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(Commencement date for electronic provision measures: September 5, 2023)

To shareholders:

Daisuke Sasaki
Representative Director
freee K.K.
2-2, Osaki 1-chome,
Shinagawa-ku, Tokyo, Japan

Notice of 11th Ordinary General Meeting of Shareholders

It is our pleasure to inform you that the 11th Ordinary General Meeting of Shareholders of freee K.K. (the “Company”) will be held as described below.

Pursuant to the Company’s Articles of Incorporation, this General Meeting of Shareholders shall be a General Meeting of Shareholders without a designated location and held only on the Internet (a “Virtual-only General Meeting of Shareholders”).

The Company has implemented electronic provision measures for the convocation of this General Meeting of Shareholders, with matters concerning electronic provision measures provided on the websites below.

[The Company’s website]
<https://corp.freee.co.jp/en/ir/stock/>

Aside from the above, information is also provided on the website below.

[Tokyo Stock Exchange website]
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the above Tokyo Stock Exchange website, enter and search for the Company’s name or securities code (4478), select “Basic information” and “Documents for public inspection/PR information” in that order, and view the information.

If not attending the Virtual-only General Meeting of Shareholders, you may exercise voting rights in writing or via the Internet. Please review the Reference Materials for the General Meeting of Shareholders provided in the matters concerning electronic provision measures, indicate approval or disapproval on the Voting Rights Exercise Form, and post the form to arrive no later than 6:30 p.m. on Wednesday, September 27, 2023 (JST), or exercise your voting rights via the Internet, etc.

- 1 Date and time:**
 - 10:00 a.m. on Thursday, September 28, 2023 (JST)
 - * If holding the Virtual-only General Meeting of Shareholders on the above date is difficult due to network failures, etc., it will be held on the alternate date of Friday, September 29, 2023 at 10:00 a.m. (JST).
 - * Login is scheduled to open from 9:30 a.m. in either case.
 - * If the Company elects to hold the meeting on the alternate date, a notice will be provided on the Company’s website (<https://corp.freee.co.jp/en/ir/stock/>) by 11:00 a.m. on September 28, 2023.
- 2 Method of holding meeting:**

Virtual-only General Meeting of Shareholders. Please access the website below to attend with viewing the “Guide to Virtual-only General Meeting of Shareholders” on page 4 of the Japanese version of this document.
General Meeting of Shareholders website
(<https://web.sharely.app/login/freee-11>)
- 3 Meeting agenda:**
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- Matters to be reported:**
1. The business report and consolidated financial statements for the Company's 11th fiscal year (from July 1, 2022 to June 30, 2023), and the results of audits of the consolidated financial statements by the Accounting Auditor and the Audit & Supervisory Committee
 2. Non-consolidated financial statements for the Company's 11th fiscal year (from July 1, 2022 to June 30, 2023)

Matters to be resolved:

- Proposal 1:** Election of Four (4) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal 2:** Election of Three (3) Directors Who Are Audit & Supervisory Committee Members
- Proposal 3:** Partial Revision of Restricted Stock Plan for Directors Who Are Audit & Supervisory Committee Members

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- To ensure that the chairperson has the authority to delay or continue this General Meeting of Shareholders if there is significant difficulty in advancing the agenda for this General Meeting of Shareholders due to network failures, etc., a resolution to this effect shall be presented at the beginning of this General Meeting of Shareholders. Based on said resolution, if the chairperson decides to delay or continue the meeting, the delayed meeting or continuance for this General Meeting of Shareholders shall be held on the alternate date indicated above, from 10:00 a.m. on Friday, September 29, 2023. In this case, a notice shall be provided promptly on the Company's website (<https://corp.freee.co.jp/en/ir/stock/>).
 - The Internet shall be the transmission method to be used to transmit and receive information for the agenda for this General Meeting of Shareholders.
 - If a vote for or against a proposal is not indicated on the Voting Rights Exercise Form, it shall be treated as a vote for the proposal.
 - If a shareholder who has exercised voting rights in advance either in writing or via the Internet exercises voting rights in duplicate by attending the General Meeting of Shareholders, the content of the exercise at the General Meeting of Shareholders shall be deemed valid. If voting rights are not exercised at the General Meeting of Shareholders, the content of the exercise made in advance either in writing or via the Internet shall be deemed valid.
 - Shareholders who wish to attend via proxy are requested to designate another shareholder who holds voting rights, in accordance with the provisions of laws and regulations and the Articles of Incorporation. For details on procedures, please see the "Guide to Virtual-only General Meeting of Shareholders" on page 4 of the Japanese version of this document.
 - Pursuant to the relevant laws and regulations and Article 15, Paragraph 2 of the Company's Articles of Incorporation, the materials below are not included in the documents provided to shareholders who have requested paper copies. As a result, the documents audited by the Audit & Supervisory Committee Members and Accounting Auditor include not only said documents, but the matters below that are provided on the various websites.
 - Business report
 - Matters concerning the company group
 - Business progress and results
 - Issues to be addressed
 - Financial position and results
 - Main businesses
 - Main offices
 - Employees
 - Main lenders
 - Matters concerning stock
 - Matters concerning stock acquisition rights, etc.
 - Matters concerning corporate officers
 - Matters concerning outside officers
 - Matters concerning the Accounting Auditor
 - Systems to ensure appropriate execution of business, and an outline of their operational status
 - Policy concerning decisions on distribution of surplus, etc.
 - Consolidated financial statements
 - Non-consolidated financial statements
 - Audit report
 - If any revisions are made to the matters for electronic provision measures, such revisions will be posted on the respective websites where they are available.

- The results of voting at this General Meeting of Shareholders (Japanese only) will be posted on the Company's website (<https://corp.freee.co.jp/ir/stock/>), in lieu of the delivery of a written notice of resolutions by mail.

Proposals and References

Proposal 1: Election of Four (4) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

The terms of office of all four (4) Directors (excluding Directors who are Audit & Supervisory Committee Members; the same shall apply hereinafter in this proposal) will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, the Company proposes the election of four (4) Directors.

The Audit & Supervisory Committee considered this proposal and did not express any particular opinion.

The candidates for the office of Director are shown below.

No	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
1	Daisuke Sasaki (September 18, 1980) [Reappointment]	<p>April 2004 Joined Hakuodo Inc. July 2006 Joined CLSA Capital Partners Japan May 2007 Joined ALBERT Inc. May 2008 Joined Google Inc. (currently Google Japan LLC) July 2012 Established the Company, Representative Director and CEO (to present) October 2018 Director of freee finance lab K.K. April 2020 Management Council Member of Hitotsubashi University (to present) April 2021 Director of freee sign Inc. (to present)</p> <p>Significant concurrent positions Director of freee sign Inc. Management Council Member of Hitotsubashi University</p> <p>Reason for nomination as candidate for Director and summary of expected roles Daisuke Sasaki has directed management of the Company as Representative Director since it was established in 2012, contributing to its sustained growth. The Company recommends his reappointment as a Director because the Company judges that he contributes to enhancing the corporate value of the Group through his philosophy and strong leadership as the Company's founder.</p>	11,044,662

No	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
2	Sumito Togo (March 19, 1981) [Reappointment]	<p>April 2005 Joined McKinsey & Company Inc. Japan February 2010 Joined Google Inc. (currently Google Japan LLC) July 2013 Joined the Company September 2013 Director of the Company June 2018 Director and CFO of the Company March 2020 Representative Director of freee biz K.K. April 2020 Outside Director of WealthNavi Inc. (to present) October 2022 Director and CPO of the Company (to present)</p> <p>Significant concurrent positions Outside Director of WealthNavi Inc.</p> <p>Reason for nomination as candidate for Director and summary of expected roles Sumito Togo has engaged in management of the Company since being appointed as a Director in 2013. After his appointment as CFO, he has overseen the Company's financial strategy, contributing to its sustained growth. Additionally, since his appointment as CPO in October 2022, he has supervised and led the Company's product strategy. The Company recommends his reappointment as a candidate for Director because he can be expected to leverage his achievements and experience to realize the further enhancement of corporate value.</p>	914,364

No	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
3	Ryu Yokoji (August 24, 1984) [Reappointment]	<p>April 2010 Joined Sony Corporation (currently Sony Group Corporation) July 2012 Co-founder and Director of the Company September 2015 Operating Executive Officer and CTO September 2021 Director and CTO (to present)</p> <p>Reason for nomination as candidate for Director and summary of expected roles As co-founder of the Company, Ryu Yokoji has led product development since its establishment in 2012, contributing to its sustained growth. The Company recommends his reappointment as a candidate for Director because he can be expected to leverage his achievements and experience to realize the further enhancement of corporate value.</p>	2,042,662

No	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
4	Yumi Hosaka Clark (December 29, 1969) [Reappointment]	<p>May 1995 Account Manager of Navteq June 1997 Program Manager of Autodesk, Inc. August 1999 Product Marketing Manager of eCIRCLES.com September 2000 Senior Manager, Strategic Development of Adobe Systems, Inc. January 2003 Director, Business Operations eBay Ventures and International Expansion Product Director of eBay, Incorporated (PayPal, Inc.) November 2007 Director, Payments and Commerce Solutions/Commerce Network Solutions; Product Management Director, Employee Management Solutions; and Director, Strategic Payments Initiatives of Intuit, Incorporated January 2015 Vice President, Small Business New Product Development and Vice President, Payments and Money Movement of Capital One, Incorporated June 2018 Vice President, Head of Products and Solutions Japan of Visa Worldwide (Japan), Co., Ltd. September 2018 Outside Director of Paidy Incorporated March 2021 Vice President, Integrated Financial Services of Quicken Incorporated September 2021 Outside Director of the Company (to present) June 2023 Chief Transformation Officer of OPN Holdings Co., Ltd. (to present)</p> <p>Significant concurrent positions Chief Transformation Officer of OPN Holdings Co., Ltd.</p> <p>Reason for nomination as candidate for Outside Director and summary of expected roles Yumi Hosaka Clark has served in key positions at international fintech companies, and has abundant experience in development linking traditional financial networks with the latest apps, as well as post-development scale-up. She also has extensive experience servicing the small business segment, and in investment and corporate acquisitions, actively providing a wide range of advice concerning the Company's products, businesses, and investments, etc., to the Board of Directors. The Company recommends her reappointment as a candidate for Outside Director because she can be expected to provide appropriate advice on the management of the Company from an objective and global perspective.</p>	0

- (Notes)
- No special interests exist between any of the candidates and the Company.
 - Yumi Hosaka Clark is a candidate for the office of Outside Director. The Company has registered her as an independent director with the Tokyo Stock Exchange. If this proposal is approved, the Company intends to maintain the registration.
 - The Company has concluded an agreement with Yumi Hosaka Clark in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, to limit her liability for damages under Article 423, Paragraph 1 of said Act to one million yen, or the amount stipulated in Article 425, Paragraph 1 of said Act, whichever is greater. If her reappointment is approved, the Company intends to maintain the agreement with her. The limitation of liability under the agreement applies only in cases where the Outside Director acted in good faith and without gross negligence in the performance of the duties giving rise to the liability.
 - The Company has concluded a directors and officers liability insurance agreement with an insurance company, in accordance with the provisions of Article 430-3, Paragraph 1 of the Companies Act. The insurance policy covers damages that may arise when an insured Director or other insured officer assumes liability for the execution of his or her duties or is subject to a claim related to the pursuit of such liability. All candidates will be insured under the insurance contract. The Company plans to renew the insurance policy under the same terms when it comes due for renewal.
 - Yumi Hosaka Clark has never engaged in corporate management except in the capacity of Outside Director. However, the Company has judged her capable of appropriately fulfilling her duties as Outside Director for the reasons given above.
 - Yumi Hosaka Clark is currently an Outside Director of the Company, and will have served as an Outside Director for two (2) years at the conclusion of this Ordinary General Meeting of Shareholders.

Proposal 2: Election of Three (3) Directors Who Are Audit & Supervisory Committee Members

The terms of office of all three (3) Directors who are Audit & Supervisory Committee Members will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, the Company proposes the election of three (3) Directors who are Audit & Supervisory Committee Members. Furthermore, the Audit & Supervisory Committee has approved this proposal.

The candidates for the office of Director who is an Audit & Supervisory Committee Member are shown below.

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
1	Yoko Naito (October 31, 1978) [Reappointment]	<p>April 2001 Joined Meiko National Securities Co., Ltd. (currently SMBC Nikko Securities Inc.)</p> <p>December 2004 Joined Ernst & Young ShinNihon (currently Ernst & Young ShinNihon LLC)</p> <p>September 2018 Outside Audit & Supervisory Board Member of the Company</p> <p>October 2018 Audit & Supervisory Board Member of free finance lab K.K. (to present)</p> <p>April 2021 Audit & Supervisory Board Member of free sign Inc. (to present)</p> <p>September 2021 Outside Director who is an Audit & Supervisory Committee Member of the Company (to present)</p> <p>November 2022 Director of Public Interest Incorporated Association Japan Audit & Supervisory Board Members Association (to present)</p> <p>Significant concurrent positions</p> <p>Audit & Supervisory Board Member of free finance lab K.K.</p> <p>Audit & Supervisory Board Member of free sign Inc.</p> <p>Director of Public Interest Incorporated Association Japan Audit & Supervisory Board Members Association</p> <p>Reason for nomination as candidate for Outside Director who is an Audit & Supervisory Committee Member and summary of expected roles</p> <p>Yoko Naito has profound insight as a certified public accountant. Having served as a full-time Audit & Supervisory Board Member since 2018 and a full-time Audit & Supervisory Committee Member since 2021, she has attended important internal meetings such as those of the Management Meeting and the Risk Management Committee, held hearings with executives and employees, and actively monitored the execution of business of the Company. The Company recommends her reappointment as a candidate for Outside Director who is an Audit & Supervisory Committee Member because the Company judges that she can be expected to fulfill her role, including providing highly effective supervision of the management of the Company, from an independent and objective standpoint.</p>	3,867

No	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
2	Shinji Asada (July 7, 1977) [Reappointment]	<p>April 2000 Joined ITOCHU Corporation March 2015 Joined salesforce.com Co., Ltd. (currently Salesforce Japan Co., Ltd.) February 2018 Operating Officer of salesforce.com Co., Ltd. February 2019 Managing Executive Officer of salesforce.com Co., Ltd. March 2020 Retired from salesforce.com Co., Ltd. April 2020 Representative Director and CEO of One Capital, Inc. (to present) July 2020 Outside Director of Smaregi, Inc. (to present) September 2020 Outside Director of the Company October 2020 Representative Director of projection-ai Co., Ltd. (to present) September 2021 Outside Director who is an Audit & Supervisory Committee Member of the Company (to present) May 2022 Representative Director of Startup Recruiting Co., Ltd. (to present)</p> <p>Significant concurrent positions Representative Director and CEO of One Capital, Inc. Outside Director of Smaregi, Inc. Representative Director of projection-ai Co., Ltd. Representative Director of Startup Recruiting Co., Ltd.</p> <p>Reason for nomination as candidate for Outside Director who is an Audit & Supervisory Committee Member and summary of expected roles Shinji Asada has extensive insight into the SaaS industry, acquired over many years. As an Outside Director who is an Audit & Supervisory Committee Member of the Company, he actively provides advice on a broad range of matters such as management strategy, investment and governance. The Company recommends his reappointment as a candidate for Outside Director who is an Audit & Supervisory Committee Member because the Company judges that he can be expected to fulfill his role, including providing highly effective supervision of the management of the Company, from an independent and objective standpoint. Additionally, the amount of transactions with salesforce.com, where Shinji Asada previously served, is 1.9% of the consolidated net sales of the Company (and less than 1% of the consolidated net sales of salesforce.com), and in view of the type of services that salesforce.com provides, these transactions are insignificant. Therefore, salesforce.com is not considered a significant transaction partner of the Company, and Mr. Asada is deemed to be sufficiently independent and unlikely to have conflicts of interest with general shareholders.</p>	2,999

No	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
3	Masao Hirano (August 3, 1955) [New appointment]	<p>April 1980 Joined JGC Corporation (currently JGC Holdings Corporation) November 1987 Joined McKinsey & Company, Inc July 1998 Director and Japan Branch Manager of McKinsey & Company, Inc. November 2007 Managing Director and Japan Joint Representative of Carlyle Japan LLC January 2012 President and Representative Director of M&I Co., Ltd. (to present) April 2012 Professor at Waseda Business School (Graduate School of Business and Finance) (to present) May 2015 Outside Director of Dexerials Corporation June 2017 Outside Director of LITALICO Inc. March 2019 Outside Director of Uzabase, Inc. March 2019 Outside Director of PLAID, Inc. (to present)</p> <p>Significant concurrent positions President and Representative Director of M&I Co., Ltd. Professor at Waseda Business School (Graduate School of Business and Finance) Outside Director of PLAID, Inc.</p> <p>Reason for nomination as candidate for Outside Director who is an Audit & Supervisory Committee Member and summary of expected roles</p>	0

		<p>Masao Hirano has deep insight into corporate management, acquired over many years as a management consultant and university (business school) professor. Additionally, he has a wealth of experience as a manager at business companies, consulting companies, and investment funds. The Company recommends his appointment as a candidate for Outside Director who is an Audit & Supervisory Committee Member because the Company judges that he can be expected to fulfill his role, including providing advice and highly effective supervision of the management of the Company alongside strengthening corporate governance, from an independent and objective standpoint.</p>	
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- (Notes)
1. No special interests exist between any of the candidates and the Company.
 2. Yoko Naito, Shinji Asada, and Masao Hirano are candidates for the office of Outside Director. The Company has registered Yoko Naito and Shinji Asada as independent directors as prescribed by the Tokyo Stock Exchange, Inc. If their reappointment is approved, the Company intends to maintain this registration. Additionally, if the appointment of Masao Hirano is approved, the Company intends to register him as an independent director with the same exchange.
 3. The Company has concluded agreements with Yoko Naito and Shinji Asada in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, to limit their liability for damages under Article 423, Paragraph 1 of said Act. The maximum liability for damages under the agreement is equal to one million yen, or the amount stipulated in Article 425, Paragraph 1 of said Act, whichever is greater. The limitation of liability under the agreement applies only in cases where the Outside Director acted in good faith and without gross negligence in the performance of the duties giving rise to the liability. If their reappointment is approved, the Company intends to maintain the agreements with them. Additionally, if the appointment of Masao Hirano is approved, the Company intends to conclude an identical agreement with him.
 4. The Company has concluded a directors and officers liability insurance agreement with an insurance company, in accordance with the provisions of Article 430-3, Paragraph 1 of the Companies Act. The insurance policy covers damages that may arise when an insured Director or other insured officer assumes liability for the execution of his or her duties or is subject to a claim related to the pursuit of such liability. All candidates will be insured under this insurance contract. The Company plans to renew the insurance policy under the same terms when it comes due for renewal.
 5. Yoko Naito is currently an Outside Director who is an Audit & Supervisory Committee Member of the Company, and will have served as an Outside Director who is an Audit & Supervisory Committee Member for two (2) years at the conclusion of this General Meeting of Shareholders.
 6. Shinji Asada is currently an Outside Director who is an Audit & Supervisory Committee Member of the Company, and will have served as an Outside Director for three (3) years at the conclusion of this General Meeting of Shareholders, and as an Outside Director who is an Audit & Supervisory Committee Member for two (2) years at the conclusion of this General Meeting of Shareholders.
 7. Yoko Naito has never engaged in corporate management except in the capacity of Outside Director or Outside Audit & Supervisory Board Member. However, the Company has judged her capable of appropriately fulfilling her duties as Outside Director for the reasons given above.

Proposal 3: Partial Revision of Restricted Stock Plan for Directors Who Are Audit & Supervisory Committee Members

At the 9th Ordinary General Meeting of Shareholders held on September 29, 2021, the Company received approval to provide monetary compensation rights to Directors who are Audit & Supervisory Committee Members (the “Eligible Directors”) within the range of 15 million yen and 3,000 shares per annum for the purpose of granting restricted stock compensation based on the restricted stock plan (the “Plan”) with the objective of providing incentives to prevent impairment of the Company’s enterprise value and maintain its credit, by strengthening the sense of values shared with shareholders.

At this time, concerning the Plan, with the objective of further heightening incentives to prevent impairment of the Company’s enterprise value and maintain its credit during the period of service, the Company proposes partial amendments to conditions regarding the service period, etc., within the content of the allotment agreement concluded with Eligible Directors as follows.

Furthermore, there are no changes to the Company’s views regarding compensation limits for granting restricted stock, the total number of common shares of the Company to be received by Eligible Directors through issuance or disposal, or the amount to be paid-in per share for restricted stock. Additionally, the specific timing and allocation of this compensation to each Eligible Director shall be determined through discussion between Directors who are Audit & Supervisory Committee Members.

If Proposal 2 is approved and passed as proposed, then the Company will have three (3) Directors who are Audit & Supervisory Committee Members, including three (3) Outside Directors.

[Details of the Plan]

(1) Overview of the Plan

Eligible Directors shall receive common shares of the Company through issuance or disposal, in return for contribution in kind of all monetary compensation rights provided under this proposal, based on a resolution of the Board of Directors, annually in principle.

When the Company issues or disposes of common shares to Eligible Directors, the Company shall conclude a restricted share allotment agreement (the “Allotment Agreement”) with each Eligible Director. Eligible Directors must not transfer, pledge or otherwise dispose of common shares of the Company allotted under the Allotment Agreement (the “Allotted Shares”) for a predesignated period of time commencing from the day when the shares were allotted (the “Transfer Restriction Period”). An overview of the content of the Allotment Agreement is presented in (4) below.

(2) Maximum total amount of monetary compensation rights and maximum total number of shares under the Plan

The total amount of monetary compensation rights to be allocated to Eligible Directors under the Plan shall not exceed 15 million yen per annum. The total number of common shares of the Company to be received by Eligible Directors through issuance or disposal shall not exceed 3,000 shares per annum. Where there is a possibility that these limits may be exceeded, the Company shall reduce the number of shares to be allotted to each Eligible Directors using a reasonable method such as proportional reduction, so that these limits are not exceeded. Should the Company’s common shares undergo a stock split (including a gratis allotment of the Company’s common shares), a reverse share split, or other cause necessitating adjustment to the total number of common shares to be issued or disposed of as restricted shares, with an effective date on or after the date of the approval and passing of this proposal by the General Meeting of Shareholders, the total number of common shares shall be adjusted as necessary within a reasonable range.

(3) Amount to be paid-in per share

The amount to be paid-in per share shall be determined by the Board of Directors, based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the last business day before the date of the resolution of the Board of Directors regarding allotment of shares (if the Company’s share is not traded on that date, the closing price on the last trading day of the Company’s shares preceding the resolution), etc., within a range that does not unfairly advantage the Eligible Directors.

(4) Overview of the provisions of the Allotment Agreement

1) Transfer Restriction Period

The Transfer Restriction Period shall be three (3) years.

Eligible Directors must not transfer, pledge or otherwise dispose of the Allotted Shares during the Transfer Restriction Period.

2) Removal of the transfer restrictions

The Company shall remove transfer restrictions from all Allotted Shares at the conclusion of the Transfer Restriction Period conditional upon the Eligible Director having served continuously as a Director of the Company or in another position designated by the Company's Board of Directors during the period commencing from the date of the allotment of shares under the Allotment Agreement and ending at the conclusion of the Ordinary General Meeting of Shareholders pertaining to the fiscal year during which the allotment took place (the "Service Period"; provided that if the Eligible Director ceases to serve in said position due to a legitimate reason prior to the conclusion date, the removal timing shall be immediately after said cessation). However, if the Eligible Director ceases to serve as Director of the Company or in another position designated by the Company's Board of Directors due to a legitimate reason approved by the Company's Board of Directors during the Service Period, the number of Allotted Shares subject to the removal of transfer restrictions and the timing of removing transfer restrictions shall be reasonably adjusted as required. Furthermore, the Company shall rightfully acquire, for no consideration, any remaining Allotted Shares for which transfer restrictions have not been removed at the conclusion of the Transfer Restriction Period.

3) Acquisition of restricted stock for no consideration

If the Eligible Director ceases to serve as Director of the Company or in another position designated by the Company's Board of Directors due to a reason not deemed legitimate by the Company's Board of Directors during the Service Period, the Company shall rightfully acquire, for no consideration, all Allotted Shares as of that time.

4) Treatment in the case of organizational restructuring, etc.

Where a merger agreement with the Company as the non-surviving company, a share exchange agreement where the Company becomes a wholly-owned subsidiary, a share transfer plan or another matter concerning an organizational restructuring, etc., is approved by the Company's General Meeting of Shareholders (or the Company's Board of Directors, for organizational restructuring, etc., that does not require the approval of the General Meeting of Shareholders) during the Transfer Restriction Period, the transfer restrictions pertaining to a reasonably determined number of the Allotted Shares may be removed before the effective date of the organizational restructuring, etc., by resolution of the Board of Directors. The Company shall rightfully acquire for no consideration the Allotted Shares for which transfer restrictions have not been removed, immediately after the lifting of transfer restrictions.

5) Other matters to be determined by the Board of Directors

Other matters concerning the Plan shall be determined by the Board of Directors, and included in the Allotment Agreement.

[Reasons why the revision of the Plan is considered appropriate]

This revision is required to achieve the objective of further heightening incentives to prevent impairment of the Company's enterprise value and maintain its credit during the period of service, and as it does not relate to a fundamental change of the content of the Plan approved at the 9th Ordinary General Meeting of Shareholders, the Company considers it appropriate.

Furthermore, the Company revised the Decision Policy on the Details of Compensation, etc., for Individual Directors at the meeting of the Board of Directors held on the same day as the 9th Ordinary General Meeting of Shareholders. Subject to the approval of this proposal, the Company intends to amend this policy to correspond to the content of the proposal.

As was the case with the introduction of the Plan in 2021, the Company considers that compensation using the Company's own stock will act as an effective incentive, including from the perspective of aligning Directors' interests with those of the Company's shareholders. The duties of the Company's Audit & Supervisory Committee Members are not limited to auditing work. Audit & Supervisory Committee Members are also expected to make management decisions as Directors. The Company therefore considers it appropriate to grant compensation using the Company's own stock that is not subject to performance conditions, to Directors who are Audit & Supervisory Committee Members, as long as the ratio of this stock compensation to cash compensation is not excessively high.

The paid-in amount for restricted shares under this proposal will continue to not unfairly advantage the Eligible Directors. Moreover, the maximum total number of common shares of the Company that Eligible Directors will receive through issuance or disposal under the Plan (3,000 shares per annum) is equivalent to approximately 0.005% of the Company's issued and outstanding common stock of 57,875,116 shares (as of June 30, 2023), and will have a negligible dilution effect. The Company therefore considers the revision of the Plan to be appropriate.