

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities code: 3662
October 7, 2021

To our shareholders:

Takao Hayashi
President
Ateam Inc.
28-12 Meieki 3-chome, Nakamura-ku, Nagoya

Notice of the 22nd Annual General Meeting of Shareholders

You are cordially informed of the 22nd Annual General Meeting of Shareholders of Ateam Inc. (the “Company”), which will be held as indicated below.

In order to prevent the spread of the novel coronavirus disease (COVID-19), you are encouraged to exercise your voting rights prior to the meeting in writing or by using the internet, if at all possible. Regardless of your own state of health, you are urged to refrain from traveling to the venue on the date of the meeting.

We will hold the meeting while placing importance on measures to prevent infection, and in order to shorten the time shareholders spend at the venue, we will simplify the meeting procedures and reduce the time for questions and answers. Please note that a company presentation meeting for the shareholders, which is usually held every year after the meeting, will not be held this year. We greatly appreciate your understanding.

If you vote by mail or vote online via the internet, please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by Tuesday, October 26, 2021 at 7:00 p.m. Japan Standard Time (the end of business hours of the Company).

1. **Date and Time:** Wednesday, October 27, 2021 at 7:00 p.m. (Reception will open at 6:30 p.m.)
2. **Venue:** Head office of Ateam Inc.
32nd floor, Dai Nagoya Building
28-12 Meieki 3-chome, Nakamura-ku, Nagoya
3. **Purpose of the Meeting**
Matters to be reported:
 1. The Business Report and the Consolidated Financial Statements for the 22nd fiscal year (from August 1, 2020 to July 31, 2021), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
 2. The Non-consolidated Financial Statements for the 22nd fiscal year (from August 1, 2020 to July 31, 2021)**Matters to be resolved:**
 - Proposal No. 1 Partial Amendments to the Articles of Incorporation
 - Proposal No. 2 Election of Five Directors
4. **Concerning Disclosure on the Company's Corporate Website**

Of documents to be attached to this notice, following items are posted on the Company's corporate website in accordance with the provisions of relevant laws and regulations, and Article 14 of the Articles of Incorporation of the Company. They are not therefore included in the attachments to this notice (in Japanese only).

 - 1) Status of Accounting Auditor
 - 2) Matters Related to Share Acquisition Rights, Etc. of the Company
 - 3) Structure for Ensuring the Appropriateness of Business and Outline of its Operation Status

4) Consolidated Statement of Changes in Net Assets

5) Notes to Consolidated Financial Statements

6) Statement of Changes in Shareholders' Equity

7) Notes to Non-consolidated Financial Statements

Corporate Website: <https://www.a-tm.co.jp/ir/>

The Consolidated and Non-consolidated Financial Statements audited by the Audit & Supervisory Board Members and the Accounting Auditor include Consolidated Statement of Changes in Net Assets, Notes to Consolidated Financial Statements, Statement of Changes in Shareholders' Equity and Notes to Non-consolidated Financial Statements.

5. Method of Notifying Shareholders

If any changes have been made to items in the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements up to one day before the meeting, such changes will be notified in writing by mail or via the internet on the Company's corporate website (in Japanese only).

Corporate Website: <https://www.a-tm.co.jp/ir/>






Exercise of Voting Rights

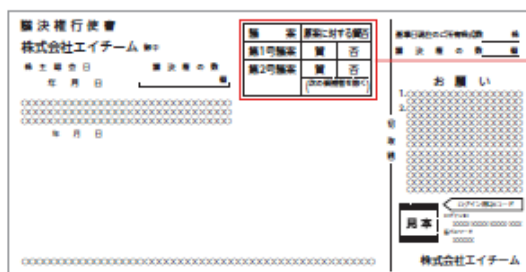
Exercise of voting rights at the Company's Annual Meeting of Shareholders is shareholders' important right.

Please vote after considering the attached Reference Documents for the General Meeting of Shareholders.

There are three methods to vote as indicated below.

 <p>By Attending the Meeting</p> <p>Please present the enclosed proxy card at the reception desk upon arrival at the meeting.</p> <p><u>Date and Time</u></p> <p>Wednesday, October 27, 2021 at 7:00 p.m. (Reception will open at 6:30 p.m.)</p>	 <p>By Mail</p> <p>Please indicate, on the enclosed proxy card, your approval or disapproval of each proposal and return the completed form without postage stamp.</p> <p><u>Deadline</u></p> <p>To arrive no later than Tuesday, October 26, 2021 at 7:00 p.m.</p>	 <p>By Internet</p> <p>Please indicate whether you approve or disapprove of each proposal by following the instructions on the next page.</p> <p><u>Deadline</u></p> <p>Tuesday, October 26, 2021 at 7:00 p.m.</p>
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How to Fill Out the Proxy Card



Please indicate approval or disapproval of proposal.

For Proposal No. 1

- If you approve of the changes: Mark the “賛” box with a “○”
- If you disapprove of the changes: Mark the “否” box with a “○”

For Proposal No. 2

- If you approve of all of the candidates: Mark the “賛” box with a “○”
- If you disapprove of all the candidates: Mark the “否” box with a “○”
- If you disapprove of some of the candidates: Indicate the numbers for the candidates that you disapprove of.

If you vote both by mail and via the internet, the latter shall be deemed valid.

If you vote more than once via the internet, only the last vote shall be deemed valid.

Instructions for Voting via the Internet

Scanning the QR Code

You can simply log in to the website for exercising voting rights without entering your log-in ID and temporary password printed on the proxy card.

1. Please scan the QR Code® printed on the proxy card.

* “QR code” is a registered trademark of DENSO WAVE INCORPORATED.

2. Indicate your approval or disapproval by following the instructions on the screen.

Note that you can log in to the website only once by using QR Code®.

If you wish to redo your vote or exercise your voting rights without using QR Code®, please refer to the “Entering log-in ID and temporary password” on the right.

Entering log-in ID and temporary password

Voting website

<https://evote.tr.mufg.jp/>

1. Please access the website for exercising voting rights.
2. Enter your “log-in ID” and “temporary password” printed on the proxy card, and click the “Log in” button.
3. Please register a new password.
4. Indicate your approval or disapproval by following the instructions on the screen.

In case you need instructions for how to operate your PC/smartphone/cellular phone in order to exercise your voting rights via the Internet, please contact the helpdesk, for which the details are provided below.

Mitsubishi UFJ Trust and Banking Corporation
Corporate Agency Division (Help Desk)
Telephone: 0120-173-027 (Hours: 9:00 a.m. to 9:00 p.m., toll-free only in Japan)

Institutional investors may use the electronic voting platform for institutional investors operated by ICJ, Inc. The fees occurred for accessing the voting website shall be borne by the shareholder.

Reference Documents for the General Meeting of Shareholders

Proposal and Reference Information

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

1. Reason for Proposal

- (i) Ateam will organize and integrate Article 2 (Purpose) of the Articles of Incorporation in accordance with the proposed amendment due to the transition to a holding company structure as of August 1, 2021 and the establishment of subsidiaries through an absorption-type company split.
- (ii) For Ateam to be able to hold a general meeting of shareholders without a fixed place (virtual general meeting of shareholders) to not only streamline and facilitate such general meetings but also to secure the interest of shareholders, Article 12, Paragraph 2 of the Articles of Incorporation will be added.

In addition, based on the Industrial Competitiveness Enhancement Law, requirements specified by the Ordinance of the Ministry of Economy, Trade and Industry and Ministry of Justice be subject to confirmation by the Minister of Economy, Trade and Industry and the Minister of Justice.

2. Description of Amendments

(Underlined portions indicate amendments.)

Current Articles of Incorporation	Proposed Amendments
<p>Article 2 (Purpose)</p> <p>Ateam shall control and manage the business activities of the company by owning the shares or interests of the following business and related companies and foreign companies operating the corresponding business. <u>The purpose is to run the business and related business.</u></p> <p>1.Planning, designing, developing, manufacturing, selling, maintaining, importing / exporting and renting computers and mobile communication equipment and their peripherals and software</p> <p><u>2.Planning, design, development, manufacturing, sales, maintenance and rental of network systems using computers and mobile communication devices, etc.</u></p> <p><u>3.Information communication services and information provision services using computers and mobile communication devices and networks such as the internet</u></p> <p><u>4.Planning, development and operation of game software using computers and mobile communication devices and networks such as the internet</u></p> <p>(New)</p> <p><u>5.Information processing, information system, marketing research and consulting services</u></p> <p>(Relocate from 24.)</p> <p>(New)</p> <p><u>6.Planning, production, sales, import/export and rental of digital contents such as audio, still images, videos and texts</u></p> <p><u>7.Planning, production, sales, import/export and rental of music and video software</u></p> <p>(relocate from 12.)</p>	<p>Article 2 (Purpose)</p> <p>Ateam shall control and manage the business activities of the company by owning the shares or interests of the following business and related companies and foreign companies operating the corresponding business.</p> <p>1.Planning, development, design, manufacturing, sales, maintenance, <u>mediation, import/export and rental of peripheral devices/related devices such as computers and mobile communication devices and network systems</u></p> <p>(delete)</p> <p><u>2.Information and communication service industry and information provision service industry</u></p> <p><u>3.Planning, development, operation, maintenance and management of various services related to the internet</u></p> <p><u>4.Planning, development, design, production, sales, maintenance, mediation, operation, import/export and rental of various software and contents</u></p> <p><u>5.Various consulting services</u></p> <p><u>6.Agency business and sales agency business of various products</u></p> <p><u>7.Planning, holding and management of various seminars, special events and events</u></p> <p><u>8.Planning, production, manufacturing, sales, repair, leasing, import/export and leasing of various goods</u></p> <p>(delete)</p> <p><u>9.Commercial transactions through stores, the internet, etc.</u></p>

<p><u>8.Master production of domestic and foreign music, management of music copyright and development of use of music works</u></p> <p>9.Planning, production <u>and</u> sale of printed materials such as books <u>and</u> electronic publications</p> <p><u>10.Planning, production and sale of character goods</u></p> <p>11.Acquisition, implementation, license and management of intellectual property rights such as copyrights, neighboring rights <u>and</u> trademark rights</p> <p>(relocate from 29.)</p> <p><u>12.Commercial transactions through stores, the internet, etc.</u></p> <p><u>13.Musician training and management</u></p> <p><u>14.(keep as current)</u></p> <p><u>15.Advertising agency business</u></p> <p>(New)</p> <p>16.~20. (keep as current)</p> <p><u>21.Providing information on weddings and selling and leasing related products</u></p> <p><u>22.Wedding production business</u></p> <p>23.Sales and brokerage of computers and peripherals, computer software, communication equipment, office equipment</p> <p><u>24.Agency business and sales agency business of various products</u></p> <p><u>25.~26. (keep as current)</u></p> <p><u>27.Moving cargo handling business and work contracting, and sales of packaging materials</u></p> <p><u>28.(keep as current)</u></p> <p><u>29.Contact center operations</u></p> <p>(New)</p> <p>(New)</p> <p>(New)</p> <p><u>30.(keep as current)</u></p>	<p>(delete)</p> <p><u>10.Planning, production <u>and</u> sale of printed materials such as books <u>and</u> electronic</u></p> <p>(delete)</p> <p>11.Acquisition, implementation, license and management of intellectual property rights such as copyrights, neighboring rights <u>and</u> trademark rights</p> <p><u>12.Contact center operations</u></p> <p>(relocate to 9.)</p> <p>(delete)</p> <p><u>13.(keep as current)</u></p> <p><u>14.Advertising and advertising agency business</u></p> <p><u>15.Human resource development, training and management</u></p> <p>16.~20. (keep as current)</p> <p>(delete)</p> <p>(delete)</p> <p>(delete)</p> <p>(relocate to 6.)</p> <p><u>21.~22. (keep as current)</u></p> <p><u>23.Moving cargo handling business <u>and</u> work contract</u></p> <p><u>24.(keep as current)</u></p> <p>(relocate to 12.)</p> <p><u>25.Fund transfer business</u></p> <p><u>26.Cryptocurrency exchange business</u></p> <p><u>27.M&A Other investment business</u></p> <p><u>28.(keep as current)</u></p>
<p><u>Article 12 (convocation time)</u></p> <p>The Company's Ordinary General Meeting of Shareholders convenes every October, and the Extraordinary General Meeting of Shareholders convenes whenever necessary.</p>	<p><u>Article 12 (convocation time and method)</u></p> <p>The Ordinary General Meeting of Shareholders of the Company shall be convened in October every year, and the Extraordinary General Meeting of Shareholders shall be convened as needed.</p> <p><u>II. The Company may make a general meeting of shareholders an indefinite place.</u></p>

Proposal No. 2: Election of Five Directors

The Company places importance on the managerial responsibilities of Directors and therefore it is provided in the Articles of Incorporation that the term of office of Director is one year to ensure its shareholders indicate their confidence in its Directors every year. In addition, to enable prompt decision making, it is also provided in the Articles of Incorporation that the number of Directors shall not exceed seven.

In accordance with the Articles of Incorporation, the terms of office for five Directors will expire at the conclusion of this meeting. Therefore, the Company proposes the election of five Directors, including two Outside Directors.

- Policy and Process for Nominating Director Candidates

In nominating its Director candidates, the Company comprehensively examines potential candidates from the perspective of nominating individuals suitably qualified for the position they are to serve. This examination is based on criteria that requires the ability to execute appropriate and swift decision making, a respected standing as an individual, and the discernment to uphold the laws and regulations and corporate ethics, while giving consideration to the overall balance of the Board of Directors in terms of knowledge, experience and ability.

While adhering to the above policy, the President, Directors, and Outside Directors shall propose candidates, and the determination of candidates shall be by resolution at the Board of Directors. The Company judges the independence of its Outside Executives by considering the fulfillment of the requirements for being an outside executive under the Companies Act as well as the criteria for independence of executives stipulated by the Tokyo Stock Exchange.

The candidates for Outside Director in this proposal satisfies these criteria. Although the Company is proposing two Outside Director candidates for election at this meeting, it believes the adequate effectiveness of such a role can be assured taking into account the current business scale of the Company. As the Company's business scale expands in the future, the Company will continue to reexamine the issue of increasing the number of Outside Directors as appropriate.

Candidate No.	Name	Current position and responsibility in the Company	
1	Takao Hayashi	President	Reelection
2	Yukimasa Nakauchi	Director Corporate Officer, General Manager of Entertainment Division	Reelection
3	Fumio Mase	Director Corporate Officer, General Manager of Lifestyle Support Division	Reelection
4	Okitane Usui	Director	Reelection Outside Independent
5	Junya Kato	Director	Reelection Outside Independent

Reelection Candidate for reelection as a Director

Outside Candidate for Outside Director

Independent Independent Executive

Candidate No.

1

Takao Hayashi

Date of birth:
December 18, 1971

Reelection



Number of the Company's
shares owned:
706,000 shares

Term as Director:
21 years

Attendance at meetings of the
Board of Directors:
14/14 (100%)

Career summary/current position and responsibility in the Company

Jun. 1997	Founded Ateam	Aug. 2013	Appointed Director of A.T. Support Inc. (now Ateam Connect Inc.)
Feb. 2000	Established Ateam, Ltd. (now Ateam Inc.) Appointed President (current position)	Dec. 2017	Appointed Director of Increments Inc. (current position)
Feb. 2013	Appointed Director of A.T.brides Inc. (now Ateam Brides Inc.) (current position)	Feb. 2019	Appointed Director of Ateam Finergy Inc.
Aug. 2013	Appointed Director of Hikkoshi Samurai Inc. (now Ateam Hikkoshi Samurai Inc.) (current position) Appointed Director of Ateam Lifestyle Inc.	Apr. 2021	Appointed Director of Ateam Entertainment Inc. (current position) Appointed Director of Ateam CommerceTech Inc. (current position)

Significant concurrent positions outside the Company

Director of Ateam Brides Inc.
Director of Ateam Hikkoshi Samurai Inc.
Director of Increments Inc.
Director of Ateam Entertainment Inc.
Director of Ateam CommerceTech Inc.

Reasons for nomination as candidate for Director

Takao Hayashi, the founder of the Company, is an executive who has supported the growth of the Company as President since the Company's founding, and who has outstanding intuition regarding business balance. He has always had a grand vision for the Company and exhibited strong leadership. He has worked to boost corporate value while managing the entire Group and driving its growth.

Also, based on the corporate philosophy which is expressed as "to be a company where all can achieve happiness together" and "to be a company that continues 100 years from today", he has created and promoted a corporate culture that places importance on the concept that "employees = NAKAMA (an associate that passionately shares a similar goal that is achieved through comradeship)". His abundant compassion as an executive, and, naturally, his business, garner great respect both from outside of the Company and within.

The Company determined that it is essential that he remain in the position of Director to further boost the Group's corporate value, and the Board of Directors designated him as a candidate for Director.

Special interest between the candidate and the Company

There is no special interest between Takao Hayashi and the Company.

Candidate No.

2

Yukimasa Nakauchi

Date of birth:
August 20, 1975

Reelection



Number of the Company's
shares owned:
228,800 shares

Term as Director:
11 years

Attendance at meetings of the
Board of Directors:
14/14 (100%)

Career summary/current position and responsibility in the Company

Aug. 2004	Joined GMO Internet, Inc.	Sep. 2009	Joined Ateam Inc.
Apr. 2005	Appointed President and CEO of GMO-interTAINMENT, Inc.	Dec. 2009	Appointed Corporate Officer, General Manager of Game Business Department of Ateam Inc.
Apr. 2006	Appointed CEO of GMO Games, Inc.	Oct. 2010	Appointed Director of Ateam Inc. (current position)
Apr. 2007	Appointed COO of In Crews Co., Ltd.	Aug. 2012	Appointed Corporate Officer, General Manager of Entertainment Division of Ateam Inc. (current position)
		Apr. 2021	Appointed President of Ateam Entertainment Inc. (current position)

Significant concurrent positions outside the Company

President of Ateam Entertainment Inc.

Reasons for nomination as candidate for Director

Yukimasa Nakauchi, as his career summary shows, not only has extensive experience and broad insight in the overall game business, but also possesses in-depth understanding and supervisory capabilities related to management gained primarily from his experience as an executive of a company that handles the planning, development and operation of online entertainment, and from serving as the President of another company.

Since joining the Company in 2009, he has been in charge of the Entertainment Business and rapidly expanded the Entertainment Business primarily by implementing an early shift from a business focused on feature phones to one focused on smart devices and promoting the global development of business. In addition, he has been appointed president of Ateam Entertainment Inc. upon establishment in April 2021.

The Company determined that his experience and track record can contribute to the decision making of the Company's Board of Directors and it is necessary that he continue in the position of Director in order to support the further growth and improve corporate value of the Group. For this reason, the Board of Directors designated him as a candidate for Director.

Special interest between the candidate and the Company

There is no special interest between Yukimasa Nakauchi and the Company.

Candidate No.

3

Fumio Mase

Date of birth:
January 27, 1984

Reelection



Number of the Company's
shares owned:
19,500 shares

Term as Director:
3 years

Attendance at meetings of the
Board of Directors:
14/14 (100%)

Career summary/current position and responsibility in the Company

Apr. 2007	Joined Nikko Cordial Securities Inc.	Feb. 2019	Appointed Director of Ateam Finergy Inc. (current position)
Nov. 2008	Joined Ateam Inc.		
Aug. 2013	Appointed President of Ateam Lifestyle Inc. (current position)	Oct. 2020	Appointed Director of Ateam Connect Inc. (current position)
Nov. 2013	Appointed Corporate Officer of Ateam Inc.	Nov. 2020	Appointed Corporate Officer, General Manager of Lifestyle Support Division of Ateam Inc. (current position)
Oct. 2018	Appointed Director of Ateam Inc. (current position)		

Significant concurrent positions outside the Company

President of Ateam Lifestyle Inc.

Director of Ateam Finergy Inc.

Director of Ateam Connect Inc.

Reasons for nomination as candidate for Director

Fumio Mase, as his career summary shows, has played a core role in the Group's Lifestyle Support Business. Also, since the establishment of Ateam Lifestyle Inc. in 2013, he has served as the President of Ateam Lifestyle Inc.

He has driven the growth of the used car appraisal site "Navikuru" from its launch. Since being appointed as President of Ateam Lifestyle Inc., he has contributed to the entire Group's growth by not only expanding the automobile-related business, but also broadening his business areas to include the financial media business and the health consultation business. In addition, as of 2020, he has been in charge of the Lifestyle Support Business and has contributed to the growth of the entire Group.

The Company determined that it is essential that he remain in the position of Director to enable further growth of the Group, and the Board of Directors designated him as a candidate for Director. If his reelection is approved, the Company plans for him to be appointed as both a Director and the General Manager of the Lifestyle Support Division.

Special interest between the candidate and the Company

There is no special interest between Fumio Mase and the Company.

Candidate No.

4

Okitane Usui

Date of birth:
October 31, 1958

Reelection
Outside
Independent



Number of the Company's shares owned: – shares
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Term as Director: 2 years

Attendance at meetings of the Board of Directors: 14/14 (100%)
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Career summary/current position and responsibility in the Company

Apr. 1983	Joined Sanwa Bank, Ltd. (now MUFG Bank, Ltd.)	Mar. 2006	Appointed COO of McDonald's Company (Japan), Ltd.
Oct. 1993	Joined SEGA Enterprises Ltd. (now SEGA Co., Ltd.)	May 2008	Appointed President and COO (Representative Director) of SEGA Co., Ltd.
Jun. 1999	Appointed Partner of CRIMSON VENTURES LLP	Jun. 2012	Appointed Vice President Supervising East Asia of GROUPON, Inc.
Apr. 2002	Appointed General Manager of Equipment Division of NIKE Japan Corp.	Jul. 2013	Appointed President and CEO of Komeda Co., Ltd. (current position)
Apr. 2003	Appointed General Manager of Sales Retail Management Division of NIKE Japan Corp.	Nov. 2014	Appointed President and CEO of KOMEDA Holdings Co., Ltd. (current position)
		Nov. 2018	Appointed Director of Komeda Yummy Co., Ltd. (current position)
		Oct. 2019	Appointed Outside Director of Ateam Inc. (current position)

Significant concurrent positions outside the Company

President and CEO of Komeda Co., Ltd.
President and CEO of KOMEDA Holdings Co., Ltd.
Director of Komeda Yummy Co., Ltd.

Reasons for nomination as candidate for Outside Director

Okitane Usui is a candidate for Outside Director that meets the requirements stipulated in Article 2, paragraph (3), item 7 of the Regulation for Enforcement of the Companies Act.

As his career summary shows, he has accumulated over many years extensive experience and keen insight related to management overall in the various industries in the global sphere, and in addition to examining the Company's strategies of corporate management and business operations, etc. from an objective and independent standpoint, he also plays a role in supervising corporate governance and internal control.

The Company has determined that his appointment will continue to serve to promote the separation of the Board of Directors' roles of supervision and execution while helping bring about a highly effective Board of Directors capable of broad-minded debate of management strategies for the medium and long term that will contribute to the sustainable improvement of corporate value.

Special interest between the candidate and the Company

There is no significant transactions between Okitane Usui and the Company.

Candidate No.

5

Junya Kato

Date of birth:
July 25, 1976

Reelection
Outside
Independent



Number of the Company's
shares owned:
– shares

Term as Director:
6 years

Attendance at meetings of the
Board of Directors:
14/14 (100%)

Career summary/current position and responsibility in the Company

Nov. 2005	Passed Bar	Sep. 2011	Became a Part-time Instructor of Aichi Institute of Technology (Intellectual Property Rights)
Sep. 2007	Became a Registered Attorney (Japan Federation of Bar Associations, Aichi Bar Association)	Jan. 2012	Established Jonan Law Office
Oct. 2009	Became a Part-time Instructor of Nagoya University Legal Department (Lawyering, Mock Trial)	Apr. 2012	Joined Steering Committee of Japan Intellectual Property Arbitration Center Nagoya branch
Nov. 2009	Became a Registered Patent Attorney (Japan Patent Attorneys Association)	Feb. 2013	Appointed Audit & Supervisory Board Member of A.T.brides Inc. (now Ateam Brides Inc.)
		Oct. 2015	Appointed Outside Director of Ateam Inc. (current position)
		Oct. 2019	Appointed Outside Audit & Supervisory Board Member of Photo electron Soul Inc. (current position)

Significant concurrent positions outside the Company

Attorney
Head of Jonan Law Office
Outside Audit & Supervisory Board Member of Photo electron Soul Inc.

Reasons for nomination as candidate for Outside Director

Junya Kato is a candidate for Outside Director that meets the requirements stipulated in Article 2, paragraph (3), item 7 of the Regulation for Enforcement of the Companies Act.

After graduating from Kyoto University Law School, he registered as an attorney at law following a legal apprenticeship at the Legal Training and Research Institute which is operated by the Supreme Court. He possesses extensive knowledge primarily related to intellectual property rights and compliance in an information-driven society. As such, although he does not have past experience being directly involved in corporate management, he possesses the knowledge and experience as a legal expert that allows him to appropriately and impartially supervise the Company's decision-making concerning serious management issues and the performance of duties by Directors.

As an outside director of the Company, he has actively promoted communication with other executives and, making the most of his extensive knowledge, has been involved in the Company's corporate operations.

In light of the above-mentioned track record, the Board of Directors determined that he is a talented individual who is continuously essential to the Company's future appropriate compliance-oriented management and designated him as a candidate for Outside Director.

Special interest between the candidate and the Company

The Company holds 1.1% of the total number of issued shares of Photo electron Soul Inc., where Junya Kato concurrently serves as Outside Audit & Supervisory Board Member.

1. The Company has entered into an agreement with Okitane Usui and Junya Kato to limit their liability for damages under Article 423, paragraph (1) of the Companies Act. The maximum amount of liability for damages under this agreement is the minimum amount stipulated in Article 425, paragraph (1) of the Companies Act. If their reelection is approved, the Company plans to renew the aforementioned agreement with them.
2. The Company has concluded a liability insurance contract for directors as stipulated in Article 430-3, paragraph (1) of the Companies Act with the insurance company, and if the appointment of each candidate is approved, the candidates will continue to be insured under the relevant insurance contract. Please refer to page 34 of the business report (in Japanese only) for the outline of the insurance contract.
3. The Company has submitted notification to the Tokyo Stock Exchange that both candidates are an Independent Executive as provided by the exchange. If their reelection is approved, the Company will continue to designate them as Independent Executives.

For reference

Summary of the results of evaluation of the effectiveness of the Company's Board of Directors
As part of the Company's efforts to strengthen its corporate governance, it engages in an ongoing process of analyzing and evaluating the effectiveness of the Board of Directors as a whole, and examining the efforts directed at improving it.

1. Method of evaluation

All the Directors and Audit & Supervisory Board Members, including those who are outside, took part in a self-evaluation based on a Board of Directors effectiveness evaluation questionnaire created by the secretariat of the Board of Directors after the Directors and Audit & Supervisory Board Members, including those who are outside, received an explanation on the purpose of evaluation. The summary and evaluation are provided below.

(1) Evaluation items

The major items subjected to evaluation were as follows.

- (i) Roles of the Board of Directors
- (ii) Details and proposals of the Board of Directors
- (iii) Composition of the Board of Directors
- (iv) Operation of the Board of Directors
- (v) Systems to support the Board of Directors

(2) Method of evaluation

- (i) The questionnaire was signed by the individual.
- (ii) The questionnaire was conducted on August 11, 2021.
- (iii) Each item was given a score of 1 to 5. (1 = very unsatisfactory to 5 = very satisfactory)

2. Summary of analysis and evaluation results

The Company's analysis and evaluation of the current status of the Board of Directors is as follows:

- (1) Under the recent spread of COVID-19 infections, the Board of Directors has been held online as of last year. All members continue to hold free and lively discussions regardless of whether they are internal or external Directors or Audit & Supervisory Board Members, thus the effectiveness of the Board of Directors of the Company is fully ensured.
- (2) The Board of Directors of the Company is composed of Directors with diverse insights and experience, including those who have management experience at other companies and outside Directors and Audit & Supervisory Board Members who have deep knowledge of finance, accounting and legal affairs. In anticipation of the expansion of business scale, we recognize that it is necessary to redefine the balance of knowledge, experience and abilities of the Board of Directors as a whole, and the way of thinking regarding diversity.
- (3) We have the opportunity to deepen the understanding of the roles and responsibilities of Directors and Audit & Supervisory Board Members and to continuously update the necessary knowledge; however, we recognize the need to further expand the opportunities in anticipation of future expansion of business scale.

3. Initiatives aimed at improving effectiveness

After receiving the results of the evaluation of effectiveness, we will discuss and consider issues related to sustainability from the perspective of improving corporate value over the medium to long term.

In addition, we will strive to further improve the effectiveness of the Board of Directors by continuously discussing and considering the composition and diversity of the Board of Directors.