

This document is an unofficial translation and summary of the Notice of the 26th Annual Shareholders Meeting and is provided for your convenience only, without any warranty as to its accuracy or as to the completeness of the information. The Japanese original version of the document is the sole official version.

TSE Code: 4344
 June 2, 2022
 1-5-2 Higashi-Shimbashi, Minato-ku, Tokyo
SOURCENEXT Corporation
 President and CEO Tomoaki Kojima

To our shareholders:

NOTICE OF THE 26TH ANNUAL SHAREHOLDERS MEETING

We are pleased to announce the 26th Annual Shareholders Meeting of SOURCENEXT Corporation (“the Company”), which will be held as stated below.

We request that instead of attending the meeting, please refer to the “Guide to the Exercise of Voting Rights” on page 3. After reviewing the attached Reference Documents for the Shareholders Meeting, please exercise your voting rights no later than 5:30 p.m. on Friday, June 17, 2022.

1. Date and Time	Monday, June 20, 2022, at 1:00 p.m.
2. Place	1-6-4 Kojimachi, Chiyoda-ku, Tokyo Sumitomo Realty & Development Hanzomon Ekimae Building 2F, Belle Salle Hanzomon *(Please note that the place of the 26th Annual Shareholders Meeting has been changed from last year.)
3. Agenda	Matters to be reported <ol style="list-style-type: none"> 1. Business Report and Consolidated Financial Statements for the 26th fiscal year from April 1, 2021 to March 31, 2022 and Reports of Audit on the Consolidated Financial Statements by Accounting Auditor and the Board of Auditors 2. Non-consolidated Financial Statements for the 26th fiscal year from April 1, 2021 to March 31, 2022 Matters to be resolved <ol style="list-style-type: none"> Proposal 1: Partial Amendment to the Articles of Incorporation Proposal 2: Election of Eight (8) Directors Proposal 3: Election of Two (2) Auditors Proposal 4: Election of One (1) Substitute Auditor
4. Exercise of Voting Rights	Please refer to the “Guide to the Exercise of Voting Rights” on page 3.
5. Disclosures through the Internet	Of the documents provided by the Notice of the Annual Shareholders Meeting, “Consolidated Statements of Changes in Equity,” “Notes to Consolidated Financial Statements in the Consolidated Financial Statements,” “Non-consolidated Statements of Changes in Equity” and “Notes to Non-consolidated Financial Statements in the Non-consolidated Financial Statements” are posted on the Company’s website (https://www.sourcenext.co.jp/) under laws and regulations and provision of Article 15 of the Company’s Articles of Incorporation, and are therefore not available in this Notice. The attached Consolidated Financial Statements and the Non-consolidated Financial Statements are part of the Consolidated Financial Statements and the Non-consolidated Financial Statements that were audited by Auditors and Accounting Auditor in preparing the Reports of Audit.

- **This year, from the standpoint of preventing the spread of the novel coronavirus disease (COVID-19), we request shareholders to take all efforts to refrain from attending the annual shareholders meeting and instead exercise your voting rights in advance in writing or via the Internet.**
- **The meeting staff may speak to you and ask you to refrain from entering the venue if you appear unwell or if you are not wearing a mask.**
- **The distribution of souvenirs to shareholders attending the meeting has been cancelled. Thank you for your understanding.**

Guide to the Exercise of Voting Rights

<p>For those attending the meeting in person Please submit the Voting Form enclosed herewith to the reception. Please also bring with you the Notice of the Annual Shareholders Meeting as a reference. (Reception starts at 12:30 p.m.)</p> <p>If you exercise your voting rights by proxy, you must appoint as a proxy one of the shareholders holding voting rights at the meeting. Please have your proxy submit a written document (a proxy statement) certifying the authority of proxy to the reception.</p> <p>For those exercising voting rights in writing Please indicate your approval or disapproval for the proposals on the Voting Form enclosed herewith and return the Voting Form. [Voting Form must be received no later than 5:30 p.m. on Friday, June 17, 2022]</p> <p>For those exercising voting rights via the Internet Please access the website for exercising voting rights and exercise the voting rights. (Please refer to the following Guide to Exercising Voting Rights via the Internet) [Voting rights must be exercised no later than 5:30 p.m. on Friday, June 17, 2022]</p>
<ol style="list-style-type: none">1. If you exercise your voting rights twice, in writing and via the Internet, we will only accept the exercise of your voting rights via the Internet as effective.2. If you exercise your voting rights more than once via the Internet, we will only accept the last exercise of your voting rights as effective.

Matters Disclosed on the Internet

The Company's website	https://www.sourcenext.co.jp/
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1. The following documents that should be provided by the Notice of the Annual Shareholders Meeting are posted on the Company's website under laws and regulations and provision of Article 15 of the Company's Articles of Incorporation, and are therefore not available in this Notice.
 - a. Consolidated Statements of Changes in Equity
 - b. Notes to Consolidated Financial Statements
 - c. Non-consolidated Statements of Changes in Equity
 - d. Notes to Non-consolidated Financial StatementsThe Consolidated Financial Statements and the Non-consolidated Financial Statements that were audited by Accounting Auditors and Auditors include the Notes to Consolidated Financial Statements and the Notes to Non-consolidated Financial Statements that are posted on the Company's website.
2. Any corrections made to the Reference Documents for the Shareholders Meeting, the Business Report, the Non-consolidated Financial Statements, and the Consolidated Financial Statements shall be notified by being posted on the Company's website.

Guide to Exercising Voting Rights via the Internet

Website for exercising voting rights	https://www.web54.net
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On the voting website, please enter the “Login ID” and “Temporary Password” which are stated on the right-hand side of your Voting Form, and follow instructions on screen to enter your approval or disapproval.

When you exercise your voting rights from a mobile phone or a smartphone, you may access the website for exercising voting rights by scanning the “QR Code” with the bar-code scanning function of your smartphone or mobile phone.

- In order to prevent unauthorized access by third parties other than shareholders (so-called “spoofing”) and to prevent tampering with the content of the voting, please note that shareholders who use this function will be asked to change the “Temporary Password” on the voting website.
- A new “Login ID” and “Temporary Password” will be issued to you for each Annual Shareholders Meeting.
- The cost of Internet access (access fees to providers, telecommunications fees, etc.) shall be borne by the shareholders.

For inquiries with respect to the exercise of voting rights, please contact the following numbers.

Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Web Support

[Dedicated Line] 0120-652-031 (9:00 a.m. to 9:00 p.m.)

(Toll-free number. Available only in Japan)

<In case of other inquiries>

0120-782-031 (9:00 a.m. to 5:00 p.m. on weekdays) (Toll-free number. Available only in Japan)

Information on Live Streaming of Shareholders Meeting

The Shareholders Meeting will be streamed live via the Internet so that shareholders can watch the proceedings from their home, etc.

1. Live streaming date and time
Monday, June 20, 2022 from 1:00 p.m. (JST) to the end of the Shareholders Meeting
 - * The live streaming is available from around 30 minutes before the start time of the Shareholders Meeting (12:30 p.m.) (JST).
 - * Please note that you will not be able to view it after the Shareholders Meeting.
2. How to view the live streaming on the day
Please have your shareholder ID (= shareholder number) and password (= zip code), which are required on the shareholder authentication screen (login screen), ready in advance and access the following live streaming website.

Live streaming website: <https://4344.kabusou.com/>

Shareholder ID: “Shareholder number” (9 digits) written on the documents for exercising voting rights, etc.
Password: “Zip code” (7 digits, no hyphen) of registered address on the shareholder list (as of March 31, 2022)

* When exercising voting rights in writing, be sure to make a note of the “Shareholder number” before returning the Voting Form.

3. Notes:
 - Viewing the live streaming of the Shareholders Meeting does not constitute attendance under the Companies Act. Therefore, shareholders who view the live streaming cannot exercise their voting rights or make any statements, including asking questions, at the Shareholders Meeting. To exercise your voting rights, exercise your voting rights in advance according to the instructions in the guide to exercising voting rights on page 3 of this Notice.
 - Please be aware that you may experience audio or video problems due to system failures, the communication environment, etc., and other problems, such as interruption of the live streaming, could occur.
 - Viewing the live streaming is limited to only the shareholders themselves.
 - Please refrain from photographing, recording video or audio of, or saving the live streaming broadcast, or posting the broadcast using social networking services, etc.
 - Please be aware that although the Company will make every effort to stream the Shareholders Meeting live via the Internet, shareholders may not be able to participate due to unforeseen circumstances, such as communication problems or system failures, and the live streaming may even be cancelled depending on the situation.
 - Any costs, including costs for communication devices, Internet connection fees, communication charges, etc., that might be incurred to view the live streaming shall be borne by the shareholder.
 - In the unlikely event that the live streaming cannot be performed for some reason on the day of the Shareholders Meeting, we will notify you on our website (<https://www.sourcenext.co.jp/>).

For inquiries regarding the live streaming
LaiBlitz, Inc. Tel: +81-3-5740-5766
[Period for accepting inquiries] 12:30 p.m. to the conclusion of the Shareholders Meeting on June 20, 2022 (date of the Shareholders Meeting)

Reference Documents for the Shareholders Meeting

Proposal 1: Partial Amendment to the Articles of Incorporation

1. Reason for the proposal

Since the revised provisions provided for in a proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format.

- (1) Article 15, paragraph 1 in “Proposed amendments” will stipulate that the Company shall take measures for providing information that constitutes the content of reference documents for the shareholders meeting, etc. in electronic format.
- (2) Article 15, paragraph 2 in “Proposed amendments” will establish the provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
- (3) Since the provisions for Internet Disclosure and Deemed Provision of Reference Documents for the Shareholders Meeting, Etc. (Article 15 of the present Articles of Incorporation) will no longer be required, they will be deleted.
- (4) Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established

2. Description of Changes

The changes are as follows.

(Changes are underlined.)

Present	Proposed amendments
<p style="text-align: center;">Chapter III Shareholders Meeting</p> <p><u>Article 15 Internet Disclosure and Deemed Provision of Reference Documents for the Shareholders Meeting, Etc.</u></p> <p><u>When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or presented in the reference documents for the shareholders meeting, business report, non-consolidated financial statements and consolidated financial statements through the Internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p> <p style="text-align: center;">(Newly established)</p>	<p style="text-align: center;">Chapter III Shareholders Meeting (Deleted)</p> <p><u>Article 15 Measures for Providing Information in Electronic Format, Etc.</u></p> <p><u>1. When the Company convenes a shareholders meeting, it shall take measures for providing information that constitutes the content of reference documents for the shareholders meeting, etc. in electronic format.</u></p> <p><u>2. Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p>

Present	Proposed amendments
(Newly established)	<p><u>Supplementary Provisions</u></p> <ol style="list-style-type: none"> <li data-bbox="820 264 1398 510">1. <u>The deletion of present Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the Shareholders Meeting, Etc.) and the establishment of proposed Article 15 (Measures for Providing Information in Electronic Format, Etc.) shall be effective from the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019).</u> <li data-bbox="820 521 1398 633">2. <u>Notwithstanding the provision of the preceding paragraph, present Article 15 shall remain effective regarding any shareholders meeting held on a date within six months from the Date of Enforcement.</u> <li data-bbox="820 645 1398 779">3. <u>These Supplementary Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the shareholders meeting in the preceding paragraph, whichever is later.</u>

Proposal 2: Election of Eight (8) Directors

The term of office of all seven (7) Directors will expire at the conclusion of this Annual Shareholders Meeting. Increasing the number of Directors by one to enhance the management system and the corporate governance, the Company proposes the election of eight (8) Directors. The candidates for Directors are as follows.

Candidate No.	Name	Current Position and Responsibilities in the Company	Attributes of candidate
1	Noriyuki Matsuda	Founder & CEO	Reappointment
2	Tomoaki Kojima	President & COO	Reappointment
3	Kousuke Fujimoto	Director & CSO In charge of Sales	Reappointment
4	Fumihiko Aoyama	Director & CFO In charge of Administration	Reappointment
5	Hideaki Kubori	Outside Director	Reappointment Outside
6	Kunitake Ando	Outside Director	Reappointment Outside Independent
7	Nobuhide Nakaido	Outside Director	Reappointment Outside Independent
8	Aiko Oue		New appointment Outside Independent
	<u>New appointment</u>	Candidate for New Director	<u>Reappointment</u> Candidate for reappointment as Director
	<u>Outside</u>	Candidate for Outside Director	<u>Independent</u> Candidate for independent director

Candidate No.	Name (Date of Birth)	Career Summary, Position and Responsibilities in the Company and Important Concurrent Positions	Company Shares Held	Special Interest in the Company
1 Reappointment	Noriyuki Matsuda (May 28, 1965)	Apr. 1989 Joined IBM Japan Sep. 1993 Established AAA, Ltd., Representative Director and President, AAA, Ltd. Aug. 1996 Established the Company, President and CEO, the Company Sep. 2012 President & CEO, SOURCENEXT Inc. (current position) Jun. 2017 President and CEO, Rosetta Stone Japan, Inc. (current position) Feb. 2021 Founder & CEO, the Company (current position) Feb. 2022 President and CEO, POCKETALK CORPORATION (current position)	35,663,200 shares	No
2 Reappointment	Tomoaki Kojima (Jun. 3, 1977)	Sep. 2001 Joined the Company Jun. 2006 Executive Officer, the Company Jun. 2008 Managing Director, the Company Jan. 2009 Executive Director, the Company Jun. 2012 Managing Director, the Company May 2017 Managing Director, EUS Co., Ltd. (formerly FUDEMAME Co., Ltd., liquidated in Nov. 2021) Jan. 2019 Managing Director, Sourcnext B.V. Sep. 2019 Director, UMEOX Innovations Co., Ltd. (current position) Apr. 2020 CEO, Sourcnext B.V. (current position) Feb. 2021 President & COO, the Company (current position)	99,800 shares	No
3 Reappointment	Kousuke Fujimoto (Sep. 9, 1964)	Oct. 1988 Joined Recruit Co., Ltd. Nov. 1999 Joined the Company Dec. 1999 Managing Director, the Company Oct. 2009 Executive Officer, the Company Jul. 2013 Managing Executive Officer, the Company Apr. 2015 Senior Executive Officer, the Company Jun. 2018 Senior Managing Director, the Company Apr. 2022 Director & CSO (current position)	147,600 shares	No

Candidate No.	Name (Date of Birth)	Career Summary, Position in the Company and Important Concurrent Positions	Company Shares Held	Special Interest in the Company
4 Reappointment	Fumihiko Aoyama (Aug. 3, 1967)	Oct. 1991 Joined Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC) Jul. 1999 Joined Deloitte Tohmatsu Consulting Apr. 2000 Joined the Company Apr. 2002 Executive Officer, the Company Jun. 2004 Managing Director, the Company Jan. 2009 Executive Director, the Company Jun. 2012 Managing Director, the Company May 2017 Managing Director, EUS Co., Ltd. (formerly FUDEMAME Co., Ltd., liquidated in Nov. 2021) Feb. 2021 Managing Director & CFO, the Company Apr. 2022 Director & CFO, the Company (current position)	243,100 shares	No

Candidate No.	Name (Date of Birth)	Career Summary, Position in the Company and Important Concurrent Positions	Company Shares Held	Special Interest in the Company
5 Reappointment	Hideaki Kubori (Aug. 29, 1944)	Apr. 1971 Registered as Attorney-at-Law Joined Mori Sogo Apr. 1998 Representative, HIBIYA PARK LAW OFFICES (current position) Apr. 2001 President, Daini Tokyo Bar Association, and Vice President, Japan Federation of Bar Associations Oct. 2001 Outside Director, Nomura Holdings, Inc. Feb. 2003 Outside Auditor, the Company Jun. 2008 Member of the Supervisory Committee, The Norinchukin Bank Jun. 2011 Outside Director, Tokyo Stock Exchange Group, Inc. (currently Japan Exchange Group, Inc.) Outside Governor, Tokyo Stock Exchange Regulation (currently Japan Exchange Regulation) Jun. 2014 Outside Director, the Company (current position) Apr. 2015 Professor, Toin Law School Apr. 2018 Outside Director, Coincheck, Inc. (current position) Apr. 2021 Visiting professor, Graduate School of Law, Toin University of Yokohama/Head of Toin Compliance Research Education Center (current position)	42,300 shares	Yes See 2) in Note 2.

Candidate No.	Name (Date of Birth)	Career Summary, Position in the Company and Important Concurrent Positions	Company Shares Held	Special Interest in the Company
6 Reappointment	Kunitake Ando (Jan. 1, 1942)	<p>Apr. 1969 Joined Sony Corporation (currently Sony Group Corporation)</p> <p>Aug. 1979 Representative Director, Sony Prudential Life Insurance Co., Ltd.</p> <p>Apr. 1990 President, Sony Corporation of America, President, Sony Engineering and Manufacturing of America</p> <p>Apr. 2000 Representative Director and President, Sony Corporation (currently Sony Group Corporation)</p> <p>Jun. 2005 Chairman, Representative Director, Sony Financial Holdings Inc.</p> <p>Jun. 2007 Chairman, Director, Sony Life Insurance Co., Ltd.</p> <p>Jul. 2013 Director, Japan Innovation Network (current position)</p> <p>Jun. 2017 Outside Director, the Company (current position)</p> <p>Apr. 2018 Chairman, The University of Nagano (current position)</p>	24,600 shares	No

Candidate No.	Name (Date of Birth)	Career Summary, Position in the Company and Important Concurrent Positions	Company Shares Held	Special Interest in the Company
7 Reappointment	Nobuhide Nakaido (Nov. 1, 1946)	<p>Apr. 1971 Joined Sumitomo Corporation</p> <p>Apr. 1998 Corporate Officer, Sumitomo Corporation</p> <p>Jun. 1998 Director, Sumitomo Corporation</p> <p>Apr. 2002 Representative Director, Managing Director, Sumitomo Corporation</p> <p>Apr. 2004 Representative Director, Senior Managing Executive Officer, Sumitomo Corporation</p> <p>Apr. 2005 Representative Director, Executive Vice President, Sumitomo Corporation</p> <p>Jun. 2009 Chairman and President, Sumisho Information System Co., Ltd. (currently SCSK Corporation)</p> <p>Oct. 2011 President and Representative Director, SCSK Corporation</p> <p>Jun. 2013 Chairman and Representative Director, SCSK Corporation</p> <p>Apr. 2016 Director and Corporate Adviser, SCSK Corporation</p> <p>Jun. 2016 Corporate Adviser, SCSK Corporation</p> <p>May 2017 Independent Outside Director, Ichigo Inc. (current position)</p> <p>Oct. 2018 Chairman, Japan Association for Chief Human Resource Officers (current position)</p> <p>Mar. 2019 Outside Director, eSOL Co., Ltd. (current position)</p> <p>Jun. 2020 Outside Director, the Company (current position)</p> <p>Mar. 2022 External Director, JAC Recruitment Co., Ltd. (current position)</p>	7,800 shares	No

Candidate No.	Name (Date of Birth)	Career Summary, Position in the Company and Important Concurrent Positions	Company Shares Held	Special Interest in the Company
8 New appointment	Aiko Oue (Aug. 23, 1975)	<p>Jan. 2017 Registered as Attorney-at-Law Joined Nakamoto Law Office</p> <p>Apr. 2017 Part-time officer, Secretariat, Public Interest Corporation Commission, Cabinet Office, Government of Japan</p> <p>Jan. 2020 Joined Kaikai kiki Co., Ltd.</p> <p>May 2020 Outside director, Kakiyasu Honten Co., Ltd. (current position)</p> <p>Jan. 2022 Returned to Nakamoto Law office (current position)</p>	0 shares	No

- (Notes)
1. The reasons for nomination of the above candidates as Internal Director are as follows.
 - 1) Noriyuki Matsuda is the founder of the Company. Since its establishment, he has long supervised business of the entire group of the Company and has wealth of experience, track record, and knowledge concerning the industry trends and corporate management. The Company has therefore resolved to nominate him as a candidate for Director.
 - 2) Tomoaki Kojima is well versed in sales and planning operations centering on marketing, and has considerable experience, track record, and knowledge concerning corporate strategy in general. The Company has therefore resolved to nominate him as a candidate for Director.
 - 3) Kousuke Fujimoto has wealth of experience and track record from having engaged in sales departments and new business development departments for many years, and he has considerable knowledge concerning sales strategy. The Company has therefore resolved to nominate him as a candidate for Director.
 - 4) Fumihiko Aoyama has abundant professional insights in finance and accounting as well as considerable experience, track record, and knowledge concerning corporate strategy in general. The Company has therefore resolved to nominate him as a candidate for Director.
 2. Matters concerning candidates for Outside Director are as follows.
 - 1) Hideaki Kubori, Kunitake Ando, Nobuhide Nakaido and Aiko Oue are candidates for Outside Director.
 - 2) Reasons for Hideaki Kubori's candidacy for re-election as Outside Director include his many years of experience as an attorney and the expectation that his specialized knowledge and extensive skill concerning corporate law will be applied to the Company's management and will help further strengthen the Company's corporate governance. The candidate does not have experience contributing to company management outside the roles of Outside Director and Outside Auditor; however, he is deemed able to suitably execute his role as Outside Director due to the qualifications noted above. He will be involved in the determination of executive remuneration, etc. from an objective and neutral perspective as a Remuneration Advisory Committee Member if he is elected. He is a Representative of HIBIYA PARK LAW OFFICES. The Company has some contractual relations including work involving legal counsel, etc., with attorneys from this law office other than the candidate. He is not engaged in legal counsel work, etc. for the Company. At the conclusion of this Annual Shareholders Meeting, Hideaki Kubori will have served eight years as Outside Director of the Company.
Kunitake Ando has held various posts including serving as Representative Director and President of Sony Corporation (currently Sony Group Corporation), and we expect that he will contribute to further strengthening the Company's corporate governance by reflecting his wealth of experience and broad knowledge as a business manager. The Company therefore proposes his re-election as Outside Director. The candidate will be involved in the determination of executive remuneration, etc. from an objective and neutral perspective as a Remuneration Advisory Committee Member if he is elected. At the conclusion of this Annual Shareholders Meeting, Kunitake Ando will have served five years as Outside Director of the Company.
Nobuhide Nakaido has held key positions such as Representative Director and Executive Vice President of Sumitomo Corporation, President and Representative Director of SCSK Corporation and Chairman of the same company. Since it can be expected to further strengthen our company's corporate governance by reflecting his wealth of experience and broad insight as a business manager, the Company request that he be re-elected as an Outside Director.
He will be involved in the determination of executive remuneration, etc. from an objective and neutral perspective as a Remuneration Advisory Committee Member if he is elected. At the conclusion of this Annual Shareholders Meeting, Nobuhide Nakaido will have served two years as Outside Director of the Company.
Aiko Oue is expected to contribute to further strengthening the Company's corporate governance by reflecting her specialized knowledge and wealth of experience as an attorney. The Company therefore proposes her election as Outside Director. The candidate does not have experience contributing to company management outside the roles of Outside Director and Outside Auditor; however, she is deemed able to suitably execute her role as Outside Director due to the qualifications noted above.

She will be involved in the determination of executive remuneration, etc. from an objective and neutral perspective as a Remuneration Advisory Committee Member if she is elected.

- 3) A summary of the contract for limitation of liability with Outside Directors is as follows.
Under the provisions of Article 29, paragraph 2 of the Articles of Incorporation and Article 427, paragraph 1 of the Companies Act, the Company has concluded contracts for limitation of liability with Hideaki Kubori, Kunitake Ando and Nobuhide Nakaido as provided for in Article 423, paragraph 1 of the Companies Act. The maximum amount of the liability for damages based on the said contracts shall be the minimum amount prescribed in applicable laws and regulations. However, recognition of this limitation of liability is restricted to cases in which the work causing the liability was carried out in good faith and without gross negligence.
These contracts for limitation of liability between the Company and Hideaki Kubori, Kunitake Ando and Nobuhide Nakaido are set to continue if the re-election of the candidates is approved. The Company will conclude the same contract for limitation of liability with Aiko Oue if the election of the candidate is approved.
- 4) Matters concerning notification of Outside Directors as independent directors and/or auditors are as follows.
The Company plans to designate Kunitake Ando, Nobuhide Nakaido and Aiko Oue as independent directors if their re-election and election is approved.
3. The summary of the directors and officers liability insurance policy is as follows.
The Company has entered into a directors and officers liability insurance policy with an insurance company. The policy covers damages arising from liability borne by the insured officers in the course of execution of their duties or claims pertaining to the pursuit of such liability. However, there are certain reasons for coverage exclusion of liability for damages such as resulting from an illegal act with full knowledge of its illegality. If the election of all the candidates for Director is approved, they will be included in the insureds of this insurance policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms. See page 37 for a summary of the policy in the Japanese version of the Business Report.

<Reference> Skills Matrix

If Proposal 2 is approved, skills of each Director are as follows.

Name	Title and Position	Age	Gender	Skills							
				Corporate management/ Management experience	Global experience	IT skills	Product planning/ Marketing	Development of sales/ business	Development of organization/ human resources	Finance/ Accounting	Legal affairs/ Compliance
Noriyuki Matsuda	Founder & CEO	56	Male	○	○	○	○	○			
Tomoaki Kojima	President & COO	44	Male	○			○	○			
Kousuke Fujimoto	Director & CSO	57	Male					○	○		
Fumihiko Aoyama	Director & CFO	54	Male							○	○
Hideaki Kubori	Outside Director	77	Male	○					○	○	○
Kunitake Ando	Outside Director	80	Male	○	○	○		○		○	
Nobuhide Nakaido	Outside Director	75	Male	○	○	○			○		
Aiko Oue	Outside Director	46	Female								○

Proposal 3: Election of Two (2) Auditors

The term of office of two (2) Auditors, Tetsuya Kobayashi and Kakuji Takano, will expire at the conclusion of this Annual Shareholders Meeting. Kakuji Takano will retire, so the Company proposes the election of Maho Kinami as a successor as well as the re-election of Kakuji Takano.

The Board of Auditors consented to this proposal.

The candidates for Auditors are as follows.

Candidate No.	Name (Date of Birth)	Career Summary, Position in the Company and Important Concurrent Positions	Company Shares Held	Special Interest in the Company
1 Reappointment	Tetsuya Kobayashi (Sep. 5, 1958)	<p>Apr. 1991 Registered as Attorney-at-Law (Daini Tokyo Bar Association)</p> <p>Apr. 2003 Member of Examination Board for foundation of incorporated educational institution and university (Law school special examination board), Ministry of Education, Culture, Sports, Science and Technology</p> <p>Apr. 2004 Vice President, Daini Tokyo Bar Association</p> <p>Jan. 2006 Established Kobayashi Sogo Law Office</p> <p>Jun. 2006 Outside Auditor, the Company (current position)</p> <p>May. 2007 Expert committee member, Committee for Certified Evaluation and Accreditation of Law Schools, National Institution for Academic Degrees and Quality Enhancement of Higher Education</p> <p>Apr. 2008 Part-time instructor, Faculty of Law, Keio University</p> <p>May 2010 Auditor, Utsunomiya Hotoku Hospital (current position)</p> <p>Jun. 2011 Outside Auditor, MOCHIDA PHARMACEUTICAL CO., LTD.</p> <p>Apr. 2012 Executive Governor, Japan Federation of Bar Associations</p> <p>May. 2016 Committee member, Committee for Certified Evaluation and Accreditation of Law Schools, National Institution for Academic Degrees and Quality Enhancement of Higher Education (current position)</p> <p>Jun. 2021 Outside Director Toyo Suisan Kaisha, Ltd. (current position)</p>	0 shares	No
2 New appointment	Maho Kinami (Feb. 14, 1976)	<p>Apr. 1998 Joined Starbucks Coffee Japan</p> <p>Dec. 2010 Registered as Attorney-at-Law Joined Zao Law Office</p> <p>Dec. 2017 Outside Director, Noevir Holdings Co., Ltd. (current position) Representative of Kinami Law Office (current position)</p> <p>Jun. 2019 Outside Director, Advanex Inc.</p>	0 shares	No

- (Notes)
1. Tetsuya Kobayashi and Maho Kinami are candidates for Outside Auditor.
 2. Tetsuya Kobayashi has been working in the field of corporate law as an attorney for many years and has specialized knowledge and experience. The Company expects him to leverage these experience and knowledge for its audit system and proposes his election as Outside Auditor. Tetsuya Kobayashi does not have experience contributing to company management outside the roles of Outside Director and Outside Auditor;

however, he is deemed able to suitably execute his role as Outside Auditor due to the qualifications noted above. At the conclusion of this Annual Shareholders Meeting, Tetsuya Kobayashi will have served 16 years as Outside Auditor of the Company.

Maho Kinami has specialized knowledge and experience as an attorney and is expected to leverage her experience and knowledge for the audit system of the Company. The Company therefore proposes her election as Outside Auditor. Maho Kinami does not have experience contributing to company management outside the roles of Outside Director and Outside Auditor; however, she is deemed able to suitably execute her role as Outside Auditor due to the qualifications noted above.

3. A summary of the contract for limitation of liability with Outside Auditors is as follows.

Under the provisions of Article 39, paragraph 2 of the Articles of Incorporation and Article 427, paragraph 1 of the Companies Act, the Company has concluded a contract with Tetsuya Kobayashi for limitation of liability as provided for in Article 423, paragraph 1 of the Companies Act. The maximum amount of the liability for damages based on the said contract shall be the minimum amount prescribed in applicable laws and regulations. However, recognition of this limitation of liability is restricted to cases in which the work causing the liability was carried out in good faith and without gross negligence.

This contract for limitation of liability between the Company and Tetsuya Kobayashi is set to continue if his re-election is approved. The Company will conclude the same contract for limitation of liability with Maho Kinami if the election of the candidate is approved.

4. The Company plans to designate Tetsuya Kobayashi and Maho Kinami as independent directors if their re-election and election is approved.
5. The Company has entered into a directors and officers liability insurance policy with an insurance company. The policy covers damages arising from liability borne by the insured officers in the course of execution of their duties or claims pertaining to the pursuit of such liability. However, there are certain reasons for coverage exclusion of liability for damages such as resulting from an illegal act with full knowledge of its illegality. Tetsuya Kobayashi and Maho Kinami will be included in the insureds of this insurance policy if his re-election and her election is approved. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms. See page 37 for a summary of the policy in the Japanese version of the Business Report.

Proposal 4: Election of One (1) Substitute Auditor

The validity of the Substitute Auditor election will expire at the commencement of this Annual Shareholders Meeting. Accordingly, the election of one (1) Substitute Auditor is proposed in preparation for the case in which the number of Auditors would slip below the statutory minimum.

The Board of Auditors consented to the proposal of this resolution.

The candidate for Substitute Auditor is as follows.

Name (Date of Birth)	Career Summary, Position in the Company and Important Concurrent Positions	Company Shares Held	Special Interest in the Company	
Ryo Tsuchida (Registered name: Ryo Teranishi) (Jul. 4, 1968)	Apr. 1998	0 shares	No	
	Assistant, Faculty of Law, Sophia University			
	Apr. 2000			Full-time instructor, Faculty of Law, University of East Asia
	Apr. 2002			Assistant Professor, Faculty of Law, University of East Asia
	Apr. 2003			Assistant Professor, Faculty of Law, Meijo University
				Part-time instructor, Division of Laws, Total Academic Graduate Course, Correspondence Graduate School, University of East Asia (current position)
	Apr. 2008			Associate Professor, Judicial Affairs Course, Omiya Law School
				Part-time instructor, Faculty of Law, Meijo University
	Jan. 2010			Registered as Attorney-at-Law (Daini Tokyo Bar Association) Joined Frontier-Law
	Apr. 2011			Professor, Judicial Affairs Course, Omiya Law School
	Apr. 2012			Part-time instructor, Meiji Gakuin University Graduate Law School
	Apr. 2014			Professor, Department of Law, School of Law, Senshu University
				Part-time instructor, Judicial Affairs Course, Omiya Law School
	Apr. 2015			Part-time lecturer, Faculty of Law, Komazawa University
	Jun. 2015			Outside Auditor, Resona Bank, Limited
	Nov. 2017			Outside Director, UPR Corporation (current position)
	Apr. 2018			Part-time instructor, College of Economics, Rikkyo University
	Dec. 2018			Outside Corporate Auditor, Noevir Holdings Co., Ltd.
Jun. 2019	Outside Director, Audit and Supervisory Committee Member of Resona Bank, Limited. (current position)			
Jan. 2020	Outside Director, Audit and Supervisory Committee Member of Resona Asset Management Co., Ltd. (current position)			
Apr. 2020	Professor of Sophia Law School (current position)			
Dec. 2021	Outside Director, Noevir Holdings Co., Ltd. (current position)			

- (Notes)
1. Ryo Tsuchida is a candidate for Substitute Outside Auditor.
 2. Reasons for Ryo Tsuchida's candidacy for Substitute Outside Auditor include his valuable point of view as an attorney and university professor, and his specialized knowledge and experience concerning corporate law, which the Company would like to utilize in its audits, if he assumes the office of Auditor, although the candidate does not have experience contributing to company management outside the roles of Outside Director and Outside Auditor.
 3. In view of his experience and performance as an attorney and university professor, as well as his ample knowledge of company audit tasks, Ryo Tsuchida has been deemed able to suitably execute the role of Outside Auditor, if he assumes the office of Auditor.
 4. Ryo Tsuchida satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc. If he engages in work as Outside Auditor, the Company plans to submit notification concerning his designation as an independent officer.

5. If Ryo Tsuchida engages in work as Outside Auditor, the Company intends to conclude a contract with him for limitation of liability provided for in Article 423, paragraph 1 of the Companies Act, under the provisions of Article 39, paragraph 2 of the Articles of Incorporation and Article 427, paragraph 1 of the Companies Act. The maximum amount of the liability for damages based on the said contract shall be the minimum liability amount prescribed in applicable laws and regulations. However, recognition of this limitation of liability is restricted to cases in which the work causing the liability was carried out in good faith and without gross negligence.
6. The Company has entered into a directors and officers liability insurance policy with an insurance company. The policy covers damages arising from liability borne by the insured officers in the course of execution of their duties or claims pertaining to the pursuit of such liability. However, there are certain reasons for coverage exclusion of liability for damages such as resulting from an illegal act with full knowledge of its illegality. If the election of Ryo Tsuchida as Outside Auditor is approved, he will be included in the insureds of this insurance policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms. See page 37 for a summary of the policy in the Japanese version of the Business Report.