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Securities Code: 2440  
November 15, 2021

To our shareholders

Akio Sugihara  
President, Representative Director  
**Gurunavi, Inc.**

1-2-2, Yurakucho, Chiyoda-ku, Tokyo

## **Notice of Convocation of the Extraordinary General Meeting of Shareholders**

First, we would like to express our sincere sympathy to those who have been adversely affected by the novel coronavirus infection (COVID-19), and our utmost respect and appreciation to medical professionals and all the people who have been working around the clock on the frontline to fight against the virus.

The Extraordinary General Meeting of Shareholders of Gurunavi, Inc. (hereinafter the “Company”) will be held as described below.

The state of emergency and priority preventative measures, which were issued in April 2021 as a means to prevent the spread of COVID-19, were lifted in all prefectures throughout Japan on September 30. However, the Japanese government and prefectural governors have strongly requested that we continue to take appropriate measures to prevent the spread of COVID-19 even after the lifting of the restrictions. After careful consideration of the situation, the Company has decided to hold the General Meeting of Shareholders after implementing appropriate measures to prevent infection.

In order to avoid the risk of infection among shareholders and the Company’s officers and employees, shareholders are kindly requested to exercise their voting rights in writing or via the Internet, etc. in advance as much as possible.

In addition, from the perspective of reducing the risk of spreading infection and the continuation of the Company’s business, there is a possibility that, even in the case of the Company’s officers, only some officers may attend the General Meeting of Shareholders, regardless of their health condition on the day. You can exercise your voting rights by using one of the following methods. Please read the “Reference Documents for the General Meeting of Shareholders,” and exercise your voting rights no later than 6 p.m. on Monday, November 29, 2021 (JST).

[Voting by mail]

Please indicate your approval or disapproval of each of the proposals on the enclosed Voting Rights Exercise Form and return it to the Company by the voting deadline mentioned on the previous page.

[Voting via the Internet or other electronic means]

Please read “Information on Exercise of Voting Rights by Electronic Means” (Japanese only) and enter your approval or disapproval of each of the proposals by the voting deadline mentioned above.

- 1. Date and Time:** Tuesday, November 30, 2021 at 10 a.m. (JST)
- 2. Location:** Conference room of the Company  
Toho Hibiya Bldg., 6<sup>th</sup> Floor, 1-2-2 Yurakucho, Chiyoda-ku, Tokyo

The number of seats available will be limited due to the need to increase the distance between seats in order to prevent the spread of infection. You therefore may not be allowed to enter the venue even if you come on the day of the Meeting. Thank you in advance for your understanding.

### **3. Agenda for the Meeting**

#### **Matters to be resolved:**

- Proposal No. 1:** Partial Amendments to the Articles of Incorporation
- Proposal No. 2:** Issuance of Class A Preferred Shares by Third Party Allotment

### **4. Arrangements in Convening the Meeting**

- (1) If you exercise your voting rights both in writing (by mail) and via the Internet or other electronic means, we will only accept the exercise of your voting rights by electronic means as valid.
- (2) If you exercise your voting rights more than once by electronic means, we will only accept the most recent exercise of your voting rights as valid.

- Any subsequent revisions to the Reference Documents for the General Meeting of Shareholders will be posted on the Company's website (<https://corporate.gnavi.co.jp/en/ir/stock/meeting.html>).

#### Request to Shareholders

- The Company will take necessary measures to prevent infection depending on the pandemic status of COVID-19 as of the date of the General Meeting of Shareholders. Any significant changes in the operation of the General Meeting of Shareholders due to future circumstances will be notified on the following website  
<https://corporate.gnavi.co.jp/en/ir/stock/meeting.html>.
- Please be advised that we will measure the body temperature of our shareholders and disinfectant will be available near the reception desk at the venue. We also ask that you bring and wear a mask if you come to the meeting.
- The management staff of the General Meeting of Shareholders will wear masks in addition to having their physical condition checked, including their body temperatures.
- To shorten the length of the Meeting and prevent the COVID-19 infection at the General Meeting of Shareholders, detailed explanations of the proposals will be omitted.

## Reference Documents for the General Meeting of Shareholders

### Proposal No. 1: Partial Amendments to the Articles of Incorporation

#### 1. Reasons for the proposal

The Articles of Incorporation shall be amended for the reasons outlined below. The amendments to the Articles of Incorporation will take effect on December 10, 2021, subject to the approval of Proposal No. 2 “Issuance of Class A Preferred Shares by Third Party Allotment,” in its original form.

- (1) To shorten the term of office of Directors to one year and clarify the responsibilities of each Director during each business year.
- (2) To add class A preferred shares as a new class of share and newly establish provisions related to class A preferred shares in order to enable the issuance of class A preferred shares.
- (3) To consolidate the provisions related to acquisition of treasury shares and to establish a new provision that allows the Board of Directors to pass resolutions on dividends of surplus, etc., in order to enable the execution of flexible capital and dividend policies.
- (4) To make changes that allow other Directors as well as Executive Officers (limited to those who are shareholders) other than Directors to chair the General Meeting of Shareholders in the event that the President, Representative Director is unable to attend, in order to enable flexibility in the operation of the meetings.
- (5) In addition, to alter the numbering of articles following the above amendments and to make corrections to inconsistencies to format the document.

#### 2. Details of amendments

The details of the amendments are as follows:

(Underlined text indicates amendments.)

Current Articles of Incorporation	Proposed Amendments
<p>Article 2 (Objectives) The objectives of the Company are to engage in the following business activities. (1) to (12) (Omitted)</p> <p>Article 6 (Total number of authorized shares)  The total number of shares authorized for issue by the Company shall be 184,000,000 shares.</p> <p>Article 7 (Share Unit) <u>One share unit</u> of the Company shall be 100 shares.</p> <p><u>Article 9 (Acquisition of Treasury Shares)</u> <u>The Company may acquire treasury shares through market transactions, etc. by resolution of the Board of Directors, in accordance with the provisions of Article 165 Paragraph 2 of the Companies Act.</u></p> <p>Article <u>10</u> (Administrator of the Shareholder Registry) (Omitted)</p> <p>Article <u>11</u> (Rules for the Handling of Shares) (Omitted)</p> <p style="text-align: center;">(Newly established) (Newly established)</p>	<p>Article 2 (Objectives) The objectives of the Company are to engage in the following business activities. (1) to (12) (Unchanged)</p> <p>Article 6 (Total number of authorized shares <u>and total number of authorized shares in a class</u>) The total number of shares authorized for issue by the Company shall be <u>187,400,000 shares. The total number of common shares authorized for issue shall be 184,000,000 shares, and the total number of class A preferred shares authorized for issue shall be 3,400,000 shares.</u></p> <p>Article 7 (Share Unit) One share unit of the <u>Company’s common shares shall be 100 shares, and one share unit of class A preferred shares shall be one share.</u></p> <p style="text-align: center;">(Deleted)</p> <p>Article <u>9</u> (Administrator of the Shareholder Registry) (Unchanged)</p> <p>Article <u>10</u> (Rules for the Handling of Shares) (Unchanged)</p> <p style="text-align: center;"><u>Chapter 2-2 - Class A Preferred Shares</u></p> <p><u>Article 10-2 (Class A preferred dividends)</u> <u>When paying dividends of surplus, the Company shall pay dividends of surplus in the amount per class A preferred share set</u></p>

Current Articles of Incorporation	Proposed Amendments
	<p>forth in Paragraph 2 (hereinafter referred to as “Preferred Dividends”), within the scope permissible under applicable laws and regulations, to shareholders holding class A preferred shares (hereinafter referred to as “Class A Preferred Share Shareholders”) and registered pledgees of class A preferred shares (hereinafter collectively with Class A Preferred Share Shareholders referred to as “Class A Preferred Share Shareholders, etc.”) listed or recorded in the final register of shareholders on the record date for the dividend of surplus, ahead of shareholders holding common shares (hereinafter referred to as “Common Share Shareholders”) and registered pledgees of common shares (hereinafter collectively with Common Share Shareholders referred to as “Common Share Shareholders, etc.”). However, if the Company has paid a dividend of surplus (excluding a dividend of surplus pertaining to cumulative unpaid preferred dividends set forth in Paragraph 3) to the Class A Preferred Share Shareholders, etc., ahead of paying such dividend of surplus, with the record date falling on a day during the same business year as the business year to which the record date pertaining to such dividend of surplus belongs, the Company shall pay the dividend of surplus in the amount less the total of the dividend of surplus paid ahead.</p> <p>2. The amount of Preferred Dividend per class A preferred share in a business year shall be the amount calculated by multiplying the amount paid for the class A preferred shares by 9.00%. However, for the business year ending on March 31, 2022, the amount of Preferred Dividend shall be calculated on a prorated basis, assuming one year to be 365 days with regard to the actual number of days during the period from the payment date (including the payment date) to March 31, 2022 (including the same date), and divisions shall be made at the end. Fractions of less than one yen shall be calculated to four decimal places and the result shall be rounded off to the third decimal place.</p> <p>3. If the total amount of dividend of surplus per share paid to Class A Preferred Share Shareholders, etc., with a record date belonging to a given business year (in the business year to which the payment date belongs, the period from the payment date (including the payment date) until the last day of the relevant business year (including the last day); the same shall apply hereinafter in this paragraph) is less than the amount of Preferred Dividends for the relevant business year, the shortfall shall accumulate from the first day of the business year following the relevant business year (including the first day) until the date of actual payment (including the payment day) at a rate of 9.00% per annum, compounded annually. This calculation shall be made on a prorated basis, assuming one year to be 365 days, and divisions shall be made at the end. Fractions of less than one yen shall be calculated to four decimal places and the result shall be rounded off to the third decimal place. The Company shall pay Class A Preferred Share Shareholders, etc., any shortfall accumulated (hereinafter referred to as “Cumulative Unpaid Preferred Dividends”) ahead of Preferred Dividends and dividends of surplus for Common Share Shareholders, etc., in business years from the following business year onward. The Company shall pay Cumulative Unpaid Preferred Dividends for the older business year first, if there are Cumulative Unpaid Preferred Dividends for more than one business year. Furthermore, any fraction of less than one yen in the amount calculated by multiplying the amount equivalent to Cumulative Unpaid Preferred Dividends to be paid, by the number of class A preferred shares to which Class A Preferred Share Shareholders, etc., are entitled, shall be discarded.</p> <p>4. The Company shall not pay dividends of surplus to Class A Preferred Share Shareholders, etc., in excess of the total amount of Preferred Dividends and Cumulative Unpaid Preferred Dividends. However, this does not include</p>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p><u>dividends of surplus paid while the Company is undergoing procedures for an absorption-type company split as provided for in Article 758, item (viii), (b) or Article 760, item (vii), (b) of the Companies Act, or while the Company is undergoing procedures for an incorporation-type company split, as provided for in Article 763, Paragraph 1, item (xii), (b) or Article 765, Paragraph 1, item (viii), (b) of the Companies Act.</u></p> <p><u>Article 10-3 (Distribution of Residual Assets)</u>  <u>When distributing residual assets, the Company shall distribute the amount set forth in Paragraph 2 for each class A preferred share to Class A Preferred Share Shareholders, etc., ahead of Common Share Shareholders, etc.</u></p> <p><u>2. The amount of residual assets to be distributed per share of class A preferred shares shall be an amount equivalent to the redemption value (as defined in Article 10-5, Paragraph 2; however, the “date on which the Redemption Request takes effect” in the definition of the redemption value set forth in Article 10-5, Paragraph 2 shall be replaced with the “Residual Assets Distribution Date”) on the date on which the residual assets are distributed (hereinafter referred to as “Residual Assets Distribution Date”).</u></p> <p><u>3. The Company shall not distribute any residual assets to Class A Preferred Share Shareholders, etc., other than that set forth in the preceding two paragraphs.</u></p>
(Newly established)	<p><u>Article 10-4 (Voting Rights)</u>  <u>Class A Preferred Share Shareholders shall not have any voting rights at the General Meeting of Shareholders unless otherwise provided in applicable laws and regulations.</u></p> <p><u>2. In cases where the Company carries out any act listed in each item of Article 322, Paragraph 1 of the Companies Act, a resolution of a General Meeting of Class Shareholders constituted by Class A Preferred Share Shareholders is not required, unless otherwise provided in applicable laws and regulations.</u></p>
(Newly established)	<p><u>Article 10-5 (Put Options with Cash as Consideration (Redemption Requests))</u>  <u>At any time on or after the payment date, Class A Preferred Share Shareholders, etc., may request the Company to acquire all or part of any class A preferred shares (hereinafter referred to as “Redemption Request”) with cash as consideration. In such case, the Company shall deliver the cash amount set forth in Paragraph 2 (hereinafter referred to as “Redemption Value”) to Class A Preferred Share Shareholders, etc., on the date on which the Redemption Request takes effect, within the scope permissible under applicable laws and regulations, up to the amount distributable as provided for in Article 461, Paragraph 2 of the Companies Act as of the date of the Redemption Request (hereinafter referred to as “Redemption Request Date”), in exchange for the acquisition of one class A preferred share. If a Redemption Request is made in excess of the amount distributable on the Redemption Request Date, the class A preferred shares to be acquired shall be determined by the Board of Directors of the Company by lottery or proportional distribution according to the number of class A preferred shares for which a Redemption Request has been made, or by some other method.</u></p> <p><u>2. The Redemption Value per class A preferred share shall be 500 yen plus the Cumulative Unpaid Preferred Dividends and the Prorated Preferred Dividend (as set forth in item (2)), which takes the date on which the Redemption Request takes effect to be the Record Date for Prorated Calculation (as set forth in item (1)). Any fraction of less than one yen in the amount calculated by multiplying the Redemption Value per class A preferred share by the number of class A preferred shares to which Class A Preferred Share Shareholders, etc.,</u></p>

Current Articles of Incorporation	Proposed Amendments
	<p>are entitled, shall be discarded.</p> <p>(1) <u>The “Record Date for Prorated Calculation” refers to the date on which the class A preferred shares are acquired in accordance with the Redemption Request or the Compulsory Redemption set forth in Article 10-6.</u></p> <p>(2) <u>The “Prorated Preferred Dividend” refers to the amount of Preferred Dividends to be paid, with the last day of the business year that includes the Record Date for Prorated Calculation as the record date, plus an amount calculated on a prorated basis assuming one year to be 365 days with regard to the actual number of days during the period from the first day of the business year (including the first day) until the Record Date for Prorated Calculation (including that date) (divisions shall be made at the end, and fractions of less than one yen shall be calculated to four decimal places and the result shall be rounded off to the third decimal place. However, if the surplus is paid to Class A Preferred Share Shareholders, etc., with a record date prior to the Record Date for Prorated Calculation of the relevant business year (excluding payment of Cumulative Unpaid Preferred Dividends for a business year prior to the relevant business year), the amount of such distribution shall be deducted).</u></p>
(Newly established)	<p><u>Article 10-6 (Acquisition Provisions with Cash as Consideration (Compulsory Redemption))</u></p> <p><u>The Company may, at any time after the payment date, upon the arrival of a date separately determined by the Board of Directors of the Company (hereinafter referred to as “Compulsory Redemption Date”) acquire all or part of class A preferred shares, in exchange for delivery of an amount equivalent to the Redemption Value (however, calculated by replacing the “date on which the Redemption Request takes effect” in the definition of the Redemption Value set forth in Article 10-5, Paragraph 2 with the “Compulsory Redemption Date”) to Class A Preferred Share Shareholders, etc., up to the amount distributable on the Compulsory Redemption Date, irrespective of the intention of the Class A Preferred Share Shareholders, etc. (the acquisition of class A preferred shares in accordance with this provision shall be referred to as “Compulsory Redemption”). When performing partial acquisition, the class A preferred shares to be acquired shall be determined by the Board of Directors of the Company by lottery or proportional distribution.</u></p>
(Newly established)	<p><u>Article 10-7 (Share Splitting, Consolidation, etc.)</u></p> <p><u>The Company shall not split or consolidate class A preferred shares.</u></p> <p><u>2. The Company shall not grant Class A Preferred Share Shareholders rights for allotment of shares for subscription or rights for allotment of share options.</u></p> <p><u>3. The Company shall not allot Class A Preferred Share Shareholders shares without contribution or share options without contribution.</u></p>
(Newly established)	<p><u>Article 10-8 (Transfer Restrictions)</u></p> <p><u>The approval of the Board of Directors of the Company is required for the acquisition of class A preferred shares by transfer.</u></p>
Article <u>12</u> (Convening of the General Shareholders Meeting) (Omitted)	Article <u>11</u> (Convening of the General Shareholders Meeting) (Unchanged)
Article <u>13</u> (Ordinary General Shareholders Meeting Record Date) (Omitted)	Article <u>12</u> (Ordinary General Shareholders Meeting Record Date) (Unchanged)
Article <u>14</u> (Convener and Chairperson) Unless otherwise provided by applicable laws and regulations, a General Shareholders Meeting shall be convened and chaired by the President/Representative Director in accordance with the resolution of the Board of Directors. When the	Article <u>13</u> (Convener and Chairperson) Unless otherwise provided by applicable laws and regulations, a General Shareholders Meeting shall be convened and chaired by the President/Representative Director in accordance with the resolution of the Board of Directors. When the

Current Articles of Incorporation	Proposed Amendments
<p>President/Representative Director is unable to attend to said duties, another Director shall be appointed convener and chairperson in accordance with procedures predetermined by the Board of Directors.</p>	<p>President/Representative Director is unable to attend to said duties, another Director <u>or Executive Officer who is a shareholder of the Company</u> shall be appointed convener and chairperson in accordance with procedures predetermined by the Board of Directors.</p>
<p>Article <u>15</u> (Internet Disclosure and Deemed Provision of General Shareholders Meeting Reference Documents, etc.) (Omitted)</p>	<p>Article <u>14</u> (Internet Disclosure and Deemed Provision of General Shareholders Meeting Reference Documents, etc.) (Unchanged)</p>
<p>Article <u>16</u> (Method of Resolution) (Omitted)</p>	<p>Article <u>15</u> (Method of Resolution) (Unchanged)</p>
<p>Article <u>17</u> (Proxy Voting) (Omitted)  (Newly established)</p>	<p>Article <u>16</u> (Proxy Voting) (Unchanged)</p> <p><u>Article 17-2 (General Meetings of Class Shareholders)</u> <u>The provisions of Article 12 shall apply mutatis mutandis to the General Meeting of Class Shareholders to be held on the same day as the Ordinary General Meeting of Shareholders.</u> <u>2. The provisions of Article 13, Article 14, Article 15, Paragraph 1, and Article 16 shall apply mutatis mutandis to the General Meeting of Class Shareholders.</u> <u>3. The provisions of Article 15, Paragraph 2 shall apply mutatis mutandis to resolutions at the General Meetings of Class Shareholders, as provided in Article 324, Paragraph 2 of the Companies Act.</u></p>
<p>Article 20 (Term of Office of Directors) The term of office of Directors shall expire at the close of the Ordinary General Shareholders Meeting held for the last business year that ends within <u>two (2) years</u> from election to the office. <u>2. The term of office of Directors elected to increase numbers or as a substitute shall continue until the expiry of the term of office of other sitting Directors.</u></p>	<p>Article 20 (Term of Office of Directors) The term of office of Directors shall expire at the close of the Ordinary General Shareholders Meeting held for the last business year that ends within <u>one (1) year</u> from election to the office. (Deleted)</p>
<p>Article 27 (Directors' Exemption from Liability) (Omitted)</p> <p>2. In accordance with the provisions of Article 427 Paragraph 1 of the Companies Act, the Company may execute liability limitation agreements with Directors (excluding those who are Executive Directors, etc.) in order to limit liability defined under Article 423 Paragraph 1 of the same act. However, the amount of liability under said agreement shall be as <u>provided</u> in applicable laws and regulations.</p>	<p>Article 27 (Directors' Exemption from Liability) (Unchanged)</p> <p>2. In accordance with the provisions of Article 427 Paragraph 1 of the Companies Act, the Company may execute liability limitation agreements with Directors (excluding those who are Executive Directors, etc.) in order to limit liability defined under Article 423 Paragraph 1 of the same act. However, the amount of liability under said agreement shall be as <u>stipulated</u> in applicable laws and regulations.</p>
<p>Article 36 (Corporate Auditors' Exemption from Liability) (Omitted)</p> <p>2. In accordance with the provisions of Article 427 Paragraph 1 of the Companies Act, the Company may execute liability limitations agreements with Corporate Auditors in order to limit liability defined under Article 423 Paragraph 1 of the same act. However, the amount of liability under said agreement shall be as <u>provided</u> in applicable laws and regulations.</p>	<p>Article 36 (Corporate Auditors' Exemption from Liability) (Unchanged)</p> <p>2. In accordance with the provisions of Article 427 Paragraph 1 of the Companies Act, the Company may execute liability limitations agreements with Corporate Auditors in order to limit liability defined under Article 423 Paragraph 1 of the same act. However, the amount of liability under said agreement shall be as <u>stipulated</u> in applicable laws and regulations.</p>
<p>Article 37 (Agreements Limiting Liability of Accounting Auditors) In accordance with the provisions of Article 427 Paragraph 1 of the Companies Act, the Company may execute liability limitation agreements with Accounting Auditors in order to limit liability defined under Article 423 Paragraph 1 of the same act. However, the amount of liability under said agreement shall be a predetermined amount of 20 million yen or more, or the amount <u>provided</u> in applicable laws and regulations, whichever is the higher.</p>	<p>Article 37 (Agreements Limiting Liability of Accounting Auditors) In accordance with the provisions of Article 427 Paragraph 1 of the Companies Act, the Company may execute liability limitation agreements with Accounting Auditors in order to limit liability defined under Article 423 Paragraph 1 of the same act. However, the amount of liability under said agreement shall be a predetermined amount of 20 million yen or more, or the amount <u>stipulated</u> in applicable laws and regulations, whichever is the higher.</p>
<p>Article 39 (<u>Record Date of Dividends of Surplus</u>) <u>The record date for the Company's year-end dividends shall be</u></p>	<p>Article 39 (Dividends of Surplus, etc.) <u>Unless otherwise provided in applicable laws and regulations, the</u></p>



Current Articles of Incorporation	Proposed Amendments
<p><u>March 31 each year.</u></p> <p>(Newly established)</p> <p>(Newly established)</p>	<p><u>Company may prescribe, by a resolution of the Board of Directors, matters listed in each item of Article 459, Paragraph 1 of the Companies Act, such as dividends of surplus.</u></p> <p><u>2. The Company may pay a dividend of surplus in cash to shareholders and registered pledgees of shares (hereinafter referred to as "Shareholders, etc.") listed or recorded in the final register of shareholders on September 30 or March 31 each year.</u></p> <p><u>3. In addition to the preceding 2 paragraphs, the Company may set a record date and pay dividends of surplus to Shareholders, etc., listed or recorded in the final register of shareholders.</u></p>
<p><u>Article 40 (Interim Dividends)</u>  <u>The Company may distribute interim dividends on the record date of September 30 each year, through resolution of the Board of Directors.</u></p>	<p>(Deleted)</p>
<p>Article <u>41</u> (Period of Exclusion of Payment of Dividends)  (Omitted)</p>	<p>Article <u>40</u> (Period of Exclusion of Payment of Dividends)  (Unchanged)</p>

**Proposal No. 2:** Issuance of Class A Preferred Shares by Third Party Allotment

The Company proposes to discuss the issuance of shares for subscription (class A preferred shares) by third party allotment to SMBCCP Investment Limited Partnership No. 1, pursuant to the provisions of Article 199 of the Companies Act, as described below (hereinafter referred to as the “Third-Party Allotment”). However, we cannot completely deny that the issuance of class A preferred shares may be judged as a favorable issuance under the provisions of the Companies Act. Accordingly, the Company requests shareholders’ approval for the issuance at this Extraordinary General Meeting of Shareholders.

The effect of class A preferred shares will be subject to Proposal No. 1, “Partial Amendments to the Articles of Incorporation” being approved in its original form, and the amendments to the Articles of Incorporation pertaining to Proposal No. 1 coming into effect.

I. Details of Shares for Subscription

1. Name of shares  
Gurunavi, Inc., Class A Preferred Shares
2. Number of shares for subscription  
3,400,000 shares
3. Paid in amount for shares for subscription  
500 yen per share
4. Total amount to be paid  
1,700,000,000 yen
5. Amount of capital to be increased  
850,000,000 yen (250 yen per share)
6. Amount of capital reserve to be increased  
850,000,000 yen (250 yen per share)
7. Payment date  
December 10, 2021
8. Method of issuance  
All class A preferred shares shall be allotted to SMBCCP Investment Limited Partnership No. 1 by third-party allotment.

## 9. Distribution of surplus

### (1) Preferred dividend

When paying dividends of surplus, the Company shall pay dividends of surplus in the amount per class A preferred share set forth in (2) below (hereinafter referred to as “Preferred Dividends”), within the scope permissible under applicable laws and regulations, to shareholders holding class A preferred shares (hereinafter referred to as “Class A Preferred Share Shareholders”) and registered pledgees of class A preferred shares (hereinafter collectively with Class A Preferred Share Shareholders referred to as “Class A Preferred Share Shareholders, etc.”) listed or recorded in the final register of shareholders on the record date for the dividend of surplus, ahead of shareholders holding common shares (hereinafter referred to as “Common Share Shareholders”) and registered pledgees of common shares (hereinafter collectively with Common Share Shareholders referred to as “Common Share Shareholders, etc.”). However, if the Company has paid a dividend of surplus (excluding a dividend of surplus pertaining to cumulative unpaid preferred dividends set forth in (3) below) to the Class A Preferred Share Shareholders, etc., ahead of paying such dividend of surplus, with the record date falling on a day during the same business year as the business year to which the record date pertaining to such dividend of surplus belongs, the Company shall pay the dividend of surplus in the amount less the total of the dividend of surplus paid ahead.

### (2) The amount of Preferred Dividend

The amount of Preferred Dividend per class A preferred share in a business year shall be the amount calculated by multiplying the amount paid for the class A preferred shares by 9.00%. However, for the business year ending on March 31, 2022, the amount of Preferred Dividend shall be calculated on a prorated basis, assuming one year to be 365 days with regard to the actual number of days during the period from the payment date (including the payment date) to March 31, 2022 (including the same date), and divisions shall be made at the end. Fractions of less than one yen shall be calculated to four decimal places and the result shall be rounded off to the third decimal place.

### (3) Provisions for accumulation

If the total amount of dividend of surplus per share paid to Class A Preferred Share Shareholders, etc., with a record date belonging to a given business year (in the business year to which the payment date belongs, the period from the payment date (including the payment date) until the last day of the relevant business year (including the last day); the same shall apply hereinafter in this item (3)) is less than the amount of Preferred Dividends for the relevant business year, the shortfall shall accumulate from the first day of the business year following the relevant business year (including the first day) until the date of actual payment (including the payment day) at a rate of 9.00% per annum, compounded annually. This calculation shall be made on a prorated basis, assuming one year to be 365 days, and divisions shall be made at the end. Fractions of less than one yen shall be calculated to four decimal places and the result shall be rounded off to the third decimal place. The Company shall pay Class A Preferred Share Shareholders, etc., any shortfall accumulated (hereinafter referred to as “Cumulative Unpaid Preferred Dividends”) ahead of Preferred Dividends and dividends of surplus for Common Share Shareholders, etc., in business years from the following business year onward. The Company shall pay Cumulative Unpaid Preferred Dividends for the older business year first, if there are Cumulative Unpaid Preferred Dividends for more than one business year. Furthermore, any fraction of less than one yen in the amount calculated by multiplying the amount equivalent to Cumulative Unpaid Preferred Dividends to be paid, by the number of class A preferred shares to which Class A Preferred Share Shareholders, etc., are entitled, shall be discarded.

### (4) Non-participation provisions

The Company shall not pay dividends of surplus to Class A Preferred Share Shareholders, etc., in excess of the total amount of Preferred Dividends and Cumulative Unpaid Preferred Dividends. However, this does not include dividends of surplus paid while the Company is undergoing procedures for an absorption-type company split as provided for in Article 758, item (viii), (b) or Article 760, item (vii), (b) of the Companies Act, or while the Company is undergoing procedures for an incorporation-type company split, as provided for in Article 763, Paragraph 1, item (xii), (b) or Article 765, Paragraph 1, item (viii), (b) of the Companies Act.

## 10. Distribution of residual assets

### (1) Distribution of residual assets

When distributing residual assets, the Company shall distribute the amount set forth in 10.(2) below for each class A preferred share to Class A Preferred Share Shareholders, etc., ahead of Common Share Shareholders, etc.

### (2) The amount of residual assets to be distributed

The amount of residual assets to be distributed per share of class A preferred shares shall be an amount equivalent to the redemption value (as defined in 12.(1) below; however, the “date on which the Redemption Request takes effect” in the definition of the redemption value set forth in 12.(2) below shall be replaced with the “Residual Assets Distribution Date”) on the date on which the residual assets are distributed (hereinafter referred to as “Residual Assets Distribution Date”).

### (3) Non-participation provisions

The Company shall not distribute any residual assets to Class A Preferred Share Shareholders, etc., other than the above.

## 11. Voting rights

(1) Class A Preferred Share Shareholders shall not have any voting rights at the General Meeting of Shareholders unless otherwise provided in applicable laws and regulations.

(2) In cases where the Company carries out any act listed in each item of Article 322, Paragraph 1 of the Companies Act, a resolution of a General Meeting of Class Shareholders constituted by Class A Preferred Share Shareholders is not required, unless otherwise provided in applicable laws and regulations.

## 12. Put options with cash as consideration (redemption requests)

### (1) Details of redemption requests

At any time on or after the payment date, Class A Preferred Share Shareholders, etc., may request the Company to acquire all or part of any class A preferred shares (hereinafter referred to as “Redemption Request”) with cash as consideration. In such case, the Company shall deliver the cash amount set forth in 12. (2) below (hereinafter referred to as “Redemption Value”) to Class A Preferred Share Shareholders, etc., on the date on which the Redemption Request takes effect, within the scope permissible under applicable laws and regulations, up to the amount distributable as provided for in Article 461, Paragraph 2 of the Companies Act as of the date of the Redemption Request (hereinafter referred to as “Redemption Request Date”), in exchange for the acquisition of one class A preferred share. If a Redemption Request is made in excess of the amount distributable on the Redemption Request Date, the class A preferred shares to be acquired shall be determined by the Board of Directors of the Company by lottery or proportional distribution according to the number of class A preferred shares for which a Redemption Request has been made, or by some other method.

### (2) Redemption Value

The Redemption Value per class A preferred share shall be 500 yen plus the Cumulative Unpaid Preferred Dividends and the Prorated Preferred Dividend (as set forth below), which takes the date on which the Redemption Request takes effect to be the Record Date for Prorated Calculation (as set forth below). Any fraction of less than one yen in the amount calculated by multiplying the Redemption Value per class A preferred share by the number of class A preferred shares to which Class A Preferred Share Shareholders, etc. are entitled, shall be discarded.

(i) The “Record Date for Prorated Calculation” refers to the date on which the class A preferred shares are acquired in accordance with the Redemption Request or the Compulsory Redemption set forth in 13. below.

(ii) The “Prorated Preferred Dividend” refers to the amount of Preferred Dividends to be paid, with the last day of the business year that includes the Record Date for Prorated Calculation as the record date, plus an amount calculated on a prorated basis assuming one year to be 365 days with regard to the actual number of days during the period from the first day of the business year (including the first day) until the Record Date for Prorated Calculation (including that date) (divisions shall be made at the end, and fractions of less than one yen shall be calculated to four decimal places and the result shall be rounded off to the third decimal place. However, if the surplus is paid to Class A Preferred Share Shareholders, etc., with a record date prior to the Record Date for Prorated Calculation of the relevant business year (excluding payment of

Cumulative Unpaid Preferred Dividends for a business year prior to the relevant business year), the amount of such distribution shall be deducted).

(3) Place accepting Redemption Requests

Toho Hibiya Bldg., 6<sup>th</sup> Floor, 1-2-2 Yurakucho, Chiyoda-ku, Tokyo  
Gurunavi, Inc.

(4) Effect of Redemption Requests

Redemption Requests shall take effect upon the later of either the time the redemption request form arrives at the place accepting Redemption Requests or the desired effective date stated in the redemption request form.

13. Acquisition provisions with cash as consideration (compulsory redemption)

The Company may, at any time after the payment date, upon the arrival of a date separately determined by the Board of Directors of the Company (hereinafter referred to as “Compulsory Redemption Date”) acquire all or part of class A preferred shares, in exchange for delivery of an amount equivalent to the Redemption Value (however, calculated by replacing the “date on which the Redemption Request takes effect” in the definition of the Redemption Value set forth in 12. (2) above with the “Compulsory Redemption Date”) to Class A Preferred Share Shareholders, etc., up to the amount distributable on the Compulsory Redemption Date, irrespective of the intention of the Class A Preferred Share Shareholders, etc. (the acquisition of class A preferred shares in accordance with this provision shall be referred to as “Compulsory Redemption”). When performing partial acquisition, the class A preferred shares to be acquired shall be determined by the Board of Directors of the Company by lottery or proportional distribution.

14. Share consolidation or splitting, etc.

(1) The Company shall not split or consolidate class A preferred shares.

(2) The Company shall not grant Class A Preferred Share Shareholders rights for allotment of shares for subscription or rights for allotment of share options.

(3) The Company shall not allot Class A Preferred Share Shareholders shares without contribution or share options without contribution.

15. Transfer restrictions

The approval of the Board of Directors of the Company is required for the acquisition of class A preferred shares by transfer.

## II. Purpose and Reasons for the Subscription

### 1. Background and purpose for the Third-Party Allotment

Since its establishment, the Company has been providing a range of management support services, primarily in the area of sales promotion, to restaurants to help them increase their sales and improve their operational efficiency, etc., while also providing information and services to consumers to make their daily “food” experience more enjoyable and satisfying. Since last year, the restaurant market, which is the target of the Company’s services, has been suffering greatly due to the impact of the COVID-19 pandemic. Restaurant sales have fallen significantly due to reasons such as sluggish consumer demand for eating out. At the same time, COVID-19 has had a major impact on the Company’s business performance due to the high level of membership cancellations and reductions in contract amounts against a backdrop of worsening cash flow and other factors of members, and a decrease in online reservations by consumers. Due primarily to these reasons, we were left with extremely harsh results. Consolidated net sales for the fiscal year ended March 31, 2021 decreased by 47.7% year-on-year to 16.1 billion yen, operating loss was 7.4 billion yen, and net loss attributable to owners of parent was 9.7 billion yen. Moreover, in terms of finances, equity has been damaged, falling from 19.2 billion yen at the end of March 2020 to 7.9 billion yen at the end of June 2021, and cash and deposits have also decreased from 11.6 billion yen to 5.5 billion yen.

Amidst these circumstances, the Company aims to contribute to the recovery and sustainable development of the restaurant industry, which in turn will improve our corporate value over the medium- to long-term. Specific tasks to achieve this goal include focusing on (1) strengthening the core restaurant support business and (2) creating new businesses. Furthermore, in order to improve its ability to promote efforts to address these issues and the effectiveness of the tasks, as announced in a “Notice of Conclusion of Capital and Business Alliance Agreement, Issuance of New Shares by Third-Party

Allotment, and Reduction of Capital, etc.,” dated August 25, 2021 (hereinafter referred to as “August 25 Notice”), the Company has decided to revise the capital and business alliance agreement with Rakuten Group, Inc. (hereinafter referred to as “Rakuten”), and enter into a capital and business alliance agreement with SHIFT Inc. (hereinafter referred to as “SHIFT”), and to build a strong collaborative system with its capital and business alliance partners through a third-party allotment of common shares to Hisao Taki, Akio Sugihara, and XBrain Co., Ltd., in addition to Rakuten and SHIFT.

Meanwhile, as there is no end in sight to the COVID-19 pandemic and with concerns about the prolonged impact on the Company’s business performance, the Company has been holding ongoing discussions with financial institutions, etc., in recognition of the importance of securing working capital and equipment funds for existing businesses, which it has been appropriating from its own funds. The Company has received a proposal to subscribe to class A preferred shares from SMBC Capital Partners Co., Ltd. (hereinafter referred to as “SMBC Capital Partners”), a subsidiary of Sumitomo Mitsui Banking Corporation (hereinafter referred to as “SMBC”), the Company’s main bank and a managing partner of the planned allottee. SMBC Capital Partners is a subsidiary of the Company’s main bank and has a deep understanding of the Company’s management philosophy and business policies, as well as the objective of the Third-Party Allotment, namely to secure working capital and equipment funds for existing businesses as a foundation for improving the Company’s corporate value over the medium- to long-term. Given this, as announced in the August 25 Notice, on August 25, 2021, the Company entered into a basic agreement concerning the issuance of class A preferred shares by third-party allotment with SMBC Capital Partners. Subsequently, as announced in “Notice of Issuance of Class Shares by Third-Party Allotment, Partial Amendments to the Articles of Incorporation, and Reduction of Capital, etc.,” dated October 4, 2021, the Company decided to perform the Third-Party Allotment following discussions with SMBC Capital Partners regarding the terms and conditions of the issuance. As announced in the August 25 Notice, the Company also resolved on August 25, 2021 to enter into a syndicated commitment line agreement totaling 4.0 billion yen with SMBC and Rakuten Bank, Ltd. By securing working capital, equipment funds for existing businesses, and the means to procure such funds through the Third-Party Allotment and the commitment line agreement to stabilize the Company’s financial base, the Company will strengthen the foundation for its efforts to recover and re-grow its business performance and improve its corporate value over the medium- to long-term.

## 2. Reasons for the Third-Party Allotment

As described in “1. Background and purpose for the Third-Party Allotment” above, the Company has been considering various means of procuring funds to meet the Company’s capital needs from multiple aspects, including working capital and equipment funds for existing and new businesses, etc., amidst the harsh and uncertain business environment. The Company procures part of its equipment funds for new businesses by performing third-party allocation of common shares, and procures part of its working capital and equipment funds for existing businesses by securing a total of 4.0 billion yen in borrowing through commitment line agreements.

The Company’s policy regarding the said fund procurement is to stabilize its financial base as soon as possible by ensuring the procurement of working capital and equipment funds for existing businesses, while taking into consideration the interests of existing shareholders. The Company has judged that class A preferred shares are the best option to meet the above-stated policy, as class A preferred shares do not grant put option or acquisition provisions with common shares as consideration, thus enabling the securing of capital funds without any dilution of existing shares.

## 3. Outline of class A preferred shares

### (1) Preferred dividends

The amount of Preferred Dividend per class A preferred share in a business year is set as the amount calculated by multiplying the amount paid for the class A preferred shares by 9.00%, and Class A Preferred Share Shareholders, etc., are entitled to receive dividends ahead of Common Share Shareholders, etc. If there is a shortfall in the amount of preferred dividends paid to Class A Preferred Share Shareholders, etc., in a given business year, such shortfall will accumulate from the first day of the business year following that business year (including the first day) until the date of actual payment (including the payment day) at the rate of 9.00% per annum, compounded annually. Class A Preferred Share Shareholders, etc., cannot accept dividends of surplus in excess of the total Preferred Dividends and Cumulative Unpaid Preferred Dividends.

(2) Put option with cash as consideration

Class A preferred shares include a put option with cash as consideration. Under the terms and conditions for issuing class A preferred shares, in principle, Class A Preferred Share Shareholders, etc., may, at any time on or after the payment date, request the Company to acquire all or part of any class A preferred shares with cash as consideration (hereinafter referred to as “Redemption Request”).

However, under this investment agreement, the planned allottee may make a Redemption Request only after March 31, 2027 or when certain other circumstances apply.

The amount of money to be delivered if a put option with cash consideration included in the class A preferred shares is exercised (hereinafter referred to as “Redemption Value”) is the amount to be paid in per class A preferred share, plus the Cumulative Unpaid Preferred Dividends and the Prorated Preferred Dividend which takes the date on which the Redemption Request takes effect to be the record date for the prorated calculation.

(3) Acquisition provisions with cash as consideration

Class A preferred shares include acquisition provisions with cash as consideration. The Company is permitted, at any time after the payment date, upon the arrival of a date separately determined by the Company’s Board of Directors (hereinafter referred to as “Compulsory Redemption Date”) to acquire all or part of class A preferred shares, in exchange for delivery of an amount equivalent to the Redemption Value (however, calculated by replacing the “date on which the Redemption Request takes effect” in the definition of the Redemption Value stated in (2) above with the “Compulsory Redemption Date”) to Class A Preferred Share Shareholders, etc., up to the amount distributable on the Compulsory Redemption Date, irrespective of the intention of the Class A Preferred Share Shareholders, etc.

However, under this investment agreement, the acquisition of class A preferred shares with cash as consideration shall not occur before June 10, 2022.

(4) Voting rights and restrictions on transfer

Class A preferred shares do not grant any voting rights at General Meeting of Shareholders unless otherwise provided for in laws and regulations.

Furthermore, class A preferred shares include restrictions on transfer, and any transfer to a third party requires the approval of the Company’s Board of Directors.

III. Amount of Funds to be Procured, Use of Funds, and Scheduled Expenditure Period

1. Amount of funds to be procured

(i) Total amount to be paid in	1,700,000,000 yen
(ii) Estimated issuance costs	98,000,000 yen
(iii) Estimated net proceeds	1,602,000,000 yen

(Note 1) The estimated issuance cost does not include amounts such as consumption tax.

(Note 2) Estimated issuance costs include due diligence expenses, expenses relating to the General Meetings of Shareholders, expenses for valuation of class A preferred shares, registration related expenses, and attorney fees, etc.

2. Specific use of funds to be procured

Specific use	Amount (millions of yen)	Scheduled expenditure date
(i) Equipment funds to strengthen existing business (restaurant support)	951	January 2022 to March 2023
(ii) Working capital	651	January 2022 to December 2022

(Note) Funds raised will be managed in a bank account until actually disbursed.

(i) Equipment funds to strengthen existing business (restaurant support)

While restaurants, the Company’s clients, are operating in a difficult business environment due to the spread of COVID-19, the Company aims to expand its target clients and improve customer satisfaction to revive and increase the number of member restaurants, by expanding services through the launch of new businesses, etc., in line with the changing issues and needs facing restaurants, as well as by reviewing existing sales activities, membership plans, and fee structures. The Company believes that

increasing the number of Gurunavi website users (internet users) and improving its ability to send consumers to member restaurants by enhancing the convenience and profitability of Gurunavi through continuously expanding and revamping the user interface (UI), functions and services, is important in reviving and increasing the number of member restaurants. Therefore, 951 million yen of the funds procured through the Third-Party Allotment will be appropriated to equipment funds to promote and accelerate these initiatives.

Specifically, the Company plans to use the funds to reform its back-office system for order taking, billing, and client management, etc., to build a new service platform to support diversifying clients and services, and to improve the Gurunavi website UI and expand its features. The Company believes that these initiatives will not only improve services for its member restaurants and website users, but will also lead to increased efficiency and accuracy of business processes within the Company, and contribute to strengthening its medium- to long-term profitability, and ultimately to improving its corporate value.

#### (2) Working capital

As announced in the August 25 Notice and as described above, the Company plans to recover and re-grow its business performance by strengthening existing businesses and launching new businesses. However, as there is no end in sight to the COVID-19 pandemic, there is a risk that operating losses will continue for the time being. If such risks materialize, the Company plans to allocate 651 million yen of the funds raised through the Third-Party Allotment to working capital such as personnel expenses and rent. The Company will promptly announce any changes to the use of such funds if such continued operating loss risks do not materialize.

#### IV. Rationale for the Use of Funds

The Company believes that appropriating the Third-Party Allotment to the uses described in “III. Amount of Funds to be Procured, Use of Funds, and Scheduled Expenditure Period, 2. Specific use of funds to be procured” above will contribute to improving the Company’s corporate value over the medium- to long-term, and has determined that the use of funds from the Third-Party Allotment is reasonable.

#### V. Rationality of Issuance Terms and Conditions, etc.

##### 1. Grounds for calculation of the payment amount and specific details thereof

The Company engaged in earnest discussions with the planned allottee on multiple occasions concerning the method of the Third-Party Allotment and the details thereof, aiming to realize fund procurement at the most favorable terms and conditions for the Company.

Furthermore, in order to ensure fairness in the Third-Party Allotment, the Company requested a valuation of the class A preferred shares from PLUTUS CONSULTING Co., Ltd. (hereinafter referred to as “Plutus Consulting”), a third-party valuation institution that is independent of the Company and the planned allottee, and obtained a valuation report (hereinafter referred to as “Valuation Report”) dated October 1, 2021 from Plutus Consulting. After considering valuation methods for the class A preferred shares, Plutus Consulting adopted a discount cashflow method, which is a generally-used valuation model, to evaluate the class A preferred shares, under certain assumptions, after considering the various terms set forth in the issuance terms and conditions for the class A preferred shares and the investment agreement. In the Valuation Report, the value of the class A preferred shares was given as 509 yen per share.

The Company has taken into consideration the above-stated results of the valuation by Plutus Consulting, and as a result of careful negotiations and discussions with the planned allottee on multiple occasions, the Company has reached an agreement with the planned allottee on the content that the Company determines to be reasonable, including an agreement on terms and conditions, and has determined the amount to be paid per class A preferred shares as 500 yen per share. Taking into overall consideration the results of the above-stated valuation by Plutus Consulting and the fact that the terms and conditions of the issuance of the class A preferred shares were determined through careful negotiations and discussions on multiple occasions with the planned allottee, and having considered the harsh business environment and financial condition of the Company as described in “II. Purpose and Reasons for the Subscription, 1. Background and purpose for the Third-Party Allotment,” the Company has determined that the amount to be paid per class A preferred share does not correspond to a



favorable issuance and is an appropriate and reasonable amount. However, given that there is no objective market price for class A preferred shares, the valuation of class shares is extremely advanced and complex, and various interpretations of the valuation are possible, the possibility cannot be completely denied that the amount to be paid per class A preferred share may be judged to be particularly favorable to the planned allottee under the Companies Act. Therefore, the Company believes it appropriate to confirm the will of shareholders, and thus, as a precautionary measure, the Company has decided to make the issuance of the class A preferred shares subject to obtaining approval via a special resolution of a General Meeting of Shareholders for a favorable issuance, pursuant to Article 199, Paragraph 2 of the Companies Act at this Extraordinary General Meeting of Shareholders.

2. Grounds for determining that the number of shares to be issued and the scale of dilution of shares are reasonable

The Company will raise a total of 1.7 billion yen by issuing 3,400,000 class A preferred shares. The Company has determined that the number of class A preferred shares to be issued is reasonable in light of the purpose for issuing class A preferred shares and the use of the funds described in “II. Purpose and Reasons for the Subscription, 1. Background and purpose for the Third-Party Allotment” and “III. Amount of Funds to be Procured, Use of Funds, and Scheduled Expenditure Period” above. Furthermore, class A preferred shares are non-voting preferred shares that do not grant any put option or acquisition provisions with common shares as consideration, and therefore, there is no possibility of dilution for existing shareholders.

VI. Reasons for the Selection of the Planned Allottee, etc.

1. Outline of the planned allottee

(1) Name	SMBCCP Investment Limited Partnership No. 1	
(2) Address	1-1-2, Marunouchi, Chiyoda-ku, Tokyo	
(3) Basis for establishment, etc.	Limited Partnership Act for Investment	
(4) Purpose for establishment	Acquisition of securities, etc.	
(5) Date of establishment	April 21, 2020	
(6) Total amount of fund	-	
(7) Outline of investors	Sumitomo Mitsui Banking Corporation Makoto Takashima, President and Chief Executive Officer 1-1-2, Marunouchi, Chiyoda-ku, Tokyo	
(8) Outline of managing partner (General Partner)	Name	SMBC Capital Partners Co., Ltd.
	Address	1-1-2, Marunouchi, Chiyoda-ku, Tokyo
	Name and position of representative	Satoshi Tatsumi, President
	Business content	Investment business related to corporate revitalization, and business succession, etc.
	Capital	100 million yen
(9) Relationship between the Company and the fund	Capital relationship	Not applicable.
	Personnel relationship	Not applicable.
	Transaction relationship	Not applicable.
(10) Relationship between the Company and the managing partner	Capital relationship	Not applicable.
	Personnel relationship	Not applicable.
	Transaction relationship	Not applicable.

(Note 1) Total capital, investors and equity ratios are not stated as they have not been disclosed by the planned allottee.

(Note 2) In the investment agreement, the planned allottee has represented and warranted to the Company that neither the planned allottee nor its general partners have any relations with

anti-social forces. SMBC Capital Partners, the managing partner of the planned allottee, is a wholly owned subsidiary of the Sumitomo Mitsui Financial Group, Inc. (hereinafter referred to as “SMFG”). The Company has confirmed SMFG’s basic policy and its efforts to eliminate anti-social forces in the section relating to matters concerning internal control systems, etc., in its Corporate Governance Report (dated July 13, 2021) submitted to the Tokyo Stock Exchange. The Company has thus determined that SMBC Capital Partners, a wholly owned subsidiary of SMFG, and its officers have no relations whatsoever with anti-social forces, and has submitted a written confirmation to that effect to the Tokyo Stock Exchange.

2. Reasons for selecting the planned allottee

The reasons for selecting the Planned Allottee are as stated in “II. Purpose and Reasons for the Subscription, 1. Background and purpose for the Third-Party Allotment” above.

The Company has reached an agreement with the planned allottee on matters concerning investment in the Company in the investment agreement, a summary of which is as follows.

(1) Matters to be observed by the Company

The Company has pledged the matters outlined below to the planned allottee.

- (i) Prior written consent from the planned allottee must be obtained (however, the planned allottee shall not unreasonably refuse or withhold such consent) when the Company and its subsidiaries intend to decide or implement certain matters (such as amendments to the Articles of Incorporation, issuance of shares, etc., acquisition of treasury stock, non-minor amendments to a capital and business alliance agreement with certain existing shareholders or the termination or end of such an agreement, increases or decreases to capital or reserves, certain acts of reorganization, share splits or consolidation, distributions of surpluses, acquisition or disposal, etc., of certain assets, new borrowings, etc., filing for bankruptcy proceedings, etc. or changes to business plans, etc.)
- (ii) The Company must make every effort to the extent commercially reasonable to ensure that the Company receives financial assistance from financial institutions that reasonably satisfies the planned allottee until the Company has acquired all of the class A preferred shares in accordance with the class A preferred share issuance terms and conditions and this investment agreement
- (iii) The Company must make every effort to the extent commercially reasonable to ensure that the business collaboration with Rakuten is promoted until the Company has acquired all of the class A preferred shares in accordance with the class A preferred share issuance terms and conditions and this investment agreement
- (iv) In order to secure a distributable amount to enable payment of dividends of surplus pertaining to class A preferred shares to the planned allottee and the acquisition of the class A preferred shares by the Company in accordance with the Company’s Articles of Incorporation, the terms and conditions of issuance of the class A preferred shares and this investment agreement, the Company must, from time to time, create and maintain a distributable amount as set forth in Article 461, Paragraph 2 of the Companies Act equal or greater than the sum of the aggregate amount of (i) the total amount that the Company should deliver in exchange for the acquisition of class A preferred shares, assuming that a Redemption Request has been made for all of the class A preferred shares in accordance with the Company’s Articles of Incorporation, the terms and conditions of issuance of the class A preferred shares and this investment agreement, and (ii) the unpaid amount on such date of the total dividend of surplus pertaining to class A preferred shares payable on or before March 31, 2027; and must secure the necessary cash
- (v) The Company must accept the secondment of up to one person selected by the planned allottee through consultations in good faith with the Company, in accordance with terms and conditions separately agreed upon by the Company and the planned allottee
- (vi) The Company must consult with the planned allottee and appoint advisors who reasonably satisfy the planned allottee to take measures in the event that:
  - i. The Company’s net profit or loss on a consolidated basis at the end of the fiscal year ending March 31, 2024 is expected to be a deficit or is highly likely to be a deficit
  - ii. In addition to the preceding item, if there is a specific likelihood of being significantly unable

to achieve the business plan

(2) Restrictions on the exercising of put options with cash as consideration

As described above in “II. Purpose and Reasons for the Subscription, 3. Outline of class A preferred shares, (2) Put option with cash as consideration” above, the planned allottee may only exercise put options with cash as consideration for class A preferred shares after March 31, 2027, or if certain other circumstances apply.

(3) Restrictions on the exercising of acquisition provisions with cash as consideration

As described above in “II. Purpose and Reasons for the Subscription, 3. Outline of class A preferred shares, (3) Acquisition provisions with cash as consideration” above, the Company may not exercise acquisition provisions with cash as consideration for class A preferred shares before June 10, 2022.

(4) Payment obligation assumptions

The following summarizes the matters, etc., assumed for the performance of payment obligations pertaining to class A preferred shares by the planned allottee.

- (i) The Company’s representations and warranties in this investment agreement are true and correct in all material respects.
- (ii) The Company’s obligations in this investment agreement have been performed or complied with in all materials aspects.
- (iii) The resolutions of the Extraordinary General Meeting of Shareholders approving each Proposal pertaining to (i) these amendments to the Articles of Incorporation and (ii) the Third-Party Allotment, have been passed legally and validly, and such resolutions and procedures have been maintained without amendment or withdrawal.
- (iv) All necessary procedures by the time of payment in order to make reductions to capital, etc., effective have been completed.
- (v) The Company has submitted an extraordinary report on the resolutions of the meeting of the Board of Directors in accordance with the Financial Instruments and Exchange Act and other laws and regulations.
- (vi) No petition, lawsuit or proceedings are pending before any judicial or administrative body, etc., that seek to restrict or prohibit the Third-Party Allotment, and there is no judgment, etc., by any judicial or administrative body, etc., to restrict or prohibit the Third-Party Allotment, and there is no specific likelihood thereof. Furthermore, the Company’s shareholders have not raised any objection to the Third-Party Allotment.
- (vii) No event of default, etc., by the Company Group has occurred in an agreement to which the Company Group is a party, and there is no specific likelihood of such an event of default, etc., occurring.
- (viii) No material adverse event has occurred on or after the date of execution of this investment agreement, and there is no specific likelihood of a material adverse event occurring.
- (ix) No incident such as (i) a natural disaster, war, or terrorist attack, (ii) a disruption or failure to electricity, telecommunications, or various payment systems, (iii) an event occurring on the Tokyo interbank market that makes it impossible to conduct yen denominated fund loan transactions, or (iv) any other incident beyond the control of planned allottee, has occurred that the planned allottee determines that it is impossible or extremely difficult to subscribe to or pay for class A preferred shares in relation to the Third-Party Allotment.

3. Planned allottee’s ownership policy

The Company has received an explanation from the planned allottee that, in principle, it is their policy to retain class A preferred shares in the medium-term. Furthermore, no put options with common shares as consideration have been established with regard to class A preferred shares, and this investment agreement stipulates that, in principle, after issuance, put options with cash as consideration shall not be exercised before March 31, 2027. Moreover, class A preferred shares are subject to restrictions on transfer, and approval from the Company’s Board of Directors is required to transfer such shares to a third party.

In addition, if the planned allottee transfers all or part of the class A preferred shares to be issued through the Third-Party Allotment within two years after the allotment, the Company intends to acquire a pledge from the planned allottee in which the planned allottee agrees to report the details of the transfer to the Company in writing, to have the Company report the details of the report to the Tokyo

Stock Exchange, and to the details in the report being made available for public inspection.

4. Confirmed existence of the financial assets required by the planned allottee for payment

The Company has orally confirmed with the planned allottee that the planned allottee can request SMBC to make an investment to cover the payment, pursuant to the investment business limited partnership agreement with SMBC, its investor, and has confirmed the cash deposits, etc., stated in the securities report for the 18th business year (from April 1, 2020 to March 31, 2021) filed by SMBC with the Director of the Kanto Local Finance Bureau on June 29, 2021. As a result, the Company has determined that the planned allottee is able to secure sufficient funds to subscribe for the shares to be allotted by the payment date pertaining to the Third-Party Allotment.

VII. Major Shareholders and Shareholding Ratios After the Offering

1. Common shares

Before the Third-Party Allotment (As of October 20, 2021)	After the Third-Party Allotment
Rakuten Group, Inc. 17.05%	Same as on the left
Hisao Taki 13.05%	
The Master Trust Bank of Japan, Ltd. (Trust account) 6.31%	
SHIFT Inc. 4.15%	
Japan Traffic Culture Association 3.42%	
Akio Sugihara 2.31%	
Odakyu Electric Railway Co., Ltd. 2.07%	
Tokyo Metro Co., Ltd. 1.79%	
Hiroko Taki 1.55%	
The Master Trust Bank of Japan, Ltd. (Retirement benefit trust TOKYU CORPORATION account) 1.29%	

(Note 1) The shareholding ratio is the ratio to the total number of issued shares (excluding treasury shares). Figures beyond the third decimal point have been rounded down.

(Note 2) There will be no change to the shareholding ratio of the Company's common shares as the class A preferred shares are preferred shares that do not have voting rights at General Meetings of Shareholders and do not grant any acquisition provisions or put options with common shares in the Company as consideration, and therefore there will be no dilution to the Company's common shares.

2. Class A preferred shares

Before the Third-Party Allotment (As of October 20, 2021)	After the Third-Party Allotment	
Not applicable	SMBCCP Investment Limited Partnership No. 1	100%