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Securities code: 4880
January 11, 2023

To Shareholders with Voting Rights:

Masato Tsumamoto
Chief Executive Officer (CEO) &
Representative Director
CellSource Co., Ltd.
1-19-5 Shibuya, Shibuya-ku,
Tokyo, Japan

**NOTICE OF
THE 7th ORDINARY GENERAL MEETING OF SHAREHOLDERS**

We hereby inform you that the 7th Ordinary General Meeting of Shareholders of CellSource Co., Ltd. (the “Company”) will be held as described below.

In order to prevent the spread of COVID-19, we have introduced a hybrid participatory virtual General Meeting of Shareholders this time. This enables shareholders to watch the meeting in real time without visiting the meeting venue in person. Shareholders are requested to review the Guide to Virtual Participation in the General Meeting of Shareholders (in Japanese only) and consider their own health and safety as their top priority, and refrain from visiting the venue as much as possible on the day of the meeting.

This virtual General Meeting of Shareholders will be conducted in a participatory manner. Shareholders who participate via the Internet will not be able to exercise their voting rights on the day of the meeting. If you would like to exercise your voting rights in advance, please review the Reference Documents for the General Meeting of Shareholders as described below and indicate your approval or disapproval of the proposals in writing or via the Internet, etc. so that your vote will arrive no later than 5:00 p.m. Japan time on Thursday, January 26, 2023.

Shareholders who wish to attend the meeting at the venue are requested to read Points to Note on the Day of the General Meeting of Shareholders (in Japanese only). Please note that shareholders with symptoms such as fever or cough, shareholders who do not wear a mask, and shareholders who do not cooperate with temperature checks will not be allowed to enter even if they visit the venue.

- 1. Date and Time:** Friday, January 27, 2023 at 11:00 a.m. Japan time
(Reception starts at 10:30 a.m.)
- 2. Place:** 4A, Shibuya Solasta Conference, 4th floor, Shibuya Solasta
1-21-1 Dogenzaka, Shibuya-ku, Tokyo, Japan
- 3. Meeting Agenda:**
Matters to be reported: The Business Report and Financial Statements for the Company's 7th
Fiscal Year (November 1, 2021 - October 31, 2022)

Proposals to be resolved:

- Proposal 1:** Partial Amendments to the Articles of Incorporation
- Proposal 2:** Election of Four (4) Directors (excluding Directors who are Audit & Supervisory Committee Members)
- Proposal 3:** Election of Three (3) Directors who are Audit & Supervisory Committee Members
- Proposal 4:** Setting Maximum Amount of Remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members)
- Proposal 5:** Setting Maximum Amount of Remuneration for Directors who are Audit & Supervisory Committee Members

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- If you plan to attend the meeting in person, please submit the enclosed Voting Rights Exercise Form.
 - Of the documents that should be provided in this convocation notice, the notes to the non-consolidated financial statements are not described in the attached documents to this convocation notice, as they are posted on our website on the Internet (<https://www.cellsource.co.jp/ir/documents/meeting/>) based on laws and regulations and the provisions of Article 16 of the Company's Articles of Incorporation. Therefore, the documents attached to this convocation notice are a part of the documents audited by the Audit & Supervisory Board Members and the Accounting Auditor in preparing the audit reports.
 - If any revisions are made to the business report, financial statements, or Reference Documents for the General Meeting of Shareholders, they will be posted on the Company's website on the Internet (<https://www.cellsource.co.jp/ir/documents/meeting/>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reason for the proposal

- (1) The Company has decided to make a transition to a company with an audit & supervisory committee. The aim of this transition is to strengthen the supervisory function of the Board of Directors and to further enhance corporate governance through the further strengthening of the monitoring system, by incorporating Audit & Supervisory Committee Members who are responsible for auditing the execution of duties by Directors, as members of the Board of Directors. In connection with the transition to a company with an audit & supervisory committee, the Company proposes to make several changes, including the establishment of new provisions regarding Directors who are Audit & Supervisory Committee Members and the Audit & Supervisory Committee, the establishment of new provisions regarding delegation of authority to Directors to make decisions regarding the execution of important business matters, and the deletion of provisions regarding Audit & Supervisory Board Members and the Audit & Supervisory Board.
- (2) In accordance with the enforcement on September 1, 2022 of the electronic provision of materials for the General Meeting of Shareholders stipulated in the proviso of Article 1 of the Supplementary Provision of the Act Partially Amending the Companies Act (Act No. 70 of 2019), the Company proposes to establish provisions related to measures for providing information contained in the Reference Documents for the General Meeting of Shareholders, etc. electronically, and provisions that enable the limitation of the scope of matters to be included in the document to be delivered to shareholders who have requested the delivery of a printed copy.

In addition, the current provisions on Internet Disclosure and Deemed Provision of Reference Documents for General Meeting of Shareholders, Etc. will be deleted as they are no longer necessary, and supplementary provisions will be established regarding transitional measures, etc. associated with these amendments.

2. Details of the amendments

The details of the amendments are as follows.

The proposed amendments to the Articles of Incorporation will take effect at the conclusion of this General Meeting of Shareholders.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>Article 4 (Organizational Structure)</p> <p>The Company shall have the General Meeting of Shareholders, Directors, and the following organs.</p> <p>(1) Board of Directors (2) <u>Audit & Supervisory Board Members</u> (3) <u>Audit & Supervisory Board</u> (4) <u>Accounting Auditor</u></p>	<p>Article 4 (Organizational Structure)</p> <p>The Company shall have the General Meeting of Shareholders, Directors, and the following organs.</p> <p>(1) Board of Directors (2) <u>Audit & Supervisory Committee</u> (Deleted) (3) <u>Accounting Auditor</u></p>
<p><u>Article 16 (Internet Disclosure and Deemed Provision of Reference Documents for General Meeting of Shareholders, Etc.)</u></p> <p><u>The Company may, when convening a General Meeting of Shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the Reference Documents for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements, and Consolidated Financial Statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p>	<p>(Deleted)</p>
<p>(Newly established)</p>	<p><u>Article 16 (Measures for Electronic Provision, Etc.)</u></p> <p>(1) <u>The Company shall, when convening a General Meeting of Shareholders, provide information contained in the Reference Documents for the General Meeting of Shareholders, etc. electronically.</u></p> <p>(2) <u>Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the document to be sent to shareholders who have requested a</u></p>

Current Articles of Incorporation	Proposed Amendments
	<u>printed copy by the record date for voting rights.</u>
<p>Article 17 (Number of Directors)</p> <p>The number of Directors of the Company shall be not more than seven.</p> <p>(Newly established)</p>	<p>Article 17 (Number of Directors)</p> <p>(1) The number of Directors of the Company <u>(excluding Directors who are Audit & Supervisory Committee Members)</u> shall be not more than seven.</p> <p>(2) <u>The number of Directors who are Audit & Supervisory Committee Members of the Company shall be not more than four.</u></p>
<p>Article 18 (Method of Election of Directors)</p> <p>(1) Directors of the Company shall be elected at a General Meeting of Shareholders attended by shareholders with one third or more of the voting rights entitled to exercise voting rights. The election shall require affirmative votes by a majority of the voting rights of shareholders in attendance.</p> <p>(2) The election of Directors shall not be conducted by cumulative voting.</p>	<p>Article 18 (Method of Election of Directors)</p> <p>(1) Directors of the Company shall be elected at a General Meeting of Shareholders attended by shareholders with one third or more of the voting rights entitled to exercise voting rights, <u>separately for Directors who are Audit & Supervisory Committee Members and Directors who are not.</u> The election shall require affirmative votes by a majority of the voting rights of shareholders in attendance.</p> <p>(2) The election of Directors shall not be conducted by cumulative voting.</p>
<p>Article 19 (Term of Office of Directors)</p> <p>(1) The term of office of a Director shall expire upon the conclusion of the Ordinary General Meeting of Shareholders pertaining to the last fiscal year ending within one year from his or her election.</p> <p>(2) <u>A Director elected to replace another Director retiring before his or her term of office expires shall serve the remaining term of office of the predecessor, and the term of office of a Director added to the existing Board of Directors to increase the number of Directors shall expire when the term of office of other incumbent Directors expires.</u></p>	<p>Article 19 (Term of Office of Directors)</p> <p>(1) The term of office of a Director <u>(excluding a Director who is an Audit & Supervisory Committee Member)</u> shall expire upon the conclusion of the Ordinary General Meeting of Shareholders pertaining to the last fiscal year ending within one year from his or her election.</p> <p>(2) <u>The term of office of a Director who is an Audit & Supervisory Committee Member shall expire upon the conclusion of the Ordinary General Meeting of Shareholders pertaining to the last fiscal year ending within two years from his or her election.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p> <p>(Newly established)</p>	<p>(3) <u>The term of office of a Director who is an Audit & Supervisory Committee Member elected to replace another Director retiring before his or her term of office expires shall expire when the term of office of the retired Director who is an Audit & Supervisory Committee Member expires.</u></p> <p>(4) <u>The election of a substitute Director who is an Audit & Supervisory Committee Member shall be effective until the beginning of the Ordinary General Meeting of Shareholders pertaining to the last fiscal year ending within two years after the General Meeting of Shareholders at which such election is made.</u></p>
<p>Article 20 (Representative Director)</p> <p>Representative Directors of the Company shall be elected by resolution of the Board of Directors.</p>	<p>Article 20 (Representative Director)</p> <p>Representative Directors of the Company shall be elected <u>among the Directors (excluding Directors who are Audit & Supervisory Committee Members)</u> by resolution of the Board of Directors.</p>
<p>Article 22 (Convocation Notice of Meetings of the Board of Directors)</p> <p>(1) The Board of Directors shall issue a convocation notice to each Director <u>and Audit & Supervisory Board Member</u> no later than three days prior to the date of the meeting; however, the period may be shortened in case of emergency.</p> <p>(2) A meeting of the Board of Directors may be held without convocation notice if the consent of all Directors <u>and Audit & Supervisory Board Members</u> has been obtained.</p>	<p>Article 22 (Convocation Notice of Meetings of the Board of Directors)</p> <p>(1) The Board of Directors shall issue a convocation notice to each Director no later than three days prior to the date of the meeting; however, the period may be shortened in case of emergency.</p> <p>(2) A meeting of the Board of Directors may be held without convocation notice if the consent of all Directors has been obtained.</p>
<p>Article 24 (Omission of Resolution of the Board of Directors)</p> <p>If all the Directors who are entitled to participate in the resolution for a proposal express their intention in writing to agree to the relevant proposal</p>	<p>Article 24 (Omission of Resolution of the Board of Directors)</p> <p>If all the Directors who are entitled to participate in the resolution for a proposal express their intention in writing to agree to the relevant</p>

Current Articles of Incorporation	Proposed Amendments
<p>with respect to any matter which is the purpose of the meeting of the Board of Directors, the resolution to approve such proposal at a duly convened meeting shall be deemed to have been made. However, this shall not apply if an Audit & Supervisory Board Member expresses an objection.</p>	<p>proposal with respect to any matter which is the purpose of the meeting of the Board of Directors, the resolution to approve such proposal at a duly convened meeting shall be deemed to have been made.</p>
(Newly established)	<p><u>Article 25 (Delegation of Decisions on the Execution of Important Business)</u> <u>Pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company may delegate all or part of decision on the execution of important business (excluding each of the items listed in Paragraph 5 of said Article) through a resolution by the Board of Directors.</u></p>
Article <u>25</u> (Omitted)	Article <u>26</u> (Unchanged)
<p>Article <u>26</u> (Remuneration, Etc.) Remuneration, bonuses and other financial benefits for Directors provided by the Company as consideration for the execution of duties shall be determined by resolution of the General Meeting of Shareholders.</p>	<p>Article <u>27</u> (Remuneration, Etc.) Remuneration, bonuses and other financial benefits for Directors provided by the Company as consideration for the execution of duties shall be determined by resolution of the General Meeting of Shareholders, <u>separately for Directors who are Audit & Supervisory Committee Members and Directors who are not.</u></p>
Article <u>27</u> (Omitted)	Article <u>28</u> (Unchanged)
<p><u>Chapter 5</u> <u>Audit & Supervisory Board Members and Audit & Supervisory Board</u></p>	(Deleted)
<p><u>Article 28 (Number of Audit & Supervisory Board Members)</u> <u>The number of Audit & Supervisory Board Members of the Company shall be not more than four.</u></p>	(Deleted)
<p><u>Article 29 (Method of Election of Audit & Supervisory Board Members)</u> <u>Audit & Supervisory Board Members of the Company shall be elected at a General Meeting of Shareholders</u></p>	(Deleted)

Current Articles of Incorporation	Proposed Amendments
<p><u>attended by shareholders with one third or more of the voting rights entitled to exercise voting rights. The election shall require affirmative votes by a majority of the voting rights of shareholders in attendance.</u></p>	
<p><u>Article 30 (Term of Office of Audit & Supervisory Board Members)</u></p> <p>(1) <u>The term of office of an Audit & Supervisory Board Member shall expire upon the conclusion of the Ordinary General Meeting of Shareholders pertaining to the last fiscal year ending within four years from his or her election.</u></p> <p>(2) <u>An Audit & Supervisory Board Member elected to replace another Audit & Supervisory Board Member retiring before his or her term of office expires shall serve the remaining term of office of the predecessor.</u></p>	(Deleted)
<p><u>Article 31 (Full-time Audit & Supervisory Board Member)</u></p> <p><u>Full-time Audit & Supervisory Board Members of the Company shall be elected by resolution of the Audit & Supervisory Board.</u></p>	(Deleted)
<p><u>Article 32 (Convocation Notice of Meetings of Audit & Supervisory Board)</u></p> <p>(1) <u>The Audit & Supervisory Board shall issue a convocation notice to each Audit & Supervisory Board Member no later than three days prior to the date of the meeting; however, the period may be shortened in case of emergency.</u></p> <p>(2) <u>A meeting of the Audit & Supervisory Board may be held without following procedures for convocation if the consent of all Audit & Supervisory Board Members has been obtained.</u></p>	(Deleted)
<p><u>Article 33 (Method of Resolution of Audit & Supervisory Board)</u></p> <p><u>Unless otherwise stipulated by laws and regulations, the adoption of a resolution of the Audit & Supervisory Board shall</u></p>	(Deleted)

Current Articles of Incorporation	Proposed Amendments
<p><u>require affirmative votes of a majority of the Audit & Supervisory Board Members.</u></p>	
<p><u>Article 34 (Audit & Supervisory Board Regulations)</u> <u>Matters concerning the Audit & Supervisory Board shall be determined in accordance with laws and regulations or these Articles of Incorporation, as well as with the Audit & Supervisory Board Regulations established by the Audit & Supervisory Board.</u></p>	(Deleted)
<p><u>Article 35 (Remuneration, Etc.)</u> <u>Remuneration, bonuses and other financial benefits for Audit & Supervisory Board Members provided by the Company as consideration for the execution of duties shall be determined by resolution of the General Meeting of Shareholders.</u></p>	(Deleted)
<p><u>Article 36 (Exemption of Audit & Supervisory Board Members from Liability)</u></p> <p>(1) <u>Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) from their liability for damages arising from failure to perform their duties, to the extent provided for by laws and regulations.</u></p> <p>(2) <u>Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with an Audit & Supervisory Board Member to limit his or her liability for damages arising from failure to perform their duties; provided, however, that the maximum amount of liability pursuant to such an agreement shall be an amount specified by laws and regulations.</u></p>	(Deleted)

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<u>Chapter 5</u> <u>Audit & Supervisory Committee</u>
(Newly established)	<u>Article 29 (Full-time Audit & Supervisory Committee Members)</u> <u>Directors who are full-time Audit & Supervisory Committee Members shall be elected by a resolution of the Audit & Supervisory Committee.</u>
(Newly established)	<u>Article 30 (Convocation Notice of Meetings of Audit & Supervisory Committee)</u> <u>(1) The Audit & Supervisory Committee shall issue a convocation notice to each Director who is an Audit & Supervisory Committee Member no later than three days prior to the date of the meeting; however, the period may be shortened in case of emergency.</u> <u>(2) A meeting of the Audit & Supervisory Committee may be held without a convocation notice if the consent of all Directors who are Audit & Supervisory Committee Members has been obtained.</u>
(Newly established)	<u>Article 31 (Method of Resolution of Audit & Supervisory Committee)</u> <u>Unless otherwise stipulated by laws and regulations, the adoption of a resolution of the Audit & Supervisory Committee shall require affirmative votes of a majority of the Audit & Supervisory Board Members present at a meeting where a majority of the Directors who are Audit & Supervisory Committee Members are eligible to participate in the voting.</u>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p><u>Article 32 (Audit & Supervisory Committee Regulations)</u></p> <p><u>Matters concerning the Audit & Supervisory Committee shall be determined in accordance with laws and regulations or these Articles of Incorporation, as well as with the Audit & Supervisory Committee Regulations established by the Audit & Supervisory Committee.</u></p>
Article <u>37</u> to Article <u>43</u> (Omitted)	Article <u>33</u> to Article <u>39</u> (Unchanged)
(Newly established)	<p><u>Article 40 (Transitional Measures Regarding Liability Exemption of Audit & Supervisory Board Members)</u></p> <p>(1) <u>The Company may, by a resolution of the Board of Directors, exempt Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) from liability regarding acts committed prior to the conclusion of the 7th Ordinary General Meeting of Shareholders, as set forth in Article 423, Paragraph 1 of the Companies Act, to the extent provided for by laws and regulations.</u></p> <p>(2) <u>Regarding contracts that limit liability in accordance with Article 423, Paragraph 1 of the Companies Act regarding the acts committed by Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) prior to the conclusion of the 7th Ordinary General Meeting of Shareholders, the provisions of Article 36, Paragraph 2 of the Articles of Incorporation before the amendments by a resolution of the said General Meeting of Shareholders shall apply.</u></p>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p data-bbox="815 215 1422 331"><u>Article 41 (Transitional Measures Regarding Electronic Provision of Materials for the General Meeting of Shareholders)</u></p> <p data-bbox="815 331 1422 779">(1) <u>Article 16 (Internet Disclosure and Deemed Provision of Reference Documents for General Meeting of Shareholders, Etc.) of the Articles of Incorporation before amendment shall remain in force with respect to a General Meeting of Shareholders to be held on a date within six months from September 1, 2022 (hereinafter, the “enforcement date”).</u></p> <p data-bbox="815 779 1422 1104">(2) <u>This article shall be deleted after six months have elapsed from the enforcement date, or after three months have elapsed from the date of the General Meeting of Shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Proposal 2: Election of Four (4) Directors (excluding Directors who are Audit & Supervisory Committee Members)

Subject to the approval of Proposal 1 “Partial Amendments to the Articles of Incorporation” in its original form, the Company will transition to a company with an audit & supervisory committee, and the terms of office of all six (6) Directors will expire when the amendments to the Articles of Incorporation become effective. Accordingly, the Company proposes the election of four (4) Directors (excluding Directors who are Audit & Supervisory Committee Members) after the transition to a company with an audit & supervisory committee.

This proposal only takes effect after Proposal 1 “Partial Amendments to the Articles of Incorporation” takes effect.

The candidates for Directors are as follows.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Masato Tsumamoto (October 21, 1982)	April 2005 Joined Sumitomo Corporation November 2015 Founded the Company Representative Director, the Company (Incumbent)	2,376,000
	[Reason for nomination as candidate for Director] Mr. Masato Tsumamoto has abundant experience and achievements in leading the Company as a Representative Director since its founding, as well as a high level of insight into management. We believe that he is capable of executing business operations, making management decisions, and supervising management going forward.		
2	Masayuki Yamakawa (July 3, 1964)	October 1993 Founded Seishin Plastic and Aesthetic Surgery Clinic Co., Ltd. April 2007 Founded THE CLINIC Tokyo January 2015 Founded SerialIncubate Co., Ltd. Representative Director, SerialIncubate Co., Ltd. (Incumbent) November 2015 Founded the Company Representative Director, the Company March 2016 Founded Tokyo Knee Osteoarthritis Clinic December 2019 Founded Synergion inc. Representative Director, Synergion Co., Ltd. (Incumbent) January 2022 Director, the Company (Incumbent) August 2022 Founded Forestreat inc. Representative Director, Forestreet Co., Ltd. (Incumbent) [Significant concurrent positions] - Representative Director, SerialIncubate Co., Ltd. - Representative Director, Synergion Co., Ltd. - Representative Director, Forestreet Co., Ltd.	8,608,200
	[Reason for nomination as candidate for Director] Mr. Masayuki Yamakawa participated in the establishment of the Company as a Representative Director, and has abundant experience and insight as a physician, as well as a high degree of insight into management. We believe that he is capable of providing advice and recommendations regarding further business development and overall management of the Company.		

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Norio Murakami (March 31, 1947)	<p>April 1970 Joined Hitachi Denshi, Ltd. (currently known as Hitachi Kokusai Electric Inc.)</p> <p>September 1994 Representative Director & President, Informix K.K. and Deputy President, Informix Corporation in the U.S.</p> <p>August 1999 Representative Director & President, Nortel Networks Corporation in Canada</p> <p>November 2001 Representative Director & President, Docent Japan, Inc.</p> <p>April 2003 President & Representative Director, Google Japan Inc. (currently known as Google Japan G.K.) Vice-President, Google Inc. (currently known as Google LLC) in the U.S.</p> <p>January 2009 Honorary Chairman, Google Japan Inc.</p> <p>January 2011 Founded Norio Murakami Office Co., Ltd. Representative Director, Norio Murakami Office Co., Ltd. (Incumbent)</p> <p>March 2012 Outside Director, V-cube, Inc. (Incumbent)</p> <p>August 2013 External Director, Weathernews Inc.</p> <p>December 2014 President and Representative Director, ENERES Co., Ltd.</p> <p>October 2017 External Director, the Company (Incumbent)</p> <p>September 2021 Outside Director, Mercari, Inc. (Incumbent)</p> <p>[Significant concurrent positions] - Representative Director, Norio Murakami Office Co., Ltd. - Outside Director, V-cube, Inc. - Outside Director, Mercari, Inc.</p>	—
<p>[Reason for nomination as candidate for External Director and outline of expected roles] We expect Mr. Norio Murakami to be capable of providing advice and recommendations regarding further business development and overall management of the Company, given his abundant experience as a corporate manager.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	Takashi Sawada (July 12, 1957)	<p>April 1981 Joined ITOCHU Corporation</p> <p>November 1998 Vice President, Fast Retailing Co., Ltd.</p> <p>February 2003 Founded Kiacon Corporation Representative Director and CEO, Kiacon Corporation</p> <p>October 2005 Founded Revamp Corporation Representative Director and President, Revamp Corporation</p> <p>June 2008 Outside Director, Nomura Research Institute, Ltd.</p> <p>April 2012 Outside Director, Culture Convenience Club Co., Ltd.</p> <p>June 2013 Outside Director, SECOM CO., LTD.</p> <p>June 2014 Outside Director, K'S HOLDINGS CORPORATION</p> <p>January 2015 Representative Director & President, LOTTE DUTY FREE JAPAN</p> <p>March 2015 Outside Director, Link and Motivation Inc.</p> <p>April 2016 Representative Director and Chairman, Revamp Corporation</p> <p>May 2016 Director and Chairman, Revamp Corporation Director, Senior Managing Executive Officer and Assistant to President, FamilyMart UNY Holdings Co., Ltd. (currently FamilyMart Co., Ltd.)</p> <p>September 2016 Representative Director and President, FamilyMart Co., Ltd. (Dissolved company by absorption merger)</p> <p>May 2017 Executive Vice President and Executive Officer, General Manager, CVS Business Department, Business Control Division, FamilyMart UNY Holdings Co., Ltd. (currently FamilyMart Co., Ltd.) Director, Executive Vice President and Executive Officer, General Manager, CVS Business Department, Business Control Division, FamilyMart UNY Holdings Co., Ltd</p> <p>March 2018 Representative Director and Executive Vice President, in charge of CVS, FamilyMart UNY Holdings Co., Ltd.</p> <p>May 2019 Representative Director and President, FamilyMart UNY Holdings Co., Ltd.</p> <p>March 2021 Representative Director and Vice Chairman, FamilyMart Co., Ltd.</p> <p>January 2022 External Director, the Company (Incumbent)</p> <p>March 2022 Representative Director and President, Lotte Ventures Japan Co., Ltd. (Incumbent)</p> <p>[Significant concurrent positions] - Representative Director and President, Lotte Ventures Japan Co., Ltd.</p>	—
<p>[Reason for nomination as candidate for External Director and outline of expected roles] We expect Mr. Takashi Sawada to be capable of providing advice and recommendations regarding further business development and overall management of the Company, given his involvement in the management of multiple companies and experience in serving as a representative director.</p>			

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Mr. Masayuki Yamakawa is a parent company, etc. as defined in Article 2, Item 4-2 of the Companies Act.
 3. The number of shares of the Company held by each candidate is the number of shares as of October 31, 2022.
 4. Mr. Norio Murakami and Mr. Takashi Sawada are candidates for External Director. The Company has registered Mr. Norio Murakami and Mr. Takashi Sawada as independent officers as stipulated by the Tokyo Stock Exchange.
 5. Mr. Norio Murakami and Mr. Takashi Sawada are currently External Directors of the Company. The Company has entered into a liability limitation agreement with both of them, which limits their liability to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act. If their reelection is approved, the Company plans to continue the aforementioned liability limitation agreement with both of them.
 6. The Company has entered into a directors and officers liability insurance policy with an insurance company to cover legal damages and litigation expenses in the event of a claim for damages arising out of acts committed by the insured in their role as an officer, etc. of the Company. Each candidate will be included as an insured under said policy. The Company also plans to renew this policy with the same content at the time of the next renewal.
 7. The number of shares of the Company held by Mr. Masayuki Yamakawa is in his own name, and the percentage of voting rights held by his asset manager and close relatives is 56.47% as of October 31, 2022.
 8. Mr. Norio Murakami is currently an External Director of the Company, and his term of office will be five (5) years and three (3) months at the conclusion of this General Meeting of Shareholders.
 9. Mr. Takashi Sawada is currently an External Director of the Company, and his term of office will be one (1) year at the conclusion of this General Meeting of Shareholders.

Proposal 3: Election of Three (3) Directors who are Audit & Supervisory Committee Members

Subject to the approval of Proposal 1 “Partial Amendments to the Articles of Incorporation” in its original form, the Company will transition to a company with an audit & supervisory committee. Accordingly, the Company proposes the election of three (3) Directors who are Audit & Supervisory Committee Members. The consent of the Audit & Supervisory Board has been obtained for the submission of this proposal.

This proposal only takes effect after Proposal 1 “Partial Amendments to the Articles of Incorporation” takes effect.

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

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Takeshi Amemiya (July 14, 1962)	April 1986 Joined ITOCHU Corporation August 1999 Joined Japan Online Securities Co., Ltd. (currently au Kabucom Securities Co., Ltd.) May 2002 Executive Officer, Japan Online Securities Co., Ltd. June 2008 CFO & Executive Director, Japan Online Securities Co., Ltd. June 2017 Joined the Company August 2017 Director, General Manager, Corporate Management Division, the Company March 2020 Director, General Manager, Corporate Planning Division, the Company February 2021 CFO & Director, the Company January 2022 Director, the Company (Incumbent)	62,700
[Reason for nomination as candidate for Director who is an Audit & Supervisory Committee Member] Mr. Takeshi Amemiya has been involved in the management of a listed company from its founding, and has many years of experience as a financial officer as well as management over IR, general affairs, and human resources. Based on his high degree of knowledge of management and deep understanding of the Company’s business, we believe that he is capable of making appropriate proposals and supervising the management of the Company. Thus, he is nominated as a candidate for Director who is an Audit & Supervisory Committee Member.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	Tsuneyasu Ozaki (June 24, 1969)	<p>April 1994 Legal Training and Research Institute of Japan</p> <p>June 1996 Appointed as Prosecutor</p> <p>April 1997 Fukuoka District Public Prosecutors Office</p> <p>April 1999 Special Investigation Department, Tokyo District Public Prosecutors Office</p> <p>April 2003 Assigned to the Administrative Litigation Division, Litigation Bureau, Ministry of Justice</p> <p>July 2004 Office of Administrative Procedure, Planning and Coordination Division, Administrative Management Bureau, Ministry of Internal Affairs and Communications</p> <p>July 2005 Retired from the position of Prosecutor</p> <p>August 2005 Registered as an attorney</p> <p>January 2008 LPC Partner, Nishimura & Asahi</p> <p>July 2013 Representative, Fukuoka Office, Nishimura & Asahi (Incumbent)</p> <p>June 2014 External Auditor, Tosoh Corporation (Incumbent)</p> <p>September 2016 Chair, Governance Committee, TAKADA Corporation</p> <p>January 2019 External Audit & Supervisory Board Member, the Company (Incumbent)</p> <p>[Significant concurrent positions] - Representative, Fukuoka Office, Nishimura & Asahi - External Auditor, Tosoh Corporation</p>	—
<p>[Reasons for nomination as candidate for External Director who is an Audit & Supervisory Committee Member and outline of expected roles]</p> <p>Mr. Tsuneyasu Ozaki has a high degree of expertise and experience as an attorney. Although he has not been directly involved in the management of a company in the past, based on his high degree of expertise and experience as an attorney and his deep understanding of the Company's business, we believe that he is capable of supervising the management of the Company from an objective standpoint, and making appropriate proposals and supervising the management of the Company. Thus, he is nominated as a candidate for External Director who is an Audit & Supervisory Committee Member.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Kumi Fujisawa (March 15, 1967)	<p>April 1995 Founded IFIS Japan Ltd. President & Representative Director, IFIS Japan Ltd.</p> <p>June 2004 Executive Director, the Investment Trusts Association, Japan (Incumbent)</p> <p>November 2004 Director, Sophia Bank Ltd.</p> <p>April 2005 Visiting Professor, Graduate School of Hosei University</p> <p>June 2006 Corporate Auditor, Trenders, Inc.</p> <p>July 2006 Director, Symmetry Japan, Inc.</p> <p>June 2011 Public Governor, Japan Securities Dealers Association (Incumbent)</p> <p>February 2012 Director, Corporation for Revitalizing Earthquake-Affected Business</p> <p>June 2013 Outside Director, the Shizuoka Bank, Ltd. (Incumbent) Auditor, Music Securities, Inc.</p> <p>August 2013 Representative Director, Sophia Bank Ltd.</p> <p>June 2014 Outside Director, Toyota Tsusho Corporation (Incumbent) Director, Scinex Corporation</p> <p>July 2014 Director, Money Design Co., Ltd.</p> <p>May 2016 Outside Director, CREEK and RIVER Co., Ltd.</p> <p>February 2018 Director, CAMPFIRE, Inc</p> <p>March 2018 Director, JAPAN PROFESSIONAL FOOTBALL LEAGUE (Incumbent)</p> <p>October 2018 Outside Director, Net Protections Holdings, Inc. (Incumbent)</p> <p>April 2019 Director, Japan Action Tank (Incumbent)</p> <p>March 2020 Director General, Japan Global Research Center Director, JINSEKI KOGEN GAKUEN INSTITUTION (Incumbent)</p> <p>January 2021 External Director, the Company (Incumbent)</p> <p>April 2021 Representative Director, Japan Philanthropic Advisory (Incumbent)</p> <p>April 2022 Chairperson, Institute for International Socio-Economic Studies (Incumbent)</p> <p>[Significant concurrent positions] - Outside Director, the Shizuoka Bank, Ltd. - Outside Director, Toyota Tsusho Corporation - Outside Director, Net Protections Holdings, Inc. - Chairperson, Institute for International Socio-Economic Studies</p>	900
<p>[Reasons for nomination as candidate for External Director who is an Audit & Supervisory Committee Member and outline of expected roles]</p> <p>Ms. Kumi Fujisawa established the first investment trust evaluation company in Japan and served as its representative director. She has also held various public positions, and serves as an External Director of the Company. Based on her abundant experience and insight, as well as her deep understanding of the Company's business, we believe that she is capable of providing appropriate advice and supervision on the development of the Company's business and overall management. Thus, she is nominated as a candidate for External Director who is an Audit & Supervisory Committee Member.</p>			

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. The number of shares of the Company held by each candidate is the number of shares as of October 31, 2022.
 3. Mr. Tsuneyasu Ozaki and Ms. Kumi Fujisawa are candidates for External Director. The Company has registered Ms. Kumi Fujisawa as an independent officer as stipulated by the Tokyo Stock Exchange.
 4. Mr. Tsuneyasu Ozaki and Ms. Kumi Fujisawa are currently an Outside Audit & Supervisory Board Member and External Director of the Company, respectively. The Company has entered into a liability limitation agreement with both of them, which limits their liability to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act. If their reelection is approved, the Company plans to continue the aforementioned liability limitation agreement with both of them.
 5. The Company has entered into a directors and officers liability insurance policy with an insurance company to cover legal damages and litigation expenses in the event of a claim for damages arising out of acts committed by the insured in their role as an officer, etc. of the Company. Each candidate will be included as an insured under said policy. The Company also plans to renew this policy with the same content at the time of the next renewal.
 6. Ms. Kumi Fujisawa is currently an External Director of the Company, and her term of office will be two (2) years at the conclusion of this General Meeting of Shareholders.

Proposal 4: Setting Maximum Amount of Remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members)

The maximum amount of remuneration for Directors of the Company was resolved at the Extraordinary General Meeting of Shareholders held on April 24, 2018 to be no more than 500 million yen per year (not including salaries for employees), which has been in effect to date.

Subject to the approval of Proposal 1 “Partial Amendments to the Articles of Incorporation” in its original form, the Company will transition to a company with an audit & supervisory committee. Accordingly, the Company proposes to abolish the current limit on the maximum amount of remuneration for Directors, and to set the amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) at no more than 300 million yen per year (of which, no more than 50 million yen for External Directors) in light of various circumstances including current economic conditions, and that the specific amount and timing of payment to each Director (excluding Directors who are Audit & Supervisory Committee Members) shall be determined by a resolution of the Board of Directors. The amount of remuneration, etc. for this proposal is determined by the Board of Directors after consultation with the voluntary Nomination and Remuneration Advisory Committee, and is deemed to be appropriate in light of the responsibilities of Directors (excluding Directors who are Audit & Supervisory Committee Members).

While the number of Directors is currently six (6) (including three (3) External Directors), subject to the approval of Proposal 1 “Partial Amendments to the Articles of Incorporation” and Proposal 2 “Election of Four (4) Directors (excluding Directors who are Audit & Supervisory Committee Members)” in their original form, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) shall be four (4) (including two (2) External Directors).

The amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) does not include the employee portion of salaries for Directors who also serve as employees.

This proposal only takes effect after Proposal 1 “Partial Amendments to the Articles of Incorporation” takes effect.

Proposal 5: Setting Maximum Amount of Remuneration for Directors who are Audit & Supervisory Committee Members

Subject to the approval of Proposal 1 “Partial Amendments to the Articles of Incorporation” in its original form, the Company will transition to a company with an audit & supervisory committee. Accordingly, the Company proposes to set the amount of remuneration, etc. for Directors who are Audit & Supervisory Committee Members after the transition to a company with an audit & supervisory committee, at no more than 50 million yen per year in light of various circumstances including current economic conditions, and that the specific amount and timing of payment to each Director who is an Audit & Supervisory Committee Member shall be determined through consultation among Directors who are Audit & Supervisory Committee Members. The amount of remuneration, etc. for this proposal is determined after consultation with the voluntary Nomination and Remuneration Advisory Committee, and is deemed to be appropriate in light of the responsibilities of Directors who are Audit & Supervisory Committee Members.

Subject to the approval of Proposal 1 “Partial Amendments to the Articles of Incorporation” and Proposal 3 “Election of Three (3) Directors who are Audit & Supervisory Committee Members” in their original form, the number of Directors who are Audit & Supervisory Committee Members shall be three (3).

This proposal only takes effect after Proposal 1 “Partial Amendments to the Articles of Incorporation” takes effect.