

c. Release of Transfer Restriction

The Company shall release the Transfer Restrictions on a number of the Allocation Type I calculated in accordance with the level of achievement of the performance conditions, upon the conclusion of the period of Transfer Restriction, subject to the condition that Directors receiving an allocation of Restricted Stock I shares continue status as a Director of the Company throughout the Transfer

Restriction Period and achieve performance conditions determined by the Board of Directors of the Company.

Provided, however, in the event that such Director retires as a Director of the Company prior to the conclusion of the period of Transfer Restriction due to reasons recognized justifiable by the Board of Directors of the Company, the number of Allocation Type I shares to be released and the timing of the release of Transfer Restriction shall be reasonably adjusted as necessary.

d. Reorganizations, etc.

If, during the Transfer Restriction Period, a merger agreement by which the Company becomes the non-surviving company, or a stock exchange agreement or stock transfer plan by which the Company becomes a wholly owned subsidiary, or any other proposals related to reorganization are approved by a General Meeting of Shareholders (provided, however, when such reorganization does not require approval by the General Meeting of Shareholders, then approval by the Board of Directors of the Company), Allocation Type I shares shall not be released.

In this case, the Company shall automatically acquire without consideration those Allocation Type I shares which have not been released upon determination by the Board of Directors of the Company prior to the effective date of said reorganization.

[Restricted Stock II]

a. Details of transfer restriction

Directors receiving an allocation of Restricted Stock II (the allotted Restricted Stock II is referred to as "Allocation Type II" hereinafter in the section [Restricted Stock II]) may not transfer to a third party, pledge, assign as security rights, use as inter vivo gift, bequest, or engage in any other act of disposal for Allocation Type II shares allocated to said Director for a period (hereinafter, referred to as "Transfer Restriction" in the section [Restricted Stock II]), which shall be from the day such allocation is received to the day said Director retires as a Director of the Company (hereinafter, referred to as "Transfer Restriction Period" in the section [Restricted Stock II]).

b. Acquisition of Restricted Stock without consideration

In the event that Directors receiving an allocation of Restricted Stock II retire as a Director of the Company between the initial day of the Transfer Restriction Period until the day preceding the first subsequent Ordinary General Meeting of Shareholders, the Company shall automatically acquire Allocation Type II shares without payment of consideration, unless the reason for such Directors' retirement is recognized justifiable by the Board of Directors of the Company.

The Company shall automatically acquire those Allocation Type II shares that, as of the time of the conclusion of the Transfer Restriction Period described in a., above, have not been released based on the provisions of release of Transfer Restriction as provided in c., below.

Further, the Company may automatically acquire Allocation Type II shares without payment of consideration in the event that defined reasons arise prior to the conclusion of the period of Transfer Restriction.

c. Release of Transfer Restriction

The Company shall release the Transfer Restriction on all Allocation Type II shares upon the conclusion of the Transfer Restriction Period, subject to the condition that Directors receiving an allocation of Restricted Stock II shares continue status as a Director of the Company throughout the period between the initial day of the Transfer Restrictions Period until the day of the first subsequent Ordinary General Meeting of Shareholders.

Provided, however, in the event that such Director retires as a Director of the Company during the period between the initial day of the Transfer Restrictions Period until the day preceding the first subsequent Ordinary General Meeting of Shareholders due to reasons recognized justifiable by the Board of Directors of the Company, the number of Allocation Type II shares to be released and the timing of the release of Transfer Restriction shall be reasonably adjusted as necessary.

d. Reorganizations, etc.

If, during the Transfer Restriction Period, a merger agreement by which the Company becomes the non-surviving company, or a stock exchange agreement or stock transfer plan by which the Company becomes a wholly owned subsidiary, or any other proposals related to reorganization are approved by a General Meeting of Shareholders (provided, however, when such reorganization does not require approval by the General Meeting of Shareholders, then approval by the Board of Directors of the Company), Allocation Type II shares shall be released prior to the effective date of said reorganization.

In this case, the Company shall automatically acquire without consideration those Allocation Type II shares which have not been released immediately after the release of the Transfer Restriction based on the provisions above.

[Reference: "Plans concerning the allocation of restricted stock to Executive Officers and senior management employees"]

In the event this proposal is approved, subsequent to the conclusion of this General Meeting of Shareholders, the Company intends to introduce a restricted stock plan similar to the above Restricted Stock I of the restricted stock above, for Executive Officers and employees in senior management positions.

Delegation of the determination of subscription requirements for the stock acquisition rights to be issued as stock options to the Board of Directors

Shareholders are asked to give approval for delegation, to the Board of Directors, of determining the subscription requirements for the issuance of stock acquisition rights as stock options (the “Stock Acquisition Rights”) to directors of affiliate companies in accordance with the provisions of Articles 236, 238 and 239 of the Companies Act.

- I. Reason for the need to invite subscribers to stock acquisition rights under especially favorable conditions
The Company intends to issue the Stock Acquisition Rights as stock options to directors of affiliate companies with the aim of promoting common interests with the Company’s shareholders and increasing motivation to enhance the medium- to long-term corporate value of the Company’s Group.
- II. Eligible persons for the stock acquisition right allotment
Directors of the Company’s affiliate companies
- III. Details and maximum number of the stock acquisition rights for which the subscription requirements can be determined and the matters concerning payment based on the resolution of this General Meeting of Shareholders
 1. The maximum number of the stock acquisition rights

100 units

The maximum number of shares that may be allotted upon exercise of the Stock Acquisition Rights shall be 10,000 shares of the Company’s common stock. If the number of shares allotted related to the Stock Acquisition Rights is adjusted as determined in 3. a. below, the number shall be the “number of shares allotted after adjustment” multiplied by the number of the Stock Acquisition Rights.

2. Cash payment for the stock acquisition rights

The amount of payment for one unit of the Stock Acquisition Rights shall be an amount based on the fair value of the Stock Acquisition Rights calculated using fair calculation methods such as the Black-Scholes model, etc. at the time of allocation of the Stock Acquisition Rights.

Furthermore, the amount of payment will be offset by the same amount of monetary compensation claims against the Company held by the person to whom the Stock Acquisition Rights are allotted (monetary compensation claims granted by affiliate companies of the Company to these persons, for which the Company has assumed the obligation).

3. The details of the stock acquisition rights

a. Type and number of shares for the purpose of the stock acquisition rights

The number of shares for the purpose of one unit of the Stock Acquisition Rights (the “Number of Shares Allotted”) shall be 100 shares of the Company’s common stock.

Provided, however, that if a stock split (including a gratis allotment of the Company’s common stock; hereinafter, the same) or a reverse stock split is performed by the Company after the day on which the Stock Acquisition Rights are allotted (the “Allocation Date”), the Number of Shares Allotted shall be adjusted according to the following formula. However, this adjustment shall be applied only to the number of shares for the purpose of the Stock Acquisition Rights which will have not yet been exercised at the relevant point of time, and any fractional shares arising as a result of said adjustment shall be rounded down.

$$\begin{array}{l} \text{Number of Shares} \\ \text{Allotted after adjustment} \end{array} = \begin{array}{l} \text{Number of Shares Allotted} \\ \text{before adjustment} \end{array} \times \begin{array}{l} \text{Stock split or reverse} \\ \text{stock split ratio} \end{array}$$

Furthermore, in cases where the Company conducts a merger, a company split, or reduction in amount of capital stock, or in any other cases similar thereto where any adjustment of the Number of Shares Allotted is required on or after the Allocation Date of the Stock Acquisition Rights, the Company shall adjust the Number of Shares Allotted appropriately.

b. Price of assets contributed during the exercise of the stock acquisition rights or its calculation method

The price of assets contributed during the exercise of the Stock Acquisition Rights shall be determined by multiplying the amount to be paid for one share (hereinafter, the “Strike Price”) by the Number of Shares Allotted.

The Strike Price shall be equal to 1.05 times the average closing price of the Company’s common stock on the Tokyo Stock Exchange on each day (excluding days on which no trading takes place) of the month preceding the month in which the day on which the Stock Acquisition Rights are allotted falls (with fractional amounts less than one yen being rounded up to the nearest yen). Provided, however, that if the price is lower than the closing price on the Allotment Date of the Stock Acquisition Rights (or the most-recent closing price if no transactions were executed on the day in question), the closing price shall be the Strike Price.

If the Company conducts a stock split or a reverse stock split after the Allotment Date of the Stock Acquisition Rights, the Strike Price shall be adjusted in accordance with the following formula, and fractional amounts less than one yen resulting from the adjustment shall be rounded up to the nearest yen.

$$\text{Post-adjustment Strike Price} = \text{Pre-adjustment Strike Price} \times \frac{\text{Stock split or reverse stock split ratio}}{1}$$

If the Company issues new shares or disposes treasury stock below the market price of the Company's common stock (excluding any share issuance or treasury stock disposal based on the exercise of stock acquisition rights and the transfer of treasury stock by share exchange) after the Allotment Date of the Stock Acquisition Rights, the Strike Price shall be adjusted in accordance with the following formula, and fractional amounts less than one yen resulting from the adjustment shall be rounded up to the nearest yen.

$$\text{Post-adjustment Strike Price} = \text{Pre-adjustment Strike Price} \times \frac{\text{Number of shares already issued} + \frac{\text{Number of newly issued shares} \times \text{Amount to be paid per share}}{\text{Market price per share before new share issuance}}}{\text{Number of shares already issued} + \text{Number of newly issued shares}}$$

In the above formula, "Number of shares already issued" shall be equal to the total number of the Company's issued shares regarding the Company's common stock less the number of shares of treasury stock regarding the Company's common stock. In the case of the disposal of treasury stock regarding the Company's common stock, "Number of newly issued shares" shall be read as "Number of shares of treasury stock to be disposed."

In addition to the cases described above, in the event of circumstances in which the Strike Price needs to be adjusted after the Allotment Date of the Stock Acquisition Rights such as in cases where the Company merges with the other companies, conducts a company split, or other similar event, the Company may adjust the Strike Price appropriately within a scope deemed rational.

c. Exercise period of the stock acquisition rights

The period when the Stock Acquisition Rights may be exercised (the "Exercise Period"), shall be from the day when two years have passed since the date of the meeting of the Board of Directors determining the subscription requirements for the Stock Acquisition Rights, until the day before the day when 10 years will have passed (if this day is not a banking business day, the previous banking business day).

d. Matters concerning the amount of increase in capital stock and legal capital surplus

- i) The amount of capital stock to be increased when shares are issued upon exercise of the Stock Acquisition Rights shall be one half of the maximum amount of capital stock, etc., to be increased calculated in accordance with the provisions of Article 17, Paragraph 1 of the Regulation on

Corporate Accounting, and any fractions of less than one yen arising as a result of the calculation shall be rounded up to the nearest one yen.

- ii) The amount of legal capital surplus to be increased when shares are issued upon exercise of the Stock Acquisition Rights shall be calculated by subtracting the amount of increase in capital stock stipulated in i) above from the maximum increase amount of capital stock, etc., stated in i) above.

e. Restriction on acquisition of the stock acquisition rights via transfer

Acquisition of the Stock Acquisition Rights via transfer shall be subject to approval by the Board of Directors of the Company.

f. Conditions for exercising the stock acquisition rights

- i) Stock acquisition rights holders must be a Director, Auditor, or employee of the Company or an affiliate company of the Company (as defined in the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements) when exercising the Stock Acquisition Rights; provided, however, that this may not apply when the stock acquisition rights holder has retired owing to the expiration of his or her term of office or upon reaching statutory retirement age, or when there are other justifiable reasons.

- ii) The exercise of the Stock Acquisition Rights by heirs of stock acquisition rights holders shall not be permitted.

- iii) The Stock Acquisition Rights may not be exercised if the exercise of the Stock Acquisition Rights in question would cause the number of shares already issued of the Company to exceed the total number of authorized shares at that time.

- iv) The Stock Acquisition Rights may not be partially exercised.

- v) The Stock Acquisition Rights may not be exercised if the allotment agreement for the Stock Acquisition Rights has been violated.

g. Matters concerning acquisition of the stock acquisition rights

- i) If any of the proposals for a merger agreement, under which the Company will cease to exist; a company split agreement or an incorporation-type company split plan, under which the Company will become a split company; or a share exchange agreement or a share transfer plan, under which the Company will become a wholly owned subsidiary; are approved at a General Meeting of Shareholders (or resolved by the Board of Directors if a resolution at a General Meeting of Shareholders is not required), the Company may acquire all of the Stock Acquisition Rights without consideration on the day separately determined by the Board of Directors of the Company.

- ii) If, prior to his or her exercise of rights, a stock acquisition rights holder becomes unable to exercise the Stock Acquisition Rights owing to the provisions of the above item 3. f., the Company shall acquire the Stock Acquisition Rights without consideration.
- iii) In the event that the stock acquisition right holder abandons the Stock Acquisition Rights, the Company may acquire the Stock Acquisition Rights without consideration.
- h. Handling of the stock acquisition rights in the event that the Company conducts organizational restructuring

If the Company is to engage in a merger (limited to cases where the Company is to be dissolved as a result of the merger), an absorption-type company split, an incorporation-type company split, a share exchange, or a share transfer (all of which are collectively referred to as a “Restructuring Transaction”), the stock acquisition rights in the entity specified under Article 236, Paragraph 1, Item 8 (a) through (e) of the Companies Act (such entity is referred to as the “Restructured Company” hereinafter) shall be issued to the stock acquisition rights holders on the effective date of the Restructuring Transaction under the following conditions. Provided, however, that the granting of such rights shall be subject to provisions of issuing the stock acquisition rights of the Restructured Company in an absorption-merger agreement, a consolidation-type merger agreement, an absorption-type company split agreement, an incorporation-type company split plan, a share exchange agreement, or a share transfer plan in accordance with the following conditions.

- i) The number of the stock acquisition rights of the Restructured Company to be issued
The same number of the stock acquisition rights as the number of the Stock Acquisition Rights held by respective stock acquisition rights holders shall be issued.
- ii) The class of shares of the Restructured Company for the purpose of the stock acquisition rights
The class of shares of the Restructured Company for the purpose of the stock acquisition rights shall be the common stock of the Restructured Company.
- iii) The number of shares of the Restructured Company for the purpose of the stock acquisition rights
The number of shares of the Restructured Company for the purpose of the stock acquisition rights shall be determined in accordance with the provisions in 3. a. above, taking into account the conditions for the Restructuring Transaction.
- iv) Price of assets contributed during the exercise of the stock acquisition rights
The price of assets contributed during the exercise of each stock acquisition right to be issued shall be the amount obtained by multiplying the Strike Price after restructuring, which is obtained through adjustment of the Strike Price as determined in 3. b. above taking into account the conditions for the Restructuring Transaction, by the number of shares of the Restructured Company for the purpose of said stock acquisition rights, which is determined in accordance with 3. h. iii) above.

v) Exercise period of the stock acquisition rights

It shall begin on the first date of the Exercise Period stipulated in 3. c. above or the effective date of the Restructuring Transaction, whichever is later, and end on the last date of the Exercise Period stipulated in 3. c. above.

vi) Matters concerning the amount of increase in capital stock and legal capital surplus in the event of the issuance of shares upon exercise of the stock acquisition rights

It shall be determined in accordance with 3. d. above.

vii) Restriction on acquisition of the stock acquisition rights via transfer

Restriction on acquisition via transfer shall be subject to approval by the Board of Directors of the Restructured Company.

viii) Other conditions for exercise of the stock acquisition rights

It shall be determined in accordance with 3. f. above.

ix) Reasons and conditions of acquisition of the stock acquisition rights

It shall be determined in accordance with 3. g. above.

x) Other conditions shall be determined in accordance with the conditions of the Restructured Company.

4. Matters concerning certificates of stock acquisition rights related to the stock acquisition rights

The Company shall not issue certificates of stock acquisition rights related to the Stock Acquisition Rights.

5. Other matters concerning the stock acquisition rights

Other matters concerning the Stock Acquisition Rights shall be determined by the Board of Directors.

Final payment of retirement benefits upon abolition of the retirement benefit system for Directors and Audit and Supervisory Committee Members

As a part of a review of the Company's remuneration plan for Directors and Audit and Supervisory Committee Members, it was resolved at the meeting of the Board of Directors held on September 30, 2021 to abolish the retirement benefit system for Directors and Audit and Supervisory Committee Members at the conclusion of this General Meeting of Shareholders.

In accordance with the above, subject to approval of the Proposal No. 2 "Election of six Directors (excluding Directors who are Audit and Supervisory Committee Members)", the Company intends to make final payments as remuneration accompanying the abolition of the retirement benefit system, in the amounts of no more than 70 million yen in total for three Directors (excluding Directors who are Audit and Supervisory Committee Members), and no more than 1 million yen in total for one Director who is an Audit and Supervisory Committee Member, ahead of their retirement, of which amount is based on the amounts calculated pursuant to the prescribed standards of the Company at the conclusion of this General Meeting of Shareholders, as remuneration for the recipients' execution of duties during their time in office, from the time of their respective appointment until the conclusion of this General Meeting of Shareholders.

Furthermore, the specific timing of payment, specific amount, method of payment, and other factors related to the remuneration to be paid to each of the eligible Directors based on this proposal shall be determined by deliberation by the Board of Directors of the Company for those of the Directors (excluding Directors who are Audit and Supervisory Committee Members), or by Directors who are Audit and Supervisory Committee Members for those of the Director who is an Audit and Supervisory Committee Member.

In addition, the Company believes the content of this proposal is appropriate, as it has been determined following deliberation by the Nomination and Remuneration Committee, taking into consideration the fact that an amount will be paid to Directors who are eligible under the existing retirement benefit system in accordance with the abolition of that system, and the amount will be no more than the total amount calculated based on the prescribed standards of the Company, as well as policies related to determining the details of the remuneration, etc., of individual Directors of the Company (see pages 49 through 52 of the Japanese version of this convocation notice for details of this policy), and various other factors.

The brief career histories of the Directors eligible to the final payment are as described below.

Name	Career summary		
Shinsuke Sakimoto	2011	December	Representative Director and President, SOU Inc. (currently the Company) (current position)
Susumu Muguruma	2020	November	Director, the Company (current position)
Shinichiro Sato	2020	November	Director, the Company (current position)
Kenta Takami	2020	November	Director who is an Audit and Supervisory Committee Member, the Company (current position)