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Paper-based documents

Securities code: 3922

May 9, 2023

(Start of electronic provisioning: May 2, 2023)

To Shareholders

11-44, Akasaka 1-chome, Minato-ku, Tokyo

PR TIMES, Inc.

Takumi Yamaguchi, President and CEO

Notice of the 18th Annual General Meeting of Shareholders

The 18th Annual General Meeting of Shareholders of PR TIMES, Inc. (the “Company”) will be convened as described below.

When convening this General Meeting of Shareholders, the Company takes measures for providing information that constitutes the content of Reference Documents for the General Meeting of Shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information as “Notice of the 18th Annual General Meeting of Shareholders” on the Company’s website and each of the following websites. Please access the Company’s website, etc. to review the information.

The Company’s website:

<https://prtimes.co.jp/ir/meeting.html> (in Japanese)

Listed Company Search (Tokyo Stock Exchange):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

Enter “PR TIMES” in “Issue name (company name)” or the Company’s securities code “3922” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”

Shareholders’ Meeting web portal (Sumitomo Mitsui Trust Bank):

<https://www.soukai-portal.net> (in Japanese)

Please enter this website by either accessing it via the QR code on the enclosed Voting Form, or by entering your ID and initial password also stated on the enclosed Voting Form.

*QR Code is a registered trademark of Denso Wave Incorporated.

Website for posted informational materials for the general meeting of shareholders:

<https://d.sokai.jp/3922/teiji/> (in Japanese)

Please note that any of these websites may be temporarily inaccessible due to scheduled maintenance or other reasons. If you are unable to view one of the provided websites, please try a different website or wait a moment to try again.

- 1. Date and Time** Wednesday, May 24, 2023, at 10:00 a.m. (reception opens at 9:30 a.m.) (JST)
- 2. Venue** 11-44, Akasaka 1-chome, Minato-ku, Tokyo
8F, Akasaka Intercity, PR Times Head Office
(Please refer to the map of the venue at the end of this document.)
- 3. Type of Meeting** Hybrid Virtual General Meeting of Shareholders
(In addition to attending the General Meeting of Shareholders at the venue, you may “attend” the General Meeting of Shareholders under the Companies Act by using the Internet or other means without having to come to the venue on the day of the Meeting [hereafter, “virtual attendance”].)
- 4. Agenda of the Meeting**
Matters to be reported
 1. Business report, consolidated financial statements, and the audit reports of the consolidated financial statements by the financial auditor and Audit & Supervisory Board for the 18th fiscal year (March 1, 2022 to February 28, 2023)
 2. The non-consolidated financial statements for the 18th fiscal year (March 1, 2022 to February 28, 2023)
- 5. Matters to be resolved**
Proposal No. 1 Partial Amendments to Articles of Incorporation
Proposal No. 2 Election of Five Directors
Proposal No. 3 Election of Two Audit & Supervisory Board Members
- 6. Other information regarding the Meeting**
 - (1) Please refer to the “Guide to the Exercise of Voting Rights” of this notice for information about the exercise of voting rights.
 - (2) For matters not stated in the document to be delivered to shareholders who have made a written request for delivery of paper-based documents, please refer to “Matters Not to be Stated in the Document to be Delivered” of this notice.
 - (3) Shareholders who wish to attend the Meeting by proxy are requested to delegate their attendance to one shareholder who will attend the Meeting in accordance with laws and regulations and the Articles of Incorporation.
 - (4) If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the Company’s aforementioned website and other websites above.

Guide to the Exercise of Voting Rights

The right to vote at shareholders' meetings is an important right for all shareholders. Please review the Reference Documents for the General Meeting of Shareholders before exercising your voting rights. There are three ways to exercise your voting rights:

1. Exercising Voting Rights via the Internet, etc.

Please enter your approval or disapproval of the proposals in accordance with the "Guide to Exercising Voting Rights via the Internet, etc."

Exercise deadline: complete input by Tuesday, May 23, 2023, 7:00 p.m.

2. Exercising Voting Rights in Writing (Postal Mail)

Please indicate your approval or disapproval on the enclosed Voting Form and return it to us.

If no approval or disapproval is indicated for a proposal, it will be treated as approval of the Company's proposal.

Exercise deadline: deliver to us by Tuesday, May 23, 2023, 7:00 p.m.

3. How to attend on the day of the General Meeting of Shareholders

Shareholders attending the Meeting in person are requested to register for attendance in person in accordance with the "Guide for Shareholders Attending the Meeting in Person" and submit the Voting Form to the receptionist at the venue.

Shareholders attending the Meeting virtually via the Internet, etc., are requested to submit their approval or disapproval of the proposals in accordance with the "Guide for Shareholders Attending the Meeting Virtually."

If any significant changes occur in the operation of the Meeting based on future circumstances, notification will be made on the Company's website. <https://prtimes.co.jp/ir/meeting.html>

Guide to Exercising Voting Rights via the Internet, etc.

When exercising voting rights via the Internet, etc., be sure to confirm the following matters beforehand.

1. Methods of Exercising Voting Rights

You may exercise your voting rights via the Internet, etc., by any of the following methods:

(1) Exercise Voting Rights via Smartphone, etc.

- 1) Scan the QR code printed on the Voting Form (ID and password not needed).
- 2) Click the “Exercise Voting Rights” button at the top of the Shareholders’ Meeting web portal.
- 3) Follow the on-screen guidance to enter your approval or disapproval of the proposals.
* QR Code is a registered trademark of Denso Wave Incorporated.

(2) Exercise Voting Rights via PC, etc.

- 1) Please access the Shareholders’ Meeting web portal (<https://www.soukai-portal.net>) and enter the “Shareholders’ Meeting Web Portal Login ID” and “Password” indicated on your Voting Form.
- 2) Click the “Exercise Voting Rights” button at the top of the Shareholders’ Meeting web portal.
- 3) Follow the on-screen guidance to enter your approval or disapproval of the proposals.

You may also exercise your voting rights by accessing the website for exercising voting rights (<https://www.web54.net>) and entering the “Voting Code” and “Password” indicated on the Voting Form.

2. Handling of Exercise of Voting Rights

- (1) If you exercise your voting rights both in writing and via the Internet, etc., the votes submitted via the Internet, etc., shall be the ones deemed valid. If you exercise your voting rights more than once via the Internet, etc., the final votes submitted will be the ones treated as valid.
- (2) If you wish to change your vote after exercising your voting rights, you must access the website for exercising voting rights (<https://www.web54.net>) and enter the “Voting Code” and “Password” shown on your Voting Form. (Note that if you have changed your password for accessing the website for exercising voting rights, you must enter your newly created password.)

3. Handling of Passwords, Voting Codes and Shareholders’ Meeting Web Portal Login IDs

- (1) Passwords are a means of verifying that the person voting is the shareholder himself or herself. Please handle your password with the same care as your personal seal and PIN.
- (2) If you enter an incorrect password over a number of times, you will be locked out of the website.
- (3) The “Voting Code” and “Shareholders’ Meeting Web Portal Login ID” printed on your Voting Form is valid only for this General Meeting of Shareholders.

4. Contact for Inquiries Regarding Operating Procedures

If you have any questions about how to use the web portal for the Shareholders’ Meeting web portal or the website for exercising voting rights, please contact:

Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agent Web Support Center

[Tel.] 0120-652-031 (Available from 9:00 a.m. to 9:00 p.m.)

5. Platform for Electronic Exercise of Voting Rights (For Institutional Investors)

Institutional investors may also exercise their voting rights for this General Meeting of Shareholders via the “Electronic Voting Platform” operated by ICJ Inc.

Matters Not to be Stated in the Document to be Delivered

Among the matters subject to measures for electronic provision, in accordance with the provisions of laws and regulations and Article 14, paragraph 2 of the Articles of Incorporation of the Company, the following matters are not provided in the paper-based documents delivered to shareholders who have made a request for delivery of such documents. Accordingly, the documents that are delivered to shareholders who have made a request for delivery of paper-based documents are part of the documents included in the scope of audits by the Audit & Supervisory Board Members and the financial auditor when they create their respective audit reports.

The following items from the consolidated financial statements:

- Notes to consolidated financial statements

The following items from the non-consolidated financial statements:

- Notes to non-consolidated financial statements

Guide for Shareholders Attending the Meeting in Person

(Attendees must register in advance)

Shareholders who wish to attend this General Meeting of Shareholders at the venue in person are requested to register in advance on the shareholders' website shown below by logging in with the ID and Password printed on the "Notice on How to Attend the Virtual General Meeting of Shareholders Virtually" enclosed with this notice, and following the instructions below:

1. Shareholders' website: <https://3922.ksoukai.jp>
2. Registration period: Wednesday, May 3, 2023, midnight to Friday, May 19, 2023, 5:00 p.m.)
3. Please click the "Register Attendance" button on the shareholders' webpage.
4. Please select "Attend at Venue" on the Attendance Registration Form, fill in the required information, and press "Apply."

Be advised that if you arrive at the venue on the day of the event without registering to attend, you may be denied admission.

Also, be aware that although we will take your privacy into consideration when photographing the live stream at the venue, there is a possibility that you may inadvertently be filmed.

Guide for Shareholders Attending the Meeting Virtually

This General Meeting of Shareholders is a Hybrid Virtual General Meeting of Shareholders whereby shareholders can exercise their voting rights, etc., by attending the Meeting in person or virtually via the Internet or other means. For information about how to attend the Meeting virtually, please read the following.

1. How to Attend the Meeting Virtually

- (1) Shareholders who wish to attend this General Meeting of Shareholders virtually must log in to the shareholders' website shown below with the ID and Password printed on the "Notice on How to Attend the General Meeting of Shareholders Virtually" enclosed with this notice.
 - Shareholders' website: <https://3922.ksoukai.jp>
 - * Shareholders who will attend the Meeting virtually are requested to access the site in advance to confirm that they can see the test page for viewing confirmation without any issues.
 - Viewing confirmation period: Wednesday, May 3, 2023, midnight to Wednesday, May 24, 2023, 9:00 a.m.)
- (2) Please click the "Register Attendance" button on the shareholders' website.
- (3) Please select "Attend Virtually" on the Attendance Registration Form and press "Apply."
- (4) The "Attend" button will become active when it becomes time to open the doors. Please click the "Attend" button and attend virtually.

2. How Questions Are Asked and Handled

If you wish to ask a question on the day of the General Meeting, please follow the Chair's instructions.

The following explains how to ask questions on the day of the General Meeting:

- (1) Click on the "Questions" tab on the live streaming screen.
- (2) Enter your question in text format and click the "Next" button.
- (3) After confirming the text, click the "Submit" button.

Please be advised that the scope of questions from shareholders attending virtually is limited to matters related to the purpose of the Meeting and we may not be able to respond to all questions submitted as the time for Q&A is limited. In addition, each shareholder in virtual attendance is limited to two questions (maximum 300 characters per question).

Please be advised that if the Chair determines that a virtual attendee's submission of the same question multiple times in succession, repeated transmission of questions containing inappropriate content, or other such behavior is disruptive to the progress of the proceedings or the stable operation of the virtual shareholders' meeting system, he or she has the authority to ban such a virtual attendee from the Meeting.

3. How Motions Are Handled

Motions will not be accepted from shareholders in virtual attendance, as it may be difficult to take up the motions due to the system and other reasons. Shareholders who may want to submit a motion should attend the Meeting in person.

Similarly, please be advised that if a motion is submitted by a shareholder present at the venue on the day of the Meeting, or if a vote is required on a matter not mentioned in the notice, shareholders in virtual attendance will be treated as abstaining or absent, in accordance with the treatment of shareholders who exercise their voting rights in writing or via the Internet in advance and do not attend the meeting.

4. How Voting Rights Are Exercised

Shareholders in virtual attendance can view the agenda and exercise their voting rights on the day of the Meeting.

The procedure for exercising voting rights is as follows:

- * Please refer to "1. How to Attend the Meeting Virtually" above and register your attendance in advance.

- (1) Click on the “Voting” tab on the live streaming screen.
- (2) Select “For” or “Against” the resolution. After clicking the “For” or “Against” button for all resolutions, click the “Vote” button at the bottom.

5. Other Notes of Importance

- (1) Please note that the virtual attendance platform is available only in Japanese.
- (2) Although the Company will take reasonable measures against network disturbances, etc., in holding the Virtual General Meeting of Shareholders, there may be cases where shareholders cannot attend the Meeting virtually or exercise their voting rights, etc., due to network disturbances, etc. Please note that the Company shall not be liable for any disadvantages incurred by shareholders in virtual attendance due to such disturbances.
- (3) Sharing the URL or ID and Password for virtual attendance with third parties, recording, videotaping, or public disclosure of the Meeting is prohibited.
- (4) The Company reserves the right to change or cancel any part of the Virtual General Meeting of Shareholders if the Company deems it necessary.
- (5) If there are any changes in the operation of the Virtual General Meeting of Shareholders, such as in response to system failures or other emergencies or changes in circumstances, please check the Company’s website (<https://prtimes.co.jp/ir/meeting.html>) for announcements as needed.
- (6) The video quality of the live stream is automatically adjusted according to the network conditions of the viewer. Please note that video quality may deteriorate during viewing due to deterioration of network conditions.

6. Contact Us for Inquiries

We are taking inquiries by telephone. If you have any questions regarding the Virtual General Meeting of Shareholders, please have the “Notice on How to Attend the Virtual General Meeting of Shareholders” enclosed with this notice ready at hand and call us at one of the numbers below.

Please note that we are unable to respond to problems that may be due to bad network connectivity, computer or smartphone malfunction, or an unfavorable environment on the shareholder’s end. If you do not know your ID or Password for virtual attendance, a form containing them can be sent to your registered address. Requests for this form can be accepted up to 5 business days prior to the date of the Meeting (Wednesday, May 17, 2023, at 5:00 p.m.). Please understand that we will not be able to communicate your ID or Password over the telephone.

[Inquiries about the Virtual General Meeting of Shareholders]

Sumitomo Mitsui Trust Bank, Limited, Virtual Shareholders’ Meeting Support Center

0120-782-041 (Hours: 9:00 a.m. to 5:00 p.m., weekdays. Holidays excluded.)

[Inquiries about the system after logging in on the day of the Virtual General Meeting of Shareholders]

V-cube, Inc.

03-4223-0944 (Hours: Wednesday, May 24, 2023, 9:00 a.m. until the end of the Meeting)

Guide to Asking Questions in Advance

Questions will be accepted in advance from shareholders who attend the Meeting in person and virtually. The following explains how to submit questions:

- (1) Log in to the shareholders' website (<https://3922.ksoukai.jp>).
- (2) Click on the "Questions in Advance" button and select the "Question Category."
- (3) Enter your question in text format and click the "Next" button.
- (4) After confirming the text, click the "Apply" button.

Acceptance period: Wednesday, May 3, 2023, midnight to Friday, May 19, 2023, 5:00 p.m.

Please be advised that the scope of questions in advance is limited to matters related to the purpose of the Meeting and we may not be able to respond to all questions submitted as the time for Q&A is limited. In addition, each shareholder is limited to two questions in advance (maximum 300 characters per question).

Notice in Regard to COVID-19 Countermeasures

The government of Japan has recently revised its “Basic Policy on Measures to Prevent SARS-CoV-2 Infection” and has decided that from March 13, 2023, the wearing of masks will be based on individual judgment. In light of this change in government policy, we will not uniformly ask shareholders to wear masks when visiting the venue, but leave it up to their individual discretion.

We also ask for your understanding that masks are optional for our management staff.

If any significant changes occur in the operation of the Meeting based on future circumstances, notification will be made on the Company’s website.

<https://prtimes.co.jp/ir/meeting.html>

Business Report

(From March 1, 2022 to February 28, 2023)

1. Current state of the corporate group

(1) Business conditions in the fiscal year under review

1) Progress and results of operations

In the fiscal year ended February 28, 2023, the PR TIMES, Inc. Group (the “Group”) continued investing in advertising with the aim of increasing recognition and acquiring new customer segments to strengthen the core structure for the press release distribution service “PR TIMES,” which is a key business, as well as to grow business of the tools “Jooto” and “Tayori” for SaaS-based businesses in order to realize our mission of “Towards an age where information inspires hearts and minds.”

The number of companies using “PR TIMES” has reached 79,759 companies (up 21.5% year on year), and 53.2% of listed companies in Japan were using PR TIMES. The number of press releases reached a record high of 31,165 in March 2022. Furthermore, as press release materials, 164,608 images were posted in November and 2,840 videos were posted in March, both representing record highs, as the shift to press releases with rich contents continues. In addition, there were 11,787 distribution recipients, 25,051 media users and 230 partner media, and the number of monthly site views for press releases in February 2023 was the highest recorded at 67.99 million page views. Net sales, which had been growing at a high rate of over 25% for 15 consecutive quarters since the Group’s inception, are maintaining a growth trend, although the growth angle slowed to 17.5% year on year, due in part to challenges in sales activities.

We worked to expand usage and improve service with the key indicators of number of paying user companies for “Jooto,” our task and project management tool, and number of paying accounts for “Tayori,” our customer support tool. As a result, the number of paying user companies for “Jooto” rose 8.2% year on year to 1,910 and the number of paying accounts for “Tayori” rose 35.6% to 896.

Although both services grew according to plan, their effect on net sales was limited, and we continue to be in the investment phase.

As a result, for the fiscal year under review, the Company posted net sales of ¥5,706,238 thousand (up 17.5% year on year), operating profit of ¥1,190,734 thousand (down 35.1% year on year), ordinary profit of ¥1,188,704 thousand (down 35.2% year on year) and profit attributable to owners of parent of ¥777,782 thousand (down 39.3% year on year).

In addition, the Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the fiscal year under review. For details, see “Notes to Consolidated Financial Statements 2. Note concerning changes in accounting policy.”

Note that statement of operating results by segment is omitted because the Group has a single reportable segment, the Press Release Distribution Business.

2) Status of capital investment

The total amount of capital investments made by the Group in the fiscal year under review was ¥107,106 thousand. This is mainly an enhancement of existing services. As a result, at the end of the fiscal year under review non-current assets stood at ¥823,904 thousand.

3) Status of financing

Not applicable.

4) Status of business transfers, absorption-type company splits, or incorporation-type company splits

Not applicable.

5) Status of acquisition of business from other companies

Not applicable.

6) Status of the transfer of rights or obligations concerning the business of other companies through absorption-type merger or absorption-type split

Not applicable.

7) Status of holdings of the stock or other equity of other companies or the acquisition or disposal of share acquisition rights

Not applicable.

(2) Status of assets and profit/loss

1) Status of assets and profit/loss of the corporate group

Item	15th Term From March 1, 2019 to February 29, 2020	16th Term From March 1, 2020 to February 28, 2021	17th Term From March 1, 2021 to February 28, 2022	18th Term (Fiscal year under review) From March 1, 2022 to February 28, 2023
Net sales (Thousands of yen)	2,891,311	—	4,854,526	5,706,238
Ordinary profit (Thousands of yen)	560,214	—	1,833,592	1,188,704
Profit attributable to owners of parent (Thousands of yen)	321,502	—	1,281,285	777,782
Earnings per share (Yen)	24.25	—	96.96	57.96
Total assets(Thousands of yen)	2,239,977	—	4,831,057	5,265,368
Net assets (Thousands of yen)	1,664,978	—	3,740,240	4,466,515
Net assets per share (Yen)	127.66	—	278.52	333.01

- Notes: 1. The Company executed a 2-for-1 stock split of its common stock on August 5, 2020. Earnings per share and the net assets per share are calculated assuming that these stock splits took place at the beginning of the 15th term.
2. The 16th term is not presented due to the change to non-consolidated financial results. As the Company has changed back to consolidated financial results from the 17th term, assets and profit/loss are presented in the consolidated financial statements.
3. The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations have been applied from the beginning of the current fiscal year, and the status of assets and profit/loss for the fiscal year under review are those after the application of these accounting standards and regulations. There is no impact on the status of assets and profit/loss.

2) Status of assets and profit/loss of the Company

Item	15th Term From March 1, 2019 to February 29, 2020	16th Term From March 1, 2020 to February 28, 2021	17th Term From March 1, 2021 to February 28, 2022	18th Term (Fiscal year under review) From March 1, 2022 to February 28, 2023
Net sales (Thousands of yen)	2,884,020	3,765,954	4,842,403	5,670,472
Ordinary profit (Thousands of yen)	507,156	1,299,420	1,851,831	1,189,135
Profit (Thousands of yen)	274,592	1,043,392	1,286,638	778,362
Earnings per share (Yen)	20.71	80.01	97.37	58.00
Total assets(Thousands of yen)	2,046,614	3,457,974	4,830,398	5,265,703
Net assets (Thousands of yen)	1,472,875	2,484,504	3,745,014	4,471,899
Net assets per share (Yen)	112.93	190.63	278.91	333.45

Notes: 1. The Company executed a 2-for-1 stock split of its common stock on August 5, 2020. Earnings per share and the net assets per share are calculated assuming that these stock splits took place at the beginning of the 15th term.

2. The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations have been applied from the beginning of the current fiscal year, and the status of assets and profit/loss for the fiscal year under review are those after the application of these accounting standards and regulations. There is no impact on the status of assets and profit/loss.

(3) Status of significant parent company and subsidiaries

1) Status of parent company

Company name	Share capital	Percentage of voting rights of the Company	Relationship with the Company
VECTOR INC.	¥2,880,131 thousand	55.7%	Provision of press release distribution services

Note: The percentage of voting rights is calculated after subtracting treasury shares (46,904 shares) from the total number of issued shares.

2) Matters concerning business transactions with parent company, etc.

The Company regularly reviews contracts for business transactions with VECTOR INC. In addition, the Company’s basic policy is not to engage in related party transactions, etc., not limited to VECTOR INC., in principle, except when necessary for management strategy or sales strategy. With regard to the implementation of related party transactions, etc., from the viewpoint of protecting minority shareholders, the Group intends to pay particular attention to whether the transaction will damage the soundness of the Group’s management, whether the transaction is effective in light of reasonable judgment, and whether the terms and conditions of transactions, etc. are appropriate compared to other external transactions, and approves such transactions by resolution of the Board of Directors after conducting deliberations at meetings of the Audit & Supervisory Board.

3) Status of significant subsidiaries

Company name	Share capital	Ratio of voting rights of the Company	Main business lines
THE BRIDGE, Inc.	¥15,000 thousand	95%	Operation of “BRIDGE,” a media business for start-ups, and all businesses peripheral to this.

Note: On March 31, 2023, the Company acquired all shares of glucose inc. and made it a consolidated subsidiary.

(4) Issues to address

The Group aims to realize its mission of “Towards an age where information inspires hearts and minds.” We have set the following medium-term management target, Milestone 2025, and recognize the following major issues to be addressed.

- 1) Spread “PR TIMES” to all 47 prefectures and increase the number of companies using the service to 150,000.

The number of companies using “PR TIMES” reached 79,759, a year-on-year growth of 21.5%. However, the companies that use our services are concentrated in Tokyo, which does not provide sufficient opportunities to disseminate information about companies and organizations in various regions of Japan that provide products and services which are still struggling and not yet well-known to consumers. We believe that it is important to continue to invest in “PR TIMES” in order to increase awareness and the value of its use.

- 2) Establish a product-market fit for “PR TIMES” in the U.S.

The Group had been aiming to enter the U.S. market in fiscal year 2022. Negotiations have continued for the M&A of a local press release-related company, but no final agreement was reached. In order to promote flexible negotiations and M&As in the region going forward, the Group established a U.S. subsidiary in October 2022. We will continue to seek expansion into the U.S. market.

- 3) Achieve business expansion for products other than “PR TIMES,” such as “Jooto” and “Tayori.”

The rise of businesses beyond “PR TIMES” is necessary to achieve sustainable enhancement of the Group’s corporate value. The number of paying user companies for our task and project management tool “Jooto” was 1,910, a year-on-year growth of 8.2%, and the number of paying accounts for our customer support tool “Tayori” was 896, a year-on-year growth of 35.6%. Although both services grew according to plan, their effect on net sales was limited, and we continue to be in the investment phase. We will continue with disciplined investment and performance management for these services.

(5) Main business lines (as of February 28, 2023)

Business classification	Business lines
Press release distribution business	Operation of the Company’s service (PR TIMES) and other related businesses

(6) Main business location (as of February 28, 2023)

- 1) The Company

Name	Address
Head office	11-44, Akasaka 1-chome, Minato-ku, Tokyo

- 2) Subsidiary(ies)

Company name	Address
THE BRIDGE, Inc.	11-44, Akasaka 1-chome, Minato-ku, Tokyo

(7) Status of employees (as of February 28, 2023)

- 1) Status of employees of the corporate group

Business classification	Number of employees	Change compared to the previous fiscal year
Press release distribution business	88 (78)	Up 20 (5)
Corporate (common)	17 (15)	Up 6 (-)
Total	105 (93)	Up 26 (5)

- Notes:
1. The number of employees represents permanent employees employed as of the end of the fiscal year. The number of contract employees, part-time workers and temporary employees is presented in parentheses as the average for the year.
 2. “Corporate (common)” denotes the number of employees in the administrative division.
 3. The increase in the number of employees compared to the end of the previous fiscal year is due to hiring in connection with business expansion.

2) Status of employees of the Company

Number of employees	Change compared to the previous fiscal year	Average age	Average years of service
103 (93)	Up 26 (5)	30.5 years old	2.4 years

- Notes:
1. The number of employees represents permanent employees employed as of the end of the fiscal year. The number of contract employees, part-time workers and temporary employees is presented in parentheses as the average for the year.
 2. Average age and average years of service are calculated based on the number of permanent employees employed at the end of the fiscal year.
 3. The increase in the number of employees compared to the end of the previous fiscal year is due to hiring in connection with business expansion.

(8) Status of main lenders (as of February 28, 2023)

Not applicable.

(9) Other important matters concerning the current status of the corporate group

Not applicable.

2. Current state of the Company

(1) Status of stock (as of February 28, 2023)

- | | |
|----------------------------------|---|
| 1) Authorized shares | 40,000,000 |
| 2) Total number of issued shares | 13,457,200 (including 46,904 treasury shares) |
| 3) Shareholders | 5,546 |
| 4) Major shareholders | |

Shareholder name	Number of shares owned (shares)	Ownership percentage (%)
VECTOR INC.	7,465,400	55.6%
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,093,600	8.1
Custody Bank of Japan, Ltd. (Trust Account)	840,900	6.2
Takumi Yamaguchi	801,673	5.9
GOLDMAN SACHS INTERNATIONAL	343,100	2.5
RE FUND 107-CLIENT AC	166,800	1.2
STATE STREET BANK AND TRUST COMPANY FOR STATE STREET BANK INTERNATIONAL GMBH, LUXEMBOURG BRANCH ON BEHALF OF ITS CLIENTS: CLIENT OMNI OM25	149,457	1.1
The Dai-ichi Life Insurance Company, Limited	117,800	0.8
Akihiro Mishima	115,470	0.8
Custody Bank of Japan, Ltd. (Trust Account B)	93,000	0.6

Note: The ownership percentage is calculated after subtracting treasury shares (46,904 shares) from the total number of issued shares.

- 5) Shares delivered during the fiscal year to the Company's officers as consideration for their execution of duties

Shareholder name	Number of shares delivered (shares)	Number of recipients
Directors (excluding outside Directors)	7,441	2
Outside Directors	-	-
Audit & Supervisory Board Members	-	-

Note: The details of share-based remuneration of the Company are presented in "2. (3) 4) Remuneration, etc., of Directors and Outside Audit & Supervisory Board members" of the Business Report.

6) Other significant matters concerning the Company's shares

In order to have flexible options in investment strategy and to control dilution at the time of allotment of share-based remuneration, the Company acquired treasury shares as follows pursuant to the provisions of Article 156 of the Companies Act and the Articles of Incorporation, which are applied by replacing the terms with Article 165, paragraph (3) of the Companies Act.

Acquisition of treasury shares pursuant to the resolution at the Meeting of the Company's Board of Directors held on August 12, 2022

- Acquisition date: August 15, 2022 to August 17, 2022
- Total number of acquired shares: 30,500 shares
- Total value of shares acquired: ¥74,403,600

(2) Status of share acquisition rights, etc.

1. Status of share acquisition rights delivered as consideration for the execution of duties by the Company's officers as at the end of the fiscal year under review

Fourth series of share acquisition rights

Item		Details of share acquisition rights
Date of resolution on issuance		March 16, 2017
Number of share acquisition rights		565 units
Type and number of shares subject to share acquisition rights		Common shares: 226,000
Payment for share acquisition rights		No payment is required for the share acquisition rights
Value of assets to be contributed upon the exercise of share acquisition rights		¥231,200 per share acquisition right (¥578 per share)
Exercise period		From June 1, 2021 To March 31, 2027
Conditions for exercise		Note:
Status of officers' holdings	Outside Directors	Number of share acquisition rights: 10 Number of shares subject to share acquisition rights: 4,000 shares Number of owners: 1

Note: 1. Main conditions for the exercise of share acquisition rights are as follows:

- 1) A person who has received the share acquisition rights from the trustee (hereinafter, the "Beneficiary") shall be able to exercise the share acquisition rights up to the maximum percentage listed in the items of the share acquisition rights delivered to the Beneficiary if the operating profit satisfies any of the conditions listed in the following items in the consolidated income statement stated in the securities report for the fiscal years ended February 29, 2020 to February 2021. In the determination of operating profit, if there is a material change in the concept of items to be referred to by the application of International Financial Reporting Standards, etc., the Company's Board of Directors shall determine the indicators to be referred to separately. In addition, if, in the calculation of the exercisable percentage, the number of share acquisition rights that each share acquisition rights holder can exercise includes a fraction of less than one, the number shall be rounded down.
 - a) If the amount exceeds ¥700 million: 70% of the share acquisition rights allotted
 - b) If the amount exceeds ¥800 million: 80% of the share acquisition rights allotted
 - c) If the amount exceeds ¥900 million: 90% of the share acquisition rights allotted
 - d) If the amount exceeds ¥1,000 million: 100% of the share acquisition rights allotted
 - 2) Share acquisition right holders must have at least five years of service at the Company or an affiliated company of the Company at the time of exercising the share acquisition rights. Provided, however, that this shall not be the case if the Board of Directors finds that there is a justifiable reason.
 - 3) If the share acquisition rights holder dies, his/her heir(s) may not exercise the share acquisition rights.
 - 4) If the exercise of the share acquisition rights causes the total number of issued shares of the Company to exceed the authorized shares at that time, said share acquisition rights may not be exercised.
 - 5) The share acquisition rights cannot be exercised in sums of less than one unit.
2. The share acquisition rights were allocated to the trust whose trustee is Tax Consulting Firm TRUST, and delivered to persons designated as beneficiaries among the Company's officers and employees at the expiration of the trust period. As of May 31, 2021, the trust agreement with Tax Consulting Firm TRUST expired, and as of June 1, 2021, the share acquisition rights were issued to 85 officers and employees of the Company and others.
 3. The number of shares subject to share acquisition rights and the value of assets to be contributed upon the exercise of share acquisition rights have been adjusted based on the 2-for-1 stock split of common stock conducted on March 1, 2018, and the 2-for-1 stock split of common stock conducted on August 5, 2020.

Fifth series of share acquisition rights

Item		Details of share acquisition rights
Date of resolution on issuance		April 13, 2021
Number of share acquisition rights		390 units
Type and shares subject to share acquisition rights		Common shares: 39,000
Payment for share acquisition rights		¥39,000
Value of assets to be contributed upon the exercise of share acquisition rights		¥375,000 per share acquisition right (¥3,750 per share)
Exercise period		From June 1, 2027 To April 30, 2033
Conditions for exercise		Note:
Status of officers' holdings	Directors (excluding outside Directors)	Number of share acquisition rights: 390 units Number of shares subject to share acquisition rights: 39,000 shares Number of owners: 1

Notes: Main conditions for the exercise of share acquisition rights are as follows:

- 1) The share acquisition rights holder shall be able to exercise the allotted share acquisition rights up to the percentage listed in the following items if the amount of operating profit in the consolidated statement of income stated in the Securities Report satisfies any of the following conditions for either of the fiscal years ending February 28, 2025 to 2027. In the determination of operating profit, if there is a material change in the concept of items to be referred to by the application of International Financial Reporting Standards, etc., the Company's Board of Directors shall determine the indicators to be referred to separately. In addition, in the calculation of the exercisable percentage, if the number of share acquisition rights that the share acquisition rights holder can exercise includes a fraction of less than one, the number shall be rounded down.
 - a) If the amount exceeds ¥2,800 million: 50% of the share acquisition rights allotted
 - b) If the amount exceeds ¥3,150 million: 75% of the share acquisition rights allotted
 - c) If the amount exceeds ¥3,500 million: 100% of the share acquisition rights allotted
 - 2) Share acquisition rights holders must hold the position of Director of the Company even at the time of exercising the share acquisition rights. Provided, however, that this shall not be the case if the Board of Directors finds that there is a justifiable reason.
 - 3) If the share acquisition rights holder dies, his/her heir(s) may not exercise the share acquisition rights.
 - 4) If the exercise of the share acquisition rights causes the total number of issued shares of the Company to exceed the authorized shares at that time, said share acquisition rights may not be exercised.
 - 5) The share acquisition rights cannot be exercised in sums of less than one unit.
2. Status of share acquisition rights delivered to employees as consideration for the execution of duties during the fiscal year under review
Not applicable.

3. Status of other share acquisition rights, etc.

Sixth series of share acquisition rights

Item	Details of share acquisition rights
Date of resolution on issuance	April 13, 2021
Number of share acquisition rights	960 units
Type and number of shares subject to share acquisition rights	Common shares: 96,000
Payment for share acquisition rights	¥96,000
Value of assets to be contributed upon the exercise of share acquisition rights	¥375,000 per share acquisition right (¥3,750 per share)
Exercise period	From June 1, 2027 To April 30, 2033
Conditions for exercise	(Notes)
Eligible person(s) for the allotment of share acquisition rights and number of units to be allotted	Trustee: Kotaeru Trust Co., Ltd. 960 units

Notes: 1. Main conditions for the exercise of share acquisition rights are as follows:

- 1) A person who has received the share acquisition rights delivered from the trustee (hereinafter, the “Beneficiary”) shall be able to exercise the delivered share acquisition rights up to the percentage listed in the following items if the amount of operating profit in the consolidated statement of income stated in the Securities Report satisfies any of the following conditions for either of the fiscal years ending February 28, 2025 to 2027. In the determination of operating profit, if there is a material change in the concept of items to be referred to by the application of International Financial Reporting Standards, etc., the Company’s Board of Directors shall determine the indicators to be referred to separately. In addition, if, in the calculation of the exercisable percentage, the number of share acquisition rights that each share acquisition rights holder can exercise includes a fraction of less than one, the number shall be rounded down.
 - a) If the amount exceeds ¥2,800 million: 50% of the share acquisition rights allotted
 - b) If the amount exceeds ¥3,150 million: 75% of the share acquisition rights allotted
 - c) If the amount exceeds ¥3,500 million: 100% of the share acquisition rights allotted
 - 2) Share acquisition right holders must have at least five years of service at the Company or an affiliated company of the Company at the time of exercising the share acquisition rights. Provided, however, that this shall not be the case if the Board of Directors finds that there is a justifiable reason.
 - 3) If the share acquisition rights holder dies, his/her heir(s) may not exercise the share acquisition rights.
 - 4) If the exercise of the share acquisition rights causes the total number of issued shares of the Company to exceed the authorized shares at that time, said share acquisition rights may not be exercised.
 - 5) The share acquisition rights cannot be exercised in sums of less than one unit.
2. The share acquisition rights were allocated to the trust whose trustee is Kotaeru Trust Co., Ltd., and delivered to persons designated as beneficiaries among the Company’s officers and employees at the expiration of the trust period.

(3) Status of company officers

1) Status of Directors and Audit & Supervisory Board Members (as of February 28, 2023)

Position at the Company	Name	Responsibilities and important concurrent positions
President and CEO	Takumi Yamaguchi	
Director	Akihiro Mishima	Head of Corporate Administration Unit Director, THE BRIDGE, Inc.
Director	Kazuhiko Kamata	Director and Executive Vice President, Open House Group Co., Ltd. Representative Director and President, Open House Co., Ltd. Director, Open House Architect Co., Ltd. Director, Open House Real Estate Co., Ltd.
Director	Keita Suzuki	Representative Director, AuB, Inc.
Director	Hiroko Ozawa	External Director, Cecile Co., Ltd.
Full-time Audit & Supervisory Board Member	Toshihito Mukaigawa	Head of Mukaigawa Certified Public Accountants Outside Audit & Supervisory Board Member, MRS Advertising Research, INC. Outside Audit & Supervisory Board Member, Advanced Media, Inc. Outside Audit & Supervisory Board Member, 3-D Matrix, Ltd.
Audit & Supervisory Board Member	Noriyuki Tanaka	Director, Tokyo Office, Minato International Law Office Outside Audit & Supervisory Board Member, NewsTV Inc. Councilor, The Japanese Association of Pharmaceutical Medicine Outside Audit & Supervisory Board Member, TRIAD co., ltd
Audit & Supervisory Board Member	Toshiyuki Fujita	Executive Officer and CFO, PowerX, Inc. Outside Audit & Supervisory Board Member, STADIUM Co., Ltd.

- Notes:
1. Directors Kazuhiko Kamata, Keita Suzuki and Hiroko Ozawa are outside Directors.
 2. Full-time Audit & Supervisory Board Member Toshihito Mukaigawa, Audit & Supervisory Board Members Noriyuki Tanaka and Toshiyuki Fujita are outside Audit & Supervisory Board Members.
 3. Full-time Audit & Supervisory Board Member Toshihito Mukaigawa and Audit & Supervisory Board Member Toshiyuki Fujita possess the qualification of Certified Public Accountant, and they maintain considerable knowledge concerning finance and accounting.
 4. Audit & Supervisory Board Member Noriyuki Tanaka possesses the qualification of attorney-at-law, and maintains considerable knowledge concerning corporate law.
 5. Director Kazuhiko Kamata, Director Keita Suzuki, Director Hiroko Ozawa, Full-time Audit & Supervisory Board Member Toshihito Mukaigawa, Audit & Supervisory Board Member Noriyuki Tanaka, and Audit & Supervisory Board Member Toshiyuki Fujita have been designated as independent officers based on the rules of the Tokyo Stock Exchange and reported to said stock exchange.
 6. The Company has the executive officer system. Executive officers as of February 28, 2023 excluding those serving concurrently as Director are as follows.

Position	Name	Responsibility
Executive Officer	Shinsuke Yamada	Senior Executive Manager, Jooto

Note: As of April 13, 2023, Kazuki Miura was appointed Executive Officer, Head of Customer Relations Unit.

2) Summary of the limited liability agreement

Based on the provisions of Article 427, paragraph (1) of the Companies Act, the Company has concluded an agreement with Outside Directors and Outside Audit & Supervisory Board members to limit their liability for damages as specified in Article 423, paragraph (1) of the same Act. The maximum amount of the liability for damages based on said agreement is the amount prescribed in laws and regulations. Said limited liability agreements are permitted only when the outside Directors and outside Audit & Supervisory Board Members are well-intentioned and not seriously negligent in performing their duties that caused the liability.

3) Matters concerning limited liability agreements for directors and officers, etc.

The Company has concluded limited liability insurance agreements for directors and officers, etc. that have the following content, with an insurance company as prescribed in Article 430-3, paragraph (1) of the Companies Act.

Scope of the insured	Directors and Audit & Supervisory Board Members
Main accidents covered	Shareholder litigation, corporate securities damage claims
Insurance premium borne by	Entire amount borne by the Company
Main exemptions, etc.	Disloyalty, criminal acts, or fraudulent acts of the insured or illegally obtained private benefits or providing services

4) Remuneration, etc., of Directors and outside Audit & Supervisory Board Members

Item	Total amount of remuneration, etc. (Thousands of yen)	Basic remuneration (Thousands of yen)	Restricted share-based remuneration (Thousands of yen)	Recipient(s) (Number)
Directors (Of which outside Directors)	101,677 (15,400)	86,680 (15,400)	14,997 (-)	5 (3)
Audit & Supervisory Board Members (Of which outside Audit & Supervisory Board Members)	14,100 (13,200)	14,100 (13,200)	- (-)	4 (3)
Total (Of which outside Officers)	115,777 (28,600)	100,780 (28,600)	14,997 (-)	9 (6)

Notes: 1. The amount paid to Directors does not include employee wages paid to Directors serving concurrently as employees.

2. At the 16th Annual General Meeting of Shareholders held on May 26, 2021, the basic remuneration for Directors was resolved to be no more than ¥200 million per year (up to ¥40 million per year for outside Directors) and restricted share-based remuneration to be no more than ¥20 million per year (up to ¥4 million per year for outside Directors). At the conclusion of this General Meeting of Shareholders, the number of Directors was five (including two outside Directors). Restricted Share-Based Remuneration indicates the amount of expenses recorded for the fiscal year under review.

3. The maximum remuneration amount of Audit & Supervisory Board Members was resolved to be ¥20 million per year or less at the Extraordinary General Meeting of Shareholders held on July 16, 2014. At the conclusion of this General Meeting of Shareholders, the number of Audit & Supervisory Board Members was three (including two outside Audit & Supervisory Board Members).

5) Matters concerning the policy for determination of details of remuneration, etc., for individual Directors

1. Policy determination method

The policy for determining the details of remuneration, etc. by individual was decided by the Board of Directors at its meeting on April 13, 2021.

2. Summary of the policy

Remuneration of Directors comprises basic remuneration and restricted share-based remuneration. At the 16th Annual General Meeting of Shareholders held on May 26, 2021, the basic remuneration for Directors was resolved to be no more than ¥200 million per year (up to ¥40 million per year for outside Directors) and restricted share-based remuneration to be no more than ¥20 million per year (up to ¥4 million per year for outside Directors). The Company has established a policy of setting a suitable level of remuneration for Directors in consideration of social conditions, market levels, comparisons with other companies, etc., and as consideration for fully demonstrating management decision-making and supervisory functions at the Company. The remuneration of each Director is to be within the maximum amount resolved at the General Meeting of Shareholders, with the basic remuneration determined by Takumi Yamaguchi, President and CEO, who has been appointed by the Board of Directors, and the restricted share-based remuneration is determined by the Board of Directors. The reason for delegating basic remuneration to the President and CEO is that the Company has judged the President and CEO as fit to appropriately evaluate the roles expected of each Director while considering, among other things, the Company's business performance, scope and business structure.

Note that the Company plans to consider the voluntary establishment of a Nomination and Remuneration Committee during the fiscal year ending February 29, 2024.

6) Matters concerning outside officers

1. Status of important concurrent positions at other companies and relationship between the Company and these companies

- 1) Director Kazuhiko Kamata is Director and Executive Vice President of Open House Group Co., Ltd. In addition, he is the Representative Director and President of Open House Co., Ltd. and Director of Open House Architect Inc. and Open House Real Estate Co., Ltd. The Company has no special relationships with companies in which Kazuhiko Kamata holds concurrent positions.
- 2) Director Keita Suzuki is Representative Director of AuB, Inc. The Company has no special relationships with the companies in which Keita Suzuki holds concurrent positions.
- 3) Director Hiroko Ozawa is an External Director of Cecile Co., Ltd. and an External Director of OUTSOURCING Inc. The Company has no special relationships with the companies in which Hiroko Ozawa holds concurrent positions.
- 4) Audit & Supervisory Board Member Toshihito Mukaigawa is Head of Mukaigawa Certified Public Accountants. In addition, he is an Outside Audit & Supervisory Board Member of Advanced Media, Inc. and 3-D Matrix, Ltd. and an Outside Audit & Supervisory Board Member of MRS Advertising Research, INC. The Company has no special relationships with companies in which Toshihito Mukaigawa holds concurrent positions.
- 5) Audit & Supervisory Board Member Noriyuki Tanaka is an employee of the Tokyo Office of Minato International Law Office. In addition, he is an outside Audit & Supervisory Board Member of NewsTV Inc. and TRIAD co.,ltd, and a Councilor of The Japanese Association of Pharmaceutical Medicine. NewsTV Inc. is a sister company of the Company; however, the Company has no special relationships with this company or other companies in which Noriyuki Tanaka holds concurrent positions.
- 6) Audit & Supervisory Board Member Toshiyuki Fujita is an Executive Officer and CFO of PowerX, Inc. He is also an outside Audit & Supervisory Board Member of STADIUM Co., Ltd. The Company has no special relationships with companies in which Toshiyuki Fujita holds concurrent positions.

2. Status of main activities during the fiscal year under review

Name (Title)	Status of Activities and Overview of Duties in Relation to the Roles Expected of Outside Directors
Kazuhiko Kamata (Director)	He attended 13 of the 13 Board of Director meetings (attendance rate of 100%) held during the fiscal year under review. He has a wealth of management experience and broad insight as a Director at other companies, and makes remarks to ensure the validity and appropriateness of decisions made by the Board of Directors.
Keita Suzuki (Director)	He attended 13 of the 13 Board of Director meetings (attendance rate of 100%) held during the fiscal year under review. He has extensive experience and insight as a professional athlete and corporate manager, and makes remarks to ensure the validity and appropriateness of decisions made by the Board of Directors.
Hiroko Ozawa (Director)	She attended 10 of the 10 Board of Director meetings (attendance rate of 100%) held during the fiscal year under review since her appointment on May 25, 2022. She has extensive experience, insight, and expertise regarding diversity as a corporate manager, and makes remarks to ensure the validity and appropriateness of decisions made by the Board of Directors.
Toshihito Mukaigawa (Full-time Audit & Supervisory Board Member)	He attended 13 of the 13 Board of Director meetings (attendance rate of 100%) held during the fiscal year under review. He attended 12 of the 12 Audit & Supervisory Board meetings (attendance rate of 100%) held during the fiscal year under review. At meetings of the Board of Directors he provides advice and proposals to ensure the validity and appropriateness of decisions made by the Board of Directors from a certified public account's specialized point of view. In addition, at meetings of the Audit & Supervisory Board, he discusses and exchanges opinions on important matters related to audits.
Noriyuki Tanaka (Audit & Supervisory Board Member)	He attended 13 of the 13 Board of Director meetings (attendance rate of 100%) held during the fiscal year under review. He attended 12 of the 12 Audit & Supervisory Board meetings (attendance rate of 100%) held during the fiscal year under review. At meetings of the Board of Directors he provides advice and proposals to ensure the validity and appropriateness of decisions made by the Board of Directors from an attorney-at-law's professional point of view. In addition, at meetings of the Audit & Supervisory Board, he discusses and exchanges opinions on important matters related to audits.
Toshiyuki Fujita (Audit & Supervisory Board Member)	He attended 10 of the 10 Board of Director meetings (attendance rate of 100%) held during the fiscal year under review since his appointment on May 25, 2022. He also attended 9 of the 9 Audit & Supervisory Board meetings (attendance rate of 100%) held. In addition to his specialized point of view as a certified public account, he possesses extensive experience as a financial officer of a business firm, and provides advice and proposals to ensure the validity and appropriateness of decisions made by the Board of Directors. In addition, at meetings of the Audit & Supervisory Board, he discusses and exchanges opinions on important matters related to audits.

Note: In addition to the number of Board of Director meetings stated above, there were eight written resolutions that were deemed to be made by the Board of Directors in accordance with Article 370 of the Companies Act and Article 25, paragraph 3 of the Company's Articles of Incorporation.

(4) Status of the financial auditor

- 1) Name Crowe Toyo & Co.
- 2) Amount of remuneration, etc.

	Amount of remuneration, etc.
Amount of remuneration, etc., paid to the financial auditor related to the fiscal year under review	¥25,000 thousand
The total amount of money and other property benefits to be paid by the Company and its subsidiaries to the financial auditor	¥25,000 thousand

Note: Since the amount of remuneration, etc. for audits under the Companies Act and the amount of remuneration, etc. for audits under the Financial Instruments and Exchange Act are not clearly distinguished in the audit agreement between the Company and the financial auditor, and cannot be effectively be distinguished, the total of remuneration, etc. of the financial auditor for the fiscal year under review is presented.

3) Details of non-auditing work

Not applicable.

4) Reasons the Audit & Supervisory Board agreed to the financial auditor's amount of remuneration, etc.

The Audit & Supervisory Board has determined that the details of the audit by the financial auditor, the status of the performance of duties in financial audits, and the basis for calculating remuneration estimates, etc. are appropriate for the remuneration of Crowe Toyo & Co., and agreed to this.

5) Policy on determination of dismissal or non-reappointment of financial auditor

The Audit & Supervisory Board will determine the details of proposals concerning the dismissal or non-reappointment of the financial auditor to be submitted to the General Meeting of Shareholders, if it deems it necessary, such as when there is a hindrance to the execution of duties by the financial auditor.

In addition, if the financial auditor is found to fall under the items stipulated in each item of Article 340, paragraph (1) of the Companies Act, the Audit & Supervisory Board will dismiss the financial auditor based on the consent of all members of the Audit & Supervisory Board. In this case, the Audit & Supervisory Board member(s) selected by the Audit & Supervisory Board shall report the fact that the financial auditor was dismissed and the reasons for the dismissal at the first General Meeting of Shareholders convened after the dismissal.

3. System for ensuring appropriate business operations and the status of this system

(1) Summary of decisions made concerning the system for ensuring appropriateness of business operations

The summary of the decision-making on the system for ensuring that the execution of duties by Directors conforms to laws and regulations and the Articles of Incorporation, and on other systems for ensuring the appropriateness of the company's business operations is as follows.

- 1) System for ensuring the execution of duties by Directors and employees conforms to laws and regulations and the Articles of Incorporation
 - a) The Company has established a Compliance Policy to ensure that the officers and employees of the Company and its subsidiaries (hereinafter, the "Group") complies with laws and regulations and the Articles of Incorporation, and while Directors themselves observe this, the Representative Director repeatedly communicates this spirit to employees.
 - b) The Company has established a compliance system based on various systems such as the Compliance and Risk Committee, the approval system, the legal review system for contracts, internal audits and advice by legal advisors, ensuring that the execution of duties by Directors and employees conforms to laws and regulations and the Articles of Incorporation.
 - c) In the unlikely event that misconduct occurs in the Group, the Compliance and Risk Committee will investigate the cause, formulate measures to prevent recurrence, and deliberate on information disclosure, and based on the results, the Administration Unit will promote activities such as the development of measures to prevent recurrence.
 - d) As an internal reporting system for violations of laws and regulations and other compliance items, the Company has established a whistleblowing contact point, and will operate this appropriately in accordance with the Compliance Whistleblowing Regulations.
- 2) System concerning the retention and management of information related to the execution of duties by Directors
 - a) With regard to information security, based on the Information Security Basic Regulations, the Company will clarify the system of responsibility for information security and establish an information security management system that continuously implements measures to maintain and improve information security. Specific measures related to information security are deliberated by the Information Security Committee and promoted across the Group.
 - b) Regarding the storage and management of information related to the execution of duties by Directors, the information shall be recorded in documents or electromagnetic media in accordance with internal regulations such as Document Management Regulations, Personal Information Management Basic Regulations, and Insider Trading Prevention Regulations, and will be appropriately stored and managed.
- 3) Regulations and other systems concerning the management of risk of loss
 - a) While the Compliance Policy is the superordinate concept, the Company has established the Compliance and Risk Committee and the Accident and Scandal Response Regulations, and is promoting the establishment of a system for early detection of potential risks and prompt and appropriate measures for accidents and scandals, etc.
 - b) In order to promote the establishment of the various conditions related to disaster prevention, such as the formulation of disaster prevention plans and the development of a disaster prevention structure for the Group, the Company has formulated a business continuity plan and established a response organization for the event of a disaster, to prevent and reduce human and physical damage caused by disasters.

- 4) System for ensuring the efficient execution of duties by Directors
 - a) In principle, the Board of Directors meets once a month, and meets on an ad hoc basis as necessary to make flexible decisions.
 - b) By resolution of the Board of Directors, the Company has clarified the duties of Directors, establishes Organizational Regulations and Administrative Authority Regulations, clarified the roles of Directors and employees, division of duties, and relationships of command and order, and works to ensure Directors execute duties efficiently.

- 5) The following systems and other systems for ensuring the appropriateness of business operations of the corporate group comprising the Company, its parent company, and its subsidiaries
 - a) System for reporting matters related to the execution of duties by Directors, etc., of subsidiaries to the Company
 In order to promote the comprehensive and sound development of the Group and ensure the appropriateness of business operations, the Company has established the Affiliated Company Management Regulations and Administrative Authority Regulations, and requires the approval of the Company for important matters related to the business operation of subsidiaries.
 - b) Regulations and other systems concerning the management of risk of loss of subsidiaries
 In accordance with the Affiliated Company Management Regulations, the Group manages the business operations of subsidiaries to ensure the appropriateness of business operations. In addition, based on the Compliance and Risk Management Regulations, the Company centrally manages the various risks faced by the Group and has established a Compliance and Risk Committee to strengthen the risk management system.
 - c) System for ensuring the efficient execution of duties by Directors, etc. of subsidiaries
 The Company has a system in which Directors of the Company are dispatched to subsidiaries in order to share a common understanding of the Group's management issues and conduct management aimed at maximizing the Group's corporate value.
 - d) System for ensuring the execution of duties by Directors, etc., and employees of subsidiaries conforms to laws and regulations and the Articles of Incorporation
 Through the Compliance Policy, the Company provides guidance and support for the establishment of a system for ensuring the appropriateness of subsidiaries' legal compliance systems and other operations.
 - e) Other systems for ensuring the appropriateness of business operations of the corporate group comprising the Company, its parent company and its subsidiaries
 In order to prevent inappropriate transactions and accounting in parent-subsidiary transactions, the Audit & Supervisory Board and the internal audit division cooperated to establish an audit system to ensure the appropriateness of business operations in the corporate group.

- 6) Matters concerning employees assisting in the work of Audit & Supervisory Board Members
 When an Audit & Supervisory Board Member requests that an employee be appointed to assist in their work, an appropriate employee shall be appointed to the Audit & Supervisory Board Member as soon as possible.

- 7) Matters concerning the independence from Directors of employees assisting in the work of Audit & Supervisory Board Members
 In order to strengthen independence from Directors, the consent of the Audit & Supervisory Board Members shall be obtained in advance for the evaluation of employees, personnel changes, and decisions on commendations/disciplinary action of employees serving the Audit & Supervisory Board Members.

- 8) Matters for ensuring the effectiveness of directions given to employees assisting in the work of Audit & Supervisory Board Members

Employees who assist in the work of Audit & Supervisory Board Members may request other departments to secure a cooperative system. In addition, they may participate in necessary meetings, including attendance on behalf of Audit & Supervisory Board Members. In addition, they will be granted authority to collect the necessary information.

- 9) The following system and other systems for reporting to the Audit & Supervisory Board

- a) System for Directors and employees to report to the Audit & Supervisory Board Members

- (i) In addition to the Board of Directors meetings, the Company requests the attendance of Audit & Supervisory Board Members at other important meetings, and periodically has the department in charge report the status of the Company's operations, including business performance, to the Audit & Supervisory Board Members.
- (ii) In principle, the Audit & Supervisory Board meets once a month and holds meetings on an ad hoc basis as necessary, where it exchanges information and discusses the status of audit implementation, etc., and periodically receives reports on financial audits from the financial auditor and exchanges opinions.
- (iii) The Company has established a whistleblowing contact point in accordance with the Compliance and Whistleblowing Regulations.

- b) System for Directors, Audit & Supervisory Board Members, and employees of subsidiaries or other persons who receive reports from these individuals to report to Audit & Supervisory Board Members

- (i) Audit & Supervisory Board Members may view the approval documents and financial statements of subsidiaries and request explanations from Directors or employees, etc. of subsidiaries as necessary.
- (ii) Directors or employees, etc. of subsidiaries shall immediately report to the Audit & Supervisory Board Members when they discover facts that may have a material impact on the Company.

- 10) System to ensure that the person who reports to an Audit & Supervisory Board Member does not receive unfavorable treatment because they made the report

The Compliance and Whistleblowing Regulations contain provisions to ensure that whistleblowers are not subjected to disadvantageous treatment.

- 11) Matters concerning the policy related to procedures for the prepayment or reimbursement of expenses arising from the execution of duties of Audit & Supervisory Board Members and other processing of costs or obligations arising from the execution of said duties

When an Audit & Supervisory Board Member makes a request for prepayment or reimbursement, etc. of expenses arising from the execution of his/her duties, the Company shall promptly process such expenses or obligations, unless it is deemed unnecessary for the execution of the duties of the Audit & Supervisory Board Member.

- 12) Other systems for ensuring that audits by Audit & Supervisory Board Members are conducted efficiently

The Representative Director shall exchange information regularly with the Audit & Supervisory Board, and will work to share information on the Group's management status.

If an Audit & Supervisory Board Member requests to inspect approval documents or other important documents, the department in charge will respond directly to the request and report on the details thereof.

- 13) System for ensuring the reliability of financial reporting

The Group evaluates, maintains, and improves internal controls related to financial reporting in accordance with the Financial Instruments and Exchange Act and other applicable domestic and overseas laws and regulations.

The Company's subsidiaries and each of the Company's departments will strive to ensure the appropriateness of financial reporting by conducting checks and balances using separation of duties and daily monitoring of their own operations.

14) Management system for excluding antisocial forces

In the Compliance Policy, the Company's basic policy is not to have a relationship with antisocial forces and not to use antisocial forces for the benefit or self-preservation of the Company.

In addition, the Company strives to prevent damage caused by antisocial forces by taking a resolute stance throughout the organization in the event of unreasonable demands from antisocial forces.

As a specific response method, the Company has established a manual for responding to antisocial forces which clearly indicates the above basic policy, and will establish an exclusion system and response method.

Going forward, the Company will continue to work closely with police stations with jurisdiction and related organizations to gather information, promote the establishment of a system that can eliminate antisocial forces, and will strive toward employee education so that details stipulated in the Manual are made known to employees through effective implementation of in-house training.

(2) Overview of the operation status of the system to ensure the appropriateness of business operations

The operation status of the system to ensure the appropriateness of the Group's business operations in the fiscal year under review is as follows.

1) Execution of duties by Directors

In principle, the Company holds meetings of the Board of Directors once a month or on an extraordinary basis as necessary in accordance with the Board of Directors Regulations, and in the fiscal year under review, the Board of Directors held 12 regular meetings and one extraordinary meeting. At regular meetings of the Board of Directors, reports are made on monthly financial results and operations, and efforts are made to vitalize the Board of Directors and improve the efficiency of operations by having Directors mutually monitor and supervise the status of execution of duties, and actively discuss the execution of daily business operations.

2) Supervision by the Audit & Supervisory Board

In principle, the Company holds meetings of the Audit & Supervisory Board once a month or on an extraordinary basis as necessary in accordance with the Audit & Supervisory Board Regulations. In the fiscal year under review, meetings of the Audit & Supervisory Board were held on 12 occasions. The Audit & Supervisory Board periodically shares information on the status of the formulation and implementation of audit plans, exchanges opinions and shares information with internal auditors and the financial auditor as needed, and collaborates by sharing information among the three parties.

Full-time Audit & Supervisory Board Members attend meetings of the Board of Directors and other important internal meetings, directly hear from Directors about the status of business execution, and a system has been put in place to monitor the status of business execution and compliance-related issues at the daily business operation level, thereby strengthening and improving management monitoring functions.

3) Operation of compliance system

In accordance with the Compliance Policy, all officers and employees strive to comply with laws and regulations, and in order to detect and prevent compliance violations at an early stage, the Company operates and notifies the whistleblowing contact point in-house in accordance with the Compliance and Whistleblowing Regulations.

4. Basic policy on the control of the Company

Not applicable.

5. Policy on the determination of dividends of surplus, etc.

While the Company recognizes that returning profits to shareholders is an important management issue, the basic policy is to achieve sustainable growth in net sales and operating profit while aiming to increase market capitalization over the medium to long term through appropriate valuation, not returns to shareholders through dividends. Retained earnings will be applied to investments aimed at future expansion in the scale of business.

Based on the basic policy outlined above, the Company will pay no dividend for the fiscal year under review. Similarly, the Company currently plans to pay neither interim nor year-end dividends for the next fiscal year and beyond.

The policy for the purchase of treasury shares is to make purchases in order to provide flexible options for investment strategies or in order to restrict the exercise of share acquisition rights by employees, etc. and suppress shares dilution at the time of allotting shares for restricted share-based remuneration.

Consolidated balance sheet

(As of February 28, 2023)

(Thousands of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	4,441,463	Current liabilities	798,748
Cash and deposits	3,695,539	Notes and accounts payable - trade	57,192
Notes and accounts receivable - trade	654,379	Lease obligations	1,208
Other	124,889	Accounts payable - other	302,097
Allowance for doubtful accounts	(33,343)	Income taxes payable	54,602
Non-current assets	823,904	Contract liabilities	240,137
Property, plant and equipment	254,737	Provision for bonuses	39,865
Buildings and structures	196,092	Provision for shareholder benefit program	14,060
Tools, furniture and fixtures	196,333	Other	89,584
Leased assets	9,720	Non-current liabilities	104
Accumulated depreciation	(147,408)	Lease obligations	78
Intangible assets	212,339	Other	25
Software	158,399	Total liabilities	798,852
Software in progress	53,240	Net assets	
Other	700	Shareholders' equity	4,465,774
Investments and other assets	356,826	Share capital	420,660
Investment securities	75,991	Capital surplus	395,660
Leasehold and guarantee deposits	139,183	Retained earnings	3,764,178
Deferred tax assets	89,309	Treasury shares	(114,725)
Other	52,342	Share acquisition rights	191
		Non-controlling interests	549
		Total net assets	4,466,515
Total assets	5,265,368	Total liabilities and net assets	5,265,368

Note: Stated amounts are rounded down the nearest thousand yen.

Consolidated statement of income

(From March 1, 2022 to February 28, 2023)

(Thousands of yen)

Item	Amount	
Net sales		5,706,238
Cost of sales		630,728
Gross profit		5,075,510
Selling, general and administrative expenses		3,884,776
Operating profit		1,190,734
Non-operating income		
Interest income	0	
Recoveries of written off receivables	754	
Other	54	808
Non-operating expenses		
Interest expenses	609	
Loss on investments in capital	2,000	
Other	228	2,838
Ordinary profit		1,188,704
Extraordinary losses		
Loss on retirement of non-current assets	4,189	
Loss on valuation of investment securities	49,399	53,589
Profit before income taxes		1,135,115
Income taxes - current	333,057	
Income taxes - deferred	24,304	357,362
Profit		777,752
Loss attributable to non-controlling interests		30
Profit attributable to owners of parent		777,782

Note: Stated amounts are rounded down the nearest thousand yen.

Consolidated statement of changes in equity

(From March 1, 2022 to February 28, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	420,660	395,660	3,000,248	(77,111)	3,739,457
Changes during period					
Profit attributable to owners of parent			777,782		777,782
Purchase of treasury shares				(74,403)	(74,403)
Disposal of treasury shares		(13,852)		36,790	22,937
Transfer of loss on disposal of treasury shares		13,852	(13,852)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	763,930	(37,613)	726,317
Balance at end of period	420,660	395,660	3,764,178	(114,725)	4,465,774

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	203	579	3,740,240
Changes during period			
Profit attributable to owners of parent			777,782
Purchase of treasury shares			(74,403)
Disposal of treasury shares			22,937
Transfer of loss on disposal of treasury shares			-
Net changes in items other than shareholders' equity	(12)	(30)	(42)
Total changes during period	(12)	(30)	726,274
Balance at end of period	191	549	4,466,515

Note: Stated amounts are rounded down the nearest thousand yen.

Balance sheet

(As of February 28, 2023)

(Thousands of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	4,425,796	Current liabilities	793,699
Cash and deposits	3,662,885	Accounts payable - trade	56,870
Notes receivable - trade	3,018	Lease obligations	1,208
Accounts receivable - trade	648,237	Accounts payable - other	301,731
Accounts receivable - other	110	Accrued expenses	54,509
Prepaid expenses	120,937	Income taxes payable	54,422
Other	23,951	Deposits received	10,626
Allowance for doubtful accounts	(33,343)	Contract liabilities	239,587
Non-current assets	839,906	Provision for bonuses	39,000
Property, plant and equipment	254,737	Provision for shareholder benefit program	14,060
Buildings and structures	179,507	Other	21,683
Tools, furniture and fixtures	74,174	Non-current liabilities	104
Leased assets	1,055	Lease obligations	78
Intangible assets	211,971	Other	25
Software	158,031	Total liabilities	793,803
Software in progress	53,240	Net assets	
Other	700	Shareholders' equity	4,471,707
Investments and other assets	373,196	Share capital	420,660
Investment securities	75,991	Capital surplus	395,660
Shares of subsidiaries and associates	25,003	Legal capital surplus	395,660
Investments in capital	31,526	Retained earnings	3,770,111
Leasehold and guarantee deposits	139,183	Other retained earnings	3,770,111
Deferred tax assets	94,663	Retained earnings brought forward	3,770,111
Other	6,829	Treasury shares	(114,725)
		Share acquisition rights	191
		Total net assets	4,471,899
Total assets	5,265,703	Total liabilities and net assets	5,265,703

Note: Stated amounts are rounded down the nearest thousand yen.

Statement of income

(From March 1, 2022 to February 28, 2023)

(Thousands of yen)

Item	Amount	
Net sales		5,670,472
Cost of sales		625,617
Gross profit		5,044,854
Selling, general and administrative expenses		3,853,770
Operating profit		1,191,084
Non-operating income		
Interest income	80	
Recoveries of written off receivables	754	
Other	54	888
Non-operating expenses		
Interest expenses	609	
Loss on investments in capital	2,000	
Other	228	2,838
Ordinary profit		1,189,135
Extraordinary losses		
Loss on retirement of non-current assets	4,189	
Loss on valuation of investment securities	49,399	53,589
Profit before income taxes		1,135,545
Income taxes - current	332,877	
Income taxes - deferred	24,304	357,182
Profit		778,362

Note: Stated amounts are rounded down the nearest thousand yen.

Statement of changes in equity

(From March 1, 2022 to February 28, 2023)

(Thousands of yen)

	Shareholders' equity					
	Share capital	Capital surplus			Retained earnings	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings
				Retained earnings brought forward		
Balance at beginning of period	420,660	395,660	–	395,660	3,005,601	3,005,601
Changes during period						
Profit					778,362	778,362
Purchase of treasury shares						
Disposal of treasury shares			(13,852)	(13,852)		
Transfer of loss on disposal of treasury shares			13,852	13,852	(13,852)	(13,852)
Net changes in items other than shareholders' equity						
Total changes during period	–	–	–	–	764,510	764,510
Balance at end of period	420,660	395,660	–	395,660	3,770,111	3,770,111

	Shareholders' equity		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity		
Balance at beginning of period	(77,111)	3,744,810	203	3,745,014
Changes during period				
Profit		778,362		778,362
Purchase of treasury shares	(74,403)	(74,403)		(74,403)
Disposal of treasury shares	36,790	22,937		22,937
Transfer of loss on disposal of treasury shares		–		–
Net changes in items other than shareholders' equity			(12)	(12)
Total changes during period	(37,613)	726,897	(12)	726,885
Balance at end of period	(114,725)	4,471,707	191	4,471,899

Note: Stated amounts are rounded down the nearest thousand yen.

Independent Auditor's Report

April 12, 2023

To the Board of Directors of PR TIMES, Inc.

Crowe Toyo & Co.
Tokyo Office

Designated and Engagement Partner
Certified Public Accountant: Shigeki Tsujimura

Designated and Engagement Partner
Certified Public Accountant: Takashi Miura

Audit Opinion

Pursuant to Article 444, paragraph (4) of the Companies Act, we have audited the consolidated financial statements of PR TIMES, Inc. (the "Company") and its consolidated subsidiaries (collectively, the "Group"), which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the notes to the consolidated financial statements applicable to the fiscal year from March 1, 2022 through February 28, 2023.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Group applicable to the fiscal year ended February 28, 2023 in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information refers to the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. In addition, Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of duties within the maintenance and operation of the reporting process for the other information.

The scope of our audit opinion on the consolidated financial statements does not include the content of the other information, and we do not express an opinion regarding the other information.

Our responsibility in auditing the consolidated financial statements is to read through the other information, and in the process of reading it, we examine whether there are material differences between the other information and the consolidated financial statements or the knowledge we have gained in the auditing process, and we also pay attention as to whether there are any indications in the other information of material errors besides such material differences.

If we determine there to be material errors in the other information based on the work we have performed, we are required to report those facts.

There are no matters to report regarding the other information.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

The responsibility of management is to prepare and appropriately present the consolidated financial statements in accordance with the standards of corporate accounting generally accepted in Japan. This includes developing

and operating internal controls deemed necessary by management in order to prepare and appropriately present the consolidated financial statements without material misstatement due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to a going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and evaluate material misstatement risks caused by fraud or errors. Also, formulate and implement audit procedures that address material misstatement risks. The selection and application of audit procedures is at the discretion of the auditor. Furthermore, we obtain sufficient and appropriate audit evidence to provide a basis for our opinion.
- When auditing the consolidated financial statements, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes to the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Conflicts of Interest

We or engagement partners have no interests in the Group which should be stated in compliance with the Certified Public Accountants Act.

Independent Auditor's Report

April 12, 2023

To the Board of Directors of PR TIMES, Inc.

Crowe Toyo & Co.
Tokyo Office

Designated and Engagement Partner
Certified Public Accountant: Shigeki Tsujimura

Designated and Engagement Partner
Certified Public Accountant: Takashi Miura

Audit Opinion

Pursuant to Article 436, paragraph (2), item (i) of the Companies Act, we have audited the non-consolidated financial statements of PR TIMES, Inc. (the "Company"), which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in equity, the notes to the non-consolidated financial statements and the accompanying supplemental schedules (collectively, "non-consolidated financial statements, etc.") applicable to the 18th fiscal year from March 1, 2022 through February 28, 2023.

In our opinion, the non-consolidated financial statements, etc. referred to above present fairly, in all material respects, the financial position and results of operations of the Company applicable to the fiscal year ended February 28, 2023 in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc. section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information refers to the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. In addition, Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of duties within the maintenance and operation of the reporting process for the other information.

The scope of our audit opinion on the non-consolidated financial statements, etc. does not include the content of the other information, and we do not express an opinion regarding the other information.

Our responsibility in auditing the non-consolidated financial statements, etc. is to read through the other information, and in the process of reading it, we examine whether there are material differences between the other information and the non-consolidated financial statements, etc. or the knowledge we have gained in the auditing process, and we also pay attention as to whether there are any indications in the other information of material errors besides such material differences.

If we determine there to be material errors in the other information based on the work we have performed, we are required to report those facts.

There are no matters to report regarding the other information.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-consolidated Financial Statements, Etc.

The responsibility of management is to prepare and appropriately present the non-consolidated financial statements, etc. in accordance with the standards of corporate accounting generally accepted in Japan. This

includes developing and operating internal controls deemed necessary by management in order to prepare and appropriately present the non-consolidated financial statements, etc. without material misstatement due to fraud or error.

In preparing the non-consolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to a going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc.

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the non-consolidated financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these non-consolidated financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and evaluate material misstatement risks caused by fraud or errors. Also, formulate and implement audit procedures that address material misstatement risks. The selection and application of audit procedures is at the discretion of the auditor. Furthermore, we obtain sufficient and appropriate audit evidence to provide a basis for our opinion.
- When auditing the non-consolidated financial statements, etc., obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the non-consolidated financial statements, etc. with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the non-consolidated financial statements, etc. or, if the notes to the non-consolidated financial statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation of the non-consolidated financial statements, etc. and notes to the non-consolidated financial statements, etc. are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the non-consolidated financial statements, etc., including the related notes thereto, and whether the non-consolidated financial statements, etc. fairly present the underlying transactions and accounting events.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Conflicts of Interest

We or engagement partners have no interests in the Company which should be stated in compliance with the Certified Public Accountants Act.

Audit Report

Regarding the execution of duties by the Directors for the 18th fiscal year from March 1, 2022 through February 28, 2023, the Audit & Supervisory Board hereby submits its audit report, which has been prepared through discussions based on the audit reports prepared by each Audit & Supervisory Board Member.

1. Auditing methods and content of audits by Audit & Supervisory Board Members and the Audit & Supervisory Board

(1) The Audit & Supervisory Board established the auditing policies, allocation of duties and other relevant matters, and received reports from each Audit & Supervisory Board Member regarding the status of his or her audit and the results thereof, as well as reports from the Directors, etc. and the financial auditor regarding execution of their duties, and sought explanations as necessary.

(2) In accordance with the auditing standards for Audit & Supervisory Board Members determined by the Audit & Supervisory Board, the auditing policies, allocation of duties and other relevant matters, each Audit & Supervisory Board Member endeavored to establish an environment for collecting information and conducting audits and to communicate with Directors, the Internal Audit Department and other employees utilizing telephones, the Internet and other means, and audits were implemented as follows:

1) Each Audit & Supervisory Board Member attended meetings of the Board of Directors and other important meetings, including meetings held online depending on the circumstances, to receive reports regarding execution of duties from Directors and other employees, and sought explanations as necessary. Each Audit & Supervisory Board Member also inspected the significant approved documents and examined the status of operations and conditions of assets at the head office. With regard to subsidiaries, we communicated and exchanged information with Directors of the subsidiaries, and received business reports relating to the subsidiaries as necessary.

2) With regard to contents of resolutions of the Board of Directors regarding the development of the system for ensuring that the execution of duties by Directors conforms to laws and regulations and the Articles of Incorporation and other systems that are stipulated in Article 100, paragraphs (1) and (3) of the Regulations for Enforcement of the Companies Act as being necessary to ensure appropriateness of operations of a joint stock company and business group comprising its subsidiaries, and also the systems (internal control systems) developed based on such resolutions, which are described in the business report, we periodically received reports from the Directors and other employees, sought explanations as necessary and made opinions, on the establishment and management of such systems.

3) With regard to the particulars to be given due consideration in Article 118, item (v) (a) of the Regulations for Enforcement of the Companies Act and the judgment and reason set forth in item (v) (b) of the same article, which are described in the business report, the contents were examined based on deliberations of the Board of Directors and other parties.

4) We monitored and verified whether the financial auditor maintained its independence and implemented appropriate audits, and received reports from the financial auditor regarding the execution of its duties and sought explanations as necessary. In addition, we received notice from the financial auditor that the system for ensuring that duties are performed properly (matters set forth in each item of Article 131 of the Regulations on Corporate Accounting) is organized in accordance with the product quality management standards regarding audits (Business Accounting Council, October 28, 2005) and other relevant standards, and sought explanations as necessary.

Based on the above methods, we examined the business report and the accompanying supplemental schedules, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in equity, notes to non-consolidated financial statements), and the accompanying supplemental schedules, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity, and notes to consolidated financial statements) related to the relevant fiscal year.

2. Results of audit

(1) Results of audit of the business report, etc.

- 1) In our opinion, the business report and the accompanying supplemental schedules are in accordance with the related laws and regulations and the Articles of Incorporation, and fairly represent the Company's condition.
- 2) With regard to the execution of duties by the Directors, we have found no evidence of wrongful action or material violation of related laws and regulations, nor of any violation with regard to the Articles of Incorporation.
- 3) In our opinion, resolutions of the Board of Directors for internal control systems are fair and reasonable. And there is no problem with the contents of the business report and the execution of duties by the Directors with regard to internal control systems.
- 4) With regard to business transactions with the Company's parent company, etc., which are described in the business report, there are no particulars to be given due consideration so as not to harm the interests of the Company in carrying out the transactions and there are no matters to be pointed out regarding the judgment of the Board of Directors and the reason therefor related to whether the transactions harm the interests of the Company.

(2) Results of audit of non-consolidated financial statements and the accompanying supplemental schedules

In our opinion, the methods and results employed and rendered by the financial auditor Crowe Toyo & Co., are fair and reasonable.

(3) Results of audit of consolidated financial statements

In our opinion, the methods and results employed and rendered by the financial auditor Crowe Toyo & Co., are fair and reasonable.

April 13, 2023

Audit & Supervisory Board, PR TIMES, Inc.

Full-time Audit & Supervisory Board Member

(Outside Audit & Supervisory Board Member)

Toshihito Mukaigawa [Seal]

Audit & Supervisory Board Member

(Outside Audit & Supervisory Board Member)

Noriyuki Tanaka [Seal]

Audit & Supervisory Board Member

(Outside Audit & Supervisory Board Member)

Toshiyuki Fujita [Seal]

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1 Partial Amendments to Articles of Incorporation

1. Reasons for the proposal

In order to expand our press release distribution service “PR TIMES” into the U.S., we established a U.S. subsidiary, PR TIMES Inc., in October 2022. We are changing the English trade name of the Company to make it easier to distinguish from the name of our U.S. subsidiary and to show that we are a global company.

2. Details of amendments

The details of the amendments are as follows:

(Underlined text indicates amendments)

Current Articles of Incorporation	Proposed amendments
Article 1(Trade name) The name of the Company shall be PR TIMES, <u>Inc.</u>	Article 1(Trade name) The name of the Company shall be PR TIMES, <u>Corporation.</u>

Proposal No. 2 Election of Five Directors

The term of office of all five Directors will expire at the conclusion of this Meeting. Accordingly, the Company proposes the election of five Directors, including three outside Directors, in order to further strengthen corporate governance. Furthermore, the Company will continue to further promote the diversity of the Board of Directors by nominating a female Director.

1. Candidates for Director

The candidates for Director are as follows:

Candidate no.	Name (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	Takumi Yamaguchi (January 12, 1974)	Apr. 1996 Joined Yamaichi Securities Company, Limited Apr. 1997 Joined Gulfnet Communication Co., Ltd. Oct. 1999 Joined Deloitte Tohmatsu Consulting Co., Ltd. (current ABeam Consulting Ltd.) Mar. 2006 Joined VECTOR INC. June 2006 Director Jan. 2007 Director of the Company May 2009 President and CEO (current position) June 2011 Representative Director of Second News, Inc. Representative Director of Straight Press Network Co., Ltd. (currently merged with PR TIMES Inc.) Oct. 2016 Director of PR RESEARCH INC. (currently merged with PR TIMES Inc.) Jan. 2020 Outside Director of Goodpatch Inc. Mar. 2023 Director of glucose inc. (current position)	801,673
2	Akihiro Mishima (March 26, 1980)	Mar. 2005 Joined VECTOR INC. Aug. 2007 Joined the Company Mar. 2015 Executive Officer, Head of Service Unit May 2017 Director, Head of Corporate Planning Unit Oct. 2019 Director, Head of Corporate Administration Unit (current position) Dec. 2022 Director of THE BRIDGE, Inc. (current position)	115,470

Candidate no.	Name (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	Kazuhiko Kamata (November 8, 1965)	<p>Apr. 1988 Joined Recruit Cosmos Co., Ltd. (currently Cosmos Initia Co., Ltd.)</p> <p>June 1989 Established Intelligence, Ltd. (currently PERSOL HOLDINGS CO., LTD.) Director</p> <p>Apr. 1999 Representative Director, President</p> <p>Jan. 2009 Director of SEAMON Inc. (currently ART CRAFT SCIENCE KK)</p> <p>Apr. 2009 Representative Director</p> <p>June 2009 Outside Director of Payroll Inc.</p> <p>Aug. 2009 Outside Director of I AM Inc. (currently Interworks, Inc.)</p> <p>Mar. 2014 Outside Director of FULLCAST HOLDINGS CO., LTD.</p> <p>Sept. 2015 Outside Director of Trust Tech Inc. (currently Open Up Group Inc.)</p> <p>Dec. 2015 Director and Executive Vice President of Open House Co., Ltd. (currently Open House Group Co., Ltd.) (current position)</p> <p>Dec. 2016 Director of Open House Architect Co., Ltd. (current position)</p> <p>May 2018 Outside Director of the Company (current position)</p> <p>Nov. 2021 Representative Director of Open House Preparation Co., Ltd. (currently Open House Co., Ltd.) (current position)</p> <p>Dec. 2021 Director of Open House Real Estate Co., Ltd. (current position)</p>	—
4	Keita Suzuki (July 8, 1981)	<p>Feb. 2000 Joined URAWA RED DIAMONDS</p> <p>Oct. 2015 Representative Director of AuB, Inc. (current position)</p> <p>Jan. 2016 Left URAWA RED DIAMONDS and retired as professional soccer player</p> <p>Sept. 2016 Outside Director of RUNSYSTEM CO., LTD.</p> <p>May 2020 Outside Director of the Company (current position)</p>	—

Candidate no.	Name (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	Hiroko Ozawa (December 15, 1961)	<p>Apr. 1985 Joined Sony Corporation (currently Sony Group Corporation)</p> <p>Aug. 1991 Personal Audio Product Manager of Sony (Deutschland) GmbH</p> <p>Dec. 1997 International Marketing Division of Sony Corporation (currently Sony Group Corporation)</p> <p>Aug. 1999 Event and Entertainment Promotion Department</p> <p>July 2001 Transferred to Sony Pictures Entertainment (Japan) Inc.</p> <p>Sept. 2007 Transferred to AXN Co., Ltd. Director, Executive Vice President and General Manager</p> <p>Oct. 2008 Transferred to Mystery Channel, Inc. Director, Executive Vice President and General Manager (concurrent position)</p> <p>June 2015 Outside Director of Animax Broadcast Japan Inc. (concurrent position)</p> <p>Oct. 2015 Transferred to STAR CHANNEL, INC. Representative Director and Executive Vice President</p> <p>Nov. 2018 Vice President of Sony Pictures Entertainment (Japan) Inc.</p> <p>June 2021 Outside Director of Nojima Corporation</p> <p>May 2022 Outside Director of the Company (current position)</p> <p>May 2022 External Director of Cecile Co., Ltd. (current position)</p> <p>Mar. 2023 External Director of OUTSOURCING Inc. (current position)</p>	100

- Notes:
- There is no special interest between any of the candidates and the Company.
 - Kazuhiko Kamata, Keita Suzuki and Hiroko Ozawa are candidates for outside Director.
 - Kazuhiko Kamata, Keita Suzuki, and Hiroko Ozawa are currently outside Directors of the Company, and their tenures as outside Directors will have been five years, three years, and one year, respectively, at the conclusion of this Meeting.
 - In accordance with Article 427, paragraph (1) of the Companies Act, the Company and candidates for outside Director Kazuhiko Kamata, Keita Suzuki, and Hiroko Ozawa have each concluded an agreement to limit liability for damages under Article 423, paragraph (1) of the Companies Act, and if the re-election of each candidate is approved, the Company intends to renew said agreements. The limit on liability for damages based on said agreements is the minimum amount stipulated in Article 425, paragraph (1) of the Companies Act.
 - The Company has reported that Kazuhiko Kamata, Keita Suzuki, and Hiroko Ozawa are independent officers pursuant to the rules of the Tokyo Stock Exchange. If each candidate for Director is re-elected, the Company intends to continue to designate them as independent officers.
 - The Company shall conclude a directors and officers liability insurance agreement as prescribed in Article 430-3, paragraph (1) of the Companies Act with an insurance company to compensate for damages such as damages and dispute costs incurred by the insured. If this proposal is approved as originally proposed and each candidate assumes office, each candidate will be included in the insured of the insurance agreement and the agreement will be renewed with the same details in the middle of their term of office. The outline of the contents of the agreement is given in "Matters concerning limited liability agreements for directors and officers, etc." in the business report.

2. Reasons for nomination as candidates for Director and summary of roles expected of candidates for outside Director

Reasons for the nomination as candidates for Director, and reasons for the nomination as candidates for outside Director and a summary of their expected roles are as follows.

(1) Takumi Yamaguchi

Since the Company's founding, Takumi Yamaguchi has participated in management as a Director, and since assuming the position of President and CEO in 2009, he has made significant contributions to the Company's growth as a corporate manager.

Based on these achievements, the Company has determined that he is qualified for supporting the further growth and development of the Company in the future; thus, the Company has again nominated him as a candidate for Director.

(2) Akihiro Mishima

Akihiro Mishima has been involved in the service business since the Company's founding period, and has served as Head of Corporate Planning Unit and Head of Corporate Administration Unit after assuming the position of Director, and has experience in conducting a wide range of business operations at the Company and engaging in medium- to long-term management decision-making.

Based on these achievements, the Company has determined that he is qualified as a Director for supporting the further growth and development of the Company in the future; thus, the Company has again nominated him as a candidate for Director.

(3) Kazuhiko Kamata

Kazuhiko Kamata established Intelligence, Ltd. (currently PERSOL HOLDINGS CO., LTD.) and has made tremendous contributions to the growth of the company as its Representative Director, President. He participates in management as a Director and Executive Vice President of Open House Group Co., Ltd., and has a wealth of experience and knowledge. Since assuming the position of outside Director of the Company, he has been providing appropriate advice and supervision based on a wide range of experience and knowledge from an independent standpoint. Based on these achievements, as an independent outside Director, the Company decided that he can be expected to provide advice, etc. from an independent third-party point of view for decision-making by the Board of Directors, etc.; thus, the Company again has nominated him as a candidate for outside Director.

(4) Keita Suzuki

Keita Suzuki, a former professional soccer player, was promoted to Japan's national team (Representative A) and after his retirement as player, he founded biotech venture AuB, Inc. and currently manages the company as Representative Director. Since assuming the position of outside Director of the Company, he has been providing appropriate advice and supervision based on a wide range of experience and knowledge from an independent standpoint. Based on these achievements, as an independent outside Director, the Company decided that he can be expected to provide advice, etc. from an independent third-party point of view for decision-making by the Board of Directors, etc.; thus, the Company again has nominated him as a candidate for outside Director.

(5) Hiroko Ozawa

Hiroko Ozawa has management experience at entertainment companies of the Sony Group, experience in international business, a track record in diversity promotion activities at business organizations, and broad insight concerning marketing gained from her involvement in the operation of various businesses. Since assuming the position of outside Director of the Company, she has been providing appropriate advice and supervision based on a wide range of experience and knowledge from an independent standpoint. Based on these achievements, as an independent outside Director, the Company decided that she can be expected to provide advice, etc. from an independent third-party point of view for decision-making by the Board of Directors, etc.; thus, the Company again has nominated her as a candidate for outside Director.

Proposal No. 3 Election of Two Audit & Supervisory Board Members

The term of office of two of the three Audit & Supervisory Board Members will expire at the conclusion of this meeting. The Company therefore proposes to elect two Audit & Supervisory Board Members. Furthermore, this proposal has been approved in advance by the Audit & Supervisory Board.

Candidate no.	Name (Date of birth)	Career summary and position in the Company (significant concurrent positions outside the Company)	Number of the Company's shares owned
1	* Hirohisa Takata (October 25, 1962)	<p>Apr. 1985 Joined Japan Development Bank (currently Development Bank of Japan Inc.)</p> <p>Apr. 2001 Manager, Investment Department 2 of New Business Investment Co., Ltd. (currently DBJ Capital Co., Ltd.)</p> <p>May 2003 Visiting Scholar of Stanford University, U.S.A.</p> <p>June 2004 Manager, Industry and Technology Department of Development Bank of Japan Inc.</p> <p>Apr. 2006 Deputy General Manager, Finance Planning & Coordination Department</p> <p>Apr. 2007 Deputy General Manager, Corporate Planning & Coordination Department</p> <p>June 2009 Deputy Managing Director and Secretary General of The Japan Economic Research Institute</p> <p>June 2012 General Manager, Audit & Supervisory Board Office of Development Bank of Japan Inc.</p> <p>Dec. 2014 Senior Research Manager of The Japan Economic Research Institute</p> <p>June 2018 Full-time Audit & Supervisory Board Member of DBJ Real Estate Co. Ltd.</p> <p>July 2019 Registered as a certified public accountant</p> <p>Nov. 2022 Opened Hirohisa Takata Certified Public Accounting Firm (current position)</p> <p>Mar. 2023 Outside Director and Audit Committee Member of Nihon Suido Consultants Co., Ltd. (current position)</p>	—
2	Noriyuki Tanaka (August 29, 1977)	<p>Apr. 2004 Entered the Legal Training and Research Institute of Japan</p> <p>Oct. 2005 Registered as an attorney (Dai-Ichi Tokyo Bar Association) and joined Hashidate Law Office</p> <p>Oct. 2010 Joined Minato International Tokyo Law Office (now Minato International Law Office LPC)</p> <p>Dec. 2010 Head of Minato International Group Tokyo Office (currently Minato International Law Office LPC Tokyo Office) (current position)</p> <p>July 2014 Outside Audit & Supervisory Board Member of the Company (current position)</p> <p>May 2017 Outside Audit & Supervisory Board Member of NewsTV Inc. (current position)</p> <p>June 2017 Outside Audit & Supervisory Board Member of GFA Co., Ltd.</p> <p>Sept. 2017 Outside Audit & Supervisory Board Member of GFA Capital Co., Ltd.</p> <p>June 2019 Councilor of The Japanese Association of Pharmaceutical Medicine (current position)</p> <p>July 2022 Outside Audit & Supervisory Board Member of TRIAD co.,ltd (current position)</p>	—

- Notes:
- *Denotes candidate for Audit & Supervisory Board Member to be newly elected.
 - There is no special interest between any of the candidates and the Company.
 - Hirohisa Takata and Noriyuki Tanaka are candidates for outside Audit & Supervisory Board Members.
 - Noriyuki Tanaka is currently an Outside Audit & Supervisory Board Member of the Company, and his tenure as Outside Audit & Supervisory Board Member will have been eight years and ten months at the conclusion of this Meeting.

5. Based on the provisions of Article 427, paragraph (1) of the Companies Act, the Company has concluded an agreement with Outside Audit & Supervisory Board Member Noriyuki Tanaka to limit his liability for damages as specified in Article 423, paragraph (1) of the same Act. The limit on liability for damages based on said agreements is the minimum amount stipulated in Article 425, paragraph (1) of the Companies Act. In addition, if Hirohisa Takata is elected, the Company intends to conclude the same agreement with him.
6. The Company has reported that Noriyuki Tanaka is an independent officer pursuant to the rules of the Tokyo Stock Exchange. If Noriyuki Tanaka is elected, the Company intends to continue to designate him as an independent officer. In addition, if Hirohisa Takata is elected, the Company intends to designate him as an independent officer.
7. The Company shall conclude a directors and officers liability insurance agreement as prescribed in Article 430-3, paragraph (1) of the Companies Act with an insurance company to compensate for damages such as damages and dispute costs incurred by the insured. If this proposal is approved as originally proposed, each candidate will be included in the insured. If Hirohisa Takata assumes office, the agreement will be renewed in the middle of his term of office. The outline of the contents of the agreement is given in “Status of company officers” in the business report.
8. Of the Company’s three Audit & Supervisory Board Members, Toshiyuki Fujita assumed office at the Annual General Meeting of Shareholders held on May 25, 2022, and his term of office is continuing.

(Reference) Skills Matrix of Directors and Audit & Supervisory Board Members

The skills matrix is a table of the combination of skills (professional), such as important knowledge, experience and abilities, as well as diversity in order for the Board of Directors to fulfill its supervisory function. Appropriate review of each item will be carried out in response to changes in the Company's business characteristics and business environment.

Name	Position	Gender	Experience as representative of listed company	Public relations	Market exploration/marketing	Business development/innovation	Experience working in a global setting	Finance/accounting
Takumi Yamaguchi	President and CEO	Male	○	○	○	○		○
Akihiro Mishima	Director Head of Corporate Administration Unit	Male		○				○
Kazuhiko Kamata	Director (Outside, Independent)	Male	○		○	○		
Keita Suzuki	Director (Outside, Independent)	Male			○	○	○	
Hiroko Ozawa	Director (Outside, Independent)	Female			○		○	
Hirohisa Takata	Full-time Audit & Supervisory Board Member (Outside, Independent)	Male						○
Noriyuki Tanaka	Audit & Supervisory Board Member (Outside, Independent)	Male						
Toshiyuki Fujita	Audit & Supervisory Board Member (Outside, Independent)	Male						○

Name	Position	Gender	Legal affairs	Compliance/risk management	Organization/personnel development	Consideration toward technology utilization	Consideration toward the Company's mission/company culture
Takumi Yamaguchi	President and CEO	Male			○	○	○
Akihiro Mishima	Director Head of Corporate Administration Unit	Male	○	○	○	○	○
Kazuhiko Kamata	Director (Outside, Independent)	Male			○		
Keita Suzuki	Director (Outside, Independent)	Male			○		
Hiroko Ozawa	Director (Outside, Independent)	Female			○		
Hirohisa Takata	Full-time Audit & Supervisory Board Member (Outside, Independent)	Male		○			
Noriyuki Tanaka	Audit & Supervisory Board Member (Outside, Independent)	Male	○	○			
Toshiyuki Fujita	Audit & Supervisory Board Member (Outside, Independent)	Male		○			

Note: Hirohisa Takata is expected to be newly elected and to assume office at the Annual General Meeting of Shareholders to be held on May 24, 2023.

Access to the Venue for the General Meeting of Shareholders

- 1. Date and Time** Wednesday, May 24, 2023, at 10:00 a.m. (reception opens at 9:30 a.m.) (JST)
- 2. Venue** 11-44, Akasaka 1-chome, Minato-ku, Tokyo
8F, Akasaka Intercity, PR Times Head Office
- 3. TEL** 03-5770-7888
- 4. Nearest station** One minute walk from Tameike-sanno Station (Exit 14)
on the Tokyo Metro Ginza Line or Namboku Line: