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September 7, 2022

To our shareholders

Masao Ito
President CEO
User Local, Inc.
2-11-1 Osaki, Shinagawa-ku,
Tokyo, Japan

Notice of Convocation Annual General Meeting 2022

You are hereby notified that the 17th Ordinary General Meeting of the Shareholders of User Local, Inc. (“the Company”) will be held as indicated below.

This General Meeting of the Shareholders will be one convened without specified location (a so-called virtual-only the Shareholders’ meeting), based on the Supplementary Provisions of the Act for Partially Amending the Industrial Competitiveness Enhancement Act and Other Related Acts (Act No. 70 of 2021). In addition, if you will not attend the meeting on the meeting date, or even if you will attend the meeting on the meeting date, you may exercise your voting rights in advance via the Internet or in writing in preparation. We kindly request that you review the attached Reference Documents for General Meeting of the Shareholders, and exercise your voting rights no later than **18:30 on Wednesday, September 21, 2022**.

- Date and Time:** **September 22, 2022 (Thursday) 10:00 a.m.** (Japan Time)
(The website will be accessible from 9:45 a.m.)
In the event that this General Meeting of the Shareholders cannot be held on the above date and time due to communication problems or other reasons, the meeting will be postponed to Monday, September 26, 2022, at 10:00 a.m.
- Method of Convening the Meeting:**
The General Meeting of the Shareholders without specified location (a so-called virtual only the Shareholders’ meeting).
Please attend the Meeting through our designated website.
*There is no specified venue as it will be held completely online.
- Purpose of the Meeting**
Matters to be reported:
The Business Report and the Financial Statements for the 17th fiscal year (from July1, 2021 to June 30, 2022), and the results of audits of the Financial Statements by Accounting Auditor and Audit & Supervisory Board

Matters to be resolved:
Proposal1: Appropriation of the Surplus
Proposal2: Partial Amendments to the Articles of Incorporation
Proposal3: Election of Five Directors
(Excluding Directors who are Audit & Supervisory Board Members)

4. Participation in the virtual only the Shareholders' meeting

The General Meeting of Shareholders will be held via the Internet as the method of communication.

- (1) Date and Time: September 22, 2022 (Thursday) 10:00 a.m. (Japan Time)
(The website will be accessible from 9:45 a.m.)
- (2) The Website for the virtual only the shareholder's meeting

URL : https://web.sharely.app/login/userlocal-10



- Please access the website or read the QR Code above.
- Please log in by entering the "Shareholder Number", "Zip Code" and "Number of Shares Held" as indicated on the voting form.

5. Decision Matters Upon Convening

- (1) The method of communication used to send and receive information in the proceedings of the General Meeting of The Shareholders shall be via the Internet.
- (2) If the Shareholders who have exercised their voting rights in advance via the Internet or by postal mail attend the General Meeting of The Shareholders and exercise their voting rights more than once, the vote placed at the General Meeting of The Shareholders shall be treated as valid. If voting rights are not exercised at the General Meeting of The Shareholders, the vote placed in advance via the Internet or by postal mail shall be treated as valid.
- (3) If the Shareholders exercise your voting rights both by the Internet and postal mail, **ONLY** the vote placed via the Internet shall be treated as valid.

[Exercising voting rights via the Internet]

Please access the website (<https://soukai.mizuho-tb.co.jp/>) for exercising voting rights from your personal computer, smartphone, or mobile phone, using the Voting Code provided on the enclosed voting form. Then, enter your approval or disapproval of each proposal following the online instructions, upon having examined either the attached Reference Documents for General Meeting of The Shareholders or the Reference Documents for General Meeting of The Shareholders posted to the website for exercising voting rights no later than **18:30 on Wednesday, September 21, 2022.**

[Exercising voting rights by postal mail]

Please review the attached Reference Documents for General Meeting of The Shareholders and indicate your approval or disapproval of each proposal on the enclosed voting form, and return it to us so that it arrives by no later than **18:30 on Wednesday, September 21, 2022.**

Notes:

- In the event that any revision is made to the Reference Documents for the General Meeting of The Shareholders, the Business Report, or the Financial Statements, the revised matters of these documents will be posted on the Company's website mentioned below.
- Upon conclusion of this General Meeting of The Shareholders, results of resolutions thereof shall be posted to our website (*), in lieu of sending written notice of resolutions.
- *The Company's website: <https://www.userlocal.jp/ir/>

Reference Documents for the General Meeting of the Shareholders

Proposal1: Appropriation of the Surplus

The Company regards the continuous return of profits to its the Shareholders as a highly important management issue, and our basic policy is to stably implement dividends in consideration of future business expansion, investments in facilities, while maintaining a balance with internal reserves.

With regard to the appropriation of the surplus, having taken into account the performance for the fiscal year under review and future business expansion, the Company proposes the following:

Year-end dividends

(1) Type of dividends: Cash

(2) Dividend allocation and their aggregate amount thereof

Dividend per common share of the Company: ¥3

Total dividends: ¥47,996,697

(3) Effective date of dividends of surplus: September 27, 2022

Proposal2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments:

The Company's Articles of Incorporation will be amended as follows in preparation for the introduction of a system to provide the reference materials, etc., for the general meeting of the shareholders (hereinafter "Shareholder Meeting Materials") in electronic format pursuant to the enforcement, scheduled on September 1, 2022, of the amended provisions stipulated in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019).

- (1) The proposed amendment Article 15 (1) is newly established in response to the requirement to stipulate in the Articles of Incorporation that information on the content of the Shareholder Meeting Materials shall be provided in electronic format.
- (2) The proposed amendment Article 15 (2) stipulates the Company's response to the shareholders who wish to receive the Shareholder Meeting Materials as printed materials, after the introduction of the system for providing Shareholder Meeting Materials in electronic format. The proposal is to establish a provision to continue the method of electronic provision of some of the Shareholder Meeting Materials that have been previously permitted to be provided electronically, to the extent permitted by law, to shareholders who have made a request to have a printed copy of the materials.
- (3) The provision on the Internet disclosure of materials deemed to be submitted for a general meeting of the shareholders (Article 15 of the current Articles of Incorporation) will become unnecessary as a result of the new establishment of the proposed amendment Article 15 and therefore will be deleted.
- (4) Supplementary provisions will be established which specify the date from which the aforementioned additions and deletions to the Articles of Incorporation will take effect.

2. Details of the amendments:

The details of the amendments are as follows (underlined text indicates amendments.):

Current Articles of Incorporation	Proposed Amendment
<p><u>Articles 15. (Internet disclosure of reference materials deemed to be submitted for a general meeting of the shareholders)</u> <u>When information on matters to be noted or disclosed by the Company upon the convocation of a general meeting of the shareholders, such as reference materials for the general meeting of the shareholders, business reports and nonconsolidated and consolidated financial statements (including the accounting auditor's report or the audit report), is disclosed over the Internet in accordance with the method stipulated by the Ministry of Justice ordinance, the said information will be deemed to have been provided to shareholders.</u></p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p>(Deleted)</p> <p><u>(Measures for Providing Information in Electronic Format, Etc.)</u> <u>Articles 15.</u> 1. <u>When the Company convenes a general meeting of the shareholders, the Company shall electronically provide information of the reference materials for the general meeting of the shareholders and others.</u> 2. <u>Among the matters provided electronically, the Company may partially or fully omit matters designated by the Ordinance of the Ministry of Justice in the documents delivered to shareholders who have requested a printed copy of the reference materials prior to the record date for voting rights.</u></p> <p><u>Supplementary provision</u> 1. <u>The Article 15 of Incorporation before amendment (Internet disclosure of reference materials deemed to be submitted for a general meeting of the shareholders) shall remain in effect for a general meeting of the shareholders held within six months of September 1, 2022.</u> 2. <u>These supplementary provisions shall be deleted on the date when six months have elapsed from the Effective Date or three months have elapsed from the date of the general meeting of the shareholders in the preceding paragraph, whichever comes later.</u></p>

Proposal3: Election of Five Directors (Excluding Directors Who Are Audit and Supervisory Board)

The term of office of each of the five (5) current Directors is due to expire at the close of this general meeting of the shareholders. It is proposed that the following five (5) Directors, including two (2) Outside Directors, be elected at this meeting.

The candidates for Director are as follows:

Candidate No.	Name (Date of Birth)	Career summary, and position and responsibility in the Company	Number of the Company's shares owned
1	Masao Ito (December 18, 1973) (Reappointment)	Apr 1997 Joined Nikkei Business Publications, Inc. Apr 2000 Joined Rakuten Group, Inc. Apr 2002 Chairman of Minnano Syusyoku, Inc. Sep 2005 Established User Local, Inc. Aug 2007 President and Representative Director, User Local, Inc. (to present)	7,547,800
2	Kazuyuki Watanabe (July 1, 1982) (Reappointment)	Apr 2006 Joined Rakuten Group, Inc. Dec 2008 Joined User Local, Inc. Oct 2010 General Manager, Corporate Sales, User Local, Inc. Sep 2014 Director of User Local, Inc. (to present)	713,000
3	Daisuke Iwamoto (August 4, 1982) (Reappointment)	Apr 2006 Joined Rakuten Group, Inc. Apr 2014 Joined METAWATER Co., Ltd. Oct 2015 Joined User Local, Inc. as General Manager, Administration Dep Jan 2016 Director, User Local, Inc. (to present)	100,000
4	Ryota Matsuzaki (November 14, 1968) (Reappointment)	Apr 1991 Joined Industrial Bank of Japan (currently Mizuho Corporate Bank) Feb 2000 Joined Rakuten Group, Inc. Feb 2011 Established and President and Representative Director, Thirdgear, Inc. (to present) Nov 2011 Director, Crowdworks, Inc. Feb 2013 Established and President and Representative Director, Kibidango, Inc. (to present) Jan 2016 Outside Director, Synchro Food, Inc. (to present) Sep 2019 Outside Director, User Local, Inc. (to present)	1,000
5	Taku Ito (October 24, 1974) (Reappointment)	Apr 2000 Registered as an attorney at law and Joined Midosuji Law Office (to present) Apr 2016 Outside Director, People Co.,Ltd. (to present) June 2016 Outside Director, CDG Co.,Ltd. Sep 2020 Outside Director, User Local, Inc. (to present)	1,000

1. There is no special interest between any of the candidates and the Company.
2. Masao Ito is parent company, etc. as defined in Article 2-4-2 of the Companies Act.
3. Ryota Matsuzaki and Taku Ito are as candidates for Outside Director.
4. The Company has nominated Ryota Matsuzaki as a candidate for Outside Director because it expects that he will supervise its management and provide advice on general management from perspectives outside based on his rich global experience and deep insights in IT industry and financial industry.
5. The Company has nominated Taku Ito as a candidate for Outside Director because it expects that he is expected to provide advice based on legal knowledge of corporate management in general due to having expert knowledge and experience as a lawyer.
6. Ryota Matsuzaki and Taku Ito are currently Outside Directors. At the end of this General Meeting of the Shareholders, Ryota Matsuzaki will have a three-year tenure as an outside director and Taku Ito will have a two-year tenure as an outside director.
7. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with Ryota Matsuzaki and Taku Ito to limit the liability for damages under Article 423, paragraph (1). The maximum amount of liability for damages under these agreements is the minimum

liability for damages under Article 425, paragraph (1) of the Companies Act. If the reelection of Ryota Matsuzaki and Taku Ito is approved, the Company plans to continue these agreement

8. Pursuant to the provisions of Article 430-3, Paragraph 1 of the Companies Act, the Company has entered into a directors and officers liability insurance contract that includes them as the insured with an insurance company. The insurance contract covers legal damages and litigation expenses to be borne by the insured. In addition, if the five candidates are re-elected or elected and assume the positions of Director, each Director will be included in the insurance contract as an insured. The Company intends to renew the contract under the same conditions at the next renewal.
9. The Company has submitted notification to the Tokyo Stock Exchange that Ryota Matsuzaki and Taku Ito have been designated as independent officers as provided for by the aforementioned exchange.

Reference

The skill matrix of the candidates for Directors are provided below.

No.	Name		Corporate Management	R&D	Marketing Branding	Finance & Accounting	HR	Legal Governance	ESG Sustainability
1	Masao Ito		○	○	○		○	○	○
2	Kazuyuki Watanabe		○		○		○		○
3	Daisuke Iwamoto		○			○	○	○	○
4	Ryota Matsuzaki	Outside Director	○	○	○	○	○		
5	Taku Ito	Outside Director						○	