

Translation: Please note that the following purports to be an accurate and complete translation of the original Japanese version prepared for the convenience of investors. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

2-20-4 Nishigotanda, Shinagawa-ku, Tokyo, Japan
PARK24 CO., LTD.

Koichi Nishikawa

President and Representative Director

Notice of the 39th Ordinary General Meeting of Shareholders

PARK24 CO., LTD.

Particulars

1. Date and Time:

Thursday, January 25, 2024, at 10:00 a.m. (JST)

2. Venue:

Hotel Grand Nikko Tokyo Daiba, Palais Royal on the first basement level, at 6-1, Daiba 2-chome, Minato-ku, Tokyo, Japan

3. Purpose of the Meeting:

Matters to be Reported

- (1) Report on the Business Report, Consolidated Financial Statements, and the Audit Results of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee for the 39th Business Period (from November 1, 2022 to October 31, 2023)
- (2) Report on the Non-Consolidated Financial Statements for the 39th Business Period (from November 1, 2022 to October 31, 2023)

Matters to be Resolved:

Proposal (1): Election of Seven (7) Directors (Excluding Directors who serve as Audit and Supervisory Committee Member)

Proposal (2): Election of Two (2) Directors who serves as an Audit and Supervisory Committee Member

Proposal (3): Revision of the Amounts of Compensation, etc. to be Paid to Directors Serving as Audit and Supervisory Committee Members

Proposal (4): Determination of Compensation for Granting Restricted Stock to Directors (Excluding Directors who serve as Audit and Supervisory Committee Members and Outside Directors)

If any revisions are made to the Reference Documents for the Ordinary General Meeting of Shareholders, they will be posted on the website of PARK24 CO., LTD. (“the Company”). The URL is “<https://www.park24.co.jp/en/>”.

Proposal (1): Election of Seven (7) Directors (Excluding Directors Who Serve as Audit and Supervisory Committee Members)

The terms of office of all of the six current directors will expire at the end of this Ordinary General Meeting of Shareholders. Accordingly, we propose the election of seven Directors (excluding Directors who serve as Audit and Supervisory Committee Members), including two new Directors, by increasing the number of Directors by one in order to strengthen the management structure. Director Shingo Yamanaka, who will retire due to the expiration of his term of office, is a candidate for Director as a member of the Audit and Supervisory Committee at this General Meeting of Shareholders.

The selection of candidates for Directors was finalized by the Board of Directors by consulting with the Nomination, Compensation & Governance Committee (headed by an Outside Director and all members except the President and Representative Director are Outside Directors) to increase fairness, transparency and objectivity, taking into account the reports of committee.

Moreover, this proposal has been considered by the Audit and Supervisory Committee, but they have expressed no opinion.

The candidates for Directors (excluding Directors who serve as Audit and Supervisory Committee Members) are as follows.

* Please refer to [Reference] on page 10 for the skill matrix

[1] Koichi Nishikawa (Born October 13, 1964)

Reappointed

Number of shares of the company held: 8,110,460 shares

Reasons for Selecting the Candidate for Director

Since joining the Company in 1993, Mr. Koichi Nishikawa has been working in the Parking Business, and after gaining experience as a general manager and director in sales and information systems, he assumed the office of President and Representative Director in 2004. He has extensive business experiences in the Parking Business and the Mobility Business, as well as knowledge of corporate management in general, and the Company proposes that he is reappointed as Director.

Skills possessed by the Director candidate:

Corporate Management, Global Business, Information Systems/Technology

Controls in our Group:

Parking Business Japan, Parking Business International

Career Summary, Position and Responsibilities and Important Concurrent Positions

Apr 1989	Joined Amada Co., Ltd.
Nov 1993	Joined the Company
Jan 1994	Director of the Company
Jan 1998	Director, Executive Corporate Officer of the Company
Nov 2000	President and Representative Director of TIMES24 CO., LTD. (currently TIMES SERVICE CO., LTD.)
Jan 2004	President and Representative Director of the Company (incumbent)
Jun 2006	President and Representative Director of Senju Co. Ltd. (incumbent)
Mar 2009	Chairman and Representative Director of MAZDA Car Rental Corp. (currently TIMES

	MOBILITY CO., LTD.)
Dec 2010	President and Representative Director of TIMES24 CO., LTD. (incumbent)
Feb 2018	Director of NATIONAL CAR PARKS LIMITED (incumbent)
Nov 2019	Chairman and Representative Director of TIMES MOBILITY CO., LTD. (incumbent)

[2] Kenichi Sasaki (Born October 24, 1967)

Reappointed

Number of shares of the company held: 163,616 shares

Reasons for Selecting the Candidate for Director

Since joining the Company in 1996, Mr. Kenichi Sasaki has been working in the Parking Business and has also worked as president of parking facility maintenance company and contact center company. He has also been in charge of corporate planning for many years, promoting the expansion of business areas, IR, strategy, vision building, etc., as well as being in charge of human resources and business administration and chairman of the Sustainability Committee, and is familiar with the management of the entire Group both in Japan and overseas. He has knowledge of corporate management and corporate administration in general and the Company proposes that he is reappointed as Director.

Skills possessed by the Director candidate:

Corporate Management, Accounting/Finance, Human Resources Development/Diversity, Equity and Inclusion, Sustainability

Controls in our Group:

Corporate administration, Human Resources Development, Diversity, Equity and Inclusion

Career Summary, Position and Responsibilities and Important Concurrent Positions

Apr 1990	Joined Recruit Cosmos Co., Ltd. (currently COSMOS INITIA Co., Ltd.)
Jul 1996	Joined the Company
Nov 2005	Corporate Officer of the Company
Jan 2009	Director, Corporate Officer of the Company
Nov 2012	President and Representative Director of TIMES SERVICE CO., LTD.
Nov 2013	President and Representative Director of TIMES COMMUNICATION CO., LTD.
Jan 2017	Director of SECURE PARKING PTY LTD (incumbent)
Aug 2017	Director of NATIONAL CAR PARKS LIMITED (incumbent)
Nov 2017	Director, Senior Executive Corporate Officer of the Company
Nov 2019	Director, Vice President Corporate Officer of TIMES MOBILITY CO., LTD. (incumbent)
Nov 2023	Director of TIMES24 CO., LTD. (incumbent) President and Representative Director of PARK24 BUSINESS SUPPORT CO., LTD. (incumbent)

[3] Norifumi Kawakami (Born April 21, 1965)

Reappointed

Number of shares of the company held: 131,600 shares

Reasons for Selecting the Candidate for Director

Since joining the Company in 2003, Mr. Norifumi Kawakami has served as general manager of information systems of the Group, making use of his experience working at system companies and consulting companies to promote the use of information technology in the Parking and the Mobility

Business, the building of operating systems and the improvement of business efficiency, and has dedicated himself to the growth of the Mobility Business, particularly Times CAR. He has knowledge of corporate management and information systems in general and the Company proposes that he is reappointed as Director.

Skills possessed by the Director candidate:

Corporate Management, Information Systems/Technology

Controls in our Group:

Mobility Business, Information Systems/Technology, Marketing

Career Summary, Position and Responsibilities and Important Concurrent Positions

Mar 1986	Joined Fujitsu FIP Corporation.
Oct 1989	Joined Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.)
May 1999	Joined A.T. Kearney K.K.
Oct 2003	Joined the Company
Nov 2007	Corporate officer of the Company
Jan 2013	Director, Corporate Officer of the Company
Jan 2017	Director of SECURE PARKING PTY LTD (incumbent)
Aug 2017	Director of NATIONAL CAR PARKS LIMITED (incumbent)
Nov 2018	Director, Executive Corporate Officer of the Company (incumbent)
Nov 2019	President and Representative Director of TIMES MOBILITY CO., LTD. (incumbent)
Nov 2022	Director, Senior Executive Corporate Officer of TIMES24 CO., LTD. (incumbent)

[4] Takao Miki (Born October 7, 1971)

New appointment

Number of shares of the company held: 0 shares

Reasons for Selecting the Candidate for Director

Since joining the Company in 2017, Mr. Takao Miki has been developing his career leveraging his accounting and financing skills and extensive business overseas. In particular, he played a leading role in the launch and expansion of the Parking Business in Singapore and Malaysia, which was included in the Group in 2017, as well as the reform of the profit structure of the business. He is concurrently in charge of corporate planning, facilitating the planning and implementation of capital policies, financial accounting and new business launches amid the uncertainty about the future in the wake of the COVID-19 pandemic. He has knowledge of global business, accounting and financing, and the Company proposes that he be appointed as Director.

Skills possessed by the Director candidate:

Corporate Management, Global Business, Accounting/Finance, Sustainability

Controls in our Group:

Corporate planning, Accounting/Finance, Sustainability

Career Summary, Position and Responsibilities and Important Concurrent Positions

Oct 1995	Joined Asahi Audit Corporation (currently KPMG AZSA LLC)
Jul 2000	Joined Merrill Lynch Japan Securities Co., Ltd. (currently BofA Securities Japan Co., Ltd.)

Jul 2007	Joined Lehman Brothers Japan INC.
Jan 2009	Joined PricewaterhouseCoopers Limited Hong Kong
Apr 2011	Joined Merrill Lynch Japan Securities Co., Ltd. (currently BofA Securities Japan Co., Ltd.)
Jul 2013	Transferred Bank of America, N.A. Singapore Branch
Jan 2017	Joined the Company Director of SECURE PARKING PTY LTD (incumbent) Executive director of SECURE PARKING SINGAPORE PTE. LTD. (currently TIMES24 SINGAPORE PTE. LTD.) Executive director of SECURE PARKING CORPORATION SDN. BHD. (currently TIMES24 MALAYSIA SDN. BHD.)
Nov 2020	Corporate Officer of the Company (incumbent) Chairman and Director of PARK24 TAIWAN CO., LTD.
Nov 2023	Director, Corporate Officer of TIMES24 CO., LTD. (incumbent)

[5] Keisuke Kawasaki (Born September 23, 1965)

Reappointed

Number of shares of the company held: 40,000 shares

Reasons for Selecting the Candidate for Director

Since joining the Company in 2005, Mr. Keisuke Kawasaki had been working in new business development and planning and management divisions based on his human resources and legal skills, and had served as the head of the Business Development Division, the president of an operating company when the Company Group joined the Mobility Business in 2009, and in human resources and business management for the entire Group. In addition, as the person in charge of legal affairs and compliance, he promotes legal and intellectual property management and legal compliance for the entire group, and is also involved in the management of the group's affiliated companies. He has knowledge of corporate management and legal affairs and compliance in general, and the Company proposes that he is reappointed as Director.

Skills possessed by the Director candidate:

Corporate Management, Legal affairs and Compliance, Human Resources Development/Diversity, Equity and Inclusion

Controls in our Group:

Legal affairs and Compliance, Field work, Contact center

Career Summary, Position and Responsibilities and Important Concurrent Positions

Apr 1988	Joined Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.)
Jan 2005	Joined the Company
Nov 2013	President and Representative Director of Times Mobility Networks Co., Ltd. (currently TIMES MOBILITY CO., LTD.)
Jan 2014	Director of the Company
Nov 2017	Director, Corporate Officer of the Company Director of TIMES24 CO., LTD. (incumbent)
Nov 2019	Director of SECURE PARKING PTY LTD (incumbent)
Nov 2020	Chairman and Director of TIMES SERVICE CO., LTD. (incumbent)

Nov 2022 Director, Senior Corporate Officer of the Company (incumbent)
Nov 2023 Chairman and Director of TIMES COMMUNICATION CO., LTD. (incumbent)

[6] Yoshimitsu Oura (Born July 8, 1954)

Reappointed
Independent Outside Director
Number of shares of the company held: 0 shares

Reasons for Selecting the Candidate for Outside Director

Mr. Yoshimitsu Oura has experience in management as an executive officer of a listed company and has also served as an outside director of other companies. Therefore, the Company expects that he will be able to make decisions and provide supervision based on his extensive knowledge and experience and proposes him as a candidate for Outside Director. Moreover, to secure the independency of outside directors, the Company has its own standards on the independency of outside directors along with those established the Tokyo Stock Exchange (P.11-P.12). In addition, the Company has registered Mr. Oura as an independent director as defined by the Tokyo Stock Exchange and will continue to be an independent director if his election is approved.

Skills possessed by the Outside Director candidate:

Corporate Management, Accounting/Finance

Career Summary, Position and Responsibilities and Important Concurrent Positions

Apr 1977 Joined Nomura Securities Co., Ltd.
Jun 2003 Executive Corporate Officer of Nomura Securities Co., Ltd. and Corporate Officer of Nomura Holdings, Inc.
Mar 2009 Executive Corporate Officer of JAFCO Co., Ltd. (currently JAFCO Group Co., Ltd.)
Apr 2013 Senior Executive Corporate Officer of JAFCO Co., Ltd.
Aug 2014 Representative Director of With Value Co., Ltd. (incumbent)
May 2015 Outside Director of Arbeit-Times Co., Ltd.
Jun 2015 Part-time Corporate Auditor of Matching Service Japan Co., Ltd.
Jan 2016 Outside Director of the Company (incumbent)
Jun 2016 Directors and Audit and Supervisory Committee Member of Matching Service Japan Co., Ltd. (incumbent)
Sep 2017 Outside Director of CANDEAL Co., Ltd. (incumbent)

[7] Shoko Kuroki (Born May 26, 1963)

New appointment
Independent Outside Director
Number of shares of the company held: 0 shares

Reasons for Selecting the Candidate for Outside Director

Ms. Shoko Kuroki has deep knowledge of accounting, financing and the field of personnel affairs based on her work experience at a foreign consulting company and large IT corporation. The Company expects that she will contribute to the Company's decision-making and corporate supervision from a global perspective, and proposes that she be appointed Outside Director. Moreover, to secure the independency of outside directors, the Company has its own standards on the independency of outside directors along with those established the Tokyo Stock Exchange (P.11-P.12).

In addition, the Company has registered Ms. Kuroki as an independent director as defined by the Tokyo Stock Exchange and will be an independent director if her election is approved.

Skills possessed by the Outside Director candidate:

Global Business, Accounting/Finance, Human Resources Development/Diversity, Equity and Inclusion

Career Summary, Position and Responsibilities and Important Concurrent Positions

Apr 1987	Joined Mitsubishi Trust and Banking Corporation (currently Mitsubishi UFJ Trust and Banking Corporation)
Jan 1989	Joined Watson Wyatt Limited (currently Willis Towers Watson Public Limited Company)
Oct 1996	Joined Fujitsu Limited
Oct 2005	Part-time Corporate Auditor of Global Innovation Partners Inc. (Corporate Venture Fund, a wholly owned subsidiary of Fujitsu Limited)
Apr 2010	Member of the Fund Management Committee of Pension Fund Association for Local Government Office (Ministry of Internal Affairs and Communications) (Part-time)
Feb 2017	Director, Corporate Officer, General Manager of General Affairs and Accounting Headquarters (CFO•CHRO) of JASTECH CO., LTD.
Jun 2019	Outside Director of IX KNOWLEDGE INC. (incumbent)
Jun 2021	Outside Director of C'BON COSMETICS CO., LTD. (incumbent)
Apr 2022	Professor, Faculty of Economics, Teikyo University (incumbent)
Jun 2023	Outside Director of OSAKI ELECTRIC CO., LTD. (incumbent)
Oct 2023	Member of the Fund Management Committee of Organization for Workers Retirement Allowance Mutual Aid (Ministry of Health, Labour and Welfare) (Part-time, incumbent)

Notes)

1. There are no special interests between the Company and the candidate.
2. Mr. Oura' s term of office as Outside Director of the Company is eight years at the end of this Ordinary General Shareholders Meeting.

Proposal (2): Election of Two (2) Director who serves as an Audit and Supervisory Committee Member

The terms of office of the two current Directors as Audit and Supervisory Committee Members will expire at the end of this Ordinary General Meeting of Shareholders. Accordingly, the Company proposes the election of two Directors as Audit & Supervisory Committee Members, including one new candidate for Director as an Audit and Supervisory Committee Member.

The Audit and Supervisory Committee has given its consent to this proposal.

The nominees for Directors and Audit and Supervisory Committee Members are as follows.

* Please refer to [Reference] on page 10 for the skills matrix.

[1] Shingo Yamanaka (Born September 26, 1963)

New appointment

Number of shares of the company held: 15,000 shares

Reasons for Selecting the Candidate for Director as a member of the Audit and Supervisory Committee

Since joining the Company in 2001, Mr. Shingo Yamanaka has been working in the development and operation of parking facilities, contributing to the growth and development of the Parking Business. As a Director of the Company, he has been in charge of risk management, internal auditing, and compliance, and has promoted risk management, internal auditing, and legal compliance for the entire Group. He is nominated as a candidate for Director as a member of the Audit Committee in the expectation that he will improve the quality of auditing through decision-making and supervision based on his insight and experience.

Skills possessed by Candidate for Director as a member of the Audit and Supervisory Committee :

Legal affairs and Compliance

Career Summary, Position and Responsibilities and Important Concurrent Positions

Apr 1987	Joined Sumitomo Bank Limited (currently Sumitomo Mitsui Banking Corporation)
Sep 2001	Joined the Company
Nov 2015	General Manager of Compliance Department of the Company
Nov 2016	Corporate Officer, General Manager of Corporate Compliance Department of the Company
Jan 2020	Director, Corporate Officer, General Manager of Corporate Compliance Department of the Company
Nov 2023	Director, Corporate Officer of the Company (incumbent) Corporate Auditor of TIMES24 CO., LTD. (incumbent) Corporate Auditor of TIMES MOBILITY CO., LTD. (incumbent)

[2] Miho Niunoya (Born August 31, 1964)

Reappointed

Independent Outside Director

Number of shares of the company held: 0 shares

Reasons for Selecting the Candidate for Outside Director as a member of the Audit and Supervisory Committee

As an attorney, Ms. Miho Niunoya has supported the overseas expansion of other companies and the resolution of international disputes, providing legal support for businesses such as real estate and energy, working for many years, particularly in the field of corporate legal affairs. The Company selected her as a candidate for Outside Director as a member of the Audit and Supervisory Committee,

expecting that she will use her insight and experience to make decisions and provide supervision. She has no experience of being directly involved in corporate management in the past, but for the reasons stated above, the Company judges that she can appropriately perform her duties as an Outside Director. Moreover, to secure the independency of outside directors, the Company has its own standards on the independency of outside directors along with those established the Tokyo Stock Exchange (P.11-12). In addition, the Company has registered Ms. Niunoya as an independent director as defined by the Tokyo Stock Exchange, and will be an independent director if her election is approved.

Skills possessed by Candidate for Director as a member of the Audit and Supervisory Committee :

Legal affairs and Compliance, Sustainability

Career Summary, Position and Responsibilities and Important Concurrent Positions

Apr 1993	Registered as a Lawyer (Tokyo Bar Association) Joined Tokyo Aoyama Law Office (now Baker & Mackenzie Law Office)
Jul 1997	Joined Baker & McKenzie Consultants (Indonesia)
Jan 1998	Joined Baker & McKenzie (Singapore)
Dec 2000	Partner of Tokyo Aoyama Law Office (now Baker & Mackenzie Law Office)
Nov 2002	Senior Partner of Foreign Law Joint Business of Atsumi & Sakai Law Office (incumbent)
Dec 2010	Member of Public Procurement Monitoring Committee (now Public Contract Monitoring Committee) (Edogawa-ku) (incumbent)
Aug 2011	Expert Member of Incorporated Administrative agency Evaluation Committee (Ministry of Internal Affairs and Communications)
Jan 2020	Outside Director who serves as Audit and Supervisory Committee Members of the Company (incumbent)
Apr 2020	Member of the Study Group on the Appropriate Introduction and Management of Renewable Energy Power Generation Facilities (Ministry of Economy, Trade and Industry)
Sep 2022	Expert Member, Committee for Promotion of Private Finance Initiative (Cabinet Office) (incumbent)
Jun 2023	Outside Corporate Auditor of Sony Financial Group Inc. (incumbent)

Notes)

1. There are no special interests between the Company and the candidate.
2. Ms. Niunoya's term of office as Outside Director who serves as Audit and Supervisory Committee Members of the Company is four years at the end of this Ordinary General Shareholders Meeting.

[Reference 1] Board Structure and Skills Matrix if Proposals 1 and 2 are approved

Skills Matrix and Definition of Skills

We have identified seven skills necessary to lead our group, based on the five materialities (key issues) and medium-to long-term management strategies. The list below does not represent all of the knowledge and experience possessed by each director, but only those that are particularly important for the management of the Company.

			①	②	③	④	⑤	⑥	⑦
		Controls in our Group	Corporate Management	Global Business	Accounting/ Finance	Legal affairs and Compliance	Information Systems/ Technology	Human Resources Development/ Diversity, Equity and Inclusion	Sustainability
Directors	Koichi Nishikawa	Parking Business Japan, Parking Business International	✓	✓			✓		
	Kenichi Sasaki	Corporate administration, Human Resources Development/Diversity, Equity and Inclusion	✓		✓			✓	✓
	Norifumi Kawakami	Mobility Business, Information Systems/Technology, Marketing	✓				✓		
	Takao Miki	Corporate planning, Accounting/Finance, Sustainability	✓	✓	✓				✓
	Keisuke Kawasaki	Legal affairs and Compliance, Field work, Contact center	✓			✓		✓	
	Yoshimitsu Oura	Outside Director	✓		✓				
	Shoko Kuroki	Outside Director		✓	✓			✓	
Director who serves as an Audit and Supervisory Committee Member	Shingo Yamanaka	—				✓			
	Miho Niunoya	Outside Director				✓			✓
	Takashi Nagasaka	Outside Director	✓		✓				

Skill	Definition
① Corporate Management	<ul style="list-style-type: none"> • Growing existing businesses and creating new businesses and services aimed toward our medium-to long-term targets, expansion and seamless connection of the four networks: people, cars, communities, and parking facilities • Experience of corporate management as a corporate officer
② Global Business	<ul style="list-style-type: none"> • Operating international parking as a long-term growth driver • Acting in regions with different commercial practices and cultures to increase profits from existing businesses and create new services
③ Accounting/Finance	<ul style="list-style-type: none"> • Formulating and implementing a financial strategy that sustains a sound financial base, ensures enough investment for business growth, and enables a shareholder return in line with Company policy.
④ Legal affairs and Compliance	<ul style="list-style-type: none"> • Operating a compliance framework to secure public trust and maintain corporate value • Implementing strategies for legal affairs and intellectual property rights (patents, etc.) to protect against unfair disputes and competition and enable effective business management
⑤ Information Systems/ Technology	<ul style="list-style-type: none"> • Utilizing information systems and advanced technology to develop and improve the services of existing businesses and to create new businesses and services
⑥ Human Resources Development/ Diversity, Equity and Inclusion	<ul style="list-style-type: none"> • Drafting and implementing a human resources strategy and conducting human resources management, for recruitment. Realizing the full potential of employees, who are the source of sustainable corporate growth
⑦ Sustainability	<ul style="list-style-type: none"> • Setting up a virtuous circle to resolve environmental and social issues through business activities, and increase corporate value

[Reference 2]

Criteria for Independence of Outside Directors

PARK24 CO., LTD. (“the Company”) believes that, when establishing an appropriate framework concerning corporate governance, outside directors should be as independent as possible to ensure fairness, transparency and objectivity in management.

The Company has set out its own Criteria for Independence of Outside Directors as follows, and any Outside Director (including candidate; hereinafter the same shall apply) who falls under any of the following shall be deemed as not being sufficiently independent from the Company.

1. A person who previously belonged to the Company or one of its consolidated subsidiaries hereinafter referred to collectively as “the Group”) (see Note 1)
2. A major shareholder of the Company (see Note 2)
3. A person executing the business operations of a company, etc. that falls under any of the following:
 - (1) Major business partner of the Group (see Note 3)
 - (2) Major lender of the Group (see Note 4)
 - (3) Company, etc. in which the Group holds 10% or more of the voting rights
4. A person who is currently the accounting auditor of the Group or an employee, etc. of the accounting auditor and is in charge of the Group's auditing services as such an employee, etc.
5. A consultant, certified accountant, tax accountant, legal professional, judicial scrivener, patent attorney or other person providing a specialist service who received from the Group a large amount (see Note 5) of monetary consideration or other properties;
6. A person who has received a large donation from the Group (see Note 6)
7. A person executing the business operations of another company from which a person executing its business operations assumes the office of Outside Director of the Company (see Note 7)
8. A person whose close relative (see Note 8) falls under any of 1 to 7 above (with the exception of 4. and 5., only a person in an important position (see Note 9))
9. A person who falls under any of (2) to (8) above in the past three years;
10. Notwithstanding the foregoing, any other person in relation to whom special grounds that could give rise to a conflict of interests with the Company are deemed to exist.

(Notes)

1. Refers to an executive director, corporate officer or other employee who currently belongs to the Group (referred to collectively in these Criteria as “a person executing business operations”) or a person executing business operations who once belonged to the Group in the past.
2. A major shareholder shall mean a shareholder who at the end of the fiscal year concerned holds 10% or more of the voting rights of the Company in his or her own name or in the name of another person, or, where the major shareholder is a corporation, association or other organization, a major shareholder shall mean a person executing business operations who belongs to said organization.
3. A major business partner shall mean a supplier of products, etc. which contribute to the Group's provision of services whose annual transactions with the Company exceed 2% of the Company's consolidated sales or such business partner's consolidated sales.
4. A major lender shall mean a financial institution from whom the Group borrows and whose outstanding loans to the Group at the end of the fiscal year concerned exceeds 2% of the consolidated total assets of the Company or the consolidated total assets of such financial institution.
5. A large sum is defined as follows according to the involvement of the specialist in question in the provision of services.
 - (1) Where such specialist provides services to the Group as an individual, a large sum means when the annual consideration (excluding officers' remuneration) such specialist receives from the Group exceeds ten (10) million yen in a year.
 - (2) Where a corporation, association or other organization to which such specialist belongs provides services to the Group, a large amount shall mean when the total amount of

consideration such organization receives from the Group exceeds 2% of the total annual revenue of such organization.

6. A person who has received a large donation means a person who has received a donation of more than ten (10) million yen in a year from the Group. Where the person who received such donation is a corporation, association or other organization, a person who received a large donation shall mean a person who belongs to such organization and is directly involved in research, education or other activities relating to such donation.
7. Refers to a relationship where a person executing the business operations of the Group is the Outside Officer of another Company and a person executing the business activities of such other company is an Outside Director of the Company.
8. A close relative means spouse or relative within the second degree of kinship
9. A person with an important position means a director, executive, corporate officer, person executing business operations of general manager rank or above, or any other person executing business operations with authority equivalent to the foregoing.

Proposal (3): Revision of the Amounts of Compensation, etc. to be Paid to Directors Serving as Audit and Supervisory Committee Members

It was decided at the 31th Ordinary General Meeting of Shareholders held on January 27, 2016 that the amount of monetary compensation for Directors who serve as Audit and Supervisory Committee Members shall be a maximum of 50 million yen per year, and this decision has applied to date. In consideration of recent changes in the business environment, the Company proposes that the amount of compensation for Directors who serve as Audit and Supervisory Committee Members be revised to a maximum of 100 million yen per year. The Company has determined this proposal after comprehensively considering a range of factors such as the Company's business size, its compensation system and the level of compensation, as well as the optimal personnel structure for further enhancing corporate governance going forward, and it considers the proposal to be reasonable.

Also, the current number of Directors who serve as Audit and Supervisory Committee Members is three. If Proposal (2) is approved as proposed, there will be three Directors who serve as Audit and Supervisory Committee Members.

Proposal (4): Determination of Compensation for Granting Restricted Stock to Directors (Excluding Directors who serve as Audit and Supervisory Committee Members and Outside Directors)

At the 31th Ordinary General Meeting of Shareholders held on January 27, 2016, shareholders approved an annual amount of compensation for the company's Directors (excluding Directors who serve as Audit and Supervisory Committee Members) of 500 million yen or less (excluding the employee wages of the Directors who also serve as employees).

As part of the review of the compensation system for Directors, the Company will give an incentive to the Company's Directors (excluding Directors who serve as Audit and Supervisory Committee Members and Outside Directors; hereinafter referred to as the "Eligible Directors"), thereby ensuring that they facilitate continuous improvements in the Company's corporate value while also moving forward with the sharing of value with the stakeholders. To this end, the Company proposes that compensation for granting restricted stock be paid to the Eligible Directors separately from the compensation framework above.

Based on this proposal, the compensation to be paid for granting the restricted stock to the Eligible Directors shall be monetary claims, and their total annual amount shall be 200 million yen or less (excluding the employee wages of the Directors who also serve as employees). In addition, the specific time of payment and allocation to each Eligible Director shall be determined by the Board of Directors.

The Eligible Directors shall pay all monetary claims given by this proposal based on a resolution of the Board of Directors of the Company as property contributed in kind and receive the issuance or disposal of the Company's common stock. The total annual number of the Company's common stock to be issued or disposed of by this shall be 200,000 shares or less (however, after the date of approval of this proposal, if a share split, including the allotment of the Company's common stock without contribution, or consolidation of the Company's common stock is conducted, or if any other event requiring an adjustment to the total number of the Company's common stock to be issued or disposed of as the restricted stock arises, the total number of the Company's common stock shall be adjusted within a reasonable range).

The amount per share of the Company's common stock to be paid in shall be within the scope which will not be particularly favorable to the Eligible Directors. They will underwrite the said common stock as determined at a meeting of the Board of Directors based on the closing price of shares of the Company's common stock on Tokyo Stock Exchange on the business day immediately preceding the date of each resolution of the Board of Directors (if there is no closing price on such business day, the closing price on the trading day immediately prior thereto).

The issuance or disposal of the Company's common stock based on this system and the payment of monetary claims as the property contributed in kind shall be subject to the conclusion of a restricted stock allotment contract, including the content below (hereinafter referred to as the "Allotment Contract") between the Company and the Eligible Directors.

The Company believes that the maximum amount of compensation in this proposal, the total number of the Company's common stock to be issued or disposed of, and other conditions for granting the restricted stock to the Eligible Directors based on this proposal are appropriate because they have been determined in consideration of the purpose above, the business conditions of the Company, the policy for determining of the details of compensation, etc. for individual Directors of the Company (for the details of the relevant policy, please refer to "Directors' Compensation and Other Benefits " in the Integrated Report 2022, link is below) and other factors.

-Integrated Report 2022

https://ssl4.eir-parts.net/doc/4666/ir_material_for_fiscal_ym22/138780/00.pdf#page=28

Currently, there are five Eligible Directors. If Proposal (1) "Election of Seven (7) Directors (excluding Directors who serve as Audit and Supervisory Committee Members)" is approved as proposed, the number of Directors (excluding Directors serving as Audit and Supervisory Committee Members) will be seven (including two (2) Outside Directors). There will therefore be five (5) Eligible Directors.

If the proposal regarding this system is approved as proposed at the General Meeting of Shareholders, the Company will introduce a similar restricted stock compensation system for Corporate Officers who do not serve as Directors of the Company and Directors of the Company's subsidiaries.

[Outline of the Allotment Contract]

(1) Transfer restriction period

During the period from the date of the allotment of the Company's common stock based on the Allotment Contract until the time immediately following the executive or employee's retirement or resignation from their position within the Company or its subsidiary that is predetermined by the Board of Directors of the Company (hereinafter the "Transfer Restriction Period"), the Eligible Directors may not transfer, create a security interest in, or dispose of the Company's common stock allotted based on the Allotment Contract (hereinafter the "Allotted Stock") (hereinafter, the "Transfer Restriction").

(2) Handling at the time of retirement or resignation

If an Eligible Director retires or resigns from their position as an executive or employee of the Company or its subsidiary that is predetermined by the Board of Directors of the Company before the expiration of the period of service predetermined by the Board of Directors of the Company (hereinafter the "Service Provision Period"), the Company shall automatically acquire the Allotted Stock without consideration, unless there is a justifiable reason for the Eligible Director's resignation or retirement, such as the expiration of their term of office or death.

(3) Lifting of the transfer restriction

The Company shall lift the Transfer Restriction on all the Allotted Stock when the Transfer Restriction Period expires on the condition that the Eligible Director was continuously in the position of an executive or employee of the Company or its subsidiary as predetermined by the Board of Directors of the Company during the Service Provision Period. However, (i) if the Eligible Director retires or resigns from their position as an executive or employee of the Company or its subsidiary that is predetermined by the Board of Directors of the Company before the Service Provision Period expires for a justifiable reason, or (ii) if the Eligible Director retires or resigns from their position as an executive or employee of the Company or its subsidiary that is predetermined by the Board of Directors of the Company before the expiry of the Transfer Restriction Period for any reason other than a justifiable reason even after the Service Provision Period expires, the number of the Allotted Stock the Transfer Restriction of which is lifted and the time when the Transfer Restriction is lifted will be adjusted rationally as needed.

In addition, the Company shall automatically acquire the Allotted Stock on which the Transfer Restriction is not lifted without consideration immediately after the Transfer Restriction is lifted pursuant to the provisions above.

(4) Handling in cases of organizational restructuring, etc.

Notwithstanding the provisions of (1) above, if a merger agreement in which the Company will become a disappearing company, a share exchange agreement or a share transfer plan in which the Company will become a wholly owned subsidiary, or other matters concerning organizational restructuring, etc. is approved at a General Meeting of Shareholders of the Company (or the Board of Directors of the Company, if there is no need to obtain approval at a General Meeting of Shareholders for the organizational restructuring, etc.), the Company shall lift, prior to the effective date of the organizational restructuring, etc., the Transfer Restriction on the Allotted Stock, the number of which shall be determined rationally by a resolution of the Board of Directors of the Company in light of the period from the commencement date of the Transfer Restriction Period to the approval date of the organizational restructuring, etc.

In the cases set forth above, the Company shall automatically acquire the Allotted Stock on which the Transfer Restriction is still not lifted without consideration immediately after the Transfer Restrictions is lifted.

(5) Other matters

Other matters concerning the Allotment Contract shall be set forth by the Board of Directors of the Company.