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May 30, 2023

To Our Shareholders

Masato Ishida
President and Representative Director
T-Gaia Corporation
(Securities code: 3738)
1-18 Ebisu 4-chome, Shibuya-ku, Tokyo

Convocation Notice of the 32nd Ordinary General Meeting of Shareholders

First of all, we would like to express our gratitude for your continued support and patronage.

We hereby give notice of the 32nd Ordinary General Meeting of Shareholders of T-Gaia Corporation (the “Company”). The meeting will be held in accordance with the details described below.

When convening the Ordinary General Meeting of Shareholders, we have taken measures for electronic provision of information contained in the Reference Documents for the Ordinary General Meeting of Shareholders (matters for which measures for providing information in electronic format are to be taken) and posted these on the following website on the Internet. Please access this website to review the documents.

Company’s website

<https://www.t-gaia.co.jp/ir/event/meeting.html> (in Japanese)

Website containing informational materials for the General Meeting of Shareholders

<https://d.sokai.jp/3738/teiji/> (in Japanese)

Tokyo Stock Exchange (TSE) website (Listed Company Search)

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

(Access the TSE website by using the Internet address shown above, enter “T-Gaia Corporation” in “Issue name (company name)” or the Company’s securities code “3738” 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].”)

If you will not attend the meeting, you may exercise your voting rights in writing or via electromagnetic means, such as the Internet. We request that you refer to the attached “Reference Documents for the Ordinary General Meeting of Shareholders” and exercise your voting rights by 5:45 p.m. on Wednesday, June 21, 2023.

| | |
|-------------------|---|
| 1. Date and Time | Thursday, June 22, 2023, at 10 a.m. (the venue opens at 9 a.m.) |
| 2. Venue | 1-18 Ebisu 4-chome, Shibuya-ku, Tokyo Ebisu Neonart Building 17th Floor, Head Office's Conference Room (This year's meeting venue differs from last year. Please be sure that you are in the right location.) |
| 3. Meeting Agenda | Items to be reported: <ol style="list-style-type: none"> 1. The Business Report and Consolidated Financial Statements for the Company's 32nd Fiscal Year (from April 1, 2022, to March 31, 2023) and the Results of Audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Board 2. Non-consolidated Financial Statements for the Company's 32nd Fiscal Year (from April 1, 2022, to March 31, 2023) Matters to be resolved <p>Proposal 1 Appropriation of Retained Earnings</p> <p>Proposal 2 Appointment of Nine (9) Directors</p> |

- In case revisions are made to the matters for which measures for providing information in electronic format are to be taken, notification will be made on each of the websites on the Internet noted on the previous page with information before and after the revision posted.
- Under the amendment to the Companies Act, in principle, only shareholders who have accessed the aforementioned websites to confirm the matters subject to measures for electronic provision, and who have made a request for delivery of paper-based documents by the record date, will be sent paper-based documents containing the matters subject to measures for electronic provision. At this Ordinary General Meeting of Shareholders, the Company will uniformly send paper-based documents containing the matters subject to measures for electronic provision, regardless of whether or not a request for delivery has been made.

The matters for which measures for providing information in electronic format are to be taken are not included in the paper-based documents delivered to shareholders who request said paper-based documents, pursuant to the provisions of laws, regulations, and Article 15 of the Articles of Incorporation.

- (i) "Consolidated Statement of Changes in Equity" and "Notes to the Consolidated Financial Statements" of the Consolidated Financial Statements
- (ii) "Non-consolidated Statement of Changes in Equity" and "Notes to the Non-Consolidated Financial Statements" of the Non-Consolidated Financial Statements

Accordingly, the consolidated financial statements and the non-consolidated financial statements described in the documents are part of the documents subject to auditing by the accounting auditor when preparing the accounting audit report and by the Audit and Supervisory Committee when preparing the audit report.

<Information for All Shareholders>

- Due to the venue setup, some officers will attend the meeting online from a separate room.
- For shareholders planning to attend the meeting in person, we ask that you keep abreast of the COVID-19 situation and also be mindful of how you are feeling on the day of the meeting.
- On the day of the meeting, we will stream the meeting in its entirety online (<https://3738.ksoukai.jp>) (in Japanese).
- If a major change occurs to the holding or operation of the Ordinary General Meeting of Shareholders, including for the aforementioned reasons, we will post a notification on the Company's website (<https://www.t-gaia.co.jp/>) (in Japanese).

How to Exercise Voting Rights

You may exercise your voting rights using either one of the following three methods:

Exercise voting rights via the Internet



Access the voting rights exercise website on your personal computer or smartphone and enter your approval or disapproval for each of the proposals following the instructions displayed on the screen. For details, please refer to the next page.

Deadline for exercising voting rights **The form has to reach the Company by 5:45 p.m. on Wednesday, June 21, 2023.**

<Institutional investors>

If you have applied in advance to use the electronic voting platform operated by ICJ, Inc., you may exercise your voting rights on the said platform.

Exercise voting rights in writing (by post)



Indicate your approval or disapproval for each of the proposals on the Voting Rights Exercise Form and post it without affixing stamps. If neither approval nor disapproval of each proposal is indicated, the Company will deem that you indicated your approval of the proposal.

Deadline for exercising voting rights **The form has to reach the Company by 5:45 p.m. on Wednesday, June 21, 2023.**

Attend the shareholders' meeting



Bring the Voting Rights Exercise Form to the Ordinary General Meeting of Shareholders and submit it at the venue. (There is no need to affix the postage seal.)

Date and Time **Thursday, June 22, 2023, at 10 a.m.**
(the venue opens at 9 a.m.)

Venue **1-18 Ebisu 4-chome, Shibuya-ku, Tokyo**
Ebisu Neonart Building 17th Floor, Head Office's
Conference Room

Handling of duplicate exercise of voting rights

- (1) If a shareholder exercises voting rights both by writing and via the Internet, etc., the voting rights exercised via the Internet, etc., will be deemed as valid.
- (2) If a shareholder exercises voting rights more than once via the Internet, etc., the final vote will be deemed as valid.

How to Exercise Voting Rights via the Internet

Exercising voting rights by smartphone

You can log in to the voting rights exercise website without entering your voting rights exercise code and password.

1. Scan the QR code on the bottom right of the Voting Rights Exercise Form. (QR codes are different for each shareholder.)



- * “QR code” is a registered trademark of DENSO WAVE INCORPORATED.
2. Next, follow the guidance on screen to vote yes or no on the proposals.



! If you wish to change your vote after exercising your voting rights, then you must scan the QR code® again and input the voting rights exercise code and password written on the Voting Rights Exercise Form (From a PC, you can also directly access the voting rights exercise website at <https://www.web54.net>).

Exercising voting rights on a PC

Voting Rights Exercise Website: <https://www.web54.net>

1. Access the voting rights exercise website.



Click “Next”

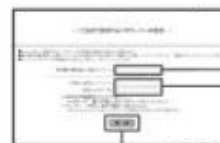
2. Input the voting rights exercise code written on the Voting Rights Exercise Form.



Input the voting rights exercise code

Click “Log In”

3. Input the password written on the Voting Rights Exercise



Input the password

Click “Next”

4. Next, follow the guidance on screen to vote yes or no on the proposals.

- * Shareholders are responsible for connection fees or communication fees incurred when using the voting rights exercise website.
- * Depending on the Internet environment you are using, the service you subscribe to, or the device you are using, you may be unable to use the voting rights exercise website.

Inquiries

1. For inquiries about how to operate your PC or smartphone in order to exercise voting rights via the Internet.

Transfer Agent Internet Support, Sumitomo Mitsui Trust Bank, Limited

Direct telephone number

0120-652-031 (toll free)

Available from 9:00 to 21:00

2. Other inquiries

A. Shareholders with an account with a securities company

Please contact your securities company.

B. Shareholders without an account at a securities company (shareholders with special accounts)

Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited

0120 (782) 031 (toll free)

Available from 9:00 to 17:00 on weekdays

Reference Documents for the Ordinary General Meeting of Shareholders

Items of Business and Reference Matters

Proposal 1 Appropriation of Retained Earnings

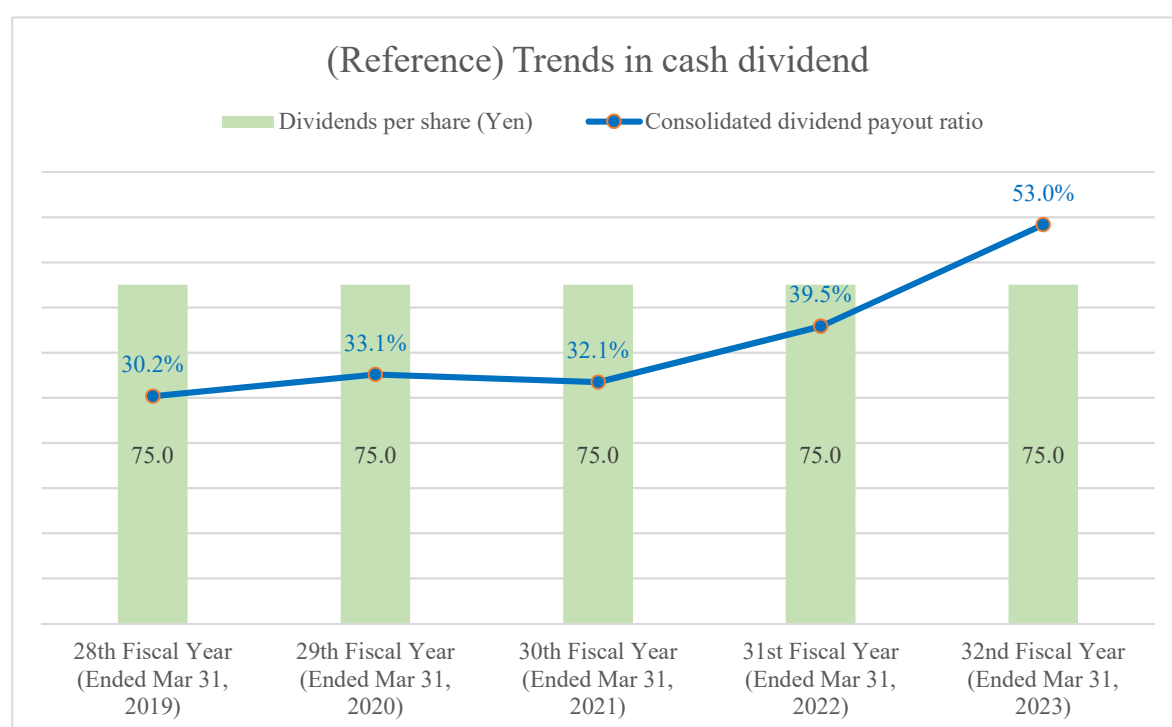
We propose to appropriate retained earnings as follows:

Matters concerning the year-end dividend

It is a basic policy of the Company to return profits to its shareholders in a stable and continuous manner over the long term with a consolidated dividend payout ratio of 40% while securing the internal reserves necessary for future business expansion and the reinforcement of its business foundations.

In keeping with that policy, we plan to pay the following year-end dividend for the year under review.

| | |
|-----|--|
| (1) | Type of dividend property Cash |
| (2) | Matters concerning the year-end allotment of assets and the aggregate amount thereof: 37.5 yen per common share of stock in the Company Total cash dividend of 2,092,188,413 yen Given that we paid an interim dividend of 37.5 yen per share of common stock, the annual dividend per share will total 75.0 yen, the same amount as in the previous fiscal year. |
| (3) | Record date for dividend from the surplus June 23, 2023 |



Proposal 2 Appointment of Nine (9) Directors

The terms of all nine (9) Directors will expire at the conclusion of this General Meeting of Shareholders.

Therefore, the Company proposes the election of nine (9) Directors.

The candidates for Director are as follows:

| Candidate No. | Name | Positions and Responsibilities in the Company | Attendance at meetings of Board of Directors | Years serving as Director: |
|---------------|---|---|--|----------------------------|
| 1 | Reappointment Masato Ishida (62 years old/male) | President, Representative Director, and Chief Executive Officer | 13/13 meetings | 3 years |
| 2 | Reappointment Hiroyuki Sugai (62 years old/male) | Director, Executive Vice President, and CFO In charge of corporate accounting, finance, sales accounting, settlements, and logistics | 13/13 meetings | 2 years |
| 3 | New appointment Hiroyoshi Ueji (60 years old/male) | Executive Vice President and CDO, Supervising Mobile Business and Solution Business, in charge of Consumer Business Promotion | – | – |
| 4 | Reappointment Katsuya Kashiki (56 years old/male) | [Candidate for Outside Director] Outside Director | 13/13 meetings | 3 years |
| 5 | Reappointment Toshiya Asaba (61 years old/male) | [Candidate for Outside Director] [Candidate for Independent Director] Outside Director | 13/13 meetings | 7 years |
| 6 | Reappointment Kyoko Deguchi (57 years old/female) | [Candidate for Outside Director] [Candidate for Independent Director] Outside Director | 13/13 meetings | 7 years |
| 7 | Reappointment Junichi Kamata (69 years old/male) | [Candidate for Outside Director] [Candidate for Independent Director] Outside Director | 13/13 meetings | 5 years |
| 8 | Reappointment Toshio Morohoshi (69 years old/male) | [Candidate for Outside Director] [Candidate for Independent Director] Outside Director | 13/13 meetings | 3 years |
| 9 | Reappointment Yoshisada Takahashi (67 years old/male) | [Candidate for Outside Director] [Candidate for Independent Director] Outside Director | 10/10 meetings | 1 year |

Notes:


- The age of each candidate is as of the date of this General Meeting of Shareholders.
- As Mr. Yoshisada Takahashi took office on June 22, 2022 (the date of the 31st Ordinary General Meeting of Shareholders), the number of the Board of Directors' meetings he was expected to attend differs from other reappointed candidates for Directors.

| Candidate Number | Name (Date of Birth) | Career Summary and Responsibilities in the Company | | | | | | | | | | | | | | | | | | | | |
|---|--|---|----------|-----------------------------|----------|--|----------|---|----------|--|----------|---|----------|---|----------|---|----------|--|----------|---|----------|--|
| <p style="text-align: center; font-size: 2em; font-weight: bold;">1</p> <p style="background-color: #92d050; padding: 2px;">Reappointment</p> | <div style="text-align: center;">  <p>Masato Ishida Date of Birth: December 1, 1960 (Age: 62/male)</p> <p>Shares in Company 6,400 shares</p> <p>Board of Directors' Meeting Attendance in FY2023 13/13 (100%)</p> <p>Years serving as Director: three years (at the conclusion of this meeting)</p> </div> | <table border="0"> <tr> <td style="vertical-align: top; padding-right: 10px;">Apr 1983</td> <td>Joined Sumitomo Corporation</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Apr 2001</td> <td>President, SMS Construction & Mining Systems Inc. (Canada)</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Apr 2007</td> <td>Manager of Construction Equipment Dept. No. 3, Sumitomo Corporation</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Apr 2011</td> <td>General Manager of Construction Equipment Division, Sumitomo Corporation</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Apr 2015</td> <td>Executive Officer; Assistant General Manager for Europe, Middle East, Africa, and CIS (United Arab Emirates); concurrently General Manager of Middle East, Sumitomo Corporation; and concurrently President of Sumitomo Corporation Middle East FZE</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Apr 2018</td> <td>Managing Executive Officer; General Manager for Europe, Middle East, Africa, and CIS (UK), Sumitomo Corporation; and concurrently Chairman of Sumitomo Corporation Europe Holding Limited</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Apr 2020</td> <td>Executive Vice President and CSO, in charge of HR and general affairs, legal, management planning, and public relations, T-Gaia Corporation</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Jun 2020</td> <td>Director, Executive Vice President, and CSO, in charge of HR and general affairs, legal, management planning, and public relations, T-Gaia Corporation</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Apr 2022</td> <td>President, Representative Director, and Chief Executive Officer, T-Gaia Corporation (current)</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Apr 2022</td> <td>Director, QUO CARD Co., Ltd. (current)</td> </tr> </table> | Apr 1983 | Joined Sumitomo Corporation | Apr 2001 | President, SMS Construction & Mining Systems Inc. (Canada) | Apr 2007 | Manager of Construction Equipment Dept. No. 3, Sumitomo Corporation | Apr 2011 | General Manager of Construction Equipment Division, Sumitomo Corporation | Apr 2015 | Executive Officer; Assistant General Manager for Europe, Middle East, Africa, and CIS (United Arab Emirates); concurrently General Manager of Middle East, Sumitomo Corporation; and concurrently President of Sumitomo Corporation Middle East FZE | Apr 2018 | Managing Executive Officer; General Manager for Europe, Middle East, Africa, and CIS (UK), Sumitomo Corporation; and concurrently Chairman of Sumitomo Corporation Europe Holding Limited | Apr 2020 | Executive Vice President and CSO, in charge of HR and general affairs, legal, management planning, and public relations, T-Gaia Corporation | Jun 2020 | Director, Executive Vice President, and CSO, in charge of HR and general affairs, legal, management planning, and public relations, T-Gaia Corporation | Apr 2022 | President, Representative Director, and Chief Executive Officer, T-Gaia Corporation (current) | Apr 2022 | Director, QUO CARD Co., Ltd. (current) |
| | Apr 1983 | Joined Sumitomo Corporation | | | | | | | | | | | | | | | | | | | | |
| | Apr 2001 | President, SMS Construction & Mining Systems Inc. (Canada) | | | | | | | | | | | | | | | | | | | | |
| | Apr 2007 | Manager of Construction Equipment Dept. No. 3, Sumitomo Corporation | | | | | | | | | | | | | | | | | | | | |
| | Apr 2011 | General Manager of Construction Equipment Division, Sumitomo Corporation | | | | | | | | | | | | | | | | | | | | |
| | Apr 2015 | Executive Officer; Assistant General Manager for Europe, Middle East, Africa, and CIS (United Arab Emirates); concurrently General Manager of Middle East, Sumitomo Corporation; and concurrently President of Sumitomo Corporation Middle East FZE | | | | | | | | | | | | | | | | | | | | |
| | Apr 2018 | Managing Executive Officer; General Manager for Europe, Middle East, Africa, and CIS (UK), Sumitomo Corporation; and concurrently Chairman of Sumitomo Corporation Europe Holding Limited | | | | | | | | | | | | | | | | | | | | |
| | Apr 2020 | Executive Vice President and CSO, in charge of HR and general affairs, legal, management planning, and public relations, T-Gaia Corporation | | | | | | | | | | | | | | | | | | | | |
| | Jun 2020 | Director, Executive Vice President, and CSO, in charge of HR and general affairs, legal, management planning, and public relations, T-Gaia Corporation | | | | | | | | | | | | | | | | | | | | |
| | Apr 2022 | President, Representative Director, and Chief Executive Officer, T-Gaia Corporation (current) | | | | | | | | | | | | | | | | | | | | |
| Apr 2022 | Director, QUO CARD Co., Ltd. (current) | | | | | | | | | | | | | | | | | | | | | |
| <p>[Reasons for nomination as a candidate for Director]</p> <p>At Sumitomo Corporation, Mr. Masato Ishida has served as President of the Dealer Business for Construction Equipment and Mining Equipment in Canada, as General Manager of Construction Equipment Division, and as General Manager of the Middle East, then in the role of General Manager for Europe, Middle East, Africa, and CIS as a Managing Executive Officer. He served at the Company from June 2020 as Director, Executive Vice President, and CSO, and since April 2022, he has demonstrated leadership as President, Representative Director, and Chief Executive Officer, who has the highest responsibility in business execution within the Company. Because Mr. Ishida possesses expert knowledge and abundant experience mainly in the business administration and management fields cultivated by serving in these positions, and has a sincere character and a high level of both insight and skill in corporate management, the Company regards Mr. Ishida to be suitable as a Director of the Company and has renominated him as a candidate for Director.</p> | | | | | | | | | | | | | | | | | | | | | | |

| Candidate Number | Name (Date of Birth) | Career Summary and Responsibilities in the Company |
|--|--|--|
| 2 |  <p>Hiroyuki Sugai Date of Birth: February 6, 1961 (Age: 62/male)</p> <p>Shares in Company 1,000 shares</p> <p>Board of Directors' Meeting Attendance in FY2023 13/13 (100%)</p> <p>Years serving as Director: two years (at the conclusion of this meeting)</p> | <p>Apr 1984 Joined Sumitomo Corporation</p> <p>May 2001 Sumitomo Corporation of Americas (New York)</p> <p>Nov 2009 Head of the Finance and Accounting Group, Sumitomo Corporation China Group (Shanghai)</p> <p>Nov 2013 General Manager of the Accounting Dept., Media, ICT, Lifestyle Related Goods and Services Business Unit, Sumitomo Corporation</p> <p>Apr 2017 General Manager of the Accounting Controlling Dept., Sumitomo Corporation</p> <p>Apr 2019 Executive Officer; Assistant CFO, Accounting; and concurrently General Manager, Accounting Controlling Dept., Sumitomo Corporation</p> <p>Apr 2021 Executive Vice President and CFO, in charge of corporate accounting, finance and settlement, risk management, and logistics, T-Gaia Corporation</p> <p>Jun 2021 Director, Executive Vice President, and CFO, in charge of corporate accounting, finance and settlement, risk management, and logistics, T-Gaia Corporation</p> <p>Apr 2022 Director, Executive Vice President, and CFO, in charge of corporate accounting, finance and settlement, and logistics, T-Gaia Corporation</p> <p>Apr 2023 Director, Executive Vice President, and CFO, in charge of corporate accounting, finance, settlement, and logistics, T-Gaia Corporation</p> <p>May 2023 Director, Executive Vice President, and CFO, in charge of corporate accounting, finance, sales accounting settlements, and logistics, T-Gaia Corporation (current)</p> |
| <p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Hiroyuki Sugai has been involved in finance and accounting-related business for many years at Sumitomo Corporation, after serving as General Manager of the Accounting Dept., Media, ICT, Lifestyle-Related Goods and Services Business Unit, and General Manager of the Accounting Controlling Dept., etc., has served as Executive Officer; Assistant CFO, Accounting; and concurrently General Manager, Accounting Controlling Dept., and since June 2021, has worked at the Company as Director, Executive Vice President, and CFO. Because Mr. Sugai possesses expert knowledge and abundant experience mainly in the finance and accounting field, cultivated by serving in these positions, and has a sincere character and a high level of both insight and skill in corporate management, the Company regards Mr. Sugai to be suitable as a Director of the Company and has renominated him as a candidate for Director.</p> | | |

| Candidate Number | Name (Date of Birth) | Career Summary and Responsibilities in the Company | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|----------|-----------------------------|----------|-----------------------------------|----------|---|----------|--|----------|---|----------|---|----------|--|----------|---|----------|--|----------|---|----------|---|
| <p style="font-size: 24pt; font-weight: bold;">3</p> <p style="background-color: #FFD700; display: inline-block; padding: 2px;">New appointment</p> | <div style="text-align: center;">  <p>Hiroyoshi Ueji Date of Birth: November 9, 1962 (Age: 60/male)</p> <p>Shares in Company 9,619 shares</p> <p>Board of Directors' Meeting Attendance in FY2023 <input type="checkbox"/></p> <p>Years serving as Director: <input type="checkbox"/></p> </div> | <table border="0"> <tr> <td style="vertical-align: top;">Apr 1985</td> <td>Joined Ito-Yokado Co., Ltd.</td> </tr> <tr> <td style="vertical-align: top;">Feb 1996</td> <td>Retired from Ito-Yokado Co., Ltd.</td> </tr> <tr> <td style="vertical-align: top;">May 1996</td> <td>Joined the Company (formerly, Bussan Telecommunication Co., Ltd.)</td> </tr> <tr> <td style="vertical-align: top;">Nov 2002</td> <td>General Manager, Sales Department No. 2, Tokai Regional Headquarters</td> </tr> <tr> <td style="vertical-align: top;">Apr 2011</td> <td>Deputy General Manager, Tokai Regional Headquarters</td> </tr> <tr> <td style="vertical-align: top;">Apr 2012</td> <td>Executive Officer and Deputy General Manager of Business Promotion Division</td> </tr> <tr> <td style="vertical-align: top;">Apr 2015</td> <td>Senior Executive Officer and General Manager of Sales Division 1</td> </tr> <tr> <td style="vertical-align: top;">Apr 2017</td> <td>Managing Executive Officer and Managing Head of Solution Business</td> </tr> <tr> <td style="vertical-align: top;">Apr 2021</td> <td>Senior Executive Officer and Managing Head of Solution Business, in deputy charge of CEO Project Department 2.</td> </tr> <tr> <td style="vertical-align: top;">Apr 2022</td> <td>Senior Executive Officer and CDO Managing Head of Solution Business in charge of BPR Promotion and Open Innovation</td> </tr> <tr> <td style="vertical-align: top;">Apr 2023</td> <td>Executive Vice President and CDO, Supervising Mobile Business and Solution Business, in charge of Consumer Business Promotion, T-Gaia Corporation (current)</td> </tr> </table> | Apr 1985 | Joined Ito-Yokado Co., Ltd. | Feb 1996 | Retired from Ito-Yokado Co., Ltd. | May 1996 | Joined the Company (formerly, Bussan Telecommunication Co., Ltd.) | Nov 2002 | General Manager, Sales Department No. 2, Tokai Regional Headquarters | Apr 2011 | Deputy General Manager, Tokai Regional Headquarters | Apr 2012 | Executive Officer and Deputy General Manager of Business Promotion Division | Apr 2015 | Senior Executive Officer and General Manager of Sales Division 1 | Apr 2017 | Managing Executive Officer and Managing Head of Solution Business | Apr 2021 | Senior Executive Officer and Managing Head of Solution Business, in deputy charge of CEO Project Department 2. | Apr 2022 | Senior Executive Officer and CDO Managing Head of Solution Business in charge of BPR Promotion and Open Innovation | Apr 2023 | Executive Vice President and CDO, Supervising Mobile Business and Solution Business, in charge of Consumer Business Promotion, T-Gaia Corporation (current) |
| Apr 1985 | Joined Ito-Yokado Co., Ltd. | | | | | | | | | | | | | | | | | | | | | | | |
| Feb 1996 | Retired from Ito-Yokado Co., Ltd. | | | | | | | | | | | | | | | | | | | | | | | |
| May 1996 | Joined the Company (formerly, Bussan Telecommunication Co., Ltd.) | | | | | | | | | | | | | | | | | | | | | | | |
| Nov 2002 | General Manager, Sales Department No. 2, Tokai Regional Headquarters | | | | | | | | | | | | | | | | | | | | | | | |
| Apr 2011 | Deputy General Manager, Tokai Regional Headquarters | | | | | | | | | | | | | | | | | | | | | | | |
| Apr 2012 | Executive Officer and Deputy General Manager of Business Promotion Division | | | | | | | | | | | | | | | | | | | | | | | |
| Apr 2015 | Senior Executive Officer and General Manager of Sales Division 1 | | | | | | | | | | | | | | | | | | | | | | | |
| Apr 2017 | Managing Executive Officer and Managing Head of Solution Business | | | | | | | | | | | | | | | | | | | | | | | |
| Apr 2021 | Senior Executive Officer and Managing Head of Solution Business, in deputy charge of CEO Project Department 2. | | | | | | | | | | | | | | | | | | | | | | | |
| Apr 2022 | Senior Executive Officer and CDO Managing Head of Solution Business in charge of BPR Promotion and Open Innovation | | | | | | | | | | | | | | | | | | | | | | | |
| Apr 2023 | Executive Vice President and CDO, Supervising Mobile Business and Solution Business, in charge of Consumer Business Promotion, T-Gaia Corporation (current) | | | | | | | | | | | | | | | | | | | | | | | |
| <p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Hiroyoshi Ueji has served as General Manager of the First Sales Division and Solutions Division and as CDO, etc., and from April 2023, he was appointed Executive Vice President and CDO, Supervising Mobile Business and Solution Business, in charge of Consumer Business Promotion. Because he possesses expert knowledge and abundant experience in the Company's business and field of DX promotion, cultivated by serving in these positions, and has a sincere character and a high level of both insight and skill in corporate management, the Company regards him to be suitable as a Director of the Company and has nominated him as a candidate for Director.</p> | | | | | | | | | | | | | | | | | | | | | | | | |


| Candidate Number | Name (Date of Birth) | Career Summary and Responsibilities in the Company | | | | | | | | | | | | | | | | | | |
|--|--|--|----------|-----------------------------|----------|---|----------|---|----------|---|----------|--|----------|--|----------|---|----------|------------------------------|----------|----------------------------|
| <p style="text-align: center; font-size: 2em; font-weight: bold;">4</p> <p style="background-color: #92d050; padding: 2px;">Reappointment</p> <p style="background-color: #e67e22; padding: 2px;">Candidate for Outside Director</p> | <div style="text-align: center;">  <p>Katsuya Kashiki Date of Birth: June 28, 1966 (Age: 56/male)</p> <p>Shares in Company □</p> <p>Board of Directors' Meeting Attendance in FY2023 13/13 (100%)</p> <p>Years serving as Director: three years (at the conclusion of this meeting)</p> </div> | <table border="0"> <tr> <td style="vertical-align: top; padding-right: 10px;">Apr 1990</td> <td>Joined Sumitomo Corporation</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Jan 1994</td> <td>Assistant to General Manager of Islamabad Office (Pakistan), Sumitomo Corporation</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Sep 2004</td> <td>Moscow Office (Russia), IT and Telecom Unit, Sumitomo Corporation</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Feb 2005</td> <td>Director, Market and Business Development, ZAO Prestige Internet (Russia)</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Jun 2012</td> <td>Director, ICT Business Division, Sumitomo Corporation (Central Eurasia) LLC (Russia)</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Apr 2018</td> <td>Manager of Smart Infrastructure Business Dept., Sumitomo Corporation</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Apr 2020</td> <td>General Manager of Smart Communications Platform Division, Sumitomo Corporation (current)</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Jun 2020</td> <td>Director, T-Gaia Corporation</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Jun 2022</td> <td>Outside Director (current)</td> </tr> </table> | Apr 1990 | Joined Sumitomo Corporation | Jan 1994 | Assistant to General Manager of Islamabad Office (Pakistan), Sumitomo Corporation | Sep 2004 | Moscow Office (Russia), IT and Telecom Unit, Sumitomo Corporation | Feb 2005 | Director, Market and Business Development, ZAO Prestige Internet (Russia) | Jun 2012 | Director, ICT Business Division, Sumitomo Corporation (Central Eurasia) LLC (Russia) | Apr 2018 | Manager of Smart Infrastructure Business Dept., Sumitomo Corporation | Apr 2020 | General Manager of Smart Communications Platform Division, Sumitomo Corporation (current) | Jun 2020 | Director, T-Gaia Corporation | Jun 2022 | Outside Director (current) |
| | Apr 1990 | Joined Sumitomo Corporation | | | | | | | | | | | | | | | | | | |
| Jan 1994 | Assistant to General Manager of Islamabad Office (Pakistan), Sumitomo Corporation | | | | | | | | | | | | | | | | | | | |
| Sep 2004 | Moscow Office (Russia), IT and Telecom Unit, Sumitomo Corporation | | | | | | | | | | | | | | | | | | | |
| Feb 2005 | Director, Market and Business Development, ZAO Prestige Internet (Russia) | | | | | | | | | | | | | | | | | | | |
| Jun 2012 | Director, ICT Business Division, Sumitomo Corporation (Central Eurasia) LLC (Russia) | | | | | | | | | | | | | | | | | | | |
| Apr 2018 | Manager of Smart Infrastructure Business Dept., Sumitomo Corporation | | | | | | | | | | | | | | | | | | | |
| Apr 2020 | General Manager of Smart Communications Platform Division, Sumitomo Corporation (current) | | | | | | | | | | | | | | | | | | | |
| Jun 2020 | Director, T-Gaia Corporation | | | | | | | | | | | | | | | | | | | |
| Jun 2022 | Outside Director (current) | | | | | | | | | | | | | | | | | | | |
| | | <p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles]</p> <p>Mr. Katsuya Kashiki currently serves as General Manager of Smart Communications Platform Division at Sumitomo Corporation, after previously serving as Manager of Smart Infrastructure Business Department, and possesses expert knowledge and abundant experience mainly in the information communications field, cultivated by serving in these positions. Because he has a sincere character and a high level of both insight and skill in corporate management, the Company regards him to be suitable as an Outside Director of the Company and has nominated him as a candidate for Outside Director again. We expect that Mr. Kashiki will supervise and provide advice on the execution of business from an outside perspective based on his aforementioned extensive knowledge and experience.</p> <p>[Special notes on candidate for Outside Director]</p> <p>Furthermore, Mr. Kashiki satisfies the conditions of outside Director set forth in Article 2-15 of the Companies Act. He serves as an executive of Sumitomo Corporation, the Company's major shareholder; thus, he will not be classified as an independent Outside Director because he falls under the following criteria in the independence standards for Directors set forth by the Company: "g. A person who is a major shareholder of the Company, or a business executor of such shareholder, or a person who was in such position in the past five years."</p> | | | | | | | | | | | | | | | | | | |

| Candidate Number | Name (Date of Birth) | Career Summary and Responsibilities in the Company | |
|--|---|--|--|
| <p style="text-align: center; font-size: 2em; font-weight: bold;">5</p> <p>Reappointment</p> <p>Candidate for Outside Director</p> <p>Candidate for Independent Director</p> | <div style="text-align: center;">  <p>Toshiya Asaba Date of Birth: June 12, 1962 (Age: 61/male)</p> <p>Shares in Company 700 shares</p> <p>Board of Directors' Meeting Attendance in FY2023 13/13 (100%)</p> <p>Years serving as Director: seven years (at the conclusion of this meeting)</p> </div> | <p>Apr 1989 Joined Recruit Co., Ltd.</p> <p>Apr 1995 Manager of Network Technology, Internet Initiative Japan Inc.</p> <p>Mar 1996 Director, IJ America Inc.</p> <p>Sep 1997 Director of Technology, Internet Multifeed Co.</p> <p>Oct 1998 Manager of Technology Planning, Crosswave Communications, Inc.</p> <p>Jun 1999 Director, Crosswave Communications, Inc.</p> <p>Jun 1999 Director, Co-CTO, Internet Initiative Japan Inc.</p> <p>Jun 2004 Director and Vice President, Internet Initiative Japan Inc. (Retired from this position as of June 2009)</p> <p>Jun 2004 Director, NTT Resonant Incorporated</p> <p>Jun 2008 Representative Director, IJ Innovation Institute Inc.</p> <p>Apr 2012 Representative Director, Stratosphere Inc.</p> <p>Jun 2015 Director, IJ Innovation Institute Inc.</p> <p>Jun 2015 Representative Partner, Gaia Lab LLC (current)</p> <p>Jun 2016 Outside Director, T-Gaia Corporation (current)</p> <p>Nov 2017 Representative Director and Vice Chairman, The Japanese Society for Quality Control (JSQC)</p> <p>Dec 2018 Corporate Auditor, Parongo Co., Ltd. (current)</p> <p>Dec 2021 Representative Director, IJ Innovation Institute Inc.</p> | |
| | | <p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles]</p> | |
| | | <p>Mr. Toshiya Asaba has been involved in the establishment of the Internet in Japan and building Internet service for many years. He has also served as CTO and Representative Director in IT-related companies, so he possesses broad knowledge and abundant experience as an IT specialist and as a corporate manager. Because he has a sincere character and a high level of both insight and skill in corporate management, the Company regards him to be suitable as an Outside Director of the Company and has nominated him as a candidate for Outside Director again. We expect that Mr. Asaba will supervise and provide advice on the execution of business from an outside perspective based on his aforementioned extensive knowledge and experience.</p> | |
| | | <p>[Special notes on candidate for Outside Director]</p> | |
| | | <p>Mr. Asaba was a person who executed business for Internet Initiative Japan Inc., a business partner of the Company until June 2009. However, more than 13 years have passed since he resigned from that position and the amount of the business between the Company and Internet Initiative Japan Inc. is insignificant at less than 0.1% of both Internet Initiative Japan Inc.'s consolidated total revenues and the Company's consolidated net sales, so he is deemed to be adequately independent.</p> | |

| Candidate Number | Name (Date of Birth) | Career Summary and Responsibilities in the Company |
|---|---|---|
| <p style="text-align: center; font-size: 2em; font-weight: bold;">6</p> <p style="background-color: #92d050; padding: 2px;">Reappointment</p> <p style="background-color: #e67e22; padding: 2px;">Candidate for Outside Director</p> <p style="background-color: #5dade2; padding: 2px;">Candidate for Independent Director</p> | <div style="text-align: center;">  <p>Kyoko Deguchi Date of Birth: December 12, 1965 (Age: 57/female)</p> <p>Shares in Company 3,600 shares</p> <p>Board of Directors' Meeting Attendance in FY2023 13/13 (100%)</p> <p>Years serving as Director: seven years (at the conclusion of this meeting)</p> </div> | <p>Apr 1989 Joined Bain & Company Japan, Incorporated</p> <p>Feb 1998 Senior Director of Planning, Disney Store Japan Inc.</p> <p>Feb 1999 Senior Finance Director, Disney Store Japan Inc.</p> <p>Mar 2001 Director and CFO, GE Plastics Japan Ltd.</p> <p>Apr 2004 Product Director, Janssen Pharmaceutical (currently Ortho Neurologics) (US)</p> <p>Sep 2005 Senior Director of Digestive Region, Pain, and OTC Business Division, Janssen-Cilag Pty Ltd. (Australia)</p> <p>Jan 2007 Assistant Senior Director of Marketing Division, Janssen Pharmaceutical K.K.</p> <p>Aug 2009 Director and Vice President of Global Marketing, Stryker Japan K.K.</p> <p>Jan 2012 President and CEO, Stryker Japan K.K.</p> <p>Mar 2013 Senior Corporate Executive Officer and Manager of President's Office with concurrent responsibility for Financial and Accounting Division, Bellsystem24 Inc. (Retired from this position as of January 2014)</p> <p>Mar 2014 CEO, AbbVie GK</p> <p>Jul 2014 Outside Director, Nippon Ski Resort Development Co., Ltd.</p> <p>Feb 2015 COO, Medical Corporation Shikiku-kai</p> <p>Apr 2015 Professor, Kenichi Ohmae Graduate School of Business, Business Breakthrough, Inc. (current)</p> <p>Mar 2016 Outside Director, Cookpad Inc. (Retired from this position as of March 2018)</p> <p>Jun 2016 Outside Director, T-Gaia Corporation (current)</p> <p>Aug 2017 Vice President, Medical Corporation Shikiku-kai</p> <p>Jun 2019 Outside Director, NHK Technologies, Inc. (current)</p> <p>Jan 2020 Outside Director, Heartseed Inc. (current)</p> <p>Jun 2021 Outside Director, PHC Holdings Corporation (current)</p> <p>Sep 2022 Vice President, Doya Rehabilitation and Orthopedic Clinic (current)</p> |

| Candidate Number | Name (Date of Birth) | Career Summary and Responsibilities in the Company |
|------------------|-------------------------|---|
| | | <p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles]</p> <p>Ms. Kyoko Deguchi has been involved in the finance business of many different corporations for many years and has served as a CFO and Representative Director, so she possesses broad knowledge and abundant experience as a finance specialist and as a corporate manager. Because Ms. Deguchi has a sincere character and a high level of both insight and skill in corporate management, the Company regards her to be suitable as an Outside Director of the Company and has nominated her as a candidate for Outside Director again. We expect that Ms. Deguchi will supervise and provide advice on the execution of business from an outside perspective based on her aforementioned extensive knowledge and experience.</p> <p>[Special notes on candidate for Outside Director]</p> <p>Ms. Deguchi was a person who executed business for Bellsystem24 Inc., a business partner of the Company, until January 2014. However, more than nine years have passed since she resigned from that position and the amount of business between the Company and Bellsystem24 Inc. is insignificant at less than 0.1% of both Bellsystem24 Inc.'s consolidated revenue and the Company's consolidated net sales, so she is deemed to be adequately independent.</p> <p>Ms. Deguchi was an Outside Director of Cookpad Inc., a business partner of the Company, until March 2018. However, more than five years have passed since she resigned from that position and the amount of business between the Company and Cookpad Inc. is insignificant at less than 0.1% of both Cookpad Inc.'s consolidated sales revenue and the Company's consolidated net sales, so she is deemed to be adequately independent.</p> |

| Candidate Number | Name (Date of Birth) | Career Summary and Responsibilities in the Company | | | | | | | | | | | | | | | | | | | | |
|---|--|---|----------|--|----------|-------------------------------|----------|--|----------|---|----------|---|----------|--|----------|---|----------|--|----------|--------------------------------|----------|--|
| <p style="text-align: center; font-size: 2em; font-weight: bold;">7</p> <p style="background-color: #92d050; padding: 2px;">Reappointment</p> <p style="background-color: #e67e22; padding: 2px;">Candidate for Outside Director</p> <p style="background-color: #95a5a6; padding: 2px;">Candidate for Independent Director</p> | <div style="text-align: center;">  <p>Junichi Kamata</p> <p>Date of Birth: November 28, 1953 (Age: 69/male)</p> <p>Shares in Company 2,700 shares</p> <p>Board of Directors' Meeting Attendance in FY2023 13/13 (100%)</p> <p>Years serving as Director: five years (at the conclusion of this meeting)</p> </div> | <table border="0"> <tr> <td style="vertical-align: top; padding-right: 10px;">Apr 1978</td> <td>Joined Hitachi Metals, Ltd. (currently, Proterial, Ltd.)</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Jan 1992</td> <td>CFO, HMT Technology Inc. (US)</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">May 1999</td> <td>Manager, Corporate Management Department, LET Inc. (Philippines)</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Nov 2000</td> <td>Vice President and CFO, Hitachi Metals America, Ltd. (US)</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Jan 2005</td> <td>General Manager of Human Resources and General Administration Dept., Hitachi Metals, Ltd.</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Apr 2008</td> <td>Managing Officer and General Manager of Corporate Management Planning Office of Hitachi Metals, Ltd.</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Apr 2011</td> <td>Managing Officer and President of Piping Components Company of Hitachi Metals, Ltd.</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Apr 2014</td> <td>Managing Officer of Hitachi Metals, Ltd.; President and CEO, Hitachi Metals America, Ltd. (US)</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Jun 2015</td> <td>Director, Hitachi Metals, Ltd.</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Jun 2018</td> <td>Outside Director, T-Gaia Corporation (current)</td> </tr> </table> <p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles]</p> <p>Mr. Junichi Kamata has been involved in the core of management for many years, serving as General Manager of the Human Resources and General Administration Department, General Manager of Corporate Management Planning Office, and Director of Hitachi Metals, Ltd. He possesses broad knowledge and abundant experience as a corporate management specialist and as an executive manager. Because he has a sincere character and a high level of both insight and skill in corporate management, the Company regards him to be suitable as an Outside Director of the Company and has nominated him as a candidate for Outside Director again. We expect that Mr. Kamata will supervise and provide advice on the execution of business from an outside perspective based on his aforementioned extensive knowledge and experience.</p> <p>[Special notes on candidate for Outside Director]</p> <p>At Hitachi Metals, Ltd., where Mr. Kamata served as a Director between June 2015 and June 2018, it was announced that acts were performed, such as entering values inappropriately into inspection reports for certain products manufactured, during his tenure at Hitachi Metals, Ltd. It should be noted that Mr. Kamata was not aware of the occurrence of this situation during his tenure as Director at Hitachi Metals, Ltd., but he did make remarks from a compliance perspective at meetings of Hitachi Metals, Ltd.'s Board of Directors, etc., that were held around that time.</p> | Apr 1978 | Joined Hitachi Metals, Ltd. (currently, Proterial, Ltd.) | Jan 1992 | CFO, HMT Technology Inc. (US) | May 1999 | Manager, Corporate Management Department, LET Inc. (Philippines) | Nov 2000 | Vice President and CFO, Hitachi Metals America, Ltd. (US) | Jan 2005 | General Manager of Human Resources and General Administration Dept., Hitachi Metals, Ltd. | Apr 2008 | Managing Officer and General Manager of Corporate Management Planning Office of Hitachi Metals, Ltd. | Apr 2011 | Managing Officer and President of Piping Components Company of Hitachi Metals, Ltd. | Apr 2014 | Managing Officer of Hitachi Metals, Ltd.; President and CEO, Hitachi Metals America, Ltd. (US) | Jun 2015 | Director, Hitachi Metals, Ltd. | Jun 2018 | Outside Director, T-Gaia Corporation (current) |
| Apr 1978 | Joined Hitachi Metals, Ltd. (currently, Proterial, Ltd.) | | | | | | | | | | | | | | | | | | | | | |
| Jan 1992 | CFO, HMT Technology Inc. (US) | | | | | | | | | | | | | | | | | | | | | |
| May 1999 | Manager, Corporate Management Department, LET Inc. (Philippines) | | | | | | | | | | | | | | | | | | | | | |
| Nov 2000 | Vice President and CFO, Hitachi Metals America, Ltd. (US) | | | | | | | | | | | | | | | | | | | | | |
| Jan 2005 | General Manager of Human Resources and General Administration Dept., Hitachi Metals, Ltd. | | | | | | | | | | | | | | | | | | | | | |
| Apr 2008 | Managing Officer and General Manager of Corporate Management Planning Office of Hitachi Metals, Ltd. | | | | | | | | | | | | | | | | | | | | | |
| Apr 2011 | Managing Officer and President of Piping Components Company of Hitachi Metals, Ltd. | | | | | | | | | | | | | | | | | | | | | |
| Apr 2014 | Managing Officer of Hitachi Metals, Ltd.; President and CEO, Hitachi Metals America, Ltd. (US) | | | | | | | | | | | | | | | | | | | | | |
| Jun 2015 | Director, Hitachi Metals, Ltd. | | | | | | | | | | | | | | | | | | | | | |
| Jun 2018 | Outside Director, T-Gaia Corporation (current) | | | | | | | | | | | | | | | | | | | | | |

| Candidate Number | Name (Date of Birth) | Career Summary and Responsibilities in the Company | | | | | | | | | | | | | | | | | | | | |
|---|--|---|----------|------------------------|----------|--|----------|---|----------|--|----------|---|----------|--|----------|---|----------|--|----------|-----------------------------------|----------|--|
| <p>8</p> <p>Reappointment</p> <p>Candidate for Outside Director</p> <p>Candidate for Independent Director</p> |  <p>Toshio Morohoshi Date of Birth: August 24, 1953 (Age: 69/male)</p> <p>Shares in Company □</p> <p>Board of Directors' Meeting Attendance in FY2023 13/13 (100%)</p> <p>Years serving as Director: three years (at the conclusion of this meeting)</p> | <table border="0"> <tr> <td style="vertical-align: top;">Apr 1976</td> <td>Joined Fujitsu Limited</td> </tr> <tr> <td style="vertical-align: top;">Jun 1998</td> <td>President and CEO, Fujitsu PC Corporation (US)</td> </tr> <tr> <td style="vertical-align: top;">Jun 2004</td> <td>President and CEO, Fujitsu Computer Systems Corporation (currently Fujitsu America Inc.) (US)</td> </tr> <tr> <td style="vertical-align: top;">Oct 2005</td> <td>Managing Executive Officer, Fujitsu Limited (Retired from this position as of June 2007)</td> </tr> <tr> <td style="vertical-align: top;">Jul 2007</td> <td>President and CEO of EMC Japan K.K. and concurrently Vice President of EMC Corporation (US)</td> </tr> <tr> <td style="vertical-align: top;">Jan 2012</td> <td>President and CEO of NCR Japan, Ltd. and concurrently North Asia Representative of NCR Corporation (US) (Retired from this position as of February 2015)</td> </tr> <tr> <td style="vertical-align: top;">May 2015</td> <td>President and CEO, Yaskawa Information Systems Corporation (currently YE DIGITAL Corporation)</td> </tr> <tr> <td style="vertical-align: top;">Mar 2018</td> <td>Outside Director of the Board, Nippon Paint Holdings Co., Ltd. (current)</td> </tr> <tr> <td style="vertical-align: top;">Aug 2018</td> <td>Outside Director, WingArc1st Inc.</td> </tr> <tr> <td style="vertical-align: top;">Jun 2020</td> <td>Outside Director, T-Gaia Corporation (current)</td> </tr> </table> | Apr 1976 | Joined Fujitsu Limited | Jun 1998 | President and CEO, Fujitsu PC Corporation (US) | Jun 2004 | President and CEO, Fujitsu Computer Systems Corporation (currently Fujitsu America Inc.) (US) | Oct 2005 | Managing Executive Officer, Fujitsu Limited (Retired from this position as of June 2007) | Jul 2007 | President and CEO of EMC Japan K.K. and concurrently Vice President of EMC Corporation (US) | Jan 2012 | President and CEO of NCR Japan, Ltd. and concurrently North Asia Representative of NCR Corporation (US) (Retired from this position as of February 2015) | May 2015 | President and CEO, Yaskawa Information Systems Corporation (currently YE DIGITAL Corporation) | Mar 2018 | Outside Director of the Board, Nippon Paint Holdings Co., Ltd. (current) | Aug 2018 | Outside Director, WingArc1st Inc. | Jun 2020 | Outside Director, T-Gaia Corporation (current) |
| Apr 1976 | Joined Fujitsu Limited | | | | | | | | | | | | | | | | | | | | | |
| Jun 1998 | President and CEO, Fujitsu PC Corporation (US) | | | | | | | | | | | | | | | | | | | | | |
| Jun 2004 | President and CEO, Fujitsu Computer Systems Corporation (currently Fujitsu America Inc.) (US) | | | | | | | | | | | | | | | | | | | | | |
| Oct 2005 | Managing Executive Officer, Fujitsu Limited (Retired from this position as of June 2007) | | | | | | | | | | | | | | | | | | | | | |
| Jul 2007 | President and CEO of EMC Japan K.K. and concurrently Vice President of EMC Corporation (US) | | | | | | | | | | | | | | | | | | | | | |
| Jan 2012 | President and CEO of NCR Japan, Ltd. and concurrently North Asia Representative of NCR Corporation (US) (Retired from this position as of February 2015) | | | | | | | | | | | | | | | | | | | | | |
| May 2015 | President and CEO, Yaskawa Information Systems Corporation (currently YE DIGITAL Corporation) | | | | | | | | | | | | | | | | | | | | | |
| Mar 2018 | Outside Director of the Board, Nippon Paint Holdings Co., Ltd. (current) | | | | | | | | | | | | | | | | | | | | | |
| Aug 2018 | Outside Director, WingArc1st Inc. | | | | | | | | | | | | | | | | | | | | | |
| Jun 2020 | Outside Director, T-Gaia Corporation (current) | | | | | | | | | | | | | | | | | | | | | |
| | | <p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles]</p> <p>Mr. Toshio Morohoshi has wide-ranging knowledge and abundant experience as an IT business specialist and as a manager, involved in promoting the IT business and corporate management for many years. At Fujitsu Limited, he was involved at the center of management as Managing Executive Officer following positions as President of overseas subsidiaries, etc., with much of this time spent as Representative Director and President in IT companies. Because he has a sincere character and a high level of both insight and skill in corporate management, the Company regards him to be suitable as an Outside Director of the Company and has nominated him as a candidate for Outside Director again. We expect that Mr. Morohoshi will supervise and provide advice on the execution of business from an outside perspective based on his aforementioned extensive knowledge and experience.</p> <p>[Special notes on candidate for Outside Director]</p> <p>Mr. Morohoshi was a person who executed business for Fujitsu Limited, a business partner of the Company, until June 2007. However, more than 15 years have passed since he resigned from that position and the amount of business between the Company and Fujitsu Limited is insignificant at less than 0.2% of both Fujitsu Limited's consolidated revenue and the Company's consolidated net sales, so he is deemed to be adequately independent.</p> <p>Mr. Morohoshi was a person who executed business for NCR Japan, Ltd., a business partner of the Company, until February 2015. However, more than eight years have passed since he resigned from that position and the amount of business between the Company and NCR Japan, Ltd. is insignificant at less than 0.3% of both NCR Japan, Ltd.'s revenue and Company's consolidated net sales, so he is deemed to be adequately independent.</p> | | | | | | | | | | | | | | | | | | | | |

| Candidate Number | Name (Date of Birth) | Career Summary and Responsibilities in the Company |
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| 9 |  <p>Yoshisada Takahashi Date of Birth: December 8, 1955 (Age: 67/male)</p> <p>Shares in Company □</p> <p>Board of Directors' Meeting Attendance in FY2023 (after assuming office on June 22, 2022): 10/10 (100%)</p> <p>Years serving as Director: one year (at the conclusion of this meeting)</p> | <p>Apr 1978 Joined Komatsu Ltd.</p> <p>Jun 1995 Plant Manager, Komatsu Brasil International Ltda. (São Paulo)</p> <p>Oct 1999 General Manager, Purchasing Department, Awazu Plant, Production Division, Komatsu Ltd.</p> <p>Apr 2006 Executive Officer and Awazu Plant Manager, Production Division, Komatsu Ltd.</p> <p>Apr 2011 Senior Executive Officer (Jomu); Vice President, Production Division; and Osaka Plant Manager, Komatsu Ltd.</p> <p>Apr 2013 Senior Executive Officer (Senmu); President, Production Division; and Supervising Environment, Komatsu Ltd.</p> <p>Apr 2016 Senior Executive Officer (Senmu); Chief Information and Innovation Officer; President, Information Strategy Division; Supervising Production and Industrial Machinery Business, Komatsu Ltd.</p> <p>Apr 2017 Executive Vice President; Chief Information and Innovation Officer; President, Information Strategy Division; Supervising Industrial Machinery Business, Komatsu Ltd.</p> <p>Jun 2019 Outside Director, T.Rad Co., Ltd. (current)</p> <p>Jul 2019 Consultant, Komatsu Ltd. (current)</p> <p>Sep 2019 Consultant, Ishikawa Prefecture (current)</p> <p>Jun 2022 Outside Director, T-Gaia Corporation (current)</p> |
| <div style="background-color: #4CAF50; color: white; padding: 2px; margin-bottom: 5px;">Reappointment</div> <div style="background-color: #C0392B; color: white; padding: 2px; margin-bottom: 5px;">Candidate for Outside Director</div> <div style="background-color: #34495E; color: white; padding: 2px;">Candidate for Independent Director</div> | <p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles]</p> <p>Mr. Yoshisada Takahashi has been involved in the core of management for many years, serving as Plant Manager in Japan and at an overseas subsidiary; President of the Production Division; and Executive Vice President, Chief Information and Innovation Officer, and President of the Information Strategy Division at Komatsu Ltd. He possesses knowledge concerning the corporate utilization of ICT as well as broad knowledge and abundant experience as an executive manager. Because he has a sincere character and a high level of both insight and skill in corporate management, the Company regards him to be suitable as an Outside Director of the Company and has nominated him as a candidate for Outside Director again. We expect that Mr. Takahashi will supervise and provide advice on the execution of business from an outside perspective based on his aforementioned extensive knowledge and experience.</p> <p>[Special notes on candidate for Outside Director] None</p> | |

Notes:

1. This reference document for the Ordinary General Meeting of Shareholders contains information as of the date of its preparation (May 16, 2023). However, the age of each candidate is as of this Ordinary General Meeting of Shareholders, and the number of the Company shares held by each candidate reflects information as of March 31, 2023.
2. Katsuya Kashiki, Toshiya Asaba, Kyoko Deguchi, Junichi Kamata, Toshio Morohoshi, and Yoshisada Takahashi are candidates for Outside Director.
3. No special interest relationship exists between the candidates and the Company.
4. Katsuya Kashiki, Toshiya Asaba, Kyoko Deguchi, Junichi Kamata, Toshio Morohoshi, and Yoshisada Takahashi are currently Outside Directors for the Company. Katsuya Kashiki will have served one year as Outside Director at the conclusion of this General Meeting of Shareholders, Toshiya Asaba and Kyoko Deguchi will have served seven years,

Junichi Kamata will have served five years, Toshio Morohoshi will have served three years, and Yoshisada Takahashi will have served one year.

5. The Company has entered into agreements with Katsuya Kashiki, Toshiya Asaba, Kyoko Deguchi, Junichi Kamata, Toshio Morohoshi, and Yoshisada Takahashi pursuant to Article 427, Paragraph 1, of the Companies Act that limits their liability for damages as provided for in Article 423, Paragraph 1, of the same Act. Under this agreement, the limit of liability for damages is an amount stipulated in Article 425, Paragraph 1 of the said Act. We plan to renew the liability limitation agreement with them if their reappointment is approved.
6. The Company has entered into indemnity agreements with Directors and Corporate Auditors pursuant to the provisions of Article 430-2, Paragraph 1 of the Companies Act, under which the Company will indemnify them for any expenses provided for in item (i) of the same paragraph and losses provided for in item (ii) of the same paragraph, within the scope set forth in laws and regulations. In addition, we plan to enter into a similar liability limitation agreement with Hiroyoshi Ueji if his appointment is approved.
7. The Company has entered into directors and officers liability insurance agreement as prescribed in Article 430-3 Paragraph 1 of the Companies Act with an insurance company, and in the case of a claim for compensation for damages being filed by a shareholder or third party, etc., damages such as compensation and dispute costs that are to be borne by the insured party shall be covered by the said insurance contract. The full amount of the insurance premiums shall be borne by the Company, and if each candidate is elected and appointed as Director, it is planned to include them in the persons covered by the said insurance agreement. In addition, at the time of the next renewal, we plan to renew the agreement with the same content as in the current agreement.
8. Toshiya Asaba, Kyoko Deguchi, Junichi Kamata, Toshio Morohoshi, and Yoshisada Takahashi meet the criteria for independent directors as defined by the TSE. The Company has reported the status of these four individuals as independent directors to the TSE. If these five candidates are reappointed, the Company plans to continue treating them as independent directors.
9. If this proposal is approved and passed, the majority of the members of the Company's Board of Directors will be independent outside directors.

(Reference) Skill Matrix (If Each Candidate for Director is Elected at this General Meeting of Shareholders)

| Officer | | Independence | Knowledge and experience expected by the Company | | | | | | |
|---------------------|----------|------------------|--|----------------|-------------|--------------------|--|--|---|
| | | | Corporate management Business strategy | Investment M&A | ICT Digital | Accounting Finance | Legal affairs, personnel, and compliance | Global experience and internationality | |
| Director | Internal | Masato Ishida | | ● | ● | | | | ● |
| | | Hiroyuki Sugai | | ● | | | ● | | ● |
| | | Hiroyoshi Ueji | | ● | ● | ● | | | |
| | Outside | Katsuya Kashiki | | ● | ● | ● | | | ● |
| | | Toshiya Asaba | ● | ● | ● | ● | | | ● |
| | | Kyoko Deguchi | ● | ● | | | ● | ● | ● |
| | | Junichi Kamata | ● | ● | ● | | | ● | ● |
| | | Toshio Morohoshi | ● | ● | ● | ● | | | ● |
| Yoshisada Takahashi | ● | ● | ● | ● | | | ● | | |

* The above table does not represent all knowledge and experience held by the candidates.

* Up to four areas of knowledge and experience in which the candidate is particularly outstanding have been provided.

(Reference) Selection criteria and independence standards for Directors and Corporate Auditors

Selection criteria and independence standards for Directors and Corporate Auditors are stipulated as follows in the Basic Policy on Corporate Governance.

1. Director

(1) Selection criteria

A candidate for Director shall be an individual meeting the following criteria, who has profound understanding of our corporate philosophy based on TG Vision (T-Gaia's Corporate Vision), stating "T-Gaia will propose new ways of communication to provide our customers with excitement, delight, and safety," TG Mission (T-Gaia's Corporate Mission) and TG Action (Our Code of Conduct), and who is capable enough to make prompt and appropriate decisions with a view to achieving sustainable growth/development of the Group (as defined below) and the medium- to long-term enhancement of its corporate value.

a. Director (internal)

A candidate for Director (internal) shall be an individual with integrity as well as high-level management insight and capabilities who has expert knowledge and abundant experience in telecommunications field and other areas, regardless of gender and nationality.

b. Outside Director

A candidate for Outside Director shall be an individual with integrity as well as high-level management insight and capabilities, who is capable enough to supervise business execution while providing advice from an external point of view based on broad-based knowledge and experience in his/her own area of specialty and general corporate management, regardless of gender and nationality.

(2) Independence standards

The Company shall consider an Outside Director independent when he/she does not fall into any of the following.

- a. A person who is, or was an executor of business at the Company, its consolidated subsidiary, or equity method affiliate (collectively, the "Group")
- b. A person who is or was in the past 10 years a director, executive officer, corporate executive officer, or manager or other employee of the Company's parent company or sister company
- c. A person for whom the Group is a principal business partner or a person who is or was in the past three years his/her executor of business (a principal business partner is defined as having business transactions equivalent to 2% or more of the annual total net sales of the partner in its immediately preceding fiscal year)
- d. A person who is a principal business partner of the Group, or a person who is or was in the past three years his/her executor of business (a principal business partner is defined as having business transactions equivalent to 2% or more of the consolidated annual total net sales of the Group in the immediately preceding fiscal year)
- e. A person who currently provides professional service in the capacity such as consultant, attorney, or certified public accountant, gaining in return 10 million yen or more cash or other property benefits per year, apart from executive remuneration paid by the Group (if a party that gains such property benefits is an organization such as corporate body, union or partnership, a person who belongs to such organization that gains property benefits from the Group which is equivalent to 2% or more of annual revenue of such organization), or a person who was in such position in the past three years
- f. A person who is a principal provider of loans to the Group or a business executor of such provider (principal provider of loans refers to an entity that provides the Group with loans equivalent to 2% or more of its consolidated total assets as at the end of its immediately preceding fiscal year) or a person who was in such position in the past three years
- g. A person who is a major shareholder of the Company, or a business executor of such shareholder, or a person who was in such position in the past five years
- h. A person who receives 10 million yen per year or more donation from the Group (if a party that receives such donation is an organization such as a corporate body, union, or partnership, a person who serves as executor of business at such organization gaining property benefits from the Group which is equivalent to 2% or more of the

annual revenue of such organization), or a person who was in such position in the past three years

- i. A person who is engaged in the audit of the Group as its Accounting Auditor or an employee thereof, or who was engaged in the audit of the Group as an employee of the Accounting Auditor in the past three years
- j. A person who is a director, executive officer, corporate executive officer, or manager or other employee of a company for which the Company is a major shareholder
- k. A person who is a director, executive officer, or corporate executive officer of a company (or its parent company or subsidiary), for which director or corporate auditor is seconded from the Group
- l. A person who is relative in the second degree or closer to someone who serves or served in the past three years as director, executive officer, corporate executive officer, or manager or other employee of the Group
- m. A person who is relative in the second degree or closer to someone who falls into any of those listed in b. through j. above (insofar as he/she is in an important position)
- n. A person who has served as an outside director of the Company for more than eight years
- o. A person who has specific circumstance other than those listed above which prevents him/her from carrying out his/her duty as an outside executive officer holding independence, including potential conflicts of interest with the Group

2. Corporate Auditor

(1) Selection criteria

A candidate for Corporate Auditor shall be an individual with integrity as well as high-level insight, experience, and capabilities in corporate management, not least operational expert knowledge and hands-on management experience, who is considered capable enough to contribute to sustainable growth/development of the Group and the medium- to long-term enhancement of its corporate value, regardless of gender and nationality. Candidate for an Independent Outside Audit and Supervisory Board Member, in particular, shall have advanced expertise and abundant experience in the areas such as legal affairs, accounting, and corporate management.

(2) Independence standards

The Company shall consider an Outside Audit and Supervisory Board Member independent when he/she does not fall into any of the following.

- a. A person who is, or was an executor of business at the Company, its consolidated subsidiary, or equity method affiliate (collectively, the “Group”)
- b. A person who is or was in the past 10 years a director, corporate auditor, accounting adviser, executive officer, corporate executive officer, or manager or other employee of the Company’s parent company or sister company
- c. A person for whom the Group is a principal business partner or a person who is or was in the past three years his/her executor of business (a principal business partner is defined as having business transactions equivalent to 2% or more of the annual total net sales of the partner in its immediately preceding fiscal year)
- d. A person who is a principal business partner of the Group, or a person who is or was in the past three years his/her executor of business (a principal business partner is defined as having business transactions equivalent to 2% or more of the consolidated annual total net sales of the Group in the immediately preceding fiscal year)
- e. A person who currently provides professional service in the capacity such as consultant, attorney, or certified public accountant, gaining in return 10 million yen or more cash or other property benefits per year, apart from executive remuneration paid by the Group (if a party that gains such property benefits is an organization such as corporate body, union or partnership, a person who belongs to such organization that gains property benefits from the Group which is equivalent to 2% or more of annual revenue of such organization), or a person who was in such position in the past three years
- f. A person who is a principal provider of loans to the Group or a business executor of such provider (principal provider of loans refers to an entity that provides the Group with loans equivalent to 2% or more of its consolidated total assets as at the end of its immediately preceding fiscal year) or a person who was in such position in the past three years
- g. A person who is a major shareholder of the Company, or a business executor of such shareholder, or a person who was in such position in the past five years
- h. A person who receives 10 million yen per year or more donation from the Group (if a party that receives such

donation is an organization such as a corporate body, union, or partnership, a person who serves as executor of business at such organization gaining property benefits from the Group which is equivalent to 2% or more of the annual revenue of such organization), or a person who was in such position in the past three years

- i. A person who is engaged in the audit of the Group as its Accounting Auditor or an employee thereof, or who was engaged in the audit of the Group as an employee of the Accounting Auditor in the past three years
- j. A person who is a director, corporate auditor, accounting adviser, executive officer, corporate executive officer, or manager or other employee of a company to which the Company is a major shareholder
- k. A person who is a director, corporate auditor, accounting adviser, executive officer, or corporate executive officer of a company (or its parent company or subsidiary), to which director or corporate auditor is seconded from the Group
- l. A person who is relative in the second degree or closer to someone who serves or served in the past three years as director, executive officer, corporate executive officer, or manager or other employee of the Group
- m. A person who is relative in the second degree or closer to someone who falls into any of those listed in b. through j. above (insofar as he/she is in an important position)
- n. A person who has specific circumstance other than those listed above which prevents him/her from carrying out his/her duty as an outside executive officer holding independence, including potential conflicts of interest with the Group

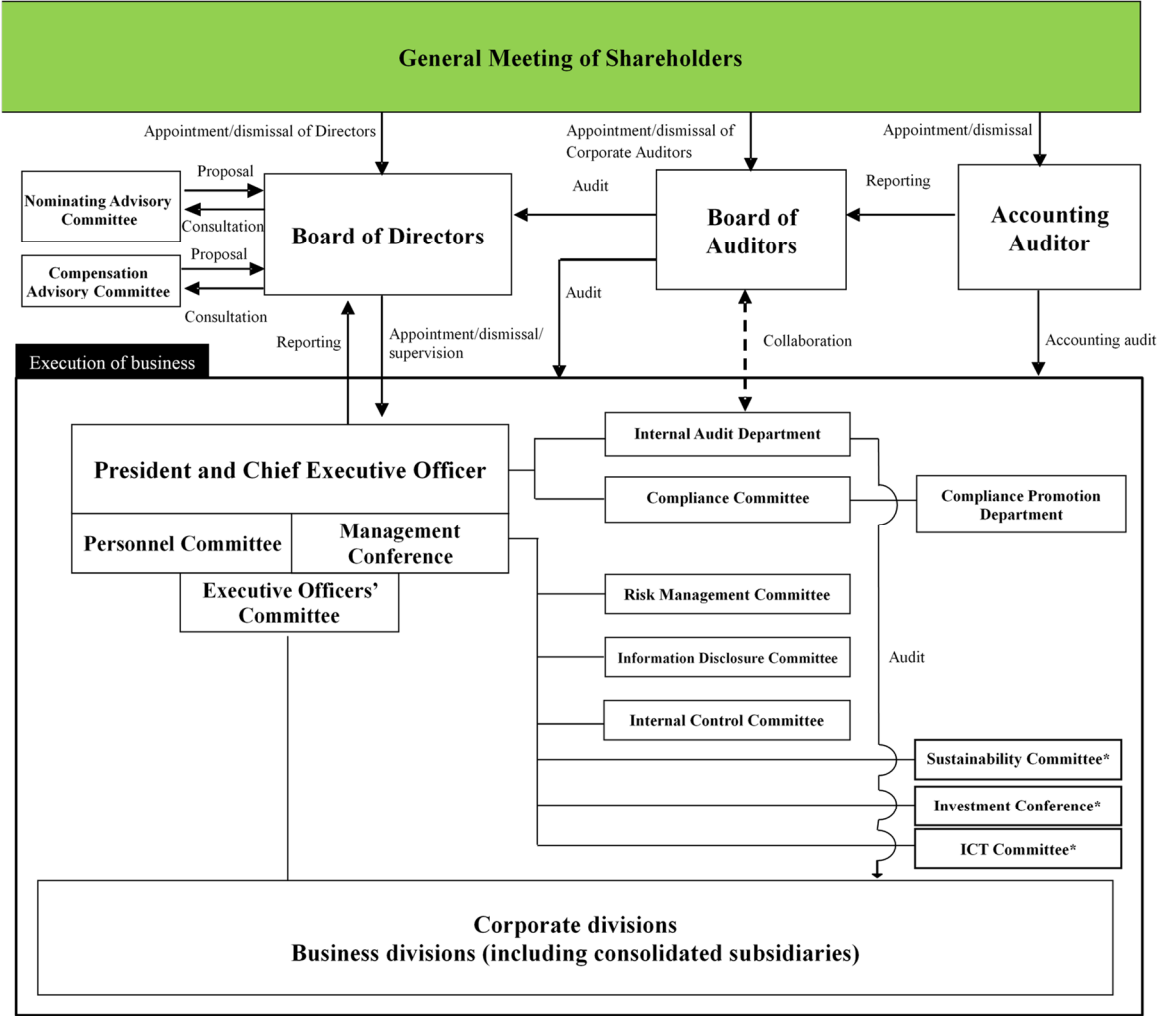
(Reference) Overview of Initiatives Related to Corporate Governance (as of March 31, 2023)

[Our Basic View Related to Corporate Governance]

The Company views corporate governance as “a framework for the control of corporate business activities” and considers it critically important that the rights and interests of our shareholders be protected and equally guaranteed. We also believe it is imperative that we respect the rights and interests of – and build positive relationships with – stakeholders other than shareholders, including our clients, business partners, employees, and local communities. Our basic view related to corporate governance has been specified as the Basic Policy on Corporate Governance, which is disclosed on the Company website. We recognize that corporations have a social mission to pursue their business operations while striving to build and maintain better frameworks for governance. In line with that awareness, we have pursued our day-to-day operations in the interest of refining our institutional frameworks and improving their effectiveness from two perspectives: namely, “assuring managerial transparency” and “boosting corporate value.”

[Framework for Corporate Governance]

Schematic diagram



*Established as advisory bodies to the Management Conference.

[Board of Directors]

The Board of Directors handles decisions on important matters and supervises Directors to determine whether they are performing their duties efficiently and properly. The Board of Directors comprises nine Directors (five of whom are independent officers), including six Outside Directors, and its meetings are also attended by four Corporate Auditors (two of whom are independent officers). Board meetings regularly convene on a monthly basis, and extraordinary meetings are held as required to realize flexible management.

[Audit and Supervisory Board]

Of the four Corporate Auditors of the Company, three are Outside Audit and Supervisory Board Members (two of whom are independent officers). Using their professional background, experience, and expertise, they not only audit compliance with laws, but also give advice on overall management from a fair and neutral standpoint.

The Audit and Supervisory Board meetings convene on a monthly basis in principle, and four Corporate Auditors hold discussions and report matters at the meetings. Corporate Auditors attend important company meetings such as the Board of Directors' meetings to supervise the status of decisions on management policy and the status of performance of duties by Directors. Furthermore, Corporate Auditors appropriately collaborate with the Internal Audit Department and Accounting Auditor and work to strengthen the internal control system through the exchange of views and information with them.

[Nominating Advisory Committee/Compensation Advisory Committee]

The Company has established the Nominating Advisory Committee and the Compensation Advisory Committee as advisory bodies to the Board of Directors in order to enhance the transparency of management. The Nominating Advisory Committee and the Compensation Advisory Committee are composed of Outside Directors and the Representative Director as well as Directors nominated by the President and Representative Director, and the members thereof are decided by the Board of Directors. Also, the majority of the members of each Committee are Outside Directors.

The objective of the Nominating Advisory Committee is to propose the appointment and dismissal of Directors and executive officers above Managing Executive Officers to the Board of Directors, and the objective of the Compensation Advisory Committee is to propose such matters as remuneration of Directors and executive officers above Directors and Managing Executive Officers to the Board of Directors.

The Nominating Advisory Committee and Compensation Advisory Committee meet before the convening of the Board of Directors, which resolves the appointment and dismissal, and remuneration of Directors and executive officers above Managing Executive Officers. However, when issues are raised by the Committee members, Committee meetings are held as needed.

The Nomination Advisory Committee and the Remuneration Advisory Committee consist of seven members: Masato Ishida (President and CEO), Katsuya Kashiki (Outside Director), Toshiya Asaba (Independent Outside Director), Kyoko Deguchi (Independent Outside Director), Junichi Kamata (Independent Outside Director), Toshio Morohoshi, and Yoshisada Takahashi (Independent Outside Director), while both committees are chaired by Junichi Kamata, who serves as an Independent Outside Director.

[Evaluation of Effectiveness of the Board of Directors]

The Company conducts surveys on Directors and Corporate Auditors regarding the effectiveness of the Board of Directors as a whole, while objective analyses are performed by a third-party institution. In addition, self-evaluation of the Board of Directors is implemented through discussions by members of the Board of Directors

based on the results of the surveys to enhance the function. In fiscal 2021, the Company determined that its Board of Directors is functioning appropriately and is effective as a result of implementing self-evaluation of the Board of Directors.

<Summary of Evaluation Results for FY2021>

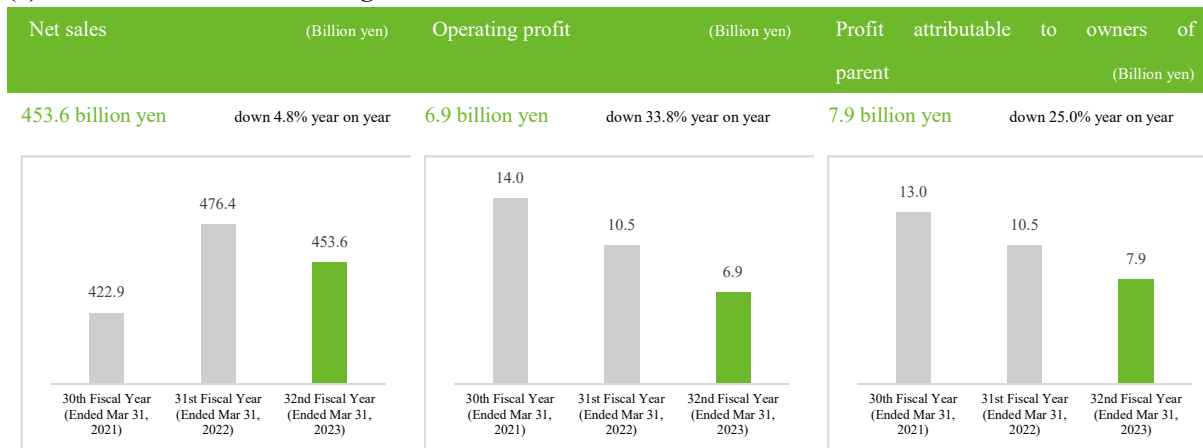
The Company's Board of Directors maintains diversity in its composition. In addition, in order to achieve a sustainable growth strategy and increase corporate value, each Director makes statements utilizing his or her knowledge and experience, resulting in lively discussions. Effectiveness has been ensured throughout, and in particular, the "candidate selection process for the succession plan for the President and Representative Director," "ex-post review of investments and M&A," and "sharing of shareholder opinions" have been enhanced and improved.

The results for fiscal 2022 will be posted on the Company website (<https://www.t-gaia.co.jp/>) after this General Meeting of Shareholders.

Business Report (from April 1, 2022, to March 31, 2023)

1. Current Status of the Corporate Group

(1) Business Conditions during the Fiscal Year under Review



(i) Progress and results:

In the fiscal year under review (April 2022 to March 2023), Japan's economy faced risks of downward pressure caused by the downturn in overseas economies amid ongoing efforts around the world to tighten monetary policy. As for the outlook, we believe that attention should be paid to the effects of inflation, supply-side constraints, and fluctuations in financial and capital markets.

In the market for mobile phone handsets, which is the main business field of the Group (the Company, its consolidated subsidiaries, and its equity method affiliates), steady progress is being made with the migration to 5G (fifth-generation mobile telecommunications system), as KDDI CORPORATION ended its 3G (third generation mobile telecommunications system) services in March 2022. On the other hand, some telecommunications carriers revised their commission terms from the previous fiscal year. In addition, with the increase in online procedures and the policy of consolidating and abolishing carrier shops over the medium to long term, major changes are taking place in the role of the Company and other mobile phone sales agents as well as in the competition environment. In addition to holding back purchases due to price increases of mobile phones and other handsets caused by the depreciation of the yen, spending on mobile phone services has decreased due to the impact of inflation.

In this business environment, the Group aims to transform its business portfolio into one that does not rely on the consumer mobile business by steadily advancing the company-wide strategies of the Medium-Term Management Plan, namely "Realization of the TG Universe (the ecosystem within T-Gaia)" and "Initiatives for TG Material Issues (eight material issues)." In April 2022, we established a specialized department organized cross-functionally across the entire company with the aim of supporting "proactive growth investment centered on the enterprise solutions business and payment service business and other business" and "further expansion of sales of original products and increased productivity of store operations." Activities such as the business process reengineering (BPR) organizations and the digital transformation (DX) promotion organizations aimed at boosting productivity are in full swing, and results are beginning to appear.

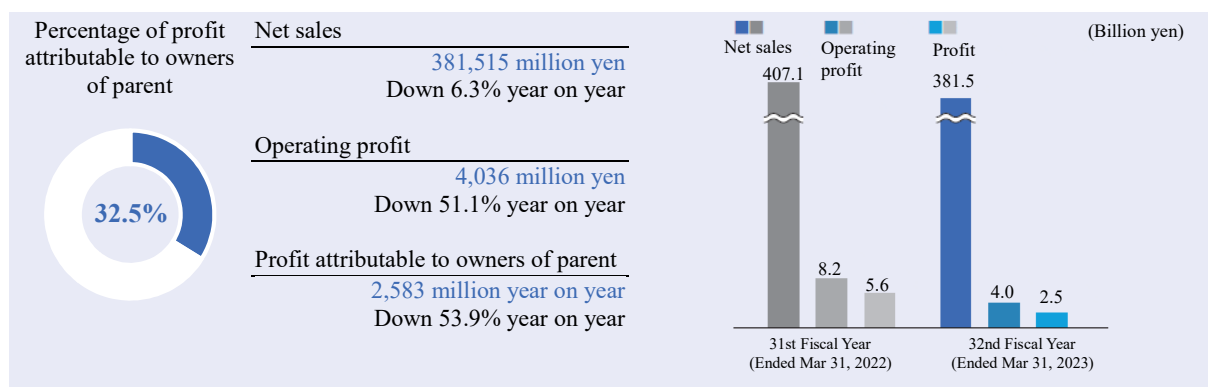
The number of contracts for mobile phones (below, "mobile phone contracts") for the fiscal year under review totaled 3.58 million (down 13.9% in comparison with the previous fiscal year) due to a decrease in

the number of model change contracts resulting from the deterioration in the external environment such as inflation and changes in the policies of telecommunications carriers' sales measures. Although we have increased profitability per line mainly by expanding sales of our original products, we have not been able to compensate for the diminished commission income due to the impact of the above-mentioned revisions of commission terms and the decrease in the number of mobile phone contracts.

In addition, although specific initiatives to improve productivity, such as "Smart Online Support," which remotely supports customers in-store with initial settings and instructions on how to use their phones, have begun to produce results, selling, general and administrative expenses increased due to changes in the scope of consolidation, an increase in the number of consolidated subsidiaries, and an increase in off-site sales.

As a result, consolidated business results for the period under review marked net sales of 453,604 million yen (down 4.8% year on year), with an operating profit of 6,994 million yen (down 33.8% year on year). As a result of a year-on-year decrease in hoard profit of prepaid card, ordinary profit marked 11,637 million yen (down 24.3% year on year), and profit attributable to owners of parent posted 7,938 million yen (down 25.0% year on year).

[Consumer mobile business]



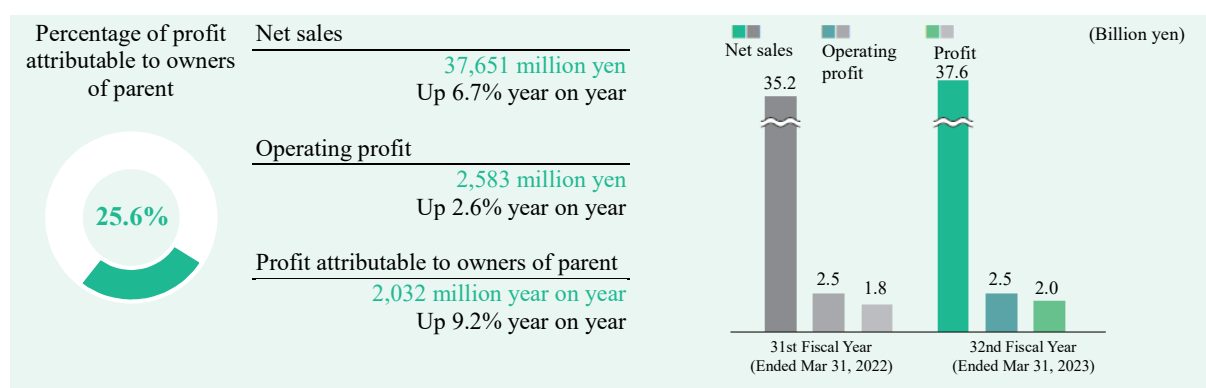
In the consumer mobile business, we engage in intermediary services for consumer-oriented mobile phone contracts for telecommunication services and contents provided by telecommunications carriers, and sales of mobile phone handsets, etc. The Group’s nationwide stores are not just “points of sale” but also “regional ICT hubs,” aiming to be stores that are appreciated and trusted by customers by proposing high-quality services and usage value in line with customer requests.

In the consumer mobile business, while closing unprofitable shops, we are creating opportunities to provide sales and services not only by opening satellite stores, mainly in shopping malls, but also by providing on-site support to remote locations where there are no local stores. We have also contributed to the revitalization of local communities, such as being selected as a project implementing organization for the Ministry of Internal Affairs and Communications’ “Project on Digital Utilization Support for Users under FY2022 Initial Budget (Regional Collaboration).” In addition, we have been contracted for the application support business related to Individual Number Card through telecommunications carriers, etc., and have supported a total of more than 150,000 applications at our directly owned and operated stores as of the end of the contract in March 2023.

In terms of business performance, the number of new contracts increased during the period from January to March 2023, which is the peak sales season, and profitability improved. In addition to expanding the number of stores that support “Smart Online Support” to improve efficiency, we worked to expand sales of our original products, such as coating services for mobile phone handsets and security products. On the other hand, due to the impact of the revisions to commission terms and conditions as mentioned above and the sluggish growth in the number of model change contracts throughout the fiscal year under review, commission income, etc., decreased in comparison to the previous fiscal year.

As a result, we recorded net sales of 381,515 million yen (down 6.3% year on year) and profit attributable to owners of parent of 2,583 million yen (down 53.9% year on year).

[Enterprise solutions business]



This segment engages in the sales of mobile phone handsets to corporate customers, the provision of solution services related to devices, network services, and the sales and intermediary services specializing in optical lines service contracts for corporate and individual customers. The Group’s Life Cycle Management operations refer to administrative and support services for device life cycles spanning from procurement, propositions, and introduction support for smart devices, including PCs, to building Wi-Fi environment, maintenance, operations, and updating services, and we are now expanding these products and services to address customers’ needs in a one-stop fashion.

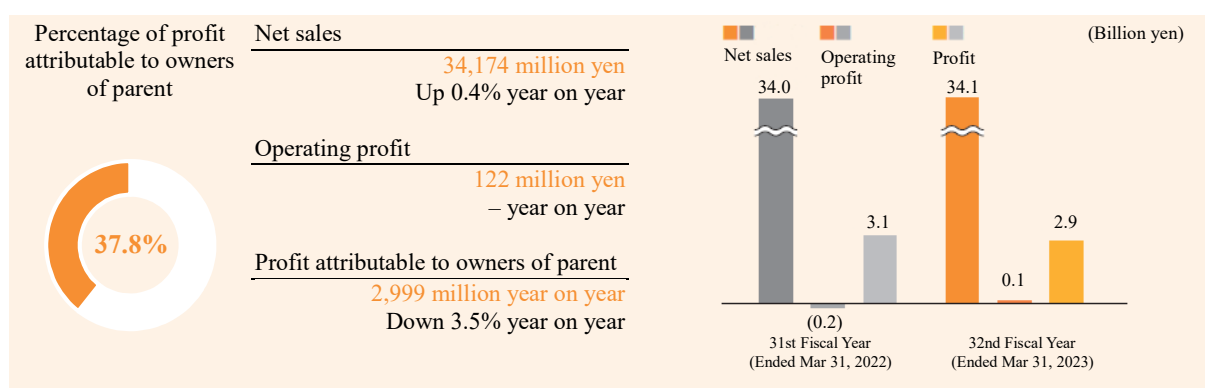
In the enterprise solutions business, delays in the delivery of some products due to global supply shortage of semiconductors, etc. are being resolved, and the number of mobile phone contracts increased year on year.

In the LCM business, we expanded our products and services, and the number of management IDs for network services and help desks, etc., increased year on year. As for help desks, we have increased the number of call centers to respond to educational projects and the expansion of the scope of “Smart Online Support.” In addition to proposing new business domains such as network construction, operation, and maintenance using edge functions, we continue to focus on strengthening sales to local governments against the backdrop of the government’s “Vision for a Digital Garden City Nation.”

In products related to fixed-line telecommunications, the cumulative number of “TG Hikari,” the Company’s own fiber-optics access service, increased by approximately 15% in comparison to the end of the previous fiscal year, resulting in steady growth.

As a result, net sales totaled 37,651 million yen (up 6.7% year on year), and profit attributable to owners of parent totaled 2,032 million yen (up 9.2% year on year).

[Payment service business and other business]



We sell PINs (prepaid codes), gift cards, and smartphone accessories through major convenience stores nationwide in Japan. In addition, the consolidated subsidiary QUO CARD Co., Ltd. is tasked with the issuance and settlement of “QUO Card” and “QUO Card Pay” and the sales and repair/maintenance of card-handling equipment, etc.

In payment service business, PIN and gift card transaction volumes were down compared with the previous fiscal year. The demand for a variety of digital content, including games, music, and video streaming, which had remained elevated due to stay-at-home demand, continued to gradually decline.

Although the issuance amount of “QUO Card” and “QUO Card Pay” increased in comparison to the previous fiscal year amid their adoption of local government measures, some expenses related to shipping and administrative work were incurred upfront. QUO CARD Co., Ltd. continues to focus on expanding the number of member stores in order to increase user convenience.

In other new businesses, wholesale of smartphone accessories, mainly at convenience stores, remained strong due to the expansion of sales channels and products. We continued to work on such areas as the operation of ICT schools for children and the hosting of online events for the e-Sports business. In November 2022, we began selling the wearable device brand “Fitbit” as a major distributor in Japan.

TG Power Inc., a consolidated subsidiary, contributed to customers’ climate change countermeasures while expanding its renewable energy business, such as installing solar power generation systems for major restaurant chains and electronics mass retailers.

As a result, net sales marked 34,174 million yen (up 0.4% year on year), with profit attributable to owners of parent of 2,999 million yen (down 3.5% year on year) due to the year-on-year decrease in hoard profit of prepaid card mentioned above.

(ii) Capital investment:

During the fiscal year under review, the Company and its consolidated subsidiaries made a total of 3,734 million yen in capital investment, primarily as follows.

[Consumer Mobile Business-related]

As part of measures to boost sales of mobile phone handsets, etc., we invested a total of 280 million yen mainly to cover the cost of renovating our nationwide mobile phone shops and the purchase of furnishings.

[Systems related]

We invested 2,415 million yen in measures, such as introducing and strengthening our sales system and developing system infrastructure.

[Other Capex]

We invested 1,038 million yen in solar panel equipment, office renovation, and replacement of furniture and fixtures.

(iii) Financing:

None

(iv) Business transfers and absorption- or incorporation-type demergers:

None

(v) Business transfers from other companies:

None

(vi) Succession of rights and obligations related to the business of other companies as a result of absorption-type mergers or demergers:

The Company merged with T-Gaia Retail Service Corporation, which was a subsidiary, through an absorption-type merger effective April 1, 2022, and assumed all rights and obligations related to the mobile phone sales business operated by T-Gaia Retail Service Corporation.

(vii) Acquisition or disposal of shares of stock, other equity interest, or subscription rights to shares in other companies:

None

(2) Trends in Company Assets and Profit and Loss for the Last Three Business Years



| Category | | 29th Fiscal Year (Ended Mar 31, 2020) | 30th Fiscal Year (Ended Mar 31, 2021) | 31st Fiscal Year (Ended Mar 31, 2022) | 32nd Fiscal Year (Ended Mar 31, 2023) |
|---|---------------|---|---|---|---|
| Net sales | (million yen) | 474,150 | 422,973 | 476,464 | 453,604 |
| Ordinary profit | (million yen) | 19,194 | 19,793 | 15,381 | 11,637 |
| Profit attributable to owners of parent | (million yen) | 12,628 | 13,042 | 10,579 | 7,938 |
| Earnings per share | (yen) | 226.59 | 234.01 | 189.74 | 142.31 |
| Total assets | (million yen) | 181,378 | 233,826 | 241,277 | 246,068 |
| Net assets | (million yen) | 55,102 | 64,026 | 70,483 | 74,887 |
| Net assets per share | (yen) | 988.23 | 1,148.26 | 1,263.30 | 1,333.28 |
| Equity ratio | (%) | 30.4 | 27.4 | 29.2 | 30.2 |
| Return on equity | (%) | 24.8 | 21.9 | 15.7 | 11.0 |

(29th Fiscal Year)

In the consumer mobile business, unit sales decreased compared to the previous year, and net sales and profit attributable to owners of parent decreased due to the change in rate plans and sales methods and the setting of a cap on discounting the charge for handsets associated with the enforcement of the amended Telecommunications Business Act. In the enterprise solutions business, we proactively proposed the introduction and utilization of smart devices that would enhance operational efficiencies, backed by the tailwind of active corporate investment into ICT. As a result, unit sales increased compared to the previous fiscal year, and net sales and profit attributable to owners of parent increased. The payment service business and other business experienced increases in transaction volume and net sales compared to the previous fiscal year due to factors including the end of effects of reorganization of existing sales channels, such as convenience stores, and commencement of transactions of new gift card products through major sales channels. Consolidated subsidiary QUO CARD Co., Ltd., experienced declines in operating profit and profit attributable to owners of parent due to a substantial increase in selling, general and administrative expenses associated with the implementation of campaigns to increase the issuance of “QUO Card Pay,” the digital version of the QUO Card, and the expansion of member stores. As a result, we recorded net sales of 474,150 million yen, ordinary profit of 19,194 million yen, and profit attributable to owners of parent of 12,628 million yen in the fiscal year under review.

(30th Fiscal Year)

In the consumer mobile business, unit sales have been increasing, partly due to the acquisition of TF Mobile Solutions Corporation (below, “TFM”) as a subsidiary. However, this was not enough to compensate for the decrease in unit sales due to the spread of COVID-19, meaning that unit sales decreased compared with the previous fiscal year. As a result, net sales and profit attributable to owners of parent decreased. In the enterprise solutions business, unit sales increased significantly compared to the previous fiscal year, primarily because the spread of COVID-19 caused companies to bring forward efforts to introduce teleworking, as well as TFM becoming a subsidiary and the tailwind from ICT investment driven by workstyle reforms. As a result, net sales and profit attributable to owners of parent increased. In the payment service business and other business, demand for digital content such as games, music, and streaming video remains at high levels given increased time spent at home, and transaction volumes of related gift cards and PIN products increased compared to the previous fiscal year. Consolidated subsidiary QUO CARD Co., Ltd. continued to see a large number of applications for its “QUO Card” and “QUO Card Pay,” and issuance of them increased year on year, mainly in support of medical personnel by local governments. As a result, net sales and profit attributable to owners of parent increased. As a result, we recorded net sales of 422,973 million yen, ordinary profit of 19,793 million yen, and profit attributable to owners of parent of 13,042 million yen.

(31st Fiscal Year)

In the consumer mobile business, net income attributable to owners of the parent company decreased due to the recording of expenses for the purpose of providing sales and services, such as on-site sales, despite an increase in net sales thanks to the transition from 3G lines to 4G and 5G lines and intensified competition among telecommunications carriers. In the solutions business, sales units surpassed the previous year, and sales rose following the inclusion of the corporate sales channel of TFM. Meanwhile, selling, general and administrative expenses increased in comparison to the previous fiscal year as a result of staff expansion and IT system investments, etc., with the aim to expand business scale and boost productivity. In the payment service business and other business, demand for various digital contents, such as games, music, and video streaming, which had been increasing due to people staying at home during the pandemic, eased, and transaction volume decreased in comparison to the previous fiscal year. At QUO CARD Co., Ltd., a consolidated subsidiary, net sales and profit attributable to owners of parent both declined due to a significant decrease in the issuance volume of QUO Cards and hoard profit of prepaid card in comparison to the previous fiscal year when there was special demand. As a result, we recorded net sales of 476,464 million yen, ordinary profit of 15,381 million yen, and profit attributable to owners of parent of 10,579 million yen.

(32nd Fiscal Year)

Details are as stated in 1. (1) (i) "Progress and results."

(3) Status of Parent Company and Major Subsidiaries

(i) Status of parent company

None

(ii) Status of major subsidiaries

| Company Name | Share Capital | Percentage of Shares with Voting Rights Held by the Company | Principal business |
|--------------------|-------------------|---|---|
| QUO CARD Co., Ltd. | 1,810 million yen | 100.00% | Issuance and settlement of cards (prepaid cards, etc.) Sales and repair/maintenance of cards and card-handling equipment |
| WAMNET Japan K.K. | 200 million yen | 97.52% | Digital content network management service provider; development and sales of fax server software |

(iii) Status of other major subsidiaries and associates

Sumitomo Corporation is an other major subsidiaries and associates of the Company and holds 23,345,400 shares of the Company (shareholding ratio: 41.84%).

(4) Issues to be Addressed

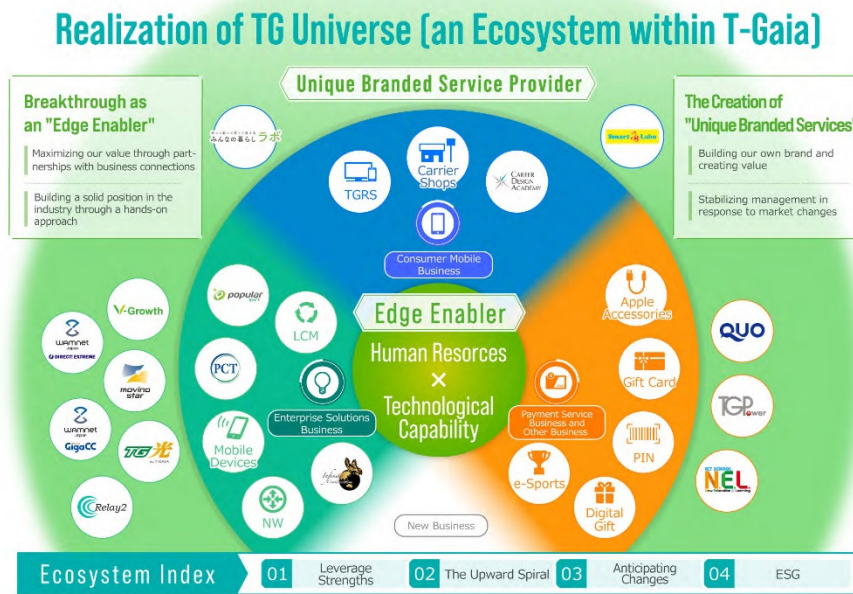
(i) Management Strategy

In the Medium-Term Management Plan (FY 2022-FY 2024) published in May 2021, in addition to setting the realization of the TG Universe (the ecosystem within T-Gaia) as our management strategy, we specified eight material issues that we should resolve through our business practices.

<Medium-Term Management Plan>

Centering on “People × Technology,” TG Universe describes two growth drivers: “Edge Enabler” businesses (behind-the-scene businesses that straddle the boundaries between individuals and companies and between companies and that do not put the Company’s name up front) on the inside and “Unique Branded Service Provider” businesses (businesses that provide original service with our own brand) on the outside. In addition to enhancing and expanding the TG Universe, we will realize our vision for the Company and grow to become a corporate group that continually creates value for a prosperous future by resolving social issues.

<Companywide Strategy “TG Universe” (ecosystem within T-Gaia)>



(ii) Important Business Matters (Material Issues)

We will position eight materialities as an important element in the formulation of strategies for each business and in the business decision-making process, and aim to achieve business growth for the entire Group by solving the issues facing society through all of our business activities.

< TG Material Issues “eight material issues”>



(iii) Initiatives in each segment

In the fiscal year ending March 31, 2024, which is the final year of the Medium-Term Management Plan (fiscal 2022 to fiscal 2024), we believe that it is even more necessary to change the role of carrier shops and transform our business portfolio into one that does not depend on the consumer mobile business, given the prolonged replacement cycle of mobile phone handsets and the moderate increase in the ratio of online contracts.

(Consumer mobile business)

In the consumer mobile business, based on the premise that the difficult business environment will continue as noted above, the Group will continue to enhance the significance of the existence of shops in order for the shops to develop into “regional ICT hubs” that resolve customer issues instead of mere “points of sale.”

Specifically, in addition to further expanding our own revenue and improving operational efficiency and productivity through the use of Smart Online Support, we will work to provide original content and new services, such as healthcare, e-sports and ICT education. Also, we will continue contributing to the Ministry of Internal Affairs and Communications’ “Vision for a Digital Garden City Nation” and “Solving Digital Divide” by holding smartphone classes and promoting business, with the collaboration of local governments, and sales support for remote locations where there are no local shops.

(Enterprise solutions business)

In the enterprise solutions business, we will expand the products and services of the LCM business and support customers’ DX promotion, with a focus on small- and medium-sized enterprises. In addition, we will further strengthen the functions through training human resources with digital literacy, cooperation with Group companies and partner companies, M&A and business alliances.

In the businesses related to TG Hikari and networks, we will take advantage of our strength in handling fixed lines, and the Group will evolve into a “integrated network service provider” that also works on building corporate internal ICT infrastructure based on the provision of fixed-line telecommunications.

(Payment service business and other business)

From the fiscal year ending March 31, 2024, the Company will change the name of the “payment service business and other business” to “smart life and Quo Card business.”

In the smart life business, the Group will continue to increase transaction volumes by expanding the range of PIN and gift card products for online services, mainly games. For smartphone accessory sales, which we transferred from the consumer mobile business, we have set up an OMO strategy to integrate brick-and-mortar stores and online stores. In addition to the e-sports, ICT education, agriculture, and renewable energy businesses that we have been working on for some time, we will also actively engage in the health care business. By resolving social issues through these businesses, we aim to increase our corporate value and enhance the lifestyles of our customers.

In the QUO Card business, we will increase sales to corporate customers by utilizing a digital code distribution server jointly with our consolidated subsidiary QUO CARD Co., Ltd., and will continue to expand the number of QUO Card Pay member stores and issue cards through a variety of promotional campaigns.

(5) Approach to Sustainability and Initiatives

In addition to the T-Gaia Group Sustainability Policy formulated in 2021, the T-Gaia Group established the T-Gaia Group CSR Procurement Policy for sustainable procurement in February 2023 and the T-Gaia Group Human Rights Policy to strengthen initiatives for human rights issues. Going forward, through our business

activities, we will contribute to the sustainable growth of society.

*For details about each policy, please see the Company's website.

Sustainability Policy:

<https://www.t-gaia.co.jp/english/ir/csr/index.html>

i) Environmental initiatives

In December 2021, the Company expressed support for the recommendations of the "Task Force on Climate-related Financial Disclosures (TCFD)" and established a greenhouse gas reduction target of "carbon neutrality by 2040 (*1)." In January 2023, we set a target of "achieving 100% renewable energy usage by 2040 (*2)" and joined the "100% Renewable Energy Declaration RE Action."

*1 The Company has set forth a medium-term target of a "50% reduction in greenhouse gas emissions by 2030 (compare to FY2019)." Both targets are for the Company on a non-consolidated basis (Scopes 1 and 2).

*2 The Company has set forth a medium-term target of "achieving 50% renewable energy usage by 2030."

* For information on our environmental initiatives, including climate change issues, please refer to the Integrated Report.

Integrated report:

<https://www.t-gaia.co.jp/english/ir/library/annual.html>

(ii) Social initiatives

In order to realize our ideal vision, we aim to link our business strategy and personnel strategy to increase corporate value by resolving social issues through our business.

[Promoting the autonomous career development of employees]

In addition to creating an environment where many employees can take on challenges and identifying the ideal image of human resources necessary to realize our business strategies, we are actively promoting human resource development, such as digital human resource training and next-generation management human resource training, and reassignment so that the developed human resources can play an active role.

Main Initiatives

Expanded training system/further expansion of Internal job posting program and free address system/introduction of the side job system

[Realization of Diversity and Inclusion]

We are fostering a culture that respects diversity as a base for each and every employee to play an active role.

Main Initiatives

Various measures and systems to promote the participation and advancement in the workplace of women and seniors/creation of work environments that enable long-term service for people with special needs/ongoing initiatives to expand rules and systems that are appropriate for LGBT, etc.

[Initiatives for Health and Productivity Management]

Following the T-Gaia Health Declaration, we actively support the maintenance and improvement of employees' mental and physical health.

Main Initiatives

Expansion of support system for balancing work with infertility or cancer treatments/establishment of TG-Support Lounge, a consultation room provided by in-house counselors/development of Group Long-Term Disability (GLTD) insurance

In the future, we will implement human capital management with realization of a work environment where all employees can work with excitement and continuation as a company that values our employees as well as their families as the heart of our human resources strategy.

* For information on human resources strategy or various initiatives, please refer to the Integrated Report.

Integrated report:

<https://www.t-gaia.co.jp/english/ir/library/annual.html>

* For more information about our outside evaluations, please see the Topics page at the end of this document.

(iii) Corporate governance

The Group positions compliance involving everyday observation of laws and regulations and internal rules and the preservation of ethics as one of the most critical issues in the performance of business operations. We will continue with initiatives to quickly detect and respond to risk and conduct awareness activities through measures such as enhancement of training about compliance and the use of in-house SNS.

In addition, the Company is also taking measures to strengthen governance systems by making a majority of members of the Board of Directors independent Outside Directors. The Company complies with all principles of Japan's Corporate Governance Code, which was revised in June 2021.

For details, please refer to the Corporate Governance Report, which is expected to be submitted on June 22, 2023.

Corporate Governance Report:

<https://www.t-gaia.co.jp/english/ir/governance.html>

(6) Major Lines of Business (as of March 31, 2023)

| Business Category | Business Content |
|--|--|
| Consumer mobile business | Intermediary services for consumer-oriented mobile phone service contracts, etc.; sales of mobile phone handsets, other terminal devices, and related merchandise |
| Enterprise solutions business | Intermediary services for mobile phone handset and solution service contracts aimed at corporate customers; network management services business, etc.; intermediary services for fixed-line service contracts, etc. |
| Payment service business and other business* | Distribution business in digital payment using PIN sales systems; gift card sales business; prepaid card business; overseas businesses, etc. |

* From the fiscal year ending March 31, 2024, the Company will change the name of the reporting segment called "payment service business and other business" to the "Smart Life Quo Card business."

(7) Main Sales Offices (as of March 31, 2023)

(i) T-Gaia Corporation

Head Office

1-18 Ebisu 4-chome, Shibuya-ku, Tokyo

West Japan Regional Headquarters

6-20 Dojima 1-chome, Kita-ku, Osaka City, Osaka Prefecture

Tokai Regional Headquarters

11-11 Nishiki 1-chome, Naka-ku, Nagoya City, Aichi Prefecture

Kyushu Regional Headquarters

7-20 Gionmachi, Hakata-ku, Fukuoka City, Fukuoka Prefecture

Hokkaido Branch

2 Odori-nishi 8-chome, Chuo-ku, Sapporo City, Hokkaido

Tohoku Branch

15-1 Honcho 2-chome, Aoba-ku, Sendai City, Miyagi Prefecture

Niigata Branch

1-24 Kamitokoro 1-chome, Chuo-ku, Niigata City, Niigata Prefecture

Nagano Branch

3-2 Nanase, Nagano City, Nagano Prefecture

Hokuriku Branch

1-1 Hirooka 3-chome, Kanazawa City, Ishikawa Prefecture

Chugoku Branch

8-12 Nakamachi, Naka-ku, Hiroshima City, Hiroshima Prefecture

Shikoku Branch

1-5 Bancho 1-chome, Takamatsu City, Kagawa Prefecture

Notes:

1. The address of the Nagano Branch was changed from 991-1 Kurita Nagano-shi, Nagano to the above, effective August 13, 2022, following a land readjustment by the city.
2. The Niigata Branch and Nagano Branch were both closed on March 31, 2023.
3. The Tohoku Branch relocated from the above address to 3-37-13 Nagamachi Minami, Taihaku-ku, Sendai-shi, Miyagi effective May 1, 2023.

(ii) Subsidiaries

QUO CARD Co., Ltd.

Headquarters 4-1 Nihombashi Honcho 2-chome, Chuo-ku, Tokyo

WAMNET Japan K.K.

Headquarters 5-17 Shinkawa 1-chome, Chuo-ku, Tokyo

(8) Employees (as of March 31, 2023)**(i) Group employees**

| Business Category | No. of Employees | Change from the End of Previous Fiscal Year |
|---|----------------------------------|---|
| Consumer mobile business | 3,548 persons (1,799 persons) | Decrease of 178 persons (Decrease of 31 persons) |
| Enterprise solutions business | 629 persons (64 persons) | Increase of 36 persons (Decrease of 11 persons) |
| Payment service business and other business | 276 persons (138 persons) | Increase of 27 persons (Increase of 24 persons) |
| Company-wide (shared) | 502 persons (71 persons) | Increase of 14 persons (Decrease of 13 persons) |
| Total | 4,955 persons (2,072 persons) | Decrease of 101 persons (Decrease of 31 persons) |

Notes: 1. The number of employees refers to full-time employees (including those transferred to the Group from outside the Group but not those on transfer outside the Group) and the average number of temporary employees per year is separately shown in parentheses.

2. The number of employees listed as “Company-wide (shared)” are those belonging to the Company’s administrative and systems units.

(ii) T-Gaia Corporation employees

| No. of Employees | Change from the End of Previous Fiscal Year | Average Age | Average Years of Consecutive Employment |
|------------------|---|----------------|---|
| 4,525 persons | Increase of 298 persons | 39.3 years old | 11.4 years |

Note: The number of employees refers to full-time employees (including those transferred to the Company from outside the Company but not those on transfer outside the Company) and does not include the annual average of 1,976 temporary employees (a decrease of 25 employees from the previous fiscal year).

(9) Major Creditors (as of March 31, 2023)

| Creditors | Balance of borrowings (million yen) |
|-------------------------------------|-------------------------------------|
| Sumitomo Mitsui Banking Corporation | 1,687 |
| Mizuho Bank, Ltd. | 1,687 |
| Sumitomo Mitsui Trust Bank, Limited | 1,687 |
| MUFG Bank, Ltd. | 560 |

(10) Other Important Matters concerning the Status of the Corporate Group

None

2. Current Status of the Company

(1) Shares (as of March 31, 2023)

- (i) Total number of authorized shares 400,000,000 shares
(ii) Total number of issued shares 56,074,000 shares
(iii) Total number of shareholders 35,415 persons
(iv) Top 10 shareholders

| Shareholder | Shares Held | Shareholding Ratio |
|--|-------------|--------------------|
| Sumitomo Corporation | 23,345,400 | 41.84% |
| UH Partners 2, Inc. | 5,516,500 | 9.89% |
| Hikari Tsushin, Inc. | 4,730,800 | 8.48% |
| UH Partners 3, Inc. | 4,184,500 | 7.50% |
| The Master Trust Bank of Japan, Ltd. (Trust account) | 2,765,900 | 4.96% |
| SIL, Inc. | 1,185,700 | 2.13% |
| T-Gaia Employee Shareholding Association | 1,018,800 | 1.83% |
| Custody Bank of Japan, Ltd. (Trust account) | 950,600 | 1.70% |
| THE BANK OF NEW YORK MELLON 140040 | 365,954 | 0.66% |
| SMBC Nikko Securities Inc. | 297,000 | 0.53% |

Note: Shareholding ratios are calculated after deducting 282,309 shares of treasury shares, rounded down to two decimal places.

(v) Shares issued to officers of the Company as consideration for the execution of duties during the fiscal year

The Company, at the 28th Ordinary General Meeting of Shareholders held on June 19, 2019, passed a resolution to introduce a restricted stock remuneration system for directors, excluding Outside Directors of the Company and directors that have been seconded from the parent company, as a remuneration system targeted at the granting of medium- to long-term incentives and the sharing of shareholder value.

In response to this, a resolution was passed at the meeting of the Board of Directors held on June 22, 2022, to dispose of treasury shares as restricted stock remuneration and disposal of 26,600 treasury shares of the Company (including the portion for executive officers) was performed on July 21, 2022. It should be noted that the number of restricted stocks issued to directors of the Company is as set forth below.

| Category | Number of Shares | Number of Persons Eligible for Issuance |
|---|------------------|---|
| Directors (excluding Outside Directors) | 3,000 shares | 1 person |

Notes: 1. The Company has not delivered any shares to Outside Directors or Corporate Auditors as consideration for the execution of duties during the fiscal year under review.

2. Sumitomo Corporation, which was the Company's parent company at the resolution date of the 28th Ordinary General Meeting of Shareholders, ceased to be the Company's parent company at the conclusion of the 31st Ordinary General Meeting of Shareholders held on June 22, 2022.

(vi) Other share-related matters of importance:

None

(2) Company Officers

(i) Directors and Corporate Auditors (as of March 31, 2023):

| Position | Name | Responsibilities and Important Concurrent Posts |
|--|---------------------|---|
| President and Representative Director | Masato Ishida | Chief Executive Officer |
| Director | Nobutaka Kanaji | Chairman of the Board Representative Director and Chairman, National Association of Mobile-phone Distributors |
| Director | Hiroyuki Sugai | Executive Vice President and CFO, in charge of corporate accounting, finance and settlement, and logistics |
| Director | Katsuya Kashiki | General Manager of Smart Communications Platform Business, Sumitomo Corporation |
| Director | Toshiya Asaba | Representative Partner, Gaia Lab LLC |
| Director | Kyoko Deguchi | Vice President, Doya Rehabilitation & Orthopedic Clinic Outside Director, PHC Holdings Corporation |
| Director | Junichi Kamata | |
| Director | Toshio Morohoshi | Outside Director of the Board, Nippon Paint Holdings Co., Ltd. |
| Director | Yoshisada Takahashi | Consultant, Komatsu Ltd. Outside Director, T.Rad Co., Ltd. Consultant, Ishikawa Prefecture |
| Full-time Audit and Supervisory Board Member | Naoya Okutani | |
| Full-time Audit and Supervisory Board Member | Nobuo Oyama | |
| Corporate Auditor | Toshiro Kaba | Representative Attorney, Shiroyama Tower Law Office Outside Audit and Supervisory Board Member, GungHo Online Entertainment, Inc. Outside Audit and Supervisory Board Member, Piala, Inc. |
| Corporate Auditor | Tetsuo Kitagawa | Certified Public Accountant Outside Audit and Supervisory Board Member, PHC Holdings Corporation |

Notes:

1. Upon the conclusion of the 31st Ordinary General Meeting of Shareholders held on June 22, 2022, Director Tsuyoshi Konda retired due to the expiration of his term of office.
2. Upon the conclusion of the 31st Ordinary General Meeting of Shareholders held on June 22, 2022, full-time Audit and Supervisory Board Member Ryo Hashimoto resigned.
3. Directors Katsuya Kashiki, Toshiya Asaba, Kyoko Deguchi, Junichi Kamata, Toshio Morohoshi, and Yoshisada Takahashi are Outside Directors.
4. Full-time Audit and Supervisory Board Member Nobuo Oyama and Corporate Auditors Toshiro Kaba and Kitagawa are Outside Audit and Supervisory Board Members.
5. As detailed below, full-time Audit and Supervisory Board Members Naoya Okutani and Nobuo Oyama and Corporate Auditor Tetsuo Kitagawa possess considerable expertise in the fields of finance and accounting.
 - Full-time Audit and Supervisory Board Member Naoya Okutani is licensed as a Small- and Medium-sized Enterprise Consultant.
 - Full-time Audit and Supervisory Board Member Nobuo Oyama has many years of experience in financial and accounting operations at a corporation.
 - Corporate Auditor Tetsuo Kitagawa is licensed as a certified public accountant.
6. The Company has designated Director Toshiya Asaba, Director Kyoko Deguchi, Director Junichi Kamata, Director Toshio Morohoshi, Director Yoshisada Takahashi, Corporate Auditor Toshiro Kaba, and Corporate Auditor Tetsuo Kitagawa as independent officers pursuant to TSE rules, and has notified the stock exchange to that effect.
7. Sumitomo Corporation, where Director Katsuya Kashiki is employed, is a major shareholder of the Company. There is no special relationship between the Company and either of the entities at which Outside Directors and Outside Audit and Supervisory Board Members hold important concurrent posts other than Mr. Kashiki.

(ii) Overview of content of liability limitation agreement

Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has established provisions in the Articles of Incorporation to the effect that it may enter into agreements with Directors (excluding those who are Executive Directors, etc.) or Corporate Auditors to limit their liability for damages as provided for in Article 423, Paragraph 1 of the same Act, and the Company has thus entered into liability limitation agreements with Directors Nobutaka Kanaji, Katsuya Kashiki, Toshiya Asaba, Kyoko Deguchi, Junichi Kamata, Toshio Morohoshi, and Yoshisada Takahashi; full-time Audit and Supervisory Board Members Naoya Okutani and Nobuo Oyama; and Corporate Auditors Toshiro Kaba and Tetsuo Kitagawa. Under these agreements, the limit of liability for damages is an amount stipulated in Article 425, Paragraph 1 of the Companies Act.

(iii) Overview of content of indemnity agreement

The Company has entered into indemnity agreements with President and Representative Director Masato Ishida; Directors Nobutaka Kanaji, Hiroyuki Sugai, Katsuya Kashiki, Toshiya Asaba, Kyoko Deguchi, Junichi Kamata, Toshio Morohoshi, and Yoshisada Takahashi; full-time Audit and Supervisory Board Members Naoya Okutani and Nobuo Oyama; and Corporate Auditors Toshiro Kaba and Tetsuo Kitagawa, pursuant to the provisions of Article 430-2, Paragraph 1 of the Companies Act, under which the Company will indemnify them for any expenses provided for in item (i) of the same paragraph and losses provided for in item (ii) of the same paragraph, within the scope set forth in laws and regulations.

(iv) Overview of content of directors and officers liability insurance agreement

The Company has entered into directors and officers liability insurance agreement as prescribed in Article 430-3 Paragraph 1 of the Companies Act with an insurance company, and in the case of a claim for compensation for damages being filed by a shareholder or third party, etc., damages such as compensation and dispute costs that are to be borne by the insured party shall be covered by said insurance contract. Furthermore, the full amount of the insurance premiums shall be borne by the Company.

(v) Remuneration for Directors and Audit and Supervisory Board Members

A. Matters relating to the policy for decisions on individual remuneration for directors

The Company has determined the policy for decisions on individual remuneration for directors at the meeting of the Board of Directors.

In regard to individual remuneration for directors for the current fiscal year, the Board of Directors has confirmed that the method for determining remuneration and the details of the determined remuneration are consistent with the decision-making policy determined by the Board of Directors and that the reports from the Compensation Advisory Committee have been respected, and has determined that such individual remuneration is in compliance with said decision-making policy.

The content of the decision-making policy for the individual remuneration of directors is as shown below.

a. Policy for basic remuneration

A fixed amount based on the expectations for the role, in accordance with the position.

b. Performance-linked remuneration

As a short-term incentive to raise awareness of improving performance in a single fiscal year, etc., a comprehensive evaluation is conducted that comprises both a quantitative evaluation of companywide consolidated profit attributable to owners of parent and the net income of the department in charge, as well as a qualitative evaluation of the contribution of role in accordance with position and contribution to the company as a whole, and the amount of remuneration is determined in accordance with the level of achievement.

c. Policy on non-monetary remuneration

As a long-term incentive to raise awareness of management from the perspective of shareholders, a certain number of shares will be granted for each position based on the expectations for the role in accordance with the position (restricted stock remuneration).

d. Policy on remuneration ratio

A standard table has been formulated for each position; the ratio of fixed remuneration against the total remuneration for each position is approximately 60%, the performance-linked remuneration is approximately 30%, and share remuneration (restricted stock remuneration) is approximately 10%. It should be noted that the remuneration for directors seconded from the parent company will be fixed remuneration and performance-linked remuneration only, and the remuneration for outside directors shall be fixed remuneration only.

e. Policy on timing and conditions for the granting of remuneration

A meeting of the Compensation Advisory Committee is held in June of each year, during which an evaluation is conducted on each individual, proposed remuneration is formulated, and is submitted for resolution to a meeting of the Board of Directors held in that same month. It should be noted that fixed remuneration and performance-linked remuneration are paid monthly as a fixed monthly

amount, and share remuneration is paid in July of each year.

f. Matters relating to decisions on remuneration other than the above

A Compensation Advisory Committee comprised of Outside Directors and the Representative Director, as well as Directors nominated by the President and Representative Director, has been established as a discretionary advisory body of the Board of Directors. The Compensation Advisory Committee engages in deliberations on the determination of remuneration policy, performance evaluations, and establishment of a plan on individual remuneration amounts, as well as the issues relating to the evaluation system and countermeasures thereto, and then proposes the results of this to the Board of Directors. The Board of Directors, in response to reports from the Compensation Advisory Committee, determines officer remuneration within the range of the content and amount approved by the General Meeting of Shareholders.

B. Matters relating to the policy for decisions on remuneration for corporate auditors

In regard to remuneration for corporate auditors, from the perspective of them having an independent position to monitor the execution of duties of directors, monthly remuneration comprising of fixed remuneration has been put in place, and the amount, calculation method, and allocation, etc., for this, is determined within the range approved at a General Meeting of Shareholders, upon discussions with the corporate auditors.

C. Total amount of remuneration for directors and corporate auditors for this fiscal year

| Category | Total amount of remuneration (million yen) | Total amount of remuneration by type (million yen) | | | Number of eligible officers (people) |
|---|--|--|---------------------------------|---------------------------|--------------------------------------|
| | | Basic remuneration | Performance-linked remuneration | Non-monetary remuneration | |
| Director (of whom Outside Directors) | 156 (38) | 127 (38) | 23 (-) | 5 (-) | 9 (5) |
| Corporate Auditor (of whom Outside Audit and Supervisory Board Members) | 54 (28) | 54 (28) | - (-) | - (-) | 5 (3) |
| Total (of whom Outside Officers) | 210 (67) | 182 (67) | 23 (-) | 5 (-) | 14 (8) |

Notes:

- Listed remuneration amounts for Directors do not include employee salaries paid to Directors in concurrent employee posts.
- The performance indicator for performance-linked remuneration is profit attributable to owners of parent, and the performance for the period ended March 31, 2022, was 10,579 million yen. The reason for the selection of this indicator is because it has been determined that profit attributable to owners of parent is a clear indicator as an incentive for improving the corporate value of the Group as well as motivation. In addition, the method for determining the amount of performance-linked remuneration is the making of a decision based on the amount of profit attributable to owners of parent and the level of contribution of each director to performance, etc.
- The content of the non-monetary remuneration is shares of the Company, and the conditions, etc., for allocation, are as described in "A. Matters relating to the policy for decisions on individual remuneration for directors." In addition, the status of issuance this fiscal year is as described in "2. (1) (v) Shares issued to officers of the Company as consideration for the execution of duties during this fiscal year."
- Annual remuneration for Directors was limited to no more than 270 million yen by resolution of the 30th Ordinary General Meeting of Shareholders that met on June 18, 2021. (Of that total, no more than 60 million yen per year was to be paid to Outside Directors; these limits do not include employee salaries). The number of Directors as of the conclusion of said

General Meeting of Shareholders was nine (of whom four were Outside Directors).

In addition, separate from monetary remuneration, the remuneration to be paid for the purpose of granting restricted stocks to Directors (excluding Outside Directors and Directors seconded by the parent company) was limited to an amount not exceeding 30 million yen per annum (not including employee salaries) by resolution at the 28th Ordinary General Meeting of Shareholders that met on June 19, 2019. There was one director (excluding ineligible Outside Directors and Directors seconded by the parent company) as of the conclusion of said General Meeting of Shareholders.

5. Annual remuneration for Corporate Auditors was limited to no more than 70 million yen by resolution of the 17th Ordinary General Meeting of Shareholders that met on June 26, 2008. The number of Corporate Auditors as of the conclusion of said General Meeting of Shareholders was four.
6. As of the end of the fiscal year, there were nine Directors (six of which were Outside Directors) and four Corporate Auditors (three of which were Outside Audit and Supervisory Board Members). Furthermore, the number of recipients for the above includes one Director who retired and one Corporate Auditor who resigned at the 31st Ordinary General Meeting of Shareholders that met on June 22, 2022, but excludes one unpaid Outside Director.

(vi) Activities of Outside Officers during fiscal year under review

a. Attendance at meetings of the Board of Directors and Audit and Supervisory Board

| | Meetings of Board of Directors | | Meetings of Audit and Supervisory Board | |
|---|-----------------------------------|---------------------|---|---------------------|
| | Meetings attended / Meetings held | Attendance rate (%) | Meetings attended / Meetings held | Attendance rate (%) |
| Director Katsuya Kashiki | 13/13 | 100.0 | - | - |
| Director Toshiya Asaba | 13/13 | 100.0 | - | - |
| Director Kyoko Deguchi | 13/13 | 100.0 | - | - |
| Director Junichi Kamata | 13/13 | 100.0 | - | - |
| Director Toshio Morohoshi | 13/13 | 100.0 | - | - |
| Director Yoshisada Takahashi | 10/10 | 100.0 | - | - |
| Full-time Audit and Supervisory Board Member Nobuo Oyama | 10/10 | 100.0 | 10/10 | 100.0 |
| Corporate Auditor Toshiro Kaba | 13/13 | 100.0 | 13/13 | 100.0 |
| Corporate Auditor Tetsuo Kitagawa | 13/13 | 100.0 | 13/13 | 100.0 |

Note: Entries for the number of meetings attended by and the attendance rates above refer to the number of Board of Directors or Audit and Supervisory Board meetings they attended and their respective attendance rates during their terms of office. Director Katsuya Kashiki was appointed as an Outside Director at the 31st Ordinary General Meeting of Shareholders that met on June 22, 2022.

b. Overview of communication and expected role of Outside Directors

- Director Katsuya Kashiki, based on the specialist knowledge, extensive experience, and high level of insight regarding the information communications field, etc., of business corporations, and the operational experience, plays an appropriate role towards ensuring the validity and appropriateness of decisions, including actively stating opinions from an outside perspective and providing supervision and advice, etc., on the execution of business.
- Director Toshiya Asaba, based on the extensive operational experience and in-depth knowledge he

has accumulated as CTO and a member of top management at an IT company, plays an appropriate role towards ensuring the validity and appropriateness of decisions, including actively stating opinions from an outside perspective and providing supervision and advice, etc., on the execution of business from an independent, objective perspective.

- Director Kyoko Deguchi, based on the extensive experience regarding finance operations at a corporation, and the operational experience and in-depth knowledge she has accumulated as a corporate manager, etc., plays an appropriate role towards ensuring the validity and appropriateness of decisions, including actively stating opinions from an outside perspective and providing supervision and advice, etc., on the execution of business from an independent, objective perspective.
- Director Junichi Kamata, based on the extensive experience regarding core business operations of corporate management in areas such as corporate planning and human resources at a corporation, and the operational experience and in-depth knowledge he has accumulated as a corporate manager, etc., plays an appropriate role towards ensuring the validity and appropriateness of decisions, including actively stating opinions from an outside perspective and providing supervision and advice, etc., on the execution of business from an independent, objective perspective.
- Director Toshio Morohoshi, based on the extensive operational experience and in-depth knowledge he has accumulated while engaged in corporate management at multiple IT-related companies, including overseas companies, plays an appropriate role towards ensuring the validity and appropriateness of decisions, including actively stating opinions from an outside perspective and providing supervision and advice, etc., on the execution of business from an independent, objective perspective.
- Director Yoshisada Takahashi, based on the knowledge concerning the utilization of ICT at business corporations and extensive operational experience, and a high level of insight as a corporate manager, plays an appropriate role towards ensuring the validity and appropriateness of decisions, including actively stating opinions from an outside perspective and providing supervision and advice, etc., on the execution of business from an independent, objective perspective.
- Based on his experience in accounting and finance operations at a business corporation, Nobuo Oyama, Full-time Audit and Supervisory Board Member, provides recommendations and proposals aimed at ensuring the rationality and suitability of decisions by the Board of Directors.
In addition, at meetings of the Audit and Supervisory Board, as Full-time Audit and Supervisory Board member, he makes the necessary remarks for deliberation of agenda items.
- Drawing from his professional knowledge as an attorney, Corporate Auditor Toshiro Kaba has made recommendations and proposals aimed at ensuring the rationality and suitability of decisions by the Board of Directors.
Additionally, at meetings of the Audit and Supervisory Board, he has voiced views and opinions reflecting his professional background as an attorney.
- Drawing from his professional knowledge as a CPA, Corporate Auditor Tetsuo Kitagawa has made recommendations and proposals aimed at ensuring the rationality and suitability of decisions by the Board of Directors.
In addition, at meetings of the Audit and Supervisory Board, he has voiced views and opinions reflecting his professional background as a CPA.

(3) Accounting Auditor

(i) Name: Deloitte Touche Tohmatsu, LLC

(ii) Remuneration:

| | Remuneration (million yen) |
|---|-------------------------------|
| Remuneration paid to the accounting auditor for the fiscal year under review | 68 |
| Total in monetary remuneration and other economic benefits to be paid to the accounting auditor by the Company and its subsidiaries | 86 |

Notes:

1. The audit contract between the Company and the Accounting Auditor does not clearly specify and cannot materially classify the amounts of remuneration that are paid for audits performed under provisions of the Companies Act or provisions of the Financial Instruments and Exchange Act. Accordingly, the table entries for remuneration, etc., paid to the Accounting Auditor for the fiscal year under review are totals of these respective amounts.
2. Remuneration, etc., paid to the Accounting Auditor includes remuneration paid for audits based on the consolidation package of other subsidiaries and associates and remuneration paid for audits of the English language version of the consolidated financial statements.
3. The Audit and Supervisory Board decided to approve the amount of remuneration for the Accounting Auditor after verifying the content of the Accounting Auditor's audit plan, the status of audit accounting services performed, and the basis for the remuneration calculations.

(iii) Policy regarding decisions to dismiss or refuse to reappoint Accounting Auditors:

The Company's Audit and Supervisory Board shall dismiss an Accounting Auditor in the event conditions for said dismissal pursuant to provisions in Article 340 of the Companies Act are deemed to have been met.

3. Frameworks for the Assurance of Proper Business Operations and the Operational Status of Said Frameworks

[Our Basic View Related to Corporate Governance]

The Group views corporate governance as a framework for the control of corporate business activities and considers it critically important that the rights and interests of our shareholders be protected and equally guaranteed. We also believe it is imperative that we respect the rights and interests of – and build positive relationships with – stakeholders other than shareholders, including our clients, business partners, employees, and local communities. We recognize that corporations have a social mission to pursue their business operations while striving to build and maintain better frameworks for governance. In line with that awareness, we have pursued our day-to-day operations in the interest of refining our institutional frameworks and improving their effectiveness from two perspectives: namely, “assuring managerial transparency” and “boosting corporate value.”

Also, we have developed the frameworks for the assurance of appropriate business operations and monitor their operational status as described below.

(1) Overview of Decisions concerning Frameworks for the Assurance of Proper Business Operations

The following is an overview of Company decisions that relate to frameworks aimed at ensuring the compliance of duties performed by Directors with laws and regulations and provisions of the Company’s Articles of Incorporation and ensuring the propriety of other Company operations.

(i) Framework to ensure that duties performed by Directors and Employees are in compliance with applicable laws and the Company’s Articles of Incorporation:

- a. In the performance of its business operations, the Company has assigned top priority to legal and ethical compliance. It has accordingly established a set of Compliance Regulations that all Company officers and employees are required to observe.
- b. The Company has endeavored to build a compliance framework and maintain and improve its effectiveness by establishing a Compliance Committee that is headed by a Chief Compliance Officer and whose members include the President and executive officers. The Compliance Committee convenes as necessary in accordance with the Compliance Committee Regulations and incorporates an internal Compliance Promotion Department that serves in an administrative role.
- c. To foster and strengthen awareness of compliance company-wide, the Company has prepared and enhanced compliance training programs for its executive officers and employees.
- d. Multiple channels have been set up inside and outside the Company for reporting and consultations on compliance-related issues. These include channels to outside legal counsel and third-party institutions.
- e. Violators of Company compliance policy are dealt with sternly and are subject to disciplinary actions under the Company’s employment regulations.
- f. Mutual monitoring practices are enlisted on a daily basis to gauge compliance with applicable laws and internal Company regulations and rules. Periodic audits are also performed, and potential impacts on Company business are assessed.

(ii) Framework for retention and management of information relevant to the executive duties of Directors:

- a. Minutes of meetings of the Board of Directors, approval documents, and other documents and information (including digital records) relevant to the executive duties of Directors are appropriately retained and managed in accordance with the Company’s Document Management Regulations and Information System Management Regulations. The status of document retention and management is verified, and the regulations are revised as necessary.
- b. Directors and Auditors may promptly view these documents and other information upon request.

(iii) Regulations and other frameworks for the management of risk of loss:

- a. In order to soundly and constantly develop the Group's business activities, the Group has established the "Basic Rules Regarding Group-wide Risks" with the aim of minimizing damage and preventing recurrence by observing various risks in a unified manner, identifying risks, preventing risks from materializing, and swiftly and accurately responding if risks materialize as well as proactively maintaining and increasing corporate value by actively controlling risks.
- b. The heads of individual units within the T-Gaia Group execute the business operations of their respective units within the scope of authority granted under the Work Authority Regulations and manage the risks associated with those business operations.

In the event certain business operations are outside their normal scope of authority, they will follow the approval request and reporting procedures stipulated in the Work Authority Regulations and manage the risk associated with those operations they are permitted to fulfill.

- c. Pursuant to provisions of the Internal Audit Regulations, the Internal Audit Department performs periodic audits to determine whether the business operations of Company headquarters, regional headquarters, divisions, branches, and subsidiaries of the Company are being performed properly and in compliance with applicable laws and regulations and the Articles of Incorporation and reports its audit findings to the President.

(iv) Framework to ensure that duties of Directors are efficiently performed:

- a. The Board of Directors handles decisions on important matters and supervises Directors to determine whether they are performing their duties efficiently and properly. The number of Directors on the Board is kept within limits that allow meetings of the Board to engage in full discussions of their agenda and reach sensible decisions in a prompt manner.
- b. Management Conferences are convened to discuss matters of importance, including policies of importance to Company management in general and matters for deliberation at or reporting to meetings of the Board of Directors. Management Conference members strive through the exchange of information to achieve mutual understanding on matters involving the execution of business.
- c. The executive officer framework strives to enhance the functions of the Board of Directors and facilitate the prompt execution of business by separating the management functions of "decision-making and executive supervision" from the function of "business execution." Executive Officers are appointed by the Board of Directors and fulfill duties assigned by the Board of Directors.
- d. Company headquarters, regional headquarters, divisions, and branches are treated as the units of business execution. The heads of these respective units are each granted a certain measure of authority under provisions of the Work Authority Regulations in the interest of facilitating localized management of unit operations with a sense of speed. Company headquarters, regional headquarters, divisions, and branches are also treated as the units of profit. This ensures the transparency of managerial conditions at headquarters and regional headquarters.
- e. Approval request and reporting frameworks facilitate the transfer of clearly defined authority and responsibility under provisions of the Work Authority Regulations and the Segregation of Duties Regulations and ensure that work duties are promptly executed. Permission to execute duties that are outside the scope of a Director's authority is contingent upon a decision, as stipulated in applicable regulations, that is based on deliberations by the administrative unit with field expertise. The Company endeavors to review and revise relevant regulations and approval request and reporting procedures as necessary and develop, maintain, and improve its frameworks for the efficient and proper execution of

Directors' duties.

(v) Framework to ensure the propriety of the business operations of the Corporate Group comprising the Company, its parent, and subsidiaries:

- a. Based on the principle of autonomous subsidiary operations and in keeping with the Regulations for the Management of Affiliates, the headquarters, regional headquarters, division, or business branch engaged in business operations most closely related to the business of a given subsidiary is the unit with supervisory responsibility for that subsidiary. Supervisory units periodically request reports containing important information about the subsidiaries under their supervision, including the subsidiaries' business results and financial statements. In addition to identifying the subsidiaries' management conditions and developing and maintaining appropriate frameworks for consolidated management, the supervisory units request that subsidiaries submit reports on matters covered by the Regulations for the Management of Affiliates and reports on the findings of audits performed under provisions of the Internal Audit Regulations. As a holder of equity interest, the Company appropriately makes its intentions known to the management teams at its subsidiaries.
- b. The Company has developed and put into effect a compliance framework for Group companies as a whole and also sets up frameworks for the acquisition of legal advice from outside law offices, as necessary. Additionally, it strives to cultivate an awareness of compliance through the implementation of programs of training in legal compliance for Group officers and employees once a year.
- c. The Regulations for the Management of Affiliates establish operational authority and chains of command for subsidiaries and require that subsidiaries build structures that are in compliance with these.

(vi) Employees that are assigned on request from Auditors to assist in the performance of Auditors' duties:

In the event Corporate Auditors require assistance with the performance of their duties, they may submit requests to the Representative Director asking that employees with the knowledge and skills required for audit duties be assigned to serve as their assistants.

(vii) The autonomy of employees covered in the preceding Clause from the Board of Directors:

Directive authority over an employee that has been assigned under terms of the preceding Clause shall rest with the Corporate Auditor to whom the employee has been assigned. That employee shall not receive orders from Directors. To ensure the independence and effectiveness of an employee assigned under terms of the preceding Clause, the Representative Director shall form decisions on personnel appraisals, personnel transfers, and disciplinary actions affecting the employee only after obtaining the consent of the Full-time Audit and Supervisory Board Member.

(viii) Framework for reporting to Corporate Auditors by Directors, Employees, and Others:

- a. Corporate Auditors may attend meetings of the Board of Directors, Management Conferences, Executive Officers' Committee, and other important meetings.
- b. Corporate Auditors may review important documentation and request submission of that documentation.
- c. Corporate Auditors may receive reports from T-Gaia Group officers and employees whenever necessary.
- d. Corporate Auditors audit the management of subsidiaries through on-site audits and day-to-day coordination with auditors for the subsidiaries.
- e. Directors, T-Gaia Group officers, and employees, or persons to whom they have reported shall submit reports to the Audit and Supervisory Board or to a Corporate Auditor ("Special Auditor") designated by the Audit and Supervisory Board under any of the following circumstances:
 - Significant damages to the Company or grave compliance violations that have either occurred or are likely to occur

- Events about which a Special Auditor has requested reports or that otherwise are deemed to warrant an audit (e.g., subsequent events)
 - The Regulations for Compliance Reports and Consultations stipulate that Group officers and employees or persons to whom they have reported can submit “whistleblower” reports directly to a Corporate Auditor and explicitly prohibit job dismissals and other adverse actions against whistleblowers solely for submitting such reports.
- (ix) Other frameworks to ensure that Auditors are performing audits effectively:
- a. Directors are familiar with the audit standards that clarify Auditor duties and responsibilities and fully recognize the importance of audits performed by Auditors. Additionally, Directors help cultivate an appropriate environment for audits.
 - b. Corporate Auditors maintain close working relationships with the Internal Audit Department, receive timely reports from the Internal Audit Department on internal audit plans and findings, and contribute to the efficient implementation of audits.
 - c. Through periodic meetings with the Accounting Auditor and participation in on-site audits at the close of the fiscal year, Corporate Auditors endeavor to exchange information and develop their understanding of the audit activities of the Accounting Auditor and help improve audit efficiency and quality.
- (x) Policy on the processing of expenses incurred from the fulfillment of Auditor duties and responsibilities:
- When Corporate Auditors request advance payment or reimbursement of expenses associated with the performance of their duties, those expenses are processed as requested except in cases where they are deemed unnecessary for the performance of Corporate Auditors’ duties.

(2) Overview of the Operational Status of Frameworks for the Assurance of Proper Business Operations

The following is an overview of the operational status of frameworks designed to ensure the propriety of Company business operations.

(i) Duties of Company Directors:

The Board of Directors comprises nine Directors, including five independent Outside Directors, and its meetings are also attended by four Corporate Auditors, including two independent Outside Audit and Supervisory Board Members. Board meetings convene on a monthly basis and, through active discussions and the exchange of views, promptly reach decisions on Company management policy, business strategy, and other matters of importance as defined by applicable laws, statutes, and the Company Articles of Incorporation.

(ii) Duties of Auditors:

Auditors attend meetings of the Board of Directors, Management Conference, and other important meetings, review important business documentation, conduct on-site audits of the Company’s various divisions, regional headquarters, branches, and directly managed carrier shops, hold hearings with key executives, conduct on-site audits of Company subsidiaries in Japan and abroad, and exchange views with the Representative Directors of subsidiaries.

Auditors also strive to maintain close working ties with the Company’s Internal Audit Department and the Accounting Auditor through the exchange of information and views, hold periodic meetings to exchange views with the President and independent Outside Directors, promote mutual understanding, and perform effective audits.

(iii) Compliance:

Positioning legal compliance and the promotion of ethical conduct as one of the issues of top priority for

its business operations, the T-Gaia Group holds Compliance Committee meetings once every quarter, discusses various issues on compliance, and is working to ensure full compliance. Based on the discussions of the Committee, as part of educational activities, we have implemented compliance training such as e-learning course-driven compliance training for all executive officers and employees of the Company as well as employees of partner agencies, training for new employees, and training tailored for each operational base for shop employees, given by staff dedicated to compliance. We also conduct company-wide compliance-related educational activities on a regular basis.

Additionally, the Company endeavors to quickly identify and counter compliance risk by encouraging active use of the multiple reporting/consulting channels installed by the Company and conducting compliance awareness surveys to all Company employees as well as questionnaire surveys to the Company's trading partners.

(iv) Risk management:

To actively control risk and maintain and expand its corporate value, the Company has established the Basic Regulations on Company-wide Risks and convenes meetings of the Risk Management Committee twice per annum, in principle.

The T-Gaia Group endeavors to identify and protect against risk and has built a framework to quickly and accurately implement countermeasures in the event a risk has materialized.

(v) Management of subsidiaries:

Based on its principle of respecting the independent management of its subsidiaries, the Company, as a holder of equity interest, appropriately expresses its views and intentions with regard to important matters in keeping with its Regulations for the Management of Affiliates.

In addition, the Company receives periodic reports on subsidiary business results and financial information from the supervisory departments with jurisdiction.

4. Basic Policy concerning Control of the Company

The Company is aware that this is an important matter and has devoted study to that matter on a continuing basis. However, in view of the current distribution of its stock, the Company has not yet implemented any defensive measures.

5. Policies concerning Decisions on Dividends of Surplus

In response to its business performance, it is a basic policy of the Company to return profits to our Shareholders with a dividend payout ratio of 40% while securing the internal reserves necessary for future business expansion and the reinforcement of its business foundations.

For the fiscal year under review, we plan to propose a year-end dividend of 37.5 yen per share of common stock. Given that we paid an interim dividend of 37.5 yen per share in December 2022, the annual dividend per share will total 75 yen (same as in the previous year).

It is the Company's policy to allocate internal reserves to the expansion and reinforcement of our existing business foundations, human resources development, strategic investments, and the launch of new businesses.

Consolidated Balance Sheet

(as of March 31, 2023)

| | | (million yen) | |
|---------------------------------------|----------------|--|----------------|
| | | | |
| Item | Amount | Item | Amount |
| (Assets) | | (Liabilities) | |
| Current assets | 200,420 | Current liabilities | 166,199 |
| Cash and deposits | 47,652 | Accounts payable - trade | 10,104 |
| Notes and accounts receivable - trade | 19,687 | Current portion of long-term borrowings | 3,751 |
| Inventories | 25,855 | Accounts payable – other | 16,723 |
| Accounts receivable - other | 11,258 | Income taxes payable | 971 |
| Guarantee deposits | 93,219 | Refund liability | 87 |
| Other | 2,765 | Provision for bonuses | 2,486 |
| Allowance for doubtful accounts | (18) | Card deposits | 131,028 |
| Non-current assets | 45,648 | Other | 1,046 |
| Property, plant and equipment | 4,227 | Non-current liabilities | 4,981 |
| Buildings and structures | 1,604 | Long-term borrowings | 1,871 |
| Machinery, equipment and vehicles | 1,268 | Years of service gratuity reserve provisions | 187 |
| Furniture and fixtures | 482 | Retirement benefit liability | 369 |
| Land | 304 | Asset retirement obligations | 1,991 |
| Leased assets | 101 | Other | 561 |
| Construction in progress | 465 | Total liabilities | 171,181 |
| Intangible assets | 23,179 | (Net Assets) | |
| Goodwill | 16,502 | Shareholders' equity | 73,927 |
| Software | 5,238 | Share capital | 3,154 |
| Contract-related intangible assets | 1,193 | Capital surplus | 5,141 |
| Other | 246 | Retained earnings | 65,892 |
| Investments and other assets | 18,240 | Treasury shares | (260) |
| Investment securities | 3,648 | Accumulated other comprehensive income | 458 |
| Deferred tax assets | 8,748 | Valuation difference on available-for-sale securities | 318 |
| Leasehold deposits | 4,542 | Foreign currency translation adjustment | 139 |
| Other | 1,316 | Non-controlling interests | 501 |
| Allowance for doubtful accounts | (15) | | |
| Total Assets | 246,068 | Total net assets | 74,887 |
| | | Total Liabilities and Net Assets | 246,068 |

Note: The figures have been rounded down to the nearest million yen.

Consolidated Statement of Income

(from April 1, 2022, to March 31, 2023)

(million yen)

| Item | Amount | |
|---|--------|----------------|
| Net sales | | 453,604 |
| Cost of sales | | 382,839 |
| Gross profit | | 70,765 |
| Selling, general and administrative expenses | | 63,770 |
| Operating profit | | 6,994 |
| Non-operating income | | |
| Interest income | 5 | |
| Dividend income | 10 | |
| Equity in earnings of affiliates | 14 | |
| Delay damages income | 362 | |
| Hoard profit of prepaid card | 4,140 | |
| Other | 394 | 4,928 |
| Non-operating expenses | | |
| Interest expenses | 32 | |
| Delayed damages | 171 | |
| Others | 80 | 284 |
| Ordinary profit | | 11,637 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 20 | |
| Gain on bargain purchase | 249 | |
| Gain on step acquisitions | 305 | 575 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | 9 | |
| Loss on retirement of non-current assets | 124 | |
| Impairment losses | 43 | 178 |
| Profit before income taxes | | 12,034 |
| Income taxes – current | 2,902 | |
| Income taxes – deferred | 1,312 | 4,215 |
| Profit | | 7,819 |
| Loss attributable to non-controlling interests | | (119) |
| Profit attributable to owners of parent | | 7,938 |

Note: The figures have been rounded down to the nearest million yen.

Non-consolidated Balance Sheet

(as of March 31, 2023)

(million yen)

| Item | Amount | Item | Amount |
|---------------------------------------|----------------|---|----------------|
| (Assets) | | (Liabilities) | |
| Current assets | 95,597 | Current liabilities | 89,575 |
| Cash and deposits | 40,602 | Accounts payable – trade | 9,891 |
| Notes and accounts receivable – trade | 19,132 | Current portion of long-term borrowings | 3,751 |
| Inventories | 24,676 | Accounts payable – other | 9,609 |
| Prepaid expenses | 751 | Income taxes payable | 204 |
| Accounts receivable - other | 7,064 | Deposits received | 63,285 |
| Other | 3,388 | Refund liability | 87 |
| Allowance for doubtful accounts | (19) | Provision for bonuses | 2,303 |
| Non-current assets | 65,739 | Other | 443 |
| Property, plant and equipment | 2,024 | Non-current liabilities | 4,505 |
| Buildings | 1,337 | Long-term borrowings | 1,871 |
| Structures | 130 | Years of service gratuity reserve provisions | 187 |
| Furniture and fixtures | 252 | Provision for retirement benefits | 363 |
| Land | 304 | Asset retirement obligations | 1,769 |
| Intangible assets | 20,790 | Other | 313 |
| Goodwill | 15,259 | Total liabilities | 94,081 |
| Software | 4,160 | (Net Assets) | |
| Contract-related intangible assets | 1,193 | Shareholders' equity | 66,937 |
| Other | 178 | Share capital | 3,154 |
| Investments and other assets | 42,923 | Capital surplus | 5,693 |
| Investment securities | 2,201 | Legal capital surplus | 5,640 |
| Shares of subsidiaries and associates | 28,836 | Other capital surplus | 52 |
| Deferred tax assets | 6,591 | Retained earnings | 58,349 |
| Leasehold deposits | 4,315 | Legal retained earnings | 17 |
| Other | 994 | Other retained earnings | 58,332 |
| Allowance for doubtful accounts | (15) | Retained earnings brought forward | 58,332 |
| | | Treasury shares | (260) |
| | | Valuation and translation adjustments | 318 |
| | | Valuation difference on available-for-sale securities | 318 |
| Total Assets | 161,337 | Total net assets | 67,255 |
| | | Total Liabilities and Net Assets | 161,337 |

Note: The figures have been rounded down to the nearest million yen.

Non-consolidated Statement of Income

(from April 1, 2022, to March 31, 2023)

(million yen)

| Item | Amount | |
|---|---------|---------------|
| Net sales | | |
| Net sales of goods | 265,033 | |
| Commission income | 182,739 | 447,773 |
| Cost of sales | | |
| Cost of goods sold | 268,886 | |
| Commission expenses | 111,917 | 380,804 |
| Gross profit | | 66,969 |
| Selling, general and administrative expenses | | 58,145 |
| Operating profit | | 8,823 |
| Non-operating income | | |
| Interest income | 13 | |
| Dividend income | 1,028 | |
| Other | 516 | 1,557 |
| Non-operating expenses | | |
| Interest expenses | 111 | |
| Other | 248 | 360 |
| Ordinary profit | | 10,021 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 18 | 18 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | 0 | |
| Loss on retirement of non-current assets | 78 | |
| Impairment losses | 43 | |
| Loss on extinguishment of tie-in shares | 32 | 155 |
| Profit before income taxes | | 9,884 |
| Income taxes – current | 1,639 | |
| Income taxes – deferred | 1,592 | 3,232 |
| Profit | | 6,652 |

Note: The figures have been rounded down to the nearest million yen.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 10, 2023

To the Board of Directors of
T-Gaia Corporation:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Tokio Suzuki

Designated Engagement Partner,
Certified Public Accountant:

Koji Hara

Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of T-Gaia Corporation and its consolidated subsidiaries (the "Group"), namely, the consolidated balance sheet as of March 31, 2023, and the consolidated statement of income and consolidated statement of changes in shareholders' equity for the fiscal year from April 1, 2022 to March 31, 2023, and the related notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2023, and its consolidated financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for 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 provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. 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 comprises the information included in the Business Report and the accompanying supplemental schedules. Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

(TRANSLATION)

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

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

Our objectives 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 includes our opinion. 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 economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting 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 related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. 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.

(TRANSLATION)

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with 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.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. The other information in “the accompanying supplemental schedules” referred to in the “Other Information” section of this English translation is not translated.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 10, 2023

To the Board of Directors of
T-Gaia Corporation:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Tokio Suzuki

Designated Engagement Partner,
Certified Public Accountant:

Koji Hara

Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the non-consolidated financial statements of T-Gaia Corporation (the "Company"), namely, the non-consolidated balance sheet as of March 31, 2023, and the non-consolidated statement of income and non-consolidated statement of changes in shareholders' equity for the 32nd fiscal year from April 1, 2022 to March 31, 2023, and the related notes and the accompanying supplemental schedules.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2023, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for 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 section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. 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 comprises the information included in the Business Report and the accompanying supplemental schedules. Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information.

Our opinion on the non-consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

(TRANSLATION)

In connection with our audit of the non-consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the non-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 includes our opinion. 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 economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting 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 related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. 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.

(TRANSLATION)

- Evaluate whether the overall presentation and disclosures of the non-consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. "The accompanying supplemental schedules" referred to in the "Opinion" section of this English translation are not included in the attached financial documents. In addition, the other information in "the accompanying supplemental schedules" referred to in the "Other Information" section of this English translation is not translated.

Audit Report by Audit and Supervisory Board

Audit Report

The Audit and Supervisory Board, upon deliberation, prepared this audit report regarding the performance of duties of the Directors of T-Gaia Corporation during the 32nd fiscal year from April 1, 2022, to March 31, 2023, based on the audit reports prepared by each Audit and Supervisory Board Member, and hereby reports as follows:

1. Auditing Method Employed by Audit and Supervisory Board Members and the Audit and Supervisory Board and Details Thereof

- (1) The Audit and Supervisory Board established an auditing policy and the assignment of the duties, etc., received from each Audit and Supervisory Board Member reports on the execution of audits and the results thereof and, in addition, received reports on the performance of their duties from the Directors and the Accounting Auditor and, when necessary, requested explanations regarding such reports.
- (2) In accordance with the auditing standards for Audit and Supervisory Board Members established by the Audit and Supervisory Board, and based on the auditing policy and the assignment of duties, etc., each Audit and Supervisory Board Member has taken steps to facilitate communication with the Directors, the internal audit department as well as other employees, and has endeavored to gather information and establish an environment for auditing. Each Audit and Supervisory Board Member has audited in the following manner:
 - (i) Each Audit and Supervisory Board Member attended meetings of the Board of Directors and other important meetings, received from the Directors, employees, and other related persons reports on the performance of their duties, and, when necessary, requested explanations regarding such reports. In addition, each Audit and Supervisory Board Member inspected important decision documents, etc., and examined the business and financial position of the Company at the head office and other major business offices of the Company. With respect to the subsidiaries of the Company, each Audit and Supervisory Board Member has taken steps to facilitate communication with the Directors, Audit and Supervisory Board Members, and other related persons of major subsidiaries and to share information with them and, when necessary, received reports from the subsidiaries regarding their businesses.
 - (ii) In terms of the content of resolutions made by the Board of Directors concerning the establishment of the systems provided for in Article 100, paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act to ensure that the performance of duties by the Directors, which are described in the business report, is compliant with the laws and regulations of Japan and with the Company's Articles of Incorporation and other systems to ensure that operation of a joint stock company and the corporate group comprising its subsidiaries will be conducted appropriately, as well as the status of such systems established by such resolutions (internal control system), each Audit and Supervisory Board Member periodically received reports on the status of development and operating situation of such systems from Directors and employees and, when necessary, requested explanations regarding such reports and expressed their opinion.
 - (iii) The Audit and Supervisory Board Members monitored and examined whether the accounting auditors maintained their independence and performed audits in an appropriate manner. The Audit and Supervisory Board Members received reports from the Accounting Auditor on the performance of their duties and, when necessary, requested explanations regarding those reports. The Audit and Supervisory Board Members also received notification from the Accounting Auditor that they have taken steps to improve the "System for Ensuring Appropriate Execution of the Duties" (as enumerated in each item of Article 131 of the Rules of Corporate Accounting) in compliance with the "Standards for Quality Control of Audit" (adopted by the Business Accounting Deliberation Council on October 28, 2005), etc. When necessary, the Audit and Supervisory Board Members requested explanations on such notifications.

The Audit and Supervisory Board examined the business report and the supporting schedules, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in shareholders' equity and the related notes) and supporting schedules, and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in shareholders' equity and the related notes) for the fiscal year under review in accordance with the method mentioned above.

(TRANSLATION)

2. Results of Audit

(1) Audit Results on the Business Report, etc.

- (i) In our opinion, the business report and the supporting schedules fairly represent the Company's condition in conformity with the applicable laws and regulations of Japan as well as the Articles of Incorporation of the Company.
- (ii) With respect to the execution of duties by the Directors, we have found no evidence of misconduct or material facts in violation of the applicable laws and regulations of Japan or the Articles of Incorporation of the Company.
- (iii) In our opinion, the content of the resolutions made by the Board of Directors regarding the internal control system is appropriate. Furthermore, we have not found anything to be pointed out on the content described in the business report and the performance of duties of the Directors concerning the internal control system.

(2) Results of Audit of the Non-consolidated Financial Statements and Supporting Schedules:

In our opinion, the method and results of the audit employed and rendered by Deloitte Touche Tohmatsu LLC, the Accounting Auditor of the Company, are fair and reasonable.

(3) Results of Audit of the Consolidated Financial Statements:

In our opinion, the method and results of the audit employed and rendered by Deloitte Touche Tohmatsu LLC, the Accounting Auditor of the Company, are fair and reasonable.

May 11, 2023

Audit and Supervisory Board, T-Gaia Corporation

Full-time Audit and Supervisory Board Member Nobuo Oyama (Seal)

Full-time Audit and Supervisory Board Member Naoya Okutani (Seal)

Corporate Auditor Toshiro Kaba (Seal)

Corporate Auditor Tetsuo Kitagawa (Seal)

Note: Full-time Audit and Supervisory Board Member Nobuo Oyama and Audit and Supervisory Board Member Toshiro Kaba and Audit and Supervisory Board Member Tetsuo Kitagawa are Outside Audit and Supervisory Board Members as defined in Article 2, Item 16, and Article 335, Paragraph 3, of the Companies Act.