

TO OUR SHAREHOLDERS

I would like to express my appreciation for your continued support and understanding of the Company.

The 24th business term (the fiscal year ended June 30, 2023) brought back the sight of people out in public without masks, as well as foreign visitors flooding tourist spots and other destinations around Japan.

These positive signs also have been reflected in our results. Sales of the store business grew by approximately 50% year on year, a huge leap even compared to pre-pandemic levels. Our large-scale flagship store near Harajuku Station, *@cosme TOKYO*, in particular, turned positive, growing into a real major source of revenue. As a result, we recorded our highest-ever consolidated net sales and achieved our first positive operating income in four fiscal years. We believe this was not only attributable to environmental tailwinds, but also the values ever built up by istyle.

In other words, *@cosme* has become a presence that is more clearly chosen by customers. This has enabled the brands to actively expand across our media, E-commerce, and physical stores, creating a virtuous cycle where the upsurge in their activities attracts more customers to *@cosme*. As a result, E-commerce sales continued to grow even amid vigorous sales in the physical store market, rising by approximately 16% year on year, and I feel that the coordination between platforms is growing ever stronger.

During the COVID-19 pandemic, I was often asked why we persevere with the store business. It is because some values can only be created in a physical setting. Places for face-to-face communication, where customers can directly come in contact with cosmetics, seek advice, and discover new products, will be an absolute strength for us in the coming digital society with a flood of information. I think the fact that we have managed to grow more quickly than other companies and other lines of business, building a unique position in the market, is attributable to the continuing pursuit of value through both online and offline sectors. Seeing our customers enjoy shopping at our stores and watching our brands animated with vibrant activity gives me a firm belief that we have been moving in the right direction.

With the COVID-19 pandemic finally drawing to a close, we aim to further refine the values we have built so far and make the 25th business term (the fiscal year ending June 30, 2024) our first step towards medium- and long-term growth.

I greatly appreciate your ongoing support and understanding.

September 2023

Tetsuro Yoshimatsu, Chairperson and Chief Executive Officer

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 the translation.

September 8, 2023
(Start date of measures for electronic provision: September 5, 2023)

To Shareholders with Voting Rights:

istyle, Inc.
Tetsuro Yoshimatsu, Chairperson and CEO
(Stock Exchange Code: 3660)
Kei Sugawara, Vice Chairperson and CFO

NOTICE OF THE 24TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

You are cordially notified that the 24th Annual General Meeting of Shareholders of istyle Inc. (the “Company”) will be held for the purposes as described below.

In convening this General Meeting of Shareholders, we have taken measures for the electronic provision to disclose information including the Reference Documents for the General Meeting of Shareholders (the matters subject to electronic provision), and posted the matters subject to electronic provision on the Company’s website on the Internet.

The Company’s website: <https://www.istyle.co.jp/en/ir/stock/meeting/>

The matters are also posted on the following website on the Internet.

The website of the Tokyo Stock Exchange:

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the Tokyo Stock Exchange website shown above, enter the Company’s name or stock exchange code to search, then click on “Basic information” then “Documents for public inspection/PR information” to view the matters.

For this General Meeting of Shareholders, you can exercise your voting rights via the Internet or in writing. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 6:00 p.m. on Thursday, September 28, 2023, Japan time.

The meeting will be held as a “Hybrid Virtual General Meeting of Shareholders” (participatory) whereby shareholders can watch the General Meeting of Shareholders via the Internet. We will make every effort to ensure that shareholders attending the meeting are not shown in the livestream but please note that there may be cases when shareholders unavoidably appear. Additionally, you can also watch a video of the meeting, which will be posted on the viewing website following the meeting’s conclusion. Please refer to *NOTICE OF THE 24TH ANNUAL GENERAL MEETING OF SHAREHOLDERS* for details on how to view.

1. Date and Time: Friday, September 29, 2023 at 10:00 a.m. Japan time (Reception opens at 9:30 a.m.)

2. Place: Reception: Dedicated reception on the 1st floor of ARK Mori Building
Venue: 37F ARK Mori Building (Club room A+B in Ark Hills Club)
1-12-32, Akasaka, Minato-ku, Tokyo, Japan

3. Meeting Agenda:

Matters to be reported: The Business Report, Non-consolidated Financial Statements, Consolidated Financial Statements for the Company’s 24th business term (July 1, 2022 - June 30, 2023) and results of audits by the Independent Auditor and the Board of Auditors of the Consolidated Financial Statements

Proposals to be resolved:

Proposal 1: Election of 6 Directors

Proposal 2: Election of 3 Auditors

- 4. Guide for Shareholders when Voting**
- (1) If you exercise your voting rights redundantly, both by the Voting Rights Exercise Form and via the Internet, your exercise of voting rights via the Internet shall be deemed to be valid.
 - (2) If you exercise your voting rights via the Internet more than once, your final vote shall be deemed to be valid.
 - (3) If you do not indicate your vote on a proposal on the Voting Rights Exercise Form, it will be treated as a vote in favor of the proposal.

Any amendments to the matters subject to electronic provision will be posted on each website where the matters are provided.

Reception Guidance and

Instructions for Viewing this General Meeting of Shareholders via the Internet

- Reception guidance for the General Meeting of Shareholders
 - Please proceed to the dedicated reception area on the 1st floor of ARK Mori Building, where the meeting will be held. At the reception, shareholders will be provided with a certificate of admission to the meeting venue upon submitting their Voting Rights Exercise Form and filling out their name and address.
 - We will refrain from providing beverages.
 - Where it becomes necessary to change the format of the meeting for unavoidable reasons, notice will be given via the Company's website. Please check the Company's website for the latest information.
URL: <https://www.istyle.co.jp/en/ir/stock/meeting/>

Reference Documents for the General Meeting of Shareholders

References

In the event that the Proposals are approved, the composition of the Board of Directors and the Board of Auditors, as well as the expertise of each officer is as follows.

The below table does not express all of the knowledge and experience held by each Director candidate and Auditor candidate.

		Present position	Among the knowledge and experience held by each candidate, the Company has particular expectations for the below								Attributes	
			Corporate management/management strategy	IT	Cosmetics	Marketing	Retail/distribution	International business	Finance	Accounting/tax affairs	Independence (Outside only)	Male (★) Female (☆)
Director candidates	Tetsuro Yoshimatsu	Chairperson and CEO	○	○	○	○	○				—	★
	Kei Sugawara	Vice Chairperson and CFO	○	○	○	○		○	○	○	—	★
	Hajime Endo	Representative Director and COO	○	○	○	○	○	○			—	★
	Meyumi Yamada	Director	○	○	○	○					—	☆
	Michimasa Naka	Director (Outside)	○					○	○		○	★
	Shinsuke Usami	Director (Outside)	○	○		○			○		○	★
Auditor candidates	Hitoshi Hara	Auditor (Outside)							○	○	○	★
	Kenji Miyako	Auditor (Outside)							○	○	○	★
	Junko Kotakemori	—							○	○	○	☆

Independence Criteria for Outside Officers

The Company has established the following criteria to determine the independence of Outside Directors and Outside Auditors (hereinafter collectively referred to as “Outside Officers”). In selecting candidates for Outside Officers, we select candidates who satisfy the Company’s “Independence Criteria for Outside Officers” as well as the standards stipulated by the Companies Act and the Tokyo Stock Exchange.

In principle, the Company designates Independent Outside Officers from persons who do not meet any of the following items.

- (1) A person who holds the Company to be a major business partner (refers to a party that received payments from the Company in an amount of 2% or more of the party’s consolidated net sales in the most recent fiscal year), or a business executor thereof.
- (2) A person who is a major business partner of the Company (refers to a party that made payments to the Group that accounted for 2% or more of the Company’s consolidated net sales in the most recent fiscal year, or balance of loans to the Group that accounted for 2% or more of the Company’s consolidated total assets), or a business executor thereof.
- (3) A consultant, accounting expert or legal expert who receives large amounts of money or other assets, excluding Director compensation, from the Company (in the case that the party receiving said assets is an organization such as a corporation or association, then persons who belong to the organization in question).

(Notes) 1. A business executor is defined in the Regulations for Enforcement of the Companies Act, and includes not only executive Directors, but employees as well.


2. A large amount refers to an amount of ¥10 million or more per fiscal year for an individual, and an amount of 2% or more of total income for an organization (corporation, association, etc.).


Proposal 1: Election of 6 Directors



The terms of office of 6 current Directors will expire at the conclusion of the 24th Annual General Meeting of Shareholders. Accordingly, we propose the election of 6 Directors (including 2 Outside Directors).

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	
1	 <p>Tetsuro Yoshimatsu (August 13, 1972) [Reappointed]</p> <p>Number of shares of the Company held: 4,602,018 shares</p> <p>Period in office: 24 years and 2 months *As of the conclusion of this General Meeting of Shareholders</p>	<p>April 1996 July 1999 May 2012 August 2012 December 2014 July 2015 June 2016 July 2018 October 2018 April 2019 July 2019 September 2022</p>	<p>Joined Andersen Consulting (currently Accenture Japan Ltd.) Founded the Company; President and Chief Executive Officer, the Company Chairman, istyle Global (Hong Kong) Co., Limited (currently istyle China Corporation Limited) Director, istyle Global (Singapore) Pte. Limited (to present) Representative Director, istyle trading Inc. Chairman, istyle China Co., Limited Outside Director, UT Group Co., Ltd. Representative Director, istyle career Inc. Outside Director, PLANET, INC. (to present) Representative Director, IS Talent Management Preparatory Company, Inc. (currently Over The Border Inc.) Representative Director, iMakers Inc. (merged into istyle trading Inc. as of April 1, 2020) Chairperson and CEO, the Company (to present)</p>
		<p>[Reasons for appointment as a candidate for Director] Mr. Tetsuro Yoshimatsu has contributed as the representative of the Company since its founding and has led management for 24 years. He currently upholds the mission “To make people happy while updating the world of Beauty” and drives the Group with the aim of further business development as Chairperson and CEO. Having concluded that he is qualified to achieve further growth for the Company group and to realize the Company’s corporate philosophy, we propose his reelection as a Director.</p>	

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions
2	 <p data-bbox="272 472 475 562">Kei Sugawara (August 13, 1969) [Reappointed]</p> <p data-bbox="272 595 475 685">Number of shares of the Company held: 325,573 shares</p> <p data-bbox="272 719 475 864">Period in office: 22 years and 0 months *As of the conclusion of this General Meeting of Shareholders</p>	<p data-bbox="504 208 1407 904"> May 1996 Joined Andersen Consulting (currently Accenture Japan Ltd.) January 2000 Joined Arthur D. Little Japan, Inc. September 2001 Director, the Company February 2008 Representative Director, Cosme.com Inc. (currently istyle retail Inc.) September 2015 Representative Director, istyle Global (Singapore) Pte. Limited (to present) June 2016 Director, iSGS Investment Works, Inc. (to present) October 2016 Director, istyle Retail (Hong Kong) Co., Limited (to present) July 2017 Representative Director, istyle USA, Inc. July 2017 Representative Director, MUA Inc. June 2018 Outside Director, Fringe81 Co., Ltd. (currently Unipos Inc.) (to present) June 2018 Outside Director, tsumug Inc. January 2020 Chairman, istyle Global (Hong Kong) Co., Limited (currently istyle China Corporation Limited) January 2020 Chairman and President, istyle China Co., Limited March 2021 Outside Director, Open8 Inc. (to present) June 2021 Global Subcommittee Member, Open Innovation Committee, JVCA (to present) March 2022 Director, Glowdayz, Inc. (to present) September 2022 Vice Chairperson and CFO, the Company (to present) July 2023 Outside Director, GENEROSITY Inc. (to present) </p> <p data-bbox="504 913 1407 1124"> [Reasons for appointment as a candidate for Director] Mr. Kei Sugawara has contributed to the Company's business in a wide range of fields since assuming office as the Company's Director in September 2001. In 2012, he led a drive to have the Company's shares listed on the stock exchange in his capacity as Chief Financial Officer (CFO), and has also demonstrated his management skill. He currently takes a leadership in the Group as Vice Chairperson and CFO. In light of these achievements, we propose his reelection as a Director. </p>

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions
3	 <p data-bbox="261 468 485 557">Hajime Endo (September 10, 1973) [Reappointed]</p> <p data-bbox="268 589 478 678">Number of shares of the Company held: 952 shares</p> <p data-bbox="268 710 478 860">Period in office: 1 year and 0 months *As of the conclusion of this General Meeting of Shareholders</p>	<p data-bbox="507 203 1407 259">April 1996 Joined YANASE & CO., LTD. May 1998 Joined Funai Consulting Inc.</p> <p data-bbox="507 275 1407 331">February 2003 Joined Taiyo System Technology Co., Ltd. (currently DIGITAL VORN CO., LTD.)</p> <p data-bbox="507 338 1407 365">March 2005 Joined TASHIRO CO., LTD.</p> <p data-bbox="507 371 1407 398">January 2007 Director, cosme next Co. Ltd. (currently istyle retail Inc.)</p> <p data-bbox="507 405 1407 432">June 2012 Director, Cosme.com Inc. (currently istyle retail Inc.)</p> <p data-bbox="507 439 1407 465">July 2012 Joined the Company</p> <p data-bbox="507 472 1407 528">July 2014 Representative Director, Cosme.com Inc. (currently istyle retail Inc.)</p> <p data-bbox="507 535 1407 591">July 2014 Representative Director, cosme next Co. Ltd. (currently istyle retail Inc.) (to present)</p> <p data-bbox="507 598 1407 624">July 2015 Representative Director, istyle trading Inc.</p> <p data-bbox="507 631 1407 658">April 2016 Director, istyle China Corporation Limited (to present)</p> <p data-bbox="507 665 1407 692">October 2016 Chairman, istyle Retail (Hong Kong) Co., Limited</p> <p data-bbox="507 698 1407 754">October 2017 Representative Director, iMakers Inc. (merged into istyle trading Inc. as of April 1, 2020)</p> <p data-bbox="507 761 1407 788">April 2018 Representative Director, istyle Retail (Thailand) Co., Limited</p> <p data-bbox="507 795 1407 822">September 2018 Director, istyle trading Inc. (to present)</p> <p data-bbox="507 828 1407 855">July 2019 Representative Director, istyle career Inc.</p> <p data-bbox="507 862 1407 889">July 2020 Director, istyle Retail (Hong Kong) Co., Limited (to present)</p> <p data-bbox="507 896 1407 922">September 2022 Representative Director and COO, the Company (to present)</p> <p data-bbox="507 929 1407 956">January 2023 Director, istyle career Inc. (to present)</p> <p data-bbox="507 963 1407 990">July 2023 Representative Director, Sydney, Inc. (to present)</p> <p data-bbox="507 996 1407 1023">July 2023 Director, istyle China Co., Limited (to present)</p> <p data-bbox="507 1030 1407 1249">[Reasons for appointment as a candidate for Director] After working for Funai Consulting Inc. and TASHIRO CO., LTD., Mr. Hajime Endo joined cosme next Co. Ltd.* in January 2007 at the time of establishment as a Director, partaking in the istyle Group. In July 2014, he was appointed as Representative Director of cosme next Co. Ltd. and led the Group as an executive in charge of the retail divisions, which operates retail and E-commerce businesses in Japan and overseas. Since September 2022, he has served as Representative Director and COO of the Company, contributing to the growth of the Group during the 24th business term. In light of these achievements, we propose his election as a Director.</p> <p data-bbox="507 1281 1407 1339">*cosme next Co. Ltd. merged with Cosme.com Inc. on July 1, 2021 and changed its corporate name to istyle retail Inc.</p>

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions
4	 <p>Meyumi Yamada (August 30, 1972) [Reappointed]</p> <p>Number of shares of the Company held: 715,200 shares</p> <p>Period in office: 24 years and 2 months *As of the conclusion of this General Meeting of Shareholders</p>	<p>April 1995 Joined KOEI KOGYO Co., Ltd. May 1997 Joined Kiss Me Cosmetics co., Ltd. (currently ISEHAN co., Ltd.) July 1999 Founded the Company; Representative Director, the Company December 2009 Director, the Company (to present) May 2012 Representative Director, Cyberstar Inc. (merged into the Company as of July 1, 2017) * September 2015 Director, MEDIA GLOBE CO., LTD. (to present) March 2016 Representative Director, IS Partners Inc. June 2017 Outside Director, SEINO HOLDINGS CO., LTD. (to present) June 2017 Outside Director, JAPAN POST INSURANCE Co., Ltd. June 2021 Outside Director, Sompo Holdings, Inc. (to present) May 2022 Outside Director, Seven & i Holdings Co., Ltd. (to present)</p> <p>*1. Cyberstar Inc. changed its corporate name to istyle Beauty Solutions Inc. effective on August 1, 2014. *2. Ms. Meyumi Yamada is a candidate for non-executive Director.</p> <p>[Reasons for appointment as a candidate for Director] Ms. Meyumi Yamada co-founded the Company together with Mr. Tetsuro Yoshimatsu, and dedicated herself to launching @cosme, the Company's mainstay service, raising it to be Japan's largest comprehensive site for cosmetics and beauty. She has contributed to the Company's organizational development while creating systems and a corporate culture that enables women to play an active role and by being a proactive role model. In light of these achievements, and in consideration of the leadership role for women she is expected to fulfill going forward, we propose her reelection as a Director.</p>
5	 <p>Michimasa Naka (August 14, 1964) [Reappointed] [Outside Director] [Independent Officer]</p> <p>Number of shares of the Company held: 36,112 shares</p> <p>Period in office: 9 years and 0 months *As of the conclusion of this General Meeting of Shareholders</p>	<p>April 1989 Joined Salomon Brothers Asia Limited October 2009 Director, Citigroup Global Markets Japan Inc. December 2009 Executive Vice President, Citigroup Global Markets Japan Inc. November 2010 Representative Director and President, StormHarbour Japan Ltd. March 2011 Auditor, GLM. Co., Ltd. July 2014 Director, Asuka Asset Management Co., Ltd. July 2014 Director, eWell Co., Ltd. September 2014 Director, the Company (to present) October 2014 Director and Chairman, StormHarbour Japan Ltd. November 2014 Director, GENIEE, Inc. July 2015 Director, Prevent Small Amount Short Term Insurance Inc. (currently MIKATA Small Amount Short Term Insurance Co., Ltd.) (to present) July 2016 Representative Director, Boardwalk Capital Co., Ltd. (to present) June 2017 Representative Director, Accelerator Inc. (to present) December 2018 Executive Director, Boardwalk Trading Co., Ltd. (to present) March 2019 Director, Vision Inc. (to present) May 2020 Director, VECTOR, INC. (to present) May 2021 Outside Director, Houyou.inc (currently Houyou inc.) (to present) September 2022 Outside Director, Adrex, Co., Ltd. (to present) October 2022 Outside Director, HR Cloud, Co., Ltd. (to present)</p> <p>[Reasons for appointment as a candidate for Director and expected roles] Mr. Michimasa Naka has a global track record in the field of finance. At Boardwalk Capital Co., Ltd., which he established on his own, he has left his mark in support of startup companies. We propose his reelection as an Outside Director in order that he may utilize his extensive business experience as a business manager for the management of the Group. Based on his abovementioned extensive business experience and broad knowledge, we expect that he can offer appropriate advice on the Company's business expansion and overall management as an Outside Director.</p>

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions
6	 <p>Shinsuke Usami (October 12, 1972) [Reappointed] [Outside Director] [Independent Officer]</p> <p>Number of shares of the Company held: 0 shares</p> <p>Period in office: 2 years and 0 months *As of the conclusion of this General Meeting of Shareholders</p>	<p>April 1996 Joined Tohmatsu Consulting Co., Ltd. (currently Deloitte Tohmatsu Consulting LLC)</p> <p>September 1999 Founded axiv.com (currently CARTA HOLDINGS, INC.); Director and COO, axiv.com</p> <p>September 2002 Representative Director and CEO, axiv.com (currently CARTA HOLDINGS, INC.)</p> <p>December 2005 Director, CyberAgent, Inc.</p> <p>October 2018 Representative Director, VOYAGE GROUP, Inc. Split Preparatory Company (currently CARTA HOLDINGS, INC.)</p> <p>January 2019 Chief Executive Officer, CARTA HOLDINGS, INC. (to present)</p> <p>January 2019 Director, cyber communications inc. (currently CARTA COMMUNICATIONS Inc.)</p> <p>July 2019 Outside Director, Fringe81 Co., Ltd. (currently Unipos Inc.)</p> <p>January 2020 DJN Board, Dentsu Group Inc.</p> <p>September 2021 Director, the Company (to present)</p> <p>January 2023 DJ Advisory Board, Dentsu Group Inc. (to present)</p> <p>July 2023 Chairperson, CARTA COMMUNICATIONS Inc. (to present)</p> <p>[Reasons for appointment as a candidate for Director and expected roles] Mr. Shinsuke Usami has an extensive track record in the field of Internet advertising. In addition to listing the company he established on his own, axiv.com (currently CARTA HOLDINGS, INC.), he has contributed to business expansion as said company's Representative Director. We propose his reelection as an Outside Director in order that he may utilize his extensive business experience as a business manager for the management of the Group. Based on his abovementioned extensive business experience and broad knowledge, we expect that he can offer appropriate advice on the Company's business expansion and overall management as an Outside Director.</p>

(Notes)

1. No conflicts of interest exist between the Company and any of the above candidates.
2. The number of shares of the Company held by each candidate is stated as the number of shares substantially held, including interest in the Directors' Shareholding Association of the Company.
3. At JAPAN POST INSURANCE Co., Ltd., where Ms. Meyumi Yamada served as Outside Director from June 2017 to June 2022, incidents were detected pertaining to the switch over of contracts that may have caused disadvantage to customers and were not in line with their intentions. On December 27, 2019, the company received an administrative disposition over the matter from the Financial Services Agency based on the Insurance Business Act, etc. However, Ms. Yamada consistently made statements from the standpoint of compliance with laws and regulations. After the revelation of these incidents, she performed her responsibilities as Director by making proposals for the protection of customers and to prevent recurrence.
4. Messrs. Michimasa Naka and Shinsuke Usami are candidates to become Outside Directors.
5. Messrs. Michimasa Naka and Shinsuke Usami meet the requirements for Independent Officers prescribed by the Tokyo Stock Exchange, as well as the Company's "Independence Criteria for Outside Officers," and there is no risk of conflict of interest with general shareholders. The Company has therefore continued to register them as Independent Officers with the Tokyo Stock Exchange. In addition, Mr. Usami is the Chairperson of CARTA COMMUNICATIONS Inc., which is a major business partner of the Company, but as he is not a business executor of that company, we believe that he meets the Company's "Independence Criteria for Outside Officers."
6. Messrs. Michimasa Naka and Shinsuke Usami currently serve as Outside Directors of the Company and their terms of office as Outside Directors will reach nine years for Mr. Naka and two years for Mr. Usami at the conclusion of this Annual General Meeting of Shareholders.
7. Liability limitation agreement
The Company has entered into agreements with Ms. Meyumi Yamada and Messrs. Michimasa Naka and Shinsuke Usami to limit their liabilities for damages pursuant to the provisions of Article 423, Paragraph 1 of the Companies Act. The agreements limit the amount of their liabilities for damages to the minimum liability amount provided under Article 425, Paragraph 1 of the same Act. If the reelections of Ms. Yamada and Messrs. Naka and Usami are approved as proposed, the Company plans to continue the same liability limitation agreement with them.
8. The Company has entered into a directors' and officers' liability insurance contract (D&O insurance contract) with an insurance company and intends to renew said contract in April 2024. The insurance contract covers legal damages and litigation expenses, etc. incurred by the insured individual as the result of unjust acts committed by the insured based on his or her position, and the Company will bear the entire premium for all insured parties. If each candidate is elected, each candidate will be included in the contract as an insured party.


Proposal 2: Election of 3 Auditors

The terms of office of 3 current Auditors will expire at the conclusion of the 24th Annual General Meeting of Shareholders. Accordingly, we propose the election of 3 Auditors (including 3 Outside Auditors).

The Board of Auditors has given its approval to this proposal in advance.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions
1	 <p>Hitoshi Hara (May 14, 1963) [Reappointed] [Outside Auditor] [Independent Officer]</p> <p>Number of shares of the Company held: 0 shares</p> <p>Period in office: 15 years and 7 months *As of the conclusion of this General Meeting of Shareholders</p>	<p>October 1992 Joined Asahi & Co. (currently KPMG AZSA LLC) April 1997 Registered as a Certified Public Accountant August 2001 Joined Interaset Co., Ltd.; General Manager, President Office September 2005 Joined TOYO SHINYAKU Co., Ltd.; General Manager, Corporate Planning Department and Head of Administration Division October 2007 Director, Argel Consulting Co., Ltd. (to present) February 2008 Auditor, the Company (to present) December 2013 Auditor, ReNet Japan Group Co., Ltd. December 2021 Outside Director and Audit & Supervisory Committee Member, ReNet Japan Group Co., Ltd. (to present)</p> <p>[Reasons for appointment as a candidate for Auditor] Mr. Hitoshi Hara possesses expert knowledge as a certified public accountant. After gaining corporate experience in audit corporations and the administrative division of business companies, he has served as Corporate Auditor of the Company since 2008. Based on his deep understanding of the Company's business, together with his fair, multi-perspective judgment on the legality of the execution of duties by Directors and the adequacy of accounting audits, his valuable advice contributes to securing sound management of the Company. Based on his relevant expertise and extensive experience, we therefore propose his reelection as an Outside Auditor.</p>
2	 <p>Kenji Miyako (November 14, 1959) [Reappointed] [Outside Auditor] [Independent Officer]</p> <p>Number of shares of the Company held: 17,620 shares</p> <p>Period in office: 16 years and 9 months *As of the conclusion of this General Meeting of Shareholders</p>	<p>April 1983 Joined Arthur Andersen Accounting Firm March 1989 Founded Miyako Accounting Office (currently Altus Tax Accountants' Corporation); Representative Partner (to present) August 1990 Founded Altus Co., Ltd.; Representative Director (to present) September 1992 Director, GLOBIS Corporation September 2003 Auditor, MACROMILL, INC. December 2006 Auditor, the Company (to present) March 2011 Auditor, Trenders, Inc. (to present) July 2011 Director, Digital Coast Inc. (currently TeamSpirit Inc.) June 2013 Auditor, GLOBIS Corporation (to present) July 2016 Auditor, toBe marketing, inc (to present) September 2016 Director, SATORI, Inc. (to present) June 2017 Auditor, ASIRO Inc. (to present) June 2018 Auditor, CyberBuzz, Inc. December 2019 Auditor, OPEN8 Inc. (to present) May 2020 Auditor, Photoruction Inc. (to present) December 2022 Outside Director and Audit & Supervisory Committee Member, CyberBuzz, Inc. (to present)</p> <p>[Reasons for appointment as a candidate for Auditor] Mr. Kenji Miyako possesses expert knowledge as a certified public tax accountant, and manages his own companies as the representative of Altus Group (Altus Tax Accountants' Corporation and Altus Co., Ltd., etc.), while serving as outside director or auditor at numerous companies. Based on his abundant relevant corporate experience, together with his fair judgment on the legality of the execution of duties by Directors and the adequacy of accounting audits from a wide perspective, his valuable advice contributes to securing sound management of the Company. Based on his relevant expertise and extensive experience, we therefore propose his reelection as an Outside Auditor.</p>

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions
3	 <p>Junko Kotakemori (January 16, 1968) [Newly appointed] [Outside Auditor] [Independent Officer]</p> <p>Number of shares of the Company held: 0 shares</p>	<p>April 1990 Joined The Nikko Securities Co., Ltd. (currently SMBC Nikko Securities Inc.)</p> <p>October 1995 Joined KPMG Century Audit Corporation (currently KPMG AZSA LLC)</p> <p>April 1999 Registered as a Certified Public Accountant</p> <p>October 2001 Seconded to KPMG Visual Assurance Co., Ltd. (currently KPMG Consulting Co., Ltd.)</p> <p>October 2008 Established Kotakemori CPA Office; Representative (to present)</p> <p>March 2019 Full-time Auditor, toBe marketing, inc</p> <p>[Reasons for appointment as a candidate for Auditor] Ms. Junko Kotakemori possesses expert knowledge as a certified public accountant. After serving in audit corporations, she established Kotakemori CPA Office and offers a wide range of services to numerous clients. Based on her relevant expertise and experience, we have concluded that she can pass fair judgment on the legality of the execution of duties by Directors and the adequacy of accounting audits, and offer valuable advice that will contribute to securing sound management of the Company. . We therefore propose her election as an Outside Auditor, although she has never been involved in corporate management.</p>

(Notes)

1. No conflicts of interest exist between the Company and any of the above candidates.
2. Each candidate is a candidate for Outside Auditor.
3. Messrs. Hitoshi Hara and Kenji Miyako and Ms. Junko Kotakemori meet the requirements for Independent Officers prescribed by the Tokyo Stock Exchange, as well as the Company's "Independence Criteria for Outside Officers," and there is no risk of conflict of interest with general shareholders. The Company has therefore registered all of them as Independent Officers with the Tokyo Stock Exchange.
4. Messrs. Hitoshi Hara and Kenji Miyako currently serve as Outside Auditors of the Company and their terms of office as Outside Auditors will reach 15 years, seven months for Mr. Hara and 16 years, nine months for Mr. Miyako at the conclusion of this Annual General Meeting of Shareholders.
5. Liability limitation agreement
The Company has entered into agreements with Messrs. Hitoshi Hara and Kenji Miyako to limit their liabilities for damages pursuant to the provisions of Article 423, Paragraph 1 of the Companies Act. The agreements limit the amount of their liabilities for damages to the minimum liability amount provided under Article 425, Paragraph 1 of the same Act. If the reelections of Messrs. Hara and Miyako are approved as proposed, the Company plans to continue the same agreement with them. In addition, if the election of Ms. Junko Kotakemori is approved, the Company plans to enter into the same agreement with her.
6. The Company has entered into a directors' and officers' liability insurance contract (D&O insurance contract) with an insurance company and intends to renew said contract in April 2024. The insurance contract covers legal damages and litigation expenses, etc. incurred by the insured individual as the result of unjust acts committed by the insured based on his or her position, and the Company will bear the entire premium for all insured parties. If each candidate is elected, each candidate will be included in the contract as an insured party.

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