

(Securities Code: 3903)

July 7, 2020

To our shareholders:

Hiroyuki Kawamoto
Representative Director and President
gumi Inc.
4-34-7 Nishi-Shinjuku, Shinjuku-ku, Tokyo 160-0023
Japan

Notice of the 13th Ordinary General Meeting of Shareholders

gumi Inc. (the “Company”) would hereby like to inform you that the 13th ordinary general meeting of shareholders will be held as follows.

Having carefully considered measures for preventing the spread of the novel coronavirus disease (COVID-19), the Company has decided to hold this meeting, taking appropriate measures beforehand to avoid infection.

The Company strongly requests that shareholders exercise their voting rights by postal mail (in writing) or electromagnetic method (via the Internet, etc.) to the best of their ability and refrain from attending on the day of the General Meeting of Shareholders regardless of physical condition from the perspective of preventing the spread of COVID-19.

If you plan to exercise your voting rights in writing, please read the attached Reference Documents for the General Meeting of Shareholders, and indicate your approval or disapproval for each of the proposals on the enclosed voting form and return the completed form to us.

If you exercise your voting rights by electromagnetic method (via the Internet, etc.), please access the voting website (<https://www.web54.net>), enter the “voting rights exercise code” and “password” which are stated on your enclosed voting form, examine the attached Reference Documents for General Meeting of Shareholders and follow instructions on screen to enter your approval or disapproval of the proposal.

In order to prevent the spread of COVID-19, we may hold the meeting at a smaller scale than in previous years, such as by shortening the length of the meeting and giving more space in between seats, giving primary concern to the safety of our shareholders. Furthermore, officers and staff may wear masks on the day of the meeting. Shareholders attending the General Meeting of Shareholders in person are requested to check the situation regarding the spread of infection on the day of the meeting and confirm your own health condition. In addition, please take measures to protect yourself from infection, such as wearing a face mask, when you attend.

Gifts were offered at the General Meeting of Shareholders until last year, but they will not be provided at this meeting. Thank you for your understanding.

1. Date and Time: Tuesday, July 28, 2020 10:00 a.m. (JST)

2. Venue: Hall, Bellesalle Nishi-Shinjuku
1F, Sumitomo Fudosan Nishi-Shinjuku Building 3
4-15-3 Nishi-Shinjuku Shinjuku-ku, Tokyo

3. Purpose of the Meeting

Matters to be reported:

1. Business Report and Consolidated Financial Statements for the 13th Fiscal year from May 1, 2019 to April 30, 2020 as well as audit results of Accounting Auditor and the Audit & Supervisory Board for the Consolidated Financial Statements
2. Non-Consolidated Financial Statements for the 13th Fiscal Year (from May 1, 2019 to April 30, 2020)

Matters to be resolved:

- | | |
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| Proposal No. 1 | Appropriation of Retained Earnings |
| Proposal No. 2 | Partial Amendments to the Articles of Incorporation |

Proposal No. 3	Election of three Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
Proposal No. 4	Election of four Directors Who Are Audit and Supervisory Committee Members
Proposal No. 5	Determination of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
Proposal No. 6	Determination of Remuneration Concerning Stock Acquisition Rights as Stock Compensation-Type Stock Options for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) and Other Terms Thereof
Proposal No. 7	Determination of Remuneration for Directors Who Are Audit and Supervisory Committee Members

- ◎ If future developments necessitate the preparation of new measures to prevent the spread of COVID-19, they will be posted on the Company's website (https://gu3.co.jp/ir/irnews/?tab=shareholder_meeting&year=2020).
- ◎ Please note that parties other than shareholders, such as proxies who are not shareholders and people accompanying shareholders, will not be able to attend the General Meeting of Shareholders.
- ◎ For those attending the meeting on the day, please submit the enclosed voting form at the reception desk.
- ◎ Matters prescribed for convocation
 - (1) In the case that shareholders are unable to attend the General Meeting of Shareholders, shareholders may still exercise their voting rights either in writing or by electromagnetic method (via the Internet, etc.).
 - (2) The deadline to exercise voting rights in writing or by electromagnetic methods (via the Internet, etc.) is 7:00 p.m. on Monday, July 27, 2020 (JST), the day prior to the General Meeting of Shareholders.
 - (3) If your voting rights are exercised both in writing and by electromagnetic method (via the Internet, etc.), the exercise by electromagnetic method shall be deemed valid.
 - (4) If you vote more than once by electromagnetic method (via the Internet, etc.) using personal computers, smart phones, etc., the last vote shall be deemed valid.
 - (5) For the exercise of voting rights in writing, if the voting form is submitted and neither approval nor disapproval of the respective proposals is indicated, the Company will treat it as a vote for the approval of the proposal.
 - (6) You may name one shareholder who holds voting rights of the Company to act as proxy and exercise your voting rights. However, the proxy will be required to present documentary proof of his or her proxy's authority to exercise voting rights.
- ◎ Electronic Voting Platform

In the case that nominee shareholders such as trust and custody services banks (including standing proxies) apply in advance to use the Electronic Voting Platform operated by ICJ, a joint-venture company established by Tokyo Stock Exchange, Inc. and other entities, such shareholders can use the ICJ platform as a means to exercise their voting rights by electromagnetic method (via the Internet, etc.) at the Company's General Meeting of Shareholders.
- ◎ Internet Disclosure
 - (1) Please note that among the documents that should be provided together with this Notice, "Matters Related to Share Acquisition Rights, Etc. of the Company," "Systems for Ensuring the Properness of Operations and Operation Status of the Relevant Systems" and "Status of the Financial Auditor" included in the Business Report, the "Consolidated Statement of Changes in Equity" and "Notes to Consolidated Financial Statements" included in the Consolidated Financial Statements, and the "Non-consolidated Statement of Changes in Equity" and "Notes to Non-consolidated Financial Statements" included in the Non-consolidated Financial Statements will be disclosed by posting them on the Company's website (https://gu3.co.jp/ir/irnews/?tab=shareholder_meeting&year=2020) in accordance with laws and regulations and the provisions of Article 16 of the Company's Articles of Incorporation. The Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements audited by Audit & Supervisory Board Members for the Audit Report and the Financial Auditor for the Accounting Audit Report include, in addition to the documents attached to this Notice, the "Matters Related to Share Acquisition Rights, Etc. of the Company," "Systems for Ensuring the Properness of Operations and Operation Status of the Relevant Systems," "Status of the Financial Auditor," "Consolidated Statement of Changes in Equity," "Non-consolidated Statement of Changes in Equity," "Notes to Consolidated Financial Statements" and "Notes to Non-consolidated Financial Statements" above.
 - (2) If any changes are required in the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements, the changes will be posted on the Company's website (https://gu3.co.jp/ir/irnews/?tab=shareholder_meeting&year=2020).

Reference Documents for General Meeting of Shareholders

Proposal No. 1 Appropriation of Retained Earnings

The Company proposes the appropriation of retained earnings as follows:

Year-end dividends

The basic capital policy is to enhance equity, stabilize and strengthen the financial foundation, and actively appropriate funds for investments for growth, while the Company's dividend policy is to stably and constantly return profits to shareholders, giving comprehensive consideration to operating results, dividend payout ratio and other factors.

The Company has given consideration to the business performance of the fiscal year and future business development and etc., and it proposes to pay year-end dividends for the 13th fiscal year as follows:

1. Type of dividend property
To be paid in cash.
2. Allotment of dividend property and their aggregate amount
5.00 yen per common share of the Company
Total payment: 150,947,000 yen
3. Effective date of dividends of retained earnings
July 29, 2020

Proposal No. 2 Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

- (1) To further enhance its corporate governance, the Company will make a transition to a company with Audit and Supervisory Committee. In line with this change, the Articles of Incorporation will be partially amended to establish new provisions relating to the Audit and Supervisory Committee and Audit and Supervisory Committee Members necessary for the transition to a company with Audit and Supervisory Committee and remove provisions relating to the Audit & Supervisory Board Members and Audit & Supervisory Board.
- (2) In order to ensure that Directors can adequately fulfill the roles expected of them, the Company plans to newly establish a provision effectively providing for their exemption from liabilities to the extent provided by laws and regulations by resolution of the Board of Directors. Furthermore, in order to ensure that Directors who do not engage in operation can adequately fulfill the roles expected of them, the Company plans to amend Article 23 of the current Articles of Incorporation. The consent of each Audit & Supervisory Board Member has been obtained for the establishment of the provision and the amendment above.
- (3) Other necessary changes including updating the wording in line with legal expressions, revising terms and changing the numbering of the Articles of Incorporation will be made accompanying the above amendments. The amendments to the Articles of Incorporation in this proposal shall take effect at the conclusion of this Annual Shareholders Meeting.

2. Details of the amendments

Details of the proposed amendments are as follows:

(Amendments are underlined.)

Current Articles of Incorporation	Proposed amendments
(Establishment of Organs) Article 5. The Company shall <u>have a Board of Directors, Audit & Supervisory Board Members and an Audit & Supervisory Board.</u>	(Establishment of Organs) Article 5. <u>In addition to the Shareholders Meeting and Directors,</u> the Company shall <u>establish the following organs:</u> <u>(1) Board of Directors</u> <u>(2) Audit and Supervisory Committee</u> <u>(3) Financial Auditor</u>
(Number of Directors) Article 18. <u>The Company shall have not more than eight Directors.</u> (Newly established)	(Number of Directors) Article 18. <u>The Company shall have not more than eight Directors (Excluding Directors Who Are Audit and Supervisory Committee Members).</u> <u>2. The Company shall have not more than five Directors Who Are Audit and Supervisory Committee Members.</u>
(Election) Article 19. (Newly established) Resolutions on the election of a Director shall be made by a majority of the votes of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present. <u>2.</u> Resolutions for the election of Directors shall not be conducted by cumulative voting.	(Election) Article 19. <u>Directors shall be elected at a Shareholder's General Meeting, while making a distinction between Directors Who Are Audit and Supervisory Committee Members and other Directors.</u> <u>2.</u> Resolutions on the election of a Director shall be made by a majority of the votes of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present. <u>3.</u> Resolutions for the election of Directors shall not be conducted by cumulative voting.

(Term of Office)

Article 20. The term of office of a Director shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last business year out of the business years terminating within one year after the election of the Director.

(Newly established)

(Newly established)

(Board of Directors)

Article 21. The Representative Director shall convene meetings of Board of Directors and chair the meetings. In cases where the Representative Director is prevented from so acting, another Director who is designated in accordance with an order of priority determined in advance by the Board of Directors shall so act.

2. When convening a meeting of the Board of Directors, a notice shall be dispatched to each Director and each Audit & Supervisory Board Member at least three days before the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.

(Newly established)

3. If a Director proposes a matter to be resolved to the Board of Directors, the Company shall deem that such proposal is approved by the Board of Directors as long as all Directors entitled to vote on the matter to be resolved furnish their consent with respect to the matter in writing or by means of electromagnetic record, and as long as none of the Audit & Supervisory Board Members raise objections in that regard.
4. The operation of the Board of Directors and other relevant matters shall be governed by the

(Term of Office)

Article 20. The term of office of a Director (excluding Directors Who are Audit and Supervisory Committee Members) shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last business year out of the business years terminating within one year after the election of the Director.

2. The term of office of a Director who are Audit and Supervisory Committee Member shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last business year out of the business years terminating within two years after the election of the Director.
3. The term of office of a Director who is an Audit and Supervisory Committee Member who is elected as the substitute for a Director who is an Audit and Supervisory Committee Member who retired from office before the expiration of the term of office shall continue until the time the term of office of the Director who is an Audit and Supervisory Committee Member who retired from office is to expire.

(Board of Directors)

Article 21. The Representative Director shall convene meetings of Board of Directors and chair the meetings. In cases where the Representative Director is prevented from so acting, another Director who is designated in accordance with an order of priority determined in advance by the Board of Directors shall so act.

2. When convening a meeting of the Board of Directors, a notice shall be dispatched to each Director at least three days before the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.

3. With the consent of all Directors, a meeting of the Board of Directors may be held without following the convening procedures.

4. If a Director proposes a matter to be resolved to the Board of Directors, the Company shall deem that such proposal is adopted by the resolution of the Board of Directors as long as all Directors entitled to vote on the matter to be resolved furnish their consent with respect to the matter in writing or by means of electromagnetic record.

5. The operation of the Board of Directors and other relevant matters shall be governed by the

Regulations of the Board of Directors established by the Board of Directors.

(Representative Directors and Directors With Special Titles)

Article 22. The Board of Directors shall elect a few Representative Directors from among the Directors.

2. The Board of Directors may appoint, by its resolution, one Chairman and CEO, one Director and President, one or a small number of Director and Vice Presidents, one or a small number of Senior Managing Directors, and one or a small number of Managing Directors.

(Newly established)

(Newly established)

(Limited liability agreements)

Article 23 (Newly established)

Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company may enter into an agreement with Outside Directors to limit their liability for damages due to negligence of their duties. However, the limit of liability based on this agreement shall be equal to the minimum liability limit stipulated by Article 425 of the Companies Act.

Regulations of the Board of Directors established by the Board of Directors.

(Representative Directors and Directors With Special Titles)

Article 22. The Board of Directors shall elect one or a small number of Representative Directors from among the Directors (excluding Directors who are Audit and Supervisory Committee Members).

2. The Board of Directors may appoint, by its resolution, one Chairman and CEO, one Director and President, one or a small number of Director and Vice Presidents, one or a small number of Senior Managing Directors, and one or a small number of Managing Directors from among the Directors (excluding Directors who are Audit and Supervisory Committee Members).

(Delegation regarding the execution of important operations)

Article 23. Pursuant to the provision of Article 399-13, paragraph (6) of the Companies Act, the Company may, by resolution of the Board of Directors, delegate all or part of decisions of execution of important operations other than the matters specified in each item of paragraph (5) of the said article to Directors.

(Remuneration, Etc.)

Article 24. Remuneration, bonuses, and other financial benefits received from the Company as consideration for the execution of duties by the Board Members shall be determined by a resolution of the General Meeting of Shareholders, while making a distinction between Directors who are Audit and Supervisory Committee Members and other Directors.

(Liability exemption and limited liability agreements)

Article 25. Pursuant to the provisions of Article 426, paragraph (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt a Director (including a person who was formerly a Director) from his/her liability for damages arising from neglecting his/her duties to the extent permitted by laws and regulations.

2. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company may enter into an agreement with Directors (excluding Directors who are executive directors, etc.) to limit their liability for damages due to negligence of their duties. However, the limit of liability based on this agreement shall be equal to the minimum liability limit stipulated by Article 425 of the Companies Act.

Chapter V Audit & Supervisory Board Members and Audit & Supervisory Board

(Deleted)

(Number of Directors)

(Deleted)

Article 24. The Company shall have between three and five Audit & Supervisory Board Members.

(Election)

(Deleted)

Article 25. Audit & Supervisory Board Members shall be elected by resolution of a majority of the votes of the shareholders present at a General Meeting of Shareholders where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present.

(Term of Office)

(Deleted)

Article 26. The term of office of an Audit & Supervisory Board Member shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within four years after the election of the Audit & Supervisory Board Member.

2. The term of office for an Audit & Supervisory Board Member elected as a substitute shall be the remaining term of office of the preceding Audit & Supervisory Member's term of office.

Audit & Supervisory Board

(Deleted)

Article 27. Each Audit & Supervisory Member may convene an Audit & Supervisory Board Meeting.

2. When convening a meeting of the Audit & Supervisory Board, a notice shall be dispatched to each Audit & Supervisory Board Member at least three days before the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.
3. The operation of the Audit & Supervisory Board and other relevant matters shall be governed by the Regulations of the Audit & Supervisory Board established by the Audit & Supervisory Board.

(Full-Time Audit & Supervisory Board Member)

(Deleted)

Article 28. The Audit & Supervisory Board shall appoint full-time Audit & Supervisory Board Members from among the Audit & Supervisory Board Members.

(Limited liability agreements)

(Deleted)

Article 29. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company may enter into an agreement with Outside Audit & Supervisory Board Members to limit their liability for damages due to negligence of their duties. However, the limit of liability based on this agreement shall be equal to the

minimum liability limit stipulated by Article 425 of the Companies Act.

(Newly established)

(Newly established)

(Newly established)

Chapter VI Financial Auditor
(Establishment of a Financial Auditor)
Article 30. The Company shall have a Financial Auditor.

Article 31 to Article 35 (Omitted)

(Newly established)

Chapter V Audit and Supervisory Committee
(Audit and Supervisory Committee)

Article 26. When convening a meeting of the Audit and Supervisory Committee, a notice shall be dispatched to each Audit and Supervisory Committee Member at least three days before the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.

2. With the consent of all Audit and Supervisory Committee Members, a meeting of the Audit and Supervisory Committee may be held without following the convening procedures.

3. The operation of the Audit and Supervisory Committee and other relevant matters shall be governed by the Regulations of the Audit and Supervisory Committee established by the Audit and Supervisory Committee.

(Full-Time Audit and Supervisory Committee Members)

Article 27. The Audit and Supervisory Committee may appoint full-time Audit and Supervisory Committee Member(s) by its resolution.

Chapter VI Financial Auditor
<Moved to Article 5>

Article 28 to Article 32 (Unchanged)

Supplementary provision

Article 1. Limited liability agreements concluded with Outside Audit & Supervisory Board Members (including those who were Outside Audit & Supervisory Board Members) regarding acts under Article 423, paragraph (1) of the Companies Act, which occurred prior to the conclusion of the 13th Ordinary General Meeting of Shareholders to be held in July 2020, shall be governed by Article 29 of the Articles of Incorporation prior to the amendment accompanying the conclusion of this Ordinary General Meeting of Shareholders.

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

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved and adopted as originally proposed, the Company shall make a transition to a company with Audit and Supervisory Committee when the amendments to the Articles of Incorporation take effect, and five Directors (two of whom are Outside Directors) will retire from office due to expiration of their terms of office.

Therefore, the Company proposes the election of three Directors (excluding Directors who are Audit and Supervisory Committee Members; applicable to the rest of this proposal). This proposal can only take effect after Proposal No. 2 “Partial Amendments to the Articles of Incorporation” takes effect.

The candidates for Director are as follows:

Candidate No.	Name Date of birth	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Hironao Kunimitsu (January 28, 1974)	<p>May 2004 Joined Atmovie Inc. May 2004 Director, Atmovie Inc. Jun. 2007 Established gumi Inc. President & CEO Jul. 2018 Representative Director and Chairman, the Company Mar. 2020 Director and Chairman, the Company (Present)</p> <p>Significant concurrent positions outside the Company Director, gumi Asia Pte. Ltd. Director, gumi Taiwan Ltd. Representative Director, gumi Primus, Inc. Director, gumi ventures Inc. CEO, gumi X Reality Inc. CEO, Tokyo XR Startups Inc. CEO, gumi X studio CEO, gumi Cryptos Inc. Part time Director, Seoul XR Startups, Inc. CEO, Nordic XR Startups Oy Outside Director, double jump.tokyo Inc.</p>	3,314,500 shares

Candidate No.	Name Date of birth	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	Hiroyuki Kawamoto (March 23, 1979)	<p>Apr. 2002 Joined Development Bank of Japan (currently Development Bank of Japan Inc.)</p> <p>Apr. 2008 Transferred to New Business Investment Co., Ltd (currently DBJ Capital Co., Ltd.)</p> <p>Aug. 2011 Joined the Company. Executive Officer</p> <p>Nov. 2011 Board Director, the Company</p> <p>Mar. 2016 Executive Vice President & COO, the Company</p> <p>Jul. 2018 Representative Director and President, the Company (Present)</p> <p>Significant concurrent positions outside the Company</p> <p>Director, Alim Co., Ltd.</p> <p>CEO, FgG, Inc.</p> <p>Director, Grams, Inc.</p> <p>Director, gumi Asia Pte. Ltd.</p> <p>Managing Director, gumi Taiwan Ltd.</p> <p>Part time Director, gumi Primus, Inc.</p> <p>CEO, gumi ventures, Inc.</p> <p>Director, gumi X Reality Inc.</p> <p>Director, Tokyo XR Startups Inc.</p> <p>President, gumi America, Inc.</p> <p>Director, gumi Cryptos Inc.</p>	433,700 shares
3	Makoto Motoyoshi (January 21, 1983)	<p>Apr. 2007 Joined Shinsei Bank, Limited</p> <p>Jul. 2012 Seconded to the Company</p> <p>Feb. 2014 Joined the Company</p> <p>Jul. 2014 Executive Officer, the Company</p> <p>Jul. 2016 Board Director, the Company (Present)</p> <p>Significant concurrent positions outside the Company</p> <p>Director, Alim Co., Ltd.</p> <p>Auditor, Grams, Inc.</p> <p>Part time Director, gumi Primus, Inc.</p> <p>Director, gumi ventures, Inc.</p> <p>Auditor, gumi X Reality Inc.</p> <p>Auditor, Tokyo XR Startups Inc.</p> <p>Auditor, gumi Cryptos Inc.</p> <p>Outside Auditor, double jump.tokyo Inc.</p>	216,500 shares

- Notes:
1. There is no special interest between any of the candidates for Director and the Company.
 2. The number of the Company's shares held by each candidate for Director is the number of shares held as of April 30, 2020.
 3. Reasons for nominating Hironao Kunimitsu as candidate for Director
As the founder of the Company, Hironao Kunimitsu has displayed abilities to make a swift decision in anticipation of transformation of business and expansion of overseas market due to sudden market changes, and has displayed strong leadership for new business areas. Furthermore, he has abundant experience related to not only the Mobile Online Game Business, but also new business areas such as the XR Business and the Blockchain Business. He also plays an extremely important role in deciding and executing the Management Policy and the Business Strategy. Accordingly, the Company proposes his reelection as Director as it expects that his aforementioned experience, accomplishments, leadership, etc. will continue to benefit the decision making of the Company's Board of Directors and contribute to increasing the Company's corporate value.
 4. Reasons for nominating Hiroyuki Kawamoto as candidate for Director
In addition to specialized knowledge and abundant practical experience during his tenure at financial institutions, Hiroyuki Kawamoto has abundant experience and broad insight regarding the overall corporate realm such as accounting, IR, M&A,

financial strategy and internal control. Furthermore, since his appointment as Representative Director, he has been leading the mobile online game business area, and plays an extremely important role in deciding and executing the Management Policy and the Business Strategy. Accordingly, the Company proposes his reelection as Director as it expects that his aforementioned experience, accomplishments, etc. will continue to benefit the decision making of the Company's Board of Directors and contribute to increasing the Company's corporate value.

5. Reasons for nominating Makoto Motoyoshi as candidate for Director

In addition to specialized knowledge and abundant practical experience during his tenure at financial institutions, Makoto Motoyoshi has abundant experience and broad insight regarding the Group's business in Japan and overseas, financial strategy and investment. Accordingly, the Company proposes his reelection as Director as it expects that his aforementioned experience, accomplishments, etc. will continue to benefit the decision making of the Company's Board of Directors and contribute to increasing the Company's corporate value.

Proposal No. 4 Election of four Directors Who Are Audit and Supervisory Committee Members

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved and adopted as originally proposed, the Company shall make a transition to a company with Audit and Supervisory Committee when the amendments to the Articles of Incorporation take effect.

Therefore, the Company proposes the election of four Directors who are Audit and Supervisory Committee Members. In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

This proposal can only take effect after Proposal No. 2 “Partial Amendments to the Articles of Incorporation” takes effect.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

Candidate No.	Name Date of birth	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	* Yuichi Umeda (April 27, 1952)	<p>Apr. 1975 Joined Taiyo-Kobe Bank Limited. (currently Sumitomo Mitsui Banking Corporation)</p> <p>Aug. 1993 Sales Manager, Sales & Marketing Division, Sakura Investment Management (currently Sumitomo Mitsui DS Asset Management Company, Limited)</p> <p>Oct. 2000 Branch Manager, Hamamatsucho Branch, Sakura Bank (currently Sumitomo Mitsui Banking Corporation)</p> <p>May 2002 Joined Socie World Co., Ltd. Corporate Planning General Manager</p> <p>Apr. 2006 Joined FX PRIME Corp. (currently FX PRIME by GMO Corporation) Business Administration General Manager's Assistant and Legal Compliance Division Manager, FX PRIME Corp.</p> <p>Oct. 2011 Full-Time Outside Auditor, the Company (Present)</p>	4,800 shares
2	* Shintaro Takahashi (January 8, 1965)	<p>Apr. 1989 Joined Recruit Holdings Co., Ltd.</p> <p>Oct. 2001 Joined Magclick Inc. (currently GMO AD Partners Inc.)</p> <p>Mar. 2006 President and Representative Director, GMO AD Partners, Inc.</p> <p>Mar. 2008 Director, GMO Internet, Inc.</p> <p>Mar. 2013 Managing Director of Group Media Dept., GMO Internet, Inc.</p> <p>Mar. 2015 Chairman of the Board, GMO AD Partners, Inc.</p> <p>Apr. 2016 Representative Board Director, Head of Sales Division, Indeed Japan, Inc.</p> <p>Jul. 2016 Outside Director, the Company (Present)</p> <p>Oct. 2017 Representative Board Director, General Manager and Head of Sales Division, Indeed Japan, Inc.</p> <p>Apr. 2020 Representative Board Director, General Manager, Indeed Japan, Inc. (Present)</p>	—

Candidate No.	Name Date of birth	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	* Nobuaki Chonan (September 9, 1973)	<p>Apr. 1996 Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC)</p> <p>Jul. 2008 Partner, Ernst & Young ShinNihon LLC</p> <p>Sept. 2015 Director, STUDIO ATA Co., Ltd. (Present)</p> <p>Jul. 2017 Outside Director, the Company (Present)</p> <p>Aug. 2017 Outside Director (Audit and Supervisory Committee Member), UUM Co., Ltd. (Present)</p> <p>May 2019 Outside Director (Audit and Supervisory Committee Member), SFP Holdings Co., Ltd. (Present)</p>	—
4	* Kenji Shimizu (May 24, 1968)	<p>Nov. 1995 Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC)</p> <p>Oct. 2002 Joined Ozawa & Akiyama</p> <p>Aug. 2013 Outside Corporate Auditor, Gunosy Inc. (Present)</p> <p>Jan. 2015 Joined Takechi Law Firm</p> <p>Mar. 2016 Established Shimizu Law Firm (Present)</p> <p>Mar. 2016 Outside Auditor, NIHON TECHNO CO. LTD. (Present)</p> <p>Jul. 2016 Representative Director, NAGAKOSHI (Present)</p> <p>Oct. 2019 Outside Auditor, AXXZIA INC. (Present)</p>	—

- Notes:
1. New candidates for Director who are Audit and Supervisory Committee Members are indicated by an asterisk (*).
 2. There is no special interest between any of the candidates for Directors who are Audit and Supervisory Committee Members and the Company.
 3. The number of the Company's shares held by each candidate for Director who is an Audit and Supervisory Committee Member is the number of shares held as of April 30, 2020.
 4. Yuichi Umeda, Shintaro Takahashi, Nobuaki Chonan and Kenji Shimizu are candidates for Outside Director.
 5. Reasons for nominating Yuichi Umeda as Director who is an Audit and Supervisory Committee Member
Yuichi Umeda has abundant experience and knowledge cultivated in the financial industry. Accordingly, the Company proposes his election as Director who is an Audit and Supervisory Board Member as it expects that his aforementioned experience, accomplishments, etc. will benefit the decision making of the Company's Board of Directors and contribute to increasing the Company's corporate value. Yuichi Umeda is currently an Outside Auditor of the Company, and at the conclusion of this meeting, his tenure will have been eight years and nine months. Yuichi Umeda has never been involved in the management of a company except as an outside officer. However, the Company judges he will appropriately fulfill his duties as a Director who is an Audit and Supervisory Committee Member based on the above reasons.
 6. Reasons for nominating Shintaro Takahashi as Director who is an Audit and Supervisory Committee Member
Shintaro Takahashi has abundant experience related to corporate management cultivated while he held important positions such as Representative Board Director of various companies, including Indeed Japan, Inc. Accordingly, the Company proposes his election as Director who is an Audit and Supervisory Board Member as it expects that his aforementioned experience, accomplishments, etc. will benefit the decision making of the Company's Board of Directors and contribute to increasing the Company's corporate value. Shintaro Takahashi is currently an Outside Director of the Company, and at the conclusion of this meeting, his tenure will have been four years.
 7. Reasons for nominating Nobuaki Chonan as Director who is an Audit and Supervisory Committee Member
Nobuaki Chonan has extensive experience and broad insight as a certified public accountant. Accordingly, the Company proposes his election as Director who is an Audit and Supervisory Board Member as it expects that his aforementioned experience, accomplishments, etc. will benefit the decision making of the Company's Board of Directors and contribute to increasing the Company's corporate value. Nobuaki Chonan is currently an Outside Director of the Company, and at the conclusion of this meeting, his tenure will have been three years.
 8. Reasons for nominating Kenji Shimizu as Director who is an Audit and Supervisory Committee Member
Kenji Shimizu has extensive experience and broad insight as an attorney at law and a certified public accountant. Accordingly, the Company proposes his election as Director who is an Audit and Supervisory Board Member as it expects that his aforementioned experience, accomplishments, etc. will benefit the decision making of the Company's Board of Directors and contribute to increasing the Company's corporate value.

9. The Company has entered into agreements with Yuichi Umeda, Shintaro Takahashi and Nobuaki Chonan to limit their liability for damages in cases that meets the requirements specified by laws and regulations regarding liability for damages under Article 423, paragraph (1) of the Companies Act. If the election of each candidate is approved at this meeting, the Company plans to renew the aforementioned agreements with the same terms and conditions.
10. If Kenji Shimizu is appointed as a Director who is an Audit and Supervisory Committee Member, the Company plans to enter into an agreement with him to limit his liability for damages in cases that meets the requirements specified by laws and regulations regarding liability for damages under Article 423, paragraph (1) of the Companies Act.
11. The Company has reported the designation of Shintaro Takahashi and Nobuaki Chonan as independent officers to the Tokyo Stock Exchange. If the election of them is approved, the Company plans for their designation as independent officers to continue.
12. Yuichi Umeda and Kenji Shimizu satisfy the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc., and if the election of them is approved, the Company plans for their designation as independent officers.

Proposal No. 5 Determination of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The remuneration amount for Directors of the Company was approved to be ¥200 million or less annually at the 7th Ordinary General Meeting of Shareholders held on July 31, 2014, and has remained unchanged to date.

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved and adopted as originally proposed, the Company shall make a transition to a company with Audit and Supervisory Committee.

Therefore, in accordance with the provisions of Article 361, paragraphs (1) and (2) of the Companies Act, the Company proposes to set a new remuneration amount for Directors (excluding Directors who are Audit and Supervisory Committee Members) of ¥200 million or less annually in consideration of the remuneration amount for Directors thus far and other circumstances, such as the current economic environment, in place of the current remuneration amount for Directors.

Furthermore, the remuneration amount for Directors will continue to exclude the portion paid as employee salaries of Directors concurrently serving as employees.

The Company also proposes that matters such as specific amounts and timing of payments for respective Directors (excluding Directors who are Audit and Supervisory Committee Members) be decided by the Board of Directors.

The number of Directors is currently five (two of whom are Outside Directors), but if Proposal No. 2 “Partial Amendments to the Articles of Incorporation” and Proposal No. 3 “Election of three Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” are approved and adopted as originally proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be three (none of whom are Outside Directors).

This proposal can only take effect after Proposal No. 2 “Partial Amendments to the Articles of Incorporation” takes effect.

Proposal No. 6 Determination of Remuneration Concerning Stock Acquisition Rights as Stock Compensation-Type Stock Options for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) and Other Terms Thereof

The remuneration amount for share acquisition rights as share-based stock options (hereinafter, the “Stock Options”) to Directors of the Company was approved to be ¥100 million or less annually, separately from the remuneration amount for Directors, at the 10th Ordinary General Meeting of Shareholders held on July 26, 2017, and has remained unchanged to date.

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved and adopted as originally proposed, the Company shall make a transition to a company with Audit and Supervisory Committee.

Therefore, in accordance with the provisions of Article 361, paragraphs (1) and (2) of the Companies Act, the Company proposes to set a new remuneration amount for Stock Options, the details of which are established in the attached “Details of Remuneration, Etc.,” for Directors (excluding Directors who are Audit and Supervisory Committee Members) of ¥100 million or less annually (excluding Outside Directors), separately from Proposal No. 5 “Determination of Amounts of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members),” in consideration of the remuneration amount for Stock Options for Directors thus far and other circumstances, such as the current economic environment, in place of the current remuneration amount for share-based Stock Options for Directors. The specific amount of remuneration shall be calculated by multiplying the fair value of each share acquisition right determined on the allotment date of share acquisition rights by the total number of share acquisition rights to be allotted.

Furthermore, the Company also proposes that matters such as the allocation and issuance of share acquisition rights for respective Directors (excluding Directors who are Audit and Supervisory Committee Members) be decided by the Board of Directors.

The number of Directors is currently five (two of whom are Outside Directors), but if Proposal No. 2 “Partial Amendments to the Articles of Incorporation” and Proposal No. 3 “Election of three Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” are approved and adopted as originally proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be three (none of whom are Outside Directors).

This proposal can only take effect after Proposal No. 2 “Partial Amendments to the Articles of Incorporation” takes effect.

1. Reasons justifying the issuance of share acquisition rights as stock options for Directors

This remuneration system is deemed reasonable as its aim is to share merits and risks with shareholders through the share price, improve motivation and morale towards enhancing the operating results of the Company, and further develop business that focuses on the interests of shareholders.

2. Details of Remuneration, Etc. (details of share acquisition rights to be issued in one year as stock options)

(1) Number of share acquisition rights

The maximum number of share acquisition rights to be issued on any date within one year from the date that the Company’s General Meeting of Shareholders is held with respect to each fiscal year shall be 1,250.

(2) Type and number of shares to be issued upon exercise of share acquisition rights

The maximum number of shares to be issued upon exercise of share acquisition rights on any date within one year from the date that the Company’s General Meeting of Shareholders is held with respect to each fiscal year shall be 125,000. The class of shares to be delivered upon exercise of the share acquisition rights shall be ordinary shares and the number of shares to be delivered upon exercise of one (1) share acquisition right (hereinafter the “Number of Shares Granted”) shall be 100. Furthermore, in the event of a share split (including the gratis allotment of shares of the Company’s ordinary shares) or share consolidation, the Number of Shares Granted will be adjusted by the following formula, with fractions of less than 1 share being rounded down.

Number of Shares Granted after adjustment = Number of Shares Granted before adjustment x Ratio of share split or consolidation

In addition, the Number of Shares Granted shall be adjusted to a reasonable extent in the unavoidable event where an adjustment of the Number of Shares Granted is required after the resolution date.

(3) Amount paid in exchange for share acquisition rights

The amount paid for share acquisition rights shall be the assessed fair value of the share acquisition rights calculated using the Black-Scholes model on the day of the option grant. However, the Company shall pay monetary remuneration equivalent to the total amount payable for the share acquisition rights to Directors to whom the share acquisition rights are allotted, thereby offsetting their obligations to pay in for the stock acquisition rights and their remuneration claims.

(4) Price of property invested when share acquisition rights are exercised

The price of property invested when each share acquisition right is exercised shall be the amount paid for one share (hereinafter referred to as the “Exercise Price”) receivable when a share acquisition right is exercised, multiplied by the Number of Granted Shares.

The Exercise Price shall be one yen.

(5) The period when share acquisition rights can be exercised

The period when share acquisition rights can be exercised shall be determined by the Board of Directors within the scope of 30 years from the date immediately following the allotment date.

(6) Restriction on acquisition of share acquisition rights by transfer

Acquisition of share acquisition rights by transfer shall be subject to approval of the Company’s Board of Directors.

(7) Conditions for exercise of share acquisition rights

(i) A holder of share acquisition rights may only exercise the rights in a lump-sum only for a period of 10 days (if the 10th day is a holiday, the next business day) from the day immediately following the date when they cease to hold the position of a Director of the Company.

(ii) Other conditions regarding the exercise of share acquisition rights shall be decided by resolution of the Board of Directors.

(8) Other subscription requirements for share acquisition rights

Other details of share acquisition rights shall be decided by the Board of Directors of the Company, which decides the subscription requirements of the share acquisition rights.

Proposal No. 7 Determination of Remuneration for Directors Who Are Audit and Supervisory Committee Members

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved and adopted as originally proposed, the Company shall make a transition to a company with Audit and Supervisory Committee.

Therefore, in accordance with the provisions of Article 361, paragraphs (1) and (2) of the Companies Act, the Company proposes to set a remuneration amount for Directors who are Audit and Supervisory Committee Members of ¥50 million or less annually in consideration of various circumstances, such as the current economic environment. The Company also proposes that matters such as specific amounts and the timing of payments for respective Directors who are Audit and Supervisory Committee Members be deliberated by the Directors who are Audit and Supervisory Committee Members.

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” and Proposal No. 4 “Election of four Directors Who Are Audit and Supervisory Committee Members” are approved and adopted as originally proposed, the number of Directors who are Audit and Supervisory Committee Members shall be four.

This proposal can only take effect after Proposal No. 2 “Partial Amendments to the Articles of Incorporation” takes effect.