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(Stock Exchange Code 3681)
March 14, 2022

To Shareholders with Voting Rights:

Naoaki Mashita
President and CEO
V-cube, Inc.
1-17-3 Shirokane,
Minato-ku, Tokyo, Japan

**NOTICE OF CONVOCATION OF
THE 22ND ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

You are hereby notified that the 22nd Ordinary General Meeting of Shareholders (the “Meeting”) of V-cube, Inc. (the “Company”) will be held as described below.

The Meeting will be held as a hybrid “attendance-type” virtual General Meeting of Shareholders, where you can attend and exercise your voting rights via the Internet (for details, please refer to “Instructions for Attendance via the Internet (Virtual General Meeting of Shareholders)” on pages 6 and 7 of the Japanese original of this Notice of Convocation).

In light of the continuing concern about the spread of COVID-19, the Company requests you to refrain as much as possible from attending the Meeting physically and to attend the Meeting via the Internet as described above if you are able.

If you are unable to attend the Meeting, please exercise your voting rights in advance by mail (in writing) or via the Internet by 6.00 p.m. on Monday, March 28, 2022, Japan time, as follows.

[If exercising voting rights by mail (in writing)]

Please indicate your votes for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that it arrives by the above deadline.

[If exercising voting rights via the Internet]

Please refer to the “Instructions for Exercising Voting Rights via the Internet” on page 5 of the Japanese original of this Notice of Convocation and enter your votes for or against the proposals by the above deadline.

- 1. Date and Time:** Tuesday, March 29, 2022 at 2:00 p.m., Japan time
[Reception begins at 1:30 p.m.]
- 2. Place:** NBF Platinum Tower 16F Conference Room, Head Office of V-cube, Inc.
1-17-3 Shirokane, Minato-ku, Tokyo, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company's 22nd Fiscal Year (January 1, 2021 – December 31, 2021) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 22nd Fiscal Year (January 1, 2021 – December 31, 2021)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Partial Amendment to the Articles of Incorporation
Proposal 3: Election of Eight (8) Directors
Proposal 4: Election of One (1) Substitute Auditor
Proposal 5: Election of Accounting Auditor
Proposal 6: Determination of Compensation for Granting Restricted Stock to Directors

4. Matters Concerning the Exercise of Voting Rights:

- (1) If you exercise your voting rights by proxy who will physically attend the Meeting, please submit the Voting Rights Exercise Form together with a document certifying your proxy's authority to the receptionist at the Meeting. In accordance with the Company's Articles of Incorporation, the proxy must be a shareholder of the Company who has voting rights.
- (2) If you exercise your voting rights by mail (in writing) but do not indicate your approval or disapproval of each proposal, we will assume that you have voted in favor of each proposal.
- (3) If you exercise your voting rights in advance both by mail (in writing) and via the Internet, the vote exercised via the Internet shall be deemed valid.
- (4) If you exercise your voting rights more than once via the Internet, the last vote will be deemed valid. In addition, if you exercise your voting rights more than once via PC, smartphone, and cell phone, the last vote will be deemed valid.
- (5) For shareholders who have exercised their voting rights in advance by mail (in writing) or via the Internet and will also attend the Meeting via the Internet, the results of the exercise of voting rights in advance will be discarded when the shareholder attends the Meeting via the Internet on the day of the Meeting, and the voting rights exercised by attending the Meeting via the Internet will be deemed as the exercise results of the relevant shareholder. If a shareholder who attends the Meeting via the Internet does not exercise his or her voting rights on the day of the Meeting, the shareholder will be deemed to have abstained from voting.

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[Requests]

When you physically attend the Meeting on the day of the Meeting, please submit the enclosed Voting Rights Exercise Form to the receptionist at the Meeting.

In view of the spread of COVID-19, we request that shareholders (especially the elderly, those with underlying medical conditions, and those who are pregnant) who will physically attend the Meeting to make sure you are in good physical condition before attending the Meeting and to take precautions against infection, such as wearing a mask. We also ask for your cooperation in taking measures to prevent infection on the day of the Meeting.

[Notices]

- (1) "Major Business Activities," "Major Places of Business," "Share Acquisition Rights," "Accounting Auditor," "Systems to Ensure Proper Business Operations and Their Operation" of the Business Report, "Consolidated Statement of Changes in Equity" and "Notes to the Consolidated Financial Statements" of the Consolidated Financial Statements, and "Non-Consolidated Statement of Changes in Equity" and "Notes to the Non-Consolidated Financial Statements" of the Non-Consolidated Financial Statements are posted on the Company's website on the Internet (<https://ir.vcube.com/jp/>) in accordance with laws and regulations and the Articles of Incorporation, and are not included in the documents provided in this Notice of Convocation. Therefore, the documents provided in this Notice of Convocation are a part of the Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Accounting Auditor in preparing the Accounting Auditor's Report, and a part of the Business Report, Consolidated Financial Statements, and the Non-Consolidated Financial Statements audited by Auditors in preparing the Audit Report.
- (2) In the event of any revision to the Reference Documents for the Meeting, the Business Report, the Consolidated Financial Statements, and the Non-Consolidated Financial Statements, the Company will post such revision on the Company's website on the Internet (<https://ir.vcube.com/jp/>).
- (3) Due to the spread of COVID-19, the Company may take measures to prevent the spread of infection on the day of the Meeting, including the wearing of masks by the Company's officers, employees, and attendants. We ask for your understanding in advance.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

The Company considers the return of profits to shareholders as one of its important management priorities. Taking into consideration the Company's business performance for the current fiscal year and future business development, the Company proposes the year-end dividend for the current fiscal year as follows.

- (1) Type of dividend property
Cash
- (2) Matters related to allocation of dividend property and its total amount
8 yen per share of the Company's common stock
Total of 194,167,656 yen
- (3) Effective date of distribution of surplus
March 30, 2022

Proposal 2: Partial Amendment to the Articles of Incorporation

1. Reasons for the proposal

(1) Amendment to Article 12 (Convocation) of the current Articles of Incorporation

The Company proposes to add Article 12, Paragraph 2 of the Articles of Incorporation in accordance with the Act for Partially Amending the Industrial Competitiveness Enhancement Act and Other Related Acts (Act No. 70 of 2021), which permits the holding of general meetings of shareholders without a designated location.

(2) Deletion of Article 17 (Internet Disclosure and Deemed Provision of Reference Documents for General Meetings of Shareholders, etc.) of the current Articles of Incorporation and establishment of Article 17 (Measures for Electronic Provision, etc.) of the Articles of Incorporation

The amendment provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) will come into effect on September 1, 2022. Accordingly, the Company proposes to establish provisions to take measures to electronically provide information that is the content of reference documents for general meetings of shareholders, etc., and to limit the scope of matters to be included in documents to be delivered to shareholders who have requested the delivery of documents, and to delete the provisions regarding Internet disclosure and deemed provision of reference documents for general meetings of shareholders, etc., as well as to establish supplementary provisions regarding effective date, etc.

2. Details of the change

The details of the change are as follows:

(Underlines denote amendments)

Current Articles of Incorporation	Proposed Amendments
Article 12 (Convocation)	Article 12 (Convocation)
<p>An ordinary general meeting of shareholders of the Company shall be convened within three months after the end of each fiscal year. An extraordinary general meeting of shareholders shall be convened as needed. (Newly established)</p>	<p><u>1.</u> An ordinary general meeting of shareholders shall be convened within three months after the end of each fiscal year. An extraordinary general meeting of shareholders shall be convened as needed. <u>2.</u> <u>General meetings of shareholders of the Company may be a general meeting of shareholders without a designated location.</u></p>
<p><u>Article 17 (Internet Disclosure and Deemed Provision of Reference Documents for General Meetings of Shareholders, etc.)</u></p>	
<p><u>The Company may, when convening a general meeting of shareholders, deem that it has provided information pertaining to matters to be stated or indicated in reference documents for the general meeting of shareholders, business reports, non-consolidated financial statements, and consolidated financial statements to the shareholders by disclosing such information through the Internet in accordance with the applicable Ministry of Justice Order.</u></p>	(Deleted)
<p>(Newly established)</p>	<p><u>Article 17 (Measures for Electronic Provision, etc.)</u></p>
	<p><u>1.</u> <u>The Company shall, when convening a general meeting of shareholders, take measures to electronically provide the information that is the content of the reference documents for the general meeting of shareholders, etc.</u> <u>2.</u> <u>The Company may not include in the documents to be delivered to shareholders who have requested the delivery of documents by the record date of voting rights all or part of the matters for which the Company shall take measures for the electronic provision and which are specified in the applicable Ministry of Justice Order.</u></p>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<u>Supplementary Provisions</u>
(Newly established)	<u>Article 1 (Transitional Measures Concerning Convocation of General Meetings of Shareholders)</u>
	<p><u>The amendment of Article 12 (Convocation) of the current Articles of Incorporation shall take effect on the date when the Company receives confirmation from the Minister of Economy, Trade and Industry and the Minister of Justice that the general meeting of shareholders to be held by the Company in a fully electronic manner meets the requirements specified by the applicable Ministry of Economy, Trade and Industry Order and the Ministry of Justice Order. Provisions of this Article shall be deleted after the effective date has passed.</u></p>
	<u>Article 2 (Transitional Measures Concerning Electronic Provision of Documents for General Meetings of Shareholders)</u>
(Newly established)	<ol style="list-style-type: none"> <li data-bbox="801 645 1414 808">1. <u>The deletion of Article 17 (Internet Disclosure and Deemed Provision of Reference Documents for General Meetings of Shareholders, etc.) of the current Articles of Incorporation and the establishment of Article 17 (Measures for Electronic Provision, etc.) of the proposed amendments shall take effect as of September 1, 2022.</u> <li data-bbox="801 817 1414 1003">2. <u>Notwithstanding the provisions of the preceding Paragraph, Article 17 (Internet Disclosure and Deemed Provision of Reference Documents for General Meetings of Shareholders, etc.) of the current Articles of Incorporation shall remain in force with respect to the general meeting of shareholders to be held within six months from September 1, 2022.</u> <li data-bbox="801 1012 1414 1131">3. <u>Provisions of this Article shall be deleted after six months have elapsed from September 1, 2022, or three months have elapsed from the date of the general meeting of shareholders set forth in the preceding Paragraph, whichever is later.</u>

Proposal 3: Election of Eight (8) Directors

The terms of office of all eight (8) Directors will expire at the conclusion of the Meeting. Accordingly, the Company proposes the election of eight (8) Directors.

The candidates for Director are as follows.

Candidate No.	Name (Birthdate)	Past experience and positions and responsibilities at the Company (Significant concurrent positions)	Number of shares of the Company held (as of December 31, 2021)
1	Naoaki Mashita (Born December 2, 1977)	<p>Oct. 1998 Established and became President and CEO of V-cube Internet (dissolved by merger with the Company in March 2006)</p> <p>Jan. 2004 President and CEO, V-cube Broad Communications, Inc. (currently the Company) (current position)</p> <p>Jan. 2012 Director, V-cube Global Services Pte. Ltd.</p> <p>Jul. 2012 President Komisarisa, PT. V-CUBE INDONESIA</p> <p>Apr. 2013 Chairman, V-cube USA, Inc. (current position)</p> <p>Oct. 2015 Director, V-cube Robotics Japan, Inc. (currently SENSYN ROBOTICS, Inc.) (current position)</p> <p>Oct. 2015 Director, Wizlearn Technologies Pte. Ltd. (current position)</p> <p>Nov. 2018 President and CEO, SENSYN ROBOTICS, Inc.</p> <p>Aug. 2019 Chairman and Representative Director, SENSYN ROBOTICS, Inc. (current position)</p> <p>Jun. 2021 Director, Xyvid, Inc. (current position)</p> <p>(Significant concurrent positions) Chairman and Representative Director, SENSYN ROBOTICS, Inc.</p>	3,416,247 shares
2	Masaya Takada (Born August 22, 1976)	<p>Oct. 2001 Director, V-cube Internet (dissolved by merger with the Company in March 2006)</p> <p>Apr. 2002 Joined Hitachi, Ltd.</p> <p>Oct. 2004 Director, V-cube Broad Communications, Inc. (currently the Company) (current position)</p> <p>Apr. 2006 Vice President and General Manager of Administration Division, the Company</p> <p>Dec. 2012 Representative Director and Vice President, the Company (current position)</p> <p>Jan. 2017 COO, the Company (current position)</p>	308,900 shares
3	Jun Mizutani (Born April 18, 1983)	<p>Apr. 2006 Joined the Company</p> <p>Jul. 2012 Deputy General Manager of Sales Division, the Company</p> <p>Jan. 2015 General Manager of Sales Division, the Company (current position)</p> <p>Mar. 2016 Director and CRO, the Company (current position)</p> <p>Mar. 2019 Managing Director, the Company</p> <p>Mar. 2021 Senior Managing Director, the Company (current position)</p>	6,200 shares

Candidate No.	Name (Birthdate)	Past experience and positions and responsibilities at the Company (Significant concurrent positions)	Number of shares of the Company held (as of December 31, 2021)
4	Yosuke Kamezaki (Born December 25, 1979)	<p>May 2002 Joined V-cube Internet (dissolved by merger with the Company in March 2006)</p> <p>May 2004 Joined V-cube Broad Communications, Inc. (currently the Company)</p> <p>Mar. 2012 Director, the Company (current position)</p> <p>Jan. 2013 CTO (current position) and General Manager of Technology Division, the Company</p> <p>May 2013 Director, V-cube Global Services Pte. Ltd.</p>	50,200 shares
5	Kazuki Yamamoto (Born October 2, 1978)	<p>Oct. 2003 Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>Nov. 2008 Registered as a certified public accountant</p> <p>Oct. 2015 Director, Plus One Marketing Ltd.</p> <p>Apr. 2017 Joined Regional Economy Vitalization Corporation of Japan</p> <p>Apr. 2019 CFO and General Manager of Corporate Planning Division, the Company (current position)</p> <p>Dec. 2019 Director, Regional Economy Vitalization Corporation of Japan</p> <p>Mar. 2021 Joined and became Director of the Company (current position)</p> <p>Jun. 2021 Director, Xyvid, Inc. (current position)</p>	500 shares
6	Norio Murakami (Born March 31, 1947)	<p>Apr. 1970 Joined Hitachi Denshi, Ltd. (currently Hitachi Kokusai Electric Inc.)</p> <p>Apr. 2003 Vice President, Google, Inc. President and Representative Director, Google Japan Inc.</p> <p>Jan. 2009 Honorary Chairman, Google Japan Inc.</p> <p>Jan. 2011 Established and became Representative Director of Murakami Norio Office, Inc. (current position)</p> <p>Mar. 2012 Outside Director, the Company (current position)</p> <p>Aug. 2013 Outside Director, Weathernews Inc.</p> <p>Oct. 2016 Chairman and Representative Director, ENERES Co., Ltd.</p> <p>Oct. 2017 Outside Director, CellSource Co., Ltd. (current position)</p> <p>(Significant concurrent positions) Representative Director, Murakami Norio Office, Inc. Outside Director, CellSource Co., Ltd.</p>	– shares

Candidate No.	Name (Birthdate)	Past experience and positions and responsibilities at the Company (Significant concurrent positions)	Number of shares of the Company held (as of December 31, 2021)
7	Kenichi Nishimura (Born June 10, 1947)	<p>Apr. 1970 Joined Nippon Telegraph and Telephone Public Corporation</p> <p>Jun. 1999 Director, Manager of Hiroshima Branch, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION</p> <p>May 2002 President and Representative Director, NTT-Neomeit Corporation</p> <p>Jun. 2009 President and Representative Director, TODENTSU Corporation</p> <p>Oct. 2010 Representative Director and Vice President, MIRAIT Holdings Corporation</p> <p>Oct. 2012 Representative Director and Vice President, MIRAIT Corporation</p> <p>Jun. 2013 Advisor and Director, MIRAIT Corporation</p> <p>Jun. 2014 Advisor, MIRAIT Corporation</p> <p>Jul. 2014 Outside Director, Hakusan Mfg Co., Ltd. (currently Hakusan, Inc.) (current position)</p> <p>Mar. 2015 Outside Director, the Company (current position)</p> <p>(Significant concurrent positions) Outside Director, Hakusan, Inc.</p>	8,000 shares
8	Naomi Koshi (Born July 5, 1975)	<p>Oct. 2002 Registered as an attorney at law</p> <p>Oct. 2002 Attorney at law, Nishimura & Partners (currently Nishimura & Asahi)</p> <p>Jun. 2009 Graduated from Harvard Law School</p> <p>Oct. 2009 Worked at Debevoise & Plimpton LLP</p> <p>Jan. 2010 Admitted to the New York State Bar</p> <p>Sep. 2010 Visiting Researcher, Center on Japanese Economy and Business, Columbia Business School</p> <p>Jan. 2012 Mayor, Otsu City</p> <p>Mar. 2020 Outside Director, the Company (current position)</p> <p>Sep. 2020 Partner, Miura & Partners (current position)</p> <p>Jan. 2021 Admitted to the State Bar of California</p> <p>Feb. 2021 CEO, OnBoard K.K. (current position)</p> <p>Jun. 2021 Outside Director, SoftBank Corp. (current position)</p> <p>(Significant concurrent positions) Partner, Miura & Partners CEO, OnBoard K.K. Outside Director, SoftBank Corp.</p>	– shares

- (Notes)
- There are no special interests between each of the candidates and the Company.
 - Mr. Norio Murakami, Mr. Kenichi Nishimura, and Ms. Naomi Koshi are candidates for Outside Director.
 - (1) The reasons for Mr. Norio Murakami's nomination as a candidate for Outside Director and an outline of his expected role are as follows: He has extensive experience as a manager of a global company and is nominated for election with the expectation that he will provide advice and recommendation for the Company's further global expansion as well as for the Company's overall management. His term of office as an Outside Director will be ten (10) years at the conclusion of the Meeting.
(2) The reasons for Mr. Kenichi Nishimura's nomination as a candidate for Outside Director and an outline of his expected role are as follows: He has extensive experience as a corporate manager in the information and communications field, and is nominated for election with the expectation that he will provide advice and

recommendation for the overall management. His term of office as an Outside Director will be seven (7) years at the conclusion of the Meeting.

(3) The reasons for Ms. Naomi Koshi's nomination as a candidate for Outside Director and an outline of her expected role are as follows: She has abundant experience and expertise as an attorney at law and is familiar with corporate legal affairs, and the Company expects that she will utilize these experiences and expertise to strengthen the corporate governance of the Company. In addition, she has served two terms (eight years) as mayor of Otsu City and has a wide range of experience and insight through her administrative activities. She is nominated for election with the expectation that she will provide advice and recommendation for the Company's further business expansion as well as for the Company's overall management. Her term of office as an Outside Director will be two (2) years at the conclusion of the Meeting.

4. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Norio Murakami, Mr. Kenichi Nishimura, and Ms. Naomi Koshi to limit their liability for damages under Article 423, Paragraph 1 of the said Act. The maximum amount of liability for damages under the agreement is the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act. If Mr. Norio Murakami, Mr. Kenichi Nishimura, and Ms. Naomi Koshi are reappointed, the Company will continue the agreements with each of them.
5. The Company has entered into a directors and officers liability insurance agreement with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, and an outline of the insurance agreement is shown on page 24 of the Japanese original of the Business Report. If the appointment of the candidates for Director is approved, they will continue to be insured under the insurance agreement.
The Company plans to renew the agreement with the same terms and conditions at the next renewal.
6. The Company has reported Mr. Norio Murakami, Mr. Kenichi Nishimura, and Ms. Naomi Koshi as independent officers as stipulated by the Tokyo Stock Exchange. If they are reappointed, the Company will continue to report them as independent officers.

(Reference) Skill Matrix

If this proposal is approved, the skill matrix of each Director and Auditor based on the expertise and experience that the Company's management team should possess will be as follows:

		Corporate management	ESG	Business strategy	IT	Finance / Accounting / M&A	Legal affairs / Compliance / Risk management	Human resources development	Well-being	International	Sales / Marketing
Director	Naoaki Mashita	○	○	○	○	○				○	○
	Masaya Takada	○			○		○	○	○		
	Jun Mizutani	○		○				○			○
	Yosuke Kamezaki	○			○					○	
	Kazuki Yamamoto	○				○				○	
	Norio Murakami	○	○	○	○					○	
	Kenichi Nishimura	○	○	○	○						
	Naomi Koshi	○	○				○			○	
Auditor	Kikuo Fukushima		○					○	○		
	Kiyoji Odashima					○					
	Daiko Matsuyama		○					○	○	○	

Proposal 4: Election of One (1) Substitute Auditor

The Company proposes the election of one (1) Substitute Auditor in preparation for a vacancy in the number of Auditors as stipulated by laws and regulations. The condition for the appointment of the Substitute Auditor shall be that there is a vacancy in the number of Auditors as stipulated by laws and regulations, and the term of office of the Substitute Auditor shall be the remaining term of office of the predecessor.

The Company has obtained the consent of the Audit & Supervisory Board to this proposal.

The candidate for Substitute Auditor is as follows.

Name (Birthdate)	Past experience (Significant concurrent positions)	Number of shares of the Company held (as of December 31, 2021)
Nobuo Kawasaki (Born September 28, 1958)	Apr. 1982 Joined Tokyo Regional Taxation Bureau Jul. 2017 District Director of Hachioji Tax Office, Tokyo Regional Taxation Bureau Jul. 2018 Assistant Regional Commissioner (Fourth Examination Group), Tokyo Regional Taxation Bureau Aug. 2019 Registered as a certified public tax accountant	— shares

- (Notes)
1. There are no special interests between the candidate for Substitute Auditor and the Company.
 2. Mr. Nobuo Kawasaki is a candidate for Substitute Outside Auditor.
 3. Mr. Nobuo Kawasaki is nominated as a candidate for Substitute Outside Auditor because the Company expects him to reflect his abundant practical experience and deep insight mainly as a tax expert in the audit of the Company. Although he has never been involved in the management of a company in any way other than being an outside officer, the Company believes that he can appropriately perform his duties as an Outside Auditor for the above reasons.
 4. If Mr. Nobuo Kawasaki assumes office as an Outside Auditor, the Company will enter into an agreement with him to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the said Act. The maximum amount of liability for damages under the agreement will be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.
 5. The Company has entered into a directors and officers liability insurance agreement with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, and an outline of the insurance agreement is shown on page 24 of the Japanese original of the Business Report. If Mr. Nobuo Kawasaki's election as Substitute Auditor is approved and he assumes the position of Outside Auditor, he will be insured under the insurance agreement.
The Company plans to renew the agreement with the same terms and conditions at the next renewal.

Proposal 5: Election of Accounting Auditor

KPMG AZSA LLC, the Company’s Accounting Auditor, will retire from its position at the conclusion of the Meeting due to the expiration of its term of office. Accordingly, the Company proposes the election of a new Accounting Auditor.

This proposal is based on the decision of the Audit & Supervisory Board.

The Audit & Supervisory Board has appointed Grant Thornton Taiyo LLC as a candidate for Accounting Auditor because the Audit & Supervisory Board has considered the professional capabilities, independence, professional ethics, quality control system, audit fees, and other factors required of an Accounting Auditor, and has determined that the firm is suitable as the Company’s Accounting Auditor.

The candidate for Accounting Auditor is as follows:

(As of December 31, 2021)

Name	Grant Thornton Taiyo LLC		
Offices	Main office:	1-2-7 Motoakasaka, Minato-ku, Tokyo, Japan	
	Other offices:	Osaka Office and 10 other locations	
History	Sep. 1971:	Established Taiyo Audit Corporation	
	Oct. 1994:	Joined Grant Thornton International Ltd	
	Jan. 2006:	Taiyo Audit Corporation merged with ASG Audit Corporation and changed its name to Grant Thornton Taiyo ASG Audit Corporation	
	Jul. 2012:	Merged with Eisho Audit Corporation	
	Oct. 2013:	Merged with Kasumigaseki Audit Corporation	
	Oct. 2014:	Changed name to Grant Thornton Taiyo LLC	
	Jul. 2018:	Merged with YUSEI Audit & Co.	
Summary	Personnel type:	Representative partners / partners	88 persons
		Specified partners	4 persons
		Certified public accountants	303 persons
		Passers of certified public accountant exam, etc.	245 persons
		Other professionals	187 persons
		Administrative staff	87 persons
		Contract workers	221 persons
		Total	1,135 persons
	Number of clients:		1,018 companies

(Note) If the appointment of Grant Thornton Taiyo LLC is approved, the Company will enter into an agreement with Grant Thornton Taiyo LLC to limit its liability for damages under Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the said Act. The maximum amount of liability for damages under the agreement will be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.

Proposal 6: Determination of Compensation for Granting Restricted Stock to Directors

The amount of compensation, etc. for Directors of the Company was approved at the 21st Ordinary General Meeting of Shareholders held on March 25, 2021, at an amount not exceeding 300 million yen per year (including amount not exceeding 30 million yen per year for Outside Directors; compensation for employees is not included). For the purpose of providing Directors (excluding Outside Directors, hereinafter referred to as the “Eligible Directors”) with incentives to continuously improve the Company’s corporate value and to further promote value sharing with shareholders, the Company proposes to newly grant compensation for granting restricted stock or grant restricted stock as compensation, etc. to the Eligible Directors, separately from the above compensation framework.

The grant of restricted stock under this proposal shall be made by one of the following methods based on the resolution of the Board of Directors.

1. Method of issuing or disposing of shares of common stock of the Company without requiring payment of money or delivery of assets contributed in kind as compensation, etc., to the Eligible Directors
2. Method in which monetary compensation claims are granted to the Eligible Directors as compensation, etc., and the Eligible Directors deliver all of such monetary compensation claims as assets contributed in kind for the issuance or disposal of shares of common stock of the Company (hereinafter the “In-Kind Contribution Delivery”)

The total number of shares of common stock of the Company to be issued or disposed of to the Eligible Directors pursuant to this proposal shall not exceed 150,000 shares per year, and the total amount of compensation thereof shall not exceed 75 million yen per year, which is considered appropriate in light of the above purposes. However, if the total number of shares issued by the Company increases or decreases due to a reverse stock split or stock split (including gratis allotment of shares), the above maximum number of shares shall be adjusted according to the ratio of such stock split or reverse stock split.

The amount to be paid per share in the case of the In-Kind Contribution Delivery shall be determined by the Board of Directors based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of each Board of Directors resolution (or the closing price of the immediately preceding business day if no transactions were made on that date), to the extent not particularly favorable to the Eligible Directors.

The details of the allocation to each Eligible Director shall be decided by the Board of Directors after deliberation by the Nomination and Compensation Committee, respecting the opinion of the Nomination and Compensation Committee. In granting the restricted stock under this proposal, the Company and the Eligible Directors shall enter into a restricted stock allotment agreement (hereinafter the “Allotment Agreement”) that includes an outline of the following details. The first grant to the Eligible Directors is scheduled to be made on or after January 1, 2023.

Currently, there are five (5) Eligible Directors, and if Proposal 3 is approved as originally proposed, there will continue to be five (5) Eligible Directors.

- (1) With respect to the shares of common stock of the Company allotted under the Allotment Agreement (hereinafter the “Allotted Shares”), the Eligible Directors shall not transfer, create a security interest in, or otherwise dispose of the Allotted Shares (hereinafter the “Transfer Restriction”) for a period from the date of delivery of the Allotted Shares to the date on which the Eligible Director resigns or retires from his or her position as Director of the Company or other position determined by the Board of Directors of the Company (however, if he or she resigns or retires before three months have passed after the end of the fiscal year to which the delivery date of the Allotted Shares belongs, and if the Board of Directors of the Company has designated a date within six months after the end of such fiscal year, such date shall be that date) (hereinafter the “Transfer Restriction Period”).
- (2) If the Eligible Director resigns or retires from the position specified in (1) above before the expiration of the period specified by the Board of Directors of the Company (hereinafter the “Service Provision Period”), the Company shall naturally acquire the Allotted Shares without compensation, unless there is a reason deemed justifiable by the Board of Directors of the Company.
- (3) The Company shall lift the Transfer Restriction of all of the Allotted Shares upon the expiration of the Transfer Restriction Period, provided that the Eligible Director has continuously held the position stipulated in (1) above during the Service Provision Period. However, if the Eligible Director resigns or retires from the position specified in (1) above before the expiration of the Service Provision Period for reasons deemed justifiable by the Board of Directors of the Company as specified in (2) above, the

number of the Allotted Shares for which the Transfer Restriction shall be lifted shall be reasonably adjusted as necessary.

- (4) The Company shall naturally acquire without compensation any of the Allotted Shares for which the Transfer Restriction has not been lifted pursuant to the provisions of (3) above at the time of the expiration of the Transfer Restriction Period.
- (5) The Company shall naturally acquire the Allotted Shares without compensation if, during the Transfer Restriction Period, the Eligible Director violates laws and regulations, internal rules, or the Allotment Agreement, or falls under any other event specified by the Board of Directors of the Company as a reason for which it is reasonable to acquire the Allotted Shares without compensation.
- (6) Notwithstanding the provisions of (1) above, in the event that a merger agreement under which the Company becomes a dissolving company, a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary, or other matters relating to organizational restructuring, etc. are approved by the General Meeting of Shareholders of the Company (or the Board Directors of the Company in cases where approval by the General Meeting of Shareholders of the Company is not required for the organizational restructuring, etc.) during the Transfer Restriction Period, the Company shall, by a resolution of its Board of Directors, lift the Transfer Restriction of a reasonably determined number of the Allotted Shares prior to the effective date of such organizational restructuring, etc.
- (7) In the case stipulated in (6) above, the Company shall naturally acquire without compensation the Allotted Shares for which the Transfer Restriction has not yet been lifted as of the time immediately after the lifting of the Transfer Restriction in accordance with the provisions of (6) above.

[Reason why the grant of restricted stock is appropriate]

This proposal is to provide the Eligible Directors with compensation for granting restricted stock or granting restricted stock as compensation, etc., in order to provide the Eligible Directors with incentives to continuously improve the corporate value of the Company and to promote further value sharing with shareholders.

The ratio of the maximum number of shares to be issued or disposed of in one year under this proposal to the total number of shares issued (as of December 31, 2021) is 0.6%, and thus the dilution ratio is immaterial.

Therefore, the Company believes that the contents of this proposal are appropriate.