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May 30, 2022

To Our Shareholders

Masato Ishida
President & Chief Executive Officer
T-Gaia Corporation
(Securities code: 3738)
1-18 Ebisu 4-chome, Shibuya-ku, Tokyo

Convocation Notice of the 31st Ordinary General Meeting of Shareholders

First of all, we would like to express our gratitude to your continued support and patronage.

We hereby give notice of the 31st Ordinary General Meeting of Shareholders of T-Gaia Corporation (the “Company”). The meeting will be held in accordance with the details described below.

If you will not attend the meeting, you may exercise your voting rights in writing or via electromagnetic means such as the Internet. We request that you refer to the attached “Reference Documents for the Ordinary General Meeting of Shareholders,” and exercise your voting rights by 5:45 p.m. on Tuesday, June 21, 2022.

1. Date and Time	Wednesday, June 22, 2022 at 10:00 a.m. (the venue opens at 9 a.m.)
2. Venue	Kaede Room on the first basement level, The Westin Tokyo 1-4-1 Mita, Meguro-ku, Tokyo (See the map of the ordinary general meeting’s venue on the last page.)
3. Meeting Agenda	Matters to be reported: 1. The Business Report and Consolidated Financial Statements for the Company’s 31st Fiscal Year (from April 1, 2021 to March 31, 2022) and the Results of Audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Board 2. Non-consolidated Financial Statements for the Company’s 31st Fiscal Year (from April 1, 2021 to March 31, 2022) Matters to be resolved Proposal 1: Appropriation of Retained Earnings Proposal 2: Partial Amendments to the Articles of Incorporation Proposal 3: Appointment of Nine (9) Directors Proposal 4: Appointment of One (1) Corporate Auditor

- Pursuant to relevant laws and regulations and Article 15 of the Articles of Incorporation of the Company, the following documents of the documents to be attached to this notice have been posted on the Company’s website. Therefore, they are not included in the Attachment of this notice.

(1) Notes to Consolidated Financial Statements

(2) Notes to Non-consolidated Financial Statements

- The documents subject to audit are audited by Corporate Auditors and the Accounting Auditor, including the above items posted on the Company’s website.

- If any changes are made to the Reference Documents for the Ordinary General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements, the revised items will be posted on the Company's website.

[Company website] <https://www.t-gaia.co.jp/>

<Information for All Shareholders>

- No gifts will be prepared for shareholders attending the Ordinary General Meeting of Shareholders.
- No gathering event for shareholders will be held following the conclusion of the Ordinary General Meeting of Shareholders.
- We will present a QUO Card Pay (500 yen value) to shareholders who exercise their voting right via the internet, in writing, or by attending the meeting, whether they agree or disagree with proposals. We plan to present the cards to eligible shareholders between late July and early August (it will not be necessary for shareholders to complete any procedures).

<Information Concerning Measures Against COVID-19>

- This year, the venue for the Ordinary General Meeting of Shareholders has been changed, and the Company expects to be able to secure more seats than the previous year. However, we would like to ask that shareholders attending the meeting consider precautions against contagion such as wearing a mask, after confirming the status of COVID-19 on the day of the Ordinary General Meeting of Shareholders as well as your own health.
- At the meeting venue, we would like to ask that you cooperate with contagion prevention measures, including the wearing of a mask, the sanitizing of hands through the use of an alcohol-based hand sanitizer, and the undergoing of a temperature check. If you do not cooperate with these contagion prevention measures, or have a fever or are considered to be in poor health, you may be refused entry to the meeting venue.
- If a major change occurs to the holding or operation of the Ordinary General Meeting of Shareholders due to future circumstances, we will post a notification on the internet at the Company's website (<https://www.t-gaia.co.jp/>). Even if attending the venue, we request that all shareholders ensure they confirm in advance the latest information.

<Information Concerning Live Stream via the Internet and Advance Questions>

- The Company will provide a shareholder-only live stream of the Ordinary General Meeting of Shareholders that can be viewed through the internet, so that the scenes of the Ordinary General Meeting of Shareholders can be viewed at home, etc. This will also enable you to post text messages from the viewing screen. In addition, this year, the Company will also accept advance questions on the website of the live stream ahead of the meeting. Please make use of this feature.
- Note that viewing the live stream does not constitute attendance for the purposes of the Companies Act. The Company plans to answer questions submitted in advance and via text message on the day of the meeting as much as possible, focusing primarily on matters of significant interest to shareholders. The Company will not answer all advance questions and text messages. In addition, the Company cannot provide individual answers. Thank you for your understanding.
- For details, please see the information enclosed with this notice.

How to Exercise Voting Rights

You may exercise your voting rights using either one of the following three methods.

Attend the shareholders' meeting



Bring the enclosed Voting Rights Exercise Form to the Ordinary General Meeting of Shareholders and submit it at the venue. (There is no need to affix the postage seal.)

Date and Time: Wednesday, June 22, 2022 at 10:00 a.m.
(the venue opens at 9 a.m.)

**Venue: Kaede Room on the first basement level, The Westin Tokyo
1-4-1 Mita, Meguro-ku, Tokyo**

Exercise voting rights in writing (by post)



Indicate your approval or disapproval for each of the proposals on the enclosed Voting Rights Exercise Form and post it without affixing stamps.

**Deadline: The form has to reach the Company by 5:45 p.m. on
Tuesday, June 21, 2022.**

Exercise voting rights via the Internet



Access the voting rights exercise website on your personal computer or smartphone and enter your approval or disapproval for each of the proposals following the instructions displayed on the screen. For details, please refer to the next page.

**Deadline: The form has to reach the Company by 5:45 p.m. on
Tuesday, June 21, 2022.**

<Institutional investors>

If you have applied in advance to use the electronic voting platform operated by ICJ, Inc., you may exercise your voting rights on the said platform.

Handling of duplicate exercise of voting rights

- (1) If a shareholder exercises voting rights both by writing and via the Internet, etc., the voting rights exercised via the Internet, etc., will be deemed as valid.
- (2) If a shareholder exercises voting rights more than once via the Internet, etc., the final vote will be deemed as valid.

How to Exercise Voting Rights via the Internet

Exercising voting rights by smartphone

You can log in to the voting rights exercise website without entering your voting rights exercise code and password.

1. Scan the QR code on the bottom right of the Voting Rights Exercise Form. (QR codes are different for each shareholder.)



* "QR code" is a registered trademark of DENSO WAVE INCORPORATED.

2. Next, follow the guidance on screen to vote yes or no on the proposals.



! If you wish to change your vote after exercising your voting rights, then you must scan the QR code® again and input the Voting Rights Exercise Code and password written on the enclosed Voting Rights Exercise Form (From a PC, you can also directly access the voting

Exercising voting rights on a PC

Voting Rights Exercise Website: <https://www.web54.net>

1. Access the voting rights exercise website.



Click "Next"

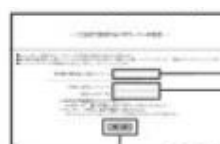
2. Input the Voting Rights Exercise Code written on the Voting Rights Exercise Form.



Input the Voting Rights Exercise Code

Click "Log In"

3. Input the password written on the Voting Rights Exercise



Input the password

Click "Next"

4. Next, follow the guidance on screen to vote yes or no on the proposals.

* Shareholders are responsible for connection fees or communication fees incurred when using the voting rights exercise website.

* Depending on the Internet environment you are using, the service you subscribe to, or the device you are using, you may be unable to use the voting rights exercise website.

Inquiries

1. For inquiries about how to operate your PC or smartphone in order to exercise voting rights via the Internet.

Transfer Agent Internet Support, Sumitomo Mitsui Trust Bank, Limited

Direct telephone number

0120-652-031 (toll free)

Available from 9:00 to 21:00

2. Other inquiries

A. Shareholders with an account with a securities company
Please contact your securities company.

B. Shareholders without an account at a securities company
(shareholders with special accounts)

Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited

0120 (782) 031 (toll free)

Available from 9:00 to 17:00 on weekdays

Reference Documents for the Ordinary General Meeting of Shareholders

Proposals and Reference Materials

Proposal 1	Appropriation of Retained Earnings
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We propose to appropriate retained earnings as follows.

Matters concerning the year-end dividend

We view the appropriate return of profits to our shareholders as an important business matter. We have set a target payout ratio of at least 30% and strive to pay a dividend that reflects such factors as business performance for the year under review as well as the future expansion of our business.

In keeping with that policy, we plan to pay the following year-end dividend for the year under review.

(1) Type of dividend property:

Cash

(2) Allocation of dividend property and the total amount:

37.5 yen per common share of stock in T-Gaia Corporation

Total cash dividend of 2,091,192,525 yen

Given that we paid an interim dividend of 37.5 yen per share of common stock, the annual dividend per share will total 75 yen, the same amount as in the previous fiscal year.

(3) Record date for dividend from the surplus:

June 23, 2022

1. Reasons for the proposed amendments

- (1) Since 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) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in accordance with the introduction of a system for providing informational materials for the General Meeting of Shareholders in electronic format.
 - (i) Article 15, paragraph 1 in “Proposed amendments” (Measures, Etc. for Providing Information in Electronic Format) will be newly established as a result of the fact that the Company will be required to establish provisions in the Articles of Incorporation to the effect that the Company shall take measures for providing information that constitutes the content of Reference Documents for the Ordinary General Meeting of Shareholders, etc. in electronic format.
 - (ii) Article 15, paragraph 2 in “Proposed amendments” (Measures, Etc. for Providing Information in Electronic Format) will be newly established, in order to enable the Company to limit the scope of matters provided in paper-based documents to be delivered to shareholders who have requested the delivery of paper-based documents to the scope set forth in the Ministry of Justice Order, from among the matters for which measures will be taken to provide information that constitutes the content of Reference Documents for the Ordinary General Meeting of Shareholders, etc., in electronic format.
 - (iii) Since the provisions of Article 15 of the current Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the Ordinary General Meeting of Shareholders, Etc.) will no longer be required when the system for providing informational materials for the General Meeting of Shareholders in electronic format is introduced, they will be deleted.
 - (iv) Supplementary provisions regarding the effectiveness of provisions to be newly established and deleted, as described above, will be established. Furthermore, these supplementary provisions shall be deleted after a certain date has elapsed.
- (2) The Company, mindful of factors such as the spread of infections such as COVID-19 and large-scale disasters including natural disasters as well as the progress in digitalization of society as a whole, believes it would be beneficial for all shareholders if the method of convening a shareholders meeting could be enhanced to enable many shareholders, including shareholders in remote locations, to attend. The Company proposes partial amendments to the Articles of Incorporation (Article 12 in “Proposed amendments”) to enable future shareholders’ meetings to be convened without a specified location (so-called virtual-only shareholders’ meetings) in accordance with the Act for Partially Amending the Act on Strengthening Industrial Competitiveness and Other Related Laws and Regulations (Act No. 70 of 2021). The effective date of the addition of Article 12, paragraph 2 to the Articles of Incorporation is conditional upon the resolution at this General Meeting of Shareholders as well as upon the receipt of confirmation from the Minister of Economy, Trade and Industry and the Minister of Justice to the effect that the requirements of the Order of the Ministry of Economy, Trade and Industry and the Order of the Ministry of Justice have been met.

2. Details of the amendments

Details of the amendments are as follows.

(Underlines denote the amended parts.)

Current Articles of Incorporation	Proposed amendments
<p>Article 12 (Convocation) Ordinary General Meetings of Shareholders of the Company shall be convened in June of each year, and Extraordinary General Meetings of Shareholders shall be convened when necessary. (Newly established)</p> <p><u>Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the Ordinary General Meeting of Shareholders, Etc.)</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, non-consolidated 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 this information to shareholders.</u> (Newly established)</p>	<p>Article 12 (Convocation) (Unchanged)</p> <p><u>2. The Company may hold a General Meeting of Shareholders without a designated location for the meeting.</u> (Deleted)</p> <p><u>Article 15 (Measures, Etc. for Providing Information in Electronic Format)</u> <u>1. 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 Ordinary General Meeting of Shareholders, etc. in electronic format.</u> <u>2. Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p>

Current Articles of Incorporation	Proposed amendments
(Newly established)	<p><u>(Supplementary Provisions)</u></p> <ol style="list-style-type: none"> <li data-bbox="810 277 1375 479">1. <u>The amendment of Article 15 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> <li data-bbox="810 488 1375 689">2. <u>Notwithstanding the provision of the preceding paragraph, Article 15 of the Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the Ordinary General Meeting of Shareholders, Etc.) shall remain effective regarding any General Meeting of Shareholders held on a date within six months from the Date of Enforcement.</u> <li data-bbox="810 698 1375 835">3. <u>These supplementary provisions shall be 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 3 Appointment of Nine (9) Directors

The terms of all nine (9) Directors will expire at the conclusion of this General Meeting of Shareholders.

Therefore, the Company proposes the election of nine (9) Directors.

The candidates for Director are as follows.

Candidate No.		Name	Positions and Responsibilities in the Company	Attendance at meetings of Board of Directors	Years serving as Director:
1	Reappointment	Masato Ishida (61 years old)	President & Representative Director, Chief Executive Officer	14/14 meetings	2 years
2	Reappointment	Nobutaka Kanaji (62 years old)	Director, Chairman of the Board	14/14 meetings	9 years
3	Reappointment	Hiroyuki Sugai (61 years old)	Director, Executive Vice President, CFO In charge of corporate accounting, finance and settlement and logistics	11/11 meetings	1 year
4	Reappointment	Katsuya Kashiki (55 years old)	[Candidate for Outside Director] Director	14/14 meetings	2 years
5	Reappointment	Toshiya Asaba (60 years old)	[Candidate for Outside Director] [Candidate for Independent Director] Outside Director	14/14 meetings	6 years
6	Reappointment	Kyoko Deguchi (56 years old)	[Candidate for Outside Director] [Candidate for Independent Director] [Woman] Outside Director	14/14 meetings	6 years
7	Reappointment	Junichi Kamata (68 years old)	[Candidate for Outside Director] [Candidate for Independent Director] Outside Director	14/14 meetings	4 years
8	Reappointment	Toshio Morohoshi (68 years old)	[Candidate for Outside Director] [Candidate for Independent Director] Outside Director	14/14 meetings	2 years
9	New appointment	Yoshisada Takahashi (66 years old)	[Candidate for Outside Director] [Candidate for Independent Director] —	—	—

Notes:

1. The age of each candidate is as of the date of this General Meeting of Shareholders.
2. As Mr. Hiroyuki Sugai took office on June 18, 2021 (the date of the 30th Ordinary General Meeting of Shareholders), the number of the Board of Directors meetings he was expected to attend differs from other reappointed candidates for Directors.

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Responsibilities in the Company (Major Concurrent Posts)																				
<p style="font-size: 2em; font-weight: bold;">1</p> <p style="border: 1px solid black; display: inline-block; padding: 2px;">Reappointment</p>	<p>Masato Ishida (December 1, 1960) 61 years old</p> <p>Number of Company shares held: 2,000</p> <p>Attendance at meetings of Board of Directors during FY2022: 14/14 meetings (100%)</p> <p>Years serving as Director: 2 years (at the conclusion of this meeting)</p>	<table border="0"> <tr> <td style="padding-right: 10px;">Apr 1983</td> <td>Joined Sumitomo Corporation</td> </tr> <tr> <td>Apr 2001</td> <td>President, SMS Construction & Mining Systems Inc. (Canada)</td> </tr> <tr> <td>Apr 2007</td> <td>Manager of Construction Equipment Dept. No.3, Sumitomo Corporation</td> </tr> <tr> <td>Apr 2011</td> <td>General Manager of Construction Equipment Division, Sumitomo Corporation</td> </tr> <tr> <td>Apr 2015</td> <td>Executive Officer, Assistant General Manager for Europe, Middle East, Africa & CIS (United Arab Emirates), concurrently General Manager of Middle East, Sumitomo Corporation, and concurrently President of Sumitomo Corporation Middle East FZE</td> </tr> <tr> <td>Apr 2018</td> <td>Managing Executive Officer, General Manager for Europe, Middle East, Africa & CIS (UK), Sumitomo Corporation, and concurrently Chairman of Sumitomo Corporation Europe Holding Limited</td> </tr> <tr> <td>Apr 2020</td> <td>Executive Vice President, CSO, in charge of HR & general affairs, legal, management planning and public relations, T-Gaia Corporation</td> </tr> <tr> <td>Jun 2020</td> <td>Director, Executive Vice President, CSO, in charge of HR & general affairs, legal, management planning and public relations, T-Gaia Corporation</td> </tr> <tr> <td>Apr 2022</td> <td>President and Chief Executive Officer, T-Gaia Corporation (current)</td> </tr> <tr> <td>Apr 2022</td> <td>Director, QUO CARD Co., Ltd. (current)</td> </tr> </table>	Apr 1983	Joined Sumitomo Corporation	Apr 2001	President, SMS Construction & Mining Systems Inc. (Canada)	Apr 2007	Manager of Construction Equipment Dept. No.3, Sumitomo Corporation	Apr 2011	General Manager of Construction Equipment Division, Sumitomo Corporation	Apr 2015	Executive Officer, Assistant General Manager for Europe, Middle East, Africa & CIS (United Arab Emirates), concurrently General Manager of Middle East, Sumitomo Corporation, and concurrently President of Sumitomo Corporation Middle East FZE	Apr 2018	Managing Executive Officer, General Manager for Europe, Middle East, Africa & CIS (UK), Sumitomo Corporation, and concurrently Chairman of Sumitomo Corporation Europe Holding Limited	Apr 2020	Executive Vice President, CSO, in charge of HR & general affairs, legal, management planning and public relations, T-Gaia Corporation	Jun 2020	Director, Executive Vice President, CSO, in charge of HR & general affairs, legal, management planning and public relations, T-Gaia Corporation	Apr 2022	President and Chief Executive Officer, T-Gaia Corporation (current)	Apr 2022	Director, QUO CARD Co., Ltd. (current)
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<p>[Reasons for nomination as a candidate for Director]</p> <p>At Sumitomo Corporation, Mr. Masato Ishida has served as President of the Dealer Business for Construction Equipment and Mining Equipment in Canada, as General Manager of Construction Equipment Division, and as General Manager of the Middle East, then in the role of General Manager for Europe, Middle East, Africa & CIS as a Managing Executive Officer. He served at the Company from June 2020 as Director, Executive Vice President, CSO, and since April 2022, he has demonstrated leadership as President and Chief Executive Officer, who has the highest responsibility in business execution within the Company. Because Mr. Ishida possesses expert knowledge and abundant experience mainly in the business administration and management fields cultivated by serving in these positions, and has a sincere character and a high level of both insight and skill in corporate management, the Company regards Mr. Ishida to be suitable as a Director of the Company and has nominated him again as a candidate for Director.</p>																						

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Responsibilities in the Company (Major Concurrent Posts)
<p style="font-size: 2em; margin: 0;">2</p> <p style="border: 1px solid black; padding: 2px; display: inline-block; margin-top: 10px;">Reappointment</p>	<p>Nobutaka Kanaji (March 18, 1960) 62 years old</p> <p>Number of Company shares held: 12,880</p> <p>Attendance at meetings of Board of Directors during FY2022: 14/14 meetings (100%)</p> <p>Years serving as Director: 9 years (at the conclusion of this meeting)</p>	<p>Apr 1983 Joined Sumitomo Corporation</p> <p>Jun 1988 Assigned to Representative Office in Saudi Arabia</p> <p>Aug 2001 Sumitomo Corporation of Americas (New York)</p> <p>Apr 2005 President, Presidio STX, LLC (US)</p> <p>Oct 2007 Manager of Net Business, Sumitomo Corporation</p> <p>Oct 2008 Manager of Mobile & Internet Business, Sumitomo Corporation</p> <p>Jun 2013 Outside Director, T-Gaia Corporation</p> <p>Apr 2014 Director, Executive Vice President; Senior Director of Administrative Unit No. 1, T-Gaia Corporation</p> <p>Apr 2015 Director, Executive Vice President; Senior Director of Corporate Strategy, T-Gaia Corporation</p> <p>Apr 2016 Director, Executive Vice President; Senior Director of Smart Life Business and concurrently Senior Director of Enterprise Solutions Business; Responsibility for Network Business Division, T-Gaia Corporation</p> <p>Apr 2017 President and Chief Executive Officer, T-Gaia Corporation</p> <p>Dec 2017 Director, QUO CARD Co., Ltd.</p> <p>Jun 2020 Representative Director and Chairman, National Association of Mobile-phone Distributors (current)</p> <p>Apr 2022 Director, Chairman of the Board, T-Gaia Corporation (current)</p>
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Nobutaka Kanaji has been involved in the telecommunications field for many years. From 2013 he supervised various divisions as Director of the Company, from each sales division to the corporate division. Between April 2017 and March 2022, he demonstrated leadership as President and Chief Executive Officer, who has the highest responsibility in business execution within the Company. Because Mr. Kanaji possesses expert knowledge and abundant experience mainly in the telecommunications field cultivated by serving in these positions, and has a sincere character and a high level of both insight and skill in corporate management, the Company regards Mr. Kanaji to be suitable as a Director of the Company and has nominated him as a candidate for Director again.</p>		

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Responsibilities in the Company (Major Concurrent Posts)
<p style="font-size: 24pt; font-weight: bold;">3</p> <p style="border: 1px solid black; display: inline-block; padding: 2px;">Reappointment</p>	<p style="text-align: center;">Hiroyuki Sugai (February 6, 1961) 61 years old</p> <p style="text-align: center;">Number of Company shares held: 300</p> <p style="text-align: center;">Attendance at meetings of Board of Directors during FY2022 (after assuming office on June 18, 2021): 11/11 meetings (100%)</p> <p style="text-align: center;">Years serving as Director: 1 year (at the conclusion of this meeting)</p>	<p>Apr 1984 Joined Sumitomo Corporation</p> <p>May 2001 Sumitomo Corporation of Americas (New York)</p> <p>Nov 2009 Head of the Finance and Accounting Group, Sumitomo Corporation China Group (Shanghai)</p> <p>Nov 2013 General Manager of the Accounting Dept., Media, ICT, Lifestyle Related Goods & Services Business Unit, Sumitomo Corporation</p> <p>Apr 2017 General Manager of the Accounting Controlling Dept., Sumitomo Corporation</p> <p>Apr 2019 Executive Officer, Assistant CFO, Accounting; and concurrently General Manager, Accounting Controlling Dept., Sumitomo Corporation</p> <p>Apr 2021 Executive Vice President; CFO, in charge of corporate accounting, finance and settlement, risk management and logistics, T-Gaia Corporation</p> <p>Jun 2021 Director, Executive Vice President; CFO, in charge of corporate accounting, finance and settlement, risk management and logistics, T-Gaia Corporation</p> <p>Apr 2022 Director, Executive Vice President; CFO, in charge of corporate accounting, finance and settlement, and logistics, T-Gaia Corporation (current)</p>
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Hiroyuki Sugai has been involved in finance and accounting-related business for many years at Sumitomo Corporation, after serving as General Manager of the Accounting Dept., Media, ICT, Lifestyle Related Goods & Services Business Unit and General Manager of the Accounting Controlling Dept., etc., has served as Executive Officer, Assistant CFO, Accounting; and concurrently General Manager, Accounting Controlling Dept., and since June 2021, has worked at our Company as Director, Executive Vice President and CFO. Because Mr. Sugai possesses expert knowledge and abundant experience mainly in the finance and accounting field cultivated by serving in these positions, and has a sincere character and a high level of both insight and skill in corporate management, the Company regards Mr. Sugai to be suitable as a Director of the Company and has nominated him as a candidate for Director again.</p>		

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Responsibilities in the Company (Major Concurrent Posts)	
<p style="text-align: center; font-size: 2em; font-weight: bold;">4</p> <p style="border: 1px solid black; display: inline-block; padding: 2px;">Reappointment</p> <p style="margin-top: 10px;">Candidate for Outside Director</p>	<p>Katsuya Kashiki (June 28, 1966) 55 years old</p> <p>Number of Company shares held: –</p> <p>Attendance at meetings of Board of Directors during FY2022: 14/14 meetings (100%)</p> <p>Years serving as Director: 2 years (at the conclusion of this meeting)</p>	<p>Apr 1990</p> <p>Jan 1994</p> <p>Sep 2004</p> <p>Feb 2005</p> <p>Jun 2012</p> <p>Apr 2018</p> <p>Apr 2020</p> <p>Jun 2020</p>	<p>Joined Sumitomo Corporation</p> <p>Assistant to General Manager of Islamabad Office (Pakistan), Sumitomo Corporation</p> <p>Moscow Office (Russia), IT & Telecom Unit, Sumitomo Corporation</p> <p>Director, Market & Business Development, ZAO Prestige Internet (Russia)</p> <p>Director, ICT Business Division, Sumitomo Corporation (Central Eurasia) LLC (Russia)</p> <p>Manager of Smart Infrastructure Business Dept., Sumitomo Corporation</p> <p>General Manager of Smart Communications Platform Division, Sumitomo Corporation (current)</p> <p>Director, T-Gaia Corporation (current)</p>
	<p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles]</p> <p>Mr. Katsuya Kashiki currently serves as General Manager of Smart Communications Platform Division at Sumitomo Corporation after previously serving as Manager of Smart Infrastructure Business Department, and possesses expert knowledge and abundant experience mainly in the information communications field cultivated by serving in these positions. Because Mr. Kashiki has a sincere character and a high level of both insight and skill in corporate management, the Company regards Mr. Kashiki to be suitable as an Outside Director of the Company and has nominated him as a candidate for Outside Director. We expect that Mr. Kashiki will supervise and provide advice on the execution of business from an outside perspective, based on his aforementioned extensive knowledge and experience.</p> <p>[Special notes on candidate for Outside Director]</p> <p>Mr. Kashiki is a person who executes business for Sumitomo Corporation (percentage of shares with voting rights held: 41.88%). Sumitomo Corporation is the Company’s parent company based on the substantial control criteria. However, if this proposal is approved, a majority of members of the Board of Directors of the Company will be independent Outside Directors, and therefore Sumitomo Corporation is expected to no longer be the Company’s parent company from the conclusion of this General Meeting of Shareholders (there will be no change to the percentage of shares with voting rights that Sumitomo Corporation holds).</p> <p>In addition, if this proposal is approved, Mr. Kashiki will satisfy all of the criteria for Outside Directors as set forth in Article 2, item (xv) of the Companies Act as of the conclusion of this General Meeting of Shareholders, and therefore he is a candidate for Outside Director.</p> <p>Furthermore, Mr. Kashiki will not be classified as an independent Outside Director, because he falls under the following criteria in the independence standards for Directors set forth by the Company: “g. A person who is a major shareholder of the Company, or a business executor of such shareholder, or a person who was in such position in the past five years.”</p>		

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Responsibilities in the Company (Major Concurrent Posts)	
<p style="text-align: center; font-size: 2em; font-weight: bold;">5</p> <p>Reappointment</p> <p>Candidate for Outside Director</p> <p>Candidate for Independent Director</p>	<p style="text-align: center;">Toshiya Asaba (June 12, 1962) 60 years old</p> <p>Number of Company shares held: 600</p> <p>Attendance at meetings of Board of Directors during FY2022: 14/14 meetings (100%)</p> <p>Years serving as Director: 6 years (at the conclusion of this meeting)</p>	Apr 1989	Joined Recruit Co., Ltd.
		Apr 1995	Manager of Network Technology, Internet Initiative Japan Inc.
		Mar 1996	Director, IJ America Inc.
		Sep 1997	Director of Technology, Internet Multifeed Co.
		Oct 1998	Manager of Technology Planning, Crosswave Communications, Inc.
		Jun 1999	Director, Crosswave Communications, Inc.
		Jun 1999	Director, Co-CTO, Internet Initiative Japan Inc.
		Jun 2004	Director and Vice President, Internet Initiative Japan Inc. (Retired from this position as of June 2009)
		Jun 2004	Director, NTT Resonant Incorporated
		Jun 2008	Representative Director, IJ Innovation Institute Inc.
		Apr 2012	Representative Director, Stratosphere Inc.
		Jun 2015	Director, IJ Innovation Institute Inc.
		Jun 2015	Representative Partner, Gaia Lab LLC (current)
		Jun 2016	Outside Director, T-Gaia Corporation (current)
		Nov 2017	Representative Director and Vice Chairman, The Japanese Society for Quality Control (JSQC)
Dec 2018	Corporate Auditor, Parongo Co., Ltd. (current)		
Dec 2021	Representative Director, IJ Innovation Institute Inc.		
<p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles]</p> <p>Mr. Toshiya Asaba has been involved in the establishment of the Internet in Japan and building Internet service for many years. Mr. Asaba has also served as CTO and Representative Director in IT-related companies, so he possesses broad knowledge and abundant experience as an IT specialist and as a corporate manager. Because Mr. Asaba has a sincere character and a high level of both insight and skill in corporate management, the Company regards Mr. Asaba to be suitable as an Outside Director of the Company and has nominated him as a candidate for Outside Director again. We expect that Mr. Asaba will supervise and provide advice on the execution of business from an outside perspective, based on his aforementioned extensive knowledge and experience.</p> <p>[Special notes on candidate for Outside Director]</p> <p>Mr. Asaba was a person who executed business for Internet Initiative Japan Inc., a business partner of the Company until June 2009. However, more than 12 years have passed since he resigned from that position and the amount of the business between the Company and the Internet Initiative Japan Inc. is insignificant at less than 0.1% of both the Internet Initiative Japan Inc.'s consolidated total revenues and the Company's consolidated net sales, so he is deemed to be adequately independent.</p>			

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Responsibilities in the Company (Major Concurrent Posts)
<p style="text-align: center; font-size: 2em; font-weight: bold;">6</p> <p style="text-align: center;">Reappointment</p> <p>Candidate for Outside Director</p> <p>Candidate for Independent Director</p> <p>Woman</p>	<p style="text-align: center;">Kyoko Deguchi (December 12, 1965) 56 years old</p> <p>Number of Company shares held: 2,200</p> <p>Attendance at meetings of Board of Directors during FY2022: 14/14 meetings (100%)</p> <p>Years serving as Director: 6 years (at the conclusion of this meeting)</p>	Apr 1989 Joined Bain & Company Japan, Incorporated
		Feb 1998 Senior Director of Planning, Disney Store Japan Inc.
		Feb 1999 Senior Finance Director, Disney Store Japan Inc.
		Mar 2001 Director and CFO, GE Plastics Japan Ltd.
		Apr 2004 Product Director, Janssen Pharmaceutical (currently Ortho Neurologics) (US)
		Sep 2005 Senior Director of Digestive Region, Pain, and OTC Business Division, Janssen-Cilag Pty Ltd. (Australia)
		Jan 2007 Assistant Senior Director of Marketing Division, Janssen Pharmaceutical K.K.
		Aug 2009 Director, Vice President of Global Marketing, Stryker Japan K.K.
		Jan 2012 President and CEO, Stryker Japan K.K.
		Mar 2013 Senior Corporate Executive Officer and Manager of President's Office with concurrent responsibility for Financial and Accounting Division, Bellsystem24 Inc. (Retired from this position as of January 2014)
		Mar 2014 CEO, AbbVie GK
		Jul 2014 Outside Director, Nippon Ski Resort Development Co., Ltd.
		Feb 2015 COO, Medical Corporation Shikiku-kai
		Apr 2015 Professor, Kenichi Ohmae Graduate School of Business, Business Breakthrough, Inc. (current)
		Mar 2016 Outside Director, Cookpad Inc. (Retired from this position as of March 2018)
		Jun 2016 Outside Director, T-Gaia Corporation (current)
Aug 2017 Vice President, Medical Corporation Shikiku-kai		
Jun 2019 Outside Director, NHK Technologies, Inc. (current)		
Jan 2020 Outside Director, Heartseed Inc. (current)		
Jun 2021 External Director, PHC Holdings Corporation (current)		

[Reasons for nomination as a candidate for Outside Director and overview of expected roles]

Ms. Kyoko Deguchi has been involved in the finance business of many different corporations for many years, and has served as a CFO and Representative Director, so she possesses broad knowledge and abundant experience as a finance specialist and as a corporate manager. Because Ms. Deguchi has a sincere character and a high level of both insight and skill in corporate management, the Company regards Ms. Deguchi to be suitable as an Outside Director of the Company and has nominated her as a candidate for Outside Director again. We expect that Ms. Deguchi will supervise and provide advice on the execution of business from an outside perspective, based on her aforementioned extensive knowledge and experience.

[Special notes on candidate for Outside Director]

Ms. Deguchi was a person who executed business for Bellsystem24 Inc., a business partner of the Company, until January 2014. However, more than eight years have passed since she resigned from that position and the amount of business between the Company and Bellsystem24 Inc. is insignificant at less than 0.1% of both Bellsystem24 Inc.'s consolidated revenue and the Company's consolidated net sales, so she is deemed to be adequately independent.

Ms. Deguchi was an Outside Director of Cookpad Inc., a business partner of the Company, until March 2018. However, more than four years have passed since she resigned from that position and the amount of business between the Company and Cookpad Inc. is insignificant at less than 0.1% of both Cookpad Inc.'s consolidated sales revenue and the Company's consolidated net sales, so she is deemed to be adequately independent.

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Responsibilities in the Company (Major Concurrent Posts)	
7	Junichi Kamata (November 28, 1953) 68 years old Number of Company shares held: 2,000 Attendance at meetings of Board of Directors during FY2022: 14/14 meetings (100%) Years serving as Director: 4 years (at the conclusion of this meeting)	Apr 1978	Joined Hitachi Metals, Ltd.
		Jan 1992	CFO, HMT Technology Inc. (US)
		May 1999	Manager, Corporate Management Department, LET Inc. (Philippines)
		Nov 2000	Vice President and CFO, Hitachi Metals America, Ltd. (US)
		Jan 2005	General Manager of Human Resources & General Administration Dept., Hitachi Metals, Ltd.
		Apr 2008	Managing Officer, General Manager of Corporate Management Planning Office of Hitachi Metals, Ltd.
		Apr 2011	Managing Officer, President of Piping Components Company of Hitachi Metals, Ltd.
		Apr 2014	Managing Officer of Hitachi Metals, Ltd.; President & CEO, Hitachi Metals America, Ltd. (US)
		Jun 2015	Director, Hitachi Metals, Ltd.
		Jun 2018	Outside Director, T-Gaia Corporation (current)
<u>Reappointment</u>	<p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles]</p> <p>Mr. Junichi Kamata has been involved in the core of management for many years, serving as General Manager of the Human Resources & General Administration Department, General Manager of Corporate Management Planning Office, and Director of Hitachi Metals, Ltd. He possesses broad knowledge and abundant experience as a corporate management specialist and as an executive manager. Because Mr. Kamata has a sincere character and a high level of both insight and skill in corporate management, the Company regards Mr. Kamata to be suitable as an Outside Director of the Company and has nominated him as a candidate for Outside Director again. We expect that Mr. Kamata will supervise and provide advice on the execution of business from an outside perspective, based on his aforementioned extensive knowledge and experience.</p> <p>[Special notes on candidate for Outside Director]</p> <p>At Hitachi Metals, Ltd., where Mr. Kamata served as a director between June 2015 and June 2018, it was announced that acts were performed such as entering values inappropriately into inspection reports for certain products manufactured during his tenure at Hitachi Metals, Ltd. It should be noted that Mr. Kamata was not aware of the occurrence of this situation during his tenure as Director at Hitachi Metals, Ltd., but he did make remarks from a compliance perspective at meetings of Hitachi Metals, Ltd.'s Board of Directors, etc., that were held around that time.</p>		
Candidate for Outside Director			
Candidate for Independent Director			

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Responsibilities in the Company (Major Concurrent Posts)	
8	<p>Toshio Morohoshi (August 24, 1953) 68 years old</p> <p>Number of Company shares held: —</p> <p>Attendance at meetings of Board of Directors during FY2022: 14/14 meetings (100%)</p> <p>Years serving as Director: 2 years (at the conclusion of this meeting)</p>	<p>Apr 1976</p> <p>Jun 1998</p> <p>Jun 2004</p> <p>Oct 2005</p> <p>Jul 2007</p> <p>Jan 2012</p> <p>May 2015</p> <p>Mar 2018</p> <p>Aug 2018</p> <p>Jun 2020</p>	<p>Joined Fujitsu Limited</p> <p>President & CEO, Fujitsu PC Corporation (US)</p> <p>President & CEO, Fujitsu Computer Systems Corporation (currently Fujitsu America Inc.) (US)</p> <p>Managing Executive Officer, Fujitsu Limited (Retired from this position as of June 2007)</p> <p>President & CEO of EMC Japan K.K. and concurrently Vice President of EMC Corporation (US)</p> <p>President & CEO of NCR Japan, Ltd. and concurrently North Asia Representative of NCR Corporation (US) (Retired from this position as of February 2015)</p> <p>President & CEO, Yaskawa Information Systems Corporation (currently YE DIGITAL Corporation)</p> <p>Outside Director of the Board, Nippon Paint Holdings Co., Ltd. (current)</p> <p>Outside Director, WingArc1st Inc.</p> <p>Outside Director, T-Gaia Corporation (current)</p>
<p><u>Reappointment</u></p> <p>Candidate for Outside Director</p> <p>Candidate for Independent Director</p>	<p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles]</p> <p>Mr. Toshio Morohoshi has wide-ranging knowledge and abundant experience as an IT business specialist and as a manager, involved in promoting the IT business and corporate management for many years. At Fujitsu Limited he was involved at the center of management as Managing Executive Officer following positions as President of overseas subsidiaries, etc., with much of this time spent as Representative Director and President in IT companies. Because Mr. Morohoshi has a sincere character and a high level of both insight and skill in corporate management, the Company regards Mr. Morohoshi to be suitable as an Outside Director of the Company and has nominated him as a candidate for Outside Director again. We expect that Mr. Morohoshi will supervise and provide advice on the execution of business from an outside perspective, based on his aforementioned extensive knowledge and experience.</p> <p>[Special notes on candidate for Outside Director]</p> <p>Mr. Morohoshi was a person who executed business for Fujitsu Limited, a business partner of the Company, until June 2007. However, more than 14 years have passed since he resigned from that position and the amount of business between the Company and Fujitsu Limited is insignificant at less than 0.1% of both Fujitsu Limited's consolidated revenue and the Company's consolidated net sales, so he is deemed to be adequately independent.</p> <p>Mr. Morohoshi was a person who executed business for NCR Japan, Ltd., a business partner of the Company, until February 2015. However, more than seven years have passed since he resigned from that position and the amount of business between the Company and NCR Japan, Ltd. is insignificant at less than 0.3% of both NCR Japan, Ltd.'s revenue and Company's consolidated net sales, so he is deemed to be adequately independent.</p>		

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Responsibilities in the Company (Major Concurrent Posts)	
9	Yoshisada Takahashi (December 8, 1955) 66 years old Number of Company shares held: - Attendance at meetings of Board of Directors during FY2022: - Years serving as Director: -	Apr 1978	Joined Komatsu Ltd.
		Jun 1995	Plant Manager, Komatsu Brasil International Ltda. (São Paulo)
		Oct 1999	General Manager, Purchasing Department, Awazu Plant, Production Division, Komatsu Ltd.
		Apr 2006	Executive Officer and Awazu Plant Manager, Production Division, Komatsu Ltd.
		Apr 2011	Senior Executive Officer (Jomu); Vice President, Production Division; and Osaka Plant Manager, Komatsu Ltd.
		Apr 2013	Senior Executive Officer (Senmu); President, Production Division; and Supervising Environment, Komatsu Ltd.
		Apr 2016	Senior Executive Officer (Senmu); Chief Information & Innovation Officer; President, Information Strategy Division; Supervising Production and Industrial Machinery Business, Komatsu Ltd.
		Apr 2017	Executive Vice President; Chief Information & Innovation Officer; President, Information Strategy Division; Supervising Industrial Machinery Business, Komatsu Ltd.
		Jun 2019	Outside Director, T.Rad Co., Ltd. (current)
		Jul 2019	Consultant, Komatsu Ltd. (current)
		Sep 2019	Consultant, Ishikawa Prefecture (current)
Candidate for Outside Director Candidate for Independent Director	[Reasons for nomination as a candidate for Outside Director and overview of expected roles] Mr. Yoshisada Takahashi has been involved in the core of management for many years, serving as Plant Manager in Japan and at an overseas subsidiary, President of the Production Division, and Executive Vice President, Chief Information & Innovation Officer, and President of the Information Strategy Division at Komatsu Ltd. He possesses knowledge concerning the corporate utilization of ICT, as well as broad knowledge and abundant experience as an executive manager. Because Mr. Takahashi has a sincere character and a high level of both insight and skill in corporate management, the Company regards Mr. Takahashi to be suitable as an Outside Director of the Company and has nominated him as a candidate for Outside Director. We expect that Mr. Takahashi will supervise and provide advice on the execution of business from an outside perspective, based on his aforementioned extensive knowledge and experience. [Special notes on candidate for Outside Director] None		

Notes:

1. This reference document for the Ordinary General Meeting of Shareholders contains information as of the date of its preparation (May 16, 2022). However, the age of each candidate is as of this Ordinary General Meeting of Shareholders, and the number of the Company shares held by each candidate reflects information as of March 31, 2022.
2. Mr. Katsuya Kashiki, Mr. Toshiya Asaba, Ms. Kyoko Deguchi, Mr. Junichi Kamata, Mr. Toshio Morohoshi and Mr. Yoshisada Takahashi are candidates for Outside Director.
3. No special interest-relationship exists between the candidates and the Company.
4. Mr. Toshiya Asaba, Ms. Kyoko Deguchi, Mr. Junichi Kamata, and Mr. Toshio Morohoshi are currently Outside Directors for the Company. Mr. Toshiya Asaba and Ms. Kyoko Deguchi will have served six years as Outside Directors at the conclusion of this General Meeting of Shareholders, Mr. Junichi Kamata will have served four years, and Mr. Toshio Morohoshi will have served two years.
5. The Company has entered into agreements with Mr. Nobutaka Kanaji, Mr. Katsuya Kashiki, Mr. Toshiya Asaba, Ms. Kyoko Deguchi, Mr. Junichi Kamata and Mr. Toshio Morohoshi pursuant to Article 427, Paragraph 1, of the Companies Act that

limit their liability for damages as provided for in Article 423, Paragraph 1, of the same Act. Under this agreement, the limit of liability for damages is an amount stipulated in Article 425, Paragraph 1 of the said Act. We plan to renew the limited-liability agreement with them if their reappointment is approved. In addition, we plan to enter into a similar limited-liability agreement with Mr. Yoshisada Takahashi if his appointment is approved.

6. If each candidate is elected and appointed as Director, the Company plans to enter into new indemnity agreements with them pursuant to the provisions of Article 430-2, Paragraph 1 of the Companies Act, under which the Company will indemnify them for any expenses provided for in item (i) of the same paragraph and losses provided for in item (ii) of the same paragraph, within the scope set forth in laws and regulations.
7. The Company has entered into an officer, etc., liability insurance agreement as prescribed in Article 430-3 Paragraph 1 of the Companies Act with an insurance company, and in the case of a claim for compensation for damages being filed by a shareholder or third party, etc., damages such as compensation and dispute costs that are to be borne by the insured party shall be covered by said insurance contract. The full amount of the insurance premiums shall be borne by the Company, and if each candidate is elected and appointed as Director, it is planned to include them in the persons covered by said insurance agreement. In addition, at the time of the next renewal, we plan to renew the agreement with the same content as in the current agreement.
8. Mr. Toshiya Asaba, Ms. Kyoko Deguchi, Mr. Junichi Kamata, and Mr. Toshio Morohoshi meet the criteria for independent directors as defined by the Tokyo Stock Exchange. The Company has reported the status of these four individuals as independent directors to the Tokyo Stock Exchange. If these four candidates are reappointed, the Company plans to continue treating them as independent directors. Also Mr. Yoshisada Takahashi meets the criteria for independent directors as defined by the Tokyo Stock Exchange. If he is appointed, the Company plans to treat him as an independent director.
9. Mr. Hiroyuki Sugai is on assignment from Sumitomo Corporation, the parent company of the Company.
10. If this proposal is approved, a majority of members of the Board of Directors of the Company will be independent Outside Directors, and therefore Sumitomo Corporation is expected to no longer be the Company's parent company from the conclusion of this General Meeting of Shareholders.

Proposal 4 Appointment of One (1) Corporate Auditor

Corporate Auditor Mr. Ryo Hashimoto will resign at the conclusion of this meeting. Therefore, the Company proposes the election of one (1) Corporate Auditor.

The Audit and Supervisory Board has approved this proposal in advance.

The candidate for Corporate Auditor is as follows.

Name (Date of Birth)	Career Summary, Positions and Responsibilities in the Company (Major Concurrent Posts)	
<p>Nobuo Oyama (August 26, 1961) 60 years old</p> <p style="border: 1px solid black; display: inline-block; padding: 2px;">New appointment</p> <p>Candidate for Outside Auditor Number of Company shares held: –</p> <p>Attendance at meetings of Board of Directors during FY2022: –</p> <p>Attendance at meetings of Audit and Supervisory Board during FY2022: –</p> <p>Years serving as Corporate Auditor: –</p>	Apr 1985	Joined Sumitomo Corporation
	Dec 1996	Sumitomo Corporation (Hong Kong) Limited
	Jun 2005	Sumitomo Corporation (Shanghai) Limited, Huadong Corporate Group, Sumitomo Corporation China Group
	Apr 2012	General Manager of Investor Relations Dept., Corporate Coordination Group, Sumitomo Corporation
	Jul 2015	General Manager of Accounting Dept., Mineral Resources, Energy, Chemical & Electronics Business Unit, Corporate Group, Sumitomo Corporation
	Apr 2017	General Manager of Accounting Dept., Media, ICT, Lifestyle Related Goods & Services Business Unit, Corporate Group, Sumitomo Corporation
	Jun 2020	Assistant to CFO, Sumitomo Corporation; and concurrently President and Chief Executive Officer, Sumitomo Shoji Financial Management Co., Ltd. (current)
Jun 2022	Scheduled to retire as President and Chief Executive Officer, Sumitomo Shoji Financial Management Co., Ltd.	

[Reasons for nomination as a candidate for Outside Auditor]

Mr. Nobuo Oyama has been involved in accounting and finance for many years. At Sumitomo Corporation he has served as General Manager of Investor Relations Dept., General Manager of Accounting Dept., Mineral Resources, Energy, Chemical & Electronics Business Unit, and General Manager of Accounting Dept., Media, ICT, Lifestyle Related Goods & Services Business Unit. He currently serves as President and Chief Executive Officer, Sumitomo Shoji Financial Management Co., Ltd. Because Mr. Oyama possesses expert knowledge in accounting and finance and experience in management cultivated by serving in these positions, and has a sincere character and a high level of insight, experience, and skill in corporate management, the Company regards Mr. Oyama to be suitable as an Outside Corporate Auditor of the Company and has nominated him as a candidate for Outside Corporate Auditor.

[Special notes on candidate for Outside Corporate Auditor]

Mr. Oyama is a person who executes business for Sumitomo Corporation (percentage of shares with voting rights held: 41.88%). Sumitomo Corporation is the Company's parent company based on the substantial control criteria. However, if Proposal 3 is approved, a majority of members of the Board of Directors of the Company will be independent Outside Directors, and therefore Sumitomo Corporation is expected to no longer be the Company's parent company from the conclusion of this General Meeting of Shareholders (there will be no change to the percentage of shares with voting rights that Sumitomo Corporation holds).

In addition, if Proposal 3 is approved, Mr. Oyama will satisfy all of the criteria for Outside Corporate Auditor as set forth in Article 2, item (xvi) of the Companies Act as of the conclusion of this General Meeting of Shareholders, and therefore he is a candidate for Outside Corporate Auditor.

Furthermore, Mr. Oyama will not be classified as an independent Outside Corporate Auditor, because he falls under the following criteria in the independence standards for Corporate Auditors set forth by the Company: "g. A person who is a major shareholder of the Company, or a business executor of such shareholder, or a person who was in such position in the past five years."

Notes:

1. This reference document for the Ordinary General Meeting of Shareholders contains information as of the date of its preparation (May 16, 2022). However, the age of the candidate is as of this Ordinary General Meeting of Shareholders, and the number of the Company shares held by the candidate reflects information as of March 31, 2022.
2. Mr. Nobuo Oyama is a candidate for Outside Auditor.
3. No special interest-relationship exists between the candidate and the Company.
4. The Company plans to enter into a limited-liability agreement with Mr. Nobuo Oyama pursuant to Article 427, Paragraph 1 of the Companies Act that limits his liability for damages as provided for in Article 423, Paragraph 1 of the same act if he is appointed to serve as a Corporate Auditor. Under this agreement, the limit of liability for damages will be an amount stipulated in Article 425, Paragraph 1, of the same Act.
5. If Mr. Nobuo Oyama is elected and appointed as Corporate Auditor, the Company plans to enter into a new indemnity agreement with him pursuant to the provisions of Article 430-2, Paragraph 1 of the Companies Act, under which the Company will indemnify him for any expenses provided for in item (i) of the same paragraph and losses provided for in item (ii) of the same paragraph, within the scope set forth in laws and regulations.
6. The Company has entered into an officer, etc., liability insurance agreement as prescribed in Article 430-3 Paragraph 1 of the Companies Act with an insurance company, and in the case of a claim for compensation for damages being filed by a shareholder or third party, etc., damages such as compensation and dispute costs that are to be borne by the insured party shall be covered by said insurance contract. The full amount of the insurance premiums shall be borne by the Company, and if the candidate is appointed as Auditor, it is planned to include him in the persons covered by said insurance agreement. In addition, at the time of the next renewal, we plan to renew the agreement with the same content as in the current agreement.
7. If Mr. Nobuo Oyama is appointed to serve as a Corporate Auditor, he will be on assignment from Sumitomo Corporation.
8. If Proposal 3 is approved, Sumitomo Corporation is expected to no longer be the Company's parent company from the conclusion of this General Meeting of Shareholders.

(Reference) Skill Matrix (If Each Candidate for Director is Elected at this General Meeting of Shareholders)

Officer		Independence	Knowledge and experience expected by the Company						
			Corporate management Business strategy	Investment M&A	ICT Digital	Accounting Finance	Legal affairs, personnel, and compliance	Global experience and internationality	
Director	Internal	Masato Ishida	•	•				•	
		Nobutaka Kanaji	•	•	•			•	
		Hiroyuki Sugai	•			•		•	
	Outside	Katsuya Kashiki		•	•	•			•
		Toshiya Asaba	•	•	•	•			•
		Kyoko Deguchi	•	•			•	•	•
		Junichi Kamata	•	•	•			•	•
		Toshio Morohoshi	•	•	•	•			•
		Yoshisada Takahashi	•	•	•	•			•

* The above table does not represent all knowledge and experience held by the candidates.

* Up to four areas of knowledge and experience in which the candidate is particularly outstanding have been provided.

(Reference) Selection criteria and independence standards for Directors and Corporate Auditors

Selection criteria and independence standards for Directors and Corporate Auditors are stipulated as follows in the Basic Policy on Corporate Governance.

1. Director

(1) Selection criteria

A candidate for Director shall be an individual meeting the following criteria, who has profound understanding about our corporate philosophy based on TG Vision (T-Gaia's Corporate Vision), stating "T-Gaia will propose new ways of communication to provide our customers with excitement, delight and safety.", TG Mission (T-Gaia's Corporate Mission) and TG Action (Our Code of Conduct), and who is capable enough to make prompt and appropriate decisions with a view to achieving sustainable growth/development of the Group and the medium- to long-term enhancement of its corporate value.

a. Director (internal)

A candidate for Director (internal) shall be an individual with integrity as well as high-level management insight and capabilities, who has expert knowledge and abundant experience in telecommunications field and other areas, regardless of gender and nationality.

b. Outside Director

A candidate for Outside Director shall be an individual with integrity as well as high-level management insight and capabilities, who is capable enough to supervise business execution while providing advice from an external point of view based on broad-based knowledge and experience in his/her own area of specialty and general corporate management, regardless of gender and nationality.

(2) Independence standards

The Company shall consider an Outside Director independent when he/she does not fall into any of the following.

- a. A person who is, or was an executor of business at the Company, its consolidated subsidiary or equity method affiliate (collectively the "Group")
- b. A person who is or was in the past ten years a director, executive officer, corporate executive officer, or manager or other employee of the Company's parent company or sister company
- c. A person for whom the Group is a principal business partner, or a person who is or was in the past three years his/her executor of business (a principal business partner is defined as having business transactions equivalent to 2% or more of the annual total net sales of the partner in its immediately preceding fiscal year)
- d. A person who is a principal business partner of the Group, or a person who is or was in the past three years his/her executor of business (a principal business partner is defined as having business transactions equivalent to 2% or more of the consolidated annual total net sales of the Group in the immediately preceding fiscal year)
- e. A person who currently provides professional service in the capacity such as consultant, attorney or certified public accountant, gaining in return 10 million yen or more cash or other property benefits per year, apart from executive remuneration paid by the Group (if a party that gains such property benefits is an organization such as corporate body, union or partnership, a person who belongs to such organization that gains property benefits from the Group which is equivalent to 2% or more of annual revenue of such organization), or a person who was in such position in the past three years
- f. A person who is a principal provider of loans to the Group or a business executor of such provider (principal provider of loans refers to an entity that provides the Group with loans equivalent to 2% or more of its consolidated total assets as at the end of its immediately preceding fiscal year) or a person who was in such position in the past three years
- g. A person who is a major shareholder of the Company, or a business executor of such shareholder, or a person who was in such position in the past five years
- h. A person who receives 10 million yen per year or more donation from the Group (if a party that receives such donation is an organization such as corporate body, union or partnership, a person who serves as executor of business at such organization gaining property benefits from the Group which is equivalent to 2% or more of annual

revenue of such organization), or a person who was in such position in the past three years

- i. A person who is engaged in the audit of the Group as its Accounting Auditor or an employee thereof, or who was engaged in the audit of the Group as employee of the Accounting Auditor in the past three years
- j. A person who is director, executive officer, corporate executive officer, or manager or other employee of a company for which the Company is a major shareholder
- k. A person who is director, executive officer or corporate executive officer of a company (or its parent company or subsidiary), for which director or corporate auditor is seconded from the Group
- l. A person who is relative in the second degree or closer of someone who serves or served in the past three years as director, executive officer, corporate executive officer, or manager or other employee of the Group
- m. A person who is relative in the second degree or closer of someone who falls into any of those listed in b. through j. above (insofar as he/she is in an important position)
- n. A person who has served as an outside director of the Company for more than eight years
- o. A person who has specific circumstance other than listed above, which prevents him/her from carrying out his/her duty as an outside executive officer holding independence, including potential conflicts of interest with the Group

2. Corporate Auditor

(1) Selection criteria

A candidate for Corporate Auditor shall be an individual with integrity as well as high-level insight, experience and capabilities in corporate management, not least operational expert knowledge and hands-on management experience who is considered capable enough to contribute to sustainable growth/development of the Group and the medium- to long-term enhancement of its corporate value, regardless of gender and nationality. Candidate for an Independent Outside Corporate Auditor in particular, shall have advanced expertise and abundant experience in the areas such as legal affairs, accounting and corporate management.

(2) Independence standards

The Company shall consider an Outside Corporate Auditor independent when he/she does not fall into any of the following.

- a. A person who is, or was an executor of business at the Company, its consolidated subsidiary or equity method affiliate (collectively the “Group”)
- b. A person who is or was in the past ten years a director, corporate auditor, accounting adviser, executive officer, corporate executive officer, or manager or other employee of the Company’s parent company or sister company
- c. A person for whom the Group is a principal business partner, or a person who is or was in the past three years his/her executor of business (a principal business partner is defined as having business transactions equivalent to 2% or more of the annual total net sales of the partner in its immediately preceding fiscal year)
- d. A person who is a principal business partner of the Group, or a person who is or was in the past three years his/her executor of business (a principal business partner is defined as having business transactions equivalent to 2% or more of the consolidated annual total net sales of the Group in the immediately preceding fiscal year)
- e. A person who currently provides professional service in the capacity such as consultant, attorney or certified public accountant, gaining in return 10 million yen or more cash or other property benefits per year, apart from executive remuneration paid by the Group (if a party that gains such property benefits is an organization such as corporate body, union or partnership, a person who belongs to such organization that gains property benefits from the Group which is equivalent to 2% or more of annual revenue of such organization), or a person who was in such position in the past three years
- f. A person who is a principal provider of loans to the Group or a business executor of such provider (principal provider of loans refers to an entity that provides the Group with loans equivalent to 2% or more of its consolidated total assets as at the end of its immediately preceding fiscal year) or a person who was in such position in the past three years
- g. A person who is a major shareholder of the Company, or a business executor of such shareholder, or a person who was in such position in the past five years
- h. A person who receives 10 million yen per year or more donation from the Group (if a party that receives such donation is an organization such as corporate body, union or partnership, a person who serves as executor of

business at such organization gaining property benefits from the Group which is equivalent to 2% or more of annual revenue of such organization), or a person who was in such position in the past three years

- i. A person who is engaged in the audit of the Group as its Accounting Auditor or an employee thereof, or who was engaged in the audit of the Group as employee of the Accounting Auditor in the past three years
- j. A person who is director, corporate auditor, accounting adviser, executive officer, corporate executive officer, or manager or other employee of a company to which the Company is a major shareholder
- k. A person who is director, corporate auditor, accounting adviser, executive officer or corporate executive officer of a company (or its parent company or subsidiary), to which director or corporate auditor is seconded from the Group
- l. A person who is relative in the second degree or closer of someone who serves or served in the past three years as director, executive officer, corporate executive officer, or manager or other employee of the Group
- m. A person who is relative in the second degree or closer of someone who falls into any of those listed in b. through j. above (insofar as he/she is in an important position)
- n. A person who has specific circumstance other than listed above, which prevents him/her from carrying out his/her duty as an outside executive officer holding independence, including potential conflicts of interest with the Group

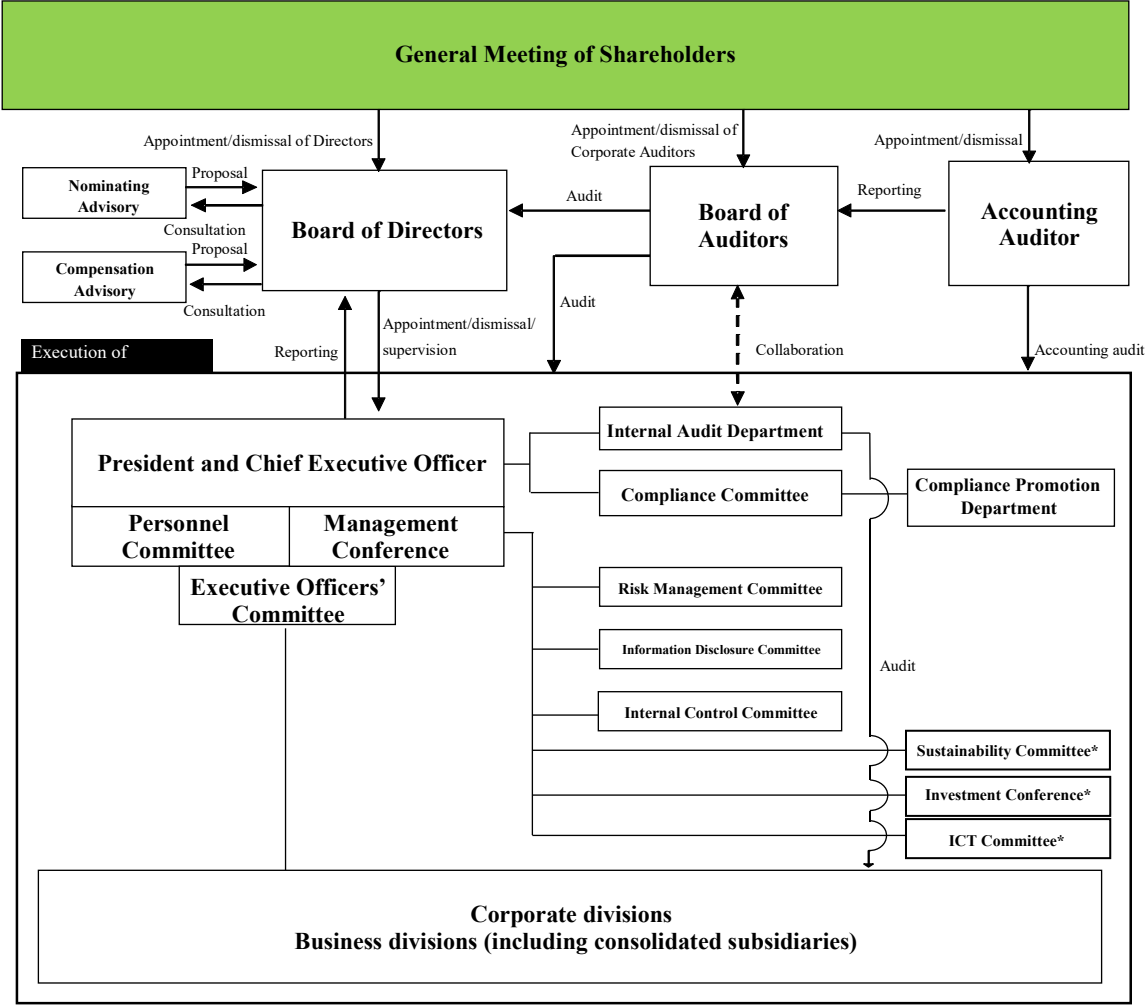
(Reference) Overview of Initiatives Related to Corporate Governance (as of March 31, 2022)

[Our Basic View Related to Corporate Governance]

The Company views corporate governance as a framework for the control of corporate business activities and considers it critically important that the rights and interests of our shareholders be protected and equally guaranteed. We also believe it is imperative that we respect the rights and interests of – and build positive relationships with – stakeholders other than shareholders including our clients, business partners, employees, and local communities. Our basic view related to corporate governance has been specified as the Basic Policy on Corporate Governance, which is disclosed on the Company website. We recognize that corporations have a social mission to pursue their business operations while striving to build and maintain better frameworks for governance. In line with that awareness, we have pursued our day-to-day operations in the interest of refining our institutional frameworks and improving their effectiveness from two perspectives: namely “assuring managerial transparency” and “boosting corporate value.”

[Framework for Corporate Governance]

[Schematic diagram]



*Established as advisory bodies to the Management Conference.

[Board of Directors]

The Board of Directors handles decisions on important matters and supervises Directors to determine whether they are performing their duties efficiently and properly. The Board of Directors comprises nine Directors (four of whom are independent officers) including four Outside Directors, and its meetings are also attended by four Corporate Auditors (two of whom are independent officers). Board meetings regularly convene on a monthly basis, and extraordinary meetings are held as required to realize flexible management.

[Board of Auditors]

Of the four Corporate Auditors of the Company, two are Outside Corporate Auditors (two of whom are independent officers). Using their professional background, experience and expertise, they do not only audit compliance with laws, but also give advice on overall management from a fair and neutral standpoint.

The Board of Auditors meetings convene on a monthly basis in principle, and four Corporate Auditors hold discussions and report matters at the meetings. Corporate Auditors attend important company meetings such as the Board of Directors meetings to supervise the status of decisions on management policy and the status of performance of duties by Directors. Furthermore, Corporate Auditors appropriately collaborate with the Internal Audit Department and Accounting Auditor and work to strengthen the internal control system through the exchange of views and information with them.

[Nominating Advisory Committee/Compensation Advisory Committee]

The Company has established the Nominating Advisory Committee and the Compensation Advisory Committee as advisory bodies to the Board of Directors, in order to enhance transparency of management. The Nominating Advisory Committee and the Compensation Advisory Committee are composed of Outside Directors and the Representative Director as well as Directors nominated by the President and Representative Director, and the members thereof are decided by the Board of Directors. Also, the majority of the members of each Committee are Outside Directors. The objective of the Nominating Advisory Committee is to propose the appointment and dismissal of Directors and executive officers above Senior Managing Officers to the Board of Directors, and the objective of the Compensation Advisory Committee is to propose such matters as remuneration of Directors and executive officers to the Board of Directors.

The Nominating Advisory Committee meets before the convening of the Board of Directors, which resolves the appointment and dismissal of Directors and executive officers above Senior Managing Officers. However, when issues are raised by the Committee members, Committee meetings are held as needed. The Compensation Advisory Committee meets before the convening of the Board of Directors, which resolves the remuneration of Directors and executive officers. However, when issues are raised by the Committee members, Committee meetings are held as needed.

Composition of Members (* denotes the chair) (As of March 31, 2022)

Six members in total

Two Internal Directors	Nobutaka Kanaji*	Katsuya Kashiki		
Four Outside Directors	Toshiya Asaba	Kyoko Deguchi	Junichi Kamata	Toshio Morohoshi

[Evaluation of Effectiveness of the Board of Directors]

The Company conducts surveys on Directors and Corporate Auditors regarding the effectiveness of the Board of Directors as a whole while objective analyses are performed by a third-party institution. In addition, self-evaluation of the Board of Directors is implemented through discussions by members of the Board of Directors based on the results of the surveys to enhance the function. In fiscal 2021, the Company determined that its Board of Directors is functioning appropriately and is effective as a result of implementing self-evaluation of the Board of Directors.

The results for fiscal 2022 will be posted on the Company website (<https://www.t-gaia.co.jp/>) after this General Meeting of Shareholders.

(Attachment)

Business Report (from April 1, 2021, to March 31, 2022)

1. Current Status of the Corporate Group

(1) Business Conditions during the Fiscal Year under Review

(i) Progress and results:

In the fiscal year under review (April 2021 to March 2022), the Japanese economy continues to face a difficult situation due to the impact of COVID-19. Looking forward, while there is an increasing sense of uncertainty because of the situation in Ukraine, for example, careful attention needs to be paid to the risk of an economic downturn at home and abroad due to supply side limitations and trends in raw material and other prices, as well as fluctuations in the financial and capital markets.

In the market for mobile phone handsets, which is the main business field of the Group (the Company, its consolidated subsidiaries, and its equity-method affiliates), the steady popularization of handsets compatible with 5G (5th-generation mobile communication system) has begun. On the other hand, the provision of online-only plans for service, which will not provide in-store assistance, started in March 2021, which has caused a dramatic change to the role of shops and the competitive environment. In the second quarter of the current fiscal year, commission terms and conditions for some telecommunications carriers were revised. Also, delays to the delivery of some products caused by a global supply shortage of semiconductors, etc., have become prolonged.

Under this business environment, the Group's unit sales of mobile handsets, etc. (below, "unit sales") during the fiscal year under review jumped from the previous fiscal year to 4,160,000 as a result of the following factors.

- A. The impact of shortened operating hours and suspensions of operations at carrier shops and some limits on services available (in response to a nationwide declaration of a state of emergency) in 1Q FY 2021 (April to June 2020)
- B. The shift from 3G (3rd-generation mobile communication system) networks to 4G and 5G networks and increased competition among telecommunications carriers
- C. An increase in the number of shops from making TF Mobile Solutions Corporation (below, "TFM") a subsidiary in November 2020 (and then absorbing it through an absorption-type merger on February 1, 2021)

On the other hand, the revisions to commission terms and conditions for some telecommunications carriers as mentioned above and an increase in the ratio of sales of products other than main brand products led to a year-on-year decline in Group commission income.

From the third quarter of the current fiscal year, the Group has been engaged in increasing sales of original products and enhancing the productivity of shop operations primarily in the consumer mobile business segment. Despite the gradual emergence of effects from an improvement in operating profit compared to the second quarter of the current fiscal year, for example, the financial forecasts announced at the beginning of the term were not achieved.

As a result, consolidated business results for the period under review marked net sales of 476,464 million yen (up 12.6% year on year), with operating profit of 10,567 million yen (down 24.7% year on year). As a result of a significant year-on-year decrease in hoard profit of prepaid card, ordinary profit marked 15,381 million

yen (down 22.3% year on year) and profit attributable to owners of parent posted 10,579 million yen (down 18.9% year on year).

Furthermore, as the Accounting Standard for Revenue Recognition and relevant revised ASBJ regulations have been applied from the beginning of the fiscal year under review, comparisons with the previous year are provided after retrospectively applying the accounting standard and relevant revised ASBJ regulations.

Consolidated results of each business segment for the fiscal year under review are detailed below.

(Consumer mobile business)

In consumer mobile business segment, although unit sales increased year on year as mentioned above, commission income declined due to factors such as revisions to commission terms and conditions.

In addition to selling handsets, shops are playing an important role in the area of offering value in the non-telecommunications field, which each telecommunications carrier is focusing on, such as content from various services and payment services using smartphones. Moreover, through such services as our on-site sales service, we have newly created opportunities for sales and service provision and are expanding our points of contact with customers. Internal support systems have been enhanced, including the centralization of tasks for the selection and preparation of on-site sales service locations, for example.

At shops that were formerly directly managed by TFM, we integrated various internal systems and shop management systems in July 2021. We will continue to accelerate initiatives aiming at maximizing synergies, such as personnel exchanges and efficient personnel deployment.

Regarding investments in shops, in the period under review, we closed or transferred ownership of unprofitable shops.

As a result, net sales totaled 407,141 million yen (up 14.6% year on year) and profit attributable to owners of parent totaled 5,670 million yen (down 23.5% year on year).

(Enterprise solutions business)

In mobile solutions for enterprise clients' business, sales units jumped year on year due to the inclusion of the corporate sales channel of the former TFM. Although workstyle reforms are driving proactive ICT investment and demand for smart devices that can be used for remote work continues to flourish due to the impact of COVID-19 infections, delays to the delivery of some products caused by a global supply shortage of semiconductors, etc., have continued for a prolonged time.

Selling, general and administrative expenses increased year on year due to staff expansion and system investments, etc. with the aim to expand business scale and improve productivity.

Under these conditions, the Group is expanding products and services for its Life Cycle Management operations revolving around administrative and support services for device life cycles spanning from procurement, propositions, and introduction support for smart devices including PCs, to building Wi-Fi environment, maintenance, operations, and updating services. Moreover, the Group continued to adapt to changes in the business environment, including by focusing on proposing the building, operation, maintenance, etc. of networks that use edge solutions.

In products related to fixed-line telecommunications, the Company has continued to work to improve the quality of support for resale wholesalers and clients for the Company's own "TG Hikari" fiber-optics access service, and to improve business efficiency and strengthen direct sales through the introduction of systems.

As a result, we recorded net sales of 35,294 million yen (up 9.1% year on year) and profit attributable to owners of parent of 1,862 million yen (down 3.8% year on year).

(Payment service business and other business)

In payment service business and other business segment, gift card transaction volumes were down compared with the previous fiscal year. The demand for a variety of digital content, including games, music, and video streaming, continued to gradually decline from an increase during the nationwide voluntary lockdown.

Sales in the wholesale of smartphone accessories mainly to convenience stores continued to be robust due to the expansion of sales channels and the broadening of the merchandise lineup, despite costs which were recorded in the first quarter, such as the cost of addressing mislabeling of the manufacturing country in some products.

With respect to other new business, we continued to work on such areas as the operation of ICT schools for children and the hosting of online events for the e-Sports business.

QUO CARD Co., Ltd., a consolidated subsidiary, saw a decline in the amount of issuance for QUO Card compared to the previous fiscal year, when there was the special demand, primarily from local governments and other organizations, in order to support healthcare workers.

On the other hand, the number of member stores which accept QUO Card and QUO Card Pay steadily expanded.

As a result, net sales marked 34,028 million yen (down 3.4% year on year), with profit attributable to owners of parent of 3,109 million yen (down 17.8% year on year) due to the significant year-on-year decrease in hoard profit of prepaid card mentioned above.

(ii) Capital expenditures:

During the fiscal year under review, the Company and its consolidated subsidiaries made a total of 2,420 million yen in capital investment, primarily as follows.

[Consumer Mobile Business-related]

As part of measures to boost sales of mobile phone handsets, etc., we invested a total of 735 million yen mainly to cover the cost of renovating our nationwide mobile phone shops and the purchase of furnishings.

[Systems-related]

We invested 1,443 million yen in measures such as to introduce and strengthen our sales and accounting systems, and develop system infrastructure.

[Other Capex]

We invested 240 million yen in solar panel equipment, office renovation, and replacement of furniture and fixtures.

(iii) Financing:

None

(iv) Business transfers and absorption- or incorporation-type demergers:

None

(v) Business transfers from other companies:

None

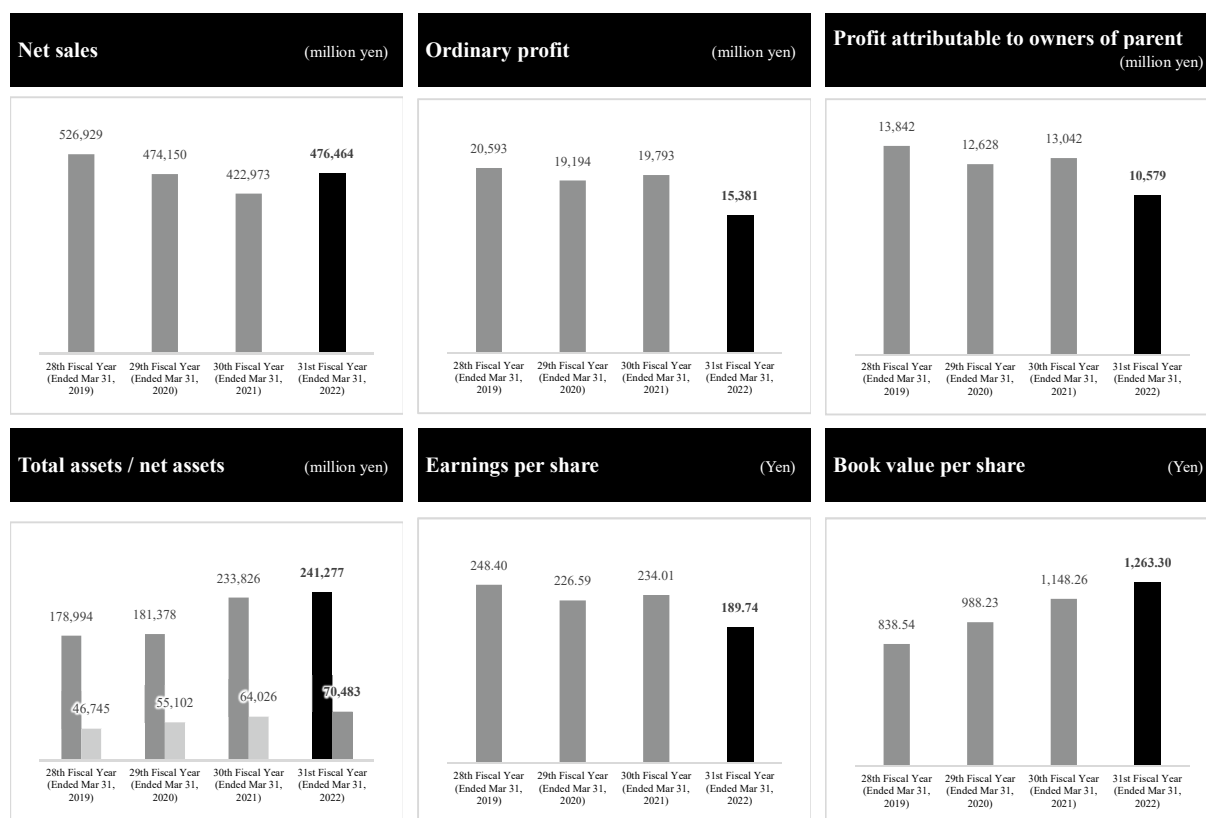
(vi) Succession of rights and obligations related to the business of other companies as a result of absorption-type mergers or demergers:

The Company merged with TGC, Inc., which was a subsidiary, through an absorption-type merger effective April 1, 2021, and assumed all rights and obligations related to the mobile phone sales business operated by TGC, Inc.

(vii) Acquisition or disposal of shares of stock, other equity interest, or subscription rights to shares in other companies:

None

(2) Trends in Company Assets and Profit & Loss for the Last Three Business Years



Category		28th Fiscal Year (Ended Mar 31, 2019)	29th Fiscal Year (Ended Mar 31, 2020)	30th Fiscal Year (Ended Mar 31, 2021)	31st Fiscal Year (Ended Mar 31, 2022)
Net sales	(million yen)	526,929	474,150	422,973	476,464
Ordinary profit	(million yen)	20,593	19,194	19,793	15,381
Profit attributable to owners of parent	(million yen)	13,842	12,628	13,042	10,579
Earnings per share	(yen)	248.40	226.59	234.01	189.74
Total assets	(million yen)	178,994	181,378	233,826	241,277
Net assets	(million yen)	46,745	55,102	64,026	70,483
Book value per share	(yen)	838.54	988.23	1,148.26	1,263.30
Equity ratio	(%)	26.1	30.4	27.4	29.2
Return on equity	(%)	33.3	24.8	21.9	15.7

As the Accounting Standard for Revenue Recognition and relevant revised ASBJ regulations have been applied from the beginning of the fiscal year under review, net sales and ordinary profit for the previous fiscal year (the fiscal year ended March 31, 2021) are those after retrospectively applying the accounting standard and relevant revised ASBJ regulations.

(28th Fiscal Year)

In the consumer mobile business, unit sales fell year on year and net sales declined. As for profitability, efforts to increase unit prices per customer and to improve profitability through the provision of various services including optical lines, security-related contents and smartphone-related products including accessories resulted in an increase in profit attributable to owners of parent. In the enterprise solutions business, we proactively proposed introduction and utilization of smart devices that would enhance operational efficiencies, backed by the tailwind of active corporate investment into ICT, which resulted in an increase in net sales and profit attributable to owners of parent. The payment service business and other business experienced an increase in transaction volume due to the commencement of transactions of new gift card products through major sales channels. In addition, transaction volumes grew in overseas operations. At QUO CARD Co., Ltd., a consolidated subsidiary, a transient expense was recorded at the end of the fiscal year under review due to the early launch of the service of “QUO Card Pay,” the digital version of QUO Card, resulting in a decrease in operating profit. Profit attributable to owners of parent increased partly due to the impact of recording hoard profit of prepaid card in non-operating income. As a result, we recorded net sales of 526,929 million yen, ordinary profit of 20,593 million yen, and profit attributable to owners of parent of 13,842 million yen.

(29th Fiscal Year)

In the consumer mobile business, unit sales decreased compared to the previous year, and net sales and profit attributable to owners of parent decreased due to the change in rate plans and sales methods and the setting of a cap on discounting the charge for handsets associated with the enforcement of the amended Telecommunications Business Act. In the enterprise solutions business, we proactively proposed introduction and utilization of smart devices that would enhance operational efficiencies, backed by the tailwind of active corporate investment into ICT. As a result, unit sales increased compared to the previous fiscal year, and net sales and profit attributable to owners of parent increased. The payment service business and other business experienced increases in transaction volume and net sales compared to the previous fiscal year, due to factors including the end of effects of reorganization of existing sales channels such as convenience stores, and commencement of transactions of new gift card products through major sales channels. Consolidated subsidiary QUO CARD Co., Ltd., experienced declines in operating profit and profit attributable to owners of parent due to a substantial increase in selling, general and administrative expenses associated with the implementation of campaigns to increase the issuance of “QUO Card Pay,” the digital version of the QUO Card, and the expansion of member stores. As a result, this fiscal year we recorded net sales of 474,150 million yen, ordinary profit of 19,194 million yen, and profit attributable to owners of parent of 12,628 million yen.

(30th Fiscal Year)

In the consumer mobile business, unit sales have been increasing, partly due to the acquisition of TFM as a subsidiary. However, this was not enough to compensate for the decrease in unit sales due to the spread of COVID-19, meaning that unit sales decreased compared with the previous fiscal year. As a result, net sales and profit attributable to owners of parent decreased. In the enterprise solutions business, unit sales increased significantly compared to the previous fiscal year, primarily because the spread of COVID-19 caused companies to bring forward efforts to introduce teleworking, as well as TFM becoming a subsidiary and the tailwind from ICT investment driven by workstyle reforms. As a result, net sales and profit attributable to owners of parent increased. In the payment service business and other business, demand for digital content such as games, music, and streaming video remains at high levels given increased time spent at home, and transaction volumes of related gift cards and PIN products increased compared to the previous fiscal year. Consolidated subsidiary QUO CARD Co., Ltd. continued to see a large number of applications for its “QUO Card” and “QUO Card Pay,” and issuance of them increased year-on-year mainly in support of medical personnel by local governments. As a result, net sales and profit attributable to owners of parent increased. As a result, we recorded net sales of 422,973 million yen, ordinary profit of 19,793 million yen, and profit attributable to owners of parent of 13,042 million yen.

(31st Fiscal Year)

Details are as stated in 1. (1) (i) "Progress and results."

(3) Status of Parent Company and Major Subsidiaries

(i) Status of parent company

Company Name	Share Capital	Percentage of T-Gaia Corporation Shares with Voting Rights Held	Relationship with T-Gaia Corporation
Sumitomo Corporation	219,900 million yen	41.88%	Trading partner in sales of mobile phone handsets and management services

Note: Although Sumitomo Corporation, the largest shareholder of the Company, holds less than 50% of the Company's outstanding shares with voting rights, given that a majority of the members on the Company's Board of Directors are employees on assignment from Sumitomo Corporation, Sumitomo Corporation is the Company's parent based on the substantial control criteria.

(ii) Status of major subsidiaries

Company Name	Share Capital	Percentage of Shares with Voting Rights Held by T-Gaia Corporation	Principal business
QUO CARD Co., Ltd.	1,810 million yen	100.00%	Issuance and settlement services for prepaid and other types of cards; sales and maintenance service of cards and card-related equipment
WAMNET Japan K.K.	200 million yen	97.52%	Digital content network management service provider; development and sales of fax server software

(4) Issues to be Addressed

(i) Management Strategy

In the Medium-Term Management Plan (FY 2022-FY 2024) published in May 2021, in addition to setting the realization of the TG Universe (the ecosystem within T-Gaia) as our management strategy, we specified eight material issues that we should resolve through our business practices.

Additionally, in December 2021, the Company also formulated a Sustainability Policy consisting of policies related to the three areas of "environment," "society," and "corporate governance." Through our business activities, we will contribute to the sustainable growth of society.

<Medium-Term Management Plan>

Centering on "People x Technology," TG Universe describes two growth drivers: "Edge Enabler" businesses (behind-the-scene businesses that straddle the boundaries between individuals and companies and between companies and that do not put the Company's name up front) on the inside and "Unique Branded Service Provider" businesses (businesses that provide original service with our own brand) on the outside. In addition to enhancing and expanding the TG Universe, we will realize our vision for the Company and grow to become a corporate group that continually creates value for a prosperous future by resolving social issues.

* Please refer to the Medium-Term Management Plan and Sustainability Policy, which are posted on the Company's website.

Medium-Term Management Plan:

https://www.t-gaia.co.jp/company/plan/202203_202403/index.html

Sustainability Policy:

<https://www.t-gaia.co.jp/company/csr/philosophy.html>

(ii) Important Business Matters (Materiality)

We will position eight materiality as an important element in the formulation of strategies for each business and in the business decision-making process, and aim to achieve business growth for the entire Group by solving the issues facing society through all of our business activities.

1-4: Key issues in management strategy for realizing the TG Universe

<p><u>1. Promoting respect for diversity and advancing human resource development</u></p> <ul style="list-style-type: none"> • Leveraging imagination born of diversity • Building a human resource system that responds to diverse values • Developing professional human resources 	<p><u>2. Progressing thorough use of ICT</u></p> <ul style="list-style-type: none"> • Putting ICT into the hands of all • Realizing productivity improvement through operational reform • Enriching the lives of our customers
<p><u>3. Increasing the power of Enabler</u></p> <ul style="list-style-type: none"> • Strengthening the ecosystem • Providing features that anticipate change • Continuing to upgrade mobile phone shops 	<p><u>4. Fostering a corporate culture that takes on new business challenges</u></p> <ul style="list-style-type: none"> • Building an organization and systems that challenges • Investing actively in growth domains • Creating a unique brand

5-8 Important matters underpinning the management strategy in the upper row

<p><u>5. Pursuing sustainable development through collaboration with customers and business partners</u></p> <ul style="list-style-type: none"> • Increasing customer satisfaction • Strengthening further relationships with business partners • Listening to the issues and making appropriate suggestions 	<p><u>6. Creating shared values as a member of local communities</u></p> <ul style="list-style-type: none"> • Coexisting with local communities through business • Bridging the digital divide through ICT education • Serving an important access point function in local communities
<p><u>7. Taking proactive measures to address environmental issues and climate change</u></p> <ul style="list-style-type: none"> • Helping to reduce the environmental impact on the earth • Promoting renewable energy business • Providing support in times of disaster using our network 	<p><u>8. Enhancing corporate governance</u></p> <ul style="list-style-type: none"> • Ensuring thorough compliance • Strengthening Group governance • Enhancing information disclosure

(iii) Initiatives in each segment

In the fiscal year ended March 31, 2022 (the first fiscal year of the Medium-Term Management Plan), there were significant changes in the business environment surrounding the Company, including revisions to commission terms and conditions for some telecommunications carriers and handset supply shortages as a result of a global shortage of semiconductors. We will optimize our organization and personnel in order to

enhance productivity throughout the Group and revise various expenses, while also working to continue expanding our unique businesses.

In the second year of the Medium-Term Management Plan, we will focus on the following initiatives by business segment.

(Consumer mobile business)

The business environment in the consumer mobile business segment is undergoing major changes, including a reduction in the commission income received from telecommunications carriers and an increase in the proportion of online contracts. The Group will continue to enhance the significance of the existence of shops in order for the shops to develop into “regional ICT hubs” instead of mere “points of sale.”

Specifically, we will draw in more customers to shops and increase proprietary earnings using original content, e-Sports, and gym classes, improve back-office work, and optimize business and increase productivity by introducing remote initial setup support.

Also, we will contribute to the Ministry of Internal Affairs and Communications’ “Digital Garden City Nation Vision” and “Solving Digital Divide” by means of smartphone classes and sales support for remote locations where there are no local shops.

(Enterprise solutions business)

By expanding its products and services in the LCM business and new business areas such as edge computing, the Group will evolve into a comprehensive network service provider that also works on corporate internal network infrastructure based on the provision of fixed-line telecommunications.

Also, the Group will adapt to increasingly cloud-based corporate business (market changes) by strengthening cooperation between Group companies and partner companies, including the organization of Group-wide project teams.

(Payment service business and other business)

The Group will continue to increase transaction volumes by expanding the range of PIN and gift card products for online services, mainly games. In addition, we will utilize our digital code distribution server to strengthen sales to corporate customers in collaboration with QUO CARD Co., Ltd., our consolidated subsidiary. QUO CARD Co., Ltd. will continue to work on expanding the number of member stores of QUO Card Pay and to increase issuance by developing various campaigns.

In other business, we will strengthen our efforts in new businesses that respond to ESG, such as eSports, ICT classes, smart agriculture, and renewable energy business.

(iv) Environmental initiatives

In December 2021, the Company expressed support for the recommendations of the “Task Force on Climate-related Financial Disclosures (TCFD),” and established a greenhouse gas reduction target of “carbon neutrality by 2040.*” We will endeavor to reduce the environmental impact of our business activities and contribute to achieving a sustainable society.

Please refer to the Integrated Report, which contains information concerning the Company’s other initiatives to address climate change issues and other environmental matters.

* The Company has set forth a medium-term target of a “50% reduction in greenhouse gas emissions by 2030 (compared with fiscal 2019).” Both targets are for the Company on a non-consolidated basis (Scopes 1 and 2).

Integrated Report: <https://www.t-gaia.co.jp/ir/library/annual.html>

(v) Social initiatives

The Group is implementing various initiatives based on a growth strategy of creating a work environment

where all employees can work with excitement and continuing as a company that values our employees as well as their families.

(Pursuit of work fulfillment and ease of work for every individual employee)

The cultivation of “human resources” that form the core of the Group is positioned as an important business strategy, and the Company aims to further expand training and other cultivation of professional human resources. In addition, we have enhanced systems to increase the motivation of employees such as expanding the scope of approved side jobs, inhouse FA and inhouse recruitment and introduced various measures to stimulate communication between employees, such as holding 1on1 meetings and online social gatherings.

(Realization of Diversity & Inclusion)

The Group believes diversity of human resources is important for sustainable growth and to create new value and is proactively undertaking initiatives to promote diversity and inclusion. Specifically, this includes initiatives such as the enhancement of various measures and systems to promote the empowerment of women, the creation of work environments that enable long-term service for people with special needs, and rules that are appropriate for LGBT, as well as enhancements to various support systems in line with a healthy management. As a result, the Company has been rated highly by external institutions, including receiving the highest distinction in the “D&I Award 2021” and being included in the Gold level of the “PRIDE Index,” as well as being certified as a “Health & Productivity Management Outstanding Organization 2022” (large enterprise category) for the fourth consecutive year.

(Diverse work styles regardless of time or location)

The Company is undertaking initiatives to enhance flexible work styles and the work environment such as the super flex system, hot desking, and a system to accommodate working from remote offices, further enhancing the business environment by promoting operational reforms such as going paperless and teleworking for the purpose of enhancing the work-life balance and maintaining and improving mental and physical health, as well as increasing employee satisfaction and productivity.

(vi) Corporate governance

The Group positions compliance involving everyday observation of laws and regulations and internal rule and the preservation of ethics as one of the most critical issues in the performance of business operations. We will continue with initiatives to quickly detect and respond to risk and conduct awareness activities through measures such as enhancement of training about compliance and use of inhouse SNS.

In addition, the Company is also taking measures to strengthen governance systems, including submitting a proposal to make a majority of members of the Board of Directors independent Outside Directors, as described in Proposal 3 at this Ordinary General Meeting of Shareholders. The Company complies with all principles of Japan’s Corporate Governance Code, which was revised in June 2021.

For details please refer to the Corporate Governance Report, which is expected to be submitted on June 22, 2022.

Corporate Governance Report:

<https://www.t-gaia.co.jp/company/governance.html>

(5) Major Lines of Business (as of March 31, 2022)

Business Category	Business Content
Consumer mobile business	Intermediary services for consumer-oriented mobile phone service contracts, etc.; sales of mobile phone handsets, other terminal devices, and related merchandise
Enterprise solutions business	Intermediary services for mobile phone handset and solution service contracts aimed at corporate clientele; network management services business, etc.; intermediary services for fixed-line service contracts, etc.
Payment service business and other business	Distribution business in digital payment using PIN sales systems; gift card sales business; prepaid card business; overseas businesses, etc.

(6) Main Sales Offices (as of March 31, 2022)**(i) T-Gaia Corporation**

Head Office

1-18 Ebisu 4-chome, Shibuya-ku, Tokyo

West Japan Regional Headquarters

6-20 Dojima 1-chome, Kita-ku, Osaka City, Osaka Prefecture

Tokai Regional Headquarters

11-11 Nishiki 1-chome, Naka-ku, Nagoya City, Aichi Prefecture

Kyushu Regional Headquarters

7-20 Gionmachi, Hakata-ku, Fukuoka City, Fukuoka Prefecture

Hokkaido Branch

2 Odori-nishi 8-chome, Chuo-ku, Sapporo City, Hokkaido

Tohoku Branch

15-1 Honcho 2-chome, Aoba-ku, Sendai City, Miyagi Prefecture

Niigata Branch

1-24 Kamitokoro 1-chome, Chuo-ku, Niigata City, Niigata Prefecture

Nagano Branch

991-1 Kurita, Nagano City, Nagano Prefecture

Hokuriku Branch

1-1 Hirooka 3-chome, Kanazawa City, Ishikawa Prefecture

Chugoku Branch

8-12 Nakamachi, Naka-ku, Hiroshima City, Hiroshima Prefecture

Shikoku Branch

1-5 Bancho 1-chome, Takamatsu City, Kagawa Prefecture

(ii) Subsidiaries

QUO CARD Co., Ltd.

Headquarters 4-1 Nihombashi Honcho 2-chome, Chuo-ku, Tokyo

WAMNET Japan K.K.

Headquarters 5-17 Shinkawa 1-chome, Chuo-ku, Tokyo

(7) Employees (as of March 31, 2022)**(i) Group employees**

No. of Employees	Change from the End of Previous Fiscal Year
5,056	Decrease of 32

Note: The number of employees refers to full-time employees (including those transferred to the Group from outside the Group but not those on transfer outside the Group) and does not include the annual average of 2,103 temporary employees (a decrease of 90 employees from the previous fiscal year).

(ii) T-Gaia Corporation employees

No. of Employees	Change from the End of Previous Fiscal Year	Average Age	Average Years of Consecutive Employment
4,227	Increase of 46	38.8 years old	10.4 years

Note: The number of employees refers to full-time employees (including those transferred to the Company from outside the Company but not those on transfer outside the Company) and does not include the annual average of 2,001 temporary employees (a decrease of 65 employees from the previous fiscal year).

(8) Major Creditors (as of March 31, 2022)

Creditors	Balance of borrowings (million yen)
Sumitomo Mitsui Banking Corporation	7,312
Mizuho Bank, Ltd.	7,312
Sumitomo Mitsui Trust Bank, Limited	2,812
MUFG Bank, Ltd.	936

(9) Other Important Matters concerning the Status of the Corporate Group

None

2. Current Status of the Company

(1) Shares (as of March 31, 2022)

- (i) Authorized shares: 400,000,000
(ii) Issued shares: 56,074,000 shares
(iii) Shareholders: 30,876
(iv) Major shareholders (top 10):

Shareholder	Shares Held	Shareholding Ratio
Sumitomo Corporation	23,345,400	41.86%
UH Partners 2, Inc.	5,516,500	9.89%
Hikari Tsushin, Inc.	4,730,800	8.48%
UH Partners 3, Inc.	3,380,700	6.06%
The Master Trust Bank of Japan, Ltd. (Trust account)	2,648,700	4.75%
T-Gaia Employee Shareholding Association	949,900	1.70%
SIL, Inc.	785,700	1.41%
Custody Bank of Japan, Ltd. (Trust account)	782,100	1.40%
MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON	523,097	0.94%
GOLDMAN SACHS INTERNATIONAL	495,134	0.89%

Note: Shareholding ratios are calculated after deducting 308,866 shares of treasury shares, rounded down to two decimal places.

(v) Shares issued to officers of the Company as consideration for the execution of duties during the fiscal year

The Company, at the 28th Ordinary General Meeting of Shareholders held on June 19, 2019, passed a resolution to introduce a restricted stock remuneration system for directors, excluding Outside Directors of the Company and directors that have been seconded from the parent company, as a remuneration system targeted at the granting of medium to long-term incentives and the sharing of shareholder value.

In response to this, a resolution was passed at the meeting of the Board of Directors held on June 18, 2021 to dispose of treasury shares as restricted stock remuneration, and a disposal of 30,000 treasury shares of the Company (includes the portion for executive officers) was performed on July 16, 2021. It should be noted that the number of restricted stocks issued to directors of the Company is as set forth below.

Category	Number of Shares	Number of Persons Eligible for Issuance
Directors (excluding Outside Directors)	3,000 shares	1 person

Note: The Company has not delivered any shares to Outside Directors or Corporate Auditors as consideration for the execution of duties during the fiscal year under review.

(vi) Other share-related matters of importance:

None

(2) Company Officers

(i) Directors and Corporate Auditors (as of March 31, 2022):

Position	Name	Responsibilities & Important Concurrent Posts
President & Representative Director	Nobutaka Kanaji	Chief Executive Officer Representative Director and Chairman, National Association of Mobile-phone Distributors
Director	Tsuyoshi Konda	Executive Vice President (President & Representative Director, QUO CARD Co., Ltd.)
Director	Masato Ishida	Executive Vice President, CSO, in charge of HR & general affairs, legal, management planning and public relations
Director	Hiroyuki Sugai	Executive Vice President; CFO, in charge of corporate accounting, finance and settlement, risk management and logistics
Director	Katsuya Kashiki	General Manager of Smart Communications Platform Business, Sumitomo Corporation
Director	Toshiya Asaba	Representative Partner, Gaia Lab LLC Representative Director, IJ Innovation Institute Inc.
Director	Kyoko Deguchi	External Director, PHC Holdings Corporation
Director	Junichi Kamata	
Director	Toshio Morohoshi	Outside Director of the Board, Nippon Paint Holdings Co., Ltd.
Statutory Auditor	Naoya Okutani	
Statutory Auditor	Ryo Hashimoto	
Corporate Auditor	Toshiro Kaba	Representative Attorney, Shiroyama Tower Law Office Outside Auditor, GungHo Online Entertainment, Inc. Outside Auditor, Piala, Inc.
Corporate Auditor	Tetsuo Kitagawa	Certified Public Accountant

Notes:

1. Upon the conclusion of the 30th Ordinary General Meeting of Shareholders held on June 18, 2021, Director Mr. Soichiro Tada retired due to the expiration of his term of office.
2. Director Toshiya Asaba retired as Representative Director, IJ Innovation Institute Inc. on April 1, 2022.
3. Director Ms. Kyoko Deguchi retired as Outside Director, Nippon Ski Resort Development Co., Ltd. on October 23, 2021.
4. Director Mr. Toshio Morohoshi retired as Outside Director, WingArc1st Inc. on May 27, 2021.
5. Corporate Auditor Mr. Tetsuo Kitagawa retired as Outside Director, Daio Paper Corporation on June 29, 2021.
6. Changes to the position and role of directors on April 1, 2022 are as set forth below.

Name	Before Transfer	After Transfer
Nobutaka Kanaji	President & Representative Director, Chief Executive Officer	Director, Chairman of the Board
Masato Ishida	Director, Executive Vice President, CSO In charge of HR & general affairs, legal, management planning and public relations	President & Representative Director, Chief Executive Officer
Hiroyuki Sugai	Director, Executive Vice President, CFO In charge of corporate accounting, finance and settlement, risk management and logistics	Director, Executive Vice President, CFO In charge of corporate accounting, finance and settlement and logistics

7. Directors Toshiya Asaba, Kyoko Deguchi, Junichi Kamata, and Toshio Morohoshi are Outside Directors.
8. Corporate Auditors Toshiro Kaba and Tetsuo Kitagawa are Outside Auditors.
9. As detailed below, Full-time Auditors Naoya Okutani and Ryo Hashimoto and Corporate Auditor Tetsuo Kitagawa possess

considerable expertise in the fields of finance and accounting.

- Full-time Auditor Naoya Okutani is licensed as Small and Medium sized Enterprise Consultant.
- Full-time Auditor Ryo Hashimoto has many years of experience with financial and accounting operations at our parent company, Sumitomo Corporation.
- Corporate Auditor Tetsuo Kitagawa is licensed as a certified public accountant.

10. The Company has designated Director Toshiya Asaba, Director Kyoko Deguchi, Director Junichi Kamata, Director Toshio Morohoshi, Corporate Auditor Toshiro Kaba, and Corporate Auditor Tetsuo Kitagawa as independent officers pursuant to Tokyo Stock Exchange rules, and has notified the stock exchange to that effect.

11. There is no special relationship between the Company and either of the entities at which Outside Directors and Outside Auditors hold important concurrent posts.

(ii) Overview of content of limited-liability agreement

Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has established provisions in the Articles of Incorporation to the effect that it may enter into agreements with Directors (excluding those who are Executive Directors, etc.) or Corporate Auditors to limit their liability for damages as provided for in Article 423, Paragraph 1 of the same Act, and the Company has thus entered into limited-liability agreements with Directors Katsuya Kashiki, Toshiya Asaba, Kyoko Deguchi, Junichi Kamata, and Toshio Morohoshi; Full-time Auditors Naoya Okutani and Ryo Hashimoto; and Corporate Auditors Toshiro Kaba and Tetsuo Kitagawa. Under these agreements, the limit of liability for damages is an amount stipulated in Article 425, Paragraph 1 of the Companies Act.

In addition, Director Nobutaka Kanaji ceased to be an Executive Director on April 1, 2022, and therefore the Company entered into the same limited-liability agreement with him on the same date.

(iii) Overview of content of officer, etc., liability insurance agreement

The Company has entered into an officer, etc., liability insurance agreement as prescribed in Article 430-3 Paragraph 1 of the Companies Act with an insurance company, and in the case of a claim for compensation for damages being filed by a shareholder or third party, etc., damages such as compensation and dispute costs that are to be borne by the insured party shall be covered by said insurance contract.

Furthermore, the full amount of the insurance premiums shall be borne by the Company.

(iv) Remuneration, etc., for Directors and Auditors

A. Matters relating to the policy for decisions on individual remuneration, etc., for directors

The Company has determined the policy for decisions on individual remuneration etc., for directors in the Board of Directors.

In regard to individual remuneration, etc., for directors for the current fiscal year, the Board of Directors has confirmed that the method for determining remuneration, etc., and the details of the determined remuneration, etc., are consistent with the decision-making policy determined by the Board of Directors, and that the reports from the Compensation Advisory Committee have been respected, and has determined that such individual remuneration, etc., is in compliance with said decision-making policy. The content of the decision-making policy for the individual remuneration, etc., of directors is as shown below.

a. Policy for basic remuneration

A fixed amount based on the expectations for the role, in accordance with the position.

- b. Performance-based, etc., policy
As a short-term incentive to raise awareness of improving performance in a single fiscal year, etc., a comprehensive evaluation is conducted that comprises both a quantitative evaluation of company-wide consolidated net income attributable to parent company shareholders and the net income of the department in charge, as well as a qualitative evaluation of the contribution of role in accordance with position and contribution to the company as a whole, and the amount of remuneration is determined in accordance with the level of achievement.
 - c. Policy on non-monetary remuneration, etc.
As a long-term incentive to raise awareness of management from the perspective of shareholders, a certain number of shares will be granted for each position, based on the expectations for the role in accordance with the position (restricted stock remuneration).
 - d. Policy on remuneration, etc., ratio
A standard table has been formulated for each position; the ratio of fixed remuneration against the total remuneration for each position is approximately 60%, the performance-based remuneration is approximately 30%, and share remuneration (restricted stock remuneration) is approximately 10%. It should be noted that the remuneration for directors seconded from the parent company will be fixed remuneration and performance-based remuneration only, and the remuneration for outside directors shall be fixed remuneration only.
 - e. Policy on timing and conditions for the granting of remuneration, etc.
A meeting of the Compensation Advisory Committee is held in June of each year, during which an evaluation is conducted on each individual, proposed remuneration is formulated, and is submitted for resolution to a meeting of the Board of Directors held in that same month. It should be noted that fixed remuneration and performance-based remuneration is paid monthly as a fixed monthly amount, and share remuneration is paid in July of each year.
 - f. Matters relating to decisions on remuneration, etc., other than the above
A Compensation Advisory Committee comprised of Outside Directors and the Representative Director as well as Directors nominated by the President and Representative Director has been established as a discretionary advisory body of the Board of Directors. The Compensation Advisory Committee engages in deliberations on the determination of remuneration, etc., policy, performance evaluations and establishment of a plan on individual remuneration amounts, as well as the issues relating to the evaluation system and countermeasures thereto, and then proposes the results of this to the Board of Directors. The Board of Directors, in response to reports from the Compensation Advisory Committee determines officer remuneration within the range of the content and amount approved by the General Meeting of Shareholders.
- B. Matters relating to the policy for decisions on remuneration, etc., for corporate auditors
In regard to remuneration for corporate auditors, from the perspective of them having an independent position to monitor the execution of duties of directors, monthly remuneration comprising of fixed remuneration has been put in place, and the amount, calculation method, and allocation, etc., for this is determined within the range approved at a General Meeting of Shareholders, upon discussions with the corporate auditors.

C. Total amount of remuneration, etc., for directors and corporate auditors for this fiscal year

Category	Total amount of remuneration, etc. (million yen)	Total amount of remuneration, etc., by type (million yen)			Number of eligible officers
		Basic remuneration	Performance-based remuneration, etc.	Non-monetary remuneration, etc.	
Director (of whom Outside Directors)	169 (31)	121 (31)	43 (-)	4 (-)	9 (4)
Corporate Auditor (of whom Outside Auditors)	53 (12)	53 (12)	- (-)	- (-)	4 (2)
Total (of whom Outside Officers)	223 (44)	175 (44)	43 (-)	4 (-)	13 (6)

Notes:

- Listed remuneration amounts for Directors do not include employee salaries paid to Directors in concurrent employee posts.
- The performance indicator for performance-based remuneration, etc. is profit attributable to owners of parent, and the performance for the period ending March 31, 2021 was 13,042 million yen. The reason for the selection of this indicator is because it has been determined that profit attributable to owners of parent is a clear indicator as an incentive for improving the corporate value of the Group as well as motivation. In addition, the method for determining the amount of performance-based remuneration is the making of a decision based on the amount of profit attributable to owners of parent and the level of contribution of each director to performance, etc.
- The content of the non-monetary remuneration, etc., is shares of the Company, and the conditions, etc., for allocation are as described in “A. Matters relating to the policy for decisions on individual remuneration, etc., for directors.” In addition, the status of issuance this fiscal year is as described in “2. (1) (v) Shares issued to officers of the Company as consideration for the execution of duties during this fiscal year.”
- Annual remuneration for Directors was limited to no more than 270 million yen by resolution of the 30th Ordinary General Meeting of Shareholders that met on June 18, 2021. (Of that total, no more than 60 million yen per year was to be paid to Outside Directors; these limits do not include employee salaries). The number of Directors as of the conclusion of said General Meeting of Shareholders was nine (of whom four were Outside Directors).
In addition, separate from monetary remuneration, the remuneration to be paid for the purpose of granting restricted stocks to Directors (excluding Outside Directors and Directors seconded by the parent company) was limited to an amount not exceeding 30 million yen per annum (not including employee salaries) by resolution at the 28th Ordinary General Meeting of Shareholders that met on June 19, 2019. There was one director (excluding ineligible Outside Directors and Directors seconded by the parent company) as of the conclusion of said General Meeting of Shareholders.
- Annual remuneration for Corporate Auditors was limited to no more than 70 million yen by resolution of the 17th Ordinary General Meeting of Shareholders that met on June 26, 2008. The number of Corporate Auditors as of the conclusion of said General Meeting of Shareholders was four.
- As of the end of the fiscal year, there were nine Directors (four of which were Outside Directors) and four Corporate Auditors (two of which were Outside Corporate Auditors). The number of recipients for the above includes one Director who retired at the 30th Ordinary General Meeting of Shareholders that met on June 18, 2021 and excludes one unpaid Director.

(v) Activities of Outside Officers during fiscal year under review

a. Attendance at meetings of the Board of Directors and Board of Auditors

	Meetings of Board of Directors		Meetings of Board of Auditors	
	Meetings attended / Meetings held	Attendance rate (%)	Meetings attended / Meetings held	Attendance rate (%)
Director Toshiya Asaba	14/14	100.0	–	–
Director Kyoko Deguchi	14/14	100.0	–	–
Director Junichi Kamata	14/14	100.0	–	–
Director Toshio Morohoshi	14/14	100.0		
Corporate Auditor Toshiro Kaba	14/14	100.0	13/13	100.0
Corporate Auditor Tetsuo Kitagawa	14/14	100.0	13/13	100.0

Note: Entries for the number of meetings attended by, and the attendance rates of, Outside Directors and Outside Auditors refer to the number of Board of Directors' or Board of Auditors' meetings they attended and their respective attendance rates during their terms of office.

b. Overview of communication and expected role of Outside Directors

- Director Toshiya Asaba, based on the extensive operational experience and in-depth knowledge he has accumulated as CTO and a member of top management at an IT company, plays an appropriate role towards ensuring the validity and appropriateness of decisions, including actively stating opinions from an outside perspective, and providing supervision and advice, etc., on the execution of business from an independent, objective perspective.
- Director Kyoko Deguchi, based on the extensive experience regarding finance operations at a corporation, and the operational experience and in-depth knowledge she has accumulated as a corporate manager, etc., plays an appropriate role towards ensuring the validity and appropriateness of decisions, including actively stating opinions from an outside perspective, and providing supervision and advice, etc., on the execution of business from an independent, objective perspective.
- Director Junichi Kamata, based on the extensive experience regarding core business operations of corporate management, in areas such as corporate planning and human resources at a corporation, and the operational experience and in-depth knowledge he has accumulated as a corporate manager, etc., plays an appropriate role towards ensuring the validity and appropriateness of decisions, including actively stating opinions from an outside perspective, and providing supervision and advice, etc., on the execution of business from an independent, objective perspective.
- Director Toshio Morohoshi, based on the extensive operational experience and in-depth knowledge he has accumulated while engaged in corporate management at multiple IT related companies, including overseas companies, plays an appropriate role towards ensuring the validity and appropriateness of decisions, including actively stating opinions from an outside perspective, and providing supervision and advice, etc., on the execution of business from an independent, objective perspective.
- Drawing from his professional knowledge as an attorney, Corporate Auditor Toshiro Kaba has made recommendations and proposals aimed at ensuring the rationality and suitability of decisions by the Board of Directors.

Additionally, at meetings of the Board of Auditors, he has voiced views and opinions reflecting his professional background as an attorney.

- Drawing from his professional knowledge as a CPA, Corporate Auditor Tetsuo Kitagawa has made recommendations and proposals aimed at ensuring the rationality and suitability of decisions by the Board of Directors.

In addition, at meetings of the Board of Auditors, he has voiced views and opinions reflecting his professional background as a CPA.

(3) Accounting Auditor

(i) Name: Deloitte Touche Tohmatsu, LLC

(ii) Remuneration:

	Remuneration, etc. (million yen)
Remuneration, etc. paid to the accounting auditor for the fiscal year under review	63
Total in monetary remuneration and other economic benefits to be paid to the accounting auditor by the Company and its subsidiaries	80

Notes:

1. The audit contract between the Company and the Accounting Auditor does not clearly specify and cannot materially classify the amounts of remuneration that are paid for audits performed under provisions of the Companies Act or provisions of the Financial Instruments and Exchange Act. Accordingly, the table entries for remuneration, etc. paid to the Accounting Auditor for the fiscal year under review are totals of these respective amounts.
2. Remuneration, etc. paid to the Accounting Auditor includes remuneration paid for audits based on the consolidation package of the parent company.
3. The Board of Auditors decided to approve the amount of remuneration, etc. for the Accounting Auditor after verifying the content of the Accounting Auditor’s audit plan, the status of audit accounting services performed, and the basis for the remuneration calculations.

(iii) Policy regarding decisions to dismiss or refuse to reappoint Accounting Auditors:

The Company’s Board of Auditors shall dismiss an Accounting Auditor in the event conditions for said dismissal pursuant to provisions in Article 340 of the Companies Act are deemed to have been met.

3. Frameworks for the Assurance of Proper Business Operations and the Operational Status of Said Frameworks

[Our Basic View Related to Corporate Governance]

The Group views corporate governance as a framework for the control of corporate business activities and considers it critically important that the rights and interests of our shareholders be protected and equally guaranteed. We also believe it is imperative that we respect the rights and interests of – and build positive relationships with – stakeholders other than shareholders including our clients, business partners, employees, and local communities. We recognize that corporations have a social mission to pursue their business operations while striving to build and maintain better frameworks for governance. In line with that awareness, we have pursued our day-to-day operations in the interest of refining our institutional frameworks and improving their effectiveness from two perspectives: namely “assuring managerial transparency” and “boosting corporate value.”

Also, we have developed the frameworks for the assurance of appropriate business operations and monitor their operational status as described below.

(1) Overview of Decisions concerning Frameworks for the Assurance of Proper Business Operations

The following is an overview of Company decisions that relate to frameworks aimed at ensuring the compliance of duties performed by Directors with laws and regulations and provisions of the Company’s Articles of Incorporation, and ensuring the propriety of other Company operations.

(i) Framework to ensure that duties performed by Directors and Employees are in compliance with applicable laws and the Company’s Articles of Incorporation:

- a. In the performance of its business operations, the Company has assigned top priority to legal and ethical compliance. It has accordingly established a set of Compliance Regulations that all Company officers and employees are required to observe.
- b. The Company has endeavored to build a compliance framework and maintain and improve its effectiveness by establishing a Compliance Committee that is headed by a Chief Compliance Officer and whose members include the President and executive officers. The Compliance Committee convenes as necessary in accordance with the Compliance Committee Regulations, and incorporates an internal Compliance Promotion Department that serves in an administrative role.
- c. To foster and strengthen an awareness of compliance company-wide, the Company has prepared and enhanced compliance training programs for its executive officers and employees.
- d. Multiple channels have been set up inside and outside the Company for reporting and consultations on compliance-related issues. These include channels to outside legal counsel and third-party institutions.
- e. Violators of Company compliance policy are dealt with sternly and are subject to disciplinary actions under the Company’s employment regulations.
- f. Mutual monitoring practices are enlisted on a daily basis to gauge compliance with applicable laws and internal Company regulations and rules. Periodic audits are also performed and potential impacts on Company business are assessed.

(ii) Framework for retention and management of information relevant to the executive duties of Directors:

- a. Minutes of meetings of the Board of Directors, approval documents, and other documents and information (including digital records) relevant to the executive duties of Directors are appropriately retained and managed in accordance with the Company’s Document Management Regulations and Information System Management Regulations. The status of document retention and management is verified and the regulations are revised as necessary.
- b. Directors and Auditors may promptly view these documents and other information upon request.

(iii) Regulations and other frameworks for the management of risk of loss:

- a. To manage the various risks of loss facing the T-Gaia Group's business operations and prevent those risks from materializing, the Company collects and analyzes risk-related information and detects early predictors of risk. It has also enacted a set of Risk Management Regulations and established supervisory departments for specific types of risk to quickly implement appropriate countermeasures when a risk has become manifest. Additionally, it convenes meetings of the Risk Management Committee on a regular basis and endeavors to develop, maintain, and improve its frameworks for risk management.
- b. The heads of individual units within the T-Gaia Group execute the business operations of their respective units within the scope of authority granted under the Work Authority Regulations and manage the risks associated with those business operations.

In the event certain business operations are outside their normal scope of authority, they will follow the approval request and reporting procedures stipulated in the Work Authority Regulations and manage the risk associated with those operations they are permitted to fulfill.

- c. Pursuant to provisions of the Internal Audit Regulations, the Internal Audit Department performs periodic audits to determine whether the business operations of Company headquarters, regional headquarters, divisions, branches and subsidiaries of the Company are being performed properly and in compliance with applicable laws and regulations and the Articles of Incorporation, and reports its audit findings to the President.

(iv) Framework to ensure that duties of Directors are efficiently performed:

- a. The Board of Directors handles decisions on important matters and supervises Directors to determine whether they are performing their duties efficiently and properly. The number of Directors on the Board is kept within limits that allow meetings of the Board to engage in full discussions of their agenda and reach sensible decisions in a prompt manner.
- b. Management Conferences are convened to discuss matters of importance including policies of importance to Company management in general and matters for deliberation at or reporting to meetings of the Board of Directors. Management Conference members strive through the exchange of information to achieve mutual understanding on matters involving the execution of business.
- c. The executive officer framework strives to enhance the functions of the Board of Directors and facilitate the prompt execution of business by separating the management functions of "decision-making and executive supervision" from the function of "business execution." Executive Officers are appointed by the Board of Directors and fulfill duties assigned by the Board of Directors.
- d. Company headquarters, regional headquarters, divisions, and branches are treated as the units of business execution. The heads of these respective units are each granted a certain measure of authority under provisions of the Work Authority Regulations in the interest of facilitating localized management of unit operations with a sense of speed. Company headquarters, regional headquarters, divisions, and branches are also treated as the units of profit. This ensures the transparency of managerial conditions at headquarters and regional headquarters.
- e. Approval request and reporting frameworks facilitate the transfer of clearly defined authority and responsibility under provisions of the Work Authority Regulations and the Segregation of Duties Regulations, and ensure that work duties are promptly executed. Permission to execute duties that are outside the scope of a Director's authority is contingent upon a decision, as stipulated in applicable regulations, that is based on deliberations by the administrative unit with field expertise. The Company endeavors to review and revise relevant regulations and approval request and reporting procedures as

necessary and develop, maintain, and improve its frameworks for the efficient and proper execution of Directors' duties.

(v) Framework to ensure the propriety of the business operations of the Corporate Group comprising the Company, its parent, and subsidiaries:

- a. Based on the principle of autonomous subsidiary operations and in keeping with the Regulations for the Management of Affiliates, the headquarters, regional headquarters, division, or business branch engaged in business operations most closely related to the business of a given subsidiary is the unit with supervisory responsibility for that subsidiary. Supervisory units periodically request reports containing important information about the subsidiaries under their supervision including the subsidiaries' business results and financial statements. In addition to identifying the subsidiaries' management conditions and developing and maintaining appropriate frameworks for consolidated management, the supervisory units request that subsidiaries submit reports on matters covered by the Regulations for the Management of Affiliates and reports on the findings of audits performed under provisions of the Internal Audit Regulations. As a holder of equity interest, the Company appropriately makes its intentions known to the management teams at its subsidiaries.
- b. The Company has developed and put into effect a compliance framework for Group companies as a whole and also sets up frameworks for the acquisition of legal advice from outside law offices, as necessary. Additionally, it strives to cultivate an awareness of compliance through the implementation of programs of training in legal compliance for Group officers and employees once a year.
- c. The Regulations for the Management of Affiliates establish operational authority and chains of command for subsidiaries and require that subsidiaries build structures that are in compliance with these.

(vi) Employees that are assigned on request from Auditors to assist in the performance of Auditors' duties:

In the event Corporate Auditors require assistance with the performance of their duties, they may submit requests to the Representative Director asking that employees with the knowledge and skills required for audit duties be assigned to serve as their assistants.

(vii) The autonomy of employees covered in the preceding Clause from the Board of Directors:

Directive authority over an employee that has been assigned under terms of the preceding Clause shall rest with the Corporate Auditor to whom the employee has been assigned. That employee shall not receive orders from Directors. To ensure the independence and effectiveness of an employee assigned under terms of the preceding Clause, the Representative Director shall form decisions on personnel appraisals, personnel transfers, and disciplinary actions affecting the employee only after obtaining the consent of the Full-time Auditor.

(viii) Framework for reporting to Corporate Auditors by Directors, Employees, and Others:

- a. Corporate Auditors may attend meetings of the Board of Directors, Management Conference, Executive Officers' Committee, and other important meetings.
- b. Corporate Auditors may review important documentation and request submission of that documentation.
- c. Corporate Auditors may receive reports from T-Gaia Group officers and employees whenever necessary.
- d. Corporate Auditors audit the management of subsidiaries through on-site audits and day-to-day coordination with auditors for the subsidiaries.
- e. Directors, T-Gaia Group officers and employees, or persons to whom they have reported, shall submit reports to the Board of Auditors or to a Corporate Auditor ("Special Auditor") designated by the Board of Auditors under any of the following circumstances:
 - Significant damages to the Company or grave compliance violations that have either occurred or are

likely to occur

- Events about which a Special Auditor has requested reports, or that otherwise are deemed to warrant an audit (e.g., subsequent events)
- The Regulations for Compliance Reports and Consultations stipulate that Group officers and employees or persons to whom they have reported can submit “whistleblower” reports directly to a Corporate Auditor, and explicitly prohibit job dismissals and other adverse actions against whistleblowers solely for submitting such reports.

(ix) Other frameworks to ensure that Auditors are performing audits effectively:

- a. Directors are familiar with the audit standards that clarify Auditor duties and responsibilities and fully recognize the importance of audits performed by Auditors. Additionally, Directors help cultivate an appropriate environment for audits.
- b. Corporate Auditors maintain close working relationships with the Internal Audit Department, receive timely reports from the Internal Audit Department on internal audit plans and findings, and contribute to the efficient implementation of audits.
- c. Through periodic meetings with the Accounting Auditor and participation in on-site audits at the close of the fiscal year, Corporate Auditors endeavor to exchange information and develop their understanding of the audit activities of the Accounting Auditor and help improve audit efficiency and quality.

(x) Policy on the processing of expenses incurred from the fulfillment of Auditor duties and responsibilities:

When Corporate Auditors request advance payment or reimbursement of expenses associated with the performance of their duties, those expenses are processed as requested except in cases where they are deemed unnecessary for the performance of Corporate Auditors’ duties.

(2) Overview of the Operational Status of Frameworks for the Assurance of Proper Business Operations

The following is an overview of the operational status of frameworks designed to ensure the propriety of Company business operations.

(i) Duties of Company Directors:

The Board of Directors comprises nine Directors including four independent Outside Directors, and its meetings are also attended by four Corporate Auditors including two independent Outside Auditors. Board meetings convene on a monthly basis and through active discussions and the exchange of views, promptly reach decisions on Company management policy, business strategy, and other matters of importance as defined by applicable laws, statutes, and the Company Articles of Incorporation.

(ii) Duties of Auditors:

Auditors attend meetings of the Board of Directors, Management Conference, and other important meetings, review important business documentation, conduct on-site audits of the Company’s various divisions, regional headquarters, branches, and directly managed carrier shops, hold hearings with key executives, conduct on-site audits of Company subsidiaries in Japan and abroad, and exchange views with the Representative Directors of subsidiaries.

Auditors also strive to maintain close working ties with the Company’s Internal Audit Department and the Accounting Auditor through the exchange of information and views, hold periodic meetings to exchange views with the President and independent Outside Directors, promote mutual understanding, and perform effective audits.

(iii) Compliance:

Positioning the legal compliance and the promotion of ethical conduct as one of the issues of top priority for

its business operations, the T-Gaia Group holds Compliance Committee meetings once every two months, discusses various issues on compliance, and are working to ensure full compliance. Based on the discussions of the Committee, as part of educational activities, we have implemented compliance training such as e-learning course-driven compliance training for all executive officers and employees of the Company as well as employees of partner agencies, training for new employees, and training tailored for each operational base for shop employees, given by staff dedicated to compliance. We also conduct company-wide compliance-related educational activities on a regular basis.

Additionally, the Company endeavors to quickly identify and counter compliance risk by encouraging active use of the multiple reporting/consulting channels installed by the Company and conducting compliance awareness surveys to all Company employees as well as questionnaire surveys to the Company's trading partners.

(iv) Risk management:

To actively control risk and maintain and expand its corporate value, the Company has established a set of Risk Management Regulations and convenes meetings of the Risk Management Committee twice per annum, in principle.

The T-Gaia Group endeavors to identify and protect against risk and has built a framework to quickly and accurately implement countermeasure in the event a risk has materialized.

(v) Management of subsidiaries:

Based on its principle of respecting the independent management of its subsidiaries, the Company, as a holder of equity interest, appropriately expresses its views and intentions with regard to important matters in keeping with its Regulations for the Management of Affiliates.

In addition, the Company receives periodic reports on subsidiary business results and financial information from the supervisory departments with jurisdiction.

4. Basic Policy concerning Control of the Company

The Company is aware that this is an important matter and has devoted study to that matter on a continuing basis. However, in view of the current distribution of its stock, the Company has not yet implemented any defensive measures.

5. Policies concerning Decisions on Dividends of Surplus

In response to its business performance, it is a basic policy of the Company to return profits to our Shareholders with a dividend payout ratio of at least 30 % while securing the internal reserves necessary for future business expansion and the reinforcement of its business foundations.

For the fiscal year under review, we plan to propose a year-end dividend of 37.5 yen per share of common stock. Given that we paid an interim dividend of 37.5 yen per share in December 2021, the annual dividend per share will total 75 yen (same as in the previous year).

In addition, as stated in "Announcement Regarding Changes to Profit Allocation and Shareholder Special Benefit Plan" published on May 2, 2022, the basic policy of the Company is the "stable and continuous redistribution of profits in the long-term targeting a payout ratio of 40% with due consideration for securing the internal retention necessary for future business initiatives and for a strong management base."

It is Company policy to allocate internal reserves to the expansion and reinforcement of our existing business foundations, human resources development, strategic investments, and the launch of new businesses.

Consolidated Balance Sheet

(as of March 31, 2022)

		(million yen)	
Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	194,542	Current liabilities	162,290
Cash and deposits	58,162	Accounts payable - trade	9,964
Notes and accounts receivable - trade	17,660	Current portion of long-term borrowings	12,751
Merchandise	22,158	Accounts payable - other	16,576
Supplies	80	Income taxes payable	722
Accounts receivable - other	12,621	Provision for bonuses	2,719
Guarantee deposits	81,400	Card deposits	118,341
Other	2,495	Other	1,215
Allowance for doubtful accounts	(37)	Non-current liabilities	8,503
Non-current assets	46,735	Long-term borrowings	5,622
Property, plant and equipment	3,903	Years of service gratuity reserve provisions	146
Buildings and structures	1,998	Retirement benefit liability	349
Machinery, equipment and vehicles	856	Asset retirement obligations	1,979
Furniture and fixtures	697	Other	406
Land	304	Total liabilities	170,794
Leased assets	30	(Net Assets)	
Construction in progress	16	Shareholders' equity	70,129
Intangible assets	22,709	Share capital	3,154
Goodwill	16,563	Capital surplus	5,123
Software	3,953	Retained earnings	62,137
Contract-related intangible assets	1,260	Treasury shares	(284)
Other	931	Accumulated other comprehensive income	318
Investments and other assets	20,122	Valuation difference on available-for-sale securities	263
Investment securities	3,742	Foreign currency translation adjustment	55
Deferred tax assets	10,085	Non-controlling interests	35
Retirement benefit asset	14	Total net assets	70,483
Leasehold deposits	4,707	Total Liabilities and Net Assets	241,277
Other	1,594		
Allowance for doubtful accounts	(21)		
Total Assets	241,277		

Note: The figures have been rounded down to the nearest million yen.

Consolidated Statement of Income

(from April 1, 2021 to March 31, 2022)

(million yen)

Item	Amount	
Net sales		476,464
Cost of sales		403,889
Gross profit		72,574
Selling, general and administrative expenses		62,006
Operating profit		10,567
Non-operating income		
Interest income	6	
Dividend income	8	
Hoard profit of prepaid card	4,764	
Other	211	4,990
Non-operating expenses		
Interest expenses	82	
Share of loss of entities accounted for using equity method	45	
Other	47	175
Ordinary profit		15,381
Extraordinary income		
Gain on sale of non-current assets	54	
Gain on sale of investment securities	807	862
Extraordinary losses		
Loss on sale of non-current assets	5	
Loss on retirement of non-current assets	37	
Impairment losses	78	121
Profit before income taxes		16,122
Income taxes - current	3,769	
Income taxes - deferred	1,766	5,536
Profit		10,586
Profit attributable to non-controlling interests		7
Profit attributable to owners of parent		10,579

Note: The figures have been rounded down to the nearest million yen.

Consolidated Statement of Changes in Shareholders' Equity

(from April 1, 2021 to March 31, 2022)

(million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of the current fiscal year	3,154	5,092	55,739	(312)	63,672
Changes during the fiscal year					
Dividends of surplus			(4,181)		(4,181)
Profit attributable to owners of parent			10,579		10,579
Disposal of treasury shares		31		27	58
Changes in items other than shareholders' equity during the fiscal year (net)					
Total changes during the fiscal year	—	31	6,398	27	6,456
Balance at the end of the fiscal year	3,154	5,123	62,137	(284)	70,129

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of the current fiscal year	311	14	325	28	64,026
Changes during the fiscal year					
Dividends of surplus					(4,181)
Profit attributable to owners of parent					10,579
Disposal of treasury shares					58
Changes in items other than shareholders' equity during the fiscal year (net)	(48)	41	(6)	7	0
Total changes during the fiscal year	(48)	41	(6)	7	6,456
Balance at the end of the fiscal year	263	55	318	35	70,483

Note: The figures have been rounded down to the nearest million yen.

Non-consolidated Balance Sheet

(as of March 31, 2022)

(million yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	102,444	Current liabilities	97,054
Cash and deposits	52,206	Accounts payable - trade	9,933
Notes and accounts receivable - trade	17,231	Current portion of long-term borrowings	12,751
Merchandise	21,312	Accounts payable - other	10,761
Supplies	69	Income taxes payable	220
Prepaid expenses	697	Deposits received	60,561
Accounts receivable - other	8,275	Provision for bonuses	2,342
Other	2,690	Other	483
Allowance for doubtful accounts	(38)	Non-current liabilities	8,324
Non-current assets	67,623	Long-term borrowings	5,622
Property, plant and equipment	2,672	Years of service gratuity reserve provisions	146
Buildings	1,767	Provision for retirement benefits	349
Structures	157	Asset retirement obligations	1,823
Furniture and fixtures	442	Other	383
Land	304	Total liabilities	105,379
Intangible assets	21,854	(Net Assets)	
Goodwill	16,224	Shareholders' equity	64,425
Software	3,493	Share capital	3,154
Contract-related intangible assets	1,260	Capital surplus	5,675
Other	875	Legal capital surplus	5,640
Investments and other assets	43,096	Other capital surplus	34
Investment securities	1,911	Retained earnings	55,881
Shares of subsidiaries and associates	27,328	Legal retained earnings	17
Deferred tax assets	8,108	Other retained earnings	55,863
Leasehold deposits	4,596	Retained earnings brought forward	55,863
Other	1,172	Treasury shares	(284)
Allowance for doubtful accounts	(21)	Valuation and translation adjustments	263
		Valuation difference on available-for-sale securities	263
Total Assets	170,068	Total net assets	64,688
		Total Liabilities and Net Assets	170,068

Note: The figures have been rounded down to the nearest million yen.

Non-consolidated Statement of Income

(from April 1, 2021 to March 31, 2022)

(million yen)

Item	Amount	
Net sales		
Net sales of goods	275,483	
Commission income	196,423	471,907
Cost of sales		
Cost of goods sold	281,246	
Commission expenses	120,983	402,230
Gross profit		69,677
Selling, general and administrative expenses		57,639
Operating profit		12,038
Non-operating income		
Interest income	12	
Dividend income	964	
Other	426	1,402
Non-operating expenses		
Interest expenses	154	
Other	33	188
Ordinary profit		13,252
Extraordinary income		
Gain on sale of non-current assets	54	
Gain on sale of investment securities	807	
Gain on extinguishment of tie-in shares	44	907
Extraordinary losses		
Loss on sale of non-current assets	5	
Loss on retirement of non-current assets	26	
Impairment losses	78	110
Profit before income taxes		14,049
Income taxes – current	2,672	
Income taxes – deferred	1,786	4,458
Profit		9,590

Note: The figures have been rounded down to the nearest million yen.

Non-consolidated Statement of Changes in Shareholders' Equity

(from April 1, 2021 to March 31, 2022)

(million yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at beginning of period	3,154	5,640	3	5,644	17	50,454	50,472
Changes during period							
Dividends of surplus						(4,181)	(4,181)
Profit						9,590	9,590
Disposal of treasury shares			31	31			
Net changes in items other than shareholders' equity							
Total changes during the period	—	—	31	31	—	5,408	5,408
Balance at end of period	3,154	5,640	34	5,675	17	55,863	55,881

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(312)	58,958	311	311	59,269
Changes during period					
Dividends of surplus		(4,181)			(4,181)
Profit		9,590			9,590
Disposal of treasury shares	27	58			58
Net changes in items other than shareholders' equity			(48)	(48)	(48)
Total changes during the period	27	5,467	(48)	(48)	5,419
Balance at end of period	(284)	64,425	263	263	64,688

Note: The figures have been rounded down to the nearest million yen.

Independent Auditor's Report on Consolidated Financial Statements

Independent Auditor's Report

May 10, 2022

To the Board of Directors,
T-Gaia Corporation

Tokyo office, Deloitte Touche Tohmatsu LLC
Tokio Suzuki (seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant
Koji Hara (seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Audit Opinion:

We have audited the consolidated financial statements comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in shareholders' equity and the related notes of T-Gaia Corporation for the fiscal year from April 1, 2021 to March 31, 2022 in accordance with Article 444 Paragraph 4 of the Companies Act of Japan.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of T-Gaia Corporation and its consolidated subsidiaries for the period for which the consolidated financial statements were prepared in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion:

We conducted our audits in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information:

The other information comprises the business report and the supporting schedules. Management is responsible for the preparation and disclosure of the other information. In addition, Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the Group's reporting process of the other information.

Our audit opinion on the consolidated financial statements does not cover the other information, and we do not provide an opinion on the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, and aside from such material inconsistencies, we also pay attention as to whether there are any indications in the other information of material misstatements.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements:

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan. This includes the development and implementation of internal control deemed necessary by management for the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to a going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements:

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the consolidated financial statements, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and the appropriateness of related notes thereto.
- Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes to the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Interests in the Company:

We or engagement partners have no interests in the Company and its consolidated subsidiaries, which should be stated in compliance with the Certified Public Accountants Act.

Independent Auditor's Report on Non-consolidated Financial Statements

Independent Auditor's Report

May 10, 2022

To the Board of Directors,
T-Gaia Corporation

Tokyo office, Deloitte Touche Tohmatsu LLC

Tokio Suzuki (seal)

Designated Limited Liability Partner

Engagement Partner

Certified Public Accountant

Koji Hara (seal)

Designated Limited Liability Partner

Engagement Partner

Certified Public Accountant

Audit Opinion:

We have audited the accompanying non-consolidated financial statements comprising the non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in shareholders' equity and the related notes as well as the supporting schedules of T-Gaia Corporation for the 31st fiscal year from April 1, 2021 to March 31, 2022 (hereinafter the "non-consolidated financial statements, etc.") in accordance with Article 436 Paragraph 2, item 1 of the Companies Act of Japan.

In our opinion, the non-consolidated financial statements, etc. referred to above, present fairly, in all material respects, the financial position and the results of operations of the Company for the period for which the financial statements, etc. were prepared in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion:

We conducted our audits in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of non-consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information:

The other information comprises the business report and the supporting schedules. Management is responsible for the preparation and disclosure of the other information. In addition, Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the Company's reporting process of the other information.

Our audit opinion on the non-consolidated financial statements, etc. does not cover the other information, and we do not provide an opinion on the other information.

In connection with our audit of the non-consolidated financial statements, etc., our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements, etc. or our knowledge obtained in the audit, and aside from such material inconsistencies, we also pay attention as to whether there are any indications in the other information of material misstatements.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-consolidated Financial Statements:

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan. This includes the development and implementation of internal control deemed necessary by management for the preparation and fair presentation of non-consolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, etc. management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to a going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, etc.:

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the non-consolidated financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these non-consolidated financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The purpose of an audit is not to express an opinion on the effectiveness of the Company's internal control. However, in performing this risk assessment, we consider internal control relevant to the Company's preparation and fair presentation of the non-consolidated financial statements, etc. in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and the appropriateness of related notes thereto.
- Conclude on the appropriateness of preparing the non-consolidated financial statements, etc. with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the non-consolidated financial statements, etc. or, if the notes to the non-consolidated financial statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the non-consolidated financial statements, etc. and notes to the non-consolidated financial statements, etc. are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the non-consolidated financial statements, etc. including the related notes thereto, and whether the non-consolidated financial statements, etc. fairly present the underlying transactions and accounting events.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Interests in the Company:

Neither our firm nor any of the engagement partners has any interest in the Company as required to be disclosed herein under the provisions of the Certified Public Accountants Act.

Audit Report by Audit and Supervisory Board

Audit Report

The Audit and Supervisory Board, upon deliberation, prepared this audit report regarding the performance of duties of the Directors of T-Gaia Corporation during the 31st fiscal year from April 1, 2021 to March 31, 2022, based on the audit reports prepared by each Audit and Supervisory Board Member, and hereby reports as follows:

1. Auditing Method Employed by Audit and Supervisory Board Members and the Audit and Supervisory Board and Details Thereof

- (1) The Audit and Supervisory Board established an auditing policy and the assignment of the duties, etc., received from each Audit and Supervisory Board Member reports on the execution of audits and the results thereof and, in addition, received reports on the performance of their duties from the Directors and the Accounting Auditor and, when necessary, requested explanations regarding such reports.
- (2) In accordance with the auditing standards for Audit and Supervisory Board Members established by the Audit and Supervisory Board, and based on the auditing policy and the assignment of duties etc., each Audit and Supervisory Board Member has taken steps to facilitate communication with the Directors, the internal audit department as well as other employees, and has endeavored to gather information and establish an environment for auditing. Each Audit and Supervisory Board Member has audited in the following manner:
 - (i) Each Audit and Supervisory Board Member attended meetings of the Board of Directors and other important meetings, received from the Directors, employees and other related persons reports on the performance of their duties and, when necessary, requested explanations regarding such reports. In addition, each Audit and Supervisory Board Member inspected important decision documents, etc. and examined the business and financial position of the Company at the head office and other major business offices of the Company. With respect to the subsidiaries of the Company, each Audit and Supervisory Board Member has taken steps to facilitate communication with the Directors, Audit and Supervisory Board Members and other related persons of major subsidiaries and to share information with them and, when necessary, received reports from the subsidiaries regarding their businesses.
 - (ii) In terms of the content of resolutions made by the Board of Directors concerning the establishment of the systems provided for in Article 100 paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act to ensure that the performance of duties by the Directors, which are described in the business report, is compliant with the laws and regulations of Japan and with the Company's Articles of Incorporation and other systems to ensure that operation of a joint stock company and the corporate group comprising its subsidiaries will be conducted appropriately, as well as the status of such systems established by such resolutions (internal control system), each Audit and Supervisory Board Member periodically received reports on the status of development and operating situation of such systems from Directors and employees and, when necessary, requested explanations regarding such reports and expressed their opinion.
 - (iii) The Audit and Supervisory Board Members monitored and examined whether the accounting auditors maintained their independence and performed audits in an appropriate manner. The Audit and Supervisory Board Members received reports from the Accounting Auditor on the performance of their duties and, when necessary, requested explanations regarding those reports. The Audit and Supervisory Board Members also received notification from the Accounting Auditor that they have taken steps to improve the "System for Ensuring Appropriate Execution of the Duties" (as enumerated in each item of Article 131 of the Rules of Corporate Accounting) in compliance with the "Standards for Quality Control of Audit" (adopted by the Business Accounting Deliberation Council on October 28, 2005), etc. When necessary, the Audit and Supervisory Board Members requested explanations on such notifications.

2. Results of Audit

(1) Audit Results on the Business Report, etc.

- (i) In our opinion, the business report and the supporting schedules fairly represent the Company's condition in conformity with the applicable laws and regulations of Japan as well as the Articles of Incorporation of the Company.
- (ii) With respect to the execution of duties by the Directors, we have found no evidence of misconduct or material facts in violation of the applicable laws and regulations of Japan or the Articles of Incorporation of the Company.
- (iii) In our opinion, the content of the resolutions made by the Board of Directors regarding the internal control system is appropriate. Furthermore, we have not found anything to be pointed out on the content described in the business report and the performance of duties of the Directors concerning the internal control system.

(2) Results of Audit of the Non-consolidated Financial Statements and Supplementary Schedules:

In our opinion, the method and results of the audit employed and rendered by Deloitte Touche Tohmatsu LLC, the Accounting Auditor of the Company, are fair and reasonable.

(3) Results of Audit of the Consolidated Financial Statements:

In our opinion, the method and results of the audit employed and rendered by Deloitte Touche Tohmatsu LLC, the Accounting Auditor of the Company, are fair and reasonable.

May 11, 2022

Audit and Supervisory Board, T-Gaia Corporation

Full-time Audit and Supervisory Board Member Ryo Hashimoto (Seal)

Full-time Audit and Supervisory Board Member Naoya Okutani (Seal)

Outside Audit and Supervisory Board Member Toshiro Kaba (Seal)

Outside Audit and Supervisory Board Member Tetsuo Kitagawa (Seal)