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(Stock Exchange Code: 2196)
June 7, 2021

To Shareholders with Voting Rights:

Morihiro Shibutani
Representative Director
Escrit Inc.
Kowa Nishi-Shinbashi Bldg. B
14-1, Nishi-Shinbashi 2-chome,
Minato-ku, Tokyo, Japan

NOTICE OF THE 18TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

You are cordially notified of the 18th Annual General Meeting of Shareholders of ESCRIT (the “Company”). The meeting will be held as described below.

To prevent the spread of the novel coronavirus disease (COVID-19), shareholders are asked to refrain from attending the General Meeting of Shareholders regardless of their health condition. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights in writing or via the Internet by 6:00 p.m. on Tuesday, June 22, 2021, Japan time.

- 1. Date and Time:** Wednesday, June 23, 2021, at 10:00 a.m. Japan time (The reception desk opens at 9:30 a.m.)
- 2. Place:** Angelion au plaza TOKYO, SOGO KAN 110 TOWER 11F,
7-1, Kyobashi 3-chome, Chuo-ku, Tokyo, Japan
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report, Consolidated Financial Statements for the Company’s 18th Fiscal Year (April 1, 2020–March 31, 2021) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 18th Fiscal Year (April 1, 2020–March 31, 2021)

Proposals to be resolved:

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| Proposal 1: | Partial Amendments to the Articles of Incorporation |
| Proposal 2: | Election of 4 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) |
| Proposal 3: | Election of 3 Directors Who Are Audit and Supervisory Committee Members |
| Proposal 4: | Determination of the Amount of Remuneration of Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) |
| Proposal 5: | Determination of the Amount of Remuneration of Directors Who Are Audit and Supervisory Committee Members |

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- Among the documents that should be provided along with this notice of the 18th Annual General Meeting of Shareholders, the “Issues to be addressed,” “Status of shares,” “Status of stock acquisition rights,” “Accounting Auditor,” “System to ensure the appropriateness of business operation,” “Outline of implementation status of the system to ensure the appropriateness of business operations” and “Basic policies regarding control of a company” in the Business Report, the “Consolidated Statement of Changes in Equity” and the “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements, and the “Statement of Changes in Equity” and the “Notes to Non-consolidated Financial Statements” in the Non-consolidated Financial Statements, are posted on the Company’s Web site (<https://www.escrit.jp/>) pursuant to laws, regulations and Article 15 of the Articles of Incorporation of the Company. Therefore, these documents are not included in this convocation notice. Moreover, the presented documents accompanying this convocation notice are part of the documents audited by the Corporate Auditors and the Accounting Auditor to prepare the Audit Report and the Independent Auditor’s Report, respectively.
- If any amendment occurs to the Reference Documents for the General Meeting of Shareholders, the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements, the revised versions will be disclosed on the Company’s Web site above.
- To prevent the spread of COVID-19, if you are going to attend the meeting, please check the infection situation and your physical condition on the day of the meeting and cooperate to prevent infection by taking measures such as wearing a mask. You will be asked to use the alcohol disinfectant available at the venue and have your body temperature checked. Please kindly understand that shareholders who appear unwell, such as those with body temperatures at 37.5 degrees Celsius or higher, may not be admitted to the venue. Please also note that fewer seats will be available at the venue than usual to ensure social distancing, and thus you may not be admitted even if you come to the venue. Furthermore, if the Company decides to change the way of holding or operating the meeting in response to future developments of the COVID-19 situation, a notice will be posted on the Company’s Web site shown above. Shareholders planning to attend the meeting are advised to check the Web site in advance.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

For the purpose of further enhancing corporate governance by giving voting rights at Board of Directors meetings to Audit & Supervisory Committee Members who are responsible for the audits and supervision of business execution by Directors, and to enable accelerated decision making, the Company proposes to transition to a Company with an Audit & Supervisory Committee.

Accordingly, it is proposed that necessary amendments be made to the Articles of Incorporation. These include the establishment of new provisions relating to Audit & Supervisory Committee Members and the Audit & Supervisory Committee, the deletion of provisions relating to the Board of Corporate Auditors and Corporate Auditors, and the establishment of new provisions relating to the delegation of authority to Directors in order to increase the efficiency of management and enable accelerated decision through the delegation of authority.

Additionally, to enable Directors to fully fulfill the roles expected of them, it is proposed that amendments be made in order to expand the range of Directors who are able to enter into liability limit agreements from Outside Directors to Directors (excluding Directors who are Executive Directors, etc.). These amendments have already been approved by the Board of Corporate Auditors.

The amendments to the Articles of Incorporation contained in this proposal shall become effective at the conclusion of this General Meeting of Shareholders.

2. Details of the amendments

Details of the amendments are as follows.

(Amended portions are underlined.)	
Current Articles	Amended Articles
Chapter 1 General Provisions	Chapter 1 General Provisions
Articles 1– 4 (Text omitted)	Articles 1– 4 (Unchanged)
(Organs)	(Organs)
Article 5 The Company shall have the following organs in addition to general meetings of shareholders and directors:	Article 5 The Company shall have the following organs in addition to general meetings of shareholders and directors:
1. Board of Directors	1. Board of Directors
2. <u>Corporate Auditors</u>	(Deleted)
3. <u>Board of Corporate Auditors</u>	2. <u>Audit & Supervisory Committee</u>
4. <u>Accounting Auditor</u>	3. <u>Accounting Auditor</u>

Current Articles	Amended Articles
Chapter 2 Shares	Chapter 2 Shares
Articles 6 –12 (Text omitted)	Articles 6 –12 (Unchanged)
Chapter 2-2 Class Shares	Chapter 2-2 Class Shares
Article 12 – 2 (Text omitted)	Article 12 – 2 (Unchanged)
Chapter 3 General Meeting of Shareholders	Chapter 3 General Meeting of Shareholders
Articles 13 – 18–2 (Text omitted)	Articles 13 – 18–2 (Unchanged)
Chapter 4 Directors and the Board of Directors	Chapter 4 Directors and the Board of Directors
(Number of Directors)	(Number of Directors)
Article 19 The number of Directors shall be no more than seven (7).	Article 19 The number of Directors <u>(excluding Directors who are Audit & Supervisory Committee Members)</u> shall be no more than seven (7).
(Newly established)	<u>2. The number of Directors who are Audit & Supervisory Committee Members shall be no more than five (5).</u>
(Election of Directors)	(Election of Directors)
Article 20 Directors shall be elected by resolution of the General Meeting of Shareholders.	Article 20 Directors shall be elected by resolution of the General Meeting of Shareholders, <u>differentiating Directors who are Audit & Supervisory Committee Members from other Directors.</u>
2. (Text omitted)	2. (Unchanged)
3. (Text omitted)	3. (Unchanged)
Article 21 (Text omitted)	Article 21 (Unchanged)
(Term of Office of Directors)	(Term of Office of Directors)
Article 22 The terms of office of Directors shall expire at the conclusion of the Annual General Meeting of Shareholders held for the last business year ending within one (1) year after their election.	Article 22 The terms of office of Directors <u>(excluding Directors who are Audit & Supervisory Committee Members)</u> shall expire at the conclusion of the Annual General Meeting of Shareholders held for the last business year ending within one (1) year after their election.
(Newly established)	<u>2. The terms of office of Directors who are Audit & Supervisory Committee Members) shall expire at the conclusion of the Annual General Meeting of Shareholders held for the last business year ending within two (2) years after their election.</u>
(Newly established)	<u>3. The terms of office of Directors who are Audit & Supervisory Committee Members elected as substitutes for Directors who are Audit & Supervisory Committee Members who retired before the expiration of their term of office shall be until the expiration of the term of office of the retired Directors who are Audit & Supervisory Committee Members.</u>
(Newly established)	<u>4. The resolution for the election of Directors who are substitute Audit & Supervisory Committee Members shall be effective until the start of the Annual General Meeting of Shareholders held for the last business year ending within two (2) years after their election.</u>
Article 23 (Text omitted)	Article 23 (Unchanged)

Current Articles	Amended Articles
<p>(Notices for Convening Meetings of the Board of Directors) Article 24 Notices for convening meetings of the Board of Directors shall be given to each Director <u>and each Corporate Auditor</u> no later than three (3) days prior to the day of the meeting. However, in cases of urgency, this period may be shortened. 2. Meetings of the Board of Directors may be held without following the procedures for convocation with the unanimous agreement of all Directors <u>and Corporate Auditors</u>.</p>	<p>(Notices for Convening Meetings of the Board of Directors) Article 24 Notices for convening meetings of the Board of Directors shall be given to each Director no later than three (3) days prior to the day of the meeting. However, in cases of urgency, this period may be shortened. 2. Meetings of the Board of Directors may be held without following the procedures for convocation with the unanimous agreement of all Directors.</p>
<p>(Method of Resolution of the Board of Directors) Article 25 Resolutions by the Board of Directors shall be adopted by a majority vote of Directors at meetings attended by a majority of Directors.</p>	<p>(Method of Resolution of the Board of Directors) Article 25 Resolutions by the Board of Directors shall be adopted by a majority vote by Directors at meetings attended by a majority of Directors <u>entitled to participate in the vote</u>.</p>
<p>(Omission of Resolutions by the Board of Directors) Article 26 The Company shall deem matters for resolution by the Board of Directors to have been approved with the unanimous agreement of all Directors, in writing or by electromagnetic means. <u>However, this shall not apply if there is any objection by a Corporate Auditor.</u></p>	<p>(Omission of Resolutions by the Board of Directors) Article 26 The Company shall deem matters for resolution by the Board of Directors to have been approved with the unanimous agreement of all Directors <u>entitled to participate in the vote</u>, in writing or by electromagnetic means.</p>
<p>(Minutes of Meetings of the Board of Directors) Article 27 The outline of proceedings and results of meetings of the Board of Directors and other matters prescribed by laws and regulations shall be stated or recorded in the minutes, and the Directors <u>and Corporate Auditors</u> in attendance shall affix their name and seal or electronically sign them.</p>	<p>(Minutes of Meetings of the Board of Directors) Article 27 The outline of proceedings and results of meetings of the Board of Directors and other matters prescribed by laws and regulations shall be stated or recorded in the minutes, and the Directors in attendance shall affix their name and seal or electronically sign them.</p>
<p>(Directors with Special Titles) Article 28 The Board of Directors may, by resolution, appoint one (1) President and Director and, as necessary, several Chairmen and Directors, Vice Presidents and Directors, Senior Managing Directors, and Managing Directors from among Directors.</p>	<p>(Directors with Special Titles) Article 28 The Board of Directors may, by resolution, appoint one (1) President and Director and, as necessary, several Chairmen and Directors, Vice Presidents and Directors, Senior Managing Directors, and Managing Directors from among <u>Directors (excluding Directors who are Audit & Supervisory Committee Members)</u>.</p>
<p>Article 29 (Text omitted)</p> <p>(Newly established)</p>	<p>Article 29 (Unchanged)</p> <p><u>(Delegation of Decisions Regarding Important Business Execution)</u> <u>Article 30 Pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company may, by resolution of the Board of Directors, delegate all or part of decisions regarding important business execution (excluding matters prescribed in items of Article 399-13, Paragraph 5 of the same Act) to Directors.</u></p>

Current Articles	Amended Articles
<p>(Compensation, etc. for Directors) Article 30 <u>The annual amount of compensation, etc. for Directors shall be determined by resolution of the General Meeting of Shareholders, and its distribution shall be determined by resolution of the Board of Directors.</u></p> <p>(Exemption of Liability of Directors) Article 31 (Text omitted) 2. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with <u>Outside Directors</u> to limit their liability for damages under Article 423, Paragraph 1 of the same Act. However, the limit of the liability under such agreements shall be the amount provided for by laws and regulations.</p> <p>Article 32 (Text omitted)</p> <p>Chapter 5 <u>Corporate Auditors and the Board of Corporate Auditors</u></p> <p>(Number of Corporate Auditors) Article 33 <u>The number of Corporate Auditors shall be no more than five (5).</u></p> <p>(Election of Corporate Auditors) Article 34 <u>Corporate Auditors shall be elected by resolution of the General Meeting of Shareholders.</u> 2. <u>Resolutions for the election of Corporate Auditors shall be made by shareholders holding one third or more of voting rights of shareholders entitled to exercise their voting rights in attendance at the meeting and by the majority of voting rights thereof.</u></p>	<p>(Compensation, etc. for Directors) Article 31 Compensation, etc. for Directors shall <u>differentiate between Directors who are Audit & Supervisory Committee Members and other Directors, and details thereof</u> shall be determined by resolution of the General Meeting of Shareholders.</p> <p>(Exemption of Liability of Directors) Article 32 (Unchanged) 2. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with <u>Directors (excluding Executive Directors)</u> to limit their liability for damages under Article 423, Paragraph 1 of the same Act. However, the limit of the liability under such agreements shall be the amount provided for by laws and regulations.</p> <p>Article 33 (Unchanged)</p> <p>Chapter 5 <u>Audit & Supervisory Committee</u></p> <p>(Deleted)</p> <p>(Deleted)</p>

Current Articles	Amended Articles
<p><u>(Term of Office of Corporate Auditors)</u> <u>Article 35 The terms of office of Corporate Auditors shall expire at the conclusion of the Annual General Meeting of Shareholders held for the last business year ending within four (4) year safter their election.</u> <u>2. The terms of office of Corporate Auditors elected as substitutes shall be until the expiry of the remaining term of his/her predecessor.</u> <u>3. The term of validity of a resolution for the election of Substitute Corporate Auditor, who is elected under Article 329, Paragraph 3, of the Companies Act, will expire at the commencement of the Annual General Meeting of Shareholders held for the last business year ending within four (4) years after his/her election.</u> <u>4. In the event that Substitute Corporate Auditor in the preceding paragraph assumes officer of Corporate Auditor, his/her term of office shall be until the expiry of the remaining term of his/her predecessor. However, his/her term of office shall be until the conclusion of the Annual General Meeting of Shareholders held for the last business year ending within four (4) year after his/her election.</u></p>	<p>(Deleted)</p>
<p><u>(Full-time Corporate Auditors)</u> <u>Article 36 The Board of Corporate Auditors shall elect full-time Corporate Auditors from among Corporate Auditors.</u></p> <p><u>(Notices for Convening Meetings of the Board of Corporate Auditors)</u> <u>Article 37 Notices for convening meetings of the Board of Corporate Auditors shall be given to each Corporate Auditor no later than three (3) days prior to the day of the meeting. However, in cases of urgency, this period may be shortened.</u> <u>2. Meetings of the Board of Corporate Auditors may be held without following the procedures for convocation with the unanimous agreement of all Corporate Auditors.</u></p>	<p>(Deleted)</p> <p><u>(Notices for Convening Meetings of the Audit & Supervisory Committee)</u> <u>Article 34 Notices for convening meetings of the Audit & Supervisory Committee shall be given to each Audit & Supervisory Committee Member no later than three (3) days prior to the day of the meeting. However, in cases of urgency, this period may be shortened.</u> <u>2. Meetings of the Audit & Supervisory Committee may be held without following the procedures for convocation with the unanimous agreement of all Audit & Supervisory Committee Members.</u></p>
<p><u>(Method of Resolutions of the Board of Corporate Auditors)</u> <u>Article 38 Unless otherwise provided for by laws and regulations, resolutions of the Board of Corporate Auditors shall be adopted by a majority of Corporate Auditors.</u></p>	<p><u>(Method of Resolutions of the Audit & Supervisory Committee)</u> <u>Article 35 Unless otherwise provided for by laws and regulations, resolutions of the Audit & Supervisory Committee shall be adopted by a majority of Audit & Supervisory Committee Members entitled to participate in the vote at meetings attended by a majority of Audit & Supervisory Committee Members.</u></p>

Current Articles	Amended Articles
<p>(Minutes of Meetings of the <u>Board of Corporate Auditors</u>) Article <u>39</u> The outline of proceedings and results of meetings of the <u>Board of Corporate Auditors</u> and other matters prescribed by laws and regulations shall be stated or recorded in the minutes, and the <u>Corporate Auditors</u> in attendance shall affix their name and seal or electronically sign them.</p> <p>(Exemption of Liability of Corporate Auditors) Article <u>40</u> Pursuant to the provisions of Article <u>426</u>, Paragraph 1 of the Companies Act, the <u>Company may, by resolution of the Board of Directors, exempt Corporate Auditors (including former Corporate Auditors) from their liabilities under Article 423, Paragraph 1 of the same Act to the extent stipulated by laws and regulations.</u> 2. Pursuant to the provisions of Article <u>427</u>, Paragraph 1 of the Companies Act, the <u>Company may enter into agreements with Outside Corporate Auditors to limit their liability for damages under Article 423, Paragraph 1 of the same Act. However, the limit of the liability under such agreements shall be the amount provided for by laws and regulations.</u></p> <p>(Rules of the <u>Board of Corporate Auditors</u>) Article <u>41</u> Matters relating to the <u>Board of Corporate Auditors</u> shall be subject to laws and regulations, these Articles of Incorporation, and the <u>Rules of the Board of Corporate Auditors</u> established by the <u>Board of Corporate Auditors</u>.</p> <p>(Compensation, etc. for Corporate Auditors) Article <u>42</u> Compensation, etc. for <u>Corporate Auditors</u> shall be determined by resolution of the <u>General Meeting of Shareholders</u>.</p>	<p>(Minutes of Meetings of the <u>Audit & Supervisory Committee</u>) Article <u>36</u> The outline of proceedings and results of meetings of the <u>Audit & Supervisory Committee</u> and other matters prescribed by laws and regulations shall be stated or recorded in the minutes, and the <u>Audit & Supervisory Committee Members</u> in attendance shall affix their name and seal or electronically sign them.</p> <p>(Deleted)</p> <p>(Rules of the <u>Audit & Supervisory Committee</u>) Article <u>37</u> Matters relating to the <u>Audit & Supervisory Committee</u> shall be subject to laws and regulations, these Articles of Incorporation, and the <u>Rules of the Audit & Supervisory Committee</u> established by the <u>Audit & Supervisory Committee</u>.</p> <p>(Deleted)</p>

Current Articles	Amended Articles
Chapter 6 Accounting Auditor	Chapter 6 Accounting Auditor
Articles <u>43</u> – <u>44</u> (Text omitted)	Articles <u>38</u> – <u>39</u> (Unchanged)
(Compensation, etc. for the Accounting Auditor) Article <u>45</u> Compensation, etc. for the Accounting Auditor shall be determined by Representative Directors with the consent of the <u>Board of Corporate Auditors</u> .	(Compensation, etc. for the Accounting Auditor) Article <u>40</u> Compensation, etc. for the Accounting Auditor shall be determined by Representative Directors with the consent of the <u>Audit & Supervisory Committee</u> .
Chapter 7 Nomination and Compensation Committee	Chapter 7 Nomination and Compensation Committee
Articles <u>46</u> – <u>49</u> (Text omitted)	Articles <u>41</u> – <u>44</u> (Unchanged)
Chapter 8 Accounts	Chapter 8 Accounts
Articles <u>50</u> – <u>53</u> (Text omitted)	Articles <u>45</u> – <u>48</u> (Unchanged)
(Newly established)	Supplementary Provisions <u>(Transitional Measures Regarding Liability Limitation for Corporate Auditors)</u> <u>Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Corporate Auditors (including former Corporate Auditors) from liability for damages with respect to acts carried out under Article 423, Paragraph 1 of the Companies Act, prior to the conclusion of the 18th Annual General Meeting of Shareholders, to the extent provided for by laws and regulations.</u> <u>2. The agreements that limit liability for damages under Article 423, Paragraph 1 of the Companies Act with respect to acts carried out by Corporate Auditors (including former Corporate Auditors) prior to the conclusion of the 18th Annual General Meeting of Shareholders shall be subject to the provisions of Article 40, Paragraph 2 of the Articles of Incorporation prior to the amendments by resolution of said Annual General Meeting of Shareholders.</u>

Proposal 2: Election of 4 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The Company will transition to a company with an Audit and Supervisory Committee if Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved, and the terms of office of all 5 Directors will expire at the conclusion of this year’s Annual General Meeting of Shareholders. Accordingly, the Company proposes to elect 4 Directors (excluding Directors who are Audit and Supervisory Committee members; the same applies hereinafter in this proposal).

This proposal shall take effect on condition that the amendments to the Articles of Incorporation take effect as stipulated in Proposal 1 “Partial Amendments to the Articles of Incorporation.”

The candidates for Director are as follows:

No.	Name (Date of birth)	Past experience, positions and responsibility at the Company	Number of shares of the Company held
1	Reappointment Hiroshi Iwamoto (July 29, 1965)	<p>April 1989 Joined Suntory Limited (now Suntory Holdings Limited)</p> <p>May 1991 Joined Recruit Co., Ltd. (now Recruit Holdings Co., Ltd.)</p> <p>June 2003 Founded the Company President and Representative Director of the Company</p> <p>June 2015 Chairman & President and Representative Director of the Company</p> <p>April 2016 Chairman & CEO and Representative Director of the Company</p> <p>July 2020 Chairman Founder of the Company (to present)</p> <p>[Significant concurrent positions] Outside Director, B-Lot Company Limited</p>	1,029,900 (common shares)
	<p>[Reasons for nomination as a candidate for Director] Since the Company was founded in 2003, Mr. Hiroshi Iwamoto had led the growth of the Company as Representative Director until 2020. He has deep insight nurtured through his company management and is well versed in industry trends. Therefore, the Company proposes his reelection as Director.</p>		

No.	Name (Date of birth)	Past experience, positions and responsibility at the Company	Number of shares of the Company held
2	Reappointment Morihiro Shibutani (June 18, 1966)	September 1986 Director of Shibutani Mokuzai Kogyo K.K. (now Shibutani & Co.) November 2008 President and Representative Director of Shibutani & Co. May 2013 Joined the Company Executive Officer, in charge of Construction and Interior Business of the Company June 2013 Director & Senior Managing Executive Officer, in charge of Construction and Interior Business of the Company June 2015 Vice President and Representative Director of the Company Chairman and Representative Director of Shibutani & Co. April 2016 President and Representative Director & COO of the Company April 2020 Chairman, President and Representative Director of Shibutani & Co. (to present) July 2020 Representative Director CEO of the Company (to present) [Significant concurrent positions] Chairman, President and Representative Director, Shibutani & Co. Chairman and Representative Director, SHIBUTANI ESTATE PARTNERS	763,600 (common shares)
		[Reasons for nomination as a candidate for Director] Since assuming the office of President and Representative Director in 2016, Mr. Morihiro Shibutani has taken strong leadership in supervising the Group and been playing a central role in its management and business. Therefore, the Company proposes his reelection as Director.	
3	Reappointment Itaru Kichise (October 5, 1973)	November 2014 Joined the Company January 2015 General Manager, Finance and Accounting Department of the Company March 2017 General Manager, Management Division of the Company April 2017 Executive Officer and General Manager, Management Division of the Company June 2020 Director & Senior Executive Officer and General Manager, Management Division of the Company July 2020 Director & CFO and General Manager, Management Division of the Company (to present)	—
		[Reasons for nomination as a candidate for Director] Mr. Itaru Kichise joined the Company in 2014 and served as General Manager, Finance and Accounting Department, and as Executive Officer and General Manager, Management Division, before he assumed the office of Director & CFO and General Manager, Management Division, in 2020 to play a leading role in establishing financial strategies of the Company. He is expected to draw on his abundant experience and achievements to perform a sufficient role in deciding matters important to the Group and executing business strategies. Therefore, the Company proposes his reelection as Director.	

No.	Name (Date of birth)	Past experience, positions and responsibility at the Company	Number of shares of the Company held
4	Outside Director New appointment Takateru Kawano (October 13, 1972)	<p>April 1996 Joined Itochu Corporation</p> <p>August 1999 Loaned to Japan Online Securities Co., Ltd. (now au Kabucom Securities Co., Ltd.)</p> <p>March 2000 General Manager of President's Office, Director General Manager of Sales Department, Japan Electronic Settlement Planning, Inc. (now Rakuten Bank Ltd.)</p> <p>August 2005 Founded TKP Corporation President, Chief Executive Officer of TKP Corporation (to present)</p> <p>October 2014 Representative Director and Chairman of Tokiwaken foods Corporation</p> <p>September 2017 Representative Director and Chairman of Majors Inc.</p> <p>May 2020 Director of Japan Regus Holdings K.K.</p> <p>November 2020 Representative Director and Chairman of Japan Regus Holdings K.K. (to present)</p> <p>[Significant concurrent positions] President, Chief Executive Officer of TKP Corporation Representative Director and Chairman of Japan Regus Holdings K.K.</p>	—
<p>[Reasons for nomination as a candidate for Outside Director and expected roles] Since founding TKP Corporation, Mr. Takateru Kawano has long been involved in corporate management. He is expected to draw on his abundant knowledge and deep insight nurtured through such experience for the Group's business operations and play the role of overseeing management from an independent position based on his knowledge and insight. Therefore, the Company proposes his election as Outside Director.</p>			

Notes:

1. Mr. Takateru Kawano, who is a candidate for Outside Director, concurrently serves as President, Chief Executive Officer of TKP Corporation, which is a principal shareholder of the Company. The Company also has a business partnership with TKP Corporation concerning customer referral or sale consignment related to banquets and other events between the facilities operated by each and conducts transactions with TKP Corporation, including the purchase and sale of the Company's products. There are no special interests between the other candidates and the Company.
2. The Company will enter into the agreements with Mr. Takateru Kawano to limit his liability with regard to the liability for damages stipulated in Article 423, Paragraph 1, of the Companies Act, based on the provisions of Article 427, Paragraph 1, of said Act and Article 31, Paragraph 2, of the Articles of Incorporation of the Company. The limit of the liability pursuant to said agreement will be the amount stipulated in Article 425, Paragraph 1, of said Act.
3. The Company has entered into a directors and officers liability insurance agreement with an insurance company as prescribed in Article 430-3, Paragraph 1, of the Companies Act, and Messrs. Hiroshi Iwamoto, Morihiro Shibutani, and Itaru Kichise are among the insured. The said insurance agreement covers damages to be paid by the insured arising from third-party litigation, derivative lawsuits, corporate litigation, etc. If the reelection of Messrs. Hiroshi Iwamoto, Morihiro Shibutani, and Itaru Kichise and the election of Mr. Takateru Kawano are approved, each candidate will be included among the insured under said insurance agreement. The Company intends to renew said insurance agreement with the same contents during the terms of office of the Directors in this proposal.

Proposal 3: Election of 3 Directors Who Are Audit and Supervisory Committee Members

The Company will transition to a company with an Audit and Supervisory Committee if Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved. Accordingly, the Company proposes to elect 3 Directors who are Audit and Supervisory Committee members. This proposal has already been approved by the Board of Corporate Auditors.

This proposal shall take effect on condition that the amendments to the Articles of Incorporation take effect as stipulated in Proposal 1 “Partial Amendments to the Articles of Incorporation.”

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

No.	Name (Date of birth)	Past experience, positions and responsibility at the Company	Number of shares of the Company held
1	Outside Director New appointment Takeshi Goto (September 12, 1973)	February 2001 Joined SoftBank Investment Co., Ltd. (now SBI Investment Co., Ltd.) March 2011 Executive Officer of SBI Investment Co., Ltd. April 2017 Director, Executive Officer and Executive Vice President of SBI Investment Co., Ltd. (to present) June 2017 Director of the Company (to present) September 2017 Director of JAL SBI FINTECH CO., LTD. (to present) [Significant concurrent positions] Director, Executive Officer and Executive Vice President of SBI Investment Co., Ltd.	—
	[Reasons for nomination as a candidate for Director and expected roles] Since his appointment as Outside Director of the Company in June 2017, Mr. Goto has been involved in management and provided advice and suggestions on the Group’s business operations as necessary, based on his ample experience and broad insight as a corporate manager. He is expected to draw on such experience and insight to audit and oversee the overall management of the Group from an independent position, such as making remarks as Director who is an Audit and Supervisory Committee member and as a member of the Nomination and Compensation Committee. Therefore, the Company believes that he will help strengthen the function of the Company’s Board of Directors through such roles and proposes his election as Outside Director who is an Audit and Supervisory Committee member.		

No.	Name (Date of birth)	Past experience, positions and responsibility at the Company	Number of shares of the Company held
2	Outside Director New appointment Takashi Kimura (July 24, 1979)	<p>October 2001 Joined Ernst & Young ShinNihon (now Ernst & Young ShinNihon LLC)</p> <p>July 2012 Established Bellwether Accounting firm and assumed the post of Representative Established Bellwether, Inc and assumed the post of President (to present)</p> <p>November 2014 Established Yamato Audit Corporation and assumed the post of Representative Partner (to present)</p> <p>December 2014 Outside Director of FinTech Global Incorporated</p> <p>January 2017 Established Yamato Certified Public Tax Accountants' Corporation and assumed the post of Representative Partner (to present)</p> <p>June 2017 Director of the Company (to present)</p> <p>[Significant concurrent positions] Representative Partner, Yamato Certified Public Tax Accountants' Corporation President, Bellwether, Inc Representative Partner, Yamato Audit Corporation</p>	—
<p>[Reasons for nomination as a candidate for Director and expected roles] Since his appointment as Outside Director of the Company in June 2017, Mr. Kimura has been involved in management and has provided advice and suggestions on the Group's business operations as necessary, based on his deep insight in finance, accounting and taxation business as a Certified Public Accountant and Certified Public Tax Accountant. He is expected to draw on such experience and insight to audit and oversee the overall management of the Group from an independent position, such as making remarks as Director who is an Audit and Supervisory Committee member and as a member of the Nomination and Compensation Committee. Therefore, the Company believes that he will help strengthen the function of the Company's Board of Directors through such roles and proposes his election as Outside Director who is an Audit and Supervisory Committee member.</p>			
3	Outside Director New appointment Rina Sumino (March 12, 1980)	<p>October 2002 Joined ChuoAoyama Audit Corporation</p> <p>August 2007 Joined PwC Advisory Co., Ltd. (now PwC Advisory LLC)</p> <p>July 2011 Joined KPMG FAS Co., Ltd.</p> <p>June 2013 Joined Recruit Holdings Co., Ltd.</p> <p>June 2018 Full-time Auditor of Hachimenroppi, Inc. (to present)</p> <p>October 2018 Established Rina Sumino Certified Public Accountant Office Head of Rina Sumino Certified Public Accountant Office (to present)</p> <p>January 2020 Supervisory Director of Invesco Office J-REIT, Inc. (to present)</p> <p>July 2020 Corporate Auditor of the Company (to present)</p> <p>September 2020 Auditor of SoundFun Inc. (to present)</p> <p>[Significant concurrent positions] Full-time Auditor of Hachimenroppi, Inc. Head of Rina Sumino Certified Public Accountant Office Auditor of SoundFun Inc.</p>	—
<p>[Reasons for nomination as a candidate for Director and expected roles] Ms. Rina Sumino possesses ample experience as a certified public accountant and a high degree of specialist knowledge regarding accounting and taxation business. Since her appointment as Corporate Auditor of the Company in July 2020, she has appropriately overseen the Group's business operations. She is expected to draw on such experience and insight to audit and oversee the overall management of the Group from an independent position. Therefore, the Company believes that she will help strengthen the function of the Company's Board of Directors through such roles and proposes her election as Outside Director who is an Audit and Supervisory Committee member.</p>			

Notes:

1. There are no special interests between each candidate and the Company.
2. The candidates for Outside Director are candidates for independent officer with no risk of conflict of interest with the general shareholders, the designation of which is required by the Tokyo Stock Exchange.
3. The Company has entered into an agreement with the candidates to limit their liability with regard to the liability for damages stipulated in Article 423, Paragraph 1, of the Companies Act, based on the provisions of Article 427, Paragraph 1 of said Act. If the election of the candidates is approved, the Company will continue the agreements with them. The limit of the liability pursuant to said agreement will be the amount stipulated in Article 425, Paragraph 1, of said Act.
4. The Company has entered into a directors and officers liability insurance agreement with an insurance company as prescribed in Article 430-3, Paragraph 1, of the Companies Act to insure the candidates. The said insurance agreement covers damages to be paid by the insured arising from third-party litigation, derivative lawsuits, corporate litigation, etc. If the election of the candidates is approved, each candidate will be included among the insured under said insurance agreement. The Company intends to renew said insurance agreement with the same contents during the terms of office of the Directors who are Audit and Supervisory Committee members in this proposal.
5. Mr. Takeshi Goto and Mr. Takashi Kimura are incumbent Outside Directors of the Company, and their period of service will be four (4) years at the conclusion of this year's Annual General Meeting of Shareholders.
6. Ms. Rina Sumino's name is stated as Rina Okada on her family register.

Proposal 4: Determination of the Amount of Compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members)

The amount of compensation for Directors of the Company was approved at the Extraordinary General Meeting of Shareholders held on October 15, 2009 to be no more than 500 million yen per annum, effective to the present. However, if Proposal 1: Partial Amendments to the Articles of Incorporation is approved, the Company will transition to a Company with an Audit & Supervisory Committee.

Accordingly, the Company requests that approval be given to maintain the amount of compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members; hereinafter the same shall apply in this Proposal), following the transition to a Company with an Audit & Supervisory Committee, at the same level as the pre-transition amount of no more than 500 million yen per annum (including no more than 100 million yen per annum for Outside Directors), and that specific amounts for each Director and the timing of payments, etc. be determined by resolution of the Board of Directors.

An outline of the contents of the policy for determining details of individual compensation, etc. for Directors is described on page 27 of the Business Report. However, provided that the Company transitions to a Company with an Audit & Supervisory Committee and this Proposal is approved, the Company intends to amend the contents of the abovementioned policy as follows. This contents of this Proposal are necessary and rational in order to grant individual compensation, etc. to Directors in line with said policy, and take into consideration the responsibilities of Directors and circumstances such as the recent economic situation, and are therefore deemed to be appropriate.

It is proposed that the amount of said compensation does not include the salary portion payable to Directors concurrently serving as employees.

There are currently 5 Directors (including 2 Outside Directors. However, if Proposal 1: Partial Amendments to the Articles of Incorporation, and Proposal 2: Election of 4 Directors (excluding Directors who are Audit & Supervisory Committee Members) are approved as originally proposed, the number of Directors will be 4 (including 1 Outside Director).

This Proposal shall become effective provided that the amendments to the Articles of Incorporation in Proposal 1: Partial Amendments to the Articles of Incorporation take effect.

<Policy for Determining the Details of Individual Compensation, etc. for Directors Following the Transition to a Company with an Audit & Supervisory Committee>

- Basic policy
Compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members; hereinafter the same shall apply) shall, in principle, consist only of fixed compensation, and the basic policy is to determine individual compensation at an appropriate level based on each responsibility.
- Policy regarding the determination of the amount of fixed compensation, etc. and the calculation method thereof
Fixed compensation for Directors of the Company shall consist only of basic compensation paid as a fixed amount every month. The amount of basic compensation shall be determined by comprehensively taking into account considerations such as the role and degree of contribution of each Director, an evaluation of the Group's business performance, and the level of employee salaries, etc. within the extent of compensation determined by the General Meeting of Shareholders.
- Method for determining the details of individual compensation, etc. for Directors
Details of individual compensation, etc. for Directors of the Company shall be deliberated by the Nomination and Compensation Committee, the majority of whose members are independent Outside Directors, and determined by the Board of Directors based on the report received from said Committee.

Proposal 5: Determination of the Amount of Compensation for Directors who are Audit & Supervisory Committee Members

Provided that Proposal 1: Partial Amendments to the Articles of Incorporation is approved, the Company will transition to a Company with an Audit & Supervisory Committee.

Accordingly, the Company requests that the amount of compensation for Directors who are Audit & Supervisory Committee Members be approved at no more than 2,500 million yen per annum, and that specific amounts for each Director who is an Audit & Supervisory Committee Member and the timing of payments, etc. be deliberated by Directors who are Audit & Supervisory Committee Members.

The amount of compensation relating to this Proposal is deemed appropriate in view of the responsibilities of Directors who are Audit & Supervisory Committee Members and circumstances such as the recent economic situation.

If Proposal 1: Partial Amendments to the Articles of Incorporation, and Proposal 3: Election of 3 Directors who are Audit & Supervisory Committee Members are approved as originally proposed, the number of Directors who are Audit & Supervisory Committee Members will be 3.

This Proposal shall become effective provided that the amendments to the Articles of Incorporation in Proposal 1: Partial Amendments to the Articles of Incorporation take effect.

End