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Securities code: 3778
June 7, 2022

To Shareholders with Voting Rights:

Kunihiro Tanaka
President and Chief Executive
Officer
SAKURA internet Inc.
1-12-12 Umeda, Kita-ku, Osaka,
Japan

**NOTICE OF
THE 23rd ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We hereby inform you that the 23rd Annual General Meeting of Shareholders of SAKURA internet Inc. (the “Company”) will be held as described below.

This General Meeting of Shareholders will be held as a “Hybrid Attendance Type Shareholders’ Meeting.” Shareholders who are unable to come to the venue may participate in the meeting through “Virtual Attendance” using the internet or other means as described below.

From the perspective of preventing the spread of COVID-19, we strongly urge all shareholders to exercise their voting rights beforehand by the internet, etc. or by mail, or utilize Virtual Attendance, and refrain from attending the meeting on the day, regardless of their health status.

No gifts will be given to shareholders who attend the General Meeting of Shareholders this year. We kindly appreciate your understanding on this matter.

Regarding the exercise of voting rights beforehand, please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:00 p.m. on Wednesday, June 22, 2022, Japan time in accordance with the instructions on page 3 and in the enclosed leaflet.

1. Date and Time: Thursday, June 23, 2022 at 10:00 a.m. Japan time
(The reception desk will open at 9:00 a.m.)

2. Venue: Hotel Granvia Osaka, 20th floor “Houou”
3-1-1 Umeda, Kita-ku, Osaka, Japan

*The Company may change the date, time, and venue of the meeting in response to the COVID-19 situation. In such a case, a notice will be posted on the Company’s website (<https://www.sakura.ad.jp/ir/>). Shareholders planning to attend the meeting are advised to check the website in advance.

*If you wish to attend the meeting virtually, please refer to “Information on how to make Virtual Attendance at the Hybrid Attendance Type Shareholders’ Meeting” on pages 5 to 10 (available only in Japanese).

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company’s 23rd Fiscal Year (April 1, 2021 - March 31, 2022) and the results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
 2. The non-consolidated Financial Statements for the Company’s 23rd Fiscal Year (April 1, 2021 - March 31, 2022)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Eight (8) Directors
- Proposal 4:** Decision on Compensation for the Purpose of Allotting Restricted Shares to Directors (excluding Outside Directors)

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- ◎ Directors and Corporate Auditors, excluding President, will attend the meeting remotely via the internet conference system.
- ◎ Our executives and employees will participate in informal dress.
- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- ◎ The business briefing that was previously held after the General Meeting of Shareholders will no longer be held.
- ◎ The “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements and the “Notes to Non-consolidated Financial Statements” in the Non-consolidated Financial Statements are posted on the Company’s website (<https://www.sakura.ad.jp/ir/>) pursuant to laws, regulations and Article 15 of the Articles of Incorporation of the Company. Therefore, these documents are not included in this convocation notice. The Consolidated Financial Statements and the Non-consolidated Financial Statements accompanying this convocation notice are part of the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Accounting Auditor and the Corporate Auditors to prepare the Independent Auditor’s Report and the Audit Report, respectively.
- ◎ If any amendment is made to the Reference Documents for the General Meeting of Shareholders, the Business Report, Non-consolidated Financial Statements and Consolidated Financial Statements, such amendment will be disclosed on the Company’s website (<https://www.sakura.ad.jp/ir/>).

<p><u>Request for Measures to Prevent the Spread of COVID-19</u></p> <ul style="list-style-type: none">• From the perspective of preventing the spread of COVID-19, we strongly urge all shareholders to refrain from attending the meeting on the day, regardless of their health status.• We kindly ask all shareholders to exercise their voting rights beforehand by the internet, etc. or by mail, or utilize Virtual Attendance.• We request that all attending shareholders bring and wear masks, and disinfect their hands with alcohol. (Alcohol disinfectant will be available for shareholders at the venue.)

Information on the exercise of voting rights via the internet, etc. or by mail

1. Exercise of voting rights via the internet

(1) Smartphone Exercise

- (i) Read the QR code (*1) on the right-hand side of the enclosed Voting Rights Exercise Form with a smartphone or similar device (*2).
- (ii) Access the Smartphone Exercise website designated by the Company and follow the instructions to enter your approval or disapproval.

You may exercise your voting rights only once via Smartphone Exercise. If you wish to revise your approval or disapproval after exercising your voting rights, follow the method described in (2) below.

(2) Entering your voting code (ID) and password

Please access the Voting Rights Exercise Website (<https://soukai.mizuho-tb.co.jp/>) designated by the Company, log in with the voting code (ID) and password shown on the back of the right-hand side of the enclosed Voting Rights Exercise Form, and enter your approval or disapproval according to the instructions.

(3) Contact information

If you have any questions about how to use the Smartphone Exercise or the Voting Rights Exercise Website, please contact the Transfer Agent Department, Mizuho Trust & Banking Co., Ltd., the administrator of the shareholders' register.

Contact: Toll-free +81-120-768-524 (9:00~21:00 except the year-end and New Year holidays)

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

*2. An application (or function) that can read QR codes must be installed.

2. Exercise of voting rights via the Electronic Voting System Platform

For nominee shareholders (including standing proxies) of managed trust banks, etc., if you have applied in advance to use the Electronic Voting System Platform operated by ICJ, Inc., a joint venture established by the Tokyo Stock Exchange, Inc. and others, you may exercise your voting rights at the General Meeting via the platform in addition to the exercise of voting rights via the internet as described in 1. above.

3. Exercise of voting rights by mail

Please indicate your approval or disapproval on the enclosed Voting Rights Exercise Form and return it to us so that it arrives by the exercise deadline. You may use the enclosed sticker for protection of the written portion of the form when returning the form.

*If you are exercising your voting rights in advance by mail, please be sure that you have the "shareholder number," "postal code" and "number of voting rights exercised" on hand before you post your vote. This information is required when you attend the meeting virtually.

4. Voting deadline

June 22, 2022 (Wednesday) 5:00 p.m. Japan time

5. Others

- (1) If voting rights are exercised both by mail and via the internet, etc., the vote via the internet, etc. shall be deemed valid. If you exercise your voting rights more than once via the internet, etc., the last exercise shall be deemed valid.
- (2) Shareholders are responsible for the costs of connection and use of the internet, etc.
- (3) You may not be able to exercise your voting rights via the internet, etc., depending on the device you are using and its conditions.
- (4) For the treatment of the exercise of voting rights in the case where you exercise your voting rights by Virtual Attendance as described on page 5 after exercising your voting rights in advance via the internet, etc. or by mail, please refer to page 7. (Information on Virtual Attendance is included only in the Japanese version of this document.)

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

It is proposed that the surplus be appropriated as below.

Year-end dividend for the fiscal year ended March 31, 2022:

It is proposed that the year-end dividend for the fiscal year ended March 31, 2022 be paid out, in comprehensive consideration of the Company's business results for the fiscal year ended March 31, 2022, future business expansion, and internal reserves, as follows:

- (1) Type of dividend property
Cash
- (2) Allocation of dividend property and total amount thereof
¥3 per share of common stock of the Company
Total amount of dividends: ¥ 109,440,168
- (3) Effective date of dividends from surplus
June 24, 2022

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

(1) So-called Virtual-only Shareholders' Meeting

In accordance with the "Act Partially Amending the Act on Strengthening Industrial Competitiveness and Other Related Acts" enacted on June 16, 2021, it has become possible to hold so-called Virtual-only Shareholders' meeting (Shareholders' meeting that does not require a physical venue and is attended via the internet or other means). Therefore, Article 12, Paragraph 2 of the Articles of Incorporation shall be added to expand the options for the method of holding the meeting in the future.

This amendment does not immediately mean that future general meetings of shareholders will be held in a virtual-only type. We will continue to search for the most appropriate method to hold general meetings of shareholders, taking into consideration the infection situation of COVID-19 and other factors, in order to realize better general meetings of shareholders from the viewpoints of revitalizing the meetings by expanding opportunities for shareholders to attend and creating opportunities for face-to-face dialogues with shareholders.

(2) The system for electronic provision of materials for the general meeting of shareholders

The "Act Partially Amending the Companies Act" (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the necessary changes shall be made. Under the system for electronic provision, the internet disclosure and deemed provision of reference materials for the general meeting of shareholders, etc. will no longer be necessary, and Article 15 of the Articles of Incorporation will be amended to newly stipulate the adoption of measures for electronic provision.

(3) Shortening of the term of office of Directors

In order to further clarify the management responsibility of Directors and establish a management structure that can flexibly respond to changes in the business environment, the term of office of Directors shall be changed from two (2) years to one (1) year, and Article 21 of the Articles of Incorporation shall be amended.

2. Details of the amendments

The details of the amendments are as follows:

(Amended parts are underlined.)

Current Articles	Amended Articles
<p>Chapter 3 General Meeting of Shareholders (<u>Time of Convocation</u>) Articles 12 (Text omitted) (Newly established)</p> <p>(<u>Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.</u>)</p> <p>Article 15 The Company may, when convening a <u>general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference materials for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u> (Newly established)</p> <p>(Term of Office) Articles 21 The term of office of Directors shall expire at the conclusion of the annual general meeting of shareholders held in respect of the last business year ending within <u>two (2) years</u> after their election.</p> <p>2. (Text omitted)</p> <p>(Newly established)</p>	<p>Chapter 3 General Meeting of Shareholders (Convocation) Articles 12 (Unchanged) 2. The General Meeting of Shareholders of the Company may be held at a place unspecified. (Measures for Electronic Provision, Etc.)</p> <p>Article 15 The Company shall, when convening <u>a general meeting of shareholders, provide information contained in the reference materials for the general meeting of shareholders, etc. electronically.</u></p> <p><u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p> <p>(Term of Office) Articles 21 The term of office of Directors shall expire at the conclusion of the annual general meeting of shareholders held in respect of the last business year ending within <u>one (1) year</u> after their election.</p> <p>2. (Unchanged)</p> <p>(<u>Supplementary Provisions</u>) <u>Article 1 The new establishment of Article 12, Paragraph 2 of the Articles of Incorporation shall take effect on the later of either the date of the confirmation by the Minister of Economy, Trade and Industry and the Minister of Justice or the date the resolution of the general meeting is passed, regarding that the general meeting of shareholders without a fixed place to be held by the Company meets the requirements specified by the Industrial Competitiveness Enhancement Act and the Ordinances of the Ministry of Economy, Trade and Industry and the Ministry of Justice.</u> <u>2. This Supplementary Provision shall be deleted after the effective date.</u></p>

Current Articles	Amended Articles
(Newly established)	<p><u>Article 2 The amendment to Article 15 of the Articles of Incorporation shall take effect on September 1, 2022.</u></p> <p><u>2. Notwithstanding the provisions of the preceding paragraph, Article 15 of the Articles of Incorporation prior to the amendment shall remain in effect for the general meeting of shareholders whose date is before the last day of February 2023.</u></p> <p><u>3. This Supplementary Provision shall be deleted after the later of March 1, 2023 or three (3) months from the date of the general meeting of shareholders set forth in the preceding paragraph.</u></p> <p><u>Article 3 Notwithstanding the provisions of Article 21 of the Articles of Incorporation, the term of office of Directors elected at the Annual General Meeting of Shareholders held on June 22, 2021 shall expire at the conclusion of the Annual General Meeting of Shareholders held in 2023.</u></p> <p><u>2. This Supplementary Provision shall be deleted at the conclusion of the Annual General Meeting of Shareholders to be held in 2023.</u></p>

Proposal 3: Election of Eight (8) Directors

Upon the conclusion of this General Meeting of Shareholders, the terms of office of Messrs. Kunihiro Tanaka, Masataka Kawada, Koichi Ise, Akihiro Maeda, Toshihiro Igi, and Masayoshi Hirose and Ms. Yukie Osaka and Yumie Endo will expire. Accordingly, the Company proposes the election of eight (8) Directors.

The candidates for Director are as follows:

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
1	<p>Kunihiro Tanaka (January 14, 1978)</p> <p>Number of shares of the Company held: 5,496,000</p>	<p>December 1996 Established SAKURA internet</p> <p>April 1998 Established Inforest Co., Ltd. Representative Director, Inforest Co., Ltd.</p> <p>August 1999 Established the Company President</p> <p>December 2000 Senior Vice President, the Company</p> <p>June 2004 Director and Chief Operating Officer</p> <p>November 2007 President and Chief Executive Officer</p> <p>June 2008 President (current position)</p> <p>August 2009 Established Kunihiro Tanaka Office Co., Ltd. Representative Director and President, Kunihiro Tanaka Office Co., Ltd. (current position)</p> <p>April 2015 Representative Director and Chief Executive Officer, Joe's Cloud Computing Inc.</p> <p>July 2015 Chief Executive Officer, the Company (current position)</p> <p>October 2016 Outside Director, i-mobile Co., Ltd. (current position)</p> <p>April 2018 Director, Joe's Cloud Computing Inc.</p> <p>June 2019 Outside Director, i-plugin, inc. (current position)</p> <p>August 2019 Outside Director, BBSakura Networks, Inc. (current position)</p> <p>December 2019 Outside Director, ABEJA, Inc. (current position)</p> <p>April 2021 Outside Director, Toranoana Lab Co., Ltd.</p> <p>June 2021 Chairman, Specified Nonprofit Organization Japan Data Center Council (current position)</p> <p>July 2021 Senior Vice-Chairman, General Incorporated Association The Software Association of Japan</p> <p>October 2021 Outside Director, Yumenosora Holdings Co., Ltd. (current position)</p> <p>December 2021 Representative Director, Tellus Co., Ltd. (current position)</p> <p>June 2022 Managing Director, General Incorporated Association Kansai Association of Corporate Executives (Also acting as the chairman of Committee on Ecosystem of Global Ventures) Chairman, General Incorporated Association The Software Association of Japan (current position)</p> <p>[Responsibilities] Internal Audit Office, Research Center, ES Division</p> <p>[Significant concurrent positions] Representative Director and President, Kunihiro Tanaka Office Co., Ltd. Outside Director, i-mobile Co., Ltd. Outside Director, i-plugin, inc. Outside Director, BBSakura Networks, Inc Outside Director, ABEJA, Inc.</p>

		Chairman, Specified Nonprofit Organization Japan Data Center Council Outside Director, Yumenosora Holdings Co., Ltd. Chairman, General Incorporated Association The Software Association of Japan
	<p>[Reason for nomination as a candidate for Director]</p> <p>Since establishing the Company in 1999, Mr. Kunihiro Tanaka has been supervising the management of the Company in general. Expecting him to tap into this experience and insight and fulfill the duties of President, the Company proposes his reappointment as Director.</p>	

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
2	<p>Masataka Kawada (August 5, 1971)</p> <p>Number of shares of the Company held: 0</p>	<p>April 1995 Joined The Dai-Ichi Kangyo Bank, Ltd. (currently Mizuho Bank, Ltd.)</p> <p>December 1997 Joined Kadoi Tax Accounting Office</p> <p>August 2002 Joined Yamamoto Mamoru Tax Accountant Office</p> <p>April 2004 Director, PPM Business Support Co., Ltd.</p> <p>April 2005 Joined the Company</p> <p>September 2005 General Manager, Finance Department, Sim Desk Technologies Co., Ltd.</p> <p>November 2006 Representative Director, Sim Desk Technologies Co., Ltd.</p> <p>April 2008 Joined the Company Assistant Director, Planning Department, the Company</p> <p>June 2008 Director (current position)</p> <p>October 2009 Senior Director, Accounting & Finance Department</p> <p>July 2015 Chief Finance Officer (current position); Deputy General Manager, Administration Division; Senior Director, General Affairs Department, Administration Division</p> <p>January 2017 General Manager, Administration Division; Senior Director, General Affairs Department, Administration Division; Senior Director, Human Resources Department, Administration Division</p> <p>May 2018 Auditor, Prunus-Solutions Inc. (current position)</p> <p>November 2019 Director, ITM Inc.</p> <p>July 2020 Deputy General Manager, ES Division; Senior Director, ES Department, ES Division, the Company</p> <p>July 2021 General Manager, ES Division (current position)</p> <p>[Responsibility] Corporate Division</p> <p>[Significant concurrent position] Auditor, Prunus-Solutions Inc.</p>
<p>[Reason for nomination as a candidate for Director]</p> <p>Leveraging his abundant experience of working at a bank and accounting firms and managing a venture firm, Mr. Masataka Kawada has been serving as Chief Finance Officer of the Company to procure funds and reporting in a timely and appropriate manner. Considering that he is essential for the Company to continue growing, the Company proposes his reappointment as Director.</p>		

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
3	Koichi Ise (November 26, 1962) Number of shares of the Company held: 0	<p>April 1986 Joined Hitachi Equipment Engineering Co., Ltd. (currently Hitachi Power Solutions Co., Ltd.)</p> <p>May 1989 Joined Digital Technologies Corporation</p> <p>March 1996 Joined SQUARE Co., Ltd. (currently SQUARE ENIX Co., Ltd.)</p> <p>April 1997 Seconded to Honolulu Studios, SQUARE USA Inc.</p> <p>January 2002 General Manager, Network Engineering Department; Deputy General Manager, Information Technology Department, SQUARE Co., Ltd. (currently SQUARE ENIX Co., Ltd.)</p> <p>November 2002 General Manager, Network System Department</p> <p>April 2005 Joined livedoor Co., Ltd. (currently NHN Techorus Corp.)</p> <p>September 2005 Executive Officer in charge of Network Business Division</p> <p>May 2007 Director, Foresight Wave Inc. (current position)</p> <p>October 2008 General Manager, Informational Environment Research Office, livedoor Co., Ltd. (currently NHN Techorus Corp.)</p> <p>January 2012 General Manager, Informational Environment Research Office, DataHotel Co., Ltd. (currently NHN Techorus Corp.)</p> <p>September 2014 General Manager, Information Technology Research Office, Techorus Corp. (currently NHN Techorus Corp.)</p> <p>June 2016 Director, the Company (current position)</p> <p>July 2020 General Manager, ES Division</p>
		<p>[Responsibility] Cloud Business Division</p> <p>[Significant concurrent position] Director, Foresight Wave Inc.</p>
<p>[Reason for nomination as a candidate for Director] Mr. Koichi Ise has abundant experience and connections in the internet industry, having supervised network infrastructure at gaming and internet companies. Expecting him to tap into his experience and connections to draw up and implement strategies to accelerate the Company's growth, the Company proposes his reappointment as Director.</p>		

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	
4	Akihiro Maeda (September 18, 1981) Number of shares of the Company held: 0	May 2000	Joined Root Room Inc.
		May 2002	Joined Datt Japan Inc.
		March 2008	Representative Director, bitstar Inc. (current position)
		March 2012	Director, Cloud Networks, Inc. (current position)
		March 2014	Director, North Grid (current position)
		May 2014	Representative Director, Mokuzy Inc.
		October 2017	Executive Officer, the Company
		November 2017	Director, Joe's Cloud Computing Inc.
		May 2018	Representative Director
		August 2019	Director, ITM Inc.
June 2020	Director, the Company (current position)		
July 2020	Senior Director, CEO's Office, the Company		
	[Responsibility]	CEO's Office	[Significant concurrent position]
	Representative Director, bitstar Inc.		
<p data-bbox="193 866 1474 898">[Reason for nomination as a candidate for Director]</p> <p data-bbox="193 904 1474 1016">Mr. Akihiro Maeda has abundant experience in managing internet companies, including bitstar Inc. Expecting him to tap into his experience to contribute to the continued growth of the Company and its group companies, the Company proposes his reappointment as Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
5	<p>Toshihiro Igi (July 6, 1968)</p> <p>Number of shares of the Company held: 0</p>	<p>April 1998 Registered as attorney-at-law Joined Mitsui, Yasuda, Wani & Maeda</p> <p>December 2004 Joined Mitsui Company</p> <p>July 2007 Director, commonsphere (a corporation engaging in specified non-profit activities) (current position)</p> <p>September 2009 Founded Cyberbond Corporation Representative Director (current position) Director, Contents & Systems Co., Ltd.</p> <p>July 2011 Founded Igi Law Office (current position)</p> <p>February 2013 Outside Auditor, Mercari, Inc.</p> <p>October 2014 Outside Auditor, Zero Start Inc. (currently ZETA Inc.) (current position)</p> <p>June 2016 Outside Director, the Company (current position)</p> <p>October 2016 Outside Auditor, Aperza Inc. (current position)</p> <p>December 2016 Outside Auditor, System Service Co., Ltd.</p> <p>January 2018 Outside Auditor, Hayaruka Co., Ltd. (current position)</p> <p>November 2020 Outside Auditor, ZEALS Co., Ltd. (current position)</p> <p>[Significant concurrent positions] Director, commonsphere (a corporation engaging in specified non-profit activities) Representative Director, Cyberbond Corporation Attorney-at-law, Igi Law Office Outside Auditor, ZETA Inc. Outside Auditor, Aperza Inc. Outside Auditor, Hayaruka Co., Ltd. Outside Auditor, ZEALS Co., Ltd.</p>
<p>[Reason for nomination as a candidate for Outside Director] In addition to the specialized knowledge and experience that he gained as an attorney-at-law, Mr. Toshihiro Igi has diversified perspectives that he gained by serving as auditor and director at multiple venture firms. Expecting him to tap into his experience and knowledge to appropriately supervise the Company's management, the Company proposes his reappointment as Outside Director.</p>		

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
6	<p>Masayoshi Hirose (June 15, 1968)</p> <p>Number of shares of the Company held: 0</p>	<p>April 1992 Joined Nissho Iwai Corporation (currently Sojitz Corporation)</p> <p>April 2008 Seconded to Sojitz Automotive & Engineering Inc. (currently Sojitz Machinery Corporation)</p> <p>April 2009 Dusseldorf Branch, Sojitz Europe plc</p> <p>September 2014 Manager, Transportation Project Section, Power & Environmental Infrastructure Division, Sojitz Corporation</p> <p>April 2016 Deputy General Manager, Transportation & Social Infrastructure Division</p> <p>April 2018 General Manager, Social Infrastructure Development Office, Energy & Social Infrastructure Division</p> <p>June 2018 Outside Director, the Company (current position)</p> <p>November 2019 Director, edotco Investments Singapore Pte. Ltd. Director, edotco Myanmar Limited</p> <p>September 2020 Director, Pacific Nuclear Transport Limited</p> <p>April 2021 General Manager, Social Infrastructure Development Business Department, Infrastructure & Healthcare Division, Sojitz Corporation</p> <p>April 2022 General Manager, Healthcare Department, Infrastructure & Healthcare Division, Sojitz Corporation (current position) Director, Sojitz Healthcare Australia PTY LTD (current position) Director, PLENARY HEALTH (NFH) PTY LTD (current position) Director, PLENARY HEALTH (NFH) HOLDINGS PTY LTD (current position) Director, Sojitz Hospital PPP Investment B.V. (current position) Director, Sojitz FM Investment B.V. (current position) Director, Istanbul PPP Saglik Yatirim A.S. (current position) Director, RSM Isletme Hizmetleri Danismanligi A.S (current position)</p>
<p>[Reason for nomination as a candidate for Outside Director]</p> <p>Mr. Masayoshi Hirose has abundant experience in business both in and outside of Japan and extensive knowledge of large projects, including public projects. Expecting him to tap into his experience and knowledge to appropriately supervise the Company's management, the Company proposes his reappointment as Outside Director.</p>		

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
7	<p data-bbox="217 495 419 568">Yukie Osaka (March 15, 1956)</p> <p data-bbox="201 613 435 703">Number of shares of the Company held: 0</p>	<p data-bbox="467 259 1457 327">April 1978 Joined Nihon Short-Wave Broadcasting Co., Ltd. (currently Nikkei Radio Broadcasting Corporation)</p> <p data-bbox="467 338 1409 367">September 1994 Joined Tokyo Metropolitan Television Broadcasting Corporation</p> <p data-bbox="467 378 1441 407">September 1997 Joined Japan Satellite Broadcasting, Inc. (currently WOWOW Inc.)</p> <p data-bbox="467 418 1393 448">July 2009 General Manager, Customer Relations Division, WOWOW Inc.</p> <p data-bbox="467 459 1106 488">March 2012 General Manager, Marketing Division</p> <p data-bbox="467 499 1153 528">July 2014 Director, WOWOW Communications Inc.</p> <p data-bbox="467 539 1121 568">February 2016 Marketing Consultant (current position)</p> <p data-bbox="467 580 1106 609">May 2016 Joined Meiko Network Japan Co., Ltd.</p> <p data-bbox="467 620 770 649">November 2018 Director</p> <p data-bbox="467 660 1233 689">June 2020 Outside Director, the Company (current position)</p> <p data-bbox="467 701 1457 768">June 2021 Outside Director, ITOHAM YONEKYU HOLDINGS INC. (current position)</p> <p data-bbox="467 779 1393 846">April 2022 Chairman, General Incorporated Association Customer Success Promotion Association (current position)</p> <p data-bbox="467 857 1457 947">[Significant concurrent position] Outside Director, ITOHAM YONEKYU HOLDINGS INC. Chairman, General Incorporated Association Customer Success Promotion Association</p>
<p data-bbox="201 960 866 990">[Reason for nomination as a candidate for Outside Director]</p> <p data-bbox="201 1001 1457 1135">Ms. Yukie Osaka has abundant hands-on experience and insight that she has gained while working in the marketing division of business companies and serving as a marketing consultant. Expecting her to supervise and provide advice to the Company's management from an objective standpoint, the Company proposes her appointment as Outside Director.</p>		

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	
8	Tomomi Arakawa * (September 16, 1961) Number of shares of the Company held: 0	April 1985	Joined IBM Japan, Ltd.
		May 2005	Executive Officer and General Manager, Brand and Marketing Business Division, Lenovo Japan Corporation (currently Lenovo Japan, LLC)
		May 2007	Director and General Manager, System Business Department, Product Business Division, IBM Japan, Ltd.
		April 2014	Director, Executive Officer, and General Manager, Digital Sales Business Division, IBM Japan, Ltd.
		July 2015	Director, Chief Digital Officer, Executive Officer, and General Manager, Digital Sales Business Division, IBM Japan, Ltd.
		October 2021	Advisor, Sojitz Corporation
		December 2021	Executive Officer and Chief Digital Officer, Sojitz Corporation (current position)
			[Significant concurrent position] Executive Officer and Chief Digital Officer, Sojitz Corporation
	[Reason for nomination as a candidate for Outside Director] Ms. Tomomi Arakawa has abundant experience in IT industry and experience as Chief Digital Officer in IBM Japan, Ltd. and Sojitz Corporation. Expecting her to tap into these experiences and insights, and appropriately supervise and provide advice to the Company's management, which aims to become a DX platformer, the Company proposes her appointment as Outside Director.		

Notes:

- The candidate with an asterisk (*) beside his/her name is a new candidate for Director.
- Of the candidates for Director, the candidates below have special interests with the Company:
Mr. Akihiro Maeda concurrently serves as Representative Director of bitstar Inc., a consolidated subsidiary of the Company. bitstar Inc. has business relationships with the Company and competes with the Company in the following businesses:
 - Installation of servers and peripheral equipment and their maintenance
 - Information provision services using the internet
 - Telecommunication business pursuant to the Telecommunications Business Act
 - Consulting on the internet
 - Planning, development, and distribution of computer software
 - Production, distribution, and maintenance of computers and peripheral equipment
- Messrs. Toshihiro Igi and Masayoshi Hirose and Meses. Yukie Osaka and Tomomi Arakawa are candidates for Outside Director. The Company has registered Mr. Toshihiro Igi and Ms. Yukie Osaka as Independent Officers as prescribed in the regulations of the Tokyo Stock Exchange (TSE). If their reappointments are approved, they will continue to be Independent Officers.
- Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has concluded contracts with Mr. Masayoshi Hirose and Ms. Yukie Osaka, which limit their liabilities as provided in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability under the contracts is the minimum liability amount stipulated by laws and regulations. The Company will continue the said contracts with them if their reappointments are approved. The Company will also enter into a similar contract with Ms. Tomomi Arakawa if her appointment is approved.
- The Company has entered into a directors and officers (D&O) liability insurance contract with an insurance company, the outline of the contents of the contract is described on page 19 of the Business Report (available only in Japanese). If the candidates are elected and appointed to the position of Director, each candidate will be included as the insured under this insurance policy. In addition, the Company plans to renew the insurance policy with the same contents the next time it is renewed.

6. Messrs. Toshihiro Igi and Masayoshi Hirose and Ms. Yukie Osaka currently serve as Outside Director of the Company. At the conclusion of this General Meeting of Shareholders, they will have served as Outside Director for six (6) years, four (4) years, and two (2) years, respectively.
7. The number of shares of the Company held by Mr. Kunihiro Tanaka represents the number of shares that he virtually holds, which includes the number of shares held by Kunihiro Tanaka Office Co., Ltd., a company that manages his assets.

(Reference) Skills matrix of Directors and Auditors (if the candidates are approved as proposed at the 23rd Annual General Meeting of Shareholders)

The skills matrix does not represent all the expertise and experience possessed by each Director and Auditor.

Name	Corporate Management	Legal/ Compliance	Finance/ Accounting	Engineering/ Technology	CS/ Marketing	Global
Kunihiro Tanaka	○			○		
Masataka Kawada	○		○			
Koichi Ise				○		
Akihiro Maeda	○			○		
Hiroo Hatashita	○		○			
Toshihiro Igi	○	○				
Masayoshi Hirose					○	○
Yukie Osaka					○	
Tomomi Arakawa				○	○	○
Yayoi Yamaguchi	○		○			○
Toshiyuki Umeki	○			○		
Hiroyuki Hasegawa	○		○			○
Tomoyuki Hirose	○					○

Proposal 4: Decision on Compensation for the Purpose of Allotting Restricted Shares to Directors (excluding Outside Directors)

The amount of compensation for Directors of the Company was approved at the 11th Annual General Meeting of Shareholders held on June 24, 2010 and at the 19th Annual General Meeting of Shareholders held on June 26, 2018 to be within 150,000,000 yen per annum (including an amount within 30,000,000 yen for Outside Directors; not including the employee salary for Directors concurrently serving as employees). In addition, separate from the aforementioned amount of compensation for Directors, the amount of compensation relating to stock acquisition rights to be allotted as stock options for Directors of the Company was approved at the 7th Annual General Meeting of Shareholders held on June 27, 2006 to be an amount within 20,000,000 yen per annum.

In order to provide greater incentive to the Company's Directors (excluding Outside Directors; hereinafter, "Eligible Directors") to further share the benefits and risks of share price fluctuations with shareholders and to increase the share price and enhance corporate value, the Company now requests approval to allot the common stock of the Company subject to certain transfer restriction periods and reasons for acquisition at no consideration by the Company (hereinafter, "Restricted Shares"), as follows.

Accordingly, taking into comprehensive consideration various matters such as the degree of contribution of Eligible Directors to the Company, and separate from the aforementioned amount of compensation for Directors, the Company requests approval to set the total amount of monetary compensation receivables to be paid to Eligible Directors as compensation for Restricted Shares at an amount within 100,000,000 yen per annum. The allotment of Restricted Shares has been determined after taking into comprehensive consideration various matters such as the degree of contribution of Eligible Directors to the Company, and the Company believes that the content is appropriate.

The Company has determined a decision-making policy regarding the content of individual compensation, etc. for Directors by resolution of the Board of Directors, an overview of which is described on page 19 of the Business Report (available only in Japanese). However, if this proposal is approved, the Board of Directors of the Company plans to make the necessary changes following the conclusion of this general meeting so that the policy is consistent with the approved content.

The current number of Directors of the Company is nine (including five Outside Directors). If Proposal 3 is approved, the number of Directors will be nine (including five Outside Directors).

Specific details and upper limits of Restricted Shares to be allotted to Eligible Directors

1. Allotment and payment of Restricted Shares

Based on a resolution by the Board of Directors of the Company, the Company shall pay monetary compensation receivables to Eligible Directors within the abovementioned range per annum as compensation for Restricted Shares, and each Eligible Director shall pay for the entire monetary compensation receivables with an in-kind contribution, and shall receive the allotment of Restricted Shares.

The amount to be paid for the Restricted Shares shall be determined by resolution of the Board of Directors within an extent that is not particularly advantageous to the Eligible Directors underwriting the Restricted Shares, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day preceding the date of resolution by the Board of Directors of the Company regarding the issuance or disposal of said shares (if no transactions are concluded on that day, the closing price of the business day immediately prior).

In addition, the abovementioned monetary compensation receivables shall be paid provided that Eligible Directors have agreed to the abovementioned in-kind contribution and entered into a restricted share allotment agreement that includes the contents specified in 3. below.

2. Total number of Restricted Shares

The total number of Restricted Shares to be allotted to Eligible Directors is 200,000 shares, which is the upper limit of the number of Restricted Shares to be allotted each business year.

However, in the event of circumstances necessitating an adjustment to the total number of Restricted Shares to be allotted on or after the date of the resolution of this proposal, such as a stock split of the Company's common stock (including the allotment of the Company's common stock at no consideration), reverse stock split or any other reason, the number of Restricted Shares may be reasonably adjusted.

3. Details of the restricted share allotment agreement

The restricted share allotment agreement entered into by the Company and Eligible Directors to whom Restricted Shares have been allotted based on a resolution of the Board of Directors when allotting Restricted Shares, shall include the following content.

(1) Details of transfer restrictions

Eligible Directors to whom Restricted Shares have been allotted may not transfer, establish a pledge, attach a security interest on, gift inter vivos, bequeath to a third party, or otherwise dispose of (hereinafter, "Transfer Restrictions") Restricted Shares allotted to Eligible Directors (hereinafter, "Allotted Shares") during the period from the delivery date of the Restricted Shares to the date that Eligible Directors retire or resign from their position as Director, Executive Officer or employee of the Company (hereinafter, "Transfer Restriction Period").

(2) Acquisition of Restricted Shares at no consideration

In the event that Eligible Directors to whom Restricted Shares have been allotted retire or resign from their position as Director, Executive Officer or employee of the Company during the period from the commencement of the Transfer Restriction Period to the day prior to the day of the next Annual General Meeting of Shareholders of the Company, in the absence of a reason deemed justifiable by the Board of Directors of the Company, the Company shall, as a matter of course, acquire the Allotted Shares at no consideration.

In addition, in the event that the Transfer Restrictions have not been removed on any of the Allotted Shares as at the expiration of the Transfer Restriction Period in (1) above based on the stipulations regarding reasons for removing the Transfer Restrictions in (3) below, the Company shall, as a matter of course, acquire said Allotted Shares at no consideration.

(3) Removal of Transfer Restrictions

The Company shall remove the Transfer Restrictions on all Allotted Shares upon the expiration of the Transfer Restriction Period provided that Eligible Directors to whom Restricted Shares have been allotted have continuously remained in a position as Director, Executive Officer or employee of the Company from the commencement of the Transfer Restriction Period until the next Annual General Meeting of Shareholders of the Company.

However, in the event that Eligible Directors retire or resign from their position as Director, Executive Officer or employee of the Company prior to the expiration of the Transfer Restriction Period for reasons deemed justifiable by the Board of Directors, the number of Allotted Shares

whose Transfer Restrictions are to be lifted and the timing thereof, shall be reasonably adjusted as necessary.

(4) Treatment in the event of restructuring, etc.

In the event that, during the Transfer Restriction Period, the Company's General Meeting of Shareholders approves a merger agreement whereby the Company becomes the defunct company, a share exchange agreement or share transfer plan whereby the Company becomes a wholly-owned subsidiary, or any other proposals pertaining to restructuring, etc. (however, in the event that the approval of the General Meeting of Shareholders of the Company is not required for said restructuring, etc., approval by the Board of Directors of the Company), the Transfer Restrictions on the number of Allotted Shares reasonably determined based on the period from the commencement of the Transfer Restriction Period to the date of approval of said restructuring, etc. shall be removed prior to the effective date of said restructuring, etc. by resolution of the Board of Directors of the Company.

In this event, the Company shall, as a matter of course, acquire any Allotted Shares whose Transfer Restrictions have not been removed immediately following the removal of the Transfer Restrictions based on the above stipulations at no consideration.

(Reference)

Following the conclusion of this general meeting, the Company plans to allot the same Restricted Shares as the abovementioned Restricted Shares to the Executive Officers of the Company.