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Stock Exchange Code: 9438  
December 6, 2022

**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 27TH 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 27th 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, wherever possible, 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 23, 2022 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 24, 2022 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 27th Fiscal Year (October 1, 2021 - September 30, 2022), 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 27th Fiscal Year
  - Proposals to be resolved:**
    - Proposal 1:** Appropriation of surplus
    - Proposal 2:** Partial amendments to the articles of incorporation
    - Proposal 3:** Election of ten (10) directors
    - Proposal 4:** Election of one (1) statutory auditor

◎ 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. If attending online by proxy, please submit a written power of attorney and documents to prove your proxy's identity by post within the following reception period:

Reception period: Tuesday, December 6, 2022 at 10:00 a.m. to Friday, December 16, 2022 at 5:30 p.m. Japan time

Postal address: MTI Ltd. General Affairs Department,  
3-20-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo 163-1435, Japan

**(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://ir.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://ir.mti.co.jp/eng/>).

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

- 1) 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://ir.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 440,095,728 yen
- (2) The effective date of the dividend of surplus  
December 26, 2022

**Proposal 2:** Partial amendments to the articles of incorporation

1. Reasons for the amendments

(1) Introduction of the “Shareholders Meeting without a Designated Location”

The “Act for Partially Amending the Industrial Competitiveness Enhancement Act and Other Related Acts” (Act No. 70 of 2021) came into force on June 16, 2021, enabling listed companies to hold a “Shareholders Meeting without a Designated Location” (also referred-to as a “virtual-only shareholders meeting”) under certain conditions, where provided for in the articles of incorporation.

The Company upholds its vision of “making the world a step forward,” and aspires to bring about innovations to make a rapidly changing world more convenient.

As part of these efforts, it is proposed to partially amend the articles of incorporation to enable the Company to hold its general meeting of shareholders as a Shareholders Meeting without a Designated Location, allowing more shareholders, such as those from remote regions, to attend, promoting the revitalization and smooth operation of the general meeting of shareholders, and also contributing to COVID-19 countermeasures.

In submitting this proposal, the Company has received the written confirmation of the Minister of Economy, Trade and Industry and the Minister of Justice required to hold a Shareholders Meeting without a Designated Location. The Company will decide on the method used to hold the general meeting of shareholders each time, based on careful consideration by the Board of Directors, prioritizing the rights and interests of shareholders.

(2) Introduction of the system for electronic provision of materials for general meetings of shareholders

The amended provisions stipulated in the proviso to Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) came into force on September 1, 2022. Accordingly, in order to introduce the system for electronic provision of materials for general meetings of shareholders, it is proposed to amend the articles of incorporation of the Company, as follows.

- 1) The proposed Article 15, Paragraph 1 provides that information contained in the Reference Documents for the General Meeting of Shareholders, etc. shall be provided electronically.
- 2) The purpose of the proposed Article 15, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- 3) The provisions related to the internet disclosure and deemed provision of the Reference Documents for the General Meeting of Shareholders, etc. (Article 15 of the current articles of incorporation) will become unnecessary and will therefore be deleted.
- 4) Supplementary provisions will be established related to the effect of the abovementioned establishment and deletion of provisions. These supplementary provisions will be deleted after the lapse of a certain period.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current articles of incorporation	Proposed amendments
<p>(Time of Convocation)                      Article 12 The Annual General Meeting of Shareholders shall be convened in December each year, and an Extraordinary General Meeting of Shareholders shall be convened whenever necessary.                      (Newly established)</p> <p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u></p>	<p>(Time <u>and Method</u> of Convocation)                      Article 12 The Annual General Meeting of Shareholders shall be convened in December each year, and an Extraordinary General Meeting of Shareholders shall be convened whenever necessary.                      2) <u>The Company may hold the General Meeting of Shareholders as a Shareholders Meeting without a Designated Location.</u></p> <p>(Deleted)</p>

Current articles of incorporation	Proposed amendments
<p data-bbox="188 212 790 660"><u>Article 15 The Company may, when convening a General Meeting of Shareholders, deem that it has provided its shareholders with information pertaining to matters to be described or indicated in the Reference Documents for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements, and Consolidated Financial Statements (including the audit reports by the Accounting Auditor and the Board of Statutory Auditors of the Consolidated Financial Statements), by disclosing such information through the internet in accordance with the provisions stipulated in the Ordinance of the Ministry of Justice.</u></p> <p data-bbox="375 660 598 694">(Newly established)</p> <p data-bbox="375 1064 598 1097">(Newly established)</p>	<p data-bbox="815 660 1284 694"><u>(Measures for Electronic Provision, Etc.)</u></p> <p data-bbox="815 705 1412 862"><u>Article 15 The Company shall, when convening a General Meeting of Shareholders, provide information contained in the Reference Documents for the General Meeting of Shareholders, etc. electronically.</u></p> <p data-bbox="815 862 1412 1052"><u>2) Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p> <p data-bbox="965 1064 1268 1097"><u>Supplementary Provisions</u></p> <p data-bbox="815 1108 1284 1142"><u>(Measures for Electronic Provision, Etc.)</u></p> <p data-bbox="815 1153 1412 1366"><u>1. Notwithstanding the provisions of Article 15 of the articles of incorporation (Measures for Electronic Provision, Etc.), for any General Meeting of Shareholders to be held on a date within six (6) months from the effective date, Article 15 of the articles of incorporation, prior to amendment, shall remain in force.</u></p> <p data-bbox="815 1377 1412 1556"><u>2. These supplementary provisions shall be deleted after the lapse of six (6) months from the effective date or the lapse of three (3) months from the date of the General Meeting of Shareholders set forth in the preceding paragraph, whichever is later.</u></p>

**Proposal 3:** Election of ten (10) 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 ten (10) directors is proposed, increasing the number of external directors by one (1) to further strengthen the management structure.

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	16/16 (100%)
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	16/16 (100%)
9	Yoshinori Yokoyama Male Reelected External director Independent director	External Director	12/16 (75%)
10	Hideaki Wada Male Newly elected 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
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.	11,869,200

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.</p> <p>June 1997      Joined Microsoft Japan Co., Ltd.</p> <p>February 1999      Joined the Company</p> <p>November 1999      Operating Officer and General Manager of IT Business Department of the Company</p> <p>November 2002      Operating Officer and General Manager of Mobile Service Division of the Company</p> <p>December 2002      Director and General Manager of Mobile Service Division of the Company</p> <p>December 2004      Director, Senior Managing Operating Officer and General Manager of Mobile Service Division of the Company</p> <p>January 2007      Director, Operating Vice President and General Manager of Mobile Service Division of the Company</p> <p>December 2009      Executive Vice President and General Manager of Mobile Service Division of the Company</p> <p>February 2010      Executive Vice President of the Company</p> <p>June 2012      Executive Vice President and General Manager of Healthcare Business Division of the Company</p> <p>February 2014      Executive Vice President, General Manager of Mobile Service Division, and General Manager of Healthcare Business Division of the Company</p> <p>July 2014      Executive Vice President and General Manager of Life and Healthcare Business Division of the Company</p> <p>April 2015      Executive Vice President and General Manager of Digital Content Division of the Company</p> <p>February 2016      Executive Vice President, General Manager of Lifestyle Business Division, and General Manager of Digital Content Division of the Company</p> <p>January 2017      Executive Vice President and General Manager of Life and Entertainment Business Division of the Company</p> <p>April 2018      Executive Vice President and General Manager of Life, Entertainment and Sports Business Division of the Company</p> <p>July 2019      Executive Vice President, General Manager of Life, Entertainment and Sports Business Division, and General Manager of Technology Division of the Company</p> <p>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</p> <p>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>	338,000
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.			

No.	Name (Date of birth)	Past experience, significant concurrent positions, positions and responsibilities at the Company	Number of shares of the Company held
3	<div style="border: 1px solid black; display: inline-block; padding: 2px;">Reelected</div> Minoru Takei (February 15, 1952)	April 1974      Joined Mitsubishi Corporation April 2000      General Manager, Finance Dept. of Mitsubishi Corporation April 2002      General Manager, Accounting Dept., Kansai Branch of Mitsubishi Corporation April 2004      President of Mitsubishi Corporation Financial & Management Services (Japan) Ltd. April 2006      Senior Vice President of Mitsubishi Corporation March 2010      Executive Vice President of KANRO CO., LTD. December 2017   External Statutory Auditor of the Company 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 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 October 2022   Executive Vice President, General Manager of Corporate Support Division and General Manager of Human Resources, General Affairs and Public Relations 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)	15,800
Reason for election as a candidate for director 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.			
4	<div style="border: 1px solid black; display: inline-block; padding: 2px;">Reelected</div> Hiroshi Matsumoto (August 17, 1969)	April 1992      Joined The Fuji Bank (current Mizuho Financial Group, Inc.) May 1999      Joined CAC Corporation (current CAC Holdings Corporation) October 2002    Joined USJ Co., Ltd. October 2004    Joined the Company February 2008   Operating Officer, General Manager of Corporate Planning Office and General Manager of Public Relations and IR Office of the Company January 2009    Operating Officer and General Manager of Corporate Planning Division of the Company January 2010    Senior Operating Officer and General Manager of Corporate Planning Division of the Company May 2010      Senior Operating Officer and General Manager of Corporate Support Division of the Company December 2010   Director and General Manager of Corporate Support Division of the Company February 2013   Director of the Company December 2016   Managing Director of the Company December 2018   Senior Managing Director (in charge of IR Office and business alliance) of the Company (current position)	160,600
Reason for election as a candidate for director 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 Division and General Manager of Corporate Support Division. 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 M&A, finance and investor relations, in addition to his experience in overall administrative work.			

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>	—
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.			
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>	—
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.			

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 Sakakibara Heart Foundation) (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</p> <p>April 2022 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. 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 Joined 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.</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 Executive Advisor of Juniper Networks, Inc.</p>	4,000
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	<p>Yoshinori Yokoyama (September 16, 1942)</p> <p><b>Reelected</b></p> <p><b>External director</b> <b>Independent director</b></p>	<p>September 1986 Senior Partner, McKinsey &amp; Company</p> <p>September 1988 Managing Partner Japan, McKinsey &amp; Company</p> <p>July 2002 Representative Director of I Grec SSDI Co., Ltd. (current position)</p> <p>April 2008 Chief Event Promotor, The University of Tokyo Executive Management Program</p> <p>July 2016 Dean, Hiroshima Business and Management School, Prefectural University of Hiroshima (current position)</p> <p>July 2017 External Director of airweave inc. (current position)</p> <p>October 2020 Special Research Advisor, Institute of Industrial Science, The University of Tokyo (current position)</p> <p>December 2020 External Director of the Company (current position)</p> <p>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</p> <p>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.</p>	—
10	<p>Hideaki Wada (December 13, 1973)</p> <p><b>Newly elected</b></p> <p><b>External director</b></p>	<p>April 1997 Joined HIKARI TSUSHIN, INC.</p> <p>June 2004 Director of HIKARI TSUSHIN, INC.</p> <p>April 2007 Managing Director of HIKARI TSUSHIN, INC.</p> <p>June 2009 Managing Executive Officer and General Manager of Information and Communications Business Division, HIKARI TSUSHIN, INC.</p> <p>April 2012 Representative Director of Hello Communications, Inc.</p> <p>June 2012 Managing Director of HIKARI TSUSHIN, INC.</p> <p>April 2013 Representative Director of Telecom Service Co., Ltd.</p> <p>June 2015 Director of Water Direct Corporation (current Premium Water Holdings Inc.) (current position)</p> <p>June 2017 Vice President and Director of HIKARI TSUSHIN, INC.</p> <p>June 2018 Director of FTGroup CO., LTD.</p> <p>February 2019 Director of ACTCALL INC.</p> <p>June 2019 President and Representative Director of HIKARI TSUSHIN, INC. (current position)</p> <p>June 2020 Director of Hikari Tsushin K.K. (current position)</p> <p>March 2021 Representative Director of HCMA Alpha Inc. (current position)</p> <p>Significant concurrent positions President and Representative Director of HIKARI TSUSHIN, INC. Director of Premium Water Holdings Inc. Director of Hikari Tsushin K.K. Representative Director of HCMA Alpha Inc.</p> <p>Reason for election as a candidate for external director and outline of expected roles Mr. Hideaki Wada has a wealth of achievements and experience and deep insight as a manager. The Company expects him to give advice on the Company's management policy, based on his insight, to sustainably enhance corporate value, and elected him as a candidate for external director.</p>	—

(Notes)

1. There are no special interests between each candidate and the Company.
2. Mr. Muzhi Zhou, Ms. Hikaru Yamamoto, Mr. Ryosuke Tsuchiya, Mr. Satoshi Fujita, Mr. Yoshinori Yokoyama and Mr. Hideaki Wada 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.”

3. The candidates Mr. Muzhi Zhou and Ms. Hikaru Yamamoto will have held the position of external director of the Company for seven (7) 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 four (4) 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 two (2) years as at the conclusion of this Annual General Meeting of Shareholders.
4. The Company has filed a notice to the Tokyo Stock Exchange for appointing Mr. Muzhi Zhou, Ms. Hikaru Yamamoto, Mr. Ryosuke Tsuchiya, Mr. Satoshi Fujita and Mr. Yoshinori Yokoyama as independent directors. If their election is approved as originally proposed, they will continue to serve as independent directors.
5. 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. Moreover, if the election of Mr. Hideaki Wada is approved as originally proposed, the Company intends to enter into a similar agreement with him.
6. 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, with the exception of Mr. Hideaki Wada, is insured under the insurance policy as incumbent directors of the Company. Moreover, all directors of the Company elected under this proposal will be insured under the insurance policy. The Company plans to renew the insurance policy with the same content during the terms of office of the directors included in this proposal.
7. MNES Inc., where Mr. Ryosuke Tsuchiya holds a concurrent position, is an equity-method affiliate of the Company.
8. HIKARI TSUSHIN, INC., where Mr. Hideaki Wada holds a concurrent position, is an affiliate (other) of the Company.

**Proposal 4:** Election of one (1) statutory auditor

Statutory auditor Mr. Yasuhiko Niwa will resign at the conclusion of this Annual General Meeting of Shareholders due to the expiration of his term of office. Accordingly, the election of one (1) statutory auditor is proposed.

In addition, the Board of Statutory Auditors has previously given its approval to this proposal.

The candidate for statutory auditor is as follows:

Name (Date of birth)	Past experience, significant concurrent positions and positions at the Company	Number of shares of the Company held
<p><b>Reelected</b></p> <p>Yasuhiko Niwa (October 17, 1958)</p> <p><b>External statutory auditor</b> <b>Independent statutory</b> <b>auditor</b></p>	<p>April 1982      Joined Mitsubishi Corporation</p> <p>December 2003      General Manager, Finance and Accounting Dept. of Mitsubishi Corporation (Shanghai) Ltd.</p> <p>February 2008      Vice President of Mitsubishi Corporation Financial &amp; Management Services (Japan) Ltd.</p> <p>September 2010      Managing Executive Officer and General Manager, Administrative Division of Mitsubishi Shoji Sekiyu Co. Ltd.</p> <p>May 2012      President and General Manager, Administrative Division of Mitsubishi Corporation (Taiwan) Ltd.</p> <p>June 2015      Standing Corporate Auditor of Metal One Corporation</p> <p>August 2018      General Manager, Financial, Accounting, and Information System Dept. of IVYCS Co., Ltd.</p> <p>December 2019      External Statutory Auditor of the Company (current position)</p>	<p>—</p>
<p>Reason for election as a candidate for external statutory auditor Mr. Yasuhiko Niwa has insight and a wealth of experience in finance and accounting. The Company elected him as a candidate for external statutory auditor, based on the judgment that he is capable of adequately executing his duties in the audit of the Company.</p>		

(Notes)

1. There are no special interests between the candidate and the Company.
2. The candidate for statutory auditor, Mr. Yasuhiko Niwa, is a candidate for external statutory auditor. The reasons for his election as a candidate for external statutory auditor are described in the column below the past experience.
3. The candidate for statutory auditor, Mr. Yasuhiko Niwa, will have held the position of external statutory auditor of the Company for three (3) years 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 him as an independent statutory auditor. If his election is approved as originally proposed, he will continue to serve as an independent statutory auditor.
4. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Yasuhiko Niwa to limit his liability for compensation of damages due to the failure to perform his duties, to the sum of the amounts stipulated in each item of Article 425, Paragraph 1 of the said Act. If his election is approved as originally proposed, the Company intends to continue the agreement with him.
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). The candidate for statutory auditor, Mr. Yasuhiko Niwa, is insured under the insurance policy as an incumbent statutory auditor of the Company, and he will continue to be insured under the insurance policy if he is elected under this proposal. The Company plans to renew the insurance policy with the same content during the term of office of the statutory auditor included in this proposal.

(Reference) Management structure subject to approval of Proposal 3 and Proposal 4 (plan)

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

Name	Attributes	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	External Independent	●	●		●				●
Hikaru Yamamoto	External Independent		●	●					
Ryosuke Tsuchiya	External Independent		●				●		
Satoshi Fujita	External Independent	●		●	●				●
Yoshinori Yokoyama	External Independent	●		●		●	●		●
Hideaki Wada	External	●	●	●		●	●	●	
Statutory auditors									
Yasuhiko Niwa	External Independent	●				●			●
Chie Kasahara	External Independent				●			●	●
Nariki Yasuda	External Independent	●							●
Takako Okuda	External Independent		●				●		

(Reference: Proposal 3 and Proposal 4)

[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 person holding, directly or indirectly, 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.