

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

(Securities Code: 7818)

November 8, 2022

To Our Shareholders

Satoshi Ishikawa,
President and Representative Director
Transaction Co., Ltd.
3-28-13 Shibuya, Shibuya-ku Tokyo

Notice of the 36th Annual General Meeting of Shareholders

Please be informed that the 36th Annual General Meeting of Shareholders of Transaction Co., Ltd. (the “Company”) will be held as described below.

Instead of attending the meeting in person on the day, you can exercise your voting rights via the Internet or in writing. Please review the reference documents for the general meeting of shareholders below, and exercise your voting rights by 7:00 p.m. on Monday, November 28, 2022.

- 1. Date and Time:** 10:00 a.m. on Tuesday, November 29, 2022 (Reception starts at 9:30 a.m.)
- 2. Place:** SHIBUYA SOLASTA CONFERENCE (SHIBUYA SOLASTA 4th Floor)
1-21-1 Dogenzaka, Shibuya-ku Tokyo

3. Meeting Agenda

Matters to be reported:

1. Business Report, Consolidated Financial Statements for the 36th fiscal year (from September 1, 2021 to August 31, 2022), and the results of audit on the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee
2. Non-consolidated financial Statements for the 36th fiscal year (from September 1, 2021 to August 31, 2022)

Proposals to be resolved:

- Proposal No. 1:** Amendments to the Articles of Incorporation
- Proposal No. 2:** Election of Four (4) Directors Who Are Not Audit & Supervisory Committee Members
- Proposal No. 3:** Election of Three (3) Directors Who Are Audit & Supervisory Committee Members
- Proposal No. 4:** Election of One (1) Substitute Director Who Is an Audit & Supervisory Committee Member
- Proposal No. 5:** Election of Accounting Auditor

- When attending the meeting on the day, please submit the enclosed voting rights exercise form at the reception desk. In addition, we ask that you bring this booklet for the purpose of conserving resources.

Internet Disclosure

- Of the documents to be provided with this Notice, the Company’s Structure and Policy, Consolidated Statements of Changes in Net Assets, Notes to Consolidated Financial Statements, Non-consolidated Statements of Changes in Net Assets, and Notes to Non-consolidated Financial Statements are posted on the Company’s website (<https://www.transaction.co.jp/>) according to the provisions of laws and regulations and Article 14 of the Company’s Articles of Incorporation, and therefore are not provided in this Notice. Accordingly, the documents attached herein are part of the Consolidated Financial Statements and Financial Statements audited by the Accounting Auditors to prepare the audit report and part of the Business Report, Consolidated Financial Statements, and Financial Statements audited by the Audit & Supervisory Committee to prepare the same.
- Any necessary changes to the content of reference documents for the general meeting of shareholders, business report, consolidated financial statements, and financial statements will be updated on the Company’s website (<https://www.transaction.co.jp/>).
- Please note that we will post results of resolutions at this Annual General Meeting of Shareholders on the Company’s website (<https://www.transaction.co.jp/>) instead of sending you a written resolution result notice.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Amendments to the Articles of Incorporation

1. Reasons for the proposal

- (1) Accompanying the 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) on September 1, 2022, and the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format, the Company proposes to make the following changes to its Articles of Incorporation.
 - (i) Article 14, paragraph 1 in “Proposed Amendments” below will stipulate that the Company shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.
 - (ii) Article 14, paragraph 2 in “Proposed Amendments” below will establish the provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
 - (iii) Since Article 14 of the current Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) will no longer be required, it will be deleted.
 - (iv) Accompanying the aforementioned deletion of provisions, supplementary provisions will be established.
- (2) To ensure flexibility in the operation of general meetings of shareholders and meetings of the Board of Directors, the Company proposes to make changes to the convener and chairmanship stipulated in Article 13 and Article 22 of the Articles of Incorporation.

2. Contents of the Amendments

Details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>(Convener and Chairmanship of General Meeting of Shareholders)</p> <p>Article 13</p> <p>1. Unless otherwise provided for by laws and regulations, the President and Director shall convene a general meeting of shareholders by the resolution of the Board of Directors. In cases where the President and Director <u>is</u> prevented from so acting, another Director who is designated in accordance with an order of priority determined in advance by the Board of Directors shall convene a general meeting of shareholders.</p> <p>2. The <u>President and</u> Director shall chair <u>a general meeting of shareholders</u>. In cases where <u>the President and</u> Director is prevented from so acting, another Director who is designated in accordance with an order of priority determined in advance by the Board of Directors shall chair a general meeting of shareholders.</p>	<p>(Convener and Chairmanship of General Meeting of Shareholders)</p> <p>Article 13</p> <p>1. Unless otherwise provided for by laws and regulations, <u>the Chairman and Director or</u> the President and Director shall convene a general meeting of shareholders by the resolution of the Board of Directors. In cases where <u>the Chairman and Director and</u> the President and Director <u>are</u> prevented from so acting, another Director who is designated in accordance with an order of priority determined in advance by the Board of Directors shall convene a general meeting of shareholders.</p> <p>2. The Director <u>who convened a general meeting of shareholders</u> shall chair <u>the meeting</u>. In cases where <u>that</u> Director is prevented from so acting, another Director who is designated in accordance with an order of priority determined in advance by the Board of Directors shall chair a general meeting of shareholders.</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u></p> <p><u>Article 14</u></p> <p><u>When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or presented in the reference documents for the general meeting of shareholders, business report, financial statements and consolidated financial statements through the Internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p> <p style="text-align: center;"><Newly established></p>	<p style="text-align: center;"><Deleted></p> <p><u>(Measures, etc. for Providing Information in Electronic Format)</u></p> <p><u>Article 14</u></p> <ol style="list-style-type: none"> <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 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><u>(Convener and Chairmanship of Meeting of the Board of Directors)</u></p> <p><u>Article 22</u></p> <ol style="list-style-type: none"> <u>1. Unless otherwise provided for by laws and regulations, the President and Director shall convene a meeting of the Board of Directors and chair the meeting.</u> <u>2. In cases where the post of the President and Director is vacant, or the President and Director is prevented from so acting, another Director who is designated in accordance with an order of priority determined in advance by the Board of Directors shall convene a meeting of the Board of Directors and chair the meeting.</u> <p style="text-align: center;"><Newly established></p>	<p><u>(Convener and Chairmanship of Meeting of the Board of Directors)</u></p> <p><u>Article 22</u></p> <ol style="list-style-type: none"> <u>1. Unless otherwise provided for by laws and regulations, the Chairman and Director or the President and Director shall convene a meeting of the Board of Directors, and the Director who convened the meeting shall chair the meeting.</u> <u>2. In cases where the post of the Director set forth in the preceding paragraph is vacant, or the Director set forth in the preceding paragraph is prevented from so acting, another Director who is designated in accordance with an order of priority determined in advance by the Board of Directors shall convene a meeting of the Board of Directors and chair the meeting.</u> <p><u>(Supplementary Provisions)</u></p> <ol style="list-style-type: none"> <u>1. Article 14 of the Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) shall remain effective regarding any general meeting of shareholders held on a date within six (6) months from September 1, 2022 (hereinafter referred to as the “Date of Enforcement”).</u> <u>2. These Supplementary Provisions shall be deleted on the date when six (6) months have elapsed from the Date of Enforcement or three (3) months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u>

Proposal No. 2: Election of Four (4) Directors Who Are Not Audit & Supervisory Committee Members

The terms of office of all four (4) Directors who are not Audit & Supervisory Committee members will expire at the conclusion of this general meeting of shareholders. Accordingly, the Company proposes the election of four (4) Directors who are not Audit & Supervisory Committee members. The Audit & Supervisory Committee has determined, after taking into consideration the status of business execution by the following candidates and other aspects in the current fiscal year, that they are all qualified for the position.

The candidates for Directors who are not Audit & Supervisory Committee members are as follows.

Candidate No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
1	<p>Satoshi Ishikawa (October 13, 1961)</p> <p>Re-election Male</p>	<p>Apr. 1984 Joined Jun Co., Ltd.</p> <p>Jan. 1987 Established Trans Co., Ltd. (currently Transaction Co., Ltd.); President and Representative Director (current position)</p> <p>May 2008 Chairman of the Board of Directors of T3 Design Co., Ltd. (current position)</p> <p>Nov. 2008 Chairman of the Board of Directors of Trans Co., Ltd. (current position)</p> <p>Chairman of the Board of Directors of Trade Works Co., Ltd. (current position)</p> <p>Apr. 2010 Chairman of the Board of Directors of Kraftwerk Co., Ltd. (current position)</p> <p>Oct. 2019 Chairman of the Remuneration Committee of the Company (current position)</p> <p>Significant concurrent positions</p> <p>Chairman of the Board of Directors of Trans Co., Ltd.</p> <p>Chairman of the Board of Directors of Trade Works Co., Ltd.</p> <p>Chairman of the Board of Directors of Kraftwerk Co., Ltd.</p> <p>Chairman of the Board of Directors of T3 Design Co., Ltd.</p>	8,683,500
<p>Reason for nomination as candidate for Director who is not an Audit & Supervisory Committee member</p> <p>Mr. Satoshi Ishikawa, the founder of the Company, has served as the Representative Director since the establishment of the Company, and has led the Company and the Company Group with a futuristic vision. He has played a role that contributes to improving the corporate value of the entire Company Group, such as through decisions on important management matters and supervision of business execution. Accordingly, we have judged that he is qualified to continue to be a Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
2	<p style="text-align: center;">Keiichi Chiba (October 24, 1965)</p> <p style="text-align: center;">Re-election Male</p>	<p>Oct. 1989 Joined Namco Limited (currently Bandai Namco Entertainment Inc.)</p> <p>Oct. 2001 Joined the Company; Manager of the Planning Section</p> <p>June 2003 Manager of the Sales department of Trade Works Co., Ltd.</p> <p>Sept. 2005 Executive Officer, General Manager of the Sales Division</p> <p>July 2007 Director, General Manager of Operations Division</p> <p>Aug. 2007 Director of the Company</p> <p>Jan. 2008 Director of Trans Co., Ltd. (current position)</p> <p>Sept. 2019 President and Representative Director of Trade Works Co., Ltd. (current position)</p> <p>Nov. 2019 Director of Kraftwerk Co., Ltd. (current position)</p> <p>Nov. 2020 Managing Director of the Company</p> <p>Nov. 2020 Senior Managing Director (current position)</p> <p>Significant concurrent positions</p> <p>President and Representative Director of Trade Works Co., Ltd.</p> <p>Director of Trans Co., Ltd.</p> <p>Director of Kraftwerk Co., Ltd.</p>	233,800
<p>Reason for nomination as candidate for Director who is not an Audit & Supervisory Committee member</p> <p>Mr. Keiichi Chiba assumed the position of Director in August 2007. In addition, he has led Trade Works Co., Ltd., a major operating company of the Company Group, as the Representative Director while demonstrating his strong leadership. He has a wealth of knowledge and achievements in the management of group companies and operation of operating companies due to his long years of experience. Accordingly, we have judged that he is qualified to continue to be a Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
3	Yoshinari Kitayama (April 9, 1965) Re-election Male	<p>Apr. 1988 Joined Nomura Securities Co., Ltd. (currently Nomura Holdings, Inc.)</p> <p>June 2015 Joined the Company; Executive Officer, General Manager of Office of the President</p> <p>Nov. 2015 Director in charge of the Accounting Department, Corporate Planning Department, Finance Department, General Affairs Department, and System Department of the Company</p> <p>Sept. 2016 Director in charge of the Accounting Department, Corporate Planning Department, General Affairs Department, and System Department</p> <p>Nov. 2016 Director of Kraftwerk Co., Ltd. (current position) Director of T3 Design Co., Ltd. (current position)</p> <p>Sept. 2018 Director in charge of the Accounting Department, Corporate Planning Department, Human Resources Department, General Affairs Department, and System Department of the Company (current position)</p> <p>Significant concurrent positions Director of Kraftwerk Co., Ltd. Director of T3 Design Co., Ltd.</p>	77,300
Reason for nomination as candidate for Director who is not an Audit & Supervisory Committee member Mr. Yoshinari Kitayama assumed the position of Director in November 2015, and since then, he has led the administrative divisions of the Company and its Group with his strong leadership. He has a wealth of knowledge and achievements in the supervision of these administrative divisions due to his long years of experience including his previous career. Accordingly, we have judged that he is qualified to continue to be a Director.			
4	Yukiko Iguchi (October 9, 1965) Re-election Female	<p>Apr. 1988 Joined Marui Co., Ltd. (currently Marui Group Co., Ltd.)</p> <p>Aug. 2001 Seconded to Aim Create Co., Ltd.</p> <p>May 2008 President and Representative Director of T3 Design Co., Ltd.</p> <p>Nov. 2016 Director of Trans Co., Ltd.</p> <p>Nov. 2018 Director of the Company (current position)</p> <p>Mar. 2019 President and Representative Director of Trans Co., Ltd. (current position) Director of Trade Works Co., Ltd. (current position) Director of T3 Design Co., Ltd. (current position)</p> <p>Significant concurrent positions President and Representative Director of Trans Co., Ltd. Director of Trade Works Co., Ltd. Director of T3 Design Co., Ltd.</p>	47,300
Reason for nomination as candidate for Director who is not an Audit & Supervisory Committee member Ms. Yukiko Iguchi has led T3 Design Co., Ltd., one of the Company's Group companies, over many years as its Representative Director. In addition, since March 2019, she has served as the Representative Director of Trans Co., Ltd., a major operating company of the Company Group. She has a wealth of knowledge and achievements in the management of group companies and operation of operating companies due to her wide range of experience. Accordingly, we have judged that she is qualified to continue to be a Director.			

- (Notes) 1. There is no special interest between the Company and each candidate.
2. The Company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. A summary of the content of the said insurance contract is described

on page 27 of the business report (in Japanese only). If the election of the candidates for Directors who are not Audit & Supervisory Committee members is approved, all of them will continue to be included as insured under the insurance policy. The Company intends to renew this insurance contract with the same terms and conditions at the time of next renewal.

Proposal No. 3: Election of Three (3) Directors Who Are Audit & Supervisory Committee Members

The terms of office of all four (4) Directors who are currently Audit & Supervisory Committee members will expire at the conclusion of this general meeting of shareholders. Accordingly, the Company proposes the election of three (3) Directors who are Audit & Supervisory Committee members. This proposal has been accepted by the Audit & Supervisory Committee.

The candidates for Directors who are Audit & Supervisory Committee members are as follows.

Candidate No.	Name (Date of birth)	Career summary and positions	Number of shares of the Company held
1	Toshiro Sasaki (September 21, 1952) Re-election Outside Independent Male Number of years in office as an outside Director: Six	<p>Apr. 1976 Joined Kirin Brewery Company, Limited (currently Kirin Holdings Company, Limited)</p> <p>Mar. 2007 Executive Officer of Kirin Holdings Company, Limited</p> <p>Mar. 2008 President and Representative Director of Kirin Agribio Co., Ltd.</p> <p>Mar. 2010 Full-time Audit & Supervisory Board Member of Kirin Logistics Co., Ltd.</p> <p>June 2011 Audit & Supervisory Board Member of Hakugen Co., Ltd.</p> <p>Nov. 2013 Full-time Audit & Supervisory Board Member of the Company Audit & Supervisory Board Member of Trans Co., Ltd. (current position) Audit & Supervisory Board Member of Trade Works Co., Ltd. (current position) Auditor of Shanghai Trade Works Co., Ltd. (current position)</p> <p>Nov. 2016 Outside Director who is an Audit & Supervisory Committee member (full-time) of the Company (current position)</p> <p>Sept. 2018 Audit & Supervisory Board Member of Kraftwerk Co., Ltd. (current position) Audit & Supervisory Board Member of T3 Design Co., Ltd. (current position)</p> <p>Oct. 2019 Member of the Remuneration Committee of the Company (current position)</p> <p>Significant concurrent positions Audit & Supervisory Board Member of Trans Co., Ltd. Audit & Supervisory Board Member of Trade Works Co., Ltd. Audit & Supervisory Board Member of Kraftwerk Co., Ltd. Audit & Supervisory Board Member of T3 Design Co., Ltd. Auditor of Shanghai Trade Works Co., Ltd.</p>	700
<p>Reason for nomination as candidate for outside Director who is an Audit & Supervisory Committee member and overview of expected roles</p> <p>The reason why we have nominated Mr. Toshiro Sasaki as a candidate for outside Director who is a member of the Audit & Supervisory Committee is that, because of his extensive experience, etc. as a company owner and Audit & Supervisory Board Member, we expect him to contribute to ensuring the soundness and adequacy of the management of the Company through beneficial views and candid assessments concerning the management of the Company.</p>			

Candidate No.	Name (Date of birth)	Career summary and positions	Number of shares of the Company held
2	<p>Takeo Tochimoto (January 1, 1965)</p> <p>Re-election Outside Independent Male</p> <p>Number of years in office as an outside Director: Four</p>	<p>Apr. 1988 Joined the Bank of Japan</p> <p>Oct. 2003 Joined AZSA & Co. (currently KPMG AZSA LLC)</p> <p>May 2007 Registered as a certified public accountant</p> <p>Jan. 2009 Established Tochimoto CPA Office; President (current position)</p> <p>July 2011 Established Credo Inc.; Representative Director (current position)</p> <p>Nov. 2016 Director of Takataki Links Club Limited</p> <p>Nov. 2018 Outside Director who is an Audit & Supervisory Committee member of the Company (current position)</p> <p>Mar. 2019 Outside Audit & Supervisory Board Member of Ridge-i Inc.</p> <p>Oct. 2019 Member of the Remuneration Committee of the Company (current position)</p> <p>May 2022 Outside Director (Audit & Supervisory Committee Member) of Ridge-i Inc. (current position)</p> <p>Significant concurrent positions President of Tochimoto CPA Office Representative Director of Credo Inc. Outside Director (Audit & Supervisory Committee Member) of Ridge-i Inc.</p>	3,000
<p>Reason for nomination as candidate for outside Director who is an Audit & Supervisory Committee member and overview of expected roles</p> <p>The reason why we have nominated Mr. Takeo Tochimoto as a candidate for outside Director who is a member of the Audit & Supervisory Committee is that, because of his extensive experience, etc. as a banker and certified public accountant, we expect him to contribute to ensuring the soundness and adequacy of the management of the Company through beneficial views and candid assessments concerning the management of the Company.</p>			

Candidate No.	Name (Date of birth)	Career summary and positions	Number of shares of the Company held
3	<p>Yumiko Matsuo (Name on family register: Yumiko Yoshimura) (January 13, 1965)</p> <p>Re-election Outside Independent Female</p> <p>Number of years in office as an outside Director: Two</p>	<p>Apr. 1990 Registered with Daini Tokyo Bar Association Joined Anderson Mori & Rabinowitz (currently Anderson Mori & Tomotsune)</p> <p>Sept. 1995 Obtained a license as an attorney-at-Law in New York, USA</p> <p>June 1997 Joined Hirakawa, Sato & Kobayashi (currently City-Yuwa Partners)</p> <p>Jan. 2010 Registered with Kanagawa Bar Association Joined Minato International Law Office (current position)</p> <p>June 2016 Outside Director (Audit & Supervisory Committee member) of SDS Biotech K.K.</p> <p>Dec. 2018 Outside Director of Triumphfield Holdings Co., Ltd. (current position)</p> <p>June 2020 Outside Director (Audit & Supervisory Committee member) of KAWASUMI LABORATORIES, INC. (currently SB- KAWASUMI LABORATORIES, INC.)</p> <p>Nov. 2020 Outside Director who is an Audit & Supervisory Committee member of the Company (current position)</p> <p>Aug. 2022 Outside Director of Sigmakoki Co., Ltd. (current position)</p> <p>Significant concurrent positions Lawyer of Minato International Law Office Outside Director of Triumphfield Holdings Co., Ltd. Outside Director of Sigmakoki Co., Ltd.</p>	300
<p>Reason for nomination as candidate for outside Director who is an Audit & Supervisory Committee member and overview of expected roles</p> <p>The reason why we have nominated Ms. Yumiko Matsuo as a candidate for outside Director who is a member of the Audit & Supervisory Committee is that, because she has expert knowledge and ample professional experience as a lawyer and has provided many companies with advice or supervision concerning management from an independent standpoint, we can fully expect her to contribute to the enhancement of supervision of the Company's management. Although she has no experience of being involved in corporate management other than as an outside officer, we have judged, from the above reason, that she is capable of properly performing her duties as an outside Director.</p>			

- (Notes)
- There is no special interest between the Company and each candidate.
 - Each candidate is a candidate for outside Director.
 - The Company has reported to Tokyo Stock Exchange, Inc. the above candidates, Mr. Toshiro Sasaki, Mr. Takeo Tochimoto, and Ms. Yumiko Matsuo, that it designated as Independent Directors as stipulated by Tokyo Stock Exchange, Inc. If these candidates are re-elected as outside Directors at this General Meeting of Shareholders, the Company intends to have them continue to serve as independent directors.
 - Article 33, paragraph 2 of the Company's Articles of Incorporation sets forth that pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company may enter into contracts with Directors (excluding Executive Directors, etc.) that limit their liability for damages arising from neglecting their duties, and based on this, the Company has concluded such liability limitation contracts with the above candidates, Mr. Toshiro Sasaki, Mr. Takeo Tochimoto, and Ms. Yumiko Matsuo. The amount of limit of their liabilities to compensate for damages under the said contract is the higher of ¥10 million or the minimum liability amount specified in Article 425, paragraph (1) of the Companies Act. If the re-election of each candidate is approved at this General Meeting of Shareholders, the Company intends to continue the contract.
 - The Company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. A summary of the content of the said insurance contract is described on page 27 of the business report (in Japanese only). If the election of candidates for Directors who are Audit & Supervisory Committee members is approved, all of them will continue to be included as insured under the insurance policy. The Company intends to renew this insurance contract with the same terms and conditions at the time of the next renewal.

(Reference) Skills Matrix of Directors upon approval of Proposal 2 and Proposal 3

		Directors who are not Audit & Supervisory Committee members				Directors who are Audit & Supervisory Committee members		
Position		President and Representative Director	Senior Managing Director	Director	Director	Outside Director (full-time)	Outside Director	Outside Director
Name		Satoshi Ishikawa	Keiichi Chiba	Yoshinari Kitayama	Yukiko Iguchi	Toshiro Sasaki	Takeo Tochimoto	Yumiko Matsuo
Outside Director/ Independent Officer						Outside Independent	Outside Independent	Outside Independent
Structure of meetings and committees	Board of Directors meeting (★ indicates chairperson)	★	●	●	●	●	●	●
	Audit & Supervisory Committee (★ indicates chairperson)					★	●	●
	Remuneration Committee (★ indicates chairperson)	★				●	●	

Knowledge and experience held by Directors	Management (President)	●	●		●	●	●	
	Sales/marketing	●	●		●	●		
	E-commerce	●	●		●			
	New business development	●	●					
	Product planning/ development	●	●					
	Production, procurement, logistics	●	●					
	ESG, sustainability, diversity	●	●	●	●	●		●
	Risk management	●	●	●	●	●	●	●
	Law/compliance			●		●		●
	Finance/ accounting			●			●	
Professional licenses and others							Certified public accountant/ tax accountant	Lawyer/ attorney-at-Law in New York State, USA

(Note) The above list uses a dot “●” to show the major types of knowledge and experience held by each Director, but does not show all of their knowledge and experience.

Details of knowledge and experience

Management (President)	Experience of corporate management (President)
Sales/marketing	Knowledge and experience concerning sales/marketing
E-commerce	Knowledge and experience concerning E-commerce
New business development	Ability to respond to changes and skills of developing new business
Product planning/development	Ability to respond to changes and skills of planning and developing new products
Production, procurement, logistics	Knowledge and experience concerning production/production management, processing, and overseas procurement such as logistics
ESG, sustainability, diversity	Understanding of ESG, sustainability, and diversity
Risk management	Knowledge and experience concerning risk management
Law/compliance	Knowledge of laws, and knowledge and experience concerning compliance
Finance/accounting	Knowledge and experience concerning finance/accounting, etc.

Proposal No. 4: Election of One (1) Substitute Director Who Is an Audit & Supervisory Committee Member

The Company proposes the election of one (1) substitute Director who is an Audit & Supervisory Committee member to be ready to fill a vacant position should the number of Directors who are Audit & Supervisory Committee members fall below the number required by laws and regulations. If the substitute Director who is an Audit & Supervisory Committee member assumes the office of Director who is an Audit & Supervisory Committee Member, then in accordance with the Company's Articles of Incorporation, the term of that office will be the period up until the expiration of the original term of office of the Director who resigned. This proposal has been accepted by the Audit & Supervisory Committee.

The candidate for substitute Director who is an Audit & Supervisory Committee member is as follows.

Name (Date of birth)	Career summary and positions	Number of shares of the Company held
<p style="text-align: center;">Koji Sakuma (January 28, 1970)</p> <p style="text-align: center;">Outside Independent Male</p>	<p>Apr. 1992 Joined Canon Inc.</p> <p>Apr. 2001 Joined The Legal Training and Research Institute of Japan</p> <p>Oct. 2002 Registered as attorney at law (Dai-ichi Tokyo Bar Association) Joined Yuasa and Hara</p> <p>Feb. 2006 Joined Sakurai & Sakuma Law Office</p> <p>Sept. 2011 Joined Hanzomon Sogo Law Office</p> <p>June 2020 Joined Nakane Law Office</p> <p>Dec. 2020 Established Veritas Law Office (current position)</p> <p>Significant concurrent positions Lawyer of Veritas Law Office</p>	0
<p>Reason for nomination as candidate for substitute outside Director who is an Audit & Supervisory Committee member and overview of expected roles</p> <p>The reason why we have nominated Mr. Koji Sakuma as a candidate for substitute Director who is a member of the Audit & Supervisory Committee is that, because he has expert knowledge and ample professional experience as a lawyer, we can fully expect him to contribute to ensuring soundness and appropriateness in the Company's management through valuable opinions and frank guidance for the Company's management. Although he has no experience of being directly involved in corporate management up until now, we have judged from his ample insight regarding corporate management, particularly due to his experience in corporate legal affairs, that he is capable of properly performing his duties as an outside Director who is a member of the Audit & Supervisory Committee.</p>		

- (Notes)
1. There is no special interest between the Company and Mr. Koji Sakuma.
 2. The candidate Mr. Koji Sakuma is a candidate for substitute outside Director.
 3. If Mr. Koji Sakuma assumes the office of Director who is an Audit & Supervisory Committee Member, the Company plans to designate him as an Independent Director as stipulated by Tokyo Stock Exchange, Inc. and report the designation to the said exchange.
 4. Article 33, paragraph 2 of the Company's Articles of Incorporation sets forth that pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company may enter into contracts with Directors (excluding Executive Directors, etc.) that limit their liability for damages arising from neglecting their duties, and based on this, if the candidate Mr. Koji Sakuma is appointed as Director who is a member of the Audit & Supervisory Committee, the Company plans to conclude such a liability limitation contract with him. The amount of limit of his liability to compensate for damages under the said contract is the higher of ¥10 million or the minimum liability amount specified in Article 425, paragraph (1) of the Companies Act.
 5. The Company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. A summary of the content of the said insurance contract is described on page 27 of the business report (in Japanese only). If Mr. Koji Sakuma is appointed as Director who is a member of the Audit & Supervisory Committee, he will be included as an insured under the insurance policy.

Proposal No. 5: Election of Accounting Auditor

KPMG AZSA LLC, the Company’s Accounting Auditor, will step down at the conclusion of this Annual General Meeting of Shareholders after completing its term. Accordingly, the Company proposes the election of a new Accounting Auditor.

This proposal is being made based on the decision by the Audit & Supervisory Committee.

In addition, the Audit & Supervisory Committee decided to propose Grant Thornton Taiyo LLC as the candidate for Accounting Auditor as it can expect auditing from a new point of view that is suited to the business circumstances of the Group and as the candidate is appropriately qualified as the Company’s Accounting Auditor as a result of comprehensive consideration of factors such as expertise, independence, professional ethics, quality control scheme required as Accounting Auditor and level of compensation for auditing services being appropriate for the size of operations.

The candidate for Accounting Auditor is as follows.

(As of September 30, 2022)

Name	Grant Thornton Taiyo LLC		
Offices	Major office	1-2-7 Motoakasaka, Minato-ku Tokyo	
	Other offices	11 locations	
History	Sept. 1971	Established Taiyo Audit Corporation	
	Oct. 1994	Joined Grant Thornton International Ltd	
	Jan. 2006	Merged with ASG Audit Corporation and changed the name to Grant Thornton Taiyo ASG Audit Corporation	
	July 2008	Transitioned its structure to a limited liability organization and changed the name to Grant Thornton Taiyo ASG LLC	
	July 2012	Merged with Eisho Audit Corporation	
	Jan. 2013	Merged with Kasumigaseki Audit Corporation	
	Oct. 2014	Changed the name to Grant Thornton Taiyo LLC	
	July 2018	Merged with YUSEI Audit & Co.	
Overview	Members	Senior Partners and Partners	89
		Specified Partners	4
		Certified Public Accountants	298
		Persons who have passed the certified public accountant examination, etc.	234
		Other professionals	185
		Administrative staff	95
		Contract workers	204
		Total	1,109
	Number of companies audited pursuant to the Financial Instruments and Exchange Act and the Companies Act		332