

To Our Shareholders

36-1, Shimorenjyaku 3-chome, Mitaka-shi, Tokyo

ABIST Co., Ltd.

Shin Akira,

Representative Directors and President

Convocation Notice for the 17th Term Annual General Shareholders Meeting

To whom it may concern, Thank you for continuously doing business with us.

We would like to inform you that the 17th Annual General Shareholders Meeting of ABIST Co., Ltd. (the “Company”) will be held as described below.

In light of the current COVID-19 situation, we request that you exercise your voting rights by mail or on the internet as much as possible as we attempt to ensure the safety of our shareholders and prevent the spread of infection. Please review the following Reference Documents for the General Meeting of Shareholders and exercise your voting rights no later than 5:30 p.m., Thursday, December 22, 2022 (Japan Standard Time).

Sincerely,

Details

1. Date and Time Friday, December 23, 2022 at 10:00 a.m. (JST)
(Reception desk opens at 9:30 a.m.)
2. Location Crescent Room, Nakano Sunplaza 14F,
1-1, Nakano 4-chome, Nakano-ku, Tokyo
(Please see the location map at the end of this notice.)
3. Meeting Agenda
Matters for reporting: 1. Business reports and consolidated financial statements for the
Company’s 17th term (from October 1, 2021 to September 30, 2022)
and audit result reports of consolidated financial statements by the
Accounting Auditor and the Board of Corporate Auditors
2. Non-consolidated financial statements for the 17th term (from
October 1, 2021 to September 30, 2022)
- Matters for resolution:
Proposal No. 1: Appropriation of surplus
Proposal No. 2: Partial amendment to the Articles of Incorporation
Proposal No. 3: Election of six (6) Directors (excluding Directors who are Audit and
Supervisory Committee Members)
Proposal No. 4: Election of Four(4) Directors who are Audit and Supervisory
Committee Members
Proposal No. 5: To establish amounts of remuneration to Directors (excluding
Directors who are Audit and Supervisory Committee Members)
Proposal No. 6: To establish amounts of remuneration to Directors who are Audit and
Supervisory Committee Members
Proposal No. 7: Presentation of retirement bonuses to retiring Auditors
Proposal No. 8: Approval for a merger agreement signed with a consolidated subsidiary

Reference Documents for the General Shareholders Meeting

Proposals and Reference Issues

Proposal No. 1: Appropriation of surplus

The Company proposes the appropriation of surplus as follows:

Matters related to year-end dividends

We plan to pay the year-end dividends for the 17th term as detailed below based on our policy to provide stable and continuous profit return according to the financial results for the fiscal year under review.

(1) Type of dividend property

Cash

(2) Allotment of dividend property and their aggregate amount

The Company proposes to pay a dividend of ¥102 per common share of the Company.

Total amount: ¥405,921,546

(3) Effective date of dividends of surplus

December 26, 2022

Proposal No. 2: Partial amendment to the Articles of Incorporation

1. Reason for proposal

The Company will shift to the system of a Company with Audit and Supervisory Committee to improve the supervisory function of the Board of Directors and corporate governance, thereby increasing management transparency and accelerating decision-making. In this connection, the Company will revise its Articles of Incorporation to add new provisions on the Audit and Supervisory Committee and its members, delete provisions on the Board of Corporate Auditors and Auditors, and make other changes as necessary.

The enforcement on September 1, 2022, of the revised provisions of the proviso of Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) requires that the Company establish new provisions to provide information in the reference documents used for its General Meetings of Shareholders in an electronic format and to limit the information provided in the paper version of these documents provided to shareholders upon request, delete the provisions on the disclosure of reference documents for the General Meetings of Shareholders on the internet and de facto provision, and establish supplementary provisions on interim measures and other matters.

These revisions will take effect at the conclusion of the General Shareholders Meeting.

2. Details of amendments

Details of the amendments are as follows.

(Underlining indicates amendments)

Existing Articles of Incorporation	Proposed Amendments
Chapter 1. General Provisions Article 1 to Article 4 (omitted)	Chapter 1. General Provisions Article 1 to Article 4 (unchanged)
Chapter 2. Shares Article 5 to Article 11 (omitted)	Chapter 2. Shares Article 5 to Article 11 (unchanged)
Chapter 3. General Shareholders Meeting Article 12 to Article 13 (omitted) <u>Article 14 (Internet Disclosure and De Facto Provision of Reference Documents for General Meeting of Shareholders, etc.)</u>	Chapter 3. General Shareholders Meeting Article 12 to Article 13 (unchanged) (Deleted)

Existing Articles of Incorporation	Proposed Amendments
<p><u>When convening the General Shareholders Meeting, the Company may consider the information disclosed on the matters that should be specified or recorded in Reference Documents for the General Shareholders Meeting, business reports, financial statements, and consolidated financial statements via methods that use the internet pursuant to the Ministry of Justice ordinance as having been provided to the shareholders.</u> (New provision)</p> <p>Article 15 to Article 17 (omitted)</p>	<p><u>Article 14 (Electronic Provision Measure, etc.)</u> The Company shall, when convening a General Shareholders Meeting, provide information contained in the Reference Documents for the General Shareholders Meeting, etc. electronically. <u>2. The Company may omit all or part of information specified in the Ordinance of the Ministry of Justice and provided in an electronic form from documents delivered to shareholders who have requested paper-form documents before the record date of voting rights.</u> Article 15 to Article 17 (unchanged)</p>
<p>Chapter 4. Directors and Board of Directors Article 18 (omitted) Article 19 (Number of Directors) The number of Directors of the Company shall be no more than fifteen (15). (New provision)</p> <p>Article 20 (Election of Directors) Directors shall be elected by resolution of the General Shareholders Meeting.</p> <p>Article 20-2 and -3 (omitted) Article 21. (omitted) (New provision)</p> <p>(New provision)</p> <p>Article 22 (Representative Directors and Executive Directors) <u>Representative Directors shall be appointed by resolution of the Board of Directors.</u></p>	<p>Chapter 4. Directors and Board of Directors Article 18 (unchanged) Article 19 (Number of Directors) The number of Directors of the Company (<u>excluding Directors who serve as Audit and Supervisory Committee Members</u>) shall be no more than fifteen (15). <u>2. The number of Directors of the Company, who serve as Audit and Supervisory Committee Members (hereinafter referred to as "Audit and Supervisory Committee Members"), shall be no more than four (4).</u> Article 20 (Election of Directors) Directors shall be elected by resolution of the General Shareholders Meeting by <u>distinguishing between the Audit and Supervisory Committee Members and other Directors.</u> Article 20-3 and -3 (unchanged) Article 21. (unchanged) <u>2. Notwithstanding the provisions of the preceding paragraph, the term of office of the Audit and Supervisory Committee Members shall continue until the conclusion of the Annual General Shareholders Meeting for the last business year that ends within two (2) years from the time of their election.</u> <u>3. The term of office of an Audit and Supervisory Committee Member who were appointed as a substitute continue until the expiration of the term of office of the retired Audit and Supervisory Committee Member.</u> Article 22 (Representative Directors and Executive Directors) <u>The Company shall elect a Representative Director from the Directors who are not Audit and Supervisory Committee Members, by resolution of its Board of Directors.</u></p>

Existing Articles of Incorporation	Proposed Amendments
<p>Article 22-2 (omitted) 3. The Board of Directors may appoint one (1) Director and President, and when necessary, one (1) Director and Chairman, several Directors and Vice Presidents, several Senior Managing Directors and several Managing Directors by its resolution.</p> <p>Article 23 (omitted)</p> <p>Article 24 (Notice of Convocation of a Meeting of the Board of Directors) A notice of convocation of a meeting of the Board of Directors shall be sent to each Director <u>and each Auditor</u> no later than three (3) days prior to the scheduled date of meeting; provided, however, that in urgent circumstances this period may be shortened.</p> <p>Article 25 (omitted)</p> <p>Article 26 (Omission of Resolution of Board of Directors) In the case where all Directors have consented, either in writing or in the form of an electromagnetic record, to matters requiring a resolution of a meeting of the Board of Directors, it shall be deemed by the Company that a resolution for the approval of these matters has been adopted by the Board of Directors; <u>provided, however, that this shall not apply when an Auditor states their objections.</u></p> <p style="text-align: center;">(New provision)</p> <p>Article 27 (Minutes of Meetings of the Board of Directors) The substance of the proceedings and the results of the meeting of the Board of Directors, and the matters stipulated in the applicable laws and regulations shall be entered or recorded in the minutes, and <u>the Directors and the Auditors present</u> shall affix their names and seals or their electronic signatures thereto.</p> <p>Article 28 (Regulations of the Board of Directors) Matters concerning the Board of Directors shall be governed by rules for the Board of Directors established by the Board of Directors, as well as laws and regulations and the Articles of Incorporation.</p>	<p>Article 22-2 (unchanged) 3. The Board of Directors may appoint one (1) Director and President, and when necessary, one (1) Director and Chairman and several Directors and Vice Presidents, several Senior Managing Directors and several Managing Directors, from among the Directors <u>who are not Audit and Supervisory Committee Members</u>, by its resolution.</p> <p>Article 23 (unchanged)</p> <p>Article 24 (Notice of Convocation of a Meeting of the Board of Directors) A notice of convocation of a meeting of the Board of Directors shall be sent to each Director no later than three (3) days prior to the scheduled date of meeting; provided, however, that in urgent circumstances this period may be shortened.</p> <p>Article 25 (unchanged)</p> <p>Article 26 (Omission of Resolution of Board of Directors) In the case where all Directors have consented, either in writing or in the form of an electromagnetic record, to matters requiring a resolution of a meeting of the Board of Directors, it shall be deemed by the Company that a resolution for the approval of these matters has been adopted by the Board of Directors;</p> <p><u>Article 27 (Delegation of Decisions on Execution of Operations to Directors)</u> <u>The Company may delegate all or part of its decisions regarding the execution of important operations (excluding the matters listed in each item of Article 399-13, Paragraph 5 of the Companies Act) to Directors by resolution of the Board of Directors pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act.</u></p> <p>Article 28 (Minutes of Meetings of the Board of Directors) The substance of the proceedings and the results of the meeting of the Board of Directors, and the matters stipulated in the applicable laws and regulations shall be entered or recorded in the minutes, and <u>the Directors present</u> shall affix their names and seals or their electronic signatures thereto.</p> <p>Article 29 (Regulations of the Board of Directors) Matters concerning the Board of Directors shall be governed by rules for the Board of Directors established by the Board of Directors, as well as laws and regulations and the Articles of Incorporation.</p>

Existing Articles of Incorporation	Proposed Amendments
<p>Article <u>29</u> (Remuneration, Etc. for Directors) The remuneration, bonuses, and other economic benefits received by Directors from the Company in consideration of their performance of their duties (hereinafter "Remuneration etc.") shall be determined by resolution of the General Shareholders Meeting.</p> <p>Article <u>30</u> (Exemption of Directors from Liability) 1 to 2 (omitted)</p>	<p>Article <u>30</u> (Remuneration, Etc. for Directors) Remuneration, bonuses, and other economic benefits received by Directors from the Company in consideration of performance of their duties (hereinafter referred to as "Remuneration") shall be <u>determined separately between Audit and Supervisory Committee Members and other Directors</u> by resolution of the General Shareholders Meeting.</p> <p>Article <u>31</u> (Exemption of Directors from Liability) 1 to 2 (unchanged)</p>
<p>Chapter 5. <u>Auditors and Board of Corporate Auditors</u> Article 31 (Establishment of Auditors and <u>Board of Corporate Auditors</u>) The Company shall have <u>Auditors and the Board of Corporate Auditors</u>. <u>Article 32 (Number of Auditors)</u> The number of Auditors of the Company shall be no more than four (4). <u>Article 33 (Election of Auditors)</u> <u>Auditors shall be elected by resolution of the General Shareholders Meeting.</u> <u>2. A resolution to elect Auditors shall require a majority of votes cast by shareholders present at the meeting who hold one third (1/3) or more of the voting rights of shareholders entitled to exercise their voting rights.</u> <u>Article 34 (Term of Office of Auditors)</u> <u>The term of office of Auditors shall continue until the conclusion of the Annual General Shareholders Meeting for the last business year, which ends within four (4) years from the date of their election.</u> <u>2. The term of office of an Auditor elected as an alternate shall continue until the expiration of the term of office of the retired Auditor.</u> <u>Article 35 (Full-time Auditors)</u> <u>The Board of Corporate Auditors shall appoint a full-time member from among the Board of Corporate Auditors.</u> <u>Article 36 (Notice of Convocation of a Meeting of Board of Corporate Auditors)</u> The notice of convocation of the <u>Board of Corporate Auditors meeting</u> shall be issued to each <u>Auditors</u> no later than three (3) days prior to the date of the meeting; provided, however, that in urgent circumstances this period may be shortened.</p> <p>2. A meeting of the <u>Board of Corporate Auditors</u> may be held without the convocation procedure upon the unanimous consent of the <u>Auditors</u>.</p>	<p>Chapter 5. <u>Audit and Supervisory Committee</u> Article <u>32</u> (Establishment of <u>Audit and Supervisory Committee</u>) The Company shall have the <u>Audit and Supervisory Committee</u>.</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>Article <u>33</u> (Notice of Convocation of a Meeting of the <u>Audit and Supervisory Committee</u>) A notice of convocation of a meeting of the <u>Audit and Supervisory Committee</u> shall be sent to each <u>Audit and Supervisory Committee Member</u> no later than three (3) days prior to the scheduled date of meeting; provided, however, that in urgent circumstances this period may be shortened.</p> <p>2. A meeting of the <u>Audit and Supervisory Committee</u> may be held without going through the convocation procedures upon the unanimous consent of the <u>Audit and Supervisory Committee Members</u>.</p>

Existing Articles of Incorporation	Proposed Amendments
<p>Article <u>37</u> (Method of Resolution of the <u>Board of Corporate Auditors</u>) A resolution of the Board of Corporate Auditors shall be adopted by a majority vote of <u>Auditors, unless otherwise provided for in laws and regulations.</u></p> <p>Article <u>38</u> (Minutes of Meetings of the <u>Board of Corporate Auditors</u>) The substance of the proceedings and the results of the meeting of the Board of Corporate Auditors, and the matters stipulated in the applicable laws and regulations shall be entered or recorded in the minutes, and the <u>Auditors</u> present shall affix their names and seals or their electronic signatures thereto.</p> <p>Article <u>39</u> (Regulations of the <u>Board of Corporate Auditors</u>) Matters concerning the <u>Board of Corporate Auditors</u> shall be governed by the Regulations of the <u>Board of Corporate Auditors</u> established by the <u>Auditors</u>, in addition to those provided for in laws and regulations or these Articles of Incorporation.</p> <p><u>Article 40 (Remuneration, Etc. for Auditors)</u> <u>Remuneration, etc. for Auditors shall be determined by resolution of the General Shareholders Meeting.</u></p> <p><u>Article 41 (Exemption of Auditors from Liability)</u> <u>Pursuant to the provisions of paragraph (1), Article 426 of the Companies Act, the Company may exempt Auditors (including former Auditors) specified in paragraph (1), Article 423 of the Companies Act from liability for damages to the extent allowed by laws and regulations by resolution of the Board of Directors.</u></p> <p><u>2. Pursuant to the provisions of paragraph (1), Article 427 of the Companies Act, the Company may enter into an agreement with an Outside Auditor to limit his/her liability specified in paragraph (1), Article 423 of the Companies Act; provided, however, that the maximum amount of liability for damages based on the agreement shall be the amount specified in relevant laws and regulations.</u></p>	<p>Article <u>34</u> (Method of Resolution of the <u>Audit and Supervisory Committee</u>) A resolution of the <u>Audit and Supervisory Committee</u> shall be passed by a majority vote of Committee members at a meeting attended by a majority of the <u>members.</u></p> <p>Article <u>35</u> (Minutes of Meetings of the <u>Audit and Supervisory Committee</u>) The substance of the proceedings and the results of the meeting of the <u>Audit and Supervisory Committee</u>, and the matters stipulated in the applicable laws and regulations shall be entered or recorded in minutes, and the <u>Audit and Supervisory Committee Members</u> present shall affix their names and seals or their electronic signatures thereto.</p> <p>Article <u>36</u> (Regulations of the <u>Audit and Supervisory Committee</u>) Matters concerning the <u>Audit and Supervisory Committee</u> shall be governed by the Regulations of the <u>Audit and Supervisory Committee</u> established by the <u>Audit and Supervisory Committee</u>, in addition to those provided for in laws and regulations or these Articles of Incorporation.</p> <p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">(Deleted)</p>
<p style="text-align: center;">Chapter 6. Accounting Auditor</p> <p>Article <u>42</u> (Establishment of Accounting Auditor) (omitted)</p> <p>Article <u>43</u> (Appointment of Accounting Auditor) (omitted)</p> <p>Article <u>44</u> (Term of Office of Accounting Auditor) 1 to 2 (omitted)</p> <p>Article <u>45</u> (Remuneration, Etc. for Accounting Auditor) Remuneration, etc. for the Accounting Auditor shall be determined by the Representative Director by obtaining the consent of the <u>Board of Corporate Auditors.</u></p>	<p style="text-align: center;">Chapter 6. Accounting Auditor</p> <p>Article <u>37</u> (Establishment of Accounting Auditor) (unchanged)</p> <p>Article <u>38</u> (Appointment of Accounting Auditor) (unchanged)</p> <p>Article <u>39</u> (Term of Office of Accounting Auditor) 1 to 2 (unchanged)</p> <p>Article <u>40</u> (Remuneration, Etc. for Accounting Auditor) Remuneration, etc. for the Accounting Auditor shall be determined by the Representative Director by obtaining the consent of the <u>Audit and Supervisory Committee.</u></p>

Existing Articles of Incorporation	Proposed Amendments
<p>Chapter VII. Accounting Article 46 (Business Year) (omitted) Article 47 (Year-end Dividends) (omitted) Article 48 (Interim Dividends) (omitted) Article 49 (Limitation on Claim for Year-end Dividends, Etc.) 1 to 2 (omitted)</p>	<p>Chapter VII. Accounting Article 41 (Business Year) (unchanged) Article 42 (Year-end Dividends) (unchanged) Article 43 (Interim Dividends) (unchanged) Article 44 (Limitation on Claim for Year-end Dividends, Etc.) 1 to 2 (unchanged)</p>
<p>(New provision)</p> <p>(New provision)</p>	<p><u>Supplementary Provisions</u> <u>Article 1 (Transitional Measures Concerning Exemption of Auditors from Liability)</u> <u>The Company may exempt its Auditors (including those who were Auditors) from the liability for damages prescribed in Article 423, Paragraph 1 of the Companies Act in relation to their acts prior to the conclusion of the 17th Annual General Shareholders Meeting by resolution of the Board of Directors, to the extent permitted by law.</u> <u>2. Agreements to limit liability for damages in Article 423, Paragraph 1 of the Companies Act in relation to acts of Auditors (including those who were Auditors) prior to the conclusion of the 17th Annual General Shareholders Meeting shall still be as provided for in Article 41, Paragraph 2 of the Articles of Incorporation before amendments by resolution of the said Annual General Shareholders Meeting.</u> <u>Article 2 (Transitional Measures Concerning Measures for Electronic Provision, etc. of Documents)</u> <u>Notwithstanding the provisions of revised Article 14 of the Articles of Incorporation, the current Article 14 of the Articles of Incorporation shall remain in force for any General Shareholders Meeting to be held within six (6) months from the date of enforcement.</u> <u>2. These Supplementary Provisions shall be deleted on the date on which six (6) months will have elapsed from the enforcement date or the date on which three (3) months will have elapsed from the date of the General Shareholders Meeting under the preceding paragraph, whichever is later.</u></p>

Proposal No. 3: Election of six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members)

Subject to approval of Proposal No. 2 “Partial Amendments to the Articles of Incorporation,” the Company will make a transition to a company with an Audit and Supervisory Committee. Accordingly, the Company proposes the election of six (6) Directors (excluding Directors serving as Audit and Supervisory Committee Members) as the term of office of all Directors (eight (8) Directors) will expire at the conclusion of this General Meeting of Shareholders. This Proposal shall take effect when Proposal No. 2 “Partial Amendments to the Articles of Incorporation” becomes effective.

The candidates for Directors (excluding Directors who are Audit are Supervisory Committee Members) are as follows.

List of Candidates for Directors
(excluding Directors who are Audit and Supervisory Committee Members)

No.	Name		Current positions at the Company	Attendance at the Board of Directors’ meetings and Board of Corporate Auditors’ meetings
1	Katsuhiro Shin	Male	Representative Directors and Chairman	Board of Directors 100% (12/12)
2	Akira Shin	Male	Representative Directors and President	Board of Directors 100% (12/12)
3	Kenji Shibayama	Male	Managing Director	Board of Directors 100% (12/12)
4	Norikazu Maruyama	Male	Managing Director	Board of Directors 100% (12/12)
5	Teiichi Misawa	Male	Outside Auditor	Board of Directors 100% (12/12) Board of Corporate Auditors 100% (12/12)
6	Makiko Takao	Female	Outside Director	Board of Directors’ meeting held after taking office 100% (10/10)

No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of shares held
1	Katsuhiro Shin (August 7, 1938)	September 1997 Joined then Japan Business Development Co., Ltd. March 2001 Executive Officer, Japan Business Development Co., Ltd. March 2003 Director, Japan Business Development Co., Ltd. March 2004 Managing Director, Japan Business Development Co., Ltd. March 2005 Representative Director and Vice President, Japan Business Development Co., Ltd. March 2006 Established JBS Engineering Co., Ltd. (current ABIST Co., Ltd.) Representative Directors and President March 2013 Director, ABIST H&F Co., Ltd. October 2022 Representative Directors and Chairman of ABIST Co., Ltd. (current position)	650,000 shares
Reasons for nomination as a candidate for Director Mr. Katsuhiro Shin led the management of Abist and its affiliates (the “Company Group” as the founder and President for many years and is currently serving as Chairman. The Company considers him an appropriate human resource for raising its corporate value and requests that shareholders appoint him again as a Director.			
2	Akira Shin (November 13, 1970)	April 1993 Joined Meiji-Ya Co., Ltd. December 2006 Transferred to Meiji-Ya Shoji Co., Ltd. October 2011 Transferred to Mitsubishi Shokuhin Co., Ltd. July 2012 Joined ABIST Co., Ltd. and served as the head of Related Business Division October 2012 Head of new business development, ABIST Co., Ltd. March 2013 President, ABIST H&F Co., Ltd. December 2018 Assistant to Managing Director (in charge of new businesses/ABIST H&F), ABIST Co., Ltd. October 2019 Assistant to Managing Director (in charge of new businesses/AI solution business), ABIST Co., Ltd. April 2020 Senior Managing Directors of the Company. December 2021 Representative Directors and Senior Managing Director of the Company. October 2022 Representative Directors and President of the Company (current position)	75,000 shares
Reasons for nomination as a candidate for Director Mr. Akira Shin held an important post in new business development, served as Senior Managing Director, and currently has a leadership role in the overall business as President. He is expected to contribute to the continued growth of the overall Group and an increase in corporate value using his profound knowledge and management perspective, and the Company requests that its shareholders again appoint him as Director.			

No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of shares held
3	Kenji Shibayama (March 23, 1973)	<p>April 1997 Joined World Furnishing Co., Ltd.</p> <p>September 2000 Joined World Tokai Co., Ltd.</p> <p>November 2001 Joined then Japan Business Development Co., Ltd.</p> <p>April 2006 Joined JBS Engineering Co., Ltd. (current ABIST Co., Ltd.) as Nagoya branch manager</p> <p>October 2008 Executive Officer and Chubu Kansai branch manager, ABIST Co., Ltd.</p> <p>October 2009 Senior Executive Officer and head of Management Division, ABIST Co., Ltd.</p> <p>December 2009 Senior Managing Directors and head of Management Division, the Company.</p> <p>December 2011 Senior Managing Director and head of Management Division and Related Business Division, the Company.</p> <p>October 2012 Senior Managing Director and head of Management Division, the Company.</p> <p>October 2015 Senior Managing Director and head of Business Development Division, the Company.</p> <p>December 2017 Director, Senior Executive Officer, and head of Business Development Division, the Company.</p> <p>October 2019 Director and Executive Officer in charge of President's special missions, the Company.</p> <p>January 2020 Director, Senior Executive Officer in charge of President's special missions, the Company</p> <p>April 2021 Managing Director of the Company (current position)</p>	2,400 shares
<p>Reasons for nomination as a candidate for Director</p> <p>Mr. Kenji Shibayama has held a number of important posts since the founding of the Company and led its growth. The Company requests that its shareholders appoint him again as Director, considering his extensive business experience, profound knowledge of the industry, and effective personal connections.</p>			

No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of shares held
4	Norikazu Maruyama (March 10, 1970)	<p>April 1992 Joined Shinko Denki K.K. (current Sinfonia Technology Co., Ltd.)</p> <p>May 2000 Joined Every Net Co., Ltd.</p> <p>April 2001 Joined then Japan Business Development Co., Ltd.</p> <p>April 2006 Joined JBS Engineering Co., Ltd. (current ABIST Co., Ltd.)</p> <p>October 2013 Head of General Administration Department, ABIST Co., Ltd.</p> <p>October 2014 Head of Business Management and Planning Division, the Company.</p> <p>October 2016 Executive Officer and head of General Administration Department, the Company.</p> <p>December 2018 Director, Executive Officer, and head of General Administration Department, the Company.</p> <p>March 2019 Director, Executive Officer, head of General Administration Department, and head of AI Solution Division, the Company.</p> <p>October 2019 Director, Senior Executive Officer, and head of AI Solution Division, the Company.</p> <p>January 2020 Director, Executive Officer, and head of AI Solution Division, the Company.</p> <p>April 2020 Director, Senior Executive Officer, and head of AI Solution Division, the Company.</p> <p>October 2022 Managing Director of the Company (current position)</p>	6,700 shares
<p>Reasons for nomination as a candidate for Director</p> <p>Mr. Norikazu Maruyama has held posts in the overall management division and led AI Solution Business Development Division and has played roles and fulfilled responsibilities as Managing Director. The Company requests that its shareholders appoint him again as Director due to his extensive knowledge of the technology business and his expertise in overall management.</p>			

No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of shares held
5	<div style="border: 1px solid black; padding: 2px; margin-bottom: 5px; text-align: center;">Outside</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px; text-align: center;">Independent</div> Teiichi Misawa (March 10, 1949)	December 1973 Worked (internship) at Ginza Law Office (current Abe, Ikubo & Katayama Law Firm) February 1985 Assistant to trustee for corporate reorganization of Riccer Co., Ltd. November 1987 Representative Director, MLD K.K. (current position) January 1991 Head clerk and team member, Abe, Ikubo & Katayama Law Firm December 1991 Assistant to trustee for corporate reorganization of Maruko Co., Ltd. November 1999 Director, Management Law Club, LLC. November 2005 Auditor, Setup, Inc. November 2005 Auditor, Vintage Japan Co., Ltd. December 2011 Representative Director, M.L.D. Senior Office (current position) December 2011 Auditor of the Company (current position)	-

Reason for nomination as a candidate for Outside Director and expected roles
 Mr. Teiichi Misawa has worked for business rehabilitation such as corporate reorganization procedures and civil rehabilitation proceedings, crisis management, M&A, supporting overall corporate activities for many years, and has extensive experience such as the operation of a law firm as a head clerk. The Company asks that shareholders appoint him as an Outside Director, expecting that he will provide appropriate advice and remarks to ensure the appropriateness of decisions made by the Board of Directors.

6	<div style="border: 1px solid black; padding: 2px; margin-bottom: 5px; text-align: center;">Outside</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px; text-align: center;">Independent</div> Makiko Takao (May 6, 1962)	April 1985 Joined Long-term Credit Bank Management Research Institute, Inc. March 1999 Joined Value Management Institute, Inc. April 2015 Joined Hosei University Graduate School of Regional Policy Design as a professor (current position) December 2021 Director of the Company (current position)	-
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Reason for nomination as a candidate for Outside Director and expected roles
 Ms. Makiko Takao engaged in research of economy and financial conditions at a think tank for many years and currently conducts research in a wide range of fields such as regional policies and social security as a professor at Hosei University Graduate School of Regional Policy Design, having specialized knowledge and experience in company management and social issues. While she has never been involved directly in the Company's management, the Company requests that its shareholders appoint her as an Outside Director again for the Company to continue receiving appropriate suggestions and advice about sustainability management from her.

- (Notes) 1. There is no special interest between the Company and each of the candidates.
 2. Mr. Teiichi Misawa and Ms. Makiko Takao are candidates for Outside Directors, and the Company designated them independent officers pursuant to the provisions of the Tokyo Stock Exchange (TSE) and registered them with the TSE.
 3. Mr. Teiichi Misawa's term of office as Outside Auditor of the Company will be 11 years at the conclusion of the Annual General Meeting of Shareholders.
 4. Ms. Makiko Takao's term of office as Outside Director of the Company will be one year at the conclusion of the Annual General Meeting of Shareholders.
 5. The Company has signed a liability limitation agreement with Mr. Teiichi Misawa and Ms. Makiko Takao pursuant to the provisions of paragraph (1), Article 427 of the Companies Act, to limit the amount of compensation to the minimum liability specified in paragraph (1), Article 425 of the Companies Act in connection with the liability for damages in paragraph (1), Article 423 of the Companies Act. If they

assume the position of Director, the Company will maintain the liability limitation agreement signed with each of them.

6. The Company has concluded an agreement on liability insurance for officers provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. This insurance agreement covers compensation for damages and litigation expenses incurred by insured persons as a result of claims made against them by a third party for action taken by them (or inaction) within the scope of their role as officer, etc. of the Company. The Company takes measures to prevent any loss of the appropriateness of the officer's performance of duties by setting a limit on the amount of compensation and excluding damages caused by intentional violations of the law by the insured from the insurance coverage. All premiums are paid by the Company, the policies are renewed every year, and all candidates for Director will be included in the insured of the insurance policy if they are appointed as Director. When the insurance contract is renewed next time, it plans to be renewed with the same content.
7. The name of Ms. Makiko Takao, the candidate for Director, on her family register is Makiko Tsuzura.

Proposal No.4: Election of Four (4) Directors who are Audit and Supervisory Committee Members

Subject to approval of Proposal No.2 “Partial Amendments to the Articles of Incorporation,” the Company will make a transition to a company with an Audit and Supervisory Committee. Accordingly, the Company proposes the election of four (4) Directors who serve as Audit and Supervisory Committee Members.

Consent to this proposal has been obtained from the Board of Corporate Auditors.

This Proposal shall take effect when Proposal No. 2 “Partial Amendments to the Articles of Incorporation” becomes effective.

Candidates for Directors who serve as Audit and Supervisory Committee Members are listed below.

List of Candidates for Directors who are Audit and Supervisory Committee Members

No.	Name	Current positions at the Company	Attendance at the Board of Directors' meetings and the Board of Corporate Auditors' meetings
1	Hidehiko Kurushima New Appointment	Male Director	Board of Directors 100%(12/12)
2	Mamoru Yamamoto New Appointment Outside Director Independent Officer	Male Outside Director	Board of Directors 100%(12/12)
3	Naho Ebata New Appointment Outside Director Independent Officer	Female Outside Director	Board of Directors 100%(12/12)
4	Toru Nakayama New Appointment Outside Director Independent Officer	Male Outside Auditor	Board of Directors 100%(12/12) Board of Corporate Auditors 100%(12/12)

No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of shares held
1	Hidehiko Kurushima (August 3, 1972)	<p>March 1998 Joined then Japan Business Development Co., Ltd.</p> <p>April 2005 Head of Tokyo branch, Japan Business Development Co., Ltd.</p> <p>January 2006 Head of Kanto branch, Japan Business Development Co., Ltd.</p> <p>April 2006 Joined JBS Engineering Co., Ltd. (current ABIST Co., Ltd.) as Kanto Branch Manager</p> <p>October 2006 General Manager, ABIST Co., Ltd.</p> <p>December 2006 Director and General Manager, the Company.</p> <p>October 2007 Director and Yokohama Branch Manager, the Company.</p> <p>December 2007 Yokohama Branch Manager, the Company.</p> <p>December 2010 Director and Yokohama Branch Manager, the Company.</p> <p>October 2011 Director and Manager in charge of Related Business Division, the Company.</p> <p>October 2012 Director and head of New Business Development, the Company.</p> <p>March 2013 Senior Managing Director, ABIST H&F Co., Ltd.</p> <p>April 2013 Director ABIST Co., Ltd</p> <p>December, 2017 Director, Executive Officer of ABIST Co., Ltd</p> <p>December 2018 Representative Directors and President, ABIST H&F Co., Ltd.</p> <p>October 2020 Director in charge of auditing, ABIST Co., Ltd.</p> <p>January 2021 Director and head of Audit Section in charge of auditing, the Company. (current position)</p>	30,000 shares
<p>Reason for nomination as a candidate for Director who is an Audit and Supervisory Committee member Mr. Hidehiko Kurushima has held important positions in the Group over many years since its foundation and has extensive knowledge of the Group's operations. the Company requests that its shareholders appoint him as Director who is an Audit and Supervisory Committee member as he effectively plays the role of the head of the Audit Section and fulfills associated responsibilities.</p>			

No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of shares held		
2	<table border="1" data-bbox="169 284 311 340"> <tr><td>Outside</td></tr> <tr><td>Independent</td></tr> </table> <p data-bbox="152 368 329 414">Mamoru Yamamoto (May 1, 1956)</p>	Outside	Independent	<p data-bbox="393 193 927 238">April 1981 Joined the Tokyo branch of Asahi & Co. (current KPMG AZSA LLC.)</p> <p data-bbox="393 243 911 288">July 1995 Became an employee of Asahi & Co. (currently Partner)</p> <p data-bbox="393 293 919 338">May 2002 Became the representative employee of Asahi & Co. (currently Partner)</p> <p data-bbox="393 343 930 411">July 2018 Founded Nihonbashi Accounting Service Inc. and assumed the position of President and Representative Director (current position)</p> <p data-bbox="393 415 710 435">July 2018 Director, A-tie Co., Ltd.</p> <p data-bbox="351 439 871 459">December 2018 Director of the Company (current position)</p> <p data-bbox="393 464 891 509">June 2019 Audit & Supervisory Board Member, Cogent Labs Inc. (current position)</p>	-
Outside					
Independent					
<p data-bbox="98 512 956 557">Reasons for nomination as candidate for Outside Director who is Audit and Supervisory Committee Member and expected roles</p> <p data-bbox="98 562 1022 704">Mr. Mamoru Yamamoto has supported numerous listed companies at KPMG AZSA LLC. and has extensive knowledge and experience as a certified public accountant. He serves as the President and Representative Director of Nihonbashi Accounting Service Inc., and the Company requests its shareholders appoint him as an Outside Director who is an Audit and Supervisory Committee member so that he can continue supervising the Company' management based on his rich experience and broad insight and provide the Company with guidance and advice on overall financial and tax affairs.</p>					
3	<table border="1" data-bbox="169 765 311 821"> <tr><td>Outside</td></tr> <tr><td>Independent</td></tr> </table> <p data-bbox="152 849 329 895">Naho Ebata (November 2, 1975)</p>	Outside	Independent	<p data-bbox="393 712 889 757">April 1999 The Legal Training and Research Institute of Japan (53rd period)</p> <p data-bbox="370 762 878 781">October 2000 Joined Abe, Ikubo & Katayama Law Office</p> <p data-bbox="393 786 908 854">July 2004 Legislative Affairs Office, Policy Planning and Coordination Department, General Affairs Department, Patent Office</p> <p data-bbox="393 858 922 878">July 2005 Returned to Abe, Ikubo & Katayama Law Office</p> <p data-bbox="370 883 908 928">January 2008 Partner of Abe, Ikubo & Katayama Law Office (current position)</p> <p data-bbox="351 932 871 952">December 2020 Director of the Company (current position)</p>	-
Outside					
Independent					
<p data-bbox="98 958 956 1003">Reasons for nomination as candidate for Outside Director who is Audit and Supervisory Committee Member and expected roles</p> <p data-bbox="98 1008 1022 1171">Ms. Naho Ebata has supported legal affairs and intellectual property such as the patent rights of numerous domestic and overseas companies and has extensive knowledge and experience as a lawyer. While she has never been directly involved in the Company's management, the Company requests that its shareholders appoint her as an Outside Director who is an Audit and Supervisory Committee member for the Company to receive from her guidance and advice on corporate legal affairs and intellectual property such as patent rights, as she is expected to appropriately fulfill the duties as an Outside Director in view also of the function to supervise and check the Company's management.</p>					

No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of shares held
4	<div data-bbox="169 331 312 388" style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Outside</div> <div data-bbox="169 364 312 388" style="border: 1px solid black; padding: 2px;">Independent</div> <p data-bbox="165 414 315 462">Toru Nakayama (March 24, 1942)</p>	<p data-bbox="351 190 919 213">April 1976 Joined Tokyo District Public Prosecutors Office</p> <p data-bbox="351 216 790 238">April 1977 Joined Itai Law and Patent Office</p> <p data-bbox="351 240 799 263">February 1994 Advisor, Yanase Saitama Co., Ltd.</p> <p data-bbox="351 264 729 287">July 1995 Advisor, Konaka Co., Ltd.</p> <p data-bbox="351 288 799 311">February 1998 Joined Kanto Law Office (present)</p> <p data-bbox="351 312 891 361">February 1998 Advisor, Sankei Living Shinbun Inc. (current position)</p> <p data-bbox="351 362 854 411">April 1998 Advisor, Tokyo Tower Co., Ltd. (current position)</p> <p data-bbox="351 412 850 435">February 2001 Advisor, Keihoku Yakult Sales Co., Ltd.</p> <p data-bbox="351 436 850 459">June 2003 Outside Auditor, Tokyo Tower Co., Ltd.</p> <p data-bbox="351 461 888 483">February 2006 Advisor, Bay FM Co., Ltd. (current position)</p> <p data-bbox="351 485 927 533">March 2017 Advisor, Yotsuya Houjinkai Corporation (current position)</p> <p data-bbox="351 535 891 557">December 2020 Auditor of ABIST Co., Ltd (current position)</p> <p data-bbox="351 559 891 607">May 2021 Advisor, Japan Industrial Safety Competency Center (current position)</p>	-

Reasons for nomination as candidate for Outside Director who is Audit and Supervisory Committee Member and expected roles

Mr. Toru Nakayama has many years of experience and knowledge in legal circles as a lawyer working at Kanto Law Office. He has provided the Company with appropriate advice and opinions as an Auditor of the Company to ensure the legitimacy of decisions made by the Board of Directors. While he has never been directly involved in the Company's management, the Company requests that its shareholders appoint him as an Outside Director who is an Audit and Supervisory Committee Member for the Company to receive guidance and advice for the overall legal affairs of the Company.

- (Notes)
1. Mr. Mamoru Yamamoto, Ms. Naho Ebata, and Mr. Toru Nakayama are candidates for Outside Directors who are Audit and Supervisory Committee members.
 2. The Company designated Mr. Mamoru Yamamoto, Ms. Naho Ebata, and Mr. Toru Nakayama as independent officers pursuant to the provisions of the Tokyo Stock Exchange (TSE) and registered them with the TSE.
 3. Mr. Mamoru Yamamoto's term of office as Outside Director of the Company will be four years at the conclusion of the Annual General Meeting of Shareholders.
 4. Ms. Naho Ebata's term of office as Outside Director of the Company will be two years at the conclusion of the Annual General Meeting of Shareholders.
 5. Mr. Toru Nakayama's term of office as Outside Auditor of the Company will be two years at the conclusion of the Annual General Meeting of Shareholders.
 6. The Company has signed a liability limitation agreement with Mr. Mamoru Yamamoto, Ms. Naho Ebata, and Mr. Toru Nakayama pursuant to the provisions of paragraph (1), Article 427 of the Companies Act, to limit the amount of compensation to the minimum liability specified in paragraph (1), Article 425 of the Companies Act in connection with the liability for damages in paragraph (1), Article 423 of the Companies Act. If they assume the position of Director, the Company will maintain the liability limitation agreement signed with each of them.
 7. The Company has entered into a directors' and officers' liability insurance contract with an insurance company pursuant to the provisions of Article 430-3, Paragraph 1 of the Companies Act. This insurance agreement covers compensation for damages and litigation expenses incurred by insured persons as a result of claims made against them by a third party for action taken by them (or inaction) within the scope of their role as officer, etc. of the Company. The Company takes measures to prevent any loss of the appropriateness of the officer's performance of duties by setting a limit on the amount of compensation and excluding damages caused by intentional violations of the law by the insured from the insurance

coverage. All premiums are paid by the Company, the policies are renewed each year, and all candidates for Director will be included in the insured of the insurance policy if they are appointed as Director. When the insurance contract is renewed next time, it plans to be renewed with the same content.

8. The name of Ms. Naho Ebata, the candidate for Director, on her family register is Ms. Naho Kida.

Proposal No.5: To establish amounts of remuneration to Directors (excluding Directors who are Audit and Supervisory Committee Members)

At the 9th Annual General Shareholders Meeting held on December 19, 2014, the amount of remuneration for Directors was resolved to be no more than 200 million yen per year (of which, the amount of remuneration for Outside Directors was no more than 20 million yen per year), and it has remained unchanged up to the present date.

Subject to approval of Proposal No. 2 “Partial amendments to the Articles of Incorporation,” the Company will make a transition to a company with an Audit and Supervisory Committee. Accordingly, to set a new amount of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members) associated with the transition to a company with an Audit and Supervisory Committee, the Company proposes to abolish the current provisions regarding the amount of remuneration for Directors and set the amount of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members) at no more than 550 million yen per year (of which, the maximum annual amount of remuneration for Outside Directors is 30 million yen or less), taking into consideration the economic situation and other various circumstances.

If this proposal is approved, the Company will amend the policy for determining the details of remuneration, etc. for each Director in line with (the reference material) at a meeting of the Board of Directors to be held after the conclusion of this General Shareholders Meeting, so that the policy will be consistent with the approved proposal.

This Proposal is to determine the maximum amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) within a reasonable range, taking into consideration such factors as economic conditions, the size of the Company, the number of Directors and the level of other companies. In addition, the Company plans to change the policy for determining the content of remuneration, etc. for individual Directors, as mentioned above, and will determine the content of remuneration, etc. for individual Directors according to the policy after the change. Therefore, the Company has judged that this Proposal is necessary and reasonable.

The Company proposes that the amount of remuneration, etc. for Directors (excluding Directors serving as Audit and Supervisory Committee Members) do not include the employee salaries of Directors who concurrently serve as employees. If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” and Proposal 3 “Election of Six (6) Directors (excluding Directors serving as Audit and Supervisory Committee Members)” are approved as proposed, the number of Directors (excluding Directors serving as Audit and Supervisory Committee Members) will be six (including two (2) Outside Directors).

This Proposal shall take effect when Proposal No. 2 “Partial amendments to the Articles of Incorporation” becomes effective.

References

1. Basic policy

- Highly connected to medium- to long-term strategy
- Reflects financial performance and incentivizes the achievement of management strategy
- Has a transparent and explainable process for determining remuneration

2. Level of remuneration

Remuneration will be at a level that enables the retention of the human resources required for the achievement of a state of the Company that is appropriate for a digital solutions

company, which is established using the levels of other domestic companies in the same industry and of a similar size as benchmarks.

3. Composition of remuneration

(1) Ratio of remuneration

Remuneration for Directors performing duties (internal Directors excluding Directors who are Audit and Supervisory Committee Members) consists of basic pay (fixed amount) and performance-linked compensation (variable amount). Non-executive directors (Directors and Outside Directors who are Audit and Supervisory Committee Members) receive only basic pay.

To ensure remuneration is highly linked to performance, the ratio of remuneration for Directors performing duties will be variable in stages according to their titles and roles as shown below during the period of the medium-term management plan (from the fiscal year ending September 30, 2023, to fiscal year ending September 30, 2023).

Position	Percentage of fixed compensation	Percentage of variable compensation
Representative Directors and President	40%	60%
Executive Director and Managing Director	50%	50%
Other Directors	65%	35%

Retirement bonuses are calculated based on the Company's retirement bonus regulations, and the Board of Directors determines the payment of a bonus to a retiring executive within a range specified by the Company after a resolution at the General Shareholders Meeting that such payments are left to the discretion of the Board of Directors.

(2) Setting compensation ratios in stages

Compensation ratios will be specified in stages as presented below during the period of the medium-term management plan.

Fiscal Year	Fixed/variable ratio (%)		
	Representative Directors and President	Executive Director and Managing Director	Other Directors
FY ending Sept. 30, 2023 (18th term)	80/20	90/10	100/0
FY ending Sept. 30, 2024 (19th term)	70/30	80/20	90/10
FY ending Sept. 30, 2025 (20th term)	60/40	70/30	80/20
FY ending Sept. 30, 2026 (21th term)	50/50	60/40	70/30
FY ending Sept. 30, 2027 (22th term)	40/60	50/50	65/35

4. Remuneration system

(1) Fixed remuneration

Fixed compensation is the basic monthly compensation paid in a fixed amount. Basic compensation is a fixed amount based on roles and responsibilities. The decision to revise basic compensation is based on changes made to roles or responsibilities.

(2) Variable remuneration

Variable compensation is an annual performance-linked bonus paid in December. Variable compensation is determined based on the percentage of operating profit achieved and the evaluation of the missions of each executive, assuming that variable compensation is linked to management strategies and motivates the successful implementation of strategies.

5. Calculation method

(1) Performance-linked bonuses

The Remuneration Committee deliberates on the appropriateness of performance appraisals, the amounts of bonuses to be paid and whether to pay the bonus on the assumption of the percentage of operating profit achieved and the amount based on the evaluation coefficient of each executive in the business year in comparison to the standard amount of the bonus specified for each title.

The percentage of payment based on the level of operating profit achieved is calculated taking into account the background behind the achievement level. The achievement level is calculated after excluding the impact of changes in the amount of performance-linked bonuses, and the amount of the increase in performance-linked bonuses is specified to not exceed the amount of the increase in operating profit.

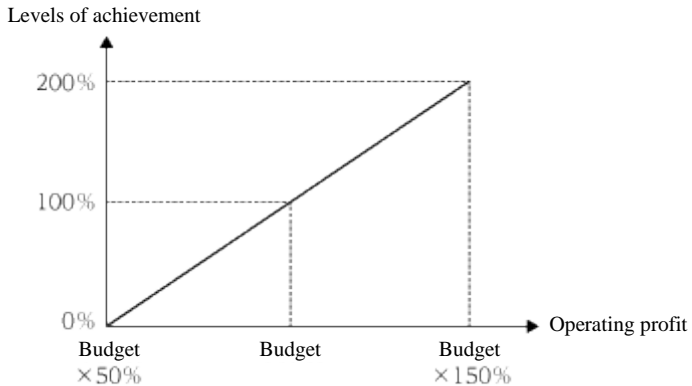
a. Formula for performance-linked bonus

Amount of standard bonus x payment rate based on the level of operating profit achieved x individual evaluation coefficient

b. Payment rate based on the level of operating profit achieved

Achievement level = (operating profit achieved ÷ operating profit target announced - 1) x 2 + 1) x 100

The achievement level is calculated with a range of fluctuation set to +/- 50%.



The rate of payment is calculated based on the achievement level, taking into account the personnel expenses in the business year. The minimum payment rate is 0% and the maximum payment rate is 200%.

c. Individual evaluate coefficient

A target is declared at the start of a fiscal year and an evaluation is conducted at the end of the fiscal year. Evaluations are conducted based on the quantified targets for indicators for each executive.

The Representative Directors and President declares targets for himself and determines the targets of other Directors through interviews with them. The Remuneration Committee deliberates on and approves the results of the self-evaluation of each Director and their

evaluation based on the President's evaluation.
Evaluation coefficient is set to +/- 20%.

6. Remuneration committee

(1) Deliberation on the design of the remuneration system

The Remuneration Advisory Committee deliberates on the details of any revision to be made to the system. After revision, the necessity of further changes is discussed every year.

(2) Deliberation on the appropriateness of performance evaluations, amounts of remuneration paid, and the necessity of payment is conducted

Payment rates based on the level of operating profit achieved and individual evaluation coefficients are discussed.

(3) Deliberation is conducted on the appropriateness of the disclosed information in the materials externally disclosed such as the Annual Securities Report.

Discussions about the information disclosed via this system and executive compensation are held.

7. Claw-back (claims regarding the repayment of remuneration)

The Remuneration Committee deliberates any claims regarding the repayment of all or a part of bonuses or stock-based compensation or the rights to receive them and the Board of Directors passes a resolution if any of the following apply to a retiring executive.

a. The Board of Directors has passed a resolution to make after-the-fact corrections regarding account settlement due to a material accounting error or misconduct.

b. The Board of Directors has determined that a material violation of delegation agreements, etc. between the Company and an executive occurred during the executive's term of office

c. In other cases deemed by the Board of Directors to be equivalent to the above a or b

Proposal No. 6: To establish amounts of remuneration to Directors who are Audit and Supervisory Committee Members

Subject to approval of Proposal No. 2 "Partial amendments to the Articles of Incorporation," the Company will make a transition to a company with an audit and supervisory committee. Accordingly, the Company proposes to set the amount of remuneration for Directors who are Audit and Supervisory Committee Members at no more than 50 million yen per year (including no more than 20 million yen per year for Outside Directors), taking into consideration their duties and responsibilities associated with the transition to a company with Audit and Supervisory Committee.

As stated in "Proposal No. 5 Establishment of the amounts of the remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members)," the Company will amend the policy for determining the details of remuneration, etc. for each Director in line with (the reference materials) attached to Proposal No. 5 if this proposal is approved.

This Proposal is to determine the maximum amount of remuneration for Directors who are Audit and Supervisory Committee Members within a reasonable range, taking into consideration their duties and the level of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members), and the Company has therefore judged that this Proposal is necessary and reasonable.

If Proposal No. 2 "Partial amendments to the Articles of Incorporation" and Proposal No. 4 "Election of Four (4) Directors serving as Audit and Supervisory Committee Members" are approved as proposed, the number of Directors who are Audit and Supervisory Committee Members will be four.

This Proposal shall take effect when Proposal No. 2 “Partial amendments to the Articles of Incorporation” becomes effective.

Proposal No.7: Presentation of retirement benefits to retiring Auditors

The Company proposes the payment of a retirement bonus to Mr. Yuzuru Kinoshita, who will retire from the position of Auditor at the conclusion of the General Shareholders Meeting, within the range specified by the Company, as a reward for his service during his term of office.

The Company proposes leaving the decision of matters such as the specific amount and the timing and method of presentation to the discretion of the Directors who are Audit and Supervisory Committee Members.

This Proposal shall take effect when Proposal No. 2 “Partial amendments to the Articles of Incorporation” becomes effective.

A summary of the retiring Auditor’s career is provided below.

Name	Career summary
Yuzuru Kinoshita	December 2020 Fulltime Auditor, ABIST Co., Ltd. (current position)

Proposal No. 8: Approval for a merger agreement signed with a consolidated subsidiary

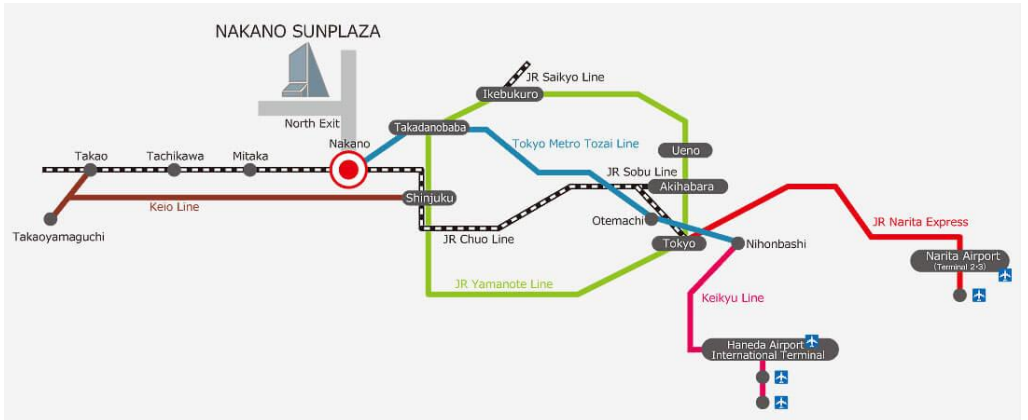
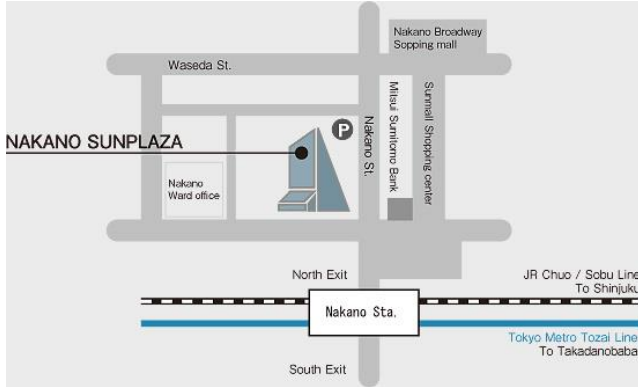
Reason for the merger

ABIST H&F Co., Ltd. has been manufacturing and selling beauty and health products as a part of the Group and will be merged into the Company to improve its management functions, increase profitability through sales support, and optimize the management of the assets held. This will be an absorption-type merger, in which the Company will be surviving company and ABIST H&F Co., Ltd. will be the dissolving company. Because a loss on the merger may be incurred according to the current estimation, the Company plans to implement the merger after the approval of a resolution at the General Shareholders Meeting. The merger is scheduled to be conducted on February 1, 2023.

Location map

Crescent Room, Nakano Sunplaza 14F,

1-1, Nakano 4-chome, Nakano-ku, Tokyo
Tel:03-3388-1151



(North exit of Nakano Station on the JR Chuo/Sobu Line and Tokyo Metro Tozai Line.)