

# NOTICE OF THE CONVOCATION OF THE 27TH ANNUAL SHAREHOLDERS' MEETING

## ■ Date and Time:

Tuesday, June 21, 2022

1:00 p.m.

## ■ Venue:

Keidanren Kaikan

Conference Rooms #401-402

1-3-2 Otemachi, Chiyoda-Ku, Tokyo

### Shareholders unable to attend

Please review the reference documents and exercise your voting rights either by mailing the enclosed ballot, or via the internet.

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**Digital Arts Inc.**

(Securities Code: 2326)

Dear Shareholders:

Securities Code: 2326

June 7, 2022

1-5-1 Otemachi Chiyoda-ku, Tokyo

**D i g i t a l   A r t s   I n c .**

**Toshio Dogu** Representative  
Director, President and Chief Executive  
Officer

## NOTICE OF THE CONVOCAION OF THE 27TH ANNUAL SHAREHOLDERS' MEETING

You are cordially invited to attend the 27th Annual Shareholders' Meeting of Digital Arts Inc. (the "Company").

Considering the ongoing trends in COVID-19 cases, please refrain from visiting the meeting venue on the day of the meeting to maintain your safety and prevent an increase in infections. You may exercise your voting rights in advance in writing or via the Internet in lieu of voting in person at the meeting. After reviewing the following the reference documents for the Annual Shareholders' Meeting, please exercise your voting rights no later than 7:00 p.m. on Monday, June 20, 2022 (JST).

This will be a virtual Shareholders' Meeting based on hybrid attendance. The Company's shareholders will be able to exercise their voting rights via the internet through virtual attendance.

1	Date and Time	Tuesday, June 21, 2022, at 1:00 p.m. (JST)
2	Venue	Keidanren Kaikan Conference Rooms #401-402 Located at 1-3-2 Otemachi, Chiyoda-ku, Tokyo

<p>3 Agenda</p>	<p>Matters to be Reported</p> <ol style="list-style-type: none"> <li>1. Business review and Consolidated Financial Statements for FY2021 (April 1, 2021 – March 31, 2022) and report by the Accounting Auditor and the Audit and Supervisory Board on the audit results of the Consolidated Financial Statements</li> <li>2. Non-Consolidated Financial Statements for FY2021 (April 1, 2021 – March 31, 2022)</li> </ol> <p>Matters to be Resolved</p> <p>Proposed Resolution 1: Appropriation of Surplus</p> <p>Proposed Resolution 2: Partial Amendment to the Articles of Incorporation</p> <p>Proposed Resolution 3: Election of Two (2) Directors (excluding Directors who are Audit and Supervisory Board Members)</p> <p>Proposed Resolution 4: Election of Three (3) Directors who are Audit and Supervisory Board Members</p> <p>Proposed Resolution 5: Election of One (1) Substitute Director who is an Audit and Supervisory Board Member</p>
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Request for refraining from visiting the meeting venue in person  
 We request that our shareholders cooperate with us in preventing COVID-19 infection by refraining from visiting the venue of the Shareholders' Meeting. You are asked to kindly exercise your voting rights in advance by mail or on the internet and consider attending the meeting online.

#### NOTES ON THE PREVENTION OF COVID-19 INFECTION

We will take the following measures to prevent an increase in COVID-19 cases when holding and operating the Shareholders' Meeting. Your understanding and cooperation would be greatly appreciated.

- The number of seats will be reduced significantly to increase spaces between the seats at the meeting venue. As a result, you may not be able to enter the venue even if you visit the site in person.
  - All those choosing to attend the meeting in person are requested to wear a face mask at all times. We may refuse the entry of any person who is not wearing a mask at the venue.
  - We will take your temperature at the venue if you visit in person. We will refuse entry of any person indicating symptoms such as a fever and cough or otherwise appearing in poor health. Please acknowledge the above in advance.
  - The duration of the proceedings of the Shareholders' Meeting will be significantly reduced from the usual duration.
  - We have cancelled the company orientation this year, which is normally held after an Annual Shareholders' Meeting.
  - There will be no souvenirs, beverages, etc. provided to shareholders who attend the Shareholders' Meeting in person.
  - Our employees will be wearing a mask at the venue.
- ◎ Reports (including audit reports) and detailed explanations of agenda items at the Shareholders' Meeting will be omitted to reduce the duration of the meeting in an effort to prevent an increase in COVID-19 cases. Please read through the Notice of the convocation of the 27th annual shareholders' meeting in advance.
  - ◎ The Notes to Consolidated Financial Statements and Notes to Non-Consolidated Financial Statements among the documents to be provided in the Notice of the Convocation of the Annual Shareholders' Meeting are omitted from this notice but are posted on the Company's website (<https://www.daj.jp/ir/stock/meeting>) pursuant to applicable laws and regulations and the Company's Articles of Incorporation. The consolidated and non-consolidated financial statements audited by the Audit and Supervisory Board and Accounting Auditor when preparing the audit report and accounting report, respectively, include information provided in this document and the Notes to Consolidated Financial Statements and Notes to Non-Consolidated Financial Statements.
  - ◎ Should the Reference Documents for the Annual Shareholders' Meeting, Business Report, Non-Consolidated Financial Statements, and Consolidated Financial Statements require revisions, the revised versions will be posted on the Investor Relations section of the Company's website (<https://www.daj.jp/ir/>).

## Appropriation of Surplus

The Company recognizes the return of profits to shareholders as one of its most important management tasks. While the Company maintains internal reserves to enhance its financial standing, expand existing businesses and develop new businesses, the Company adopts a basic policy to deliver adequate and stable returns to shareholders, taking into consideration its operating performance. Based on this policy, the year-end dividend per share for the fiscal year ended March 31, 2022, would be as follows:

Type of dividend property	Cash
Matters relevant to dividend property and its total cash amount	40 yen per common stock of the Company Total cash amount is 561,570,760 yen
Effective date of distribution of surplus	June 22, 2022

## 1. Reasons for proposal

- (1) The Company proposes the addition of Paragraph 2, Article 10 to its Articles of Incorporation following the enforcement of the Act for Partial Amendment of the Act on Strengthening Industrial Competitiveness (Act No. 70 of 2021), which allows a shareholders' meeting to be held without a specified physical venue (a so-called virtual-only shareholders' meeting) in order to increase the number of options for the format of holding Shareholders' Meetings that is in the interest of shareholders. The revision of Paragraph 2, Article 10, of the Articles of Incorporation is to become effective on the condition that, in addition to the resolution of this Annual Shareholders' Meeting, the Company receives confirmation from the Minister of Economy, Trade and Industry and the Minister of Justice that the Shareholders' Meeting held by the Company without specifying a physical venue meets the requirements of the Ordinance of the Ministry of Economy, Trade and Industry and the Ordinance of the Ministry of Justice on the day that such confirmation is received.
- (2) With the enforcement on September 1, 2022 of the provisions regarding a system for providing Annual Shareholders' Meeting materials in an electronic format as stipulated in the proviso of Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No.70 of 2019), the Company proposes to establish provisions to the effect that it will adopt measures to provide information which is the content of reference documents for the Annual Shareholders' Meeting, etc. in an electronic format and that it may limit the scope of the said information on documents in writing in cases where shareholders request delivery of the said documents in writing. Moreover, as the existing provisions regarding disclosure via Internet of reference documents for the Annual Shareholders' Meeting, etc. and deemed provision will be unnecessary, the said provisions are proposed to be deleted. The Company also proposes to establish supplementary provisions that describe the said amendments, including provisions regarding the date of enforcement of such amendments.

## 2. Details of amendments

The details of the amendments are shown below.

(The changes are underlined.)

Existing Articles of Incorporation	Proposed Amendments
Article 1 through Article 9 (Omitted)	Article 1 through Article 9 (Unchanged)
(Convocation of Shareholders' Meeting)	(Convocation of Shareholders' Meeting)
Article 10 (Omitted)	Article 10 (Unchanged)
(New)	<u>2. The Company may hold its Shareholders' Meeting as a shareholder meeting without a designated location.</u>

Existing Articles of Incorporation	Proposed Amendments
<p>Article 11 through Article 15 (Omitted)</p> <p><u>(Disclosure via Internet of Reference Documents for the Annual Shareholders' Meeting, etc. and Deemed Provision)</u></p> <p><u>Article 16. In conjunction with the convening of an Annual Shareholders' Meeting, information on matters that should be described or indicated in reference documents for the Annual Shareholders' Meeting, business reports, financial statements and consolidated financial statements shall be deemed to have been provided to shareholders, if the Company discloses such information by any Internet-based means pursuant to the Ministry of Justice ordinance.</u></p> <p>(New)</p> <p>Article 17 through Article 34 (Omitted)</p>	<p>Article 11 through Article 15 (Unchanged)</p> <p>(Deleted)</p> <p>(Electronic Provision Measure, etc.)</p> <p><u>Article 16. Upon convening an Annual Shareholders' Meeting, the Company shall take the measure for electronic provision of materials with respect to information that constitutes the content of reference documents for the Annual Shareholders' Meeting, etc.</u></p> <p><u>2. The Company may omit all or part of information specified in the Ordinance of the Ministry of Justice and provided in an electronic form from documents delivered to shareholders who have requested paper-form documents before the record date of voting rights.</u></p> <p>Article 17 through Article 34 (Unchanged)</p>

Existing Articles of Incorporation	Proposed Amendments
<p>[Supplementary Provisions] (Omitted)</p> <p>(New)</p>	<p>[Supplementary Provisions] <u>Article 1</u> (Unchanged)</p> <p><u>Article 2. The revision of the current Article 10 (Convocation of Shareholders' Meeting) of the Articles of Incorporation takes effect on the day on which the Minister of Economy, Trade and Industry and the Minister of Justice have verified that the Annual Meetings of Shareholders without a designated location to be held by the Company satisfy the requirements specified by the Ordinances of the Ministry of Economy, Trade and Industry and the Ministry of Justice and this Article shall be deleted when the effective date passes.</u></p> <p><u>Article 3. The deletion of the current Article 16 (Disclosure on the Internet and De Facto Provision of Reference Documents for the Annual Shareholders' Meeting, etc.) of the Articles of Incorporation and the addition of Article 16 (Electronic Provision Measure, etc.) of the proposed revision shall take effect on the date of enforcement of the revised provision in the proviso of Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70, 2019) ("Enforcement Date").</u></p> <p><u>2. Notwithstanding the provisions of the preceding paragraph, Article 16 of the current Articles of Incorporation shall remain valid for any Annual Shareholders' Meeting the date of which is a date within six (6) months of the Enforcement Date.</u></p> <p><u>3. These Supplementary Provisions shall be deleted on the date on which six (6) months will have elapsed from the Enforcement Date or the date on which three (3) months will have elapsed from the date of the Annual Shareholders' Meeting under the preceding paragraph, whichever is later.</u></p>

**Election of Two (2) Directors (excluding Directors who are Audit and Supervisory Board Members)**

The terms of office for all two (2) Directors (excluding Directors who are Audit and Supervisory Board Members) will expire at the conclusion of this Meeting. Therefore, the Company asked for two (2) Directors to be appointed.

The candidates are as follows:

No.	Name		Current Position and Responsibilities at the Company	Board Meeting Attendance
1	Toshio Dogu	Re-election	Representative Director, President and Chief Executive Officer	100% (13/13)
2	Takuya Matsumoto	Re-election	Director, General Manager-Development	100% (13/13)

No.	Name (Date of Birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of the Company shares owned
1	<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Re-election</div> Toshio Dogu (Feb. 17, 1968)	Oct 1997 Representative Director, President & CEO, Digital Arts Inc. Oct 2003 General Manager-Corporate Planning Mar 2005 Director, IQS' Co., Ltd. Nov 2005 Representative Director, President & CEO, IQS' Co., Ltd. Dec 2006 Representative Director, President & CEO, DAM Corporation (incumbent) Apr 2011 Director, President & CEO, Digital Arts America, Inc. (incumbent) June 2012 Director, Digital Arts Investment, Inc. May 2013 Representative Director, President & CEO, Polkast Japan LLC Oct 2013 Representative Director, President & CEO, DA Corporation (incumbent) Oct 2013 Representative Director, President & CEO, DM Corporation (incumbent) Apr 2014 Director, President and CEO, Final Code, Inc. Nov 2014 Representative Director, President & CEO, General Manager-Sales, Digital Arts Inc. Apr 2015 Representative Director, President & CEO, General Manager-Sales, General Manager-final Code Business Nov 2015 Director, Digital Arts Asia Pacific Pte. Ltd. (incumbent) Apr 2016 Representative Director, President & CEO, General Manager-Sales Apr 2016 Representative Director, Chairman, Digital Arts Consulting Inc. (incumbent) Sep 2016 Director, Digital Arts Europe Limited (incumbent) Apr 2017 Representative Director, President & CEO, General Manager-Sales, General Manager-Marketing, General Manager-Corporate Planning Apr 2018 Representative Director, President & CEO, General Manager-Sales, General Manager-Marketing Oct 2019 Representative Director, President & CEO, General Manager-Sales, General Manager-Marketing, General Manager-Corporation Planning, General Manager- Administration Feb 2020 Representative Director, President & CEO (incumbent)	2,403,125 shares
Reasons for selection as a candidate: For many years since the founding of the Company, Toshio Dogu has been directing the management of the Company as the President, playing an instrumental role in the sustained growth of the Group as a whole by strengthening the Group's revenue base through the establishment of business models and developing innovations in Group management to create synergy. Based on his deep insight into management, his track record, and his advanced skills, the Company considers Mr. Dogu highly qualified for leading the further development of the Group and has designated him as a candidate for Director.			

No.	Name (Date of Birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of the Company shares owned
2	<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Re-election</div> <p><b>Takuya Matsumoto</b> (Nov 4, 1976)</p>	<p>Apr 1999    Joined COMAS Co., Ltd.  Apr 2003    Joined Digital Arts Inc., Development  Apr 2014    Associate General Manager-Development  Oct 2016    General Manager-Development  June 2017    Director, General Manager-Development  Dec 2017    Director, General Manager-Development, General Manager-New Product Development  Apr 2018    Director, General Manager-Development (incumbent)  Oct 2019    Director, Digital Arts Consulting Inc. (incumbent)</p>	3,070 shares
<p>Reasons for selection as a candidate:  As a developer, Takuya Matsumoto has engaged in a number of the Company's mainstay products and led new product development, thereby accelerating the Company's business growth and innovation and contributing to an increase in the corporate value of the overall Group. Based on his track record, experience, and advanced specialization, the Company considers Mr. Matsumoto highly qualified to lead in achieving a continuous increase in the Group's corporate value and has designated him as a candidate for Director.</p>			

(Note) 1. None of the above candidates have any special interest in the Company.

2. The number of the Company shares owned represents figures as of March 31, 2022.

3. The number of the Company shares owned include equity share owned by the Shareholders' Association made up of Directors.

Election of Three (3) Directors who are Audit and Supervisory Board  
Members

The terms of office of Kiyoto Inomata, Hidekazu Kubokawa, and Masataka Uesugi, who are Directors serving as Audit and Supervisory Board members, will expire at the conclusion of the 27th Annual Shareholders' Meeting. Accordingly, the Company proposes the election of three (3) Directors who serve as Audit and Supervisory Board members. The submission of this proposal at this Meeting was approved by the Audit and Supervisory Board.

The candidates are as follows:

No.	Name (Date of Birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of the Company shares owned
1	<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Re-election</div> <b>Kiyoto Inomata</b> (Jul 7, 1967)	Apr 1995    Joined Tokyo Gas Co., Ltd. Jan 2003    Personnel Dept. (Dispatched to Digital Arts Inc. for management training) Jul 2004    Seconded to Energy Advance Co., Ltd. (currently Tokyo Gas Engineering Solutions Corporation) Nov 2005    Joined Digital Arts Inc., Corporate Planning Apr 2006    Deputy General Manager- Development June 2007    General Manager-Corporate Planning June 2008    Director, IQS' Co., Ltd. Apr 2011    General Manager-Internal Audit, Digital Arts Inc. Apr 2015    Associate General Manager-Development, General Manager-Quality Assurance June 2020    Director (Audit and Supervisory Board Member) (incumbent) June 2020    Auditor, Digital Arts Consulting Inc. (incumbent)	122 shares
Reasons for selection as a candidate: Kiyoto Inomata has long been working in the corporate and development departments and the Internal Audit Department. He has a comprehensive familiarity with the Group's businesses and has extensive knowledge of the businesses. Based on his experience and track record, the Company believes that he will audit and oversee the performance of the duties of Directors from a fair and objective standpoint for the improvement of governance and overall business management. For this reason, the Company has designated him as a candidate for a director serving as an Audit and Supervisory Board member.			

No.	Name (Date of Birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of the Company shares owned
2	<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Re-election</div> <b>Hidekazu Kubokawa</b> (Feb 20, 1953)	Nov 1976    Joined Chuo Audit Corporation (Currently PricewaterhouseCoopers Arata LLC) Jul 1986    Founded Kubokawa CPA Office (currently Yotsuya Partners Accounting Firm), Representative Partner (incumbent) Feb 1989    Outside Audit and Supervisory Board Member, SoftBank Corp. Japan (currently SoftBank Group Corp.) Mar 2000    Outside Auditor, Digital Arts Inc. June 2005    Outside Corporate Auditor, Kyoritsu Printing Co., Ltd. (incumbent) June 2006    Outside Auditor, Pado Corporation June 2016    Outside Director (Audit and Supervisory Board Member), Digital Arts Inc. (incumbent)	3,505 shares
<p>Reasons for selection as a candidate and expected role:            As a certified public accountant, Hidekazu Kubokawa has expertise in financial affairs and accounting and has built knowledge based on his experience as an outside director of multiple publicly traded companies. Based on his extensive experience and insight, the Company expects that he will audit and oversee the performance of the duties of Directors from a fair and objective standpoint in order to give advice on management policies and strategies and ensure the validity and appropriateness of decisions made by the management. For this reason, the Company has designated him as a candidate for an Outside Director serving as an Audit and Supervisory Board member.</p>			

No.	Name (Date of Birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of the Company shares owned
3	<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Re-election</div> <p><b>Masataka Uesugi</b> (Jul 31, 1965)</p>	<p>Apr 1995    Joined Emori Kawamori Atsumi Law Office  Apr 1999    Founded Uesugi Law Office  Sep 2000    Partner of Amlec Law and Accounting Firm  June 2003    Outside Auditor, Digital Arts Inc.  June 2013    Outside Auditor, Commerce One Holdings Inc. (incumbent)  Dec 2013    Outside Audit and Supervisory Board Member, Ceres Inc.  Dec 2014    Outside Audit and Supervisory Board Member, Aiming Inc. (incumbent)  Mar 2015    Senior Partner, Sakurada Dori Partners (incumbent)  Mar 2016    Outside Director (Audit and Supervisory Board Member), Fullcast Holdings Co., Ltd. (incumbent)  June 2016    Outside Director (Audit and Supervisory Board Member), Digital Arts Inc. (incumbent)  Mar 2021    Outside Director (Audit and Supervisory Committee), Ceres Inc. (incumbent)</p>	3,505 shares
<p>Reasons for selection as a candidate and expected role:  Masataka Uesugi is equipped with legal knowledge and broad insight developed from his experience as a lawyer and knowledge gained from working as an outside director of multiple publicly traded companies. Based on his extensive experience and insight, the Company expects that he will give advice on raising the transparency and enhancing the supervisory function of the Board of Directors and will audit and oversee the performance of duties of Directors from a fair and objective standpoint. For this reason, the Company has appointed him as a candidate for an Outside Director serving as an Audit and Supervisory Board member.</p>			

- (Note) 1. This candidate has no special interest in the Company.  
2. Hidekazu Kubokawa and Masataka Uesugi are candidates for Outside Directors.  
3. The Company has concluded contracts for the limitation of liability, by which the liability for damages stipulated in Article 423, paragraph (1) of the Companies Act of Japan is limited by the provision of Article 427, paragraph (1) of the said Act, with its Outside Directors. The largest amount of compensation based on this agreement is the minimum amount of liability stipulated in Paragraph 1, Article 425 of the Companies Act. If the reappointment of Kiyoto Inomata, Hidekazu Kubokawa, and Masataka Uesugi is approved, the Company intends to continue the liability limitation agreement with them.  
4. Hidekazu Kubokawa and Masataka Uesugi are currently Outside Directors serving as Audit and Supervisory Board members, whose term of office will be six years at the conclusion of the upcoming Shareholders' Meeting.  
5. Hidekazu Kubokawa served as an Outside Auditor of the Company between March 2000 and June 2016.  
6. Masataka Uesugi served as an Outside Auditor of the Company between June 2003 and June 2016.  
7. The Company has notified the Tokyo Stock Exchange, Inc. of both Hidekazu Kubokawa and Masataka Uesugi as independent directors. When they are reappointed, the Company will notify the Tokyo Stock Exchange, Inc. again.  
8. The Number of the Company shares owned is the number of shares held as of March 31, 2022.  
9. The Number of the Company shares owned includes the number of equities held by the Shareholding Association of the Company's Executives.

## (Reference) Skills matrix of Directors after the 27th Annual Shareholders' Meeting

The Company appoints human resources having rich experience, broad insight, and advanced specialization as Directors to supervise decision making and business management appropriately and at a higher level and to achieve a continuous increase in corporate value. In addition, the Company is improving the function of supervising management, including the performance of duties and monitoring, by setting up a structure with overall balance, while also considering diversity, after defining the knowledge and experience deemed important in deliberations and decision making at meetings of the Board of Directors.

	Name	Positions and responsibilities in the Company	Independent officer	Nomination and Remuneration Advisory Committee	Knowledge, experience, and abilities particularly expected by the Company								
					Corporate management	Product development, innovation	Human resources development Personnel strategy	Business experience in the industry	Finance Accounting	Legal affairs Compliance Risk management	ESG Sustainability		
1	Toshio Dogu	Representative Director		● (Chair)	○	○	○	○		○			
2	Takuya Matsumoto	Director				○	○	○					
3	Kiyoto Inomata	Director	Audit and Supervisory Board Member (Full-time)			○		○		○	○		
4	Hidekazu Kubokawa	Director	Audit and Supervisory Board Member	External	●	●	○		○	○	○		
5	Masataka Uesugi	Director	Audit and Supervisory Board Member	External	●	●	○		○		○		
6	Chise Kuwayama	Director	Audit and Supervisory Board Member	External	●	●			○	○	○		

Note: This table does not cover all of the knowledge and experience and ability of the Directors.

## Election of One (1) Substitute Director who is an Audit and Supervisory Board Member

In the event that the Company lacks the number of Audit and Supervisory Board Members required by laws and regulations, the Company hereby request that one (1) Substitute Director who is an Audit and Supervisory Board Member be elected.

This resolution may be cancelled before the proposed Substitute Director who is an Audit and Supervisory Board Member assumes office by a resolution of the Board of Directors, subject to the approval of the Audit and Supervisory Board.

The submission of this proposal at this Meeting was approved by the Audit and Supervisory Board.

The candidate is as follows:

Name (Date of Birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of the Company shares owned
Komei Sasaki (Mar 15, 1966)	Aug 1999 Partner Attorney, Tokyo Ginza Law Office	0 shares
	May 2003 Partner Lawyer, AMUREC Law Firm (currently Kasumigaseki Law & Accounting Offices)	
	June 2004 Outside Auditor, TAKE AND GIVE. NEEDS Co., Ltd	
	Apr 2005 Director, Junior College Accreditation Association (currently Japan Association for College Accreditation) (incumbent)	
	Mar 2015 Senior Partner, Sakurada Dori Partners (Law Office) (incumbent)	
	June 2016 Outside Director, TAKE AND GIVE. NEEDS Co., Ltd. (incumbent)	

Reasons for selection as a candidate and expected role:

Based on the prominent level of this expertise and insight developed from his experience as a lawyer, the Company expects that Komei Sasaki will give advice on the Group's management and will appropriately supervise the performance of duties from a practical and multifaceted perspective. The roles expected to be played by Mr. Sasaki after taking office as an Outside Director include providing opinions and advice on the Company's management policies and strategies based on his profound insight and expertise as a lawyer and appropriately performing his duties, such as making important decisions and supervising the performance of duties.

(Note) 1. This candidate has no special interest in the Company.

2. Komei Sasaki is a candidate for a substitute Outside Director.

3. Komei Sasaki's independence from the management of the Company as Outside Director:

1) Komei Sasaki has not been a director or taken a position to execute operations of the Company and its affiliates in the past ten years.

2) Komei Sasaki has no plans to receive copious amounts of monetary payments or other financial assets (separate from the compensation paid for services as Director or Audit and Supervisory Board member) from the Company, its subsidiaries, or its affiliates, and has not received such payments for the past two years.

3) Komei Sasaki is not a spouse or a relative (within the three degrees) of an individual involved in the operation of the Company and its affiliates.

4. When Komei Sasaki assumes office, in accordance with the Article 427, Paragraph 1 of the Corporate Law, the Company will enter into an agreement with Komei Sasaki to limit his liability, as stipulated in Article 423, Paragraph 1 of the Corporate Law. The limit of liability for damage compensation under this contract is limited to the minimum liability amount specified by Article 425, Paragraph 1 of the Corporate Law.

5. Komei Sasaki meets the requirements for an independent director under the regulations of the Tokyo Stock Exchange Co., Ltd., and if he is appointed as an Outside Director at this meeting, the Company will notify the Tokyo Stock Exchange Co., Ltd. of his appointment as an independent officer.