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Stock Exchange Code: 9438  
December 2, 2021

**To Shareholders with Voting Rights:**

Toshihiro Maeta  
President and Chief Executive Officer  
MTI Ltd.  
3-20-2 Nishi-Shinjuku, Shinjuku-ku,  
Tokyo, Japan

**NOTICE OF  
THE 26TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

We hereby inform you that the 26th Annual General Meeting of Shareholders of MTI Ltd. (the “Company”) will be held for the purposes as described below.

To prevent the spread of the novel coronavirus (COVID-19), we would like to ask all our shareholders to refrain from attending the Meeting by all means regardless of their physical condition and exercise their voting rights in advance in writing or via the Internet, etc. by 5:30 p.m. on Friday, December 17, 2021 upon reviewing the attached Reference Documents for the General Meeting of Shareholders. Also, the General Meeting of Shareholders will be live-streamed over the Internet, so please consider using this method instead of visiting the venue.

- 1. Date and Time:** Saturday, December 18, 2021 at 10:00 a.m. Japan time
- 2. Place:** Conference rooms No.1 and No. 2  
on the seventh floor of Tokyo Opera City Tower  
20-2 Nishi-Shinjuku 3-chome, Shinjuku-ku, Tokyo, Japan
- 3. Meeting Agenda:**
  - Matters to be reported:** The Business Report, Consolidated Financial Statements for the Company’s 26th Fiscal Year (October 1, 2020 - September 30, 2021), results of audits by the Accounting Auditor and the Board of Statutory Auditors of the Consolidated Financial Statements and Non-consolidated Financial Statements for the Company’s 26th Fiscal Year
  - Proposals to be resolved:**
    - Proposal 1:** Appropriation of surplus
    - Proposal 2:** Election of nine (9) directors
    - Proposal 3:** Election of two (2) statutory auditors

◎ Notes

**(1) Exercise of voting rights by proxy**

If you are unable to attend the meeting, you can delegate another shareholder as a proxy, who also owns voting rights of the Company, to attend the General Meeting of Shareholders. In such a case, please have your proxy submit a written power of attorney, as well as the Voting Rights Exercise Form at the reception desk.

**(2) Documents provided on the Internet**

Based on the provisions stipulated in relevant laws and regulations and Article 15 of the Company's articles of incorporation, the following materials are posted on the Company's website (<https://www.mti.co.jp/eng>) and are therefore not included in the Appendix to this convocation notice.

- 1) Matters concerning share acquisition rights of the Company
- 2) System to ensure the appropriateness of business operations and its operational status
- 3) "Consolidated statement of changes in equity" and "Notes to the Consolidated Financial Statements" in the Consolidated Financial Statements
- 4) "Statement of changes in equity" and "Notes to the Non-consolidated Financial Statements" in the Non-consolidated Financial Statements

The Appendix to this convocation notice is part of the documents audited by the Accounting Auditor and the statutory auditors in the course of the preparation of their audit reports.

**(3) Method to announce the revisions in the Reference Documents for the General Meeting of Shareholders and Business Report, as well as in Non-consolidated Financial Statements and Consolidated Financial Statements**

Should the Reference Documents for the General Meeting of Shareholders and Business Report, as well as Non-consolidated Financial Statements and Consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website (<https://www.mti.co.jp/eng>).

**(4) The Company's COVID-19 measures**

- 1) This year, to prevent the spread of COVID-19, we appreciate your cooperation in various measures taken at the Meeting venue (use of alcohol sanitizers and face masks, temperature checks upon arrival, refraining from attendance for shareholders who have a fever or other symptoms).
- 2) We may decline the admission of those who fail to cooperate with measures mentioned in 1) above.
- 3) Please note that you may not be able to enter the venue when the seats are full, as the number of seats is limited to ensure social distancing.
- 4) If there are any changes in the proceedings of the meeting due to the spread of COVID-19, they will be notified on the Company's website (<https://www.mti.co.jp/eng>).

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

**Proposal 1:** Appropriation of surplus

The Company positions the increase of its market capitalization through the creation and enhancement of corporate value and continuous distribution of profits to shareholders as priority management issues.

Dividends are proposed as follows from the standpoint of maintaining stable dividend payment.

As a result, the annual dividend per share for the current fiscal year is 16 yen.

Matters concerning the year-end dividend:

- (1) Matters concerning the allotment of dividend property to shareholders and total amount thereof:  
8 yen per share of the Company's common stock, in a total amount of 439,609,328 yen
- (2) The effective date of the dividend of surplus  
December 20, 2021

**Proposal 2:** Election of nine (9) directors

All nine (9) directors will resign at the conclusion of this Annual General Meeting of Shareholders due to the expiration of their terms of office. Accordingly, the election of nine (9) directors is proposed.

The candidates for director are as follows:

No.	Name/Attributes	Current position at the Company	Attendance at the Board of Directors meetings
1	Toshihiro Maeta Male Reelected	President and Chief Executive Officer	16/16 (100%)
2	Hiroshi Izumi Male Reelected	Executive Vice President	16/16 (100%)
3	Minoru Takei Male Reelected	Executive Vice President	16/16 (100%)
4	Hiroshi Matsumoto Male Reelected	Senior Managing Director	16/16 (100%)
5	Muzhi Zhou Male Reelected	External director Independent director	External Director 15/16 (93.8%)
6	Hikaru Yamamoto Female Reelected	External director Independent director	External Director 16/16 (100%)
7	Ryosuke Tsuchiya Male Reelected	External director Independent director	External Director 16/16 (100%)
8	Satoshi Fujita Male Reelected	External director Independent director	External Director 13/13 (100%)
9	Yoshinori Yokoyama Male Reelected	External director Independent director	External Director 13/13 (100%)

No.	Name (Date of birth)	Past experience, significant concurrent positions, positions and responsibilities at the Company	Number of shares of the Company held
1	<div style="border: 1px solid black; display: inline-block; padding: 2px;">Reelected</div> Toshihiro Maeta (January 19, 1965)	April 1987      Joined Japan IBM, Ltd. December 1988      Joined HIKARI TSUSHIN, INC. August 1989      Director of HIKARI TSUSHIN, INC. July 1994      Managing Director of HIKARI TSUSHIN, INC. August 1996      Established the Company President and Chief Executive Officer (current position)  (Reason for election as a candidate for director) Since founding the Company in 1996, Mr. Maeta has played a leading role in expanding its business as Representative Director. The Company reelected him as a candidate for director, based on the judgment that he is capable of making decisions on the important management matters of the Company, and his leadership over all the officers, drawing on his knowledge and experience in overall management he has gained to date.	11,862,100

No.	Name (Date of birth)	Past experience, significant concurrent positions, positions and responsibilities at the Company	Number of shares of the Company held
2	<div style="border: 1px solid black; display: inline-block; padding: 2px;">Reelected</div> Hiroshi Izumi (February 26, 1965)	<p>April 1987      Joined Japan IBM, Ltd.  June 1997      Joined Microsoft Japan Co., Ltd.  February 1999      Joined the Company  November 1999      Operating Officer and General Manager of IT Business  Department of the Company  November 2002      Operating Officer and General Manager of Mobile Service  Division of the Company  December 2002      Director and General Manager of Mobile Service Division of the  Company  December 2004      Director, Senior Managing Operating Officer and General  Manager of Mobile Service Division of the Company  January 2007      Director, Operating Vice President and General Manager of  Mobile Service Division of the Company  December 2009      Executive Vice President and General Manager of Mobile  Service Division of the Company  February 2010      Executive Vice President of the Company  June 2012      Executive Vice President and General Manager of Healthcare  Business Division of the Company  February 2014      Executive Vice President, General Manager of Mobile Service  Division, and General Manager of Healthcare Business Division  of the Company  July 2014      Executive Vice President and General Manager of Life and  Healthcare Business Division of the Company  April 2015      Executive Vice President and General Manager of Digital  Content Division of the Company  February 2016      Executive Vice President, General Manager of Lifestyle  Business Division, and General Manager of Digital Content  Division of the Company  January 2017      Executive Vice President and General Manager of Life and  Entertainment Business Division of the Company  April 2018      Executive Vice President and General Manager of Life,  Entertainment and Sports Business Division of the Company  July 2019      Executive Vice President, General Manager of Life,  Entertainment and Sports Business Division, and General  Manager of Technology Division of the Company  December 2019      Executive Vice President, General Manager of Life,  Entertainment and Sports Business Division, and General  Manager of Technology Division (in charge of Solution  Business Department) of the Company  April 2021      Executive Vice President, General Manager of Life,  Entertainment and Sports Business Division, General Manager  of Technology Division, and General Manager of System  Architect Department (in charge of Solution Business  Department) of the Company (current position)</p> <p>(Reason for election as a candidate for director)  Mr. Izumi assumed the office of the Company's director in 2002 and of Executive Vice President from 2009. Drawing on his business experience at a major IT vendor, he has held key positions in IT development of the Company, in addition to service planning. The Company reelected him as a candidate for director, based on the judgment that he is capable of making decisions on the important management matters of the Company, due to his broad expertise in overall IT service from planning to development.</p>	331,400

No.	Name (Date of birth)	Past experience, significant concurrent positions, positions and responsibilities at the Company	Number of shares of the Company held
3	<u>Reelected</u> Minoru Takei (February 15, 1952)	<p>April 1974      Joined Mitsubishi Corporation</p> <p>April 2000      General Manager, Finance Dept. of Mitsubishi Corporation</p> <p>April 2002      General Manager, Accounting Dept., Kansai Branch of Mitsubishi Corporation</p> <p>April 2004      President of Mitsubishi Corporation Financial &amp; Management Services (Japan) Ltd.</p> <p>April 2006      Senior Vice President of Mitsubishi Corporation</p> <p>March 2010      Executive Vice President of KANRO CO., LTD.</p> <p>December 2017   Standing Statutory Auditor of the Company</p> <p>December 2019   Executive Vice President and General Manager of Corporate Support Division (in charge of Operation Reform Control Department, Compliance Promotion Office, Business Risk Management Office, +Design Department, Quality Control Center, and Cyber Risk Management Office) of the Company</p> <p>October 2021   Executive Vice President, General Manager of Corporate Support Division and General Manager of Corporate Planning Management Department (in charge of Operation Reform Control Department, Compliance Promotion Office, Business Risk Management Office, +Design Department, Quality Control Center, and Cyber Risk Management Office) of the Company (current position)</p>	7,200
<p>(Reason for election as a candidate for director)</p> <p>Mr. Takei assumed the office of standing statutory auditor and Executive Vice President of the Company in 2017 and 2019, respectively. He held key positions mainly in finance and accounting departments at a major general trading company and has experienced corporate management. The Company reelected him as a candidate for director, based on the judgment that he is capable of making decisions on the important management matters of the Company, also due to his considerable insight into the Company's management, business, and organization.</p>			
4	<u>Reelected</u> Hiroshi Matsumoto (August 17, 1969)	<p>April 1992      Joined The Fuji Bank (current Mizuho Financial Group, Inc.)</p> <p>May 1999      Joined CAC Corporation</p> <p>October 2002    Joined USJ Co., Ltd.</p> <p>October 2004    Joined the Company</p> <p>February 2008   Operating Officer, General Manager of Corporate Planning Office and General Manager of Public Relations and IR Office of the Company</p> <p>January 2009    Operating Officer and General Manager of Corporate Planning Division of the Company</p> <p>January 2010    Senior Operating Officer and General Manager of Corporate Planning Division of the Company</p> <p>May 2010      Senior Operating Officer and General Manager of Corporate Support Division of the Company</p> <p>December 2010   Director and General Manager of Corporate Support Division of the Company</p> <p>February 2013   Director of the Company</p> <p>December 2016   Managing Director of the Company</p> <p>December 2018   Senior Managing Director (in charge of IR Office and business alliance) of the Company (current position)</p>	139,800
<p>(Reason for election as a candidate for director)</p> <p>Mr. Matsumoto assumed the office of the Company's director in 2010. After joining the Company, he has served as General Manager of Corporate Planning Office and General Manager of Corporate Support Division by drawing on his business experience at a bank. The Company reelected him as a candidate for director, based on the judgment that he is capable of making decisions on the important management matters of the Company by drawing on his expertise in the fields of finance and investor relations, in addition to his experience in overall administrative work.</p>			

No.	Name (Date of birth)	Past experience, significant concurrent positions, positions and responsibilities at the Company	Number of shares of the Company held
5	<p>Reelected</p> <p>Muzhi Zhou (July 2, 1963)</p> <p>External director Independent director</p>	<p>June 1995 Principal Researcher of International Development Center of Japan</p> <p>April 2002 Associate Professor, Faculty of Economics, Tokyo Keizai University</p> <p>January 2005 Guest Researcher of Policy Research Institute, Ministry of Finance</p> <p>April 2007 Professor, Faculty of Economics, Tokyo Keizai University (current position)</p> <p>April 2007 Visiting Professor of Massachusetts Institute of Technology</p> <p>May 2008 Guest Researcher of Harvard University</p> <p>April 2010 Visiting Professor of University of International Business and Economics</p> <p>April 2012 Specially-appointed Professor of The Chinese Academy of Sciences</p> <p>December 2015 External Director of the Company (current position)</p> <p>(Significant concurrent positions) Professor, Faculty of Economics, Tokyo Keizai University</p> <p>(Reason for election as a candidate for external director and outline of expected roles) Mr. Muzhi Zhou is engaged in the research on East Asian economies and digital economy at universities. He gives advice on the Company's management policies based on his insight and supervises the execution of operation from an independent standpoint. The Company continues to expect him to play the above roles and reelected him as a candidate for external director.</p>	—
6	<p>Reelected</p> <p>Hikaru Yamamoto (October 2, 1973)</p> <p>External director Independent director</p>	<p>April 2004 Assistant at Graduate School of Economics, Faculty of Economics, The University of Tokyo</p> <p>April 2005 Lecturer, Faculty of Economics, Seikei University</p> <p>April 2008 Associate Professor, Faculty of Economics, Seikei University</p> <p>April 2014 Associate Professor, Graduate School of Business Administration, Keio University (current position)</p> <p>December 2015 External Director of the Company (current position)</p> <p>April 2019 Vice President, Japan Marketing Academy (current position)</p> <p>March 2020 Outside Director of POLA ORBIS HOLDINGS INC. (current position)</p> <p>(Significant concurrent positions) Associate Professor, Graduate School of Business Administration, Keio University Vice President, Japan Marketing Academy Outside Director of POLA ORBIS HOLDINGS INC.</p> <p>(Reason for election as a candidate for external director and outline of expected roles) Ms. Hikaru Yamamoto is engaged in the research on marketing and consumer behavior at universities. She gives advice on the Company's management policies based on her insight and supervises the execution of operation from an independent standpoint. The Company continues to expect her to play the above roles and reelected her as a candidate for external director.</p>	—

No.	Name (Date of birth)	Past experience, significant concurrent positions, positions and responsibilities at the Company	Number of shares of the Company held
7	<p><u>Reelected</u></p> <p>Ryosuke Tsuchiya (January 16, 1946)</p> <p><u>External director</u> <u>Independent director</u></p>	<p>April 2006 Head of the Central Hospital of the National Cancer Center (current National Cancer Center Hospital)</p> <p>February 2011 Director of the Japan Research Promotion Society for Cardiovascular Diseases (current position)</p> <p>April 2011 Director of the Japanese Foundation for Cancer Research</p> <p>April 2014 Chief Director of Kanagawa Prefectural Hospital Organization</p> <p>June 2014 Director of the Japan Health Sciences Foundation</p> <p>December 2018 External Director of the Company (current position)</p> <p>November 2019 External Director of MNES Inc. (current position)</p> <p>April 2021 Vice President of Kokusai Gakuen Education Institute (current position)</p> <p>(Significant concurrent positions) Director of the Japan Research Promotion Society for Cardiovascular Diseases External Director of MNES Inc. Vice President of Kokusai Gakuen Education Institute</p>	—
(Reason for election as a candidate for external director and outline of expected roles) Mr. Ryosuke Tsuchiya is engaged in medical research at various institutions, and also has experience in organizational management. He gives advice on the Company's management policies based on his insight and supervises the execution of operation from an independent standpoint. The Company continues to expect him to play the above roles and reelected him as a candidate for external director.			
8	<p><u>Reelected</u></p> <p>Satoshi Fujita (March 3, 1944)</p> <p><u>External director</u> <u>Independent director</u></p>	<p>July 1969 Nippon Telegraph and Telephone Public Corporation</p> <p>October 1997 President of NTT International Network Company</p> <p>June 2002 Executive Vice President and General Manager of Global Service Business, NTT Communications Corporation</p> <p>June 2003 Full-time Audit &amp; Supervisory Board Member of NTT DOCOMO, INC.</p> <p>April 2006 President and CEO of Alcatel-Lucent Japan Ltd.</p> <p>June 2008 Director of IT-it CO., LTD. (current position)</p> <p>March 2009 President of Infinera Japan K.K.</p> <p>September 2011 Advisor of the Company</p> <p>April 2016 Executive Advisor of Juniper Networks, Inc. (current position)</p> <p>December 2020 External Director of the Company (current position)</p> <p>(Significant concurrent positions) Director of IT-it CO., LTD. Executive Advisor of Juniper Networks, Inc.</p>	2,000
(Reason for election as a candidate for external director and outline of expected roles) Mr. Satoshi Fujita has a wealth of experience and deep insight as a manager. He gives advice on the Company's management policies based on his insight and supervises the execution of operation from an independent standpoint. The Company continues to expect him to play the above roles and reelected him as a candidate for external director.			

No.	Name (Date of birth)	Past experience, significant concurrent positions, positions and responsibilities at the Company	Number of shares of the Company held
9	Yoshinori Yokoyama (September 16, 1942)  [Reelected]  [External director] [Independent director]	September 1986 Senior Partner, McKinsey & Company September 1988 Managing Partner Japan, McKinsey & Company July 2002 Representative Director of I Grec SSDI Co., Ltd. (current position) April 2008 Chief Event Promotor, The University of Tokyo Executive Management Program July 2016 Dean, Hiroshima Business and Management School, Prefectural University of Hiroshima (current position) July 2017 External Director of airweave inc. (current position) October 2020 Special Research Advisor, Institute of Industrial Science, The University of Tokyo (current position) December 2020 External Director of the Company (current position)  (Significant concurrent positions) Representative Director of I Grec SSDI Co., Ltd. Dean, Hiroshima Business and Management School, Prefectural University of Hiroshima External Director of airweave inc. Special Research Advisor, Institute of Industrial Science, The University of Tokyo	—
(Reason for election as a candidate for external director and outline of expected roles) Mr. Yoshinori Yokoyama has a wealth of experience and deep insight as a manager. He gives advice on the Company's management policies based on his insight and supervises the execution of operation from an independent standpoint. The Company continues to expect him to play the above roles and reelected him as a candidate for external director.			

(Notes)

- There are no special interests between each candidate and the Company.
- Mr. Muzhi Zhou, Ms. Hikaru Yamamoto, Mr. Ryosuke Tsuchiya, Mr. Satoshi Fujita and Mr. Yoshinori Yokoyama are candidates for external director. The reasons for election as candidates for external director are described in the columns below the past experiences of each candidate for external director. In addition, concerning Mr. Muzhi Zhou, Ms. Hikaru Yamamoto and Mr. Ryosuke Tsuchiya, although they have never been involved in corporate management other than as external director, the Company believes that they are capable of adequately executing their duties as external director as mentioned in the "Reason for election as a candidate for external director."
- The candidates Mr. Muzhi Zhou and Ms. Hikaru Yamamoto will have held the position of external director of the Company for six (6) years as at the conclusion of this Annual General Meeting of Shareholders. The candidate Mr. Ryosuke Tsuchiya will have held the position of external director of the Company for three (3) years as at the conclusion of this Annual General Meeting of Shareholders. The candidates Mr. Satoshi Fujita and Mr. Yoshinori Yokoyama will have held the position of external director of the Company for one (1) year as at the conclusion of this Annual General Meeting of Shareholders. In addition, the Company has filed a notice to the Tokyo Stock Exchange for appointing all of the candidates for external director as independent directors. If their election is approved as originally proposed, they will continue to serve as independent directors.
- In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Mr. Muzhi Zhou, Ms. Hikaru Yamamoto, Mr. Ryosuke Tsuchiya, Mr. Satoshi Fujita, and Mr. Yoshinori Yokoyama to limit their liability for compensation of damages due to the failure to perform their duties, to the sum of the amounts stipulated in each item of Article 425, Paragraph 1 of the said Act. If their election is approved as originally proposed, the Company intends to continue the agreements with them.
- The Company has purchased a directors and officers liability insurance policy from an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance policy covers damages that the insured will be legally liable for and dispute costs including litigation expenses, lawyer fees, and arbitration / settlement costs (including those arising from losing a derivative lawsuit and claims for damages from the Company). Each candidate for director is insured under the insurance policy as incumbent directors of the Company, and will retain that status if they are reelected under this proposal. The Company plans to renew the insurance policy with the same content during the terms of office of the directors included in this proposal.
- MNES Inc., where Mr. Ryosuke Tsuchiya holds a concurrent position, is an equity-method affiliate of the Company.

**Proposal 3:** Election of two (2) statutory auditors

Statutory auditor Ms. Kazuko Ohya will resign at the conclusion of this Annual General Meeting of Shareholders. Statutory auditor Mr. Kazuhiko Sakishima will also resign at the conclusion of this Annual General Meeting of Shareholders due to the expiration of his term of office. Accordingly, the election of two (2) statutory auditors is proposed.

This proposal is made to elect Ms. Takako Okuda, a candidate for statutory auditor, as a substitute for statutory auditor Ms. Kazuko Ohya, and the term of office for Ms. Takako Okuda shall be the remaining term of office of Ms. Kazuko Ohya, as stipulated in the Company's articles of incorporation.

The Board of Statutory Auditors has previously given its approval to this proposal.

The candidates for statutory auditor are as follows:

No.	Name (Date of birth)	Past experience, significant concurrent positions and positions at the Company	Number of shares of the Company held
1	<p>Newly elected</p> <p>Nariki Yasuda (October 13, 1955)</p> <p>External statutory auditor Independent statutory auditor</p>	<p>April 1980      Tokio Marine &amp; Fire Insurance Co., Ltd.</p> <p>July 2010      Executive Director and General Manager of General Business Department No.1, Tokio Marine &amp; Fire Insurance Co., Ltd.</p> <p>June 2012      Executive Officer and General Manager of General Business Department No.1, Tokio Marine &amp; Fire Insurance Co., Ltd.</p> <p>April 2014      President and Representative Director of Tokio Marine &amp; Nichido Risk Consulting Co., Ltd.</p> <p>April 2015      Outside Director of The Tokio Marine Research Institute</p> <p>April 2017      Executive Officer of Nippon Export and Investment Insurance</p> <p>April 2018      Executive Officer and General Manager of Osaka Branch, Nippon Export and Investment Insurance</p> <p>June 2019      Managing Executive Officer and General Manager of Osaka Branch, Nippon Export and Investment Insurance</p> <p>(Reason for election as a candidate for external statutory auditor) Mr. Nariki Yasuda has been involved in management or served as a manager at major insurance companies over many years and has a wide range of experience and knowledge. The Company elected him as a candidate for external statutory auditor in the hope that he will apply such experience and knowledge to the Company's audits and provide advice for the continuous improvement of the Company's corporate value.</p>	—
2	<p>Newly elected</p> <p>Takako Okuda (May 7, 1956)</p> <p>External statutory auditor Independent statutory auditor</p>	<p>April 1979      Suntory Limited</p> <p>April 2000      Manager of Wine Business Division, Suntory Limited</p> <p>April 2003      Manager of Tokyo Customer Center, Customer Communications Department, Suntory Limited</p> <p>September 2005      Manager of Kurashi-no-Lab Group, Marketing &amp; Customer Relations Department, Marketing &amp; Sales Division, Tokyo Electric Power Company</p> <p>April 2016      General Manager of CS Department, TEPCO Energy Partner, Incorporated</p> <p>June 2019      Outside Director of ITOCHU-SHOKUHIN Co., Ltd. (current position)</p> <p>(Significant concurrent positions) Outside Director of ITOCHU-SHOKUHIN Co., Ltd.</p> <p>(Reason for election as a candidate for external statutory auditor) Ms. Takako Okuda has been engaged in operations that contribute to improving customer satisfaction and stakeholder credibility at major companies over many years, in addition to having insight into marketing, and has a wide range of experience and knowledge. The Company elected her as a candidate for external statutory auditor in the hope that she will apply such experience and knowledge to the Company's audits and provide advice for the continuous improvement of the Company's corporate value.</p>	—

(Notes)

1. There are no special interests between each candidate and the Company.
2. The candidates for statutory auditor, Mr. Nariki Yasuda and Ms. Takako Okuda, are candidates for external statutory auditor. The reasons for election as candidates for external statutory auditor are described in the columns below the past experiences of each candidate for external statutory auditor. Although Ms. Takako Okuda's involvement in corporate management has been limited to that as an external director, the Company believes that she is capable of adequately executing her duties as an external statutory auditor as mentioned in the reason for election as a candidate for external

statutory auditor.

3. If the election of Mr. Nariki Yasuda and Ms. Takako Okuda is approved as originally proposed, the Company will file a notice to the Tokyo Stock Exchange for appointing the candidates as independent statutory auditors.
4. If the election of Mr. Nariki Yasuda and Ms. Takako Okuda is approved as originally proposed, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company will enter into agreements with them to limit their liability for compensation of damages due to the failure to perform their duties, to the sum of the amounts stipulated in each item of Article 425, Paragraph 1 of the said Act.
5. The Company has purchased a directors and officers liability insurance policy from an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance policy covers damages that the insured will be legally liable for and dispute costs including litigation expenses, lawyer fees, and arbitration / settlement costs (including those arising from losing a derivative lawsuit and claims for damages from the Company). If each candidate is elected external statutory auditor, each of them will be insured under the insurance policy, and the Company plans to renew the insurance policy with the same content during their terms of office.

(Reference) Management structure subject to approval of Proposal 2 and Proposal 3 (plan)

- The table below does not represent all kinds of knowledge held by candidates.

Name	Expertise / Experience							
	Corporate management/ Business Strategy	Marketing	Technology development/ Market development	IT/ Security	Finance and accounting/ M&A	Personnel & labor affairs/ Organization/ Human resources development	Legal affairs/ Risk management	Global experiences
Directors								
Toshihiro Maeta	●	●	●			●		
Hiroshi Izumi	●	●	●	●				●
Minoru Takei	●				●	●	●	
Hiroshi Matsumoto	●				●	●	●	
Muzhi Zhou	●	●						●
Hikaru Yamamoto		●	●					
Ryosuke Tsuchiya		●				●		
Satoshi Fujita	●		●					●
Yoshinori Yokoyama	●		●		●	●		●
Statutory auditors								
Yasuhiko Niwa	●				●			●
Chie Kasahara				●			●	●
Nariki Yasuda	●							●
Takako Okuda		●				●		

(Reference: Proposal 2 and Proposal 3)

[Policies and procedures for nominating candidates for director]

It is the Company's policy to elect candidates for director who have the knowledge, experience, and abilities necessary to create medium- to long-term corporate value, in addition to excellent personality and high ethical standards, and who can appropriately fulfill their roles and responsibilities. In accordance with this policy, when nominating a candidate for director, the representative director prepares a draft proposal of candidates for director, consults with the Nomination and Remuneration Committee, and submits the proposal to the Board of Directors based on a report from the Nomination and Remuneration Committee, and once the Board of Directors approves the proposal, it is presented to the general meeting of shareholders. The majority of members of the Nomination and Remuneration Committee are external officers or external experts to ensure the objectivity, timeliness, and transparency of the Company's decision-making.

As for the policy for electing external directors, the Company seeks to offer positions to people who have a high degree of expertise and meet the criteria stipulated in the Company's "Standard for Determining the Independence of External Officers," in addition to the above qualities.

[Policies and procedures for nominating candidates for statutory auditor]

Candidates for statutory auditor are recommended by representative directors to the Board of Statutory Auditors, considering their personality, knowledge, experience, abilities, and expertise. After deliberation by the Board of Statutory Auditors, a proposal of candidates consented by the Board of Statutory Auditors is submitted to the Board of Directors, and once the Board of Directors approves the proposal, it is presented to the general meeting of shareholders.

As for the policy for electing external statutory auditors, the Company seeks to offer positions to people who meet the criteria stipulated in the Company's "Standard for Determining the Independence of External Officers."

[Standard for Determining the Independence of External Officers]

To establish a corporate governance structure that enables highly transparent management and a strong management oversight function and to improve corporate value, the following criteria is used for determining the independence of the Company's external officers (external directors and external statutory auditors). (A person who does not fall under any of the following categories is considered to be independent.)

1. A person who is currently or has been over the past ten years a director (excluding external directors), statutory auditor (excluding external statutory auditors), operating officer, other employee and the like (collectively, "executive") of the Company, its current subsidiaries and affiliates (collectively, the "Group")
2. A person who falls or has fallen under over the past three years any of a through j below
  - a. A major shareholder of the Company (a shareholder with 10% or more of all voting rights of the Company; the same hereinafter), or an executive of that shareholder if it is a corporate entity
  - b. An executive of a company for which the Company is a major shareholder
  - c. A person for whom the Group is a major business partner (a person who has recorded 2% or more of its annual consolidated sales for the most recent fiscal year or 100 million yen, whichever is greater, from the Group) or an executive of that corporate entity if it is a corporate entity
  - d. A major business partner of the Company (a person who pays the Company the amount exceeding 2% of the Company's total annual consolidated sales for the most recent fiscal year), or an executive of that business partner if it is a corporate entity
  - e. An entity who receives donations or aid from the Group in excess of a certain amount (an average of 10 million yen per year for the past three fiscal years or 30% of the average annual total cost of the organization, whichever is greater), or an executive of that entity if it is a type of organization
  - f. A major creditor of the Company, or an executive of the creditor if it is a corporate entity
  - g. A certified public accountant of the audit corporation for the Group or a person who belongs to the audit corporation
  - h. An entity who receives annual remuneration of 10 million yen or more in addition to officer remuneration from the Group as a lawyer, certified public accountant, tax accountant, and consultant, or an executive of that entity if it is a type of organization
  - i. A spouse or a relative within the second degree of kinship of a person who falls under any

of a through h above (excluding those who are not important)

- j. An officer of a company that receives officers (meaning directors or statutory auditors; the same hereinafter) from the Group
- 3. Any other person who may permanently have a substantial conflict of interest with general shareholders of the Company due to circumstances other than those considered in the categories 1 and 2 above
- 4. Even if a person falls under any of the items in the category 2 above, the Company may designate the person as its independent officer if the person is considered to present effectively no risk of conflict of interest with general shareholders, provided that the Company explains publicly why the person is deemed to satisfy the requirements of external directors or external statutory auditors in accordance with the Companies Act and to be suitable as an independent officer of the Company.