

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from this translation.

(Stock Exchange Code 4326)

September 7, 2023

(Commencement of measures for electronic provision: September 6, 2023)

To Shareholders with Voting Rights:

Noriaki Ishizuka
President and Representative Director
INTAGE HOLDINGS Inc.
Intage Akihabara Building
3 Kanda-neribeicho, Chiyoda-ku,
Tokyo, Japan

**NOTICE OF CONVOCATION OF
THE 51ST ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

The 51st Annual General Meeting of Shareholders of INTAGE HOLDINGS Inc. (the “Company”) will be held for the purposes as described below.

In convening the Annual General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of the Reference Documents for the General Meeting of Shareholders, etc. (matters subject to measures for electronic provision) in electronic format, and posted this information as “NOTICE OF CONVOCATION OF THE 51ST ANNUAL GENERAL MEETING OF SHAREHOLDERS” on the following Company’s website.

- The Company’s website: <https://www.intageholdings.co.jp/english/ir/news/>

In addition to the website above, these matters are also posted on the website shown below.

- Tokyo Stock Exchange website: <https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>
Please access the Tokyo Stock Exchange website above, search for the Company by entering the Company’s name “INTAGE HOLDINGS Inc.” in the “Issue name” (company name) field or the stock exchange code “4326” in the “Code” field, continue selecting “Basic information” and “Documents for public inspection/PR information” and choose “Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting” under “Filed information available for public inspection” to see the matters.

If you are unable to attend the meeting in person, you can exercise your voting rights via the Internet or by mailing the Voting Rights Exercise Form. Please review the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by no later than 5:30 p.m. on Wednesday, September 27, 2023, Japan time.

Date and Time: Thursday, September 28, 2023 at 10:00 a.m. Japan time

Place: Akiba Hall, 5F, Akiba Plaza, Fuji Soft
3 Kanda-neribeicho, Chiyoda-ku, Tokyo, 101-0022, Japan

Meeting Agenda:

- Matters to be reported:** 1. The Business Report, Consolidated Financial Statements for the Company’s 51st Fiscal Year (July 1, 2022 - June 30, 2023) and 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 51st Fiscal Year
(July 1, 2022 - June 30, 2023)

Proposals to be resolved:

(Company Proposals)

Proposal No. 1: Distribution of Surplus

Proposal No. 2: Election of Seven (7) Directors (excluding Directors serving as Audit & Supervisory Committee Members)

(Shareholder Proposals)

Proposal No. 3: Acquisition of Treasury Stock

Proposal No. 4: Amendment to the Articles of Incorporation Regarding the Number of Outside Directors

(Notice)

- 1) Pursuant to laws and regulations and Article 18 of the Articles of Incorporation of the Company, the following matters are not included in the paper copies sent to shareholders. Accordingly, the paper copies sent to shareholders are part of the documents audited by the Audit & Supervisory Committee and the Accounting Auditor in the course of preparing their respective audit reports.
 - a. The following matters in the Consolidated Financial Statements
“Consolidated Statements of Changes in Net Assets” and “Notes to Consolidated Financial Statements”
 - b. The following matters in the Non-consolidated Financial Statements
“Non-consolidated Statements of Changes in Net Assets” and “Notes to Non-consolidated Financial Statements”
 - c. The following matters in the Business Report
“Major Sites of the Group,” “Status of Employees,” “Status of Major Creditors,” “Other Important Matters Concerning Current Status of the Group,” “Matters Concerning Share Acquisition Rights, etc.,” “Status of Accounting Auditor,” “Systems for Ensuring Appropriateness of Operations,” “Overview of Operational Status of Systems for Ensuring Appropriateness of Operations” and “Basic Policy on Control of the Company”
- 2) In the event of revisions to the matters subject to measures for electronic provision or the paper copies that contain the matters subject to measures for electronic provision, details of the revisions will be posted on the Company's website and the Tokyo Stock Exchange website shown above.
- 3) No shareholder reception is scheduled after the Annual General Meeting of Shareholders. In addition, souvenirs will not be available for shareholders attending the Annual General Meeting of Shareholders. Your kind understanding would be appreciated.

Exercise of Voting Rights

- 1) If your voting rights are exercised via both the Internet and mail, the one via the Internet shall be treated as effective.
- 2) If your voting rights are exercised more than once via the Internet, the last vote shall be treated as effective.
- 3) If neither approval nor disapproval of a proposal is indicated on a returned Voting Rights Exercise Form, it shall be deemed as an indication of approval for the Company's proposal and an indication of opposition to the shareholder's proposal.
- 4) Shareholders who intend a split exercise of voting rights are kindly asked to notify the Company to that effect and of the reason therefor by no later than three (3) days before the date of the Annual General Meeting of Shareholders.

Exercise of Voting Rights by Proxy

Shareholders may exercise their voting rights by appointing one other shareholder with voting rights of the Company as their proxy in accordance with Article 20 of the Articles of Incorporation of the Company. In this case, the shareholder or the proxy shall be required to submit a letter of proxy to the Company.

A single shareholder has submitted shareholder proposals to this Annual General Meeting of Shareholders. The Board of Directors of the Company is opposed to Proposals No. 3 and No. 4 that have been submitted by the shareholder concerned. Please refer to each of those Proposals in the Reference Documents for the General Meeting of Shareholders for the opinion of the Board of Directors of the Company. We kindly ask

the shareholders who agree with the Board of Directors of the Company to vote “for“ the Company Proposals (Proposals No. 1 and No. 2) and “against” the Shareholder Proposals (Proposals No. 3 and No. 4).

Reference Documents for the General Meeting of Shareholders

<Company Proposals (Proposals No. 1 and No. 2)>

Proposal No. 1: Distribution of Surplus

The Company considers profit distribution to its shareholders as one of its highest management priorities. The basic policy is to conduct profit distribution using consolidated business results as a base and taking into consideration the balance between dividends and growth investments.

Regarding dividends for the 51st fiscal year, in consideration of consolidated business results for the fiscal year and the above policy, the Company proposes dividends of 42 yen per share. In this case, the ratio between profit attributable to owners of parent and dividends, or the consolidated dividend payout ratio, will be 46.0%.

1. Matters concerning year-end dividends (for the 51st fiscal year)
 - (1) Type of dividend property
Cash
 - (2) Matters concerning the allotment of dividend property and the total amount
42 yen per share of common stock
Total amount of 1,615,930,218 yen
 - (3) Effective date of distribution of surplus
September 29, 2023
2. Other matters concerning the distribution of surplus
Not applicable.

Proposal No. 2: Election of Seven (7) Directors (excluding Directors serving as Audit & Supervisory Committee Members)

The terms of office of all the eight (8) Directors (excluding Directors serving as Audit & Supervisory Committee Members) will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, in order to improve the efficiency of the management structure, the Company proposes to reduce the number of Directors by one (1) and elect seven (7) Directors (excluding Directors serving as Audit & Supervisory Committee Members).

The Audit & Supervisory Committee judged that all the candidates in this Proposal are suited to serve as Directors of the Company, based on the assessment of the execution of their duties and the business results for the fiscal year under review and other factors.

The candidates for Directors (excluding Directors serving as Audit & Supervisory Committee Members) are as follows:

No.		Name	Gender	Positions and Responsibilities at the Company	Attendance at the meetings of the Board of Directors (Fiscal Year 2022)
1	Reappointment	Noriaki Ishizuka	Male	President and Representative Director	100% (18/18)
2	Reappointment	Yoshiya Nishi	Male	Director and CWO in charge of Special Missions	100% (18/18)
3	Reappointment	Ayumi Higaki	Female	Director in charge of Marketing Support (Consumer Goods and Services) Domestic Business	89% (16/18)
4	Reappointment	Masaru Ohtakeguchi	Male	Director in charge of Corporate Planning	100% (18/18)
5	Reappointment	Toru Takeuchi	Male	Director and CFO in charge of Internal Controls	100% (14/14)
6	Reappointment	Atsuhiko Imai	Male	Outside Director Independent Director	100% (14/14)
7	Reappointment	Hiroko Watanabe	Female	Outside Director Independent Director	100% (14/14)

- (Notes) 1. Mr. Toru Takeuchi, Mr. Atsuhiko Imai, and Ms. Hiroko Watanabe were newly elected as Directors (excluding Directors serving as Audit & Supervisory Committee Members) of the Company at the 50th Annual General Meeting of Shareholders held on September 28, 2022 and assumed the office on the same day. Therefore, their attendance at the meetings of the Board of Directors stated above refers to the attendance to meetings convened since they assumed the office.
2. If this Proposal is approved as originally proposed, the number of Outside Directors, including Outside Directors serving as Audit & Supervisory Committee Members, will be five (5), and the ratio of Outside Directors among the Company's Directors will be 45.5%.

1. Noriaki Ishizuka

Born on
January 10, 1959
64 years old

Reappointment

Number of shares of the Company held	46,900 shares
Term of office	17 years
Current positions and responsibilities	President and Representative Director, the Company

Past experience

April 1982	Joined the Company
June 2006	Director and Deputy General Manager, Sales Group
April 2008	Director and Unit Director, Business Solutions Unit
April 2009	Director and General Manager, Sales Group
April 2011	Director and General Manager, DCG and Services Business Group
April 2013	Executive Director
October 2013	President and Representative Director, INTAGE Inc.
June 2015	Director, the Company
June 2017	Representative Director and Executive Vice President
April 2019	President and Representative Director (current position)

Significant concurrent positions

Not applicable.

Reasons for selecting Mr. Ishizuka as a candidate for Director

Mr. Noriaki Ishizuka assumed the office of Director of the Company in 2006, and has many years of management experience. In addition, as President and Representative Director of INTAGE Inc., the core company of the Group, he has been fulfilling his duties as Director, including contribution to the reinforcement of the company's business and improvement of its profitability. For these reasons, the Company, in an endeavor to further strengthen the Group's management foundation and enhance corporate value, has determined that he is an appropriate person to execute business. The Company therefore reselected him as a candidate for Director.

2. Yoshiya Nishi

Born on
January 23, 1967
56 years old

Reappointment

Number of shares of the Company held	126,400 shares
Term of office	7 years
Current positions and responsibilities	Director and CWO in charge of Special Missions, the Company

Past experience

June 1992	Joined Social Survey Research Information Co., Ltd.
December 1994	Director, TM Marketing Inc. (in 2010, changed trade name to ANTERIO Inc.)
January 2005	Vice President and Representative Director, TM Marketing Inc.
March 2007	President and Representative Director, TM Marketing Inc.
July 2014	Executive Officer in charge of Group Healthcare Solution, the Company
April 2015	Executive Officer in charge of Group Healthcare Business
May 2015	Director, ASKLEP Inc.
June 2016	Director in charge of Group Healthcare Business, the Company
April 2017	Director in charge of Group Healthcare Business and responsible for promoting work style reform
April 2019	President and Representative Director, INTAGE Healthcare Inc.
June 2019	Director and CWO in charge of Marketing Support (Healthcare), the Company
July 2023	Director and CWO in charge of Special Missions (current position) Director, INTAGE Healthcare Inc. (current position)

Significant concurrent positions

Director, INTAGE Healthcare Inc.

Reasons for selecting Mr. Nishi as a candidate for Director

Mr. Yoshiya Nishi has driven global business development as the person in charge of the Group Healthcare Business, one of the Group's main businesses, and, as President and Representative Director of INTAGE Healthcare Inc., has strengthened the business and improved profitability of the company. He thus has been fulfilling his duties as Director. For these reasons, the Company, in an endeavor to further strengthen the Group's management foundation and enhance corporate value, has determined that he is an appropriate person to execute business. The Company therefore reselected him as a candidate for Director.

3. Ayumi Higaki

Born on
May 23, 1964
59 years old

Reappointment

Number of shares of the Company held	16,308 shares
Term of office	4 years
Current positions and responsibilities	Director in charge of Marketing Support (Consumer Goods and Services) Domestic Business, the Company

Past experience

April 1988	Joined KAGOME CO., LTD.
October 1995	Joined the Company
April 2007	General Manager, Marketing Solution Division, Marketing Solution Unit
April 2013	Executive Officer and General Manager, Marketing Innovation Group
July 2014	Executive Officer in charge of Group Marketing Solution
July 2015	Senior Executive Officer in charge of Group Business Strategy
	Director, INTAGE TECHNOSPHERE Inc.
April 2016	Director, INTAGE Inc.
April 2019	Senior Executive Officer in charge of Marketing Support (Consumer Goods and Services) Domestic Business, the Company
	President and Representative Director, INTAGE Inc. (current position)
June 2019	Director in charge of Marketing Support (Consumer Goods and Services) Domestic Business, the Company (current position)

Significant concurrent positions

President and Representative Director, INTAGE Inc.

Reasons for selecting Ms. Higaki as a candidate for Director

As President and Representative Director of INTAGE Inc., Ms. Ayumi Higaki has strengthened the business and improved profitability of the company, in addition to engaging in R&D, sales, and corporate planning at the company in the past, especially achieving panel product development over many years at the company. She thus has a wealth of experience and knowledge regarding Marketing Support Business of the Group. For these reasons, the Company, in an endeavor to further strengthen the Group's management foundation and enhance corporate value, has determined that she is an appropriate person to execute business. The Company therefore reselected her as a candidate for Director.

4. Masaru Ohtakeguchi

Born on
May 28, 1961
62 years old

Reappointment

Number of shares of the Company held	16,082 shares
Term of office	3 years
Current positions and responsibilities	Director in charge of Corporate Planning, the Company

Past experience

April 1985	Joined the Company
April 2013	Executive Officer and General Manager, DCG and Services Business Group
April 2014	President and Representative Director, DOCOMO InsightMarketing, INC.
April 2016	Director, INTAGE Inc.
April 2019	Senior Executive Officer in charge of Corporate Planning, the Company
September 2020	Director in charge of Corporate Planning (current position)

Significant concurrent positions

Not applicable.

Reasons for selecting Mr. Ohtakeguchi as a candidate for Director

As President and Representative Director of DOCOMO InsightMarketing, INC., Mr. Masaru Ohtakeguchi led the management of the company in addition to having served as several positions in personnel and sales divisions in INTAGE Inc., and thus has a wealth of experience and achievements. For these reasons, the Company, in an endeavor to further strengthen the Group's management foundation and enhance corporate value, has determined that he is an appropriate person to execute business. The Company therefore reselected him as a candidate for Director.

5. Toru Takeuchi

Born on
April 17, 1963
60 years old

Reappointment

Number of shares of the Company held	21,028 shares
Term of office	1 year
Current positions and responsibilities	Director and CFO in charge of Internal Controls, the Company

Past experience

April 1987	Joined Saitama Bank, Ltd. (currently Saitama Resona Bank, Limited)
October 2017	Joined the Company General Manager, Corporate Finance Division
April 2018	General Manager, Corporate Finance Division and General Manager, Internal Control and Risk Management Division
April 2019	General Manager, Corporate Management Division
July 2020	Executive Officer and General Manager, Corporate Management Division Corporate Auditor, INTAGE Healthcare Inc. (current position)
September 2022	Director and CFO in charge of Internal Controls, and General Manager, Corporate Management Division, the Company
January 2023	Director and CFO in charge of Internal Controls (current position)

Significant concurrent positions

Corporate Auditor, INTAGE Healthcare Inc.

Reasons for selecting Mr. Takeuchi as a candidate for Director

After joining the Company, Mr. Toru Takeuchi has promoted initiatives related to finance and capital policies as General Manager of the Corporate Management Division, making use of knowledge and experience gained through his long years of career working for a financial institution, and thus has abundant knowledge and achievements in corporate management in general. For these reasons, the Company, in an endeavor to further strengthen the Group's management foundation and enhance corporate value, has determined that he is an appropriate person to execute business. The Company therefore reselected him as a candidate for Director.

6. Atsuhiko Imai

Born on
December 4, 1960
62 years old

Reappointment

Outside
Director

Independent
Director

Number of shares of the Company held	800 shares
Term of office	1 year
Current positions and responsibilities	Outside Director, the Company

Past experience

April 1983	Joined The Kyowa Bank. Ltd. (currently Resona Bank, Limited)
April 2013	Joined Inageya Co., Ltd. General Manager, Group Business Management Office and General Manager, Quality Management Office, Inageya Co., Ltd.
June 2016	Director in charge of IR and General Manager of Administration Headquarters, Inageya Co., Ltd.
January 2019	Joined Hoosiers Holdings Co., Ltd.
April 2019	General Manager, Risk Management Division and General Manager, Internal Audit Office, Hoosiers Holdings Co., Ltd.
June 2021	Full-time Auditor, Hoosiers Holdings Co., Ltd.
June 2022	Director and Full-time Audit & Supervisory Committee Member, Hoosiers Holdings Co., Ltd. (current position)
September 2022	Outside Director, the Company (current position)

Significant concurrent positions

Director and Full-time Audit & Supervisory Committee Member, Hoosiers Holdings Co., Ltd.

* Besides the career summary above, Mr. Atsuhiko Imai serves concurrently as Auditor at unlisted group companies of Hoosiers Holdings Co., Ltd., namely Hoosiers Wellness & Sports Co., Ltd., Hoosiers REIT Advisors Co., Ltd., Hoosiers Living Service Co., Ltd., Home Stage Co., Ltd. and Vermilion Capital Management Limited.

Reasons for selecting Mr. Imai as a candidate for Outside Director and expected roles

Mr. Atsuhiko Imai has long years of experience in business of a financial institution, and in addition, is well versed in operations of corporate administration departments including finance, IR, risk management, and internal audit, as a director of a business company. He has in-depth knowledge of financial strategies, risk management, corporate governance, etc. in particular. By utilizing his experience and knowledge, he has been providing advice and suggestions as an Outside Director of the Company to secure properness and appropriateness of the decision making at the Board of Directors. For the above reasons, the Company, in an endeavor to further strengthen the Group's management foundation and enhance corporate value, has determined that he is an appropriate person to supervise the execution of business, as well as conduct other duties. The Company expects that he will provide supervision on the management of the Company from an independent standpoint by providing advice as an Outside Director of the Company to secure properness and appropriateness of the decision making of the Board of Directors by utilizing his experience and knowledge, and that he will play an important role as a member of the Nomination and Compensation Committees, voluntary committees, in deliberating and reporting to the Board of Directors on the nomination and compensation of Directors. The Company therefore reselected him as a candidate for Outside Director.

7. Hiroko Watanabe

Born on
May 28, 1955
68 years old

Reappointment	Outside Director	Independent Director
---------------	------------------	----------------------

Number of shares of the Company held 0 shares
Term of office 1 year
Current positions and responsibilities Outside Director, the Company

Past experience

June 2006 Representative Director and President, GE Healthcare Bio-Sciences Corporation
August 2009 Director, GE Healthcare Japan Corporation
March 2016 Representative Director and CEO, AccuRna Inc.
Representative Director and President, Braizon Therapeutics, Inc.
April 2017 Senior Director in charge of Corporate Marketing & Business Development, Thermo Fisher Scientific K.K.
June 2018 Outside Auditor, HanaVax Inc. (current position)
May 2019 Director and Vice President, OncoTherapy Science, Inc.
September 2022 Outside Director, the Company (current position)

Significant concurrent positions

Outside Auditor, HanaVax Inc.

Reasons for selecting Ms. Watanabe as a candidate for Outside Director and expected roles

Ms. Hiroko Watanabe has long years of experience in operations of life science companies that have relations with the businesses of the Group, and also has experience in management of many corporations such as serving as representative director of business companies. In addition, she has abundant knowledge and experience in management of global companies. By utilizing her experience and knowledge, she has been providing advice and suggestions as an Outside Director of the Company to secure properness and appropriateness of the decision making at the Board of Directors. For the above reasons, the Company, in an endeavor to further strengthen the Group's management foundation and enhance corporate value, has determined that she is an appropriate person to supervise the execution of business, as well as conduct other duties. The Company expects that she will provide supervision on the management of the Company from an independent standpoint by providing advice as an Outside Director of the Company to secure properness and appropriateness of the decision making of the Board of Directors by utilizing her experience and knowledge, and that she will play an important role as a member of the Nomination and Compensation Committees, voluntary committees, in deliberating and reporting to the Board of Directors on the nomination and compensation of Directors. The Company therefore reselected her as a candidate for Outside Director.

- (Notes)
1. There are no special conflicts of interest between the candidates and the Company.
 2. Number of shares of the Company held by each candidate is as of June 30, 2023.
 3. Mr. Atsuhiko Imai and Ms. Hiroko Watanabe are candidates for Outside Director.
 4. Mr. Atsuhiko Imai and Ms. Hiroko Watanabe have been designated as Independent Director pursuant to the regulations of the Tokyo Stock Exchange, Inc. and registered with the aforementioned Exchange as such, and if their reelection is approved as originally proposed, they will continue to be designated as Independent Director. Additionally, there are no special conflicts of interest between the Company and companies, etc. at which each candidate holds a concurrent position, and in view of the "Independence criteria for Outside Directors" defined by the Company (described in p. 10), the Company deems them to be independent as Outside Directors.
 5. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has concluded liability limitation agreements with Mr. Atsuhiko Imai and Ms. Hiroko Watanabe, limiting their liability under Article 423, Paragraph 1 of the same Act. The maximum liability limit under this agreement has been set to the amount stipulated by laws and regulations. If their reelection is approved as originally proposed, the Company plans to continue the above agreements with them.
 6. The Company has concluded a directors and officers liability insurance contract with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. In the event of a claim for damages by a shareholder or a third party arising from acts or omission in the course of duties of the insured as a director or an officer of the company during the term of the policy, the policy shall compensate for damages to be borne by the insured (legal damages and litigation expenses). Even in the event that a claim for damages is not actually made, the policy shall also compensate for expenses incurred by the insured to respond to situations in which a claim for damages may be made. However, the policy includes certain exemption clauses such as no compensation being given for damages attributable to acts in violation of laws or regulations that were carried out with knowledge of their illegality. The Company bears the entire premium. Mr. Noriaki Ishizuka, Mr. Yoshiya Nishi, Ms. Ayumi Higaki, Mr. Masaru Ohtakeguchi, Mr. Toru Takeuchi, Mr. Atsuhiko Imai, and Ms. Hiroko Watanabe are included in the insured under this insurance policy as a Director of the Company. If the election of each candidate is approved as originally proposed, he or she will continue to be included in the insured under the said insurance policy. The insurance policy will be renewed with the similar terms and conditions during their terms of office.

(Reference) Areas of specialization (skills) and experience of Director candidates and Executive Officers

		Name	Corporate management	Business strategy	Finance and accounting	Personnel and labor affairs Human resource strategy	Global	IT DX	ESG Diversity	Legal affairs and risk management	R&D Business development
Directors	Outside Directors	Noriaki Ishizuka		●		●		●	●		●
		Yoshiya Nishi		●		●	●		●		●
		Ayumi Higaki		●				●			●
		Masaru Ohtakeguchi		●		●					●
		Toru Takeuchi				●				●	
		Atsuhiko Imai	●			●				●	
		Hiroko Watanabe	●	●			●				
Directors serving as Audit & Supervisory Committee Members	Outside Directors	Toshio Odagiri		●						●	
		Hajime Nakajima			●	●				●	
		Yuzo Miyama				●		●			●
		Shizuo Kashima				●		●			●
Executive Officers		Keita Murai		●				●			●
		Shinobu Aiba		●				●			●
		Akio Narita					●		●		

(Note) The area of specialization (skill) and experience of “Corporate management” covers Outside Directors only.

(Reference) Independence Criteria for Outside Directors

The Company determines that Outside Directors possess independence only in the event that they do not fall under any of the following items at present or at any time within the last ten (10) years.

1. A business executing person of the Company or a company in the Group
2. A person or business executing person of an entity in case the Company or a company in the Group is a major transaction partner of the person or entity (*1), or a person or business executing person of an entity that is a major transaction partner of the Company or a company in the Group (*2)
3. A consultant, accounting specialist, or legal specialist who receives large amounts of money or other assets (*3) aside from Director remuneration from the Company or a company in the Group (In the event that the one receiving such assets is an organization such as a corporation or partnership, etc., this applies to a person belonging to the organization in question.)
4. A business executing person of a major shareholder of the Company (major shareholders within the top 10)
5. A business executing person of a major lender of the Company or the Group (banks within the top 2 lenders)
6. A close relative of any of those in the previous 5 items (excluding those not considered to be important)

*1 “In case the Company or a company in the Group is a major transaction partner of the person or entity” refers to any case where the person or entity received a payment of 2% or more of consolidated net sales of the person or entity over the most recent fiscal year from the Company or a company in the Group.

*2 “A person or business executing person of an entity that is a major transaction partner of the Company or a company in the Group” refers to any person or entity that made a payment of 2% or more of consolidated net sales of the Company over the most recent fiscal year toward the Company or a company in the Group.

*3 “Large amounts” refers to the amount of 10 million yen or more per year in the case of an individual, and the amount of 2% or more of consolidated net sales of the entity over the most recent fiscal year in the case of an entity.

<Shareholder Proposals (Proposals No. 3 and No. 4)>

Proposals No. 3 and No. 4 are proposals submitted by a single shareholder.

The following agenda items, outlines of proposals, and reasons for proposals are as stated in the original documents submitted by the shareholder concerned (Note: the following English translation has been prepared by the Company).

As stated below, the Board of Directors of the Company is **opposed** to both of the shareholder proposals.

Proposal No. 3: Acquisition of Treasury Stock

(1) Outline of the proposal

Pursuant to the provisions of Article 156, Paragraph 1 of the Companies Act, the common stock of the Company shall be acquired for money within one (1) year from the conclusion of this Annual General Meeting of Shareholders to a maximum of 3,840,000 shares and an acquisition price of 6,144,000,000 yen.

(2) Reasons for the proposal

By resolution of a meeting of the Board of Directors of the Company held on August 5, 2022, the Company resolved to acquire treasury stock to a maximum of 1,600,000 shares, 4% of the total number of shares issued (excluding treasury stock), and at a maximum acquisition price of 2.0 billion yen during the period from August 8, 2022 to February 28, 2023. Based on this, the Company acquired a total of 1,258,700 shares at an acquisition price of 1,999,975,476 yen by December 31, 2022, and its efforts to implement measures to increase shareholder returns and improve capital efficiency are recognized to a certain degree. Although the Company's share price has been on a gradual uptrend since August 5, 2022, it may be said that the market evaluation of its measures remains inadequate. Therefore, in order to further increase the Company's shareholder returns and improve capital efficiency, we believe that the Company should acquire approximately 10% of the total number of shares issued (excluding treasury stock) as treasury shares, and adopt measures to cancel them based on Article 178 of the Companies Act in order to increase shareholder returns and improve capital efficiency.

Opinion of the Board of Directors Regarding the Shareholder Proposal

Opposed	The Board of Directors is opposed to Proposal No. 3.
----------------	--

Reasons for opposition

The Company emphasizes capital efficiency, and aims to enhance its medium- to long-term corporate value by allocating all final profit to “growth investment” and “shareholder returns.”

Our basic policy on profit distribution is to distribute profits with consideration for a balance between dividends and growth investment. During the period of the 14th Medium-Term Management Plan (the fiscal year ending June 2024 to the fiscal year ending June 2026) starting in the fiscal year ending June 2024, dividends will be increased progressively, and we are targeting a consolidated dividend payout ratio of 50% and an ROE of 12% in the fiscal year ending June 2026, the final year of the plan. For the fiscal year ending June 2023, if Proposal No. 1: Distribution of Surplus that is on the agenda of this General Meeting of Shareholders is approved as originally proposed, the dividend will be 42 yen per share (the dividend per share has increased for the tenth consecutive year), the consolidated dividend payout ratio will be 46%, and DOE will be 5.3%, marking improvements in each indicator. In addition, our policy is to flexibly acquire treasury stock and improve capital efficiency. Most recently, during the period from August 2022 to December 2022, we acquired a total number of 1,258,700 shares of treasury stock at a total acquisition price of 1,999 million yen.

As for growth investment, we are implementing initiatives to expand the area of value creation with Data + Technology, centered on the “establishment of a CX marketing platform” and “renewal of SCI.”

This shareholder proposal calls for the acquisition of the Company’s shares issued to a maximum of approximately 10% of issued shares. However, in the reasons for the shareholder proposal, while mentioning with regard to the acquisition of treasury stock by the Company that the Company’s measures to increase shareholder returns and improve capital efficiency are recognized to a certain degree, and that the Company’s share price has been in a gradual uptrend, the shareholder concludes that “the market evaluation of its measures remains inadequate.” The proposing shareholder is requesting the aforementioned acquisition of treasury stock without showing the reason or grounds for why the shareholder has made such an analysis.

The Board of Directors of the Company considers shareholder returns to be one of its highest management priorities, and, as mentioned above, the Board of Directors conducts management with an emphasis on capital efficiency and makes proactive shareholder returns. We believe that a balance with growth investment is also important. Since unbalanced shareholder returns could impair financial resources for growth investment and impede the medium- to long-term enhancement of the Company’s corporate value, we oppose this shareholder proposal.

Proposal No. 4: Amendment to the Articles of Incorporation Regarding the Number of Outside Directors

(1) Outline of the proposal

Article 21 of the Articles of Incorporation of the Company shall be amended to ensure that a majority of the Company’s Board of Directors consist of Outside Directors.

Prior to Amendment	Following Amendment
<p>(Number of Directors)</p> <p>Article 21 The number of Directors other than Directors serving as Audit & Supervisory Committee Members (hereinafter, “Directors who are not Audit & Supervisory Committee Members”) shall not exceed ten (10).</p> <p>2. The number of Directors serving as Audit & Supervisory Committee Members shall not exceed five (5).</p> <p>3. <u>(Newly established)</u></p>	<p>(Number of Directors)</p> <p>Article 21 The number of Directors other than Directors serving as Audit & Supervisory Committee Members (hereinafter, “Directors who are not Audit & Supervisory Committee Members”) shall not exceed ten (10).</p> <p>2. The number of Directors serving as Audit & Supervisory Committee Members shall not exceed five (5).</p> <p>3. <u>The majority of the Directors of the Company shall be Outside Directors that are stipulated in Article 2, Paragraph 1, Item 15 of the Companies Act.</u></p>

(2) Reasons for the proposal

Principle 4.8 of Japan’s Corporate Governance Code stipulates as follows: “Independent directors should fulfill their roles and responsibilities with the aim of contributing to sustainable growth of companies and increasing corporate value over the mid- to long-term. Companies listed on the Prime Market should therefore appoint at least one-third of their directors as independent directors that sufficiently have such qualities. Irrespective of the above, if a company listed on the Prime Market believes it needs to appoint the majority of directors as independent directors based on a broad consideration of factors such as the industry, company size, business characteristics, organizational structure and circumstances surrounding the company, it should appoint a sufficient number of independent directors.” In addition, as one of the roles and responsibilities of Independent Outside Directors, Principle 4.7 of Japan’s Corporate Governance Code states that “Appropriately representing the views of minority shareholders and other stakeholders in the boardroom from a standpoint independent of the management and controlling shareholders.”

Five (5) of the twelve (12) Directors of the Company are Outside Directors, and although this meets the requirement of one-third or more, we believe that proactively appointing Outside Directors to ensure their majority on the Board of Directors will enable the Company to increase capital efficiency, achieve shareholder returns, and establish a governance system that contributes to the sustainable growth of the Company and the enhancement of its medium- to long-term corporate value.

In addition to the number of Outside Directors, we believe that the Company also needs human resources who can contribute to the sustainable growth of the Company and the enhancement of its medium- to long-term corporate value with regard to the qualifications of Outside Directors. In this sense, we believe that the appointment of analysts with advanced experience and skills should be considered.

We believe that the appointment of “human resources with extensive experience and skills as analysts” would bring the perspective of outside investors and shareholders to the Board of Directors, and at the same time would be an effective means of contributing to the enhancement of corporate value through sound risk-taking. Although the Board of Directors and investors/shareholders of listed companies share the same goal of enhancing corporate value over the long term, unfortunately in Japan it is not uncommon for them to be seen to be in a confrontational relationship. We believe that if Directors with the abovementioned experience and skills participate in the discussions and decision-making of the Board of Directors, it would make the relationship between the Board of Directors and the stock market as constructive as it should be through sound risk-taking, capital allocation, and better communication with the market. The explanation is often made that Directors with banking backgrounds or who are accountants are responsible for the finance part of the skill matrix of Directors, but we believe that from the perspective of encouraging “sound risk-taking,” expertise in accounting and debt markets is not enough, and that it is the meaning of appointing experts in equity markets.

Opinion of the Board of Directors Regarding the Shareholder Proposal

Opposed	The Board of Directors is opposed to Proposal No. 4.
----------------	--

Reasons for opposition

As a company that consists of a large number of stakeholders, we recognize that it is an important responsibility not only to improve business performance but also to ensure the soundness, fairness, and transparency of management, and we have to date endeavored to strengthen corporate governance.

In 2016, we transitioned from a company with a Board of Corporate Auditors to a company with an Audit & Supervisory Committee. The purpose was to improve management fairness, transparency, and efficiency through strengthening the oversight and supervisory functions of the Board of Directors and accelerating decision-making and business execution by delegating authority, with the aim of creating an environment that supports appropriate risk-taking by the business execution side. In addition, we have established the Nomination Committee and the Compensation Committee as voluntary committees. Both committees are composed mainly of Outside Directors. Each committee comprises seven (7) members, of whom two (2) are internal Directors and five (5) are Outside Directors, and the chairperson of each committee is Outside Director serving as Audit & Supervisory Committee Member.

The Board of Directors of the Company currently comprises twelve (12) Directors, of whom five (5) are Outside Directors (all of whom are Independent Outside Directors), and the ratio of Outside Directors is 41.7%.

Furthermore, if Proposal No. 2: Election of Seven (7) Directors (excluding Directors serving as Audit & Supervisory Committee Members) that is on the agenda of this General Meeting of Shareholders is approved as originally proposed, the Board of Directors will comprise eleven (11) Directors, of whom five (5) will be Outside Directors (all of whom will be Independent Outside Directors), and the ratio of Outside Directors will be 45.5%. The Board of Directors of the Company believes that the independence of the Board of Directors will continue to be sufficiently ensured.

The proposing shareholder of this shareholder proposal states in the reasons for the shareholder proposal that appointing Outside Directors to ensure their majority on the Board of Directors will enable the Company to increase capital efficiency, achieve shareholder returns, and establish a governance system that contributes to the sustainable growth of the Company and the enhancement of its medium- to long-term corporate value.

However, as stated in the Opinion of the Board of Directors regarding Proposal No. 3: Acquisition of Treasury Stock, the Company has established a dividend policy in the 14th Medium-Term Management Plan (dividends will be increased progressively, and we are targeting a consolidated dividend payout ratio of 50% and an ROE of 12% in the fiscal year ending June 2026, the final year of the plan). In the fiscal year ending June 2023, in addition to increasing dividends and improving indicators of consolidated dividend payout ratio and DOE, we conducted management with an emphasis on capital efficiency, including the acquisition of treasury stock during fiscal year 2022. At the same time, we made proactive shareholder returns, and we believe that we have already established a governance system that contributes to the sustainable growth of the Company and the enhancement of its medium- to long-term corporate value, and that it is a system that will contribute to the interests of our shareholders.

It is the Company's belief that incorporating provisions such as this shareholder proposal into the Articles of Incorporation would, on the contrary, limit the scope of selection of Director candidates, and hinder discussions over the ideal form of the Board of Directors and flexible consideration of the composition of the Board of Directors based on the management strategies at the time. Therefore, the Board of Directors of the Company is opposed to this shareholder proposal.