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Securities Code: 5842

March 11, 2024

To Our Shareholders

Reijiro Yamamoto,
Representative Director & Partner
Integral Corporation
1-9-2, Marunouchi, Chiyoda-ku, Tokyo

CONVOCATION NOTICE OF THE 18TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Integral Corporation (“the Company”) is pleased to announce that its 18th Annual General Meeting of Shareholders will be held as described below.

When convening this general meeting of shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on the following websites on the Internet. Please access any of these websites to review the information.

[Company website]

<https://www.integralkk.com> (in Japanese)

(From the above website, select “IR,” and then “Annual Shareholders’ Meeting.”)

[Sumitomo Mitsui Trust Bank, Limited website (General Meeting of Shareholders Portal)]

<https://www.soukai-portal.net> (in Japanese)

(Access the above website and enter the login ID and password indicated on the Voting Rights Exercise Form.)

[TSE website (Listed Company Search)]

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

(Access the TSE website by using the Internet address shown above, enter “Integral Corporation” in “Issue name (company name)” or the Company’s securities code “5842” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

If you are unable to attend the Meeting on the day, you may exercise your voting rights by electromagnetic means (via the Internet, etc.) or in writing (by mail), in which case we ask that you please exercise your voting rights by 6 p.m. on Monday, March 25, 2024 (Japan Time), after examining the attached reference documents for the General Meeting of Shareholders.

[Exercise of voting rights by electromagnetic means (via the Internet, etc.)]

Access the website (<https://www.web54.net>) designated by the Company for exercise of voting rights and input your approval or disapproval of the respective items for resolution according to the guidance on the screen using your Voting Rights Exercise Code and Password, both of which are indicated on the Voting Rights Exercise Form that is sent to you with this Notice, by the voting deadline indicated above.

[Exercise of voting rights in writing (by mail)]

Please indicate your approval or disapproval of the respective items for resolution on the Voting Rights Exercise Form and return the completed form to us no later than the above voting deadline.

1. **Date and Time:** Tuesday, March 26, 2024, at 1 p.m. (Japan Time)
2. **Place:** 4th floor, Main Conference Room, Tokyo Midtown Yaesu
2-2-1 Yaesu, Chuo-ku, Tokyo

3. Purpose of the Meeting:

Matters to Be Reported:

1. Reports on the Business Report, the Consolidated Financial Statements for the 18th Fiscal Year (from January 1, 2023, to December 31, 2023), and Audit Reports of the Consolidated Financial Statements by the Accounting Auditors and Board of Corporate Auditors
2. Reports on the Non-consolidated Financial Statements for the 18th Fiscal Year (from January 1, 2023, to December 31, 2023)

Proposals to Be Resolved:

- Proposal No. 1:** Partial Amendment to the Articles of Incorporation
- Proposal No. 2:** Election of Five (5) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 3:** Election of Three (3) Directors Who Are Audit and Supervisory Committee Members
- Proposal No. 4:** Election of Two (2) Substitute Directors Who Are Audit and Supervisory Committee Members
- Proposal No. 5:** Setup of Compensation for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 6:** Setup of Compensation for Directors Who Are Audit and Supervisory Committee Members

4. Items Decided Prior to the Convocation of the Annual General Meeting of Shareholders (Information on exercising voting rights)

- (1) If neither approval nor disapproval of each proposal is indicated on the Voting Rights Exercise Form when you exercise your voting rights in writing (by mail), we will deem that you indicated your approval of the proposal.
- (2) If your voting rights are exercised more than once by electromagnetic means, we will consider the latest vote to be valid.
- (3) If your voting rights are exercised both by electromagnetic means (via the Internet, etc.) and in writing (by mail), we will consider the exercise by electromagnetic means to be valid regardless of the arrival date of the mailed vote.
- (4) If you intend to exercise your voting rights by proxy, you may choose one shareholder holding voting rights of the Company as a proxy to attend the Meeting. However, in this case, submission of a document evidencing the proxy's power of representation is required.

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- If you attend the Meeting in person, please kindly submit the Voting Rights Exercise Form at the reception desk.
 - If revisions to the matters for which measures for providing information in electronic format are to be taken arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the above websites on the Internet.
 - We will send paper-based documents containing the matters for which measures for providing information in electronic format are to be taken to shareholders who have requested the delivery of such documents. Please note that the following items are not included in the said documents in accordance with laws and regulations, and Article 18, Paragraph 2 of the Company's Articles of Incorporation.
 - (i) "Status of share acquisition rights, etc.," "status of accounting auditors," and "system to ensure the appropriateness of operations and implementation status of the said system" in the Business Report
 - (ii) "Consolidated Statements of Changes in Equity" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements
 - (iii) "Non-consolidated Statements of Changes in Net Assets" and "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial Statements

Accordingly, the Business Report, the Consolidated Financial Statements, and the Non-consolidated Financial Statements contained in the said paper-based documents are part of the documents that are audited by Accounting Auditors and Corporate Auditors when preparing their audit report, respectively.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Partial Amendment to the Articles of Incorporation

1. Reason for the proposal

The Company will transfer to a company with an Audit and Supervisory Committee, in order to strengthen the supervisory function of the Board of Directors by including Audit and Supervisory Committee Members, who are responsible for auditing the execution of duties by Directors and other matters, as members of the Board of Directors, and further enhance corporate governance through an even stronger monitoring structure.

Accordingly, the Company proposes to establish a new provision on Audit and Supervisory Committee and Directors who are Audit and Supervisory Committee Members required for the transfer to a company with an Audit and Supervisory Committee, and delete the provision on the Board of Corporate Auditors and Corporate Auditors.

The amendment of the Articles of Incorporation in this Proposal will be effective at the conclusion of this General Meeting of Shareholders.

2. Details of the amendment

Details of the amendment are shown as follows:

(Amended portions are underlined.)

Current provisions	Proposed changes
CHAPTER I. GENERAL PROVISIONS	CHAPTER I. GENERAL PROVISIONS
Articles 1. to 4. (Articles omitted)	Articles 1. to 4. (Not changed)
Article 5 (Governing Body) The Company shall have the following governing bodies.	Article 5 (Governing Body) The Company shall have the following governing bodies.
1. Board of Directors	1. Board of Directors
<u>2. Corporate Auditors</u>	(Deleted)
<u>3. Board of Corporate Auditors</u>	<u>2. Audit and Supervisory Committee</u>
<u>4. Accounting Auditors</u>	<u>3. Accounting Auditors</u>
CHAPTER II. STOCK	CHAPTER II. STOCK
Articles 6. to 9. (Articles omitted)	Articles 6. to 9. (Not changed)
Article 10 Shareholder Register Administrator	Article 10 Shareholder Register Administrator
1. (Articles omitted)	1. (Not changed)
2. The shareholder register administrator and its place of business shall be designated by resolution of the Board of Directors.	2. The shareholder register administrator and its place of business shall be designated by resolution of the Board of Directors <u>or a Director delegated by resolution of the Board of Directors.</u>
3. (Articles omitted)	3. (Not changed)
Article 11 Share Handling Regulations Handling and commissions relating to the shares of the Company shall be governed by laws and regulations and these Articles of Incorporation as well as by the Share Handling Regulations which the Board of Directors shall prescribe.	Article 11 Share Handling Regulations Handling and commissions relating to the shares of the Company shall be governed by laws and regulations and these Articles of Incorporation as well as by the Share Handling Regulations which the Board of Directors <u>or a Director delegated by resolution of the Board of Directors</u> shall prescribe.
CHAPTER III. GENERAL MEETING OF SHAREHOLDERS	CHAPTER III. GENERAL MEETING OF SHAREHOLDERS
Articles 12. to 18. (Articles omitted)	Articles 12. to 18. (Not changed)
CHAPTER IV. DIRECTOR AND BOARD OF DIRECTORS	CHAPTER IV. DIRECTOR AND BOARD OF DIRECTORS
Article 19 (Number of Directors) The Company shall have not more than <u>eleven (11)</u> Directors.	Article 19 (Number of Directors) <u>1. The Company shall have not more than fifteen (15) Directors.</u>
(Newly established)	<u>2. Of the Directors set forth in the preceding paragraph, no more than four (4) Directors shall be Audit and Supervisory Committee Members.</u>

Current provisions	Proposed changes
<p>Article 20 (Election of Directors) (Newly established)</p> <p>1. <u>Election of the Company's Directors</u> shall be adopted by a majority vote of shareholders present whose total holdings shall not be less than one-third (1/3) of the voting rights held by all shareholders entitled to exercise the voting rights at a General Meeting of Shareholders.</p> <p>2. <u>For election of the Company's</u> Directors, no cumulative voting shall be used. (Newly established)</p>	<p>Article 20 (Election of Directors)</p> <p>1. <u>The Company's Directors shall be elected separately for Directors who are Audit and Supervisory Committee Members and other Directors at a General Meeting of Shareholders.</u></p> <p>2. <u>Resolutions to elect Directors</u> shall be adopted by a majority vote of shareholders present whose total holdings shall not be less than one-third (1/3) of the voting rights held by all shareholders entitled to exercise the voting rights.</p> <p>3. <u>For a resolution to elect</u> Directors, no cumulative voting shall be used.</p> <p>4. <u>The effective term of pre-election of substitute Directors who are Audit and Supervisory Committee Members shall expire at the beginning of the Annual General Meeting of Shareholders to be held for the last business year ending within two (2) years from their election to office.</u></p>
<p>Article 21 Term of Office of Directors</p> <p>1. The term of office of Directors shall expire at the close of the Annual General Meeting of Shareholders to be held for the last business year ending within one (1) year from their election to office. (Newly established)</p> <p>2. The term of office of Directors elected to fill the vacancy of the Board or increase the number of Directors shall be the remaining term of office of the predecessor or other current Directors. (Newly established)</p>	<p>Article 21 Term of Office of Directors</p> <p>1. The term of office of Directors (<u>excluding Directors who are Audit and Supervisory Committee Members</u>) shall expire at the close of the Annual General Meeting of Shareholders to be held for the last business year ending within one (1) year from their election to office.</p> <p>2. <u>The term of office of Directors who are Audit and Supervisory Committee Members shall expire at the close of the Annual General Meeting of Shareholders to be held for the last business year ending within two (2) years from their election to office.</u></p> <p>3. The term of office of Directors (<u>excluding Directors who are Audit and Supervisory Committee Members</u>) elected to fill the vacancy of the Board or increase the number of Directors shall be the remaining term of office of the predecessor or other current Directors.</p> <p>4. <u>The term of office of a Director who is an Audit and Supervisory Committee Member elected to fill the vacancy of a Director who is an Audit and Supervisory Committee Member due to his/her earlier resignation shall be the remaining term of office of the retired Director who is an Audit and Supervisory Committee Member.</u></p>
<p>Article 22 (Notice to Convene Board of Directors Meetings and Omission of Board of Directors Meeting Resolution)</p> <p>1. A Representative Director appointed by the Board of Directors shall convene and chair a meeting of the Board of Directors. In case the Representative Director is unable to act, another Director shall, in the order previously fixed by the Board of Directors, convene and preside at such meeting.</p> <p>2. Notice to convene meetings of the Board of Directors shall be given to each Director <u>and Corporate Auditor</u> at least three (3) days prior to the date of such meetings. In urgent circumstances, this period may be shortened, or when members of the Board of Directors unanimously agree, meetings of the Board of Directors may be held without the formal convocation procedures.</p> <p>3. (Articles omitted)</p>	<p>Article 22 (Notice to Convene Board of Directors Meetings and Omission of Board of Directors Meeting Resolution)</p> <p>1. <u>Unless otherwise provided by laws and regulations,</u> the Representative Director appointed by the Board of Directors shall convene and chair a meeting of the Board of Directors. In case the Representative Director is unable to act, another Director shall, in the order previously fixed by the Board of Directors, convene and preside at such meeting.</p> <p>2. Notice to convene meetings of the Board of Directors shall be given to each Director at least three (3) days prior to the date of such meetings. In urgent circumstances, this period may be shortened, or when members of the Board of Directors unanimously agree, meetings of the Board of Directors may be held without the formal convocation procedures.</p> <p>3. (Not changed)</p>
<p>Article 23 (Representative Directors)</p> <p><u>A Representative Director may be elected by the Board of Directors.</u></p>	<p>Article 23 (Representative Directors)</p> <p><u>The Board of Directors shall, by its resolution, select a Representative Director from among the Directors (excluding Directors who are Audit and Supervisory Committee members).</u></p>

Current provisions	Proposed changes
(Newly established)	<u>Article 24 (Delegation of Decision on Important Business Execution)</u>
Article 24 (Articles omitted)	<u>Pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company may delegate all or a part of its important business execution (excluding the matters listed in the items of Paragraph 5 of the same Article) to Directors by resolution of the Board of Directors.</u>
Article 25 (Minutes of Board of Directors)	Article 25 (Not changed)
With respect to the proceedings of meetings of the Board of Directors, an outline and results shall be stated or recorded in minutes, and the Directors <u>and Corporate Auditors present</u> thereat shall write their signatures and affix their seals thereto or put their electronic signatures thereon. The minutes shall be retained for ten (10) years in the head office.	Article 26 (Minutes of Board of Directors) With respect to the proceedings of meetings of the Board of Directors, an outline and results shall be stated or recorded in minutes, and the Directors present thereat shall write their signatures and affix their seals thereto or put their electronic signatures thereon. The minutes shall be retained for ten (10) years in the head office.
Article 26 (Articles omitted)	Article 27 (Not changed)
Article 27 (Articles omitted)	Article 28 (Not changed)
CHAPTER V. <u>CORPORATE AUDITORS AND BOARD OF CORPORATE AUDITORS</u>	CHAPTER V. <u>AUDIT AND SUPERVISORY COMMITTEE</u>
<u>Article 28 (Number of Corporate Auditors)</u>	(Deleted)
<u>The Company shall have not more than four (4) Corporate Auditors.</u>	
<u>Article 29 (Election of Corporate Auditors)</u>	(Deleted)
<u>The Company's Corporate Auditors shall be elected by a majority vote of shareholders present whose total holdings shall not be less than one-third (1/3) of the voting rights held by all shareholders entitled to exercise voting rights at a General Meeting of Shareholders.</u>	
<u>Article 30 (Term of Office of Corporate Auditors)</u>	(Deleted)
1. <u>The term of office of Corporate Auditors shall expire at the close of the Annual General Meeting of Shareholders to be held for the last business year ending within four (4) year from their election to office.</u>	
2. <u>The term of office of a Corporate Auditor elected to fill the vacancy of a Corporate Auditor due to his/her earlier resignation and a substitute Corporate Auditor elected pursuant to Article 329, Paragraph 3 of the Companies Act shall be the remaining term of office of the retired Corporate Auditor.</u>	
3. <u>The effective term of the resolution for election of substitute Corporate Auditors elected pursuant to Article 329, Paragraph 3 of the Companies Act shall expire at the close of the Annual General Meeting of Shareholders to be held for the last business year ending within four (4) years from their election to office; unless shortened by the said resolution.</u>	
<u>Article 31 (Full-time Corporate Auditor)</u>	<u>Article 29 (Full-time Audit and Supervisory Committee Member)</u>
The <u>Board of Corporate Auditors shall</u> , by its resolution, select full-time <u>Corporate Auditors</u> from among the <u>Corporate Auditors</u> .	The <u>Audit and Supervisory Committee may</u> , by its resolution, select full-time <u>Audit and Supervisory Committee Members</u> from among the <u>Audit and Supervisory Committee Members</u> .
<u>Article 32 (Notice to Convene Meetings of Board of Corporate Auditors)</u>	<u>Article 30 (Notice to Convene Meetings of Audit and Supervisory Committee)</u>
A notice to convene meetings of the <u>Board of Corporate Auditors</u> shall be given to each <u>Corporate Auditor</u> at least three (3) days prior to the date of such meetings. In urgent circumstances, this period may be shortened, <u>or when members of the Corporate Auditors unanimously agree, meetings of the Board of Corporate Auditors may be held without the formal convocation procedures.</u>	1. A notice to convene meetings of the <u>Audit and Supervisory Committee</u> shall be given to each <u>Audit and Supervisory Committee Member</u> at least three (3) days prior to the date of such meetings. In urgent circumstances, this period may be shortened.


Current provisions	Proposed changes
(Newly established)	<u>2. When Audit and Supervisory Committee Members unanimously agree, meetings of the Audit and Supervisory Committee may be held without the formal convocation procedures.</u>
Article 33 (<u>Board of Corporate Auditors Regulations</u>) Matters relating to the <u>Board of Corporate Auditors</u> shall be governed by laws and regulations and these Articles of Incorporation as well as by the <u>Board of Corporate Auditors Regulations</u> which the <u>Board of Corporate Auditors</u> shall prescribe.	Article 31 (<u>Audit and Supervisory Committee Regulations</u>) Matters relating to the <u>Audit and Supervisory Committee</u> shall be governed by laws and regulations and these Articles of Incorporation as well as by the <u>Audit and Supervisory Committee Regulations</u> which the <u>Audit and Supervisory Committee</u> shall prescribe.
Article 34 (<u>Minutes of Board of Corporate Auditors</u>) <u>With respect to the proceedings of meetings of the Board of Corporate Auditors, an outline and results as well as other matters provided by relevant laws and regulations shall be stated or recorded in minutes, and the Corporate Auditors present thereat shall write their signatures and affix their seals thereto or put their electronic signatures thereon. The minutes shall be retained for ten (10) years in the head office.</u>	Article 32 (<u>Minutes of Audit and Supervisory Committee</u>) <u>Minutes of meetings of the Audit and Supervisory Committee shall be prepared in writing or by electromagnetic record pursuant to relevant laws and regulations, and the Audit and Supervisory Committee Members present thereat shall write their signatures and affix their seals thereto or put their electronic signatures thereon. The minutes shall be retained for ten (10) years in the head office.</u>
Article 35 (<u>Exemption of Responsibility of Corporate Auditors</u>) <u>1. Pursuant to the provision of Article 426, Paragraph 1 of the Companies Act, the Company may exempt the liability of Corporate Auditors (including those who were previously Corporate Auditors) provided in Article 423, Paragraph 1 of the same Act by resolution of the Board of Directors in the scope of the legal limit allowed by applicable laws and regulations.</u> <u>2. Pursuant to the provision of Article 427, Paragraph 1 of the Companies Act, the Company may execute an agreement with Corporate Auditors to limit their liability under Article 423, Paragraph 1 of the same Act; provided, however, that the maximum amount of liability under such agreement shall be the higher of a previously designated amount of 1 million yen or more or an amount stipulated by laws and regulations.</u>	(Deleted)
Article 36 (<u>Compensation, etc. of Corporate Auditors</u>) <u>Compensation, etc. of the Corporate Auditors shall be determined by resolution of a General Meeting of Shareholders.</u>	(Deleted)
Chapter VI. ACCOUNTING AUDITOR	Chapter VI. ACCOUNTING AUDITOR
Articles 37. to 38. (Articles omitted)	Articles 33. to 34. (Not changed)
Chapter VII. ACCOUNTING	Chapter VII. ACCOUNTING
Articles 39. to 42. (Articles omitted) (Supplementary Provisions)	Articles 35. to 38. (Not changed) (Supplementary Provisions)
Article 1 <u>1. The new provisions in Article 18 in the proposed changes in the Articles of Incorporation shall become effective on a day when the Company becomes a company issuing transfer shares (those provided by the Act on Book Entry of Corporate Bonds and Shares).</u> <u>2. Article 1 in these Supplementary Provisions shall be deleted after the effective date of changes in these Articles of Incorporation in the preceding paragraph.</u>	Article 1 <u>Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may exempt Corporate Auditors (including those who were previously Corporate Auditors) from the liability for damages in the event that they fail to perform their duties before the effective date of changes in these Articles of Incorporation, which was resolved at the 18th Annual General Meeting of Shareholders, in the scope of the legal limit allowed by applicable laws and regulations by resolution of the Board of Directors.</u> (Deleted)


Proposal No. 2: Election of Five (5) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

If Proposal No. 1 “Partial Amendment to the Articles of Incorporation” is approved without modification, the Company will transfer to a company with an Audit and Supervisory Committee. The term of office for all the six (6) Directors will expire at the closing of this General Meeting of Shareholders.


Therefore, the Company proposes the election of five (5) Directors (excluding, Directors who are Audit and Supervisory Committee Members; applicable to the rest of this proposal). This Proposal, however, can only take effect after changes in these Articles of Incorporation in Proposal No. 1 “Partial Amendment to the Articles of Incorporation” take effect.


The candidates for Director are as follows:

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company	Number of the Company's shares owned
1	 <p>Reijiro Yamamoto October 3, 1960 (63 years old)</p> <p>Re-election</p> <p>Number of attendances at meetings of the Board of Directors in FY2023: 13/13 (100%)</p>	<p>Apr. 1984 Joined The Mitsui Bank, Limited (currently Sumitomo Mitsui Banking Corporation)</p> <p>Jan. 2000 Joined Unison Capital, Inc. (currently UCH Corporation)</p> <p>Apr. 2004 Director and Partner of GCA Corporation (currently Houlihan Lokey Inc.)</p> <p>Oct. 2005 Representative Director of Mezzanine Corporation (currently MCo Corporation)</p> <p>Jan. 2006 Representative Director and Partner of the Company (current position)</p> <p>Jan. 2009 Director of B.P.S. Corporation</p> <p>Dec. 2009 Director of YOHJI YAMAMOTO Inc.</p> <p>Jan. 2012 Representative Director of Integral Partners Corporation (current position)</p> <p>Aug. 2013 Corporate Auditor of YOHJI YAMAMOTO Inc. (current position)</p> <p>Oct. 2014 Director of Shinwa Co., Ltd.</p> <p>Feb. 2016 Director of Itokin Co., Ltd. (current position)</p> <p>Jan. 2017 Outside Director of Aderans Company Limited (current position)</p> <p>Mar. 2019 Outside Director of Toyo Engineering Corporation (current position)</p> <p>Oct. 2019 Outside Director of Sanden Retail Systems Corporation (current position)</p> <p>Jun. 2020 Director of K2TOP Holdings Corporation (currently Mamezou K2TOP Holdings Corporation) (current position)</p> <p>Apr. 2021 Chairman and Director of Skymark Airlines Inc. (current position)</p> <p>Mar. 2022 Representative Director of Integral Branz Corporation (current position)</p> <p>Aug. 2023 Director of TCS HOLDINGS CO., LTD. (current position)</p>	9,737,000 shares
		<p>Reason for nomination as a candidate for Director</p> <p>Mr. Reijiro Yamamoto is one of the Company's founders and assumed the position of Representative Director and Partner of the Company in 2006. Since then, he has managed the Company's funds as an investment committee member, has supervised overall business execution and has led management. He has abundant experience and knowledge of the investment business and general corporate management. The Company has again nominated him as a candidate for Director, in the expectation that he will be a candidate helping to bring about its future sustainable growth and improve corporate value.</p>	

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company	Number of the Company's shares owned
2	 <p data-bbox="344 920 520 1003">Yoshihiro Hemmi October 7, 1957 (66 years old)</p> <p data-bbox="376 1025 488 1055">Re-election</p> <p data-bbox="304 1084 560 1189">Number of attendances at meetings of the Board of Directors in FY2023: 13/13 (100%)</p>	<p data-bbox="600 255 1249 1211"> Apr. 1980 Joined MITSUI & CO., LTD. Aug. 1990 Joined Boston Consulting Group Apr. 1998 Partner of Boston Consulting Group Jun. 1998 Joined adidas Japan K.K. Jan. 2001 Vice President of adidas Japan K.K. Jun. 2004 President and CEO of Tohato Inc. Sep. 2007 Director and Partner of the Company (current position) Dec. 2009 Chairman and Director of YOHJI YAMAMOTO Inc. (current position) Jan. 2012 Director of Integral Partners Corporation (current position) Jun. 2013 Director of LAC Co., Ltd. Oct. 2014 Director of Shinwa Co., Ltd. Dec. 2014 Director of QB Net Co., Ltd. (currently QB Net Holdings Co., Ltd.) Apr. 2015 Director of Rever Holdings Co., Ltd. (currently Shinwa Co., Ltd.) Feb. 2016 Chairman and Director of Itokin Co., Ltd. (current position) Aug. 2016 Representative Director of Integral OS Corporation (current position) Jan. 2019 Director of BTC Corporation Jun. 2020 Director of K2TOP Holdings Corporation (currently Mamezou K2TOP Holdings Corporation) (current position) Apr. 2022 Director of Toppan Photomasks, Inc. Jun. 2023 Corporate Auditor of Toppan Photomasks, Inc. (current position) </p> <p data-bbox="600 1218 1439 1473"> Reason for nomination as a candidate for Director Mr. Yoshihiro Hemmi is one of the Company's founders and assumed the position of Director and Partner of the Company in 2007. Since then, he has made important investment decisions as an investment committee member of the Company's funds, and has contributed to improving the corporate value of its investees using his abundant knowledge of corporate management based on his experience as manager of more than one business company. The Company has again nominated him as a candidate for Director, in the expectation that he will be a candidate contributing to sustainable development of its investment business. </p>	2,126,000 shares

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company	Number of the Company's shares owned
3	 <p data-bbox="341 878 523 958">Kensaku Mizutani March 8, 1974 (50 years old)</p> <p data-bbox="373 987 491 1010">Re-election</p> <p data-bbox="306 1043 558 1151">Number of attendances at meetings of the Board of Directors in FY2023: 13/13 (100%)</p>	<p data-bbox="600 255 1024 277">Apr. 1998 Joined Mitsubishi Corporation</p> <p data-bbox="600 293 1241 344">Feb. 2005 Joined Morgan Stanley Japan Securities (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)</p> <p data-bbox="600 360 1235 412">Jan. 2006 Joined GCA Corporation (currently Houlihan Lokey Inc.)</p> <p data-bbox="600 427 1171 479">Dec. 2007 Director and Partner of the Company (current position)</p> <p data-bbox="600 495 1024 517">Jan. 2009 Director of B.P.S. Corporation</p> <p data-bbox="600 533 1209 584">Jan. 2012 Director of Integral Partners Corporation (current position)</p> <p data-bbox="600 600 1193 651">Dec. 2014 Director of QB Net Co., Ltd. (currently QB Net Holdings Co., Ltd.)</p> <p data-bbox="600 667 970 689">Mar. 2016 Director of Convano Inc.</p> <p data-bbox="600 705 1008 728">Jun. 2016 Director of Shinwa Co., Ltd.</p> <p data-bbox="600 743 1228 795">Jun. 2017 Chairman and CEO of Horii Food Service Co., Ltd. (current position)</p> <p data-bbox="600 810 1251 862">Aug. 2017 Director (Audit and Supervisory Committee member) of Shinwa Co., Ltd.</p> <p data-bbox="600 878 1184 929">Oct. 2017 Outside Director of CRTM Holdings Co., Ltd. (currently Direct Marketing MiX Inc.) (current position)</p> <p data-bbox="600 945 1018 967">Oct. 2019 Director of Nitto FC Co., Ltd.</p> <p data-bbox="600 983 1200 1005">Mar. 2020 Director of T-Garden Co., Ltd. (current position)</p> <p data-bbox="600 1021 1177 1072">Apr. 2023 Director of Shinoken Group Co., Ltd. (current position)</p> <p data-bbox="600 1088 1228 1140">Jun. 2023 Director of United Precision Technologies Co., Ltd. (current position)</p> <p data-bbox="600 1155 1085 1178">Reason for nomination as a candidate for Director</p> <p data-bbox="600 1193 1436 1393">Mr. Kensaku Mizutani is one of the Company's founders and assumed the position of Director and Partner of the Company in 2007. Since then, he has made important investment decisions as an investment committee member of the Company's funds. In addition, he held the position of Director in a wide variety of our investees and has considerable experience and knowledge of business strategies and investment businesses. The Company has again nominated him as a candidate for Director, expecting him to contribute to improving its sustainable corporate value by utilizing these insights.</p>	2,700,000 shares

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company	Number of the Company's shares owned
4	 <p data-bbox="357 741 507 875">Makiko Nakata June 2, 1974 (49 years old) New election</p>	<p data-bbox="600 255 1249 689"> Apr. 1997 Joined The Sakura Bank, Limited (currently Sumitomo Mitsui Banking Corporation) Apr. 2001 Joined Daiwa Securities SMBC Co., Ltd. (currently Daiwa Securities Co., Ltd.) Jun. 2005 Joined McKinsey & Company, Inc. Dec. 2007 Joined the Company Dec. 2009 Corporate Auditor of YOHJI YAMAMOTO Inc. Sep. 2014 Director of YOHJI YAMAMOTO Inc. Oct. 2019 Representative Director of Nitto FC Co., Ltd. Jan. 2020 Partner of the Company (current position) Dec. 2022 Director of Nitto FC Co., Ltd. Aug. 2023 Director of TCS HOLDINGS CO., LTD. (current position) </p> <p data-bbox="600 696 1086 725">Reason for nomination as a candidate for Director</p> <p data-bbox="600 732 1430 981"> After joining the Company in 2007, Ms. Makiko Nakata invested in several companies and engaged in activities to improve their corporate value on a full-time basis. In 2020, she assumed the post of the Company's Partner and is engaged in the fund management business as an investment committee member who makes important investment decisions. As she held the position of officer in several of our investees, the Company has nominated her as a new candidate for Director, expecting her to contribute to its development as a member of its business execution team by using her abundant knowledge and experience in corporate management that she has cultivated so far. </p>	400,000 shares

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company	Number of the Company's shares owned
5	 <p>Masaru Tomita December 28, 1957 (66 years old)</p> <p>Re-election</p> <p>Outside</p> <p>Independent</p> <p>Number of attendances at meetings of the Board of Directors in FY2023: 6/6 (100%)</p> <p>Note: Number of attendances at meetings of the Board of Directors held after taking office on August 1, 2023.</p>	<p>July 1987 Assistant Professor of Carnegie Mellon University</p> <p>Jun. 1990 Associate Professor of the Faculty of Environment and Information Studies, Keio University</p> <p>Apr. 1994 Committee member of the Graduate School of Media and Governance, Keio University</p> <p>Apr. 1997 Professor of the Faculty of Environment and Information Studies, Keio University</p> <p>Oct. 1999 Associate Dean of Keio University International Center</p> <p>Apr. 2001 Director General of the Institute for Advanced Biosciences, Keio University</p> <p>Jul. 2003 Founder and Technical Advisor of Human Metabolome Technologies, Inc. (current position)</p> <p>Oct. 2005 Dean of the Faculty of Environment and Information Studies, Keio University</p> <p>Jul. 2017 Outside Director of Spiber Inc. (current position)</p> <p>Jul. 2021 Director of Tsuruoka Science Park (current position)</p> <p>Apr. 2023 Professor Emeritus of Keio University (current position)</p> <p>Aug. 2023 Outside Director of the Company (current position)</p>	—
		<p>Reason for nomination as a candidate for outside Director and outline of expected roles</p> <p>Mr. Masaru Tomita has served as an outside Director of the Company since 2023. He held the position of professor in the advanced biosciences field for many years and has experience of the start of business and management in the said field. The Company has again nominated him as a candidate for Director, expecting him to give us advice using his abundant knowledge of corporate management based on his experience and ensure the adequateness of business execution of the Board of Directors.</p>	

- Notes:
- There is no special interest between any of the candidates and the Company.
 - Mr. Masaru Tomita is a candidate for outside Director.
 - Mr. Masaru Tomita, currently an outside Director of the Company, will have been in office for 8 months at the closing of this General Meeting of Shareholders.
 - Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Masaru Tomita to limit his liability for damages under Article 423, Paragraph 1 of the same Act. The maximum amount of liability for damages under said agreement is the amount stipulated by laws and regulations.
 - The Company has entered into a contract of liability insurance for officers, etc. with an insurance company pursuant to the provisions of Article 430-3, Paragraph 1 of the Companies Act, with the Company's Directors, Corporate Auditors, and important employees as well as the Company's officers and employees who are sent to investees as the insured. The insurance contract covers the damages and legal costs incurred by the insured due to shareholder derivative lawsuits and third-party lawsuits. However, there is a certain exemption in the event that the insured commits an act with the knowledge that it violates laws and regulations. The insurance premiums including special conditions are fully borne by the Company and the insured will not bear any cost. If each candidate is elected to and assumes the position of Director, they will become the insured of the said insurance contract.
 - The Company has submitted notification to Tokyo Stock Exchange, Inc. that Mr. Masaru Tomita has been designated as an independent officer as provided for by the aforementioned exchange. If he is elected to and assumes the position of Director, he will continue to be an independent officer.
 - Skymark Airlines Inc., where Mr. Reijiro Yamamoto has served as External Director since April 2021, received a business improvement order and warning to the general safety manager's duty (administrative guidance) from the Ministry of Land, Infrastructure, Transport and Tourism on February 7, 2023 in relation to an incident on December 25, 2022, which was during Mr. Yamamoto's term of office, involving a maintenance employee, untested for alcohol, who conducted operations and other work related to maintenance in an intoxicated state. Moreover, in relation to an incident on June 19, 2023 involving a maintenance worker of that company performing maintenance work without the statutory alcohol test having been conducted prior to commencing maintenance work as stipulated by the maintenance rules and operations rules, that company received a severe administrative warning (administrative guidance) from the Ministry of Land, Infrastructure, Transport and Tourism on September 5, 2023. He was not aware of the facts in either case until it came to light, but offered recommendations on a routine basis from the standpoint of compliance. After the facts came to light, he has continued to offer advice and recommendations for thorough implementation of investigations, for strengthening internal controls to prevent recurrence, and for thorough compliance.

Proposal No. 3: Election of Three (3) Directors Who Are Audit and Supervisory Committee Members


If Proposal No. 1 “Partial Amendment to the Articles of Incorporation” is approved without modification, the Company will transfer to a company with an Audit and Supervisory Committee.


Therefore, the Company proposes the election of three (3) Directors who are Audit and Supervisory Committee Members.

In addition, the consent of the Board of Corporate Auditors has been obtained for this Proposal.

This Proposal, however, can only take effect after changes in these Articles of Incorporation in Proposal No. 1 “Partial Amendment to the Articles of Incorporation” take effect.

Candidates for the role of Director who is an Audit and Supervisory Committee Member are as follows:

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company	Number of the Company’s shares owned
1	 <p>Hirotaka Takeuchi October 16, 1946 (77 years old)</p> <p>New election</p> <p>Outside</p> <p>Independent</p> <p>Number of attendances at meetings of the Board of Directors in FY2023: 11/13 (85%)</p>	<p>Sep. 1976 Lecturer of Harvard Business School</p> <p>Dec. 1977 Assistant Professor of Harvard Business School</p> <p>Apr. 1983 Associate Professor of Faculty of Commerce and Management, Hitotsubashi University</p> <p>Apr. 1987 Professor of Faculty of Commerce and Management, Hitotsubashi University</p> <p>Apr. 2008 Outside Director of the Company (current position)</p> <p>Feb. 2010 Auditor of Nonaka Institute of Knowledge (current position)</p> <p>Apr. 2010 Emeritus Professor of Hitotsubashi University</p> <p>Jul. 2010 Professor of Harvard Business School</p> <p>Jun. 2013 Director of T-Lab inc. (current position)</p> <p>Dec. 2014 Director of HLAB, Inc. (current position)</p> <p>Jun. 2015 Outside Director of BrightPath Biotherapeutics Co., Ltd. (current position)</p> <p>Jun. 2016 Outside Director of Daiwa Securities Group Inc. (current position)</p> <p>Aug. 2016 Principal and Co-Founder of Global Academy Co., Ltd. (current position)</p> <p>Jun. 2019 Chair of Board of Trustees of International Christian University (current position)</p> <p>Senior Advisor of P&E Directions, Inc. (current position)</p>	300,000 shares
		<p>Reason for nomination as a candidate for outside Director and outline of expected roles</p> <p>Mr. Hirotaka Takeuchi held the position of professor at Hitotsubashi University and Harvard Business School, etc. and has expertise in corporate management and experience as a Director in several business companies. The Company has nominated him as a candidate for outside Director who is an Audit and Supervisory Committee Member, expecting him to utilize his knowledge and insights for the Company’s management from his objective standpoint and contribute to further enhancement of corporate governance.</p>	

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company	Number of the Company's shares owned
2	 <p data-bbox="347 633 520 719">Masaaki Kushida October 15, 1942 (81 years old)</p> <p data-bbox="368 745 499 772">New election</p> <p data-bbox="395 799 472 826">Outside</p> <p data-bbox="371 853 496 880">Independent</p> <p data-bbox="308 907 560 1016">Number of attendances at meetings of the Board of Directors in FY2023: 13/13 (100%)</p>	<p data-bbox="600 253 1246 577"> Apr. 1966 Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.) Feb. 1995 Joined The Yokohama Rubber Co., Ltd. Mar. 1995 Director of The Yokohama Rubber Co., Ltd. Jun. 2000 Senior Corporate Auditor of The Yokohama Rubber Co., Ltd. Jun. 2007 Corporate Advisor of The Yokohama Rubber Co., Ltd. Mar. 2008 Full-time Outside Corporate Auditor of the Company (current position) </p> <p data-bbox="600 582 1394 638">Reason for nomination as a candidate for outside Director and outline of expected roles</p> <p data-bbox="600 642 1441 920">Mr. Masaaki Kushida has served as a full-time Corporate Auditor of the Company since 2008. He worked for The Industrial Bank of Japan, Limited, and has experience as a director and corporate auditor in business companies. He has insights in finance and accounting as well as general corporate management and has contributed to providing thorough corporate governance by supervising the execution of duties of the Company's Directors. The Company has nominated him as a candidate for outside Director who is an Audit and Supervisory Committee Member, expecting him to continue to supervise the execution of duties to ensure soundness of corporate management after the Company transfers to a company with an Audit and Supervisory Committee.</p>	25,000 shares

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company	Number of the Company's shares owned
3	 <p>Masataka Mitsuhashi September 30, 1957 (66 years old)</p> <p>New election</p> <p>Outside</p> <p>Independent</p> <p>Number of attendances at meetings of the Board of Directors in FY2023: 13/13 (100%)</p>	<p>Nov. 1979 Joined Price Waterhouse (currently PricewaterhouseCoopers)</p> <p>Mar. 1983 Registered as a Certified Public Accountant</p> <p>Sep. 1997 Representative Partner of Aoyama Audit Corporation</p> <p>Jul. 2004 Representative Director of ChuoAoyama PwC Transaction Services Corporation (currently PwC Advisory LLC)</p> <p>Apr. 2008 Partner of PricewaterhouseCoopers Arata (currently PricewaterhouseCoopers Japan LLC)</p> <p>Jul. 2009 Executive Officer, Partner of PricewaterhouseCoopers Arata (currently PricewaterhouseCoopers Japan LLC)</p> <p>Jan. 2010 Representative Director and Vice President of PricewaterhouseCoopers Co., Ltd.</p> <p>Jul. 2012 Representative Director and President of PricewaterhouseCoopers Arata Sustainability Certification Co., Ltd. (currently PricewaterhouseCoopers Sustainability LLC)</p> <p>Apr. 2015 Corporate Auditor of The Naganuma School—Tokyo School of Japanese Language (current position)</p> <p>Jul. 2018 Executive Advisor of PricewaterhouseCoopers Arata LLC (currently PricewaterhouseCoopers Japan LLC) Chair of PricewaterhouseCoopers Sustainability LLC</p> <p>May 2019 Leader of Masataka Mitsuhashi CPA Office (current position) Representative Director of Sustainable Value Advisory Co., Ltd. (current position)</p> <p>Jun. 2019 Audit & Supervisory Board Member (Outside) of FUJIFILM Holdings Corporation (current position)</p> <p>Feb. 2020 External Director of Skymark Airlines Inc. (current position)</p> <p>Mar. 2020 Independent Director of the Board of Nippon Paint Holdings Co., Ltd. (current position)</p> <p>Sep. 2021 Outside Corporate Auditor (Part-Time) of the Company (current position)</p> <p>Reason for nomination as a candidate for outside Director and outline of expected roles</p> <p>Mr. Masataka Mitsuhashi has served as an outside Corporate Auditor of the Company since 2021. He is, as a certified public accountant, familiar with finance and accounting and audits, and has expertise and insights in the sustainability domain. As he held the position of officer in several business companies, the Company has nominated him as a candidate for outside Director who is an Audit and Supervisory Committee Member, expecting him to give us supervision and advice on the Company's management using his insights and experience.</p>	

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Each of the candidates is a candidate for an outside Director who is an Audit and Supervisory Committee Member.
 3. Mr. Hirotaka Takeuchi, currently an outside Director of the Company, will have been in office for 15 years and 11 months at the closing of this General Meeting of Shareholders.
 4. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with each candidate to limit their liability for damages under Article 423, Paragraph 1 of the same Act. The maximum amount of liability for damages under said agreement is the amount stipulated by laws and regulations.
 5. The Company has entered into a contract of liability insurance for officers, etc. with an insurance company pursuant to the provisions of Article 430-3, Paragraph 1 of the Companies Act, with the Company's Directors, Corporate Auditors, and important employees as well as the Company's officers and employees who are sent to investees as the insured. The insurance contract covers the damages and legal costs incurred by the insured due to shareholder derivative lawsuits and third-party lawsuits. However, there is a certain exemption in the event that the insured commits an act with the knowledge that it violates laws and regulations. The insurance premiums including special conditions are fully borne by the Company and the insured will not bear any cost. If each candidate is elected to and assumes the position of Director who is an Audit and Supervisory Committee Member, they will become the insured of the said insurance contract.

6. The Company has submitted notification to Tokyo Stock Exchange, Inc. that each candidate has been designated as an independent officer as provided for by the aforementioned exchange. If each candidate is elected to and assumes the position of Director who is an Audit and Supervisory Committee Member, they will continue to be an independent officer.
7. Skymark Airlines Inc., where Mr. Masataka Mitsuhashi has served as External Director since February 2020, received a business improvement order and warning to the general safety manager's duty (administrative guidance) from the Ministry of Land, Infrastructure, Transport and Tourism on February 7, 2023 in relation to an incident on December 25, 2022, which was during Mr. Mitsuhashi's term of office, involving a maintenance employee, untested for alcohol, who conducted operations and other work related to maintenance in an intoxicated state. Moreover, in relation to an incident on June 19, 2023 involving a maintenance worker of that company performing maintenance work without the statutory alcohol test having been conducted prior to commencing maintenance work as stipulated by the maintenance rules and operations rules, that company received a severe administrative warning (administrative guidance) from the Ministry of Land, Infrastructure, Transport and Tourism on September 5, 2023. He was not aware of the facts in either case until it came to light, but offered recommendations on a routine basis from the standpoint of compliance. After the facts came to light, he has continued to offer advice and recommendations for thorough implementation of investigations, for strengthening internal controls to prevent recurrence, and for thorough compliance.

Proposal No. 4: Election of Two (2) Substitute Directors Who Are Audit and Supervisory Committee Members

If Proposal No. 1 “Partial Amendment to the Articles of Incorporation” is approved without modification, the Company will transfer to a company with an Audit and Supervisory Committee.

Therefore, the Company proposes the election of two (2) substitute Directors who are Audit and Supervisory Committee Members, in preparation for the case where the number of the Company’s Directors who are Audit and Supervisory Committee Members falls below the number stipulated in laws and regulations.

Regarding the order in which the substitute Directors who are Audit and Supervisory Committee Members are in line to assuming the office, Mr. Masaru Tomita shall be first in line and Mr. Yasutsugu Yamazaki shall be second in line.

If Proposal No. 2 “Election of Five (5) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” is approved without modification, Mr. Tomita shall be appointed as a Director other than an Audit and Supervisory Committee Member. If the number of Directors who are Audit and Supervisory Committee Members falls below the number stipulated in laws and regulations, he will resign from the post of Director other than Audit and Supervisory Committee Member and assume the post of Director who is an Audit and Supervisory Committee Member.

In addition, the consent of the Board of Corporate Auditors has been obtained for this Proposal.

This Proposal, however, can only take effect after changes in these Articles of Incorporation in Proposal No. 1 “Partial Amendment to the Articles of Incorporation” take effect.

Candidates for the role of a substitute Director who is an Audit and Supervisory Committee Member are as follows:

Candidate No.	Name (Date of birth)	Career summary (significant concurrent positions outside the Company)	Number of the Company’s shares owned
1	Masaru Tomita (December 28, 1957)	<p>Jul. 1987 Assistant Professor of Carnegie Mellon University</p> <p>Jun. 1990 Associate Professor of the Faculty of Environment and Information Studies, Keio University</p> <p>Apr. 1994 Committee member of the Graduate School of Media and Governance, Keio University</p> <p>Apr. 1997 Professor of the Faculty of Environment and Information Studies, Keio University</p> <p>Oct. 1999 Associate Dean of Keio University International Center</p> <p>Oct. 2001 Director General of the Institute for Advanced Biosciences, Keio University</p> <p>Jul. 2003 Founder and Technical Advisor of Human Metabolome Technologies, Inc. (current position)</p> <p>Oct. 2005 Dean of the Faculty of Environment and Information Studies, Keio University</p> <p>Apr. 2017 Outside Director of Spiber Inc. (current position)</p> <p>Jul. 2021 Director of Tsuruoka Science Park (current position)</p> <p>Apr. 2023 Professor Emeritus of Keio University (current position)</p> <p>Aug. 2023 Outside Director of the Company (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Technical Advisor of Human Metabolome Technologies, Inc.</p> <p>Outside Director of Spiber Inc.</p> <p>Director of Tsuruoka Science Park</p> <p>Professor Emeritus of Keio University</p>	—
		<p>[Reason for nomination]</p> <p>Mr. Masaru Tomita has served as an outside Director of the Company since 2023. He has many years of experience as a professor in the advanced biosciences field and experience of the start of business and management in the said field. The Company believes that he has adequate capacity to audit and supervise business execution taking into account his experience, and nominated him as a candidate for a substitute Director who is an Audit and Supervisory Committee Member.</p>	

Candidate No.	Name (Date of birth)	Career summary (significant concurrent positions outside the Company)	Number of the Company's shares owned
2	Yasutsugu Yamazaki (May 30, 1961)	<p>Apr. 1984 Joined The Nippon Credit Bank, Ltd. (currently Aozora Bank, Ltd.)</p> <p>Oct. 2005 General Manager of Management Planning Office, SHUFUNOTOMO Co., Ltd.</p> <p>Oct. 2007 General Manager of Administration Department and Manager of Accounting Department, SHUFUNOTOMO Co., Ltd.</p> <p>Jun. 2008 Director, General Manager of Administration Department and Manager of Accounting Department, SHUFUNOTOMO Co., Ltd.</p> <p>Mar. 2009 General Manager of Administrative Division, B.P.S. Corporation</p> <p>Oct. 2009 Director of B.P.S. Corporation</p> <p>Oct. 2011 Representative Director of B.P.S. Corporation</p> <p>Apr. 2017 Part-time Lecturer of Department of Management, School of Management, SANNO University (current position)</p> <p>Jan. 2019 Management Officer of the Company</p> <p> Representative Director and Chair of B.P.S. Corporation</p> <p>Jan. 2020 Part-time Auditor of B.P.S. Corporation</p> <p>Mar. 2020 Manager of Controller Office and Internal Audit Officer of the Company</p> <p> Part-time Corporate Auditor of JRC Co., Ltd.</p> <p>Sep. 2021 Internal Audit Officer of the Company (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Part-time Lecturer of Department of Management, School of Management, SANNO University</p> <p>[Reason for nomination]</p> <p>Mr. Yasutsugu Yamazaki has served as the Internal Audit Officer of the Company since 2020. He supervises the adequacy of the Company's business management and corporate governance, and currently elected as a substitute Corporate Auditor by taking advantage of his competence. The Company has determined that he has adequate capacity to audit and supervise business execution as an Audit and Supervisory Committee Member and also considers that his experience as a Director in more than one business company will contribute to the duties as a Director who is an Audit and Supervisory Committee Member. Therefore, the Company has nominated him as a candidate for a substitute Director who is an Audit and Supervisory Committee Member.</p>	—

- Notes: 1. There is no special interest between the candidates and the Company.
2. Mr. Masaru Tomita is a candidate for outside Director.
3. Mr. Masaru Tomita, currently an outside Director of the Company, will have been in office for 8 months at the closing of this General Meeting of Shareholders.
4. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Masaru Tomita to limit his liability for damages under Article 423, Paragraph 1 of the same Act. The maximum amount of liability for damages under this agreement is the minimum liability amount provided for under laws and regulations.
5. If Mr. Yasutsugu Yamazaki assumes the position of Director who is an Audit and Supervisory Committee Member, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company will enter into an agreement with him to limit his liability for damages under Article 423, Paragraph 1 of the same Act. The maximum amount of liability for damages under this agreement shall be the minimum liability amount provided for under laws and regulations.
6. The Company has entered into a contract of liability insurance for officers, etc. with an insurance company pursuant to the provisions of Article 430-3, Paragraph 1 of the Companies Act, with the Company's Directors, Corporate Auditors, and important employees as well as the Company's officers and employees who are sent to investees as the insured. The insurance contract covers the damages and legal costs incurred by the insured due to shareholder derivative lawsuits and third-party lawsuits. However, there is a certain exemption in the event that the insured commits an act with the knowledge that they violate laws and regulations. The insurance premiums including special conditions are fully borne by the Company and the insured will not bear any cost. If each candidate assumes the position of Director who is an Audit and Supervisory Committee Member, they will continue to be the insured of the said insurance contract.

Proposal No. 5: Setup of Compensation for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

If Proposal No. 1 “Partial Amendment to the Articles of Incorporation” is approved without modification, the Company will transfer to a company with an Audit and Supervisory Committee.

It has been approved by the Extraordinary General Meeting of Shareholders held on July 18, 2023, that the compensation amount for the Company’s Directors shall be 2,000 million yen or less per year. As we will transfer to a company with an Audit and Supervisory Committee, we propose to abolish this and determine a new compensation amount for the Directors (excluding Directors who are Audit and Supervisory Committee Members) at 2,000 million yen or less per year.

The details of our policy related to the determination of the content of the compensation, etc., of each Director for the 18th fiscal year are stated in “2. Current Conditions of the Company,” under “(2) Status of Corporate Officers, 4) Compensations etc. to Directors and Corporate Auditors, b. Policy for Determination of Contents of Compensations, etc. to Corporate Officers in the Business Report.” If this Proposal is approved, we will change the target of our policy to Directors (excluding Directors who are Audit and Supervisory Committee Members).

The content of this Proposal is in line with the above policy, and we consider it appropriate taking into account the Company’s business size, the directors’ compensation system and its level, the current number of directors, future trends, etc.

The said compensation amount will not include compensation for the employee portion of employee-directors for their services in such capacity.

The Company currently has six Directors (of which, two are outside Directors), and the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be five (of which, one is an outside Director) if Proposals No. 1 and 2 are approved without modification.

This Proposal, however, can only take effect after changes in these Articles of Incorporation in Proposal No. 1 “Partial Amendment to the Articles of Incorporation” take effect.

Proposal No. 6: Setup of Compensation for Directors Who Are Audit and Supervisory Committee Members

If Proposal No. 1 “Partial Amendment to the Articles of Incorporation” is approved without modification, the Company will transfer to a company with an Audit and Supervisory Committee.

Accordingly, we propose to set the compensation amount for Directors who are Audit and Supervisory Committee Members at 100 million yen or less per year.

This Proposal is determined by taking into account the Company’s business size, the directors’ compensation system and its level, the current number of directors, future trends, etc. and we believe it appropriate.

The number of Directors who are Audit and Supervisory Committee Members related to this Proposal shall be three if Proposals No. 1 and 3 are approved without modification.

This Proposal, however, can only take effect after changes in these Articles of Incorporation in Proposal No. 1 “Partial Amendment to the Articles of Incorporation” take effect.