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Securities Code: 8005

May 16, 2022

To Our Shareholders:

Tomohisa Tsurumi, Representative Director and
President
Scroll Corporation
2-24-1 Sato, Naka-ku, Hamamatsu-shi, Shizuoka

Notice of the 81st Ordinary General Meeting of Shareholders

We are pleased to notify you that the 81st Ordinary General Meeting of Shareholders of Scroll Corporation (the “Company”) will be held as follows.

In lieu of attending the meeting in person, you may exercise your voting rights in writing or by electromagnetic means (via the Internet). After examining the Reference Documents for the General Meeting of Shareholders mentioned below, you may either indicate your approval or disapproval of the proposals on the enclosed Voting Rights Exercise Form and return it to the Company so that it arrives by 5:30 p.m. on Monday, May 30, 2022 (JST). Or, after confirming the “Procedures for Exercising Voting Rights via the Internet” on page 3 of the Japanese original, you may exercise your voting rights via the voting website designated by the Company (<https://evote.tr.mufg.jp/>) by the above deadline.

- 1. Date and Time:** Tuesday, May 31, 2022, at 10:00 a.m. (JST) (Venue to open at 9:15 a.m.)
*You will need to apply in advance to enter the venue of the General Meeting of Shareholders.
For details, please refer to page 5 of the Japanese original.
- 2. Venue:** 5th floor conference room, the Company’s headquarters building
2-28-22, Sato, Naka-ku, Hamamatsu-shi, Shizuoka
(Please refer to the venue map for the General Meeting of Shareholders at the end of Japanese original)

3. Objective

Items to be reported:

1. Report on the Business Report and Consolidated Financial Statements for the 81st Fiscal Year (from April 1, 2021 to March 31, 2022), and report on the results of audits of the Consolidated Financial Statements by the Accounting Auditors and the Audit and Supervisory Committee
2. Report on the Non-consolidated Financial Statements for the 81st Fiscal Year (from April 1, 2021 to March 31, 2022)

Items to be resolved:

<< Company Proposals (Proposal Nos. 1 to 4) >>

- Proposal No. 1** Partial Amendment to the Articles of Incorporation
- Proposal No. 2** Election of Four Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 3** Election of Five Directors Who Are Audit and Supervisory Committee Members
- Proposal No. 4** Decision on Remuneration for Granting Stocks with Restrictions on Transfer to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors)

<< Shareholder Proposals (Proposal Nos. 5 to 6) >>

- Proposal No. 5** Election of One Director
- Proposal No. 6** Acquisition of Own Shares

Please refer to the attached Reference Documents for the General Meeting of Shareholders for the summaries of the shareholder proposals.

Reference Documents for the General Meeting of Shareholders

<< Company Proposals (Proposal Nos. 1 to 4) >>

Proposal No. 1 Partial Amendment to the Articles of Incorporation

1. Reasons for the Amendment

(1) Article 2 of the current Articles of Incorporation (Purpose)

In accordance with the current state of the Group's businesses, the Company intends to amend No. 16 and No. 20 to clarify the contents of businesses as well as respond to the expansion and diversification of the Group's business areas.

(2) Article 14 of the current Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)

The revised provisions provided for in a proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022. The Company intends to delete Article 14 of the current Articles of Incorporation, which will become unnecessary, and newly establish Article 14 of the proposed amendments in relation to measures for providing information in electronic format as the Company will be required to stipulate in the Articles of Incorporation to take measures for providing information that constitutes the content of reference documents for the General Meeting of Shareholders, etc. in electronic format. The Company also intends to newly establish Article 2 of the Supplementary Provisions in relation to transitional measures and make the supplementary provision in the current Articles of Incorporation Article 1 of the Supplementary Provisions.

2. Content of Amendments

The content of amendments is as follows:

(Amendments are underlined.)

Current Articles of Incorporation	Proposed amendments
Chapter I General Provisions	Chapter I General Provisions
Article 1 (Provisions omitted)	Article 1 (No change)
Article 2 (Purpose) The purpose of the Company shall be to engage in the following business activities: (1) – (15) (Provisions omitted) (16) <u>Securities brokerage business</u> (17) – (19) (Provisions omitted) (20) Collection, management, processing and provision of information using the Internet (21) – (34) (Provisions omitted)	Article 2 (Purpose) The purpose of the Company shall be to engage in the following business activities: (1) – (15) (No change) (16) <u>Financial instruments intermediary service</u> (17) – (19) (No change) (20) Collection, management, processing and provision of information using the Internet, <u>as well as intermediary service for various services</u> (21) – (34) (No change)
Articles 3 – 13 (Provisions omitted) <u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u>	Articles 3 – 13 (No change) (Deleted)
<u>Article 14</u> <u>When the Company convenes a General Meeting of Shareholders, if it discloses information that is to be stated or presented in the reference documents for the General Meeting of Shareholders, business report, financial statements and consolidated financial statements through the Internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided such information to shareholders.</u>	

Current Articles of Incorporation	Proposed amendments
<p>(Newly established)</p> <p>Articles 15 – 38 (Provisions omitted) Supplementary Provisions</p> <p>(Transitional Measures Regarding Exemption of Corporate Auditors From Liability)</p> <p>Regarding actions before the effective date of amendment to the Articles of Incorporation approved by the 75th Ordinary General Meeting of Shareholders, the Company may, by resolution of the Board of Directors, exempt a Corporate Auditor (including a person who was formerly a Corporate Auditor) under Article 423, paragraph (1) of the Companies Act, from his/her liability for damages to the extent permitted by laws and regulations.</p> <p>(Newly established)</p>	<p><u>(Provision of Informational Materials for General Meeting of Shareholders in Electronic Format)</u></p> <p><u>Article 14</u></p> <ol style="list-style-type: none"> 1. <u>When the Company convenes a General Meeting of Shareholders, it shall take measures for providing information that constitutes the content of reference documents for the General Meeting of Shareholders, etc. in electronic format.</u> 2. <u>Among items for which the measures for providing information in electronic format will be taken, the Company is not required to state all or part of an item designated by the Ministry of Justice Order in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents as provided for in Article 325-5 of the Companies Act by the record date for voting rights.</u> <p>Articles 15 – 38 (No change) Supplementary Provisions</p> <p><u>Article 1</u></p> <p>(Transitional Measures Regarding Exemption of Corporate Auditors From Liability)</p> <p>(No change)</p> <p><u>(Transitional Measures Regarding Provision of Informational Materials for General Meeting of Shareholders in Electronic Format)</u></p> <p><u>Article 2</u></p> <ol style="list-style-type: none"> 1. <u>The amendment of Article 14 of the Articles of Incorporation shall be effective from September 1, 2022, which is the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Date of Enforcement”).</u> 2. <u>Notwithstanding the provisions of the preceding paragraph, Article 14 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the Articles of Incorporation shall remain effective regarding any General Meeting of Shareholders held on a date within six months from the Date of Enforcement.</u> 3. <u>This Article shall be automatically deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the General Meeting of Shareholders in the preceding paragraph, whichever is later.</u>

Proposal No. 2 Election of Four Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all seven Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies to the rest of this proposal) will expire at the conclusion of this General Meeting of Shareholders. Therefore, the Company proposes the election of four Directors, by reducing the number of Directors by three, with the aim of improving the flexibility and transparency of management decisions, while securing the appropriate number of Directors that enables lively discussions at the meetings of the Board of Directors.

As a result of the review of this proposal by the Audit and Supervisory Committee, there were no particular points raised by the Audit and Supervisory Committee.

The candidates for Director are as follows:

Candidate No.		Name	Gender	Current position and responsibility in the Company
1	Reelection	Tomohisa Tsurumi	Male	Representative Director and President Group Officer CEO & COO General Manager of Direct Marketing Headquarter
2	Reelection	Hiroaki Sato	Male	Director and Executive Vice President Group Officer CSO PRS of E-commerce Business
3	Reelection	Masayuki Yamazaki	Male	Director Group Officer CMO PRS of Solutions Business
4	Reelection	Yasunori Sugimoto	Male	Director Group Officer CAO PRS of Group Jurisdiction Business General Manager of Corporate Management Department

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Tomohisa Tsurumi (May 11, 1966) Attendance at Board of Directors meetings 14 out of 14 (Attendance: 100%)	<p>Apr. 1989 Joined the Company</p> <p>Apr. 2012 Corporate Officer, General Manager of Direct Marketing for Innerwear and General Manager of Internet Marketing Department of Direct Marketing Headquarter</p> <p>May 2013 Director, Corporate Officer, and Vice General Manager of Direct Marketing for H&B of Direct Marketing Headquarter</p> <p>May 2015 Director, President, Corporate Officer, and General Manager of Direct Marketing for H&B of Direct Marketing Headquarter</p> <p>Apr. 2018 Director, President, Corporate Officer, and General Manager of Direct Marketing Headquarter</p> <p>Apr. 2019 Director, President, Corporate Officer, and PRS of Health & Beauty Business and General Manager of Direct Marketing Headquarter</p> <p>Apr. 2020 Representative Director, President, Corporate Officer, PRS of Health & Beauty Business and General Manager of Direct Marketing Headquarter</p> <p>Apr. 2022 Representative Director, President, Group Officer CEO & COO, and General Manager of Direct Marketing Headquarter (current position)</p>	88,000
<p>(Reasons for nomination as candidate for Director)</p> <p>Tomohisa Tsurumi has had a wide range of business experience in the Group since he joined the Company in 1989. After serving as Director and President of a subsidiary and Director and President of the Company, he conducts appropriate management by strongly promoting important business execution and management decision-making of the Group as Representative Director, President, and Group Officer CEO & COO. The Company proposes his continued election as Director as an appropriate person to achieve the Group's sustainable growth and enhancement of corporate value over the medium to long term.</p>			
2	Hiroaki Sato (October 10, 1971) Attendance at Board of Directors meetings 11 out of 14 (Attendance: 78%)	<p>Apr. 1995 Joined the Company</p> <p>Jan. 2013 Retired from the Company</p> <p>Apr. 2013 Representative Director and President of Cynosura, Inc.</p> <p>May 2015 Director of the Company</p> <p>Apr. 2018 Director, Corporate Officer, and Executive Manager of E-commerce Business</p> <p>Apr. 2019 Director, Corporate Officer, and PRS of E-commerce Business</p> <p>Apr. 2020 Director, Executive Vice President, Corporate Officer, and PRS of E-commerce Business Director of Cynosura, Inc. (current position)</p> <p>Apr. 2022 Director, Executive Vice President, Group Officer CSO, and PRS of E-commerce Business of the Company (current position)</p> <p>(Significant concurrent positions outside the Company) Director of Cynosura, Inc.</p>	20,300
<p>(Reasons for nomination as candidate for Director)</p> <p>Hiroaki Sato has a wealth of business experience in the Company's marketing divisions. After serving as Director and President of a subsidiary and as a Director in charge of the E-commerce business of the Group, as Director, Executive Vice President, Group Officer CSO, he appropriately promotes important business execution, management decision-making and supervision. The Company proposes his continued election as Director as an appropriate person to achieve the Group's sustainable growth and enhancement of corporate value over the medium to long term.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Masayuki Yamazaki (June 11, 1963) Attendance at Board of Directors meetings 14 out of 14 (Attendance: 100%)	<p>Apr. 1988 Joined Daiwa Securities Co. Ltd.</p> <p>Apr. 2002 Representative Director of Floraison Inc.</p> <p>Apr. 2012 Representative Director and President of HAC CO., LTD. (currently, Hokkaido Anthropologie Corporation)</p> <p>Apr. 2013 Corporate Officer and Vice General Manager of Direct Marketing for H&B of Direct Marketing Headquarter of the Company</p> <p>May 2017 Director, Corporate Officer, and General Manager of Solutions Business Management Department of Direct Marketing Headquarter and M&A Strategy Division</p> <p>Apr. 2018 Director, Corporate Officer, Executive Manager of Solutions Business and General Manager of M&A Strategy Division</p> <p>Apr. 2019 Director, Corporate Officer, PRS of Solutions Business and General Manager of M&A Strategy Division</p> <p>Apr. 2022 Director, Group Officer CMO, and PRS of Solutions Business (current position)</p>	33,000
<p>(Reasons for nomination as candidate for Director)</p> <p>Masayuki Yamazaki is in charge of mainly the Solutions Business of the Group, taking advantage of his extensive experience, and as a Director overseeing M&A strategies based on the medium-term management plan, Group Officer CMO, he appropriately promotes important business execution, management decision-making and supervision. The Company proposes his continued election as Director as an appropriate person to achieve the Group's sustainable growth and enhancement of corporate value over the medium to long term.</p>			
4	Yasunori Sugimoto (June 16, 1965) Attendance at Board of Directors meetings 14 out of 14 (Attendance: 100%)	<p>Apr. 1988 Joined the Company</p> <p>Apr. 2012 Corporate Officer and in charge of Solutions Business</p> <p>May 2013 Director, Corporate Officer, and General Manager of Direct Marketing for Solution of Direct Marketing Headquarter</p> <p>May 2016 Corporate Officer and General Manager of Direct Marketing for Solution of Direct Marketing Headquarter</p> <p>Nov. 2016 Corporate Officer and General Manager of Corporate Management Department</p> <p>Apr. 2019 Corporate Officer, PRS of Group Jurisdiction Business and General Manager of Corporate Management Department</p> <p>May 2019 Director, Corporate Officer, PRS of Group Jurisdiction Business and General Manager of Corporate Management Department</p> <p>Apr. 2022 Director, Group Officer CAO, and PRS of Group Jurisdiction Business and General Manager of Corporate Management Department (current position)</p>	44,700
<p>(Reasons for nomination as candidate for Director)</p> <p>Utilizing various types of business experience, he has had in the Group since joining the Company in 1988, Yasunori Sugimoto, as Director, Group Officer CAO, and General Manager of the Corporate Management Department, is in charge of a wide range of administrative department including corporate planning, legal affairs, accounting and human resources and logistics department, and appropriately promotes important business execution, management decision-making and supervision. The Company proposes his continued election as Director as an appropriate person to achieve the Group's sustainable growth and enhancement of corporate value over the medium to long term.</p>			

- Notes:
1. The criteria for judging the importance of “Significant concurrent positions outside the Company” are based on the importance of the duties the person is in charge of at the concurrent positions, the time spent on those duties, and other factors.
 2. Hiroaki Sato concurrently serves as Director of Cynosura, Inc., and there are minimal transactions based on a business consignment agreement between Cynosura, Inc. and the Company and its subsidiary, amounting to less than 1% of the consolidated sales of the Company.
 3. There is no special interest between any of other candidates and the Company.
 4. The Company has concluded a policy for directors and officers liability insurance, provided for in Article 430-3 of the Companies Act, covering all Directors. The directors and officers liability insurance policy shall indemnify legal compensation for damages, expenses of disputes, etc. to be borne by the insured; if candidates are appointed as Director, they shall be the insured under the directors and officers liability insurance policy. The Company plans to renew the directors and officers liability insurance policy with the same content during the term of office.
 5. PRS is an abbreviation for PRESIDENT of segment and represents the person responsible for each segment.
 6. CSO is an abbreviation for Chief Strategy Officer and represents the person who designs and plans the medium- to long-term group business portfolio strategy, and supervises its execution, based on the management and business operation policies decided by CEO and COO.
 7. CMO is an abbreviation for Chief M&A Officer and represents the person responsible for playing a role to collect and examine information on M&A targets, and promote and realize M&As.
 8. CAO is an abbreviation for Chief Administrative Officer and represents the person responsible for designing and planning strategies as the overall Group headquarters for corporate planning, legal affairs, general affairs, human resources, and logistics among others in the administrative department areas of the whole Group.
 9. Current trade names are presented only for companies where concurrent positions are held as well as for the Group companies in the career summaries for each candidate.
 10. The process for nominating candidates for Director is as follows:

In response to a consultation by the Board of Directors, the Nomination and Compensation Committee, established in March 2021, submits a report on the nomination of each candidate, in accordance with the basic standard requirements for candidates for Director and the criteria set by the Nomination and Compensation Committee. The Board of Directors decides candidates based on the report of the Nomination and Compensation Committee.

The skill matrix used as the criteria set by the Nomination and Compensation Committee is as in the table attached at the end of Proposal No. 3.

Proposal No. 3 Election of Five Directors Who Are Audit and Supervisory Committee Members

The terms of office of all four Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this meeting. In that regard, the Company proposes the election of five Directors who are Audit and Supervisory Board Members, increasing the number of such Directors by one to further strengthen and enhance the governance system.

In addition, the consent of the Audit and Supervisory Committee has been obtained for this proposal.

Candidates for Directors who are Audit and Supervisory Committee Members are as follows:

Candidate No.		Name	Gender	Candidate attributes	Tenure as Outside Director
1	Reelection	Tsukasa Murase	Male	Outside Director, Independent Officer	6 years
2	Reelection	Takayuki Miyabe	Male	Outside Director, Independent Officer	6 years
3	Reelection	Masanori Miyagi	Male	Outside Director, Independent Officer	2 years
4	New election	Itsuro Hitosugi	Male	Outside Director, Independent Officer	–
5	New election	Akiko Ono	Female	Outside Director, Independent Officer	–

Note: The tenures of Tsukasa Murase, Takayuki Miyabe and Masanori Miyagi, who are candidates for Outside Director, is presented using information as of the conclusion of this General Meeting of Shareholders.

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Tsukasa Murase (June 26, 1965) Attendance at Board of Directors meetings 13 out of 14 (Attendance: 92%) Attendance at meetings of the Audit and Supervisory Committee 13 out of 14 (Attendance: 92%)	Apr. 1990 Joined Andersen Consulting Nov. 2006 Director of Attainer Co., Ltd. Sept. 2009 Managing Director of KPMG BPA Co., Ltd. Mar. 2011 Representative Director of Biz-It Co., Ltd. May 2012 Outside Corporate Auditor of the Company Feb. 2013 Representative Director and President of fusions corporation May 2016 Outside Director (Audit and Supervisory Committee Member) of the Company (current position) June 2017 Representative Director and President of Foresight Consulting Ltd. (currently, Fundson Ltd.) (current position) Mar. 2020 Director of Japan hybrid Service Co., Ltd. Feb. 2021 Representative Director and President of Japan hybrid Service Co., Ltd. (current position) (Significant concurrent positions outside the Company) Representative Director and President of Fundson Ltd. Representative Director and President of Japan hybrid Service Co., Ltd.	14,200
(Reasons for nomination as candidate for Director who is an Audit and Supervisory Committee Member and summary of expected roles) Tsukasa Murase runs a consulting company focusing on information systems, and has experience in consulting work for a number of companies as well as sufficient insight to oversee corporate management. Taking advantage of such insight, he is especially expected to provide supervision and advice on the initiatives, etc. for the utilization and strengthening of the foundation of ICT in the Group. Accordingly, the Company proposes that he continue to be elected as an Outside Director (Audit and Supervisory Committee Member).			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
2	<p>Takayuki Miyabe (August 22, 1951)</p> <p>Attendance at Board of Directors meetings 14 out of 14 (Attendance: 100%)</p> <p>Attendance at meetings of the Audit and Supervisory Committee 14 out of 14 (Attendance: 100%)</p>	<p>Apr. 1975 Joined Sumitomo Corporation</p> <p>Sept. 1986 Seconded to Otto-Sumisho Inc.</p> <p>May 2000 Director and in charge of Product Division</p> <p>May 2001 Representative Director and President of Eddie Bauer Japan Inc.</p> <p>Feb. 2007 Representative Director, Chairman, and President of Otto-Sumisho Inc. Representative Director and Chairman of Eddie Bauer Japan Inc.</p> <p>Nov. 2012 Representative Director and President of L&S Corporation</p> <p>May 2016 Outside Director (Audit and Supervisory Committee Member) of the Company (current position)</p>	4,000
<p>(Reasons for nomination as candidate for Director who is an Audit and Supervisory Committee Member and summary of expected roles)</p> <p>Takayuki Miyabe has long been involved in the management of non-store operations and store operations of clothing, general merchandise, furniture, etc., and has experience in overseas production and import practices as well as sufficient insight to oversee corporate management. Taking advantage of such insight, he is expected to provide supervision and advice on the initiatives, etc. for the business execution system and management issues of the Company. Accordingly, the Company proposes that he continue to be elected as an Outside Director (Audit and Supervisory Committee Member).</p>			
3	<p>Masanori Miyagi (June 15, 1967)</p> <p>Attendance at Board of Directors meetings 14 out of 14 (Attendance: 100%)</p> <p>Attendance at meetings of the Audit and Supervisory Committee 14 out of 14 (Attendance: 100%)</p>	<p>Apr. 1991 Joined TOHO Chemical Industry Co., Ltd.</p> <p>May 2005 Joined Right Management Japan Inc.</p> <p>July 2008 Joined KPMG AZSA LLC</p> <p>Aug. 2014 Joined KPMG Consulting Co., Ltd.</p> <p>Sept. 2019 Director of Flexas Seven Co., Ltd.</p> <p>May 2020 Outside Director (Audit and Supervisory Committee Member) of the Company (current position)</p> <p>Sept. 2020 Advisor to KPMG Consulting Co., Ltd. (current position)</p> <p>Nov. 2020 Partner of Flexas Seven Co., Ltd. (retired in August 2021)</p> <p>Sept. 2021 Representative of HRTF (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Advisor to KPMG Consulting Co., Ltd. Representative of HRTF</p>	1,000
<p>(Reasons for nomination as candidate for Director who is an Audit and Supervisory Committee Member and summary of expected roles)</p> <p>Masanori Miyagi has sufficient insight to oversee corporate management focusing on human resources, labor, and corporate governance-related issues in a wide range of industries based on his work experience at a major manufacturer and several management consulting firms. Taking advantage of such insight, he is expected to provide supervision and advice on the reinforcement, enhancement, etc. of the governance system due to the amendments to laws and regulations and the revision of the Corporate Governance Code. Accordingly, the Company proposes that he continue to be elected as an Outside Director (Audit and Supervisory Committee Member).</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
4	Itsuro Hitosugi (June 15, 1956)	<p>Apr. 1980 Joined The Shizuoka Bank, Ltd.</p> <p>June 2005 Senior General Manager of Kakegawa Branch</p> <p>June 2008 Executive Officer and General Manager of Corporate Planning Dept.</p> <p>June 2009 Senior Executive Officer, Metropolitan Business Unit and General Manager of Tokyo Branch</p> <p>June 2012 Director & Senior Executive Officer and Vice General Manager of Banking Division in charge of sales and marketing</p> <p>June 2014 Director & Senior Executive Officer and Vice General Manager of Banking Division in charge of sales, marketing and operations</p> <p>June 2015 Director & Senior Executive Officer, Chairman of Committee of Administrative Supervision and in charge of Audit Dept. (retired in June 2017)</p> <p>June 2017 President of Shizuoka Economic Research Institute Ltd.</p> <p>June 2021 Advisor to Shizuoka Economic Research Institute Ltd. (current position)</p> <p>Nov. 2021 Outside Audit & Supervisory Board Member of Fuji Urban Development Company (part time) (current position)</p>	—
<p>(Reasons for nomination as candidate for Director who is an Audit and Supervisory Committee Member and summary of expected roles)</p> <p>Itsuro Hitosugi has experience at a financial institution and a think tank as well as sufficient insight to oversee finance, accounting, and overall corporate management. Taking advantage of such insight, he is expected to provide supervision and advice on overall corporate business management, especially focusing on finance and accounting. Accordingly, the Company proposes his election as a new Outside Director (Audit and Supervisory Committee Member).</p>			
5	Akiko Ono (June 9, 1973)	<p>Oct. 1995 Joined Tohmatsu & Co.</p> <p>Sept. 2002 Representative of Nakajima Certified Public Accountants Office</p> <p>Sept. 2005 Director of Brain Link Corporation</p> <p>Apr. 2008 Vice President of GCA Savvian Corporation</p> <p>Jan. 2011 Seconded to @Stream Corporation (Manager)</p> <p>June 2013 Representative of Ono Certified Public Accountants Office (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Representative of Ono Certified Public Accountants Office</p>	—
<p>(Reasons for nomination as candidate for Director who is an Audit and Supervisory Committee Member and summary of expected roles)</p> <p>Akiko Ono has experience working at an audit firm, certified public accountant offices and private companies, and she has insight in corporate evaluation, etc. in M&As, etc., and taking advantage of such insight, is expected to provide supervision and advice especially on finance, taxation and corporate business management. She has never been involved in the management of a company except for becoming an outside Officer. However, the Company judges she will appropriately fulfill her duties as an Outside Director based on the above reasons, and proposes her election as a new Outside Director (Audit and Supervisory Committee Member).</p>			

- Notes:
1. The Company had transactions with Masanori Miyagi, Representative of HRTF, based on an outsourcing agreement to support the development of a human resource system and others (the agreement expired on March 31, 2022), while the remuneration paid during the current fiscal year was minimal at 5 million yen.
 2. There is no special interest between any of other candidates and the Company.
 3. Tsukasa Murase, Takayuki Miyabe, Masanori Miyagi, Itsuro Hitosugi and Akiko Ono are candidates for Outside Director.
 4. Tsukasa Murase has previously served as an outside Corporate Auditor of the Company.
 5. The Company has submitted notification to the Tokyo Stock Exchange declaring that Tsukasa Murase, Takayuki Miyabe, and Masanori Miyagi are independent officers as provided for by the aforementioned exchange. If this proposal is

approved as originally proposed, these three persons will continue to be independent officers and Itsuro Hitosugi and Akiko Ono will be newly submitted for notification as independent officers.

6. Until June 2017, Itsuro Hitosugi was a Director of The Shizuoka Bank, Ltd., which is a specified affiliated business operator of the Company.
7. Pursuant to Article 427, paragraph (1) of the Companies Act and the Company's Articles of Incorporation, the Company has entered into agreements with Tsukasa Murase, Takayuki Miyabe, and Masanori Miyagi to limit their liability for damages pursuant to Article 423, paragraph (1) of the same Act. The maximum amount of liability for damages under such agreements is the minimum liability amount stipulated in Article 425, paragraph (1) of the same Act. If the reelection of these three persons is approved, the Company plans to continue such agreements with these three persons. In addition, if the election of Itsuro Hitosugi and Akiko Ono is approved, the Company plans to enter into liability limitation agreements with the same content.
8. The Company has entered into a directors and officers liability insurance policy, as provided for in Article 430-3 of the Companies Act, with all of the Directors as the insureds. The directors and officers liability insurance policy covers statutory compensation for damages, litigation expenses and other such outlays that an insured party may incur. Accordingly, if a respective candidate assumes office as a Director who is an Audit and Supervisory Committee Member, they will be included as an insured party under the directors and officers liability insurance policy. The Company intends to renew the directors and officers liability insurance policy with no change to its content during the term of office.
9. Current trade names are presented only for companies where concurrent positions are held in the career summaries for each candidate.
10. The process for nominating candidates for Directors who are Audit and Supervisory Committee Members is as follows: In response to a consultation by the Board of Directors, the Nomination and Compensation Committee, established in March 2021, submits a report on the nomination of each candidate, in accordance with the basic standard requirements for candidates for Director and the criteria set by the Nomination and Compensation Committee. The Board of Directors decides candidates based on the report of the Nomination and Compensation Committee.

The skill matrix used as the criteria set by the Nomination and Compensation Committee is as the table below, and shows the Board of Directors system if Proposal No. 2 "Election of Four Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)" and Proposal No. 3 "Election of Five Directors Who Are Audit and Supervisory Committee Members," which were proposed by the Company, are approved and adopted as proposed, and the candidates assume office as Directors.

Name [Attribute]		Corporate management / business strategy / global perspective	Business of the Company / industry experience	Technology / innovation	Finance / accounting / M&A	Legal affairs / risk management	ESG (Environment / society / governance)
Executive Director	Tomohisa Tsurumi	○	○				○
	Hiroaki Sato	○	○				○
	Masayuki Yamazaki		○		○	○	
	Yasunori Sugimoto		○		○	○	
Directors who are Audit and Supervisory Committee Members	Tsukasa Murase [Outside and independent]	○		○			○
	Takayuki Miyabe [Outside and independent]	○	○				○
	Masanori Miyagi [Outside and independent]	○				○	○
	Itsuro Hitosugi [Outside and independent]	○			○	○	
	Akiko Ono [Outside and independent]				○	○	○

Note: Up to three main areas of knowledge and experience possessed by each person are presented.

Proposal No. 4 Decision on Remuneration for Granting Stocks with Restrictions on Transfer to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors)

Regarding the amount of remuneration for Directors (excluding those who are Audit and Supervisory Committee Members) of the Company, the 75th Ordinary General Meeting of Shareholders held on May 27, 2016 approved the monthly amount of up to 20 million yen (not including salaries as employees for Directors concurrently serving as employees), while the 76th Ordinary General Meeting of Shareholders held on May 30, 2017 approved the annual amount of up to 50 million yen (Directors who are Audit and Supervisory Committee Members were not eligible) as the amount of remuneration as share options.

As part of the review of the remuneration system for officers this time, instead of the aforementioned remuneration as share options, the Company intends to pay the remuneration for granting new stocks with restrictions on transfer to Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter referred to as “Eligible Directors”), separately from the above remuneration, aiming to give Eligible Directors incentives to strive for sustainable improvement in corporate value, as well as to further share value with shareholders.

If this proposal is approved by shareholders, the Company will abolish the existing remuneration as share options, and will not issue new share acquisition rights for remuneration as share options for Directors in the future.

In accordance with this proposal, the remuneration to be paid for granting shares with restrictions on transfer to Eligible Directors shall be monetary claims, and the total amount shall be up to 50 million yen per annum (however, it does not include salaries as employees for Directors concurrently serving as employees). Moreover, the Board of Directors shall decide the specific timing and allocation to each Eligible Director. However, the Company shall not pay the remuneration for granting shares with restrictions on transfer to Outside Directors.

While there are currently 11 Directors (four of whom are Outside Directors), if Proposal No. 2 “Election of Four Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” and Proposal No. 3 “Election of Five Directors Who Are Audit and Supervisory Committee Members” are approved and adopted in their original forms, there will be nine Directors (five of whom will be Outside Directors).

Moreover, in accordance with the resolution of the Company’s Board of Directors, Eligible Directors shall pay all monetary claims to be provided pursuant to this resolution as contributed assets and have the Company’s common shares issued or disposed of. The total number of the Company’s common shares to be issued or disposed of by this shall be up to 50,000 shares per annum (however, if there is, after the date of approval of this proposal, a share split (including gratis allotment of the Company’s common shares) or share consolidation or any other reason requiring adjustment of the total number of the Company’s common shares to be issued or disposed of as shares with restrictions on transfer, the total number of such shares shall be adjusted within a reasonable extent).

The amount to be paid per such share shall be decided by the Board of Directors, within an amount not particularly favorable to Eligible Directors who will receive such common shares, based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day preceding the date of a resolution by the Board of Directors (if there was no transaction on the day, the closing price on the most recent trading day preceding it). Moreover, the issuance or disposal of the Company’s common shares by this method and payment of monetary claims as contributed assets shall be conditional upon the conclusion of an allotment agreement on shares with restrictions on transfer, including the following content (the “Allotment Agreement”), between the Company and an Eligible Director. Furthermore, the upper limit on the amount of remuneration in this proposal, the total number of the Company’s common shares to be issued or disposed of, and other conditions for granting shares with restrictions on transfer to Eligible Directors based on this proposal have been determined, taking into account the above purposes, business conditions of the Company, the policy for the decision on the content of remuneration, etc. for individual Directors of the Company (if this proposal is approved and adopted, the policy will be changed to be consistent with the approved content) and various other circumstances, and therefore, are deemed reasonable.

In addition, if the proposal for this system is approved and adopted in its original form at this General Meeting of Shareholders, the Company will introduce the same remuneration system of shares with restrictions on transfer for Group Officers who do not concurrently serve as Directors of the Company, Segment Officers who do not concurrently serve as Directors of the Company, and employees of the Company and some of its subsidiaries.

[Summary of the Allotment Agreement]

(1) Transfer restriction period

Eligible Directors may not transfer, establish a security interest on, or conduct other disposition of the Company's common shares allotted by the Allotment Agreement (the "Allotted Shares") during the period from the date of allotment by the Allotment Agreement to the time immediately after the retirement or resignation from the positions decided in advance by the Company's Board of Directors among those of officers and employees of the Company or its subsidiaries (the "Transfer Restriction Period"). However, if the time immediately following the retirement or resignation is before the day in which three months have passed after the passing of the fiscal year containing the day on which the Allotted Shares are granted, the end of the Transfer Restriction Period shall be adjusted to a reasonable extent.

(2) Treatment at the time of retirement or resignation

If an Eligible Director retires or resigns from the positions decided in advance by the Company's Board of Directors among those of officers and employees of the Company or its subsidiaries before the expiration of terms of office decided in advance by the Company's Board of Directors (the "Service Rendering Period"), the Company shall automatically acquire the Allotted Shares without compensation, except for cases where there are justifiable reasons for such retirement or resignation, including the expiration of terms of office, death and others. Moreover, even after the expiration of the Service Rendering Period, if an Eligible Director retires or resigns from the positions decided in advance by the Company's Board of Directors among those of officers and employees of the Company or its subsidiaries for reasons other than justifiable ones before the expiration of the Transfer Restriction Period, the Company shall automatically acquire all of the Allotted Shares without compensation.

(3) Lifting of transfer restrictions

The Company shall lift the transfer restrictions on all of the Allotted Shares at the time of the expiration of the Transfer Restriction Period on condition that an Eligible Director has been continuously in the positions decided in advance by the Company's Board of Directors among those of officers and employees of the Company or its subsidiaries during the Service Rendering Period. Moreover, if the Eligible Director retires or resigns from the positions decided in advance by the Company's Board of Directors among those of officers and employees of the Company or its subsidiaries for justifiable reasons before the expiration of the Service Rendering Period, the Company shall lift the transfer restrictions on part of the Allotted Shares at the time immediately after the retirement or resignation, and reasonably adjust the number of the Allotted Shares for which transfer restrictions are to be lifted, in accordance with the provisions of the Allotment Agreement. Furthermore, the Company shall automatically acquire without compensation the Allotted Shares for which transfer restrictions are not lifted at the time immediately after the lifting of transfer restrictions in accordance with the above provisions.

(4) Treatment in reorganization, etc.

Notwithstanding the provisions in (1) above, if during the Transfer Restriction Period, the Company's General Meeting of Shareholders approves a merger agreement in which the Company will be an absorbed entity, a share exchange agreement or share transfer plan in which the Company will be a wholly owned subsidiary, or other matters related to reorganization, etc. (however, regarding the reorganization, etc., if approval of the Company's General Meeting of Shareholders is not required, that of the Company's Board of Directors), the Company shall lift transfer restrictions on the number of the Allotted Shares reasonably decided, considering the period from the month for the start date of the Transfer Restriction Period to the month for the date of approval for such reorganization, etc., by a resolution of the Company's Board of Directors, in advance of the effective date of such reorganization, etc. Furthermore, if provided for in the above, the Company shall automatically acquire without compensation the Allotted Shares for which transfer restrictions are not lifted at the time immediately after the lifting of transfer restrictions.

(5) Other matters

Other matters related to the Allotment Agreement shall be decided by the Company's Board of Directors.

<< **Shareholder Proposals (Proposal Nos. 5 to 6)** >>

Proposal Nos. 5 to 6 are proposals made by one shareholder (with 300 voting rights).

The Board of Directors opposes both shareholder proposals.

For the content of each proposal, the original text of the written shareholder proposal submitted by the proposing shareholder appears as it is, except for the omission of photographs.

Shareholder proposal

Proposal No. 5 Election of One Director

Candidate for Director: Tomoki Maeda (born on April 30, 1980)

<Note by the Company: Photograph of the candidate is omitted, with the consent of the proposing shareholder.>

Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company

Mar. 2003	Graduated from College of Policy Science, Ritsumeikan University
Apr. 2003	Joined Future Venture Capital Co., Ltd.
Nov. 2006	Outside Director of Medicine Plus Co., Ltd
Sept. 2008	Joined SBI Investment Co., Ltd.
Apr. 2011	Third-term Member of Hyogo Prefectural Assembly (current position)
Oct. 2018	Representative Partner of CATALYST LLC (current position)

Number of the Company's shares owned

30,000

Reasons for nomination as candidate for Director:

As a venture capitalist, the candidate has the perspective of an investor and various insights into management and business, having participated in many venture investments and management meetings. Moreover, he has abundant and various insights into governance from administrative monitoring and supervision as a Member of Hyogo Prefectural Assembly and his experience as outside director of a venture company. Furthermore, an outside director proposed by a shareholder proposal is appropriate for strengthening the monitoring function.

Mail-order business operators, including the Company, are accustomed to the continued low PER and market valuation.

To increase the aggregate amount of market capitalization, the Group is required to evolve from the current Direct Marketing Conglomerate (DMC), which causes conglomerate discounts, to a Direct Marketing Incubator (DMI), which develops the invested/acquired group of companies and brings them to IPO.

We will strive to improve the total returns to shareholders by expanding the aggregate amount of the Company's market capitalization through further promotion of corporate investments and M&As, and IPO of CatchBall, Inc. and others.

<Board of Directors' opinion on Proposal No. 5>

The Board of Directors of the Company “opposes the proposal” for the following reasons:

The Company has placed on the agenda the election of four candidates in the proposal for the election of Directors (excluding Directors who are Audit and Supervisory Committee Members) (Proposal No. 2) proposed by the Company, and the election of five candidates for Outside Directors in the proposal for the election of Directors who are Audit and Supervisory Committee Members as a company with an audit and supervisory committee (Proposal No. 3). In the structure of the Board of Directors after this General Meeting of Shareholders which has approved and adopted Proposal Nos. 2 and 3, there will be four Inside Directors and five Outside Directors, with the majority expected to be Outside Directors. Moreover, the five candidates for Outside Directors meet the criteria for an independent officer as defined by the Tokyo Stock Exchange. Therefore, with objectivity and fairness secured, the Board believes that the Company will be able to develop the system to further strengthen the corporate governance function.

Furthermore, each candidate for Director has highly professional insight into important areas of the Company's management, and experience in a wide range of business areas and various areas of expertise. The Board of Directors of the Company has a balanced structure with fully functioning, effective and appropriate management, and so is deemed to be able to fully exercise its abilities not only in the supervisory function but also in practice in order to improve the medium- to long-term corporate value of the Group.

In addition, DMC (direct marketing conglomerate) strategy is considered to be a major factor in it having achieved certain results, as it contributes to the maximization of the Group's corporate value, with individual companies and businesses centered on direct marketing mutually demonstrating synergies.

As a result of these, the Company considers that the structure of the Board of Directors based on the Company's proposals for the election of Directors will be the optimal structure to improve the medium- to long-term corporate value of the Group, realize the corporate governance system secured by objectivity and fairness, and exercise the supervisory function and practical capabilities. Therefore, the Company judges that there is no reason to elect Tomoki Maeda as Director.

In the deliberation of the Company's Nomination and Compensation Committee, the majority of whose members were Independent Outside Directors, unanimous opposition to this shareholder proposal was also expressed.

Accordingly, the Board of Directors of the Company opposes this proposal.

Shareholder proposal

Proposal No. 6 Acquisition of Own Shares

Main points of the agenda:

In accordance with the provisions of Article 156, paragraph (1) of the Companies Act, within 300 days of the conclusion of this Ordinary General Meeting of Shareholders, common shares of the Company shall be acquired with the delivery of monies up to the total number of 500,000 shares and the acquisition value of 400 million yen (however, if the aggregate amount of acquisition prices allowed by the Companies Act (“Distributable Amount” provided for by Article 461 of the Companies Act) is lower than such amount, the upper limit of the acquisition amount allowed by the Companies Act).

Purport of the proposal:

The Company only pays dividends basically at the consolidated dividend payout ratio of 40%, while having not acquired its own shares for a long time.

However, in the total return ratio, the percentage of dividends and purchase of own shares should be decided, taking into account PER, PEG ratio (PER/EPS growth rate), PBR, etc.

The Company’s PER is about 5.8 times, and PBR about 1 time, showing low market valuation.

This proposal is an aggressive purchase of its own shares as investment, seeing the current low market valuation as an opportunity to improve EPS at low cost. Its own shares acquired at a low price can be used not only for the improvement of EPS but also as share remuneration for officers and employees and compensation for future M&As. Moreover, management conscious about the market will contribute to an increase in PER.

Going forward, it is requested that the Company not only pays dividends, but also makes shareholder returns, focusing on economic rationality, and efficiently expand Total Shareholder Return (TSR).

<Board of Directors’ opinion on Proposal No. 6>

The Board of Directors of the Company “opposes the proposal” for the following reasons:

The Company considers that it is important for improving the medium- to long-term corporate value of the Company and securing the common interest of shareholders to strike an appropriate balance between the securing of funds for strategic investments which lead to sustainable growth and the stable and continuous return of profit to shareholders. Regarding the acquisition of own shares in this shareholder proposal, the Company also recognizes it as a potent means for returning profit to shareholders along with the dividend policy, and considers that it contributes to the improvement of capital efficiency. Moreover, it is also deemed to be expected to have some announcement effect on the stock market.

On the other hand, a certain amount of funds is necessary for the acquisition of own shares. The Company’s policy is to create proactive investment opportunities through M&A. Furthermore, it is necessary to secure cash on hand so that the Company does not miss the appropriate timing due to unforeseen changes in business results amid the deterioration of the cost environment, such as the current weak yen and rising raw material prices. In addition, the market capitalization of tradable shares may be negatively affected due to the decrease in the number of tradable shares. Having selected the transition to the Prime Market and being listed on the Prime Market, the Company considers that it must strive to increase the market capitalization of tradable shares. Fully taking into account the business conditions and market environment, the Company believes it must consider the timing of its implementation, the number of shares and the amount in an appropriate and timely manner.

Since it is possible for the Company to flexibly acquire its own shares by a resolution of the Board of Directors, pursuant to the provisions of the Company’s Articles of Incorporation, the Board of Directors of the Company has judged it not necessary to make a resolution of the General Meeting of Shareholders on the acquisition of own shares requested by the proposing shareholder. In addition, since the decision on the amount for acquisition of own shares itself will create expectations for the acquisition of own shares by the Company, which may have a significant impact on the investment decision of stock market participants, regardless of whether there is acquisition of own shares or not, the Board of Directors should make appropriate decisions in a timely manner.

Accordingly, the Board of Directors of the Company opposes this proposal.