

Securities code: 8282

June 11, 2021

To our shareholders:

Tadashi Hiramoto  
Representative Director, President and Chief Executive  
Officer

**K'S HOLDINGS CORPORATION**

1-13-20 Yanagimachi, Mito City, Ibaraki Prefecture

(Head Office: 1-1-1 Sakuragawa, Mito City, Ibaraki Prefecture)

**Notice of the 41st Ordinary General Meeting of Shareholders**

We are pleased to announce the 41st Ordinary General Meeting of Shareholders of K'S HOLDINGS CORPORATION (the "Company"), which will be held as described below.

Instead of attending the meeting in person, you may exercise your voting rights by postal mail or by electromagnetic means (including the Internet) as described in the "How to Exercise Your Voting Rights" on the next page. After reviewing the attached Reference Documents for the General Meeting of Shareholders, please exercise your voting rights by Monday, June 28, 2021, by 7:00 p.m. (Japan Standard Time).

**1. Date and Time:** Tuesday, June 29, 2021, at 10:00 a.m. (Reception starts: 9:30 a.m.) (Japan Standard Time)

**2. Venue:** Hotel Lake View Mito, Second Floor "Hiten no Ma"  
1-6-1 Miyamachi, Mito City, Ibaraki Prefecture

**3. Purposes:**

**Items to be reported:**

1. Business Report and Consolidated Financial Statements for the 41st Term (from April 1, 2020 to March 31, 2021), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
2. Non-Consolidated Financial Statements for the 41st Term (from April 1, 2020 to March 31, 2021)

**Items to be resolved:**

**Proposal 1:** Appropriation of Surplus

**Proposal 2:** Election of Seven (7) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

**Proposal 3:** Election of Four (4) Directors Who Are Audit and Supervisory Committee Members

The content of this convocation notice was posted on our website in advance from the perspective of providing information in a timely manner.

The Company's website (<https://www.ksdenki.co.jp>)

## **How to Exercise Your Voting Rights**

Voting rights at the General Meeting of Shareholders are the rights of shareholders.

Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights.

You can exercise your voting rights in the following three methods.

### **Attending the General Meeting of Shareholders**

Date and time: Tuesday, June 29, 2021 at 10:00 a.m. (Japan Standard Time)

When attending the General Meeting of Shareholders on the scheduled date, please submit the enclosed Form for Exercising Voting Rights at the reception desk on the Meeting date.

### **Exercising by Postal Mail**

Mail must be received by: Monday, June 28, 2021 at 7:00 p.m. (Japan Standard Time)

Please indicate your approval or disapproval of the proposals in the enclosed Form for Exercising Voting Rights and return the form to the Company.

### **Exercising via the Internet, etc.**

Exercise by: Monday, June 28, 2021 at 7:00 p.m. (Japan Standard Time)

Please enter your approval or disapproval of the proposals.

- When attending the General Meeting of Shareholders on the scheduled date, please submit the enclosed Form for Exercising Voting Rights at the reception desk on the Meeting date.
- Among documents that should be included in this notice, the following information is not supplied because it is posted on the Company's website according to the laws and regulations, and Article 16 of Articles of Incorporation.
  - (1) "Matters Concerning the Stock Acquisition Rights, etc." and "System to Ensure Proper Execution of Business Operations and Its Status" of the Business Report
  - (2) The "Consolidated Statement of Changes in Net Assets" and "Notes to Consolidated Financial Statements"
  - (3) The "Non-Consolidated Statements of Changes in Net Assets" and "Notes to Non-Consolidated Financial Statements"Accordingly, the Business Report, the Consolidated Financial Statements, and the Non-Consolidated Financial Statements included in the documents accompanying this notice are part of the Business Report, the Consolidated Financial Statements, and the Non-Consolidated Financial Statements audited by the Accounting Auditor or the Audit and Supervisory Committee when they made the accounting audit report or the audit report.
- In the event of revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-Consolidated Financial Statements, and the Consolidated Financial Statements, the Company will publish the revisions on its website.
- In the event voting rights are exercised in duplicate on both by postal mail and via the Internet, etc., the voting rights exercised via the Internet, etc. shall be the effective voting rights. If any voting rights exercised several times via the Internet, etc., the Company shall consider the content of the last exercised as valid.

The Company's website (<https://www.ksdenki.co.jp>)

## Reference Documents for the General Meeting of Shareholders

### Proposal 1: Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

1. Matters related to year-end dividends

The Company has positioned the distribution of profits to shareholders as one of its most important management priorities. Together with undertaking capital investments for the establishment of new stores and management innovations, working to achieve the Company's growth, and strengthening competitiveness, the Company regards allocation of profits to shareholders in accordance with the operating results, in principle on a stable basis, as its policy.

(1) Type of dividend property

Cash

(2) Allocation of dividend property and its total amount

¥25 per common share of the Company

Total amount of dividends: ¥5,151,845,100

(As a result, the total annual dividend, including the interim dividend of ¥15, will total ¥40 per share.)

(3) Effective date of distribution of dividends of surplus

June 30, 2021

2. Matters related to other appropriation of surplus

With regard to the internal reserves, the Company proposes the following in order to enable active business development in the future and strengthen the management platform.

(1) Item of surplus to be increased and amount of increase

General reserve:

¥10,000,000,000

(2) Item of surplus to be decreased and amount of decrease

Retained earnings brought forward:

¥10,000,000,000

**Proposal 2:** Election of Seven (7) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The term of office of all seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members; applicable to the rest of this proposal) will terminate at the conclusion of the Ordinary General Meeting of Shareholders. Therefore, the Company proposes the election of seven (7) Directors.

The Audit and Supervisory Committee of the Company has determined that all of the candidates for Directors in this Proposal are qualified to serve as Director.

The candidates for Directors are as follows:

| No. | Name             | Current positions, responsibilities, etc.   | Type                                   | Gender |
|-----|------------------|---|--|--------|
| 1   | Tadashi Hiramoto | Representative Director, President and Chief Executive Officer<br>Director of KANSAI K'S DENKI CO., LTD.<br>Director of BIG・S CO., LTD.   | Reelection                             | Male   |
| 2   | Kazuyoshi Suzuki | Director, Senior Managing Executive Officer<br>Supervisor of Merchandising Division<br>Chairman and Representative Director of Technical Arts Co., Ltd<br>President and Representative Director of K'S CAREER STAFF CORPORATION<br>Director of KYUSHU K'S DENKI CORPORATION | Reelection                             | Male   |
| 3   | Naoto Osaka      | Director, Managing Executive Officer<br>General Manager of Marketing Division<br>Director of GIGAS CORPORATION  | Reelection                             | Male   |
| 4   | Keiichi Mizuno   | Director, Senior Executive Officer<br>General Manager of Store Planning and Development Division, Department Manager of Store Planning Department<br>Director of Denkodo Co., Ltd.  | Reelection                             | Male   |
| 5   | Yuji Yoshihara   | Director, Senior Executive Officer<br>General Manager of Administration Division<br>Director of Hokuetsu K's CO., LTD.<br>Director of K'S CAREER STAFF CORPORATION  | Reelection                             | Male   |
| 6   | Taro Mizutani    | Director, Senior Executive Officer<br>General Manager of Corporate Planning Division, Department Manager of Corporate Planning Office<br>Director of K'S CAREER STAFF CORPORATION   | Reelection                             | Male   |
| 7   | Wakako Tokuda    | Representative Director and COO of Yuko Yuko Holdings Inc.<br>Representative Director of Yuko Yuko Corporation  | New election<br>Outside<br>Independent | Female |

Reelection

Candidate for reelection as Director

New election

Candidate for new election as Director

Outside

Candidate for election as outside Director

Independent

Independent officer as provided for by the Tokyo Stock Exchange

| Candidate No.   | Name<br>(Date of birth)   | [Career summary, positions, and responsibilities]   |  | Number of the Company's shares owned |
|---|---|---|--|--------------------------------------|
| 1   | Tadashi Hiramoto<br>(November 6, 1958)<br><br>Reelection<br>Attendance at meetings of the Board of Directors<br>17/18 | Apr. 1983   | Joined the Company   | 407,669                              |
|   |   | Apr. 1995   | General Manager of Planning Dept.  |                                      |
|   |   | June 1995   | Director   |                                      |
|   |   | June 2003   | Managing Director  |                                      |
|   |   | June 2006   | Senior Managing Director, Chief Development Officer, General Manager of Store Planning Dept.   |                                      |
|   |   | Apr. 2017   | Senior Managing Director, Chief Development Officer  |                                      |
|   |   | June 2017   | President and Representative Director, Chief Development Officer   |                                      |
|   |   | Apr. 2018   | President and Representative Director  |                                      |
|   |   | June 2020   | Representative Director, President and Chief Executive Officer (present position)<br>Director of KANSAI K'S DENKI CO., LTD. (present position)<br>Director of BIG・S CO., LTD. (present position) |                                      |
|   |   | [Significant concurrent positions outside the Company]<br>Director of KANSAI K'S DENKI CO., LTD.<br>Director of BIG・S CO., LTD. |  |                                      |
| Reasons for nomination as candidate for Director<br>Candidate for Director Mr. Tadashi Hiramoto has been engaged for over 20 years as a Director of the Company and was appointed as Representative Director in 2017.<br>The Company proposes his election as Director because he possesses excellent insight and experience cultivated so far. |   |   |  |                                      |

| Candidate No.  | Name<br>(Date of birth)   | [Career summary, positions, and responsibilities]  | Number of the Company's shares owned |
|--|---|--|--------------------------------------|
| 2  | <p>Kazuyoshi Suzuki<br/>(April 19, 1961)</p> <p>Reelection<br/>Attendance at meetings of the<br/>Board of Directors<br/>18/18</p> | <p>Apr. 1984      Joined the Company</p> <p>Apr. 2008      General Manager of Marketing Planning Dept.,<br/>Marketing Division</p> <p>July 2009      Executive Officer</p> <p>June 2011      Director</p> <p>Apr. 2012      Director, Deputy Marketing Officer, General<br/>Manager of Marketing Planning Dept.</p> <p>June 2013      Director, General Manager of Marketing<br/>Division, General Manager of Marketing<br/>Planning Dept.</p> <p>Apr. 2016      Director, General Manager of Marketing<br/>Division</p> <p>Apr. 2017      Director, General Manager of Administration<br/>Division</p> <p>June 2017      Director of DIGIX K'S CORPORATION (now<br/>K'S CAREER STAFF CORPORATION)<br/>Managing Director, General Manager of<br/>Administration Division of the Company</p> <p>Apr. 2018      Managing Director, General Manager of<br/>Corporate Planning Division</p> <p>June 2018      President and Representative Director of K'S<br/>CAREER STAFF CORPORATION (present<br/>position)</p> <p>June 2019      Senior Managing Director, General Manager of<br/>Corporate Planning Division of the Company</p> <p>June 2020      Chairman and Representative Director of<br/>Technical Arts Co., Ltd (present position)</p> <p>June 2020      Director, Senior Managing Executive Officer,<br/>General Manager of Corporate Planning<br/>Division of the Company</p> <p>Dec. 2020      Director of KYUSHU K'S DENKI<br/>CORPORATION (present position)</p> <p>Apr. 2021      Director, Senior Managing Executive Officer,<br/>Supervisor of Merchandising Division (present<br/>position)</p> <p>[Significant concurrent positions outside the Company]<br/>Chairman and Representative Director of Technical Arts Co.,<br/>Ltd<br/>President and Representative Director of K'S CAREER STAFF<br/>CORPORATION<br/>Director of KYUSHU K'S DENKI CORPORATION</p> | 99,002                               |
| <p>Reasons for nomination as candidate for Director</p> <p>Candidate for Director Mr. Kazuyoshi Suzuki has been engaged for over ten years as a Director of the Company.</p> <p>The Company proposes his election as Director because he possesses excellent insight and experience cultivated so far.</p> |   |  |                                      |

| Candidate No.  | Name<br>(Date of birth)  | [Career summary, positions, and responsibilities]      |  | Number of the Company's shares owned |
|--|--|--|--|--------------------------------------|
| 3  | Naoto Osaka<br>(January 30, 1973)<br><br>Reelection<br>Attendance at meetings of the Board of Directors<br>18/18 | Apr. 1994  | Joined the Company   | 233,560                              |
|  |  | Aug. 1999  | Joined BIG・S CO., LTD.   |                                      |
|  |  | June 2004  | Director of BIG・S CO., LTD.  |                                      |
|  |  | Apr. 2005  | Senior Managing Director of BIG・S CO., LTD.  |                                      |
|  |  | June 2008  | Representative Director and President of BIG・S CO., LTD.                                       |                                      |
|  |  | June 2009  | Director of the Company  |                                      |
|  |  | Apr. 2017  | Director, General Manager of Marketing Division  |                                      |
|  |  | June 2017  | Director of DIGIX K'S CORPORATION (now K'S CAREER STAFF CORPORATION)                           |                                      |
|  |  | June 2018  | Managing Director, General Manager of Marketing Division of the Company                        |                                      |
|  |  | June 2020  | Director, Managing Executive Officer, General Manager of Marketing Division (present position) |                                      |
|  |  |  | Director of GIGAS CORPORATION (present position)   |                                      |
|  |  | [Significant concurrent positions outside the Company] |  |                                      |
|  |  | Director of GIGAS CORPORATION                          |  |                                      |
| Reasons for nomination as candidate for Director<br>Candidate for Director Mr. Naoto Osaka has been engaged in management for over ten years as a Director of BIG・S CO., LTD., as well as for over ten years as a Director of the Company.<br>The Company proposes his election as Director because he possesses excellent insight and experience cultivated as a corporate manager. |  |  |  |                                      |

| Candidate No.  | Name<br>(Date of birth)   | [Career summary, positions, and responsibilities] |   | Number of the Company's shares owned |
|--|---|---|---|--------------------------------------|
| 4  | Keiichi Mizuno<br>(March 19, 1963)<br><br>Reelection<br>Attendance at meetings of the Board of Directors<br>18/18 | Mar. 1981   | Joined UNY Co., Ltd.  | 44,774                               |
|  |   | Feb. 2004   | Joined the Company  |                                      |
|  |   | Apr. 2008   | General Manager of Store Development Dept.,<br>Store Planning & Development Division  |                                      |
|  |   | July 2009   | Executive Officer, General Manager of Store Development Dept., Store Planning & Development Division  |                                      |
|  |   | June 2012   | Director, General Manager of Store Development Dept., Store Planning & Development Division   |                                      |
|  |   | June 2016   | Senior Executive Officer, General Manager of Store Development Dept., Store Planning & Development Division   |                                      |
|  |   | Apr. 2017   | Senior Executive Officer, Deputy Development Officer, General Manager of Store Development Dept., and General Manager of Store Planning Dept.                                 |                                      |
|  |   | Apr. 2018   | Senior Executive Officer, Chief Development Officer, General Manager of Store Planning Dept.  |                                      |
|  |   | June 2018   | Director of GIGAS CORPORATION<br>Director, Chief Development Officer, General Manager of Store Planning Dept. of the Company  |                                      |
|  |   | June 2020   | Director, Senior Executive Officer, Chief Development Officer, General Manager of Store Planning Dept. (present position)<br>Director of Denkodo Co., Ltd. (present position) |                                      |
| [Significant concurrent positions outside the Company]<br>Director of Denkodo Co., Ltd.  |   |   |   |                                      |
| Reasons for nomination as candidate for Director<br>Candidate for Director Mr. Keiichi Mizuno was engaged as a Director of the Company from June 2012 to June 2016, and has been engaged as a Director again since June 2018; therefore, he has served as a Director of the Company for over five years.<br>The Company proposes his election as Director because he possesses excellent insight and experience cultivated so far. |   |   |   |                                      |



| Candidate No.   | Name<br>(Date of birth)  | [Career summary, positions, and responsibilities]  | Number of the Company's shares owned |
|---|--|--|--------------------------------------|
| 5   | Yuji Yoshihara<br>(February 8, 1967)<br><br>Reelection<br>Attendance at meetings of the<br>Board of Directors<br>18/18 | Nov. 1986      Joined the Company<br>Dec. 2009      General Manager of Marketing Promotion<br>Dept., Marketing Division<br>June 2011      Executive Officer, General Manager of<br>Marketing Promotion Dept., Marketing<br>Division<br>Nov. 2011      Executive Officer, General Manager of Human<br>Resource Dept., Administration Division<br>Apr. 2016      Executive Officer, General Manager of General<br>Affairs and Human Resource Dept.,<br>Administration Division<br>Apr. 2018      Senior Executive Officer, General Manager of<br>Administration Division<br>June 2018      Director of KANSAI K'S DENKI CO., LTD.<br>June 2019      Director of K'S CAREER STAFF<br>CORPORATION (present position)<br>Director, General Manager of Administration<br>Division of the Company<br>June 2020      Director, Senior Executive Officer, General<br>Manager of Administration Division (present<br>position)<br>Director of Hokuetsu K's CO., LTD. (present<br>position)<br><br>[Significant concurrent positions outside the Company]<br>Director of Hokuetsu K's CO., LTD.<br>Director of K'S CAREER STAFF CORPORATION | 78,335                               |
| Reasons for nomination as candidate for Director<br>Candidate for Director Mr. Yuji Yoshihara has been engaged as a Director of the Company since 2019.<br>The Company proposes his election as Director because he possesses excellent insight and experience cultivated so far. |  |  |                                      |

| Candidate No.  | Name<br>(Date of birth)   | [Career summary, positions, and responsibilities]  |  | Number of the Company's shares owned |  |
|--|---|--|--|--------------------------------------|--|
| 6  | Taro Mizutani<br>(December 11, 1970)<br><br>Reelection<br>Attendance at meetings of the Board of Directors<br>14/14         | Sept. 1999   | Joined Yuai Denki Co., Ltd.  | 7,101                                |  |
|  |   | Oct. 2005  | Joined the Company   |                                      |  |
|  |   | Aug. 2013  | Registered as certified public accountant  |                                      |  |
|  |   | Oct. 2014  | General Manager of Corporate Planning Department   |                                      |  |
|  |   | Apr. 2015  | Executive Officer, General Manager of Corporate Planning Department  |                                      |  |
|  |   | Nov. 2015  | Registered as certified tax accountant   |                                      |  |
|  |   | Apr. 2019  | Senior Executive Officer, General Manager of Corporate Planning Office, Corporate Planning Division  |                                      |  |
|  |   | June 2020  | Director, Senior Executive Officer, General Manager of Corporate Planning Office, Corporate Planning Division<br>Director of K'S CAREER STAFF CORPORATION (present position) |                                      |  |
|  |   | Dec. 2020  | Director, Senior Executive Officer, Deputy General Manager of Corporate Planning Division, Department Manager of Corporate Planning Office of the Company                    |                                      |  |
|  |   | Apr. 2021  | Director, Senior Executive Officer, General Manager of Corporate Planning Division, Department Manager of Corporate Planning Office (present position)                       |                                      |  |
| [Significant concurrent positions outside the Company]<br>Director of K'S CAREER STAFF CORPORATION   |   |  |  |                                      |  |
| Reasons for nomination as candidate for Director<br>Candidate for Director Mr. Taro Mizutani has broad insight and abundant operational experience related to finance and accounting as a certified public accountant and tax accountant, and has served as an Executive Officer of the Company for over five years.<br>The Company proposes his election as Director because he possesses excellent insight and experience cultivated so far. |   |  |  |                                      |  |
| 7  | Wakako Tokuda<br>Name on family register:<br>Wakako Asai<br>(August 21, 1983)<br><br>New election<br>Outside<br>Independent | Apr. 2008  | Joined Goldman Sachs Japan Co., Ltd.   | 0                                    |  |
|  |   | Feb. 2011  | Joined Next Capital Partners Co., Ltd.   |                                      |  |
|  |   | Apr. 2012  | Seconded as Executive Officer to CROSS FM Co., Ltd.  |                                      |  |
|  |   | Sept. 2012   | Director and Vice President of CROSS FM Co., Ltd.  |                                      |  |
|  |   | June 2013  | Representative Director and President of CROSS FM Co., Ltd.  |                                      |  |
|  |   | July 2018  | Director of MAYA HOLDINGS, Inc.  |                                      |  |
|  |   | Apr. 2020  | Director and COO of Yuko Yuko Holdings Inc.  |                                      |  |
|  |   | Sept. 2020   | Representative Director and COO of Yuko Yuko Holdings Inc. (present position)<br>Representative Director of Yuko Yuko Corporation (present position)                         |                                      |  |
|  |   | [Significant concurrent positions outside the Company]<br>Representative Director and COO of Yuko Yuko Holdings Inc.<br>Representative Director of Yuko Yuko Corporation   |  |                                      |  |
|  |   | Reasons for nomination as candidate for outside Director and overview of expected roles<br>Candidate for outside Director Ms. Wakako Tokuda has been engaged in management as the Representative Director and COO of Yuko Yuko Holdings Inc., and has demonstrated her capabilities over past years as a corporate manager at numerous companies.<br>The Company proposes her election as outside Director because it expects she will help strengthen the corporate governance organization and contribute to the continuous and appropriate improvement of corporate value by monitoring the Company's management based on her excellent insight and experience cultivated as a corporate manager. |  |                                      |  |

- Notes:
1. Candidate for Director Mr. Kazuyoshi Suzuki is Chairman and Representative Director of Technical Arts Co., Ltd., a subsidiary of the Company. The Company entrusts Technical Arts Co., Ltd. with customer support services and leases the facilities in its stores. In addition, he is President and Representative Director of K'S CAREER STAFF CORPORATION, a subsidiary of the Company. The Company takes temporary workers from K'S CAREER STAFF CORPORATION.
  2. There are no special interests between the other candidates for Directors and the Company.
  3. Candidate for Director Ms. Wakako Tokuda is a candidate for outside Director. The Company plans to appoint her as independent officer as provided by the rules of the Tokyo Stock Exchange if her election is approved.
  4. If candidate for Director Ms. Wakako Tokuda's election is approved, the Company plans to conclude an agreement with her to limit the liability for damages under Article 423, paragraph 1 of the Companies Act based on the provision of Article 427, paragraph 1 of the Companies Act and the Company's Articles of Incorporation. Based on this agreement, liability for damages will be limited to the Minimum Liability Amount provided in Article 425, paragraph 1 of the Companies Act.
  5. The Company has entered into a directors and officers liability insurance policy with an insurance company in which all Directors are insureds as stipulated in Article 430-3, paragraph 1 of the Companies Act. If the election of Directors is approved, all of them will continue to be covered by this insurance policy.  
In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.

**Proposal 3:** Election of Four (4) Directors Who Are Audit and Supervisory Committee Members

The term of office of all four (4) Directors who are Audit and Supervisory Committee Members will terminate at the conclusion of the Ordinary General Meeting of Shareholders. Therefore, the Company proposes the election of four (4) Directors who are Audit and Supervisory Committee Members.

The consent of the Audit and Supervisory Committee has been obtained for this proposal.

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

| No. | Name             | Current positions, responsibilities, etc.  | Type                                   | Gender |
|-----|------------------|--|--|--------|
| 1   | Nobuya Hori      | General Manager of Auditing Office   | New election                           | Male   |
| 2   | Hisako Takahashi | Partner of PM Support (Labor and Social Security Attorney Corporation)<br>Full-time Lecturer of Labor and Social Security Attorney Course, TAC Co., Ltd.                       | Reelection<br>Outside<br>Independent   | Female |
| 3   | Hiroyuki Bundo   | Professor of College of Policy Studies of Tokiwa University  | Reelection<br>Outside<br>Independent   | Male   |
| 4   | Shinji Hagiwara  | Senior Partner of Hagiwara Sogo Law Office<br>Inspector of the social welfare corporation Tsukuba Association<br>Representative Director of Hagiwara Sogo Consulting Co., Ltd. | New election<br>Outside<br>Independent | Male   |

Reelection                      Candidate for reelection as Director

New election                      Candidate for new election as Director

Outside                      Candidate for election as outside Director

Independent                      Independent officer as provided for by the Tokyo Stock Exchange

| Candidate No. | Name<br>(Date of birth)  | [Career summary, positions, and responsibilities]  |   | Number of the Company's shares owned |
|---------------|--|--|---|--------------------------------------|
| 1             | Nobuya Hori<br>(July 1, 1962)<br><br>New election  | Dec. 2004  | General Manager of Planning Department of K'S Mobile System CORPORATION                           | 24,673                               |
|               |  | June 2006  | General Manager of Business Department of K'S Mobile System CORPORATION                           |                                      |
|               |  | Apr. 2007  | General Manager of Sales Management Department of K'S Mobile System CORPORATION                   |                                      |
|               |  | Apr. 2008  | General Manager of Corporate Planning Office of K'S Mobile System CORPORATION                     |                                      |
|               |  | Mar. 2009  | General Manager of Auditing Office of K'S Mobile System CORPORATION                               |                                      |
|               |  | Apr. 2016  | General Manager of Auditing Department of the Company   |                                      |
|               |  | Aug. 2017  | General Manager of Auditing Office (present position)   |                                      |
|               | Reasons for nomination as candidate for Director who is an Audit and Supervisory Committee Member<br>Candidate for Director Mr. Nobuya Hori has been engaged in auditing for over ten years.<br>The Company proposes his election as Director who is an Audit and Supervisory Committee Member because he possesses excellent insight and experience cultivated so far.  |  |   |                                      |
| 2             | Hisako Takahashi<br>(July 15, 1960)<br><br>Reelection<br>Outside<br>Independent<br>Attendance at meetings of the Board of Directors<br>18/18   | June 1990  | Joined Komiyama Law Office  | 0                                    |
|               |  | Oct. 1996  | Full-time Lecturer of Labor and Social Security Attorney Course, TAC Co., Ltd. (present position) |                                      |
|               |  | Nov. 1996  | Established Takahashi Labor and Social Security Attorney Office                                   |                                      |
|               |  | Apr. 2007  | Partner of PM Support (Labor and Social Security Attorney Corporation) (present position)         |                                      |
|               |  | June 2019  | Outside Director (Audit and Supervisory Committee Member) of the Company (present position)       |                                      |
|               |  | [Significant concurrent positions outside the Company]<br>Partner of PM Support (Labor and Social Security Attorney Corporation)<br>Full-time Lecturer of Labor and Social Security Attorney Course, TAC Co., Ltd. |   |                                      |
|               |  |  |   |                                      |
|               | Reasons for nomination as candidate for outside Director who is an Audit and Supervisory Committee Member and overview of expected roles<br>Although candidate for Director Ms. Hisako Takahashi has never been involved in corporate management except as an outside officer, she has specialist knowledge and abundant operational experience related to corporate labor cultivated as a labor and social security attorney.<br>The Company proposes her election as outside Director who is an Audit and Supervisory Committee Member because it expects she will help strengthen the corporate governance organization and contribute to the continuous and appropriate improvement of corporate value by auditing and monitoring the Company based on her excellent insight and experience. |  |   |                                      |

| Candidate No. | Name<br>(Date of birth)  | [Career summary, positions, and responsibilities]   |   | Number of the Company's shares owned |
|---------------|--|---|---|--------------------------------------|
| 3             | Hiroyuki Bundo<br>(December 18, 1970)<br><br>Reelection<br>Outside<br>Independent<br>Attendance at meetings of the Board of Directors<br>18/18 | Apr. 2001   | Full-time Lecturer of College of Human Science of Tokiwa University   | 0                                    |
|               |  | Apr. 2005   | Assistant Professor of College of Human Science of Tokiwa University  |                                      |
|               |  | Apr. 2008   | Associate Professor of College of Applied International Studies of Tokiwa University  |                                      |
|               |  | Apr. 2013   | Professor of College of Applied International Studies of Tokiwa University  |                                      |
|               |  | Apr. 2017   | Professor of College of Policy Studies of Tokiwa University (present position)  |                                      |
|               |  | June 2019   | Outside Director (Audit and Supervisory Committee Member) of the Company (present position)   |                                      |
|               |  | [Significant concurrent positions outside the Company]<br>Professor of College of Policy Studies of Tokiwa University   |   |                                      |
|               |  | Reasons for nomination as candidate for outside Director who is an Audit and Supervisory Committee Member and overview of expected roles<br>Although candidate for Director Mr. Hiroyuki Bundo has never been involved in corporate management, he has extensive expertise, abundant knowledge and broad insight of business administration through his research activities as a university professor.<br>The Company proposes his election as outside Director who is an Audit and Supervisory Committee Member because it expects he will help strengthen the corporate governance organization and contribute to the continuous and appropriate improvement of corporate value by monitoring the Company based on his excellent knowledge and insight. |   |                                      |
| 4             | Shinji Hagiwara<br>(November 24, 1974)<br><br>New election<br>Outside<br>Independent   | Oct. 2005   | Registered as attorney<br>Joined Kawarabuki Law Office  | 0                                    |
|               |  | Oct. 2006   | Joined Japan Legal Support Center<br>SHIMOTSUMA Local Law Office  |                                      |
|               |  | Oct. 2009   | Established Hagiwara Sogo Law Office<br>Representative of Hagiwara Sogo Law Office  |                                      |
|               |  | Dec. 2011   | Established Hagiwara Sogo Law Office<br>Senior Partner of Hagiwara Sogo Law Office (present position)                               |                                      |
|               |  | Jan. 2015   | Corporate Auditor of TOAKEIBIHOSHOU CO., LTD.<br>Inspector of the social welfare corporation Tsukuba Association (present position) |                                      |
|               |  | July 2015   | Representative Director of Hagiwara Sogo Consulting Co., Ltd. (present position)  |                                      |
|               |  | [Significant concurrent positions outside the Company]<br>Senior Partner of Hagiwara Sogo Law Office<br>Representative Director of Hagiwara Sogo Consulting Co., Ltd.<br>Inspector of the social welfare corporation Tsukuba Association  |   |                                      |
|               |  | Reasons for nomination as candidate for outside Director who is an Audit and Supervisory Committee Member and overview of expected roles<br>Although candidate for Director Mr. Shinji Hagiwara has never been involved in corporate management, he is an experienced corporate auditor, etc., and has abundant knowledge and experience as an attorney well versed in corporate legal affairs.<br>The Company proposes his election as outside Director who is an Audit and Supervisory Committee Member because it expects he will help strengthen the corporate governance organization and contribute to the continuous and appropriate improvement of corporate value by monitoring the Company based on his excellent knowledge and insight.        |   |                                      |

- Notes:
1. There is no special interest between any of the candidates and the Company.
  2. Ms. Hisako Takahashi, Mr. Hiroyuki Bundo, and Mr. Shinji Hagiwara are candidates for outside Directors. The Company has registered Ms. Takahashi and Mr. Bundo as independent officers with the Tokyo Stock Exchange, as provided by the rules of the exchange. The Company plans to have both individuals continue as independent officers if their reelection is approved.  
The Company plans to appoint Mr. Hagiwara as independent officer if his election is approved.

3. The Company has concluded agreements with Ms. Hisako Takahashi and Mr. Hiroyuki Bundo to limit the liability for damages under Article 423, paragraph 1 of the Companies Act by setting the Minimum Liability Amount provided in Article 425, paragraph 1 of the Companies Act as a limit, based on the provision of Article 427, paragraph 1 of the Companies Act. The Company plans to continue the relevant agreement if their reelection is approved. In addition, the Company plans to conclude a similar limited liability agreement with Mr. Nobuya Hori and Mr. Shinji Hagiwara if their election is approved.
4. The Company has entered into a directors and officers liability insurance policy with an insurance company in which all Directors who are Audit and Supervisory Committee Members are insureds as stipulated in Article 430-3, paragraph 1 of the Companies Act. If the election of Directors who are Audit and Supervisory Committee Members is approved, all of them will continue to be covered by this insurance policy.  
In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.
5. Ms. Hisako Takahashi and Mr. Hiroyuki Bundo are currently outside Directors who are Audit and Supervisory Committee Members of the Company. At the conclusion of the Ordinary General Meeting of Shareholders, they will have served in the position for two (2) years.

(Reference) Independence criteria for independent officers of the Company

For election of outside Directors, the Company has established the following criteria for independence, and in the event that a candidate falls under any of the following, he/she will be deemed as not sufficiently independent:

- 1 A person who executes business for the Group or a person who had executed business for the Group in the past 10 years (however, if a person has been a non-executive director, corporate auditor, or accounting advisor in the Group at any time within the past 10 years, this applies to the 10 years prior to assuming such position)
  - 2 An entity for which the Group is a major (\*) client, or a person who executes business for such entity
  - 3 A major (\*) client of the Group or a person who executes business for such client
  - 4 A consultant, accounting professional, or legal professional who receives significant amount of cash or other assets (exceeding ¥10 million annually) from the Group other than remuneration as an officer (if the receiver of such assets is a corporation, association, etc., a person who belongs to the organization in question)
  - 5 A person who belongs to the auditing firm that conducts the accounting audit on the Group
  - 6 A person who receives donations or subsidies that exceed a certain amount (exceeding ¥1 million annually) from the Group (if the receiver of such donations or subsidies is a corporation, association, etc., a person who belongs to the organization in question)
  - 7 A person who executes business for a major (\*) financial institution from which the Group has borrowings, or a person who executes business for the parent company or subsidiary of such financial institution
  - 8 A major shareholders of the Group or, if a major shareholder is a corporation, a person who executes business for such corporation
  - 9 A person who executes business for a company in which the Group is a major shareholder
  - 10 A person who executes business for a company accepting directors (whether full or part time) from the Group, or a person who executes business for the parent company or subsidiary of such company
  - 11 A person to whom any of the items 2 to 10 has applied in the past three (3) years
  - 12 Relative of a person to whom any of the items 1 to 11 apply
- \* “Major” refers to cases in which the annual transaction between the Group and an entity amounts to 1% or more of the Company’s consolidated net sales.