



October 14, 2022

To Whom It May Concern

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Notice regarding transition to a company with an Audit and Supervisory Committee, partial amendment to the Articles of Incorporation, and changes in officers

As published in the "Notice regarding transition to a company with an Audit and Supervisory Committee" dated August 12, 2022 that we would transition from a company with a Board of Auditors to a company with an Audit and Supervisory Committee, we are pleased to announce that the Board of Directors, at a meeting held today, resolved to transition to a "company with an Audit and Supervisory Committee" subject to approval at the 11th Annual General Meeting of Shareholders to be held on November 29, 2022, and also decided to propose a partial amendment to the Articles of Incorporation at the Annual General Meeting of Shareholders.

We also inform you that we have informally decided on appointment of officers as follows after the transition to a company with an Audit and Supervisory Committee.

#### Details

##### 1. Transition to a Company with an Audit and Supervisory Committee

###### (1) Reason for Transition

The purpose is to further enhance corporate governance and to increase sustainable corporate value by further strengthening the supervisory function of the Board of Directors by means of establishing an Audit and Supervisory Committee and granting voting rights to directors who are Audit and Supervisory Committee members at the Board of Directors.

###### (2) Transition schedule

The Company will transition to a company with an Audit and Supervisory Committee following approval of a proposal of necessary amendments to the Articles of Incorporation at the 11th Annual General Meeting of Shareholders scheduled to be held on November 29, 2022.

##### 2. Partial Amendment to the Articles of Incorporation

###### (1) Purpose of the amendment

- (i) The Company will add purposes of business in newly established Items 18 through 20 of Article 2 (Purpose) of the current Articles of Incorporation and renumber the items of the same article in anticipation of future expansion of the scope of operations and development into new fields.
- (ii) The Company will transition to a company with an Audit and Supervisory Committee to further enhance the supervisory function of the Board of Directors and corporate governance. In association therewith, the Company will newly establish the provisions regarding the Audit and Supervisory Committee and directors who are Audit and Supervisory Committee members, delete the provisions regarding auditors and the Board of Company Auditors, and make other necessary amendments.
- (iii) The Company will make the following amendments to accommodate the introduction of the electronic provision of reference materials for general meetings of shareholders in accordance with the revised provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) that took effect on September 1, 2022.
- Article 15, Paragraph 1 of the amended Articles of Incorporation will prescribe that information contained in reference documents, etc. for general meetings of shareholders shall be provided electronically.
  - Article 15, Paragraph 2 of the amended Articles of Incorporation will be newly established to prescribe that the Company may limit the scope of matters to be included in documents to be sent to shareholders who have requested such documents.
  - In line with the deletion of the clause by the above proposed amendment, supplementary provisions will be established to specify the effective dates, etc. of the amendments.

(2) Details of the amendment

Details of the amendment are as specified in Exhibit.

(3) Schedule of the amendment

Date of the annual general meeting of shareholders to amend the Articles of Incorporation: Tuesday, November 29, 2022 (scheduled)

Effective date of the amendment to the Articles of Incorporation: Tuesday, November 29, 2022 (scheduled)

3. Appointment of Officers after Transition to a Company with an Audit and Supervisory Committee

(1) Candidates for directors (excluding directors who are Audit and Supervisory Committee members)

(To be proposed at the 11th Annual General Meeting of Shareholders to be held on November 29, 2022)

Name	New title	Current position
Akiyuki Minami	Director and Chairperson	Representative Director and Chairperson
Ayumu Suzuki	Representative Director, President and CEO	Representative Director, President and CEO
Atsushi Akaike	Outside Director	Outside Director

(2) Candidates for directors who are Audit and Supervisory Committee members

(To be proposed at the 11th Annual General Meeting of Shareholders to be held on November 29, 2022)

Name	New title	Current position
Kentaro Yadomi	Outside Director (Audit and Supervisory Committee Member)	Full-Time Outside Auditor
Yuka Higo	Outside Director (Audit and Supervisory Committee Member)	Outside Auditor
Yuki Sato	Outside Director (Audit and Supervisory Committee Member)	Outside Director

(3) Auditor due to resign

(Due to resign upon the conclusion of the 11th Annual General Meeting of Shareholders to be held on November 29, 2022.)

Name	New title	Current position
Kazuki Ishihara	Resigned	Outside Auditor

End

[Exhibit]

(Underlined sections indicate amendments)

Current Articles of Incorporation	Proposed Amendment
Chapter 1 General Provisions	Chapter 1 General Provisions
Article 1 (Omitted)	Article 1 (Unchanged)
(Purpose)	(Purpose)
Article 2 The purpose of the Company shall be to engage in the following businesses:	Article 2 The purpose of the Company shall be to engage in the following businesses:
(1) Internet connection service;	(1) Internet connection service;
(2) Internet information provision service;	(2) Internet information provision service;
(3) Development and sales of systems and software related to Internet connection service and information provision service;	(3) Development and sales of systems and software related to Internet connection service and information provision service;
(4) Mail order business using the Internet;	(4) Mail order business using the Internet;
(5) Planning, production, entrusted production and operation and management of websites;	(5) Planning, production, entrusted production and operation and management of websites;
(6) Entrusted production of website contents;	(6) Entrusted production of website contents;
(7) Various marketing and retail operations;	(7) Various marketing and retail operations;
(8) Planning and research related to electronic commerce transactions;	(8) Planning and research related to electronic commerce transactions;
(9) Planning, production and advertising agency business related to advertisements and promotions;	(9) Planning, production and advertising agency business related to advertisements and promotions;
(10) Internet media trading and operation;	(10) Internet media trading and operation;
(11) Publishing business;	(11) Publishing business;
(12) Collection agency service;	(12) Collection agency service;
(13) Management consulting service;	(13) Management consulting service;
(14) Investment consulting service;	(14) Investment consulting service;
(15) Advertisements and promotions related to recruiting and hiring activities;	(15) Advertisements and promotions related to recruiting and hiring activities;
(16) Planning and organization of events;	(16) Planning and organization of events;
(17) Consulting services related to each of the preceding items (except where consulting services are separately defined); <u>and</u>	(17) Consulting services related to each of the preceding items (except where consulting services are separately defined);
(New)	<u>(18) Fee-charging employment placement business;</u>
(New)	<u>(19) Worker dispatch business;</u>
(New)	<u>(20) Various consignment agency, brokerage, intermediary, entrusted and contracted services;</u>
(18) Any and all businesses incidental to those listed above.	<u>and</u> (21) Any and all businesses incidental to those listed above.
Article 3 through Article 4 (Omitted)	Article 3 through Article 4 (Unchanged)
(Organizations)	(Organizations)
Article 5 The Company shall have the following organizations in addition to the general meeting of shareholders and directors.	Article 5 The Company shall have the following organizations in addition to the general meeting of shareholders and directors.
1. Board of Directors	

<p>2. <u>Auditors</u>  3. <u>Board of Company Auditors</u>  4. Accounting Auditor</p>	<p>1. Board of Directors  2. <u>Audit and Supervisory Committee</u>  (Deleted)  3. Accounting Auditor</p>
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Current Articles of Incorporation	Proposed Amendment
<p>Article 6 through Article 14 (Omitted)</p> <p>Chapter 3 Shareholders Meetings</p> <p><u>(Internet disclosure of reference documents for general meetings of shareholders, etc. and deemed provision thereof)</u></p> <p><u>Article 15 In convening a general meeting of shareholders, the Company shall be deemed to have provided shareholders with the information that must be described or presented in the reference documents of a general meeting of shareholders, business reports, financial statements, and consolidated financial statements by disclosing such information via the Internet pursuant to regulations issued by the Ministry of Justice.</u></p> <p>(New)</p>	<p>Article 6 through Article 14 (Unchanged)</p> <p>Chapter 3 Shareholders Meetings</p> <p>(Deleted)</p> <p><u>(Measures, etc. for Providing Information in Electronic Format)</u></p> <p><u>Article 15</u></p> <p><u>1. When the Company convenes a general meeting of shareholders, it shall take measures for providing information contained in reference documents, etc. for the general meeting of shareholders in an electronic format.</u></p> <p><u>2. Among the items for which the measures for providing information in an 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 have requested the delivery of paper-based documents by the record date of voting rights.</u></p>
<p>Article 16 through Article 17 (Omitted)</p> <p>Chapter 4 Directors and Board of Directors</p> <p>(Number of Directors)</p> <p>Article 18 The Company shall have eight or less directors.</p> <p>(New)</p>	<p>Article 16 through Article 17 (Unchanged)</p> <p>Chapter 4 Directors and Board of Directors</p> <p>(Number of Directors)</p> <p>Article 18</p> <p><u>1. The Company shall have eight or less directors (excluding directors who are Audit and Supervisory Committee members).</u></p>

<p>(Method of Election)</p> <p>Article 19</p> <p>1. Directors shall be elected by a resolution of a general meeting of shareholders.</p> <p>2. A resolution of a general meeting of shareholders for the election of directors shall be adopted by a majority of the votes of shareholders at a meeting where shareholders who hold at least one-third of voting rights of all shareholders entitled to exercise voting rights are present.</p> <p>3. No cumulative voting shall be used for the election of directors.</p>	<p><u>2. The Company shall have four or less directors who are Audit and Supervisory Committee members.</u></p> <p>(Method of Election)</p> <p>Article 19</p> <p>1. Directors shall be elected by a resolution of a general meeting of shareholders <u>separately from directors who are Audit and Supervisory Committee members.</u></p> <p>2. A resolution of a general meeting of shareholders for the election of directors shall be adopted by a majority of the votes of shareholders at a meeting where shareholders who hold at least one-third of voting rights of all shareholders entitled to exercise voting rights are present.</p> <p>3. No cumulative voting shall be used for the election of directors.</p>
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Current Articles of Incorporation	Proposed Amendment
<p>(New)</p> <p>(Terms of Office of Directors)</p> <p>Article 20</p> <p>1. The terms of office of directors shall expire at the conclusion of the annual general meeting of shareholders held with respect to the last business year ending within one year after the election.</p> <p>2. The terms of office of directors elected to increase the number of directors or to fill a vacancy shall expire at the same time when the remaining terms of office of the other directors then in office expire.</p> <p>(New)</p>	<p><u>4. The effect of election of a substitute director who is an Audit and Supervisory Committee member shall expire at the beginning of the annual general meeting of shareholders held with respect to the last business year ending within two years after the resolution of the election.</u></p> <p>(Terms of Office of Directors)</p> <p>Article 20</p> <p>1. The terms of office of directors <u>(excluding directors who are Audit and Supervisory Committee members)</u> shall expire at the conclusion of the annual general meeting of shareholders held with respect to the last business year ending within one year after the election._</p> <p>2. The terms of office of directors <u>(excluding directors who are Audit and Supervisory Committee members)</u> elected to increase the number of directors or to fill a vacancy shall expire at the same time when the remaining terms of office of the other directors then in office <u>(excluding directors who are Audit and Supervisory Committee members)</u> expire._</p> <p><u>3. The terms of office of directors who are Audit and Supervisory Committee members shall expire at the conclusion of the annual general meeting of shareholders held with respect to the last business year ending within two years after the election.</u></p>

<p style="text-align: center;">(New)</p> <p>(Representative Directors and Directors with Title) Article 21</p> <ol style="list-style-type: none"> <li>1. Representative Directors shall be elected by a resolution of the Board of Directors.</li> <li>2. The Board of Directors may elect by its resolution one Director and Chairperson, one Director and President, and a few Directors and Vice Presidents, Senior Managing Directors and Managing Directors.</li> </ol> <p>(Person Authorized to Convene Meetings of the Board of Directors and Chairperson) Article 22</p> <ol style="list-style-type: none"> <li>1. Unless otherwise prescribed by laws and regulations, Director and Chairperson shall convene meetings of the Board of Directors and shall preside over the meetings.</li> <li>2. If Director and Chairperson is absent or unable to act, another director shall convene the meetings of the Board of Directors and preside over the meetings in accordance with the order of priority previously determined by the Board of Directors.</li> </ol> <p style="text-align: center;">(New)</p>	<p><u>4. The term of office of a director who is an Audit and Supervisory Committee member elected as a substitute director shall be the same as the remaining term of office of the resigned director.</u></p> <p>(Representative Directors and Directors with Title) Article 21</p> <ol style="list-style-type: none"> <li>1. Representative Directors shall be elected <u>from among directors (excluding directors who are Audit and Supervisory Committee members)</u> by a resolution of the Board of Directors._</li> <li>2. The Board of Directors may elect by its resolution one Director and Chairperson, one Director and President, and a few Directors and Vice Presidents, Senior Managing Directors and Managing Directors <u>from among directors (excluding directors who are Audit and Supervisory Committee members).</u>_</li> </ol> <p>(Person Authorized to Convene Meetings of the Board of Directors and Chairperson) Article 22</p> <ol style="list-style-type: none"> <li>1. Unless otherwise prescribed by laws and regulations, Director and Chairperson shall convene meetings of the Board of Directors and shall preside over the meetings.</li> <li>2. If Director and Chairperson is absent or unable to act, another director shall convene the meetings of the Board of Directors and preside over the meetings in accordance with the order of priority previously determined by the Board of Directors.</li> <li>3. <u>Notwithstanding the provisions of the preceding two paragraphs, any Audit and Supervisory Committee member selected by the Audit and Supervisory Committee may convene a meeting of the Board of Directors.</u></li> </ol>
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Current Articles of Incorporation	Proposed Amendment
<p>(Convocation Notice of Meetings of the Board of Directors)</p> <p>Article 23</p> <p>1. Notice of a meeting of the Board of Directors shall be given to each director <u>and each auditor</u> three days prior to the date of the meeting; provided, however, that such period may be shortened in case of emergency.</p> <p>2. A meeting of the Board of Directors may be held without convocation procedures if all directors <u>and auditors</u> consent thereto.</p>	<p>(Convocation Notice of Meetings of the Board of Directors)</p> <p>Article 23</p> <p>1. Notice of a meeting of the Board of Directors shall be given to each director three days prior to the date of the meeting; provided, however, that such period may be shortened in case of emergency.</p> <p>2. A meeting of the Board of Directors may be held without convocation procedures if all directors consent thereto.</p>
<p>Article 24 through Article 25 (Omitted)</p>	<p>Article 24 through Article 25 (Unchanged)</p>
<p>(New)</p>	<p><u>(Delegation of Important Business Decisions to Directors)</u></p> <p><u>Article 26 The Company may, pursuant to Article 399-13, Paragraph 6 of the Companies Act, by a resolution of the Board of Directors, delegate all or part of decisions on the execution of important business affairs (excluding the matters listed in each item of Paragraph 5 of the said Article) to directors.</u></p>
<p>Article <u>26</u> (Omitted)</p>	<p>Article <u>27</u> (Unchanged)</p>
<p>(Remuneration)</p> <p>Article <u>27</u> Remuneration, bonuses and other property benefits to be received by directors from the Company in consideration of the performance of their duties (<u>hereinafter referred to as "Remuneration, etc."</u>) shall be determined by a resolution of a general meeting of shareholders.</p>	<p>(Remuneration)</p> <p>Article <u>28</u> Remuneration, bonuses and other property benefits to be received by directors from the Company in consideration of the performance of their duties shall be determined <u>separately from those of directors who are Audit and Supervisory Committee members</u> by a resolution of a general meeting of shareholders.</p>
<p>Article <u>28</u> (Omitted)</p>	<p>Article <u>29</u> (Unchanged)</p>
<p><u>Chapter 5 Auditors and Board of Company Auditors</u></p>	<p>(Deleted)</p>
<p>(Number of Directors)</p> <p>Article <u>29</u> The Company shall have four or less <u>auditors.</u></p>	<p>(Deleted)</p>
<p>(Method of Election)</p> <p>Article <u>30</u></p> <p><u>1. Auditors shall be elected by a resolution of a general meeting of shareholders.</u></p>	<p>(Deleted)</p>

2. A resolution of a general meeting of shareholders for the election of auditors shall be adopted by a majority of the votes of shareholders at a meeting where shareholders who hold at least one-third of voting rights of all shareholders entitled to exercise voting rights are present.

Current Articles of Incorporation	Proposed Amendment
<p><u>(Terms of Office of Directors)</u>  <u>Article 31</u>  <u>1. The terms of office of auditors shall expire at the conclusion of the annual general meeting of shareholders held with respect to the last business year ending within four years after the election.</u>  <u>2. The term of office of an auditor elected as a substitute auditor shall be the same as the remaining term of office of the resigned auditor.</u></p>	(Deleted)
<p><u>(Full-Time Auditors)</u>  <u>Article 32 The Board of Company Auditors shall elect by its resolution full-time auditors.</u></p>	(Deleted)
<p><u>(Convocation Notice of Meetings of the Board of Company Auditors)</u>  <u>Article 33</u>  <u>1. Notice of a meeting of the Board of Company Auditors shall be given to each auditor three days prior to the date of the meeting; provided, however, that such period may be shortened in case of emergency.</u>  <u>2. A meeting of the Board of Company Auditors may be held without convocation procedures if all auditors consent thereto.</u></p>	(Deleted)
<p><u>(Regulations of the Board of Company Auditors)</u>  <u>Article 34. Matters concerning the Board of Company Auditors shall be governed by the Regulations of the Board of Company Auditors established by the Board of Company Auditors in addition to laws and regulations or these Articles of Incorporation.</u></p>	(Deleted)
<p><u>(Remuneration, Etc.)</u>  <u>Article 35 Remuneration, etc. for auditors shall be determined by a resolution of a general meeting of shareholders.</u></p>	
<p><u>(Exemption from Liability of Auditors)</u>  <u>Article 36. Pursuant to Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt auditors (including former auditors) from liability for damages arising from negligence of their duties to the extent permitted by law.</u></p>	(Deleted)
<p><u>2. The Company may enter into an agreement with auditors to limit their liability for damages arising from negligence of their duties pursuant to</u></p>	(Deleted)

<p><u>Article 427, Paragraph 1 of the Companies Act up to the minimum amount of liability prescribed by laws and regulations.</u></p>	
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Current Articles of Incorporation	Proposed Amendment
(New)	<u>Chapter 5 Audit and Supervisory Committee</u>
(New)	<u>(Full-Time Audit and Supervisory Committee Members)</u> <u>Article 30 The Audit and Supervisory Committee may elect by its resolution full-time Audit and Supervisory Committee members.</u>
(New)	<u>(Convocation Notice of Meetings of the Audit and Supervisory Committee)</u> <u>Article 31</u> <u>1. Notice of a meeting of the Audit and Supervisory Committee shall be given to each Audit and Supervisory Committee member three days prior to the date of the meeting; provided, however, that such period may be shortened in case of emergency.</u> <u>2. A meeting of the Audit and Supervisory Committee may be held without convocation procedures if all the Audit and Supervisory Committee members consent thereto.</u>
(New)	<u>(Method of Resolution of the Audit and Supervisory Committee)</u> <u>Article 32 A resolution of the Audit and Supervisory Committee of the Company shall be made by a majority of the votes of directors who are Audit and Supervisory Committee members at a meeting where a majority of Audit and Supervisory Committee members who are entitled to vote are present.</u>
(New)	<u>(Regulations of the Audit and Supervisory Committee)</u> <u>Article 33 Matters concerning the Audit and Supervisory Committee shall be governed by the Regulations of the Audit and Supervisory Committee established by the Audit and Supervisory Committee in addition to laws and regulations or these Articles of Incorporation.</u>
Chapter 6 Accounts	Chapter 6 Accounts  Article 34 through Article 37 (Unchanged)
Article 37 through Article 40 (Unchanged)	<u>Supplementary Provisions</u>

<p>(New)</p> <p>(New)</p> <p>(New)</p>	<p><u>(Transitional Measures Concerning Exemption from Liability of Auditors)</u></p> <p><u>Article 1. Pursuant to Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt persons who served as auditors from liability for damages arising from negligence of their duties prior to the closing of the annual general meeting of shareholders for the fiscal year ended August 31, 2022 to the extent permitted by law.</u></p> <p><u>(Transitional Measures Concerning Measures, etc. for Providing Information in Electronic Format)</u></p> <p><u>Article 2</u></p> <p><u>1. Article 15 of the Articles of Incorporation before amendment shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from September 1, 2022 (hereinafter referred to as the "Effective Date").</u></p>
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Current Articles of Incorporation	Proposed Amendment
<p>(New)</p>	<p><u>2. Article 2 of the Supplementary Provisions shall be deleted after six months have elapsed from the Effective Date or after three months have elapsed from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

End