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Securities Code: 7494

December 6, 2022

To our shareholders:

Kensuke Konaka,
Director and President
KONAKA CO., LTD.
517-2 Shinanocho, Totsuka-ku, Yokohama-shi,
Kanagawa

Notice of the 49th Ordinary General Meeting of Shareholders

We are pleased to announce the 49th Ordinary General Meeting of Shareholders of KONAKA CO., LTD. (the “Company”), which will be held as described below.

You may exercise your voting rights in writing or via the internet. Please read the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights in accordance with the instructions below by 5:30 p.m. on Wednesday, December 21, 2022 (JST).

- 1. Date and Time:** Thursday, December 22, 2022 at 10:00 a.m. (JST)
- 2. Venue:** Conference Room, 5th floor, Head Office of the Company
517-2 Shinanocho, Totsuka-ku, Yokohama-shi, Kanagawa
(Please refer to the venue map at the end of the Japanese original)

3. Purpose of the Meeting:

Matters to be reported

1. Reporting of Consolidated Financial Statements and results of the audit of Consolidated Financial Statements by the Financial Auditor and Audit & Supervisory Board for the 49th fiscal year (from October 1, 2021 to September 30, 2022)
2. Reporting of Business Report and Non-consolidated Financial Statements for the 49th fiscal year (from October 1, 2021 to September 30, 2022)

Matters to be resolved

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Amendment to the Articles of Incorporation
- Proposal No. 3:** Election of Six Directors
- Proposal No. 4:** Determination of Remuneration for Granting Restricted Shares to Directors
- Proposal No. 5:** Election of Financial Auditor

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<Request to Shareholders>

**To avoid the risk of resurgence of a novel coronavirus disease (COVID-19), you are asked to consider to exercise your voting rights in writing or via the internet. In order to prevent infection, there will be no refreshments in the lobby adjacent to the venue on the day of the event.**

**Gifts are not provided to attendants of the General Meeting of Shareholders. We appreciate your kind understanding for that.**

- Of the documents to be provided to our shareholders with this notice of the Ordinary General Meeting of Shareholders, “Notes to Consolidated Financial Statements” and “Notes to Non-consolidated Financial Statements” are posted on the Company’s website (<https://www.konaka.co.jp>) in accordance with applicable laws and regulations and Article 17 of the Articles of Incorporation of the Company, and therefore not described in the attached documents of this notice of the Ordinary General Meeting of Shareholders. Accordingly, the documents attached to this notice of Ordinary General Meeting of Shareholders are part of the Consolidated Financial Statements, and Non-consolidated Financial Statements audited by the Audit & Supervisory Board Members in preparing the Audit Report and by the Financial Auditor in preparing the Financial Audit Report.
- Any amendments to the Reference Documents for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements, and Consolidated Financial Statements will be posted on the Company’s website (<https://www.konaka.co.jp>).

- When you attend the meeting, you are kindly requested to present the enclosed voting form at the reception.

**[Notification regarding provision of Reference Documents for the General Meeting of Shareholders, etc. in electronic format]**

**On September 1, 2022, the revised Companies Act, which provides for a system of electronic provision of Reference Documents for the General Meeting of Shareholders, came into effect, and applies to all listed companies. As a result, the Reference Documents for the General Meeting of Shareholders for general meetings of shareholders to be held in and after March 2023 will be posted on corporate websites, etc., and shareholders will receive a simplified notice of convocation that describes how to access the website.**

**However, shareholders who wish to receive the Reference Documents for the General Meeting of Shareholders in writing will be able to make a request to that effect (“requesting delivery in writing”). We ask that you complete the procedures for requesting delivery in writing by the record date for the General Meeting of Shareholders (the last day of each fiscal year in the case of the Ordinary General Meeting of Shareholders). For more details, please contact the securities firm where you have an account or Mitsubishi UFJ Trust and Banking Corporation, the Company’s shareholder registry administrator.**

## Reference Documents for the General Meeting of Shareholders

### Proposal No. 1: Appropriation of Surplus

Regarding the appropriation of surplus, the Company has given consideration to matters including the business performance of the 49th fiscal year and future business development, and it proposes to pay a year-end dividend as follows:

Year-end dividends

- (1) Type of dividend property  
To be paid in cash.
- (2) Allotment of dividend property and their aggregate amount  
¥10 per common share of the Company  
Total dividends: ¥291,154,030
- (3) Effective date of dividends of surplus  
December 23, 2022

**Proposal No. 2:** Amendment to the Articles of Incorporation

1. Reasons for the Proposal

- (1) Since 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) were enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation for the introduction of the system for providing reference documents, etc. for the general meeting of shareholders in electronic format.
  - (i) Paragraph 1 of Article 17 (Measures, etc. for Providing Information in Electronic Format) shall be newly established, as the Articles of Incorporation are required to stipulate that the Company shall take measures for providing information that is the contents of reference documents for the general meeting of shareholders, etc. in electronic format.
  - (ii) Paragraph 2 of Article 17 (Measures, etc. for Providing Information in Electronic Format) shall be newly established to allow the Company to limit the scope of matters to be included in the documents to be delivered to shareholders who have requested delivery of paper-based documents, among the matters for which measures for providing the content that is reference documents for the general meeting of shareholders, etc. in electronic format are taken, to the scope specified by the applicable Ministry of Justice Order.
  - (iii) The provisions of Article 17 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders) of the current Articles of Incorporation will be deleted as they will no longer be required once the system for providing reference documents, etc. for the general meeting of shareholders, etc. in electronic format is introduced.
  - (iv) Supplementary provisions on the aforementioned effectiveness of the provisions to be deleted will be established. The supplementary provisions will be deleted after the expiration date.
- (2) The Company separates the management decision-making and supervisory functions from the execution of business, which is divided among the corporate officers. Article 33 (Corporate Officers) will be newly established to clarify the selection of corporate officers with special titles, and only the President and Chairman of the Board of Directors will be executive directors as stipulated in Paragraph 2 of Article 24 (Representative Directors and Executive Directors) of the current Articles of Incorporation.
- (3) In addition to the above amendments, the necessary amendments will be made, such as renumbering the articles that follow the articles to be newly established.

2. Details of Amendments

The details of the amendments are as follows:

(Amendments are underlined)

| Current Articles of Incorporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Proposed amendments                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u><br/> <u>Article 17</u><br/> <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><br/> <u>Article 17</u><br/> <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></p> |

| Current Articles of Incorporation                                                                                                                                                                                                                                            | Proposed amendments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Articles 18 through 20 (Omitted)<br>Chapter 4 Directors <u>and</u> the Board of Directors                                                                                                                                                                                    | 2. <u>Among items for which the measures for providing information in electronic format will be taken, the Company shall not be required to include all or some of those items designated by the Ministry of Justice Order in 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>                                                                                                 |
| Articles 21 through 23 (Omitted)<br>(Representative Directors and Executive Directors)                                                                                                                                                                                       | Articles 18 through 20 (No amendments)<br>Chapter 4 <u>Directors, the Board of Directors and Corporate Officers</u>                                                                                                                                                                                                                                                                                                                                                                                |
| Article 24                                                                                                                                                                                                                                                                   | Articles 21 through 23 (No amendments)<br>(Representative Directors and Executive Directors)                                                                                                                                                                                                                                                                                                                                                                                                       |
| 1. (Omitted)<br>2. The Board of Directors may select by resolution one (1) President and, if necessary, one (1) Chairman of the Board <u>and several Executive Vice Presidents, Senior Executive Directors, Executive Directors, and Advisors to the Board of Directors.</u> | Article 24<br>1. (No amendments)<br>2. The Board of Directors may select by resolution one (1) President and, if necessary, one (1) Chairman of the Board.                                                                                                                                                                                                                                                                                                                                         |
| Articles 25 through 32 (Omitted)<br><br>Newly established                                                                                                                                                                                                                    | Articles 25 through 32 (No amendments)<br><u>(Corporate Officers)</u><br><u>Article 33</u><br>1. <u>The Company may, by resolution of the Board of Directors, appoint Corporate Officers to divide up and execute the Company's business.</u><br>2. <u>The Board of Directors may, by its resolution, appoint Corporate Officers with special titles.</u>                                                                                                                                          |
| Articles <u>33</u> through <u>49</u> (Omitted)<br><br>Newly established                                                                                                                                                                                                      | Articles <u>34</u> through <u>50</u> (No amendments)<br><u>(Supplementary Provisions)</u><br><u>(Transitional Measures for Providing Reference Documents, etc. for the General Meeting of Shareholders in Electronic Format)</u>                                                                                                                                                                                                                                                                   |
| Newly established                                                                                                                                                                                                                                                            | <u>Article 1.</u><br>1. <u>Article 17 of the Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) before amendment shall remain effective regarding any general meeting of shareholders until February 28, 2023.</u><br>2. <u>These Supplementary Provisions shall be deleted on the date when three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph.</u> |

**Proposal No. 3:** Election of Six Directors

At the conclusion of this meeting, the terms of office of all six Directors will expire. Therefore, the Company proposes the election of six Directors.

The candidates for Director are as follows:

| Candidate No. | Name<br>(Date of birth)              | Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Number of the Company's shares owned |
|---------------|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 1             | Kensuke Konaka<br>(October 16, 1960) | <p>Apr. 1982      Joined Nihon Tailor Co. Ltd.<br/> May 1991      Director of the Company following the merger with the Company<br/> Dec. 1999      Executive Director<br/> Feb. 2003      Senior Executive Director<br/> Oct. 2005      Representative Director and President<br/> Dec. 2018      Representative Director, President and CEO<br/> Dec. 2019      Representative Director, President and CEO Group Representative (current position)</p> <p>Significant concurrent positions outside the Company<br/> Director of KONAKA Enterprise Co., Ltd.<br/> Director of ISTITCH Co., Ltd.<br/> Director of Samantha Thavasa Japan Limited<br/> KONAKA (THAILAND) CO., LTD.<br/> Representative Director President</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 2,238,943 shares                     |
| 2             | Koji Furuya<br>(July 31, 1969)       | <p>Apr. 1991      Joined Sakata Watch Co., Ltd.<br/> Sept. 1998      Director of Intertech Trading Co., Ltd.<br/> Jan. 2002      General Manager of Brand Marketing Department of Hori Enterprise Inc.<br/> Jan. 2003      General Manager of Kipling Business Department<br/> Sept. 2013      General Manager of Sales Division of Agatha Japon Co., Ltd.<br/> Dec. 2015      General Manager of Sales Division and General Manager of Marketing Division<br/> Oct. 2017      Director and Vice President<br/> Oct. 2018      Manager of Corporate Planning Div. of the Company<br/> Feb. 2019      Corporate Officer, Manager of Corporate Planning Div. and Manager of Store Development Dept.<br/> Dec. 2019      Executive Corporate Officer &amp; COO, General Manager of Corporate Planning Div. and Manager of Store Development Dept.<br/> Oct. 2020      Senior Executive Corporate Officer &amp; COO, General Manager of Corporate Planning Div. and Manager of Store Development Dept.<br/> Dec. 2020      Director, Senior Executive Corporate Officer &amp; COO, General Manager of Corporate Planning Div. and Manager of Store Development Dept. (current position)</p> | 4,300 shares                         |

| Candidate No. | Name<br>(Date of birth)             | Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Number of the Company's shares owned |
|---------------|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 3             | Kazuyuki Nakagawa<br>(May 20, 1972) | <p>Apr. 1995    Joined the Company</p> <p>Oct. 2013    Sub Manager of Merchandise Second Dept. of Merchandise Div.</p> <p>Oct. 2016    Corporate Officer, Manager of Merchandise Second Dept. of Merchandise Div.</p> <p>Oct. 2018    Corporate Officer, General Manager of Merchandise Div.</p> <p>Dec. 2019    Director, Corporate Officer, General Manager of Merchandise Div.</p> <p>Dec. 2021    Director, Corporate Officer &amp; CMO, General Manager of Merchandise Div.</p> <p>Mar. 2022    Director, Corporate Officer &amp; CMO, General Manager of Merchandise Div. and General Manager of KONAKA Div. (current position)</p>                                                                                                                                                                                                                                                                                                                                  | 8,400 shares                         |
| 4             | Ryusuke Konaka<br>(June 26, 1976)   | <p>Aug. 2002    Joined the Company</p> <p>Oct. 2016    Sub Manager of IT &amp; System Dept. of Administration Div.</p> <p>Oct. 2018    Manager of IT &amp; System Dept. of Administration Div.</p> <p>May 2019    Corporate Officer, Assistant General Manager of Administration Div., Manager of IT &amp; System Dept. and in charge of Human Resources Dept.</p> <p>Dec. 2019    Corporate Officer, Assistant General Manager of Administration Div., Manager of Finance Dept. and in charge of Human Resources Dept.</p> <p>Dec. 2020    Director, Corporate Officer, Assistant General Manager of Administration Div., Manager of Finance Dept. and in charge of Human Resources Dept.</p> <p>Dec. 2021    Director, Corporate Officer, Assistant General Manager of Administration Div. and Manager of Finance Dept. (current position)</p> <p>Significant concurrent positions outside the Company<br/>Audit &amp; Supervisory Board Member of ISTITCH Co., Ltd.</p> | 656,275 shares                       |

| Candidate No. | Name<br>(Date of birth)            | Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Number of the Company's shares owned |
|---------------|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 5             | Ayako Ohta<br>(September 12, 1975) | <p>June 2001      Joined Recruit Co., Ltd.</p> <p>Sept. 2006     Established Belleffect Co., Ltd., Representative Director (current position)</p> <p>Feb. 2013      Established Eigyobu-Joshika Association, Representative Director (current position)</p> <p>June 2013      Outside Director of CDG Co., Ltd.</p> <p>Sept. 2014     Director, General Manager of Corporate Planning Department</p> <p>June 2015      Director, General Manager of Diversity Promotion Office</p> <p>Mar. 2017      Outside Director of Allied Architects, Inc.</p> <p>Dec. 2018      Outside Director of the Company (current position)</p> <p>June 2022      Outside Director of SRE Holdings Corporation (current position)</p> <p>June 2022      Outside Director of Crooober Co., Ltd. (current position)</p> <p>Significant concurrent positions outside the Company<br/>Representative Director of Belleffect Co., Ltd.<br/>Outside Director of SRE Holdings Corporation<br/>Outside Director of Crooober Co., Ltd.</p>                                                                                                                                                                                                                                                                                                                                                                        | 6,000 shares                         |
| 6             | Ayumi Daimon<br>October 11, 1983   | <p>Dec. 2011      Registered as attorney at law</p> <p>Aug. 2012      Joined Liaison Law Office</p> <p>Mar. 2015      Member of Office of Dispute Reconciliation Committee for Nuclear Damage Compensation of Research and Development Division of Research and Development Bureau, Ministry of Education, Culture, Sports, Science and Technology<br/>(Chief Senior Specialist of Mediation of Reconciliation)</p> <p>Feb. 2017      Partner of Liaison Law Office</p> <p>Feb. 2019      Outside Audit &amp; Supervisory Board Member of ChildVision Co., Ltd.</p> <p>June 2020      Established UNSEEN Law Office, Representative Attorney at Law (current position)</p> <p>Dec. 2020      Established UNSEEN Legal Professional Corporation, Representative Partner (current position)</p> <p>Dec. 2020      Established ERAWAKE Co., Ltd., Representative Director (current position)</p> <p>Apr. 2021      Outside Audit &amp; Supervisory Board Member of ChildVision Holdings Co., Ltd.</p> <p>Dec. 2021      Outside Director of the Company (current position)</p> <p>Jul. 2022      Outside Director of Fixpoint, Inc. (current position)</p> <p>Significant concurrent positions outside the Company<br/>Representative Attorney at Law of UNSEEN Law Office<br/>Representative Partner of UNSEEN Legal Professional Corporation<br/>Outside Director of Fixpoint, Inc.</p> | 500 shares                           |

- (Notes) 1. There is no special interest between any of the candidates and the Company.  
2. Ayako Ohta and Ayumi Daimon are candidates for outside Director.



3. Reasons for nomination of Ayako Ohta and Ayumi Daimon as candidates for outside Director and their expected roles are as follows:
  - (1) Ayako Ohta has extensive knowledge and experience in human resources and promoting diversity in addition to corporate management experience. The Company has therefore nominated her as a candidate for outside Director because it expects that she will provide appropriate advice from the perspective of strengthening the Company's corporate governance system and promoting human capital management.
  - (2) Ayumi Daimon not only has professional expertise as an attorney at law, but also deep insight that she developed while establishing a law office and focusing on activities that provide peace of mind to the clients. The Company has therefore nominated her as a candidate for outside Director because it expects that she will provide appropriate advice from the perspective of strengthening the Company's corporate governance system and creating a comfortable workplace.
4. Ayako Ohta and Ayumi Daimon are currently outside Directors of the Company, and at the conclusion of this meeting, their tenures as outside Directors will have been four years and one year respectively.
5. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with Ayako Ohta and Ayumi Daimon to limit their liability for damages under Article 423, paragraph (1) of the Companies Act to the minimum liability amount provided for by Article 425, paragraph (1) of the same Act. If their reelection is approved and adopted, the Company plans to renew the respective agreements with each one of them.
6. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The policy covers losses, such as amount of indemnification and court costs, to be borne by the insured, including the Company's Directors. When the policy is renewed, the Company plans to renew it with the same details.
7. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Ayako Ohta and Ayumi Daimon have been designated as independent officers as provided for by the aforementioned exchange. If their reelection is approved and adopted, the Company plans for their designation as independent officers to continue.

[Reference] Skill Matrix of Director Candidates and Audit & Supervisory Board Members

|                                   | Name                            | Age | Tenure | Particular experience and skills expected |                        |                           |                                          |                |                        |                         |
|-----------------------------------|---------------------------------|-----|--------|-------------------------------------------|------------------------|---------------------------|------------------------------------------|----------------|------------------------|-------------------------|
|                                   |                                 |     |        | Management                                | Finance and accounting | IT and digital technology | Personnel and human resource development | Global and SCM | Sustainability and ESG | Law and risk management |
| Directors                         | Kensuke Konaka                  | 62  | 31     | ●                                         | ●                      |                           | ●                                        |                |                        | ●                       |
|                                   | Koji Furuya                     | 53  | 2      | ●                                         |                        | ●                         |                                          | ●              |                        |                         |
|                                   | Kazuyuki Nakagawa               | 50  | 3      |                                           |                        | ●                         |                                          | ●              | ●                      |                         |
|                                   | Ryusuke Konaka                  | 46  | 2      |                                           | ●                      | ●                         |                                          |                |                        |                         |
|                                   | <u>Outside</u><br>Ayako Ohta    | 47  | 4      | ●                                         |                        |                           | ●                                        |                | ●                      |                         |
|                                   | <u>Outside</u><br>Ayumi Daimon  | 39  | 1      |                                           |                        |                           |                                          |                |                        | ●                       |
| Audit & Supervisory Board Members | Hirotsu Konaka                  | 58  | 10     |                                           |                        |                           |                                          |                |                        | ●                       |
|                                   | <u>Outside</u><br>Yoichi Morita | 71  | 6      |                                           |                        |                           |                                          |                |                        | ●                       |
|                                   | <u>Outside</u><br>Takao Maeda   | 66  | 2      |                                           | ●                      |                           |                                          |                |                        | ●                       |

(Note) The above skill matrix shows areas of particular expectation and does not represent all of the knowledge and experience possessed by each person.

**Proposal No. 4:** Determination of Remuneration for Granting Restricted Shares to Directors

The amount of remuneration, etc. for the Company's Directors was approved at the 33rd Ordinary General Meeting of Shareholders held on December 15, 2006 as an annual amount not exceeding ¥350 million (not including the employee salaries of Directors who also serve as employees).

As part of the revision of its officer remuneration system, in order to provide an incentive for the Company's Directors (excluding the outside Directors, "Eligible Directors" below) to strive for the sustainable enhancement of the Company's corporate value and promote further sharing of values with shareholders, the Company proposes to provide new remuneration for granting restricted shares to the Eligible Directors separately from the limit described above.

Under this proposal, the remuneration provided for granting restricted shares to the Eligible Directors will be monetary claims, and the aggregate amount will be set at an annual amount not exceeding ¥70 million (not including the employee salaries of Directors who also serve as employees). In addition, the Board of Directors will determine the specific timing and allocation of payments for each Eligible Director.

At present, the number of Eligible Directors is four.

In addition, based on a resolution of the Company's Board of Directors, the Eligible Directors will pay all of the monetary claims provided under this proposal as assets contributed in kind and receive the issuance or disposal of common shares of the Company. The number of common shares of the Company to be issued or disposed of will not exceed 140,000 shares annually (provided that in the event of a stock split (including gratis allotment of the Company's shares) or reverse stock split of the Company's shares or any other event requiring adjustment of the aggregate number of the Company's shares to be issued or disposed of as restricted shares after the date of approval and adoption of this proposal, such aggregate number will be adjusted within reasonable limits).

The amount to be paid per share will be determined by the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day prior to each resolution of the Board of Directors (or the closing price on the immediately preceding trading day in the event that there is no trading on that date) to the extent that it is not a particularly advantageous amount for the Eligible Directors who will subscribe to such common shares. The issuance or disposal of the Company's common shares and the payment of monetary claims as assets contributed in kind shall be subject to the conclusion of a restricted share allotment agreement (the "Allotment Agreement") between the Company and each Eligible Director, which shall include the following. In addition, the maximum amount of remuneration and the aggregate number of the Company's common shares to be issued or disposed in this proposal and other conditions for the granting of restricted shares to the Eligible Directors under this proposal have been determined taking into account the aforementioned purpose, the business conditions of the Company, the policy for determining the details of remuneration, etc. for each individual Director of the Company (note that if this proposal is approved and adopted, the Company plans to change this policy to the content described in the [Reference] column to make it consistent with details so approved), and various other circumstances and are considered reasonable.

[Summary of the Allotment Agreement]

(1) Transfer Restriction Period

During the period starting from the date when the Eligible Directors received the allotment under the Allotment Agreement until the point in time immediately after retirement or resignation from the position of officer or employee of the Company or its subsidiary, as determined in advance by the Board of Directors of the Company ("Transfer Restriction Period"), the Eligible Directors may not transfer, create a security interest on, or otherwise dispose of ("Transfer Restriction") the common shares received in the allotment under the Allotment Agreement ("Allotted Shares"). However, when the point in time immediately following such retirement or resignation falls before the day three months after the business year that includes the date on which the Allotted Shares will be allotted, the termination date for the Transfer Restriction Period may be adjusted within reasonable limits.

(2) Treatment of Retirement or Resignation

When the Eligible Director retires or resigns from the position of officer or employee of the Company or its subsidiary, as determined in advance by the Board of Directors of the Company, before the expiration of the period determined in advance by the Board of Directors of the Company ("Service Period"), the Company will

acquire the Allotted Shares without compensation as a matter of course upon such resignation or retirement, except in cases of expiration of tenure, death, or other justifiable reasons.

(3) Lifting of Transfer Restriction

The Company will lift the Transfer Restriction for all of the Allotted Shares upon the expiration of the Transfer Restriction Period provided that the Eligible Director has continuously served in the position of officer or employee of the Company or its subsidiary, as determined in advance by the Board of Directors of the Company, during the Service Period. However, (1) when the Eligible Director retires or resigns from the position of officer or employee of the Company or its subsidiary, as determined in advance by the Board of Directors of the Company before the expiration of the Service Period due to a justifiable reason; or (2) when the Eligible Director retires or resigns the position of officer or employee of the Company or its subsidiary, as determined in advance by the Board of Directors of the Company after the expiration of the Service Period but before the expiration of the Transfer Restriction Period due to other than justifiable reasons, the number of Allotted Shares for which the Transfer Restriction will be lifted and the timing for the lifting of the Transfer Restriction will be reasonably adjusted as necessary. In addition, the Company will acquire the Allotted Shares on which the Transfer Restriction is not lifted without compensation as a matter of course immediately upon the lifting of the Transfer Restriction in accordance with the provision above.

(4) Handling of Organizational Restructuring, etc.

Notwithstanding the provision in (1) above, if, during the Transfer Restriction Period, a merger agreement under which the Company becomes the absorbed company, a share exchange agreement under which the Company becomes a wholly-owned subsidiary, a share transfer plan or other matters relating to organizational restructuring, etc. are approved at a general meeting of shareholders of the Company (however, if such organizational restructuring, etc. does not require approval at a general meeting of shareholders, by the Board of Directors of the Company), the Transfer Restriction will be lifted prior to the effective date of such organizational restructuring, etc. for the number of Allotted Shares determined to be reasonable based on the period from the commencement date of the Transfer Restriction Period and the date of approval of such organizational restructuring, etc. In addition, the Company will acquire the Allotted Shares for which the Transfer Restriction is not lifted without compensation as a matter of course immediately upon the lifting of the Transfer Restriction in the case provided for above.

(5) Other Matters

Other matters related to the Allotment Agreement will be determined by the Board of Directors of the Company.

[Reference] Policy for Determining the Details of Remuneration, etc. for Each Individual Director

Subject to the approval of this proposal, at the meeting held on November 14, 2022, the Board of Directors resolved to make the following changes.

(1) Basic policy

The basic policy for the remuneration of the Company's Directors when determining the remuneration for individual Directors is to set an appropriate level based on the responsibilities of each position with the sustainable enhancement of corporate value over the long term as the objective. More specifically, remuneration shall consist of base remuneration and share-based remuneration. In view of their duties, the outside Directors who are responsible for the supervisory function shall be paid pre-determined base remuneration only.

(2) Policy for determining the amount of individual remuneration, etc. for base remuneration (cash remuneration) (including policy for determining the timing and conditions for granting remuneration, etc.)

The base remuneration for the Company's Directors shall be fixed monthly remuneration and shall be determined by the Board of Directors according to position, duties, performance, level of contribution, and other factors based on the report of the Remuneration Committee and taking account of remuneration levels at other companies, the performance of the Company, and the level of employees' monthly salaries.

- (3) Policy for determining the details and calculating the amount or number of non-cash remuneration, etc. (including policy for determining the timing and conditions for granting remuneration, etc.)

The Company will grant restricted shares with lifting of the transfer restriction upon retirement to Directors at a certain time each year with the objective being that the Directors will acquire and hold a certain number of shares during their term in office, which will provide them with an incentive to strive for the sustainable enhancement of corporate value as well as promoting further sharing of values with shareholders. The number of restricted shares to be granted will be determined based on the report of the Remuneration Committee.

- (4) Policy for determining the ratio of the amount of base remuneration and the amount of non-cash remuneration, etc. in the amount of remuneration, etc. for each individual Director

The ratio of the amount of remuneration by type for Director is determined based on the report of the Remuneration Committee, taking into consideration the level of remuneration with reference to companies of a similar business size and number of employees as the Company, and companies in related industries and business categories.

- (5) Matters related to determining the details of remuneration, etc. for each individual Director

Based on the report of the Remuneration Committee, the determination of the specific details related to the amount of individual remuneration shall be delegated to Representative Director and President based on the resolution of the Board of Directors on the aggregate amount of remuneration, and such authority shall include the determination of the amount of remuneration, etc., for Directors and its method of calculation.

**Proposal No. 5:** Election of Financial Auditor

At the conclusion of this General Meeting of Shareholders, Jinchi Audit Corporation, the Company's Financial Auditor, will retire due to the expiration of term of office. Therefore, the Company proposes the election of a new Financial Auditor based on the decision of the Audit & Supervisory Board.

The Audit & Supervisory Board has nominated Audit firm Wiz as candidate for Financial Auditor because the Audit & Supervisory Board believes that the firm has the expertise, independence, and quality control system required of a Financial Auditor in addition to the expectation that it will bring a fresh perspective to financial auditing.

The candidate for Financial Auditor is as follows:

(As of September 30, 2022)

|                      |                                                            |                                         |                                      |  |
|----------------------|------------------------------------------------------------|-----------------------------------------|--------------------------------------|--|
| Name                 | Audit firm Wiz                                             |                                         |                                      |  |
| Location of office   | 7th floor, Arco Tower, 1-8-1 Shimomeguro, Meguro-ku, Tokyo |                                         |                                      |  |
| History              | Jan. 2022                                                  | Establishment of Audit firm Wiz         |                                      |  |
| Overview             | Stated capital                                             | ¥1,500,000                              |                                      |  |
|                      | Members                                                    | Partners (Certified Public Accountants) | 5 persons                            |  |
|                      |                                                            | Staff (Certified Public Accountants)    | 2 persons (includes part-time staff) |  |
|                      |                                                            | Other staff                             | 1 person                             |  |
| Affiliated companies | 1 company                                                  |                                         |                                      |  |