

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 5, 2023

To our shareholders:

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

## Notice of the 24th Annual General Meeting of Shareholders

You are cordially informed of the 24th Annual General Meeting of Shareholders of Ateam Inc. (the “Company”), which will be held as indicated below.

If you are unable to attend the meeting in person, you may exercise your voting rights beforehand by mail or online.

If you vote by mail or online, please review the attached Reference Documents for the Annual General Meeting of Shareholders, and exercise your voting rights by Wednesday, October 25, 2023 at 7:00 p.m. Japan Standard Time (the end of business hours for the Company).

1. **Date and Time:** Thursday, October 26, 2023 at 10:30 a.m. (Reception will open at 10:00 a.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 24th fiscal year (from August 1, 2022 to July 31, 2023), 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 24th fiscal year (from August 1, 2022 to July 31, 2023)**Matters to be resolved:**

Proposal No. 1	Partial Amendments to the Articles of Incorporation
Proposal No. 2	Election of Four Directors (excluding directors who are members of the Audit & Supervisory Committee)
Proposal No. 3	Election of Three Directors as Audit & Supervisory Committee Members
Proposal No. 4	Setting the Amount of Remuneration for Directors (excluding directors who are members of the Audit & Supervisory Committee)
Proposal No. 5	Setting the Amount of Remuneration for Directors as Audit & Supervisory Committee Members
Proposal No. 6	Determination of the Amount and Details of the Performance-Based Remuneration System for Directors (excluding directors who are members of the Audit & Supervisory Committee)

## Implementation of a System for the Provision of Electronic Materials

We have implemented a system for the provision of electronic materials for the Annual General Meeting of Shareholders. Materials have been uploaded on the following websites, so please visit for more details.

- **Our Corporate Website:** <https://www.a-tm.co.jp/en/ir/news/> (Please select “Shareholders Meeting”)
- **Shareholders’ Meeting Materials Website:** <https://d.sokai.jp/3662/teiji/> (available only in Japanese)
- **The TSE Website:** <https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (available only in Japanese)

In the case that paper documents are requested, the following information will not be included in paper documents in accordance with relevant laws and regulations, as well as the Articles of Incorporation of the Company. Therefore, only some of the documents audited by the accounting auditor or corporate auditors in preparing the accounting audit report or audit report will be available in a paper format. (Available only in Japanese).




- 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

If circumstances arise that revisions to the electronic materials are required, we will notify you by posting a notice on each of the above websites.



## Exercise of Voting Rights

Exercise of voting rights at the Company's Annual Meeting of Shareholders is an important right that our shareholders have. Please vote after considering the attached Reference Documents for the General Meeting of Shareholders. There are three methods to vote as indicated below.

 <p><b>By Attending the Meeting</b></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>Thursday, October 26, 2023 at 10:30 a.m. (Reception will open at 10:00 a.m.)</p>	 <p><b>By Mail</b></p> <p>Please indicate, on the enclosed proxy card, your approval or disapproval of each proposal and return the completed form without a postage stamp.</p> <p><u>Deadline</u></p> <p>To arrive no later than Wednesday, October 25, 2023 at 7:00 p.m.</p>	 <p><b>By Internet</b></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>To complete no later than Wednesday, October 25, 2023 at 7:00 p.m.</p>
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## How to Fill Out the Proxy Card

Please indicate approval or disapproval of the proposal.

### For Proposal No. 1, 4, 5, 6

- 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, 3

- 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

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### Scanning the QR Code

You can simply log in to the website to vote without entering your login 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.

### Entering Login ID and Temporary Password

Voting website

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

1. Please access the website to vote.
2. Enter your “login 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 assistance for voting on your PC/smartphone, please contact the help desk listed 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. Any fees incurred 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 transition to a company with an Audit & Supervisory Committee to enhance corporate governance and reinforce the audit and supervisory functions of the Board of Directors. In conjunction with this transition, Ateam will establish new provisions regarding the Audit & Supervisory Committee Members and the Audit & Supervisory Committee, delete provisions regarding the Auditors and Board of Auditors, and establish a new provision regarding delegation of authority to directors to make important decisions on business operations
- (ii) Changed the term referring to the representative director of Ateam to "Representative Director" from "President"
- (iii) Corrected other items, including some notation discrepancies
- (iv) The amendments to the Articles of Incorporation in this proposal will become effective at the conclusion of this Annual General Meeting of Shareholders.

#### 2. Description of Amendments

\*The following description of amendments mainly reflect the details regarding 1. (i) mentioned above as most of the changes and corrections regarding 1. (ii) and (iii) are specific to Japanese. For full details about the amendments, please refer to the original Japanese version.

(Underlined portions indicate amendments.)

Current Articles of Incorporation	Proposed Amendments
Chapter 2 Shares	Chapter 2 Shares
Article 9 (Administrator of Shareholders' Register)	Article 9 (Administrator of Shareholders' Register)
(Articles omitted)	(As current)
II. The administrator of the Company's shareholder registry and its place of business shall be selected by a resolution of the Board of Directors.	II. The administrator of the Company's shareholder registry and its place of business shall be selected <u>by the Board of Directors or by a director delegated by a resolution of the Board of Directors.</u>
Article 10 (Share Handling Regulations)	Article 10 (Share Handling Regulations)
The entry or recording in the register of shareholders and the register of stock acquisition rights of the Company, the purchase of shares constituting less than one unit, other handling and fees related to shares and stock acquisition rights, and procedures for shareholders to exercise their rights shall be governed by the Share Handling Regulations established by the Board of Directors, in addition to those provided by law or the Articles of Incorporation.	The entry or recording in the register of shareholders and the register of stock acquisition rights of the Company, the purchase of shares constituting less than one unit, other handling and fees related to shares and stock acquisition rights, and procedures for shareholders to exercise their rights shall be governed by the Share Handling Regulations established <u>by the Board of Directors or by a director delegated by a resolution of the Board of Directors</u> , in addition to those provided by law or the Articles of Incorporation.
Chapter 4 Directors and Board of Directors	Chapter 4 Directors and Board of Directors
Article 18 (Number of Directors)	Article 18 (Number of Directors)
The Company shall have <u>no more than seven</u> directors.	The Company shall have <u>four or more</u> directors.
(Established)	<u>II. The Company shall have at least three Directors who are members of the Audit &amp; Supervisory Committee.</u>

<p>Article 19 (Appointment of Directors)</p> <p>(Established)</p> <p>Directors of the Company shall be elected by a resolution adopted by a majority of the voting rights of the shareholders present at the Annual General Meeting of Shareholders where the shareholders holding one-third or more of the voting rights of shareholders entitled to exercise their voting rights are present.</p> <p>II. (omission of the article)</p> <p>(Established)</p>	<p>Article 19 (Appointment of Directors)</p> <p><u>Directors of the Company shall be elected at the Annual General Meeting of Shareholders separately by distinguishing between those who are members of the Audit &amp; Supervisory Committee and those who are not.</u></p> <p>II. Directors of the Company shall be elected by a resolution adopted by a majority of the voting rights of the shareholders present at the Annual General Meeting of Shareholders where the shareholders holding one-third or more of the voting rights of shareholders entitled to exercise their voting rights are present.</p> <p>III. (no change)</p> <p>IV. <u>The Company may elect a substitute Director who is a member of the Audit &amp; Supervisory Committee at the Annual General Meeting of Shareholders in preparation for a vacancy in the number of Directors who are members of the Audit &amp; Supervisory Committee as provided for in laws and regulations.</u></p>
<p>Article 20 (Term of Office of Directors)</p> <p>The term of office of Directors shall expire at the conclusion of the Annual General Meeting of Shareholders relating to the last fiscal year ending within one year after their election.</p> <p>(Established)</p> <p>(Established)</p> <p>(Established)</p>	<p>Article 20 (Term of Office of Directors)</p> <p>The term of office of Directors (excluding directors who are <u>members of the Audit &amp; Supervisory Committee</u>) shall expire at the conclusion of the Annual General Meeting of Shareholders relating to the last fiscal year ending within one year after their election.</p> <p>II. <u>The term of office of Directors who are members of the Audit &amp; Supervisory Committee shall expire at the conclusion of the Annual General Meeting of Shareholders relating to the last fiscal year ending within two years after their election.</u></p> <p>III. <u>The term of office of a Director who is a member of the Audit &amp; Supervisory Committee elected to fill a vacancy left by a Director who retires before the expiration of their term of office shall expire when the term of office of the retiring director as a member of the Audit &amp; Supervisory Committee expires.</u></p> <p>IV. <u>The effective term of the resolution for the election of a Director who is a substitute Audit &amp; Supervisory Committee member elected in accordance with Article 329, Paragraph 3 of the Companies Act shall, unless shortened by such resolution, expire at the beginning of the Annual General Meeting of Shareholders relating to the last fiscal year ending within two years after their election.</u></p>
<p>Article 21 (Executive Director)</p> <p>The Board of Directors may, by resolution, select one President from among the Directors and, if necessary, select one or more Chairmen of the Board, Vice Presidents, Senior Managing Directors, and Managing Directors.</p> <p>(Established)</p>	<p>Article 21 (<u>Representative Director and Executive Director</u>)</p> <p><u>A Representative Director shall be selected from among the Directors (excluding Directors who are members of the Audit &amp; Supervisory Committee) by a resolution of the Board of Directors.</u></p> <p>II. <u>The Board of Directors may, by its resolution, select one Chairman of the Board and President of the Company, and one or more Vice Presidents, Senior Managing Directors and Managing Directors from among the Directors (excluding Directors who are members of the Audit &amp; Supervisory Committee).</u></p>

Article 22 (Representative Director)	(Omitted)
<u>The President shall represent the Company and execute the Company's business.</u>	
<u>II. In addition to the President, the Board of Directors may, by resolution of the Board of Directors, select a director to represent the Company from among the directors with the offices as described in the preceding Article.</u>	
Article 24 (Procedures for Convening Board of Directors Meetings)	Article 23 (Notice of Convening Board of Directors Meetings)
Notice of a Board of Directors meeting shall be given at least three days prior to the date of the meeting. However, <u>in case of</u> emergency, this period may be shortened.	Notice of a Board of Directors meeting shall be given at least three days prior to the date of the meeting. However, <u>when there is an urgent need,</u> this period may be shortened.
II. Notwithstanding the preceding paragraph, a Board of Directors meeting may be convened without the convening procedures if all Directors and Auditors agree to the convocation of the meeting.	II. Notwithstanding the preceding paragraph, a Board of Directors meeting may be convened without the convening procedures if all Directors agree to the convocation of the meeting.
Article 25 – 26 (omission of the articles)	Article 24 – 25 (no change)
(Established)	Article 26 (Delegation of Important Business Execution Decisions)
	<u>Pursuant to Article 399-13, Paragraph 6 of the Companies Act, the Company may, by a resolution of the Board of Directors, delegate all or part of the decisions on the execution of important business affairs (excluding the matters listed in each item of Paragraph 5 of the same Article) to the Directors.</u>
Article 28 (Remuneration for Directors)	Article 28 (Remuneration for Directors)
Remuneration, bonuses, and other benefits received from the Company as compensation for the execution of duties by Directors (hereinafter "Remuneration, etc.") shall be determined by a resolution of the Annual General Meeting of Shareholders.	Remuneration, bonuses, and other benefits received from the Company as compensation for the execution of duties by Directors (hereinafter "Remuneration, etc.") shall be determined <u>separately for Directors who are Audit &amp; Supervisory Committee Members and for other Directors</u> by a resolution of the Annual General Meeting of Shareholders.
Chapter 5 Auditors and the Board of Auditors	(Omitted)
Article 30 – 39	
(Established)	<u>Chapter 5 Audit &amp; Supervisory Committee</u>
	Article 30 (Establishment of Audit & Supervisory Committee)
	<u>The Company shall have an Audit &amp; Supervisory Committee.</u>
(Established)	Article 31 (Full-time Audit & Supervisory Board Member)
	<u>The Audit &amp; Supervisory Committee may, by its resolution, select a full-time Audit &amp; Supervisory Committee member.</u>
(Established)	Article 32 (Notice of Convocation of Audit & Supervisory Committee Meeting)
	<u>Notice of a meeting of the Audit &amp; Supervisory Committee shall be given at least three days prior to the date of the meeting. However, this period may be shortened in case of</u>

	<p><u>urgent necessity.</u></p> <p><u>II. Notwithstanding the preceding paragraph, the meeting may be held without going through the convocation procedures if all Audit &amp; Supervisory Committee members consent thereto.</u></p>
(Established)	<p><u>Article 33 (Resolutions of the Audit &amp; Supervisory Committee)</u></p> <p><u>Resolutions of the Audit &amp; Supervisory Committee shall be adopted by a majority of the Audit &amp; Supervisory Committee members present and voting.</u></p>
(Established)	<p><u>Article 34 (Rules of the Audit &amp; Supervisory Committee)</u></p> <p><u>Matters concerning the Audit &amp; Supervisory Committee shall be in accordance with the Regulations of the Audit &amp; Supervisory Committee established by the Audit &amp; Supervisory Committee, in addition to those provided by law or the Articles of Incorporation.</u></p>
Chapter 6 Accounting Auditor	Chapter 6 Accounting Auditor
Article <u>40 – 42</u> (omission of the articles)	Article <u>35 – 37</u> (no change)
Article <u>43</u> (Remuneration, etc. of Accounting Auditor)	Article <u>38</u> (Remuneration, etc. of Accounting Auditor)
The remuneration, etc. of the accounting auditor shall be determined by the President of the Board of Directors with the consent of <u>the Board of Auditors</u> , as delegated by the Board of Directors.	The remuneration, etc. of the accounting auditor shall be determined by the <u>Represent Director</u> of the Board of Directors with the consent of <u>the Audit &amp; Supervisory Committee</u> , as delegated by the Board of Directors.
Chapter 7 Calculation	Chapter 7 Calculation
Article <u>44 – 47</u> (omission of the articles)	Article <u>39 – 42</u> (no change)
(Established)	(Supplementary Provisions)
	(Transitional Measures Regarding Exemption of Auditors from Liability)
	Pursuant to Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt auditors (including former auditors) from liability for damages due to negligence of their duties before the partial amendment to the Articles of Incorporation approved at the 24th Annual General Meeting of Shareholders takes effect.



**Proposal No. 2:** Election of Four Directors (excluding directors who are members of the Audit & Supervisory Committee)

Subject to approval of Proposal 1 "Partial Amendments to the Articles of Incorporation," the Company will transition to a company with an Audit & Supervisory Committee. Therefore, as for the terms of office of all directors, six will expire upon the effective date of the amendment to the Articles of Incorporation, and the Company proposes the election of four directors (excluding directors who are members of the Audit & Supervisory Committee).

This proposal will become effective on the condition that the amendments to the Articles of Incorporation in Proposal 1 "Partial Amendments to the Articles of Incorporation," take effect.

The candidates for the Board of Directors are as follows:

Candidate No.	Name	Current position and responsibility in the Company	
1	Takao Hayashi	President	<b>Reelection</b>
2	Yukimasa Nakauchi	Director Corporate Officer, General Manager of Entertainment Division	<b>Reelection</b>
3	Fumio Mase	Director Corporate Officer, General Manager of Lifestyle Support Division	<b>Reelection</b>
4	Ryosuke Yoshizaki	Outside Director	<b>Reelection</b> <b>Outside</b> <b>Independent</b>

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:  
23 years

 Attendance at meetings of the  
Board of Directors:  
16/16 (100%)

#### Career summary/current position and responsibility in the Company

Jun. 1997	Founded Ateam	Feb. 2019	Appointed Director of Ateam Finergy Inc.
Feb. 2000	Established Ateam, Ltd. (now Ateam Inc.) Appointed President (current position)	Apr. 2021	Appointed Director of Ateam Entertainment Inc. (current position)
Aug. 2013	Appointed Director of Hikkoshi Samurai Inc. (now Ateam LifeDesign Inc.) Appointed Director of Ateam Lifestyle Inc. (now Ateam Wellness Inc.)	Apr. 2022	Appointed Director of Ateam CommerceTech Inc. (current position)
Dec. 2017	Appointed Director of Increments Inc. (now Qiita Inc.) (current position)		Appointed Director of Ateam Finergy Inc. (current position)

#### 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 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 sustainable growth for a long time.

Based on the corporate philosophy of "To Be a Company Where All Can Achieve Happiness Together" and "To Be a Company that Continues 100 Years from Today", as well as "Ateam Purpose" expressed as "Combining Creativity and Tech to Deliver More Convenience and More Fun to All", the Company determined that it is essential that he remains in the position of Director to enhance its corporate value with his cohesive force and excellent management skills.

#### 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:  
238,600 shares

Term as Director:  
13 years

Attendance at meetings of the  
Board of Directors:  
16/16 (100%)

#### Career summary/current position and responsibility in the Company

Aug. 2004	Joined GMO Internet, Inc. (now GMO Internet Group, Inc.)	Aug. 2012	Appointed Corporate Officer, General Manager of Entertainment Division of Ateam Inc. (current position)
Apr. 2005	Appointed President and CEO of GMO-interTAINMENT, Inc.	Dec. 2016	Appointed President of Ateam Vietnam Co., Ltd. (current position)
Apr. 2007	Appointed COO of Increws Co., Ltd.	Apr. 2021	Appointed President of Ateam Entertainment Inc. (current position)
Sep. 2009	Joined Ateam Inc.		
Oct. 2010	Appointed Director of Ateam Inc. (current position)		

#### Reasons for nomination as candidate for Director

Since joining the Company in 2009, Yukimasa Nakauchi, has been a driving force for the Entertainment Business who is committed to planning, developing and operating both existing and new game apps while striving to maintain and grow the Entertainment Business further in the long term.

The Company determined that his abundant experience and broad insight can contribute to the further growth and improve corporate value of both the Entertainment Business and the Group.

#### 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:  
5 years

Attendance at meetings of the  
Board of Directors:  
16/16 (100%)

#### Career summary/current position and responsibility in the Company

Apr. 2007	Joined Nikko Cordial Securities Inc. (now SMBC Nikko Securities Inc.)	Feb. 2019	Appointed Director of Ateam Finergy Inc.
Nov. 2008	Joined Ateam Inc.	Nov. 2020	Appointed Corporate Officer, General Manager of Lifestyle Support Division of Ateam Inc. (current position)
Aug. 2013	Appointed President of Ateam Lifestyle Inc. (now Ateam Wellness Inc.) (current position)	Feb. 2022	Appointed Representative Director of Ateam LifeDesign Inc. (current position)
Nov. 2013	Appointed Corporate Officer of Ateam Inc.	Apr. 2022	Appointed President of Ateam Finergy Inc. (current position)
Oct. 2018	Appointed Director of Ateam Inc. (current position)		

#### Reasons for nomination as candidate for Director

Fumio Mase has led the Lifestyle Support Business to grow over a long period of time through expanding business domains as well as managing and improving each business.

The Lifestyle Support Business is anticipated to build brands and increase profitability in the 24th fiscal year, thus the Company determined that it is essential that he remain in the position of Director to build brands and increase profitability while aiming to achieve further growth in both the Lifestyle Support Business and the Group as well as the enhancement of corporate value with his leadership and abundant experience.

#### Special interest between the candidate and the Company

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

Candidate No.

4

Ryosuke Yoshizaki

Date of birth:  
August 13, 1991

Reelection
Outside
Independent



Number of the Company's shares owned: – shares
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Term as Director: 1 year
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Attendance at meetings of the Board of Directors: 12 / 12 (100%)
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#### Career summary/current position and responsibility in the Company

Apr. 2016 Joined SHIFT Inc.

Jan. 2017 Founded and Appointed CEO of Kikagaku Inc.

Apr. 2018 Appointed Part-time Lecturer in Graduate School of Interfaculty Initiative in Information Studies, The University of Tokyo  
Appointed a Steering Committee Member of Special Interest Group on Machine Learning Systems Engineering (current position)

Jan. 2021 Appointed Chairman of the Board of Directors of Kikagaku Inc. (current position)

Oct. 2022 Appointed Outside Director of Ateam Inc. (current position)

#### Reasons for nomination as candidate for Outside Director

Ryosuke Yoshizaki meets the requirements stipulated in Article 2, paragraph (3), item 7 of the Regulation for Enforcement of the Companies Act.

He is a founder of Kikagaku Inc., and thus has accumulated abundant knowledge and broad insight of advanced technologies including AI and machine learning.

The Board of Directors determined he is essential to sustainable growth and enhancement of mid- to long-term corporate value with his opinions and advice to not only organize business building, but also the Company's strategy of management and business operation.

#### Special interest between the candidate and the Company

There is no special interest between Ryosuke Yoshizaki and the Company.

1. The Company has entered into an agreement with Ryosuke Yoshizaki to limit the 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 his reelection is approved, the Company plans to renew the aforementioned agreement.
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 41 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 Ryosuke Yoshizaki is an Independent Executive as provided by the exchange. If his reelection is approved, the Company will continue to designate him as an Independent Executive.

**Proposal No. 3:** Election of Three Directors as Audit & Supervisory Committee Members

Subject to approval of Proposal 1 "Partial Amendments to the Articles of Incorporation," the Company will transition to a company with an Audit & Supervisory Committee. Therefore, the Company proposes the election of three directors who are members of the Audit & Supervisory Committee.

This proposal will become effective on the condition that the amendments to the Articles of Incorporation in Proposal 1 "Partial Amendments to the Articles of Incorporation," take effect.

The candidates for the Board of Directors members on the Audit & Supervisory Committee are as follows:

Candidate No.	Name	Current position and responsibility in the Company	
1	Junya Kato	Outside Director	New election Outside Independent
2	Kazuo Yamada	Outside Director	New election Outside Independent
3	Hiromi Kitagawa	—	New election Outside Independent

Candidate No.	1	<b>Junya Kato</b>	Date of birth: July 25, 1976	<div>New election</div> <div>Outside</div> <div>Independent</div>
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Number of the Company's  
shares owned:  
– shares

Term as Director:  
8 years

Attendance at meetings of the  
Board of Directors:  
16/16 (100%)

#### Career summary/current position and responsibility in the Company

Sep. 2007	Became a Registered Attorney	Oct. 2015	Appointed Outside Director of Ateam Inc. (current position)
Nov. 2009	Became a Registered Patent Attorney (Japan Patent Attorneys Association)	Oct. 2019	Appointed Outside Audit & Supervisory Board Member of Photo electron Soul Inc. (current position)
Jan. 2012	Established Jonan Law Office, and Appointed Head of the office (current position)		
Feb. 2013	Appointed Audit & Supervisory Board Member of A.T.brides Inc. (now Ateam LifeDesign 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.

Although he has no experience of being involved in corporate management other than as an outside director or corporate auditor, as an outside director of the Company to date, he has from the standpoint of an attorney, specialized and extensive knowledge in the field of corporate legal affairs and has played a sufficient role in determining important matters in the Company's management and supervising the execution of management by directors as an objective and independent person.

He is nominated as a candidate for Outside Director as a member of the Audit & Supervisory Committee in the expectation that he will continue to contribute to strengthening the supervisory function and monitoring system of the Board of Directors and its governance based on his abundant professional insight.

#### Special interest between the candidate and the Company

The Company holds 1.0% of the total number of issued shares of Photo electron Soul Inc., where Junya Kato concurrently serves as Outside Audit & Supervisory Board Member.

Candidate No.

2

Kazuo Yamada

Date of birth:  
February 28, 1963

New election

Outside

Independent



Number of the  
Company's shares  
owned:  
– shares

Term as Director:  
– years

Attendance at  
meetings of the Board  
of Directors:  
16/16 (100%)

Attendance at  
meetings of the Board  
of Auditors:  
13/13 (100%)

#### Career summary/current position and responsibility in the Company

Apr. 1986	Joined Sega Enterprises, Ltd. (now SEGA Corporation)	Oct. 1997	Became a Registered Tax Accountant
Sep. 1994	Joined Tokai Accounting Audit Corporation	Jul. 2001	Appointed Representative Director of AP Network Ltd. (now Only One Consulting Ltd.) (current position)
Apr. 1997	Became Registered as a Certified Public Accountant	Oct. 2006	Appointed Outside Auditor of Ateam Inc. (current position)
May. 1997	Founded Yamada Kazuo Office of Certified Public Accountant (now Yamada Kazuo Office, Certified Public Accountant and Tax Accountant) and Appointed Head of the office (current position)	Dec. 2022	Appointed Outside Auditor of Hybrid Technologies Co., Ltd. (current position)

#### Reasons for nomination as candidate for Outside Director

Kazuo Yamada 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 an outside auditor of the Company, he has been fully fulfilling his auditing function by monitoring management and providing appropriate advice in the areas of finance, accounting, taxation, and internal control from the standpoint of a certified public accountant and tax accountant.

He is nominated as a candidate for Outside Director as a member of the Audit & Supervisory Committee in the expectation that he will continue to contribute to strengthening the supervisory function and monitoring system of the Board of Directors and its governance based on his abundant professional insight.

#### Special interest between the candidate and the Company

There is no special interest between Kazuo Yamada and the Company.



Candidate No.

3

Hiromi Kitagawa

Date of birth:

November 4, 1962

New election

Outside

Independent



Number of the Company's  
shares owned:  
– shares

Term as Director:  
– years

Attendance at meetings of the  
Board of Directors:  
– / –

#### Career summary/current position and responsibility in the Company

Apr. 1996	Became a Registered Attorney Joined Nandate Law Office	Apr. 2017	Professor, Graduate School of Law, Nanzan University (current position)
Jul. 2003	Partner, Nandate & Kitagawa Law Office	Sep. 2018	Certified Fraud Examiner (CFE)
Apr. 2014	Director, Chubu Federation of Bar Associations	Apr. 2022	Representative Partner, GROWTH Lawyer Corporation (current position)
Apr. 2016	Vice President, Aichi Bar Association	Jun. 2022	Outside Director, Nippon Air-Conditioning Service Corporation (current position)

#### Reasons for nomination as candidate for Outside Director

Hiromi Kitagawa 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.

Although she has no experience of being involved in corporate management other than as an outside director, she has extensive practical experience and expertise in the field of corporate legal affairs as an attorney at law. She is a Certified Fraud Examiner (CFE), a specialist in anti-fraud measures, in addition to her abundant practical experience and wide-ranging professional knowledge in the field of corporate legal affairs as an attorney-at-law. Moreover, she is nominated as a candidate for Outside Director as a member of the Audit & Supervisory Committee in the expectation that she will continue to contribute to strengthening the supervisory function and monitoring system of the Board of Directors and its governance.

#### Special interest between the candidate and the Company

There is no special interest between Hiromi Kitagawa and the Company.

1. The Company has entered into an agreement with Junya Kato and Kazuo Yamada 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 election is approved, the Company plans to renew the aforementioned agreement with them. In addition, if the appointment of Hiromi Kitagawa is approved, the Company will enter into the same agreement with the candidate.
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 41 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 Junya Kato, Kazuo Yamada, and Hiromi Kitagawa are Independent Executives as provided by the exchange. If their election is approved, the Company will continue to designate Junya Kato and Kazuo Yamada as Independent Executives, and newly designate Hiromi Kitagawa as an Independent Executive.
4. Hiromi Kitagawa's name in the family register is Hiromi Mizuno.

## 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 the Company, 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 received an explanation on the purpose of the evaluation. The summary and evaluation are provided below.

##### (1) Evaluation items

The major items subjected to evaluation were as follows.

1. Operation of the Board of Directors
2. Roles of the Board of Directors
3. Composition of the Board of Directors
4. Systems to support the Board of Directors

##### (2) Method of evaluation

- The questionnaire was signed by the individual.
- The questionnaire was conducted on August 8, 2023.
- Each item was given a selective or descriptive format.

#### 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) Although the results showed that there were almost no deficiencies in the enhancement of materials for agenda items and the provision of opportunities for prior explanations before the Board of Directors meetings, which was one of the initiatives taken during the current fiscal year, we recognize that there is still a gap in the amount of prior information related to the items to be deliberated. We also recognize the need for close examination of deliberation items and their contents.
- (2) The Company's Board of Directors is composed of directors with diverse insights and experience, including outside directors with management experience at other companies and deep professional knowledge. While all officers discuss and deliberate based on their diverse perspectives, the Company recognizes the need for a person responsible for finance. We continue to recognize the need to establish a policy regarding the balance and diversity of knowledge, experience, and abilities of the Board of Directors as a whole while taking into consideration board composition.

#### 3. Initiatives aimed at improving effectiveness

- (1) In order to further enhance the quality of deliberations at the Board of Directors meetings with the aim of promoting the Group's sustainable growth and enhancing corporate value, the Company will strive to provide information on the background circumstances of proposals and scrutinize agenda items.
- (2) For the purpose of effectively fulfilling its roles and responsibilities, the Board of Directors of the Company will define the balance of knowledge, experience, and abilities that it considers necessary for the Company and its approach to diversity, and will further consider Directors with respect to skills that should be strengthened. In addition, in order to transition to a company with an Audit & Supervisory Committee, subject to the approval of "Partial Amendments to the Articles of Incorporation" at the 24th Annual General Meeting of Shareholders, the Board of Directors, Directors (excluding Directors who are Audit & Supervisory Committee Members), and Directors who are Audit & Supervisory Committee Members will reaffirm their respective roles.

**Proposal No. 4:** Setting the Amount of Remuneration for Directors (excluding directors who are members of the Audit & Supervisory Committee)

Subject to approval of Proposal 1 "Partial Amendments to the Articles of Incorporation," the Company will transition to a company with an Audit & Supervisory Committee.

The amount of remuneration for Directors of the Company was approved at the 6th Annual General Meeting of Shareholders held on September 30, 2005 as an annual amount not exceeding 300 million JPY, which is the amount of remuneration for Directors.

However, in accordance with the transition to a company with an Audit & Supervisory Committee, the Company proposes to abolish the above and newly set the amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee members) at 300 million JPY per year.

The Company's Board of Directors, at its meeting held on September 10, 2021, established a policy for determining the content of individual director compensation, etc. This proposal is in line with such policy and was determined after comprehensive consideration of the Company's business scale, current executive compensation structure and payment levels, etc., and is therefore considered appropriate.

The current number of directors is six (including three outside directors), and the number of directors (excluding directors who are members of the Audit & Supervisory Committee) for this proposal will be four (including one outside director), subject to approval of Proposal 1, "Partial Amendments to the Articles of Incorporation", and Proposal 2, "Election of Four Directors (excluding directors who are members of the Audit & Supervisory Committee)", as originally proposed.

This proposal will become effective on the condition that the amendments to the Articles of Incorporation in Proposal 1, "Partial Amendments to the Articles of Incorporation," take effect.

**Proposal No. 5:** Setting the Amount of Remuneration for Directors as Audit & Supervisory Committee Members

Subject to approval of Proposal 1, "Partial Amendments to the Articles of Incorporation," as originally proposed, the Company will transition to a company with an Audit & Supervisory Committee.

Therefore, we propose that the amount of remuneration for Directors who are Audit & Supervisory Committee members be limited to 50 million yen per year.

We believe that this proposal is appropriate, as it was determined based on comprehensive consideration of the Company's business scale, the current executive compensation system and payment level, and the responsibilities of Audit & Supervisory Committee members in terms of governance.

The number of directors as Audit & Supervisory Committee members for this proposal will be three, subject to approval of Proposal 1, "Partial Amendments to the Articles of Incorporation", and Proposal 3, "Election of Three Directors as Audit & Supervisory Committee Members", as originally proposed.

This proposal will become effective on the condition that the amendments to the Articles of Incorporation in Proposal 1, "Partial Amendments to the Articles of Incorporation," take effect.

**Proposal No. 6:** Remuneration System for Directors (excluding directors who are members of the Audit & Supervisory Committee)

Subject to approval of Proposal 1 "Partial Amendments to the Articles of Incorporation," the Company will transition to a company with an Audit & Supervisory Committee.

At the 16th Annual General Meeting of Shareholders held on October 30, 2015, the Company resolved that the Company and its subsidiaries specified in the Share Delivery Regulations (hereafter "Subject Companies") will be subject to a performance-linked stock compensation system (hereafter "System") with the purpose of increasing the motivation to contribute to medium- and long-term performance and improvement of corporate value of each of the Subject Companies by linking the performance and position of each Subject Company with the achievement of business results, etc. Along with the transition to a company with an Audit & Supervisory Committee, the Company requests the approval of the shareholders

of the Company for the continuation of this plan by re-establishing the remuneration limit for the Company's Directors (excluding Directors who are members of the Audit & Supervisory Committee) who are eligible for the plan.

This proposal is to pay stock compensation under this plan to Directors (excluding Directors who are members of the Audit & Supervisory Committee), which is separate from the maximum amount of compensation (up to 300 million JPY per year) regarding the request of approval of Proposal 4, "Setting the Amount of Remuneration for Directors (excluding directors who are members of the Audit & Supervisory Committee)". This proposal is procedurally related to the transition to a company with an Audit & Supervisory Committee, and the actual amount and details of remuneration are the same as those approved at the 16th Annual General Meeting of Shareholders as described above. Also, in accordance with the policy for determining the content of compensation for each individual director resolved at the Board of Directors meeting on September 10, 2021, and the provisions of the Company's stock issuance rules for directors, the Company has determined that the amount is appropriate, taking into consideration the Company's business scale, current compensation system for directors and the level of compensation paid, and other factors in a comprehensive manner.

Subject to approval of Proposal 1, "Partial Amendments to the Articles of Incorporation", and Proposal 2, "Election of Four Directors (excluding directors who are members of the Audit & Supervisory Committee)", as originally proposed, the number of directors of the Company who are eligible for this plan at the conclusion of this Annual Meeting of Shareholders is three as excluding one outside director out of four. This proposal will become effective on the condition that the amendments to the Articles of Incorporation in Proposal 1, "Partial Amendments to the Articles of Incorporation," take effect.

(1) Overview of the System

This is a stock compensation system under which the Company's shares are acquired through a trust established by the Company (hereafter "Trust") with the amount of remuneration for Directors contributed by each subject company as the source of funds.

(2) Subjected Period of the System

Five fiscal years from the fiscal year ended July 31, 2021 to the fiscal year ending July 31, 2025, or five fiscal years thereafter if the Trust period is extended.

(3) Maximum Amount to Be Contributed by the Company

The Company will contribute up to 210 million JPY (including 40 million JPY for the Company's Directors (excluding Directors who are members of the Audit & Supervisory Committee)) for each subject period as remuneration for eligible Directors, and establish a Trust with a five-year trust period (including the extension of the trust period as described below), the beneficiaries of which will be the persons subject to the system who satisfy the requirements for beneficiaries. The Trust will acquire the Company's shares from the Company (disposition of treasury stock) or from the stock market with the money entrusted to it as the source of funds, in accordance with the instructions of the Trust Manager.

At the expiration of the trust period, the Trust may be continued by amending the trust agreement or conducting an additional trust. In such case, the Trust period shall be extended for the same period as the initial Trust period (five years), and for each extended trust period, additional money shall be placed in trust to fund compensation to the subject directors within the amount of 210 million JPY (including 40 million JPY for the Company's Directors (excluding Directors who are members of the Audit & Supervisory Committee)). However, in the case of such additional contribution, the Company shares remaining in the account corresponding to the compensation for the subject directors within the trust assets at the end of the trust period before the extension (excluding the Company shares equivalent to the number of points granted to the subject directors for which delivery has not yet been completed) and money (hereafter "Remaining Shares, etc.") shall be paid to the trustee. The amount of the Trust fund to be additionally contributed by the Company shall be within the range of 210 million JPY (including 40 million JPY for the Company's Directors (excluding Directors who are members of the Audit & Supervisory Committee)).

(4) Method of Calculation of the Number of Shares of the Company's Stock to Be Delivered to the Subject Directors and the Maximum Number to Be Delivered

In August of each year during the Trust period, a certain number of points will be granted to eligible

directors in accordance with the degree of achievement of their business performance, position, etc., during the fiscal year ended July 31 of the same year (hereafter "fiscal year subject to evaluation").

One point shall be one share of the Company's stock. In the event of a stock split, reverse stock split, or other event during the trust period for which it is deemed fair to adjust the number of points, the number of points will be adjusted in accordance with the split ratio, reverse stock split ratio, etc.

The number of points is calculated by multiplying the base points determined for each position by a payment coefficient determined in accordance with the degree of achievement of performance, etc. for the fiscal year subject to evaluation, and is granted annually during the trust period. Each September, eligible directors receive the number of shares corresponding to the number of points they have earned.

The maximum number of shares of the Company's stock that may be delivered to eligible directors is 25,000 shares per fiscal year (13,500 shares for the Company's directors (excluding directors who are members of the Audit & Supervisory Committee)) and 125,000 shares in total over the five fiscal years corresponding to the trust period (including 67,500 shares for the Company's directors (excluding directors who are members of the Audit & Supervisory Committee)). The maximum number of shares per fiscal year is approximately 0.1% of the total number of shares issued (as of July 31, 2023, after deduction of treasury stock).

(5) Delivery of the Company's Shares to Eligible Directors

Directors who satisfy the requirements for beneficiaries may receive the number of shares of the Company's stock corresponding to the number of points granted in August of each year from the Trust in September of the same year by completing the procedures to determine beneficiaries.

If any misconduct is discovered after the delivery of the above shares, the subject Director shall compensate the Company for the monetary amount calculated in accordance with the calculation method stipulated in the Share Delivery Regulations.

(6) Exercise of Voting Rights regarding the Company's shares

To ensure neutrality toward management, voting rights for the Company's shares in the Trust shall not be exercised throughout the Trust period.

(7) Handling of Dividends

Dividends will be paid to the Company's shares in the Trust in the same manner as other Company shares.

(8) Treatment at the Time of Termination of Trust

If there are residual shares at the end of the Trust, the Trust will either continue to be used as a new stock compensation system by amending the trust agreement and adding an additional trust, or the Trust will transfer such residual shares to the Company without compensation and cancel them by a resolution of the Board of Directors.

If, at the time of termination of the Trust, a distribution of dividends from the Trust is made to the plan beneficiaries, each plan beneficiary shall be entitled to receive an amount prorated in accordance with the value of accumulated points granted during the trust period (fractions of less than one JPY shall be rounded down). In such cases, fractions of a yen shall be allocated in one yen increments, starting with the director with the longest term of office among those eligible for the plan.