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Securities Code: 4689

June 2, 2022

To our shareholders

Kentaro Kawabe
President and Representative Director, Co-CEO
Z Holdings Corporation
1-3 Kioicho, Chiyoda-ku, Tokyo, Japan

Notice of the 27th Ordinary General Meeting of the Shareholders

This is to inform you that the 27th Ordinary General Meeting of the Shareholders of Z Holdings Corporation (the “Company”) will be held as described below.

Please note that this General Meeting of the Shareholders will be held as a shareholders meeting without a designated location, pursuant to Article 66-1 of the Industrial Competitiveness Enhancement Act and Article 14-2 of the Company’s Articles of Incorporation. If you are not attending the meeting on the date of the meeting, you may also exercise your voting rights in writing or on the Internet in advance. If you wish to exercise your voting rights in advance, please refer to the instructions on page 2*.

Thank you for your understanding and cooperation on this matter.

Details of the Meeting

- 1. Date:** 10:00 a.m., Friday, June 17, 2022
(The website will be accessible from 9:00 a.m.)
In the event that this General Meeting of the Shareholders cannot be held on the above date and time due to communication problems or other reasons, the meeting will be postponed to Monday, June 20, 2022, at 10:00 a.m.
- 2. Outline:** Virtual-only meeting of the shareholders (a shareholders meeting without designated venue)
This general meeting of the shareholders will be held only on the Internet, so there will be no venue for shareholders to actually attend. Please refer to the information on pages 5 to 8* for details on how to attend this shareholders meeting and procedures for exercising your voting rights.

3. Subject Matters of the Meeting:

Matters to be reported:

1. Business Report, Consolidated Financial Statements, and audit reports from the accounting auditor and the Audit and Supervisory Committee on the Consolidated Financial Statements for the 27th fiscal year (April 1, 2021 through March 31, 2022)
2. Non-consolidated Financial Statements for the 27th fiscal year (April 1, 2021 through March 31, 2022)

Matters to be resolved:

- Proposal 1: Partial Amendments to the Articles of Incorporation
- Proposal 2: Election of Six (6) Directors (Excluding Those Serving on the Audit and Supervisory Committee)
- Proposal 3: Election of Three (3) Directors Serving on the Audit and Supervisory Committee
- Proposal 4: Revision of the Amount of Remuneration, Etc., for Directors (Excluding Those Serving on the Audit and Supervisory Committee)
- Proposal 5: Determination of the Amount and Details of Remuneration, Etc., for Stock Acquisition Rights to Be Paid as Stock Options to Directors (Excluding Those Serving on the Audit and Supervisory Committee)
- Proposal 6: Determination of the Amount and Details of Stock-Based Remuneration, Etc., for Directors (Excluding Those Serving on the Audit and Supervisory Committee)
- Proposal 7: Determination of the Amount and Details of Stock-Based Remuneration, Etc., for Directors Serving on the Audit and Supervisory Committee

4. Notice Regarding Attendance by Proxy

For details on attendance by proxy, please refer to page 6*.

5. Details of How Voting Rights Will Be Handled When Attending This General Meeting of Shareholders, the Method of Communication to Be Used for the Proceedings of This General Meeting of Shareholders, Outline of the Contents of the Policy Regarding Measures to Prevent Communication Problems, and How Shareholders Who Have Difficulty Using the Internet Can Participate in This Meeting

For details, please refer to page 7*

Notes:

- In accordance with applicable laws and regulations and Article 16 of the Articles of Incorporation, “Matters on the Company’s Stock Acquisition Rights,” “Matters on the Accounting Auditor,” “Overview of the Systems to Ensure Appropriate Business Operations and Their Operation Status,” “Consolidated Statements of Changes in Equity,” “Notes to the Consolidated Financial Statements,” “Balance Sheet,” “Statement of Profit or Loss,” “Statement of Changes in Shareholders’ Equity” and “Notes to the Non-consolidated Financial Statements” are available on the Company’s website**. Accordingly, the attachments to this notice constitute part of the documents audited by the accounting auditor and the Audit and Supervisory Committee in preparing their audit reports.
- If there is a need to modify the reference material for the General Meeting of the Shareholders, Business Report, or Non-consolidated and Consolidated Financial Statements, or to modify the operations of this General Meeting of the Shareholders, they will be announced on the Company’s website**.

* Please refer to the relevant pages in the Japanese document.

**Company’s website: <https://www.z-holdings.co.jp/en/ir.html> (Some documents are available only in Japanese)

Reference Material for the General Meeting of the Shareholders

Proposals and References:

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

1. Reasons for the amendments

The Company's Articles of Incorporation will be amended as follows in preparation for the introduction of a system to provide the reference materials, etc., for the general meeting of the shareholders (hereinafter "Shareholder Meeting Materials") in electronic format pursuant to the enforcement, scheduled on September 1, 2022, of the amended provisions stipulated in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019).

- (1) The proposed amendment Article 16 (1) is newly established in response to the requirement to stipulate in the Articles of Incorporation that information on the content of the Shareholder Meeting Materials shall be provided in electronic format. As a result of this change, the Company will post the Shareholder Meeting Materials on the Company's website, etc., online for the shareholders to view, instead of the conventional method of mailing the printed materials.
- (2) The proposed amendment Article 16 (2) stipulates the Company's response to the shareholders who wish to receive the Shareholder Meeting Materials as printed materials, after the introduction of the system for providing Shareholder Meeting Materials in electronic format. The proposal is to establish a provision to continue the method of electronic provision of some of the Shareholder Meeting Materials that have been previously permitted to be provided electronically, to the extent permitted by law, to shareholders who have made a request to have a printed copy of the materials.
- (3) The provision on the Internet disclosure of materials deemed to be submitted for a general meeting of the shareholders (Article 16 of the current Articles of Incorporation) will become unnecessary as a result of the new establishment of the proposed amendment Article 16 and therefore will be deleted.
- (4) Supplementary provisions will be established which specify the date from which the aforementioned additions and deletions to the Articles of Incorporation will take effect.

2. Details of the amendments.

The details of the amendments are as follows:

(Underlined portions are to be amended)

Current Articles of Incorporation	Proposed amendments
<p>Chapter 3. General Meeting of the Shareholders <u>(Internet disclosure of reference materials deemed to be submitted for a general meeting of the shareholders)</u> Article 16 <u>When information on matters to be noted or disclosed by the Company upon the convocation of a general meeting of the shareholders, such as reference materials for the general meeting of the shareholders, business reports and non-consolidated and consolidated financial statements (including the accounting auditor's report or the audit report), is disclosed over the Internet in accordance with the method stipulated by the Ministry of Justice ordinance, the said information will be deemed to have been provided to shareholders.</u></p> <p style="text-align: center;"><u>(Newly established)</u></p> <p style="text-align: center;">Supplementary provision Article 1 (Omitted) <u>(Newly established)</u></p>	<p>Chapter 3. General Meeting of the Shareholders <u>(Deleted)</u></p> <p><u>(Measures for Providing Information in Electronic Format, Etc.)</u> Article 16 (1) <u>When the Company convenes a general meeting of the shareholders, the Company shall electronically provide information of the reference materials for the general meeting of the shareholders and others.</u> (2) <u>Among the matters provided electronically, the Company may partially or fully omit matters designated by the Ordinance of the Ministry of Justice in the documents delivered to shareholders who have requested a printed copy of the reference materials prior to the record date for voting rights.</u></p> <p style="text-align: center;">Supplementary provision Article 1 (Omitted) Article 2 (1) <u>The deletion of Article 16 of the Articles of Incorporation before amendment (Internet disclosure of reference materials deemed to be submitted for a general meeting of the shareholders) and the establishment of the</u></p>

Article 16 after amendment (Measures for Providing Information in Electronic Format, Etc.) shall take effect on September 1, 2022, the effective date of the amendment provisions prescribed in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Effective Date”).

(2) Notwithstanding the preceding paragraph, Article 16 of the Articles of Incorporation before amendment shall remain in effect for a general meeting of the shareholders held within six months from the Effective Date.

(3) These supplementary provisions shall be deleted on the date when six months have elapsed from the Effective Date or three months have elapsed from the date of the general meeting of the shareholders in the preceding paragraph, whichever comes later.

Proposal 2: Election of Six (6) Directors (Excluding Those Serving on the Audit and Supervisory Committee)

The terms of office of all six (6) incumbent directors (excluding those serving on the Audit and Supervisory Committee) will expire at the conclusion of this Ordinary General Meeting of the Shareholders. The Company proposes the election of six (6) directors (excluding those serving on the Audit and Supervisory Committee).

In order to ensure the fairness and transparency of the nomination of directors, this proposal was resolved by the Board of Directors after consulting the Nominating and Remuneration Committee, chaired by an independent outside director and the majority of whose members are independent outside directors.

The candidates for directors (excluding those serving on the Audit and Supervisory Committee) are as follows.

Reappointment

1. Kentaro Kawabe

Date of birth: October 19, 1974

Number of Company shares held: 925,500

Number of Board of Directors meetings attended: 17 out of 17

Profile, positions, responsibilities, and important concurrent posts in other companies:

- September 1999: CEO, Dennotai Corporation
- August 2000: Joined Yahoo Japan Corporation (currently Z Holdings Corporation), Yahoo! JAPAN Mobile Producer
- May 2009: Representative Director, GyaO Corporation (currently GYAO Corporation)
- April 2012: Corporate Officer, Chief Operating Officer (COO), President of Media Business Group, Yahoo Japan Corporation (currently Z Holdings Corporation)
- July 2012: Senior Executive Vice President, Chief Operating Officer (COO), Head of Media Service Company, Yahoo Japan Corporation (currently Z Holdings Corporation)
- April 2018: Senior Executive Vice President Corporate Officer, Chief Executive Officer (CEO), Yahoo Japan Corporation (currently Z Holdings Corporation)
- June 2018: President and Representative Director, President Corporate Officer, CEO (Chief Executive Officer), Yahoo Japan Corporation (currently Z Holdings Corporation)
- September 2018: Board Director, SoftBank Corp. (to present)
- October 2019: President and Representative Director, President Corporate Officer, CEO (Chief Executive Officer), Yahoo Japan Corporation
- January 2020: Director, ZOZO, Inc. (to present)
- March 2021: President and Representative Director, Co-CEO (Co-Chief Executive Officer), Z Holdings Corporation (to present)
- June 2021: Board Director, SoftBank Group Corp. (to present)
- April 2022: Director, Yahoo Japan Corporation (to present)

Reason for Nomination

Since joining the Company in 2000, Mr. Kentaro Kawabe has served with distinction in important positions of the Z Holdings Group including manager of the Group's core services such as Yahoo! JAPAN News and Chief Operating

Officer (COO), and CEO of Yahoo Japan Corporation, contributing to the growth of the Z Holdings Group. In addition, Mr. Kawabe has achieved the business integration with LINE Corporation, and has built a structure that enables the creation of a great future. The Company has renominated him as a director candidate so that he can lead the growth of the Z Holdings Group even further, continue to strengthen the governance structure of the overall Z Holdings Group, and lead the rapid creation of synergies for the Z Holdings Group.

Special Interest, etc. between the Candidate and the Company

There is no relationship of special interest between Mr. Kentaro Kawabe and the Company.

Reappointment

2. Takeshi Idezawa

Date of Birth: June 9, 1973

Number of Company shares held: 50,000 shares

Number of Board of Directors meetings attended: 17 out of 17

Profile, positions, responsibilities, and important concurrent posts in other companies:

- April 2007: CEO, livedoor Co., Ltd. (currently NHN Techorus Corp.)
- January 2012: Director, General Manager of Web Service Division, NHN Japan Corporation (Changed trade name to LINE Corporation in April 2013)
- January 2014: Director, COO, LINE Corporation (currently A Holdings Corporation)
- April 2014: Representative Director, COO, LINE Corporation (currently A Holdings Corporation)
- April 2015: Representative Director, President and CEO, LINE Corporation (currently A Holdings Corporation)
- October 2017: Representative Director, LINE Book Distribution Corporation
- July 2018: Representative Director, LINE Digital Frontier Corporation
- February 2021: President and Representative Director, CEO, LINE Corporation (former LINE Demerger Preparatory Company) (to present)
- March 2021: Representative Director, Co-CEO (Co- Chief Executive Officer), Z Holdings Corporation
- April 2022: Representative Director, Co-CEO (Co- Chief Executive Officer), Marketing & Sales CPO, Z Holdings Corporation (to present)

Reason for Nomination

Mr. Takeshi Idezawa achieved the successful rehabilitation of the management of the company formerly known as livedoor Co., Ltd., has demonstrated strong organizational control and leadership in supervising the overall management of the LINE Group, and has greatly contributed to the realization of the integration between the Company and LINE Corporation. The Company has renominated him as a director candidate so that, drawing from his expertise and experience, he can continue to strengthen the governance structure of the overall Z Holdings Group including that of LINE Corporation, and lead the rapid creation of synergies for the Z Holdings Group.

Special Interest, etc. between the Candidate and the Company

There is no relationship of special interest between Mr. Takeshi Idezawa and the Company.

Reappointment

3. Jungho Shin

Date of Birth: February 25, 1972

Number of Company shares held: 21,118,500 shares

Number of Board of Directors meetings attended: 17 out of 17

Profile, positions, responsibilities, and important concurrent posts in other companies:

- July 2008: General Manager of Corporate Planning Department, Naver Japan Corporation (integrated with NHN Japan Corporation in January 2012)
- January 2012: Director, NHN Japan Corporation (Changed trade name to LINE Corporation in April 2013)
- March 2013: Representative Director, LINE Plus Corporation
- April 2014: Director, CGO, LINE Corporation (currently A Holdings Corporation)
- April 2019: Representative Director, CWO, LINE Corporation (currently A Holdings Corporation)
- January 2021: Director, CWO, LINE Plus Corporation (to present)
- February 2021: Representative Director, CWO, LINE Corporation (former LINE Demerger Preparatory Company) (to present)
- March 2021: Director, GCPO (Group Chief Product Officer), Z Holdings Corporation (to present)

Reason for Nomination

Being responsible for product strategy and overseas business for the LINE Group, Mr. Jungho Shin has assumed a leading role in the creation of innovative products, thereby driving the growth of the LINE Group. The Company has renominated him as a director candidate so that Mr. Shin, with his strong track record, can lead the product strategy of the Z Holdings Group as the Group Chief Product Officer of the Company, with the goal of propelling the dramatic growth of the Z Holdings Group.

Special Interest, etc. between the Candidate and the Company

There is no relationship of special interest between Mr. Jungho Shin and the Company.

Reappointment

4. Takao Ozawa

Date of birth: February 29, 1972

Number of Company shares held: 430,700 shares

Number of Board of Directors meetings attended: 17 out of 17

Profile, positions, responsibilities, and important concurrent posts in other companies:

- September 2012: Joined Yahoo Japan Corporation (currently Z Holdings Corporation)
- July 2013: Corporate Officer, EVP, President of Shopping Company, Yahoo Japan Corporation (currently Z Holdings Corporation)
- August 2013: Outside Director, ASKUL Corporation (to present)
- April 2014: CEO, YJ Capital Inc. (currently Z Venture Capital Corporation)
- March 2016: Director, ValueCommerce Co., Ltd.
- April 2018: Managing Corporate Officer, EVP, President of Commerce Company, Yahoo Japan Corporation (currently Z Holdings Corporation)
- June 2018: Director, PayPay Corporation (to present)
- October 2018: Chairman of the Board, Ikyu Corporation (to present)
- June 2019: Director, Senior Managing Corporate Officer, Yahoo Japan Corporation (currently Z Holdings Corporation)
- October 2019: Director, EVP, Senior Managing Corporate Officer, COO (Chief Operating Officer), Yahoo Japan Corporation
- June 2020: Director, ZOZO, Inc. (to present)
- February 2022: Outside Director, Demae-can Co., Ltd. (to present)
- April 2022: Director, Senior Managing Corporate Officer, E-Commerce CPO, Z Holdings Corporation (to present)
- April 2022: President and Representative Director, President Corporate Officer, CEO (Chief Executive Officer), Yahoo Japan Corporation (to present)

Reason for Nomination

Since joining the Company in 2012, Mr. Takao Ozawa has grown the business of the Z Holdings Group with strong leadership, such as in promoting the “e-commerce revolution.” The Company has renominated him as a director candidate while he concurrently serves as the President and Representative Director, CEO of Yahoo Japan Corporation, so that he can lead the further growth of the Z Holdings Group, whose business is increasingly diversifying due to the integration between the Company and LINE Corporation, based on his expertise in the Internet business and commerce fields as well as abundant experience in corporate management and broad knowledge in creating new businesses as an entrepreneur.

Special Interest, etc. between the Candidate and the Company

There is no relationship of special interest between Mr. Takao Ozawa and the Company.

Reappointment

5. Jun Masuda

Date of Birth: April 22, 1977

Number of Company shares held: - shares

Number of Board of Directors meetings attended: 17 out of 17

Profile, positions, responsibilities, and important concurrent posts in other companies:

- October 2008: Joined Naver Japan Corporation (integrated with NHN Japan Corporation in January 2012), Senior Manager of Business Strategy Department
- January 2012: Executive Officer, Senior Manager of Business Strategy Department, NHN Japan Corporation (Changed trade name to LINE Corporation in April 2013)
- December 2014: Representative Director, CEO, LINE MUSIC Corporation (to present)

- March 2015: Director, CSMO, LINE Corporation (currently A Holdings Corporation)
- November 2016: Outside Director, Yume no Machi Souzou Inkai Co., Ltd. (Currently Demae-can Co., Ltd.) (to present)
- February 2021: Director, CSMO, LINE Corporation (former LINE Demerger Preparatory Company) (to present)
- March 2021: Director, Senior Managing Corporate Officer, Z Holdings Corporation
- April 2021: President and Representative Director, CPO (Chief Product Officer), Z Entertainment Corporation (to present)
- October 2021: Representative Director, LINE Healthcare Corporation (to present)
- April 2022: Director, Senior Managing Corporate Officer, Entertainment CPO, Z Holdings Corporation (to present)

Reason for Nomination

Being responsible for the LINE Group's overall domestic product strategy and domestic marketing strategy in Japan, Mr. Jun Masuda has promoted efforts to improve the brand value of the LINE Group and promoted swift, innovative business development. The Company has renominated him as a director candidate, while he concurrently serves as the President and Representative Director, CPO of Z Entertainment Corporation, based on its assessment that his substantial experience will be critical in propelling the growth of the Z Holdings Group whose business is increasingly diversifying due to the integration between the Company and LINE Corporation, and improving the Group's overall brand value.

Special Interest, etc. between the Candidate and the Company

There is no relationship of special interest between Mr. Jun Masuda and the Company.

Reappointment

6. Taku Oketani

Date of birth: September 29, 1970

Number of Company shares held: - shares

Number of Board of Directors meetings attended: 15 out of 17

Profile, positions, responsibilities, and important concurrent posts in other companies:

- October 2000: Joined SoftBank BB Corp. (currently SoftBank Corp.)
- May 2013: Head of Finance Unit, Corporate Planning Division Head, SoftBank BB Corp. (currently SoftBank Corp.)
- July 2015: Vice President, Head of Finance Unit, Corporate Planning Division Head, SoftBank Corp.
- June 2018: Director, LINE MOBILE Corporation
- June 2018: Senior Vice President, Head of Consumer Business Unit, Head of Product & Marketing Unit, Marketing Strategies Division Head, SoftBank Corp.
- June 2018: Director, PayPay Corporation (to present)
- June 2019: Director, Yahoo Japan Corporation, (currently Z Holdings Corporation)
- April 2020: Director, Senior Managing Corporate Officer, GCSO (Group Chief Synergy Officer), Z Holdings Corporation (to present)
- October 2020: EVP, Senior Managing Corporate Officer, President of COO Business Promotion Office, Yahoo Japan Corporation
- April 2021: Senior Vice President, Consumer Sales Unit (Business Strategy/Group Synergy Promotion Officer), Group Synergy Promotion Office Senior Vice President, Head, SoftBank Corp.
- July 2021: Advisor to the CEO Office, SoftBank Corp. (to present)
- April 2022: Director, EVP, Senior Managing Corporate Officer, President of CEO Business Promotion Office, Yahoo Japan Corporation (to present)

Reason for Nomination

Mr. Taku Oketani has deep insight and broad knowledge in the commerce and marketing fields of SoftBank Corp., which is closely involved in the business operations of the Z Holdings Group. The Company has renominated him as a director candidate so that he can strongly lead the generation of synergies within the Z Holdings Group and play an important role in the collaborations with Group companies including SoftBank Corp.

Special Interest, etc. between the Candidate and the Company

There is no relationship of special interest between Mr. Taku Oketani and the Company.

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- Notes 1. In the past ten years, Mr. Kentaro Kawabe served as the Representative Director of Yahoo Japan Corporation, and Representative Director of GyaO Corporation (currently GYAO Corporation), subsidiaries, etc. of the Company.
2. Mr. Takeshi Idezawa concurrently serves as the President and Representative Director, CEO of LINE Corporation, a subsidiary, etc. of the Company. In the past ten years, he has also served as the Representative Director of LINE Fukuoka Corporation, Representative Director of LINE Digital Frontier Corporation, and Representative Director of LINE Book Distribution Corporation, subsidiaries, etc. of the Company.

3. Mr. Jungho Shin concurrently serves as the Representative Director, CWO of LINE Corporation and Director, CWO of LINE Plus Corporation, subsidiaries, etc. of the Company.
4. Mr. Takao Ozawa concurrently serves as the Representative Director, President Corporate Officer, CEO (Chief Executive Officer) of Yahoo Japan Corporation, a subsidiary, etc. of the Company. In the past ten years, he has also served as the CEO of YJ Capital, Inc. (currently Z Venture Capital Corporation), a subsidiary, etc. of the Company.
5. Mr. Jun Masuda concurrently serves as the Director, CSMO of LINE Corporation, President and Representative Director, CPO (Chief Product Officer) of Z Entertainment Corporation, Representative Director, CEO of LINE MUSIC Corporation, and Representative Director of LINE Healthcare Corporation, subsidiaries, etc. of the Company. In the past ten years, he has also served as the Representative Director of LINE Ventures Corporation (currently Z Venture Capital Corporation), Representative Director of LINE TICKET Corporation, and Representative Director of HOP Corp., subsidiaries, etc. of the Company.
6. Mr. Taku Oketani concurrently serves as the Advisor to the CEO Office of SoftBank Corp., the parent company of the Company, and Director, EVP, Senior Managing Corporate Officer, President of CEO Business Promotion Office of Yahoo Japan Corporation, a subsidiary, etc. of the Company.
7. The aforementioned number of Company shares that each director candidate holds is the number as of March 31, 2022.

Proposal 3: Election of Three (3) Directors Serving on the Audit and Supervisory Committee

Since the term of office of Ms. Maiko Hasumi, Mr. Tadashi Kunihiro, and Mr. Rehito Hatoyama, members of the Audit and Supervisory Committee, will expire at the conclusion of this General Meeting of the Shareholders, the Company proposes the election of three (3) directors serving on the Audit and Supervisory Committee.

In order to ensure the fairness and transparency of the nomination of directors, this proposal was resolved by the Board of Directors after consulting the Nominating and Remuneration Committee, chaired by an independent outside director and the majority of whose members are independent outside directors. Please note that the Audit and Supervisory Committee has also approved this proposal.

The candidates for the directors serving on the Audit and Supervisory Committee are as follows.

Reappointment

1. Maiko Hasumi, Candidate for Outside Director and Independent Director

Date of Birth: September 9, 1974

Number of Company shares held: - shares

Number of Board of Directors meetings attended: 17 out of 17

Profile, positions, responsibilities, and important concurrent posts in other companies:

April 1997	Joined Fuji Television Network, Inc.
August 2005	Joined FIL Investments (Japan) Limited
July 2009	Joined Ever Rich Asset Management, LLC (to present)
June 2018	Board Member, CyberBuzz, Inc. (to present)
March 2021	Outside Director (Independent Director), Audit and Supervisory Committee Member, Z Holdings Corporation (to present)
March 2021	Outside Director, ABCash Technologies Inc. (to present)
March 2021	Outside Director, Neural Pocket Inc. (to present)

Reason for Nomination and Outline of Expected Roles

Ms. Maiko Hasumi received an MBA from Stanford Graduate School of Business, and has substantial knowledge and experience in corporate management, as well as deep insight as a financial analyst, which she has accumulated from her career as a fund manager. She has served as an outside director (independent director) on the Audit and Supervisory Committee of the Company since March 2021 and has provided useful advice and supervision concerning the Company's management in the Board of Directors meetings, etc., from an investor's perspective. The Company has therefore renominated her as an outside director candidate serving on the Audit and Supervisory Committee.

Special Interest, etc. between the Candidate and the Company

There is no relationship of special interest between Ms. Maiko Hasumi and the Company.

Reappointment

2. Tadashi Kunihiro, Candidate for Outside Director and Independent Director

Date of Birth: November 29, 1955

Number of Company shares held: - shares

Number of Board of Directors meetings attended: 16 out of 17

Profile, positions, responsibilities, and important concurrent posts in other companies:

April 1986	Registered as an attorney at law Joined Nasu & Iguchi Law Office
January 1994	Established Kunihiro Law Office (currently T. Kunihiro & Co., Attorneys-at-Law) (to present)
June 2007	Outside Director, Tokio Marine & Nichido Fire Insurance Co., Ltd. (to present)
June 2012	Outside Audit & Supervisory Board Member, Mitsubishi Corporation
October 2015	Outside Director, LINE Corporation (currently A Holdings Corporation)
June 2017	Outside Audit & Supervisory Board Member, OMRON Corporation (to present)
March 2021	Outside Director (Independent Director), Audit and Supervisory Committee Member, Z Holdings Corporation (to present)

Reason for Nomination and Outline of Expected Roles

As a lawyer, Mr. Tadashi Kunihiro has a broad range of insight in corporate crisis management and compliance systems. Based on his expertise, he has a track record of providing appropriate and valuable advice/recommendations at various board of directors meetings, etc., as an outside director and outside corporate auditor for many listed companies, including the Company. In his capacity as Chairperson of the Governance Committee of the Company, he has established a strong governance structure for the Company. In light of this record, the Company judges him suitable to continue performing duties as an outside director and has renominated him as an outside director candidate serving on the Audit and Supervisory Committee.

Special Interest, etc. between the Candidate and the Company

There is no relationship of special interest between Mr. Tadashi Kunihiro and the Company.

Reappointment

3. Rehito Hatoyama, Candidate for Outside Director and Independent Director

Date of Birth: January 12, 1974

Number of Company shares held: - shares

Number of Board of Directors meetings attended: 17 out of 17

Profile, positions, responsibilities, and important concurrent posts in other companies:

April 1997	Joined Mitsubishi Corporation
May 2008	Joined Sanrio Company, Ltd.
June 2010	Director, Sanrio Company, Ltd.
April 2013	Managing Director, Sanrio Company, Ltd.
March 2016	Outside Director, LINE Corporation (currently A Holdings Corporation)
April 2016	Outside Director, Pigeon Corporation (to present)
June 2016	Outside Director, transcocosmos inc. (to present)
July 2016	Representative Director, Hatoyama Soken Corporation (to present)
March 2021	Outside Director (Independent Director), Audit and Supervisory Committee Member, Z Holdings Corporation (to present)

Reason for Nomination and Outline of Expected Roles

Mr. Rehito Hatoyama received his MBA from Harvard Business School, and is highly experienced in corporate strategy for globalization, corporate governance, and innovation in the IT and entertainment industries. He has substantial insight on business expansion and business management overseas, mainly in the content and character license businesses. In light of his track record of providing appropriate and valuable advice/recommendations from a practical viewpoint in the Company's Board of Directors Meetings, cultivated through his corporate management experience, the Company has renominated him as an outside director candidate serving on the Audit and Supervisory Committee.

Special Interest, etc. between the Candidate and the Company

There is no relationship of special interest between Mr. Rehito Hatoyama and the Company.

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- Notes 1. Ms. Maiko Hasumi, Mr. Tadashi Kunihiro, and Mr. Rehito Hatoyama are candidates for outside directors. The Company has registered Ms. Maiko Hasumi, Mr. Tadashi Kunihiro, and Mr. Rehito Hatoyama as independent directors as prescribed by Tokyo Stock Exchange, Inc., and if their appointments are approved, the Company will continue to make them independent directors.
2. Ms. Maiko Hasumi, Mr. Tadashi Kunihiro, and Mr. Rehito Hatoyama are currently outside directors serving on the Audit and Supervisory Committee of the Company, and their term of office as outside directors serving on the Audit and Supervisory Committee will be one year and four months at the conclusion of this General Meeting of the Shareholders.
3. The Company has concluded limited liability agreements with Ms. Maiko Hasumi, Mr. Tadashi Kunihiro, and Mr. Rehito Hatoyama with respect to the liability in connection with Article 423, Paragraph 1 of the Companies Act in accordance with Article 427, Paragraph 1 of the Companies Act. Under the agreements, their liability for damages will not exceed the higher of (i) one million yen or (ii) the minimum liability

amount prescribed by applicable laws and regulations. If each of them is reappointed as proposed, the Company intends to continue the agreements.

4. The aforementioned number of Company shares that each director candidate holds is the number as of March 31, 2022.

[Reference] Explanation on Proposal 4 to Proposal 7

The following is an explanation of the background, etc. of Proposals 4 through 7.

The Company has completed the business integration with LINE Corporation in March 2021 and is now steering a new course as the new Z Holdings. Going forward, the Company will continue to leverage the synergies of this business integration to update users' daily lives, corporate activities, and society as a whole through information technology, with the aim of realizing a world in which people can be free and in control. In order to realize this mission and vision, the Company has positioned executive remuneration as one of the key management strategies to encourage the management team to exercise their leadership, and in the Board of Directors meeting held on May 17, 2022, has made significant review to its executive remuneration plan to encourage bold risk-taking by the management team through executive remuneration and to enable the Company to achieve sustainable growth. As a result of the review, a new "Policy for Determining the Remuneration, Etc., for Individual Directors" has been established. This is subject to the approval of the Proposals 4 through 7 in this General Meeting of the Shareholders.

In order to ensure independence, transparency, and objectivity in the decision-making process of remuneration, the Company has voluntarily established a Nominating and Remuneration Committee consisting of six directors, including four independent outside directors, chaired by an independent outside director serving as a full-time Audit and Supervisory Committee member. The review of the executive remuneration system, changes to the Regulations of Remunerations for Directors, etc., and the framework for a new executive remuneration plan (hereinafter referred to as the "Remuneration Policy") have been deliberated by the Nominating and Remuneration Committee.

<Remuneration Policy>

The outline of the Company's new remuneration system (Remuneration Policy) is as follows:

(1) Basic principles	The following are the basic principles of the remuneration system to ensure that the remuneration of directors (hereinafter "Executive Remuneration" serves as a driving force for the realization of the Company's management philosophy and management strategy. i) Encourages the exercise of management leadership to realize the Company's mission, "UPDATE THE WORLD" ii) Contributes to the enhancement of the ZHD Group's medium to long-term corporate value iii) Details of the system ensures the Company's accountability to its stakeholders through the establishment of strong and independent remuneration governance
(2) Remuneration level	- The level of Executive Remuneration will be set based on the basic principles of Executive Remuneration and the roles and responsibilities of each director in the management of the Group, taking into consideration the importance and difficulty of the mission undertaken by each director. - The Nominating and Remuneration Committee will verify the appropriateness of the remuneration levels after

conducting a survey and analysis of the Company's management environment and the peer group of leading Japanese global companies based on the database of external research organizations.

- The remuneration level will be reviewed from time to time in response to changes in the external environment and changes in the roles and responsibilities of directors.

(3) Remuneration structure

(i) Strategic design image of each remuneration item and structure

(ii) Overview of remuneration items

[Remuneration structure for directors (excluding those serving on the Audit and Supervisory Committee)]

The concept of the remuneration structure for directors (excluding those serving on the Audit and Supervisory Committee) will be to place more emphasis on stock-based remuneration as a medium- to long-term incentive, in order for the structure to function as an incentive to encourage bold risk-taking and leadership from a medium- to long-term perspective toward the realization of the Company's sustainable growth.

[Monetary remuneration]		Purpose/position	Criteria	Payment amount	Timing	
10-20%	Base remuneration	Monthly remuneration	Amount decided based on roles and responsibilities of each director		Fixed	Every month
10-20%	Cash bonuses	Incentive to contribute to short-term performance and to the enhancement of corporate value	(i) Evaluation on the achievement level of consolidated performance	Revenue 40%	0-200%	July
			Adjusted EBITDA 40%			
			Advertising revenue 10%			
			EC transaction value 10%			
			(ii) Sustainability evaluation (evaluation on social contributions)	±5%		
			(iii) Qualitative evaluation (achievement level of missions of each director, e.g., strategy, PMI, etc.)	±10%		

[Stock-based remuneration]		Purpose/position	Outline	%
60-80%	Stock options	Incentive to contribute to the enhancement of shareholder value and corporate value over the medium- to long-term	<ul style="list-style-type: none"> Granted as stock acquisition rights as stock options that only benefit if the share price rises Exercisable after a certain period of time determined by the Board of Directors (in principle, three years) has elapsed 	80-90%
	RSU Plan (Board Incentive Plan Trust)	Alignment with shareholders and retention of talented management personnel	<ul style="list-style-type: none"> Base points (units) granted each year are transferred to share delivery points in thirds over the eligible period (three years), and the company's shares corresponding to the number of such share delivery points are delivered from the Trust after the end of each fiscal year Shares delivered to directors from the Plan will be subject to a three-year holding period after delivery From the viewpoint of fulfilling the accountability of directors for their shareholding status, base points (units) that are reasonably expected to be delivered in the future as potential shares will be included in the number of shares held by each director in the reference materials for the General Meeting of the Shareholders, etc. 	10-20%

* The remuneration structure will be reviewed annually by the Nominating and Remuneration Committee in accordance with the external environment and medium- to long-term strategies.

* Notwithstanding the above, in cases where locally hired directors outside of Japan are invited, etc., the remuneration level and structure may be set on an individual basis, taking into consideration the nature of their duties and the market level in the country where they are hired.

* A special bonus may be determined by the Nominating and Remuneration Committee and paid at a certain time after

the end of the fiscal year based on a comprehensive evaluation of the Company's performance and the degree of achievement of performance targets during the fiscal year, as well as contributions to improving corporate value for the future, etc.

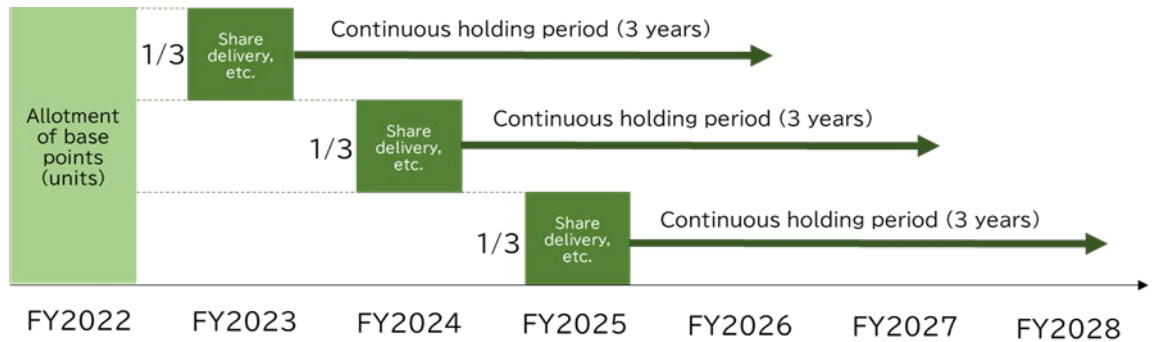
* As a provisional transitional measure, restricted stock remuneration may be paid in accordance with the policy for determining remuneration until the fiscal year ended March 31, 2022. Please note that as of fiscal year ending March 2023, remuneration related to restricted stock remuneration will be abolished and no new allotments of restricted stocks will be made from the fiscal year beginning on April 1, 2023 (fiscal year ending March 31, 2024).

[Remuneration structure for directors serving on the Audit and Supervisory Committee]

[Monetary remuneration]		Purpose/position	Criteria	Payment amount	Timing
75-90%	Base remuneration	Monthly remuneration	Amount decided based on roles and responsibilities of each director	Fixed	Every month

[Stock-based remuneration]		Purpose/position	Outline
10-25%	RSU Plan (Board Incentive Plan Trust)	Ensuring a supervisory function to determine the appropriateness of business execution from an objective standpoint and fostering a sense of shared interest (Same Boat) with shareholders	<ul style="list-style-type: none"> Base points (units) granted each year are transferred to share delivery points in thirds over the eligible period (three years), and the company's shares corresponding to the number of such share delivery points are delivered from the Trust after the end of each fiscal year Shares delivered to directors from the Plan will be subject to a three-year holding period after delivery From the viewpoint of fulfilling the accountability of directors for their shareholding status, base points (units) that are reasonably expected to be delivered in the future as potential shares will be included in the number of shares held by each director in the reference materials for the General Meeting of the Shareholders, etc.

(Company's shares to be delivered, etc., to directors under the RSU plan and continuous holding period)



*Base points (units) will be allotted every fiscal year in a similar manner from fiscal 2023 onwards.

(iii) Share ownership guidelines	[Share ownership guidelines]		Purpose: To promote directors' ownership of Company's shares	
	Type of executive		No. of shares held	Deadline
	Co-CEO		At least two times the base remuneration (annual amount)	Within 5 years after assuming office as director
Other directors (excluding those serving on the Audit and Supervisory Committee)		At least one time the base remuneration (annual amount)		

(4) [Nominating and Remuneration Committee]

<p>Remuneration governance</p>	<ul style="list-style-type: none"> • Established as an advisory body to the Board of Directors to enhance the independency, transparency and objectivity of the process for determining Executive Remuneration. • The committee is chaired by an independent outside director who is a full-time Audit and Supervisory Committee member and consists of all independent outside directors and the Co-CEOs. <p>[Decision-making process]</p> <ul style="list-style-type: none"> • The Nominating and Remuneration Committee determines the directors' remuneration level, remuneration structure, evaluation indicators, calculation methods and payment amount of base remuneration and cash bonuses, and the payment amount of special bonuses. • The details of grants for stock-based remuneration are determined by resolution of the Board of Directors based on the details set by the Nominating and Remuneration Committee. • The Nominating and Remuneration Committee will make the final evaluation of certain matters necessary for the calculation of the amount of remuneration paid to each individual director (such as the determination of the sustainability evaluation and qualitative evaluation for cash bonuses) based on the draft evaluation by the Co-CEOs, who are most familiar with the Company's management situation and the execution of duties by the directors. <p>[Supplementary items]</p> <ul style="list-style-type: none"> • Executive Remuneration will be paid within the maximum amount of remuneration resolved at the General Meeting of the Shareholders. • In the event of significant changes in the roles and responsibilities of directors due to changes in the external environment surrounding the Company or changes in medium- to long-term strategies, the Nominating and Remuneration Committee may review the incentive design regarding the target values and calculation methods of cash bonuses and stock-based remuneration after careful deliberation. • In cases where the roles and responsibilities of directors are temporarily reviewed due to the Company's implementation of improvements or reforms in terms of corporate governance or sustainability, the Nominating and Remuneration Committee may, after careful deliberation, determine the payment of temporary remuneration and various allowances within an appropriate range. • To strengthen the effectiveness of the Nominating and Remuneration Committee, the Company has appointed an outside consultant to provide objective perspectives from outside the Company and expertise in Executive Remuneration, and the Company has established a system to consider the details of the remuneration system, taking into account external data, the economic environment, industry trends, business conditions, and other factors with the support of the consultant.
<p>(5) Forfeiture/return of remunerations</p>	<ul style="list-style-type: none"> • If the Board of Directors resolves to make subsequent revisions to the financial statements due to a material accounting error or fraud, or if the Board of Directors, etc. determines that there has been a serious breach of the duty of care, duty of loyalty, or other obligations contrary to laws, regulations, or contracts during the term of office of the directors (including directors serving as members of the Audit and Supervisory Committee), the Nominating and Remuneration Committee, upon a request from the Board of Directors, will deliberate on whether to require the forfeiture of all or part of the rights to receive cash bonuses and stock-based remuneration or the return of all or part of the cash bonuses and stock-based remuneration already paid, and will advise and recommend the results of such deliberations to the Board of Directors.

	<ul style="list-style-type: none"> The Board of Directors will, with the utmost respect for such advice and recommendations, resolve whether or not to require such directors to forfeit all or part of their rights to receive cash bonuses and stock-based remuneration (malus) or to return all or part of the cash bonuses and stock-based remuneration already paid (clawback).
(vi) Engagement with shareholders and investors	<ul style="list-style-type: none"> The Company will promptly and proactively disclose the details of Executive Remuneration through the Annual Securities Report, reference materials for the General Meeting of Shareholders, Business Report, Corporate Governance Report, Integrated Report, and website, etc., which are to be prepared and disclosed in accordance with various laws and regulations. For directors (including those serving on the Audit and Supervisory Committee), the total amount of consolidated remuneration, etc. will be disclosed separately in the Annual Securities Report, without limiting to those whose total amount of consolidated remuneration, etc. is JPY100 million or more. The Co-CEOs and directors (including independent outside directors) will be actively involved in shareholder and investor engagement. The opinions of shareholders and investors received through the engagement will be shared with the Nominating and Remuneration Committee and the Board of Directors, etc., and used to enhance corporate value.

(Details of revisions to the executive remuneration plan)

(i) Upper limit of remunerations, etc.

[Directors (excluding those serving on the Audit and Supervisory Committee)]

[Current remuneration]		Maximum amount	Maximum no. of shares
Monetary	Base remuneration and cash bonuses	JPY1 B/year (includes outside directors JPY200 mil)	-
Stock-based	Restricted stocks	JPY400 mil/year	800,000 shares/year

[Revised remuneration]		Maximum amount	Maximum no. of shares	% to issued shares*
Monetary	Base remuneration and cash bonuses	JPY2.5 B/year (includes outside directors JPY300 mil)	-	-
Stock-based	Stock option	JPY2.4 B/year	130,000 units/year (equivalent to 13 million shares)	0.173%
	RSU Plan (Board Incentive BIP Trust)	Contribute up to JPY500 million in trust funds in the first fiscal year of each of the fiscal years covered	1.1 million shares per eligible period	0.015%

*Percentage to the total number of Company's Shares issued and outstanding (as of March 31, 2022, after deduction of treasury stock)

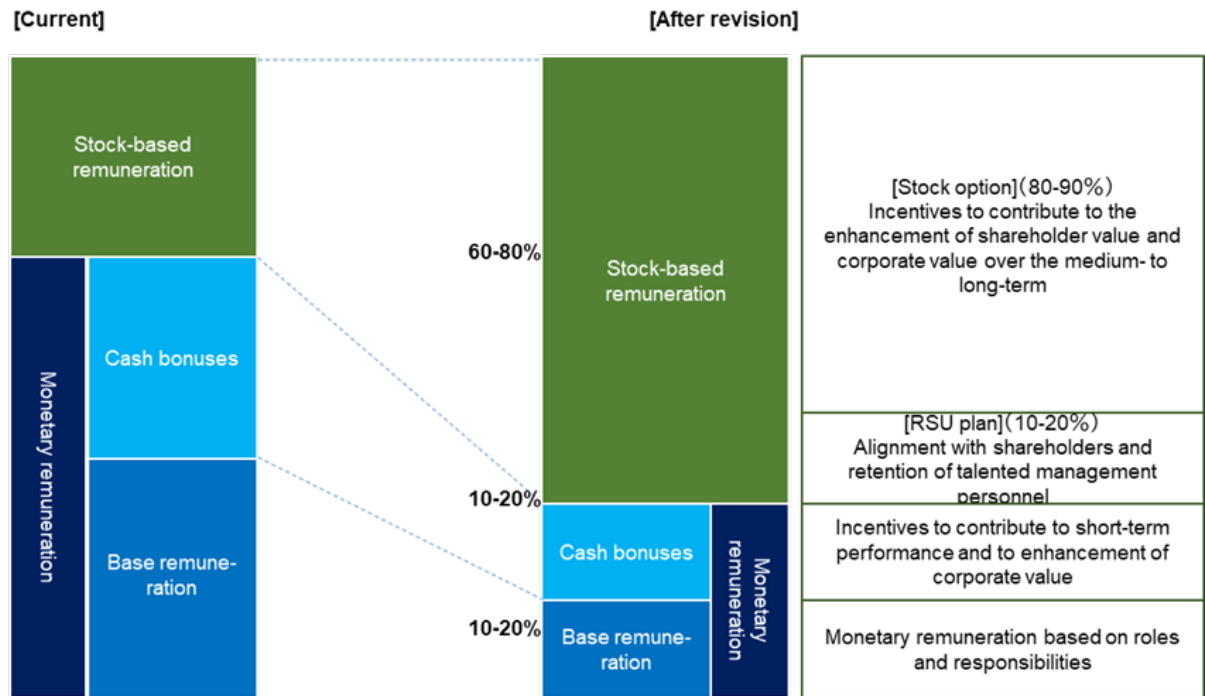
[Directors serving on the Audit and Supervisory Committee]

[Current remuneration]		Maximum amount	Maximum no. of shares
Monetary	Base remuneration	JPY200 mil/year	-

[Revised remuneration]		Maximum amount	Maximum no. of shares	% to issued shares*
Monetary	Base remuneration	JPY200 mil/year	-	-
Stock-based	RSU Plan (Board Incentive BIP Trust)	Contribute up to JPY50 million in trust funds in the first fiscal year of each of the fiscal years covered	120,000 shares per eligible period	0.002%

* Percentage to the total number of Company's Shares issued and outstanding (as of March 31, 2022, after deduction of treasury stock)

- (ii) Details of revisions to the remuneration plan for directors (excluding those serving on the Audit and Supervisory Committee) *When each indicator's target achievement is 100%.



Proposal 4: Revision of the Amount of Remuneration, Etc., for Directors (Excluding Those Serving on the Audit and Supervisory Committee)

In the 20th Ordinary General Meeting of the Shareholders held on June 18, 2015, the Company has received approval that the amount of remuneration to be paid to directors (excluding those serving on the Audit and Supervisory Committee; the same will apply hereinafter in this proposal) will be within JPY1 billion per year (out of which remuneration amount for outside directors will be within JPY200 million per year). Taking into account the personnel structure of the Board of Directors after the business integration with LINE Corporation completed in March 2021 and the importance and difficulty of the mission that the directors assume in executing the Company's medium- to long-term management, the Company proposes to revise the amount of remuneration for directors to be within JPY2.5 billion per year (out of which remuneration for outside directors will be within JPY300 million per year).

In the Board of Directors meeting held on May 17, 2022, the Board of Directors has established a new Policy for Determining the Remuneration, Etc., for Individual Directors subject to approval of Proposals 4 to 7 in this General Meeting of the Shareholders, an outline of which is provided in page 19 -24 of the Reference Materials for the General Meeting of the Shareholders. The Company believes that the content of this proposal is appropriate because the proposal is necessary and reasonable for granting individual remuneration, etc., that is consistent with such policy to the directors.

As before, the amount of employee's salary for directors who concurrently hold an employee post is not included in the amount of remuneration, etc., of directors.

In addition, in Proposals 5 and 6, the Company proposes to introduce a stock-based remuneration for directors apart from the remuneration mentioned above.

If Proposal 2, "Election of Six (6) Directors (Excluding Those Serving on the Audit and Supervisory Committee)," is approved as proposed, the number of directors will be six (6) (including zero (0) outside directors).

Proposal 5: Determination of the Amount and Details of Remuneration, Etc., for Stock Acquisition Rights to Be Paid as Stock Options to Directors (Excluding Those Serving on the Audit and Supervisory Committee)

1. Reason for proposal and reason the said remuneration, etc., is appropriate

This proposal requests the introduction of stock acquisition rights to be paid as stock options to the Company's directors (excluding the directors serving on the Audit and Supervisory Committee and outside directors, hereinafter in this proposal the "Executive Directors"), which is separate from the remunerations for Executive Directors proposed in Proposal 4 "Revision of the Amount of Remuneration, Etc., for Directors (Excluding Those Serving on the Audit and Supervisory Committee)" and Proposal 6 "Determination of the Amount and Details of Stock-Based Remuneration, Etc., for Directors (Excluding Those Serving on the Audit and Supervisory Committee)" (hereinafter the "Plan").

The Company proposes that stock acquisition rights be allotted to the Executive Directors, with the amount of remuneration, etc. as stock options not exceeding JPY2.4 billion per year, separate from the amount of existing remuneration, etc. for the Executive Directors.

The introduction of this Plan is intended to share the benefits and risks of stock price fluctuations with shareholders and to motivate the Executive Directors more than ever to contribute to raising the stock price and increasing corporate value. The Board of Directors, at its meeting held on May 17, 2022, established a new Policy for Determining the Remuneration, Etc., for Individual Directors, subject to the approval of Proposals 4 through 7 in this General Meeting of the Shareholders, a summary of which is set forth on pages 19 to 24 of the Reference Materials for the General Meeting of the Shareholders. This proposal is appropriate because it is in line with such policy as described in 2. below and the content of the proposal is necessary and reasonable to grant individual remuneration, etc., to each Executive Director.

The stock acquisition rights under this Plan are scheduled to be paid for by offsetting the compensation claims of the Executive Directors based on the remuneration, etc. related to the stock acquisition rights as stock options under this proposal, as an alternative to the payment of the amount determined based on the fair value at the time of the allotment.

If Proposal 2, "Election of Six (6) Directors (Excluding Those Serving on the Audit and Supervisory Committee)," is approved as proposed, there will be six (6) Executive Directors eligible for the allotment.

Subject to the approval of this proposal, the Company will abolish the remuneration framework related to the current restricted stock remuneration plan as of the fiscal year ending March 31, 2023, and from the fiscal year beginning on April 1, 2023 (fiscal year ending March 31, 2024), no new restricted stock remuneration will be allocated to the Executive Directors.

2. Specific details and maximum number of stock acquisition rights as stock options for Executive Directors

(1) Type and number of shares to be issued upon exercise of stock acquisition rights

The type of shares to be issued upon exercise of stock acquisition rights will be the common stock of the Company, and the number of shares to be issued upon exercise of stock acquisition rights (hereinafter the "Number of Shares to be Allotted") will be 100 shares per stock acquisition right. In the event that the Company conducts a stock split, a reverse stock split or a gratis allotment of shares of common stock of the Company (collectively, the "Stock Split, Etc.") after the date of the resolution of this proposal (the "Resolution Date"), the Number of Shares to be Allotted will be adjusted in accordance with the following formula and any fraction less than one share resulting from the adjustment will be rounded down.

Number of Shares to be Allotted after adjustment = Number of Shares to be Allotted before adjustment
× ratio of Stock Split, Etc.

In addition to the above, the Company may adjust the Number of Shares to be Allotted to a reasonable extent in the event of a merger or corporate split of the Company after the Resolution Date or in other cases where adjustment of the Number of Shares to be Allotted is required in accordance with such cases. In the event that the Company changes the number of shares constituting one unit of shares of common stock (excluding cases involving a Stock Split, Etc.; hereinafter the same will apply with respect to changes in the number of shares constituting one unit of shares) after the Resolution Date, the Company may reasonably adjust the Number of Shares to be Allotted in accordance with the ratio of such change in the number of shares constituting one unit with respect to stock acquisition rights whose issuance is resolved by the Board of Directors of the Company on or after the effective date of such change in the number of shares constituting one unit.

(2) Total number of stock acquisition rights

The total number of stock acquisition rights to be allotted to Executive Directors within one year from the date of the Company's ordinary general meeting of the shareholders for each fiscal year will be limited to 130,000. However, if the Number of Shares to be Allotted is adjusted in accordance with a change in the number of shares constituting one unit of the Company's common stock, the Company may reasonably adjust the total number of stock acquisition rights in accordance with the ratio of such adjustment.

*Ratio to the Company's total number of outstanding shares (as of March 31, 2022, after deduction of treasury stock) is approximately 0.173%.

(3) Amount to be paid in for stock acquisition rights

The amount to be paid in per stock acquisition right will be the amount determined by the Board of Directors of the Company based on the fair value of the stock acquisition right calculated by a fair

calculation method such as the binomial model at the time of allotment of stock acquisition rights. In lieu of payment of such payment amount, the person receiving the allotment shall offset the payment with compensation claims held against the Company and shall not be required to make any cash payments.

(4) Amount of assets to be contributed upon exercise of stock acquisition rights

The amount of assets to be contributed upon exercise of the stock acquisition rights will be the amount to be paid in per share to be delivered upon exercise of such stock acquisition rights (hereinafter referred to as the "Exercise Price") multiplied by the Number of Shares to be Allotted.

The Exercise Price will be the average closing price of the common stock of the Company in regular trading on the Tokyo Stock Exchange on each day of the month preceding the month in which the allotment date of stock acquisition rights (the "Closing Price" and the "Allotment Date") falls (excluding days on which no trading takes place) multiplied by 1.05 (any fraction less than one yen shall be rounded up), or the Closing Price of the Allotment Date (if there is no Closing Price on that day, the Closing Price on the preceding trading day), whichever is higher.

In the event that, after the Allotment Date, the Company conducts a Stock Split, Etc., issues new shares or disposes of treasury stock at a price below market value (excluding cases such as a sale of treasury stock pursuant to Article 194 of the Companies Act (request for sale of shares less than one unit by shareholders holding shares less than one unit), conversion of securities that are convertible into shares of common stock of the Company or convertible securities, or the exercise of stock acquisition rights (including those attached to bonds with stock acquisition rights) that allow a claim for delivery of shares of the Company's common stocks), or conducts gratis allotment of other classes of shares to common shareholders or pays dividends to the common shareholders of shares of other companies, i.e., in cases where it is appropriate to adjust the Exercise Price, the Company may adjust the Exercise Price to a reasonable extent, taking into account the conditions, etc. thereof.

(5) Period in which the stock acquisition rights can be exercised

The Board of Directors of the Company will determine the period within a period of ten (10) years from the date on which three (3) years have elapsed from the Allotment Date.

(6) Restriction on acquisition of stock acquisition rights by transfer

Acquisition of stock acquisition rights by transfer will require approval by a resolution of the Board of Directors of the Company.

(7) Acquisition clause of stock acquisition rights

If the following proposals (i), (ii), (iii), (iv), (v) or (vi) is approved by the general meeting of the shareholders of the Company (or by a resolution of the Board of Directors of the Company if a resolution of the general meeting of the shareholders is not required), the Company may acquire the stock acquisition rights without consideration on a date separately determined by the Board of

Directors of the Company.

- (i) A proposal for approval of the merger agreement under which the Company will become the dissolving company
- (ii) A proposal for approval of a company split agreement or a company split plan in which the Company will become a splitting company
- (iii) A proposal for approval of a share exchange agreement or a share transfer plan under which the Company will become a wholly owned subsidiary
- (iv) A proposal for approval of a share issuance plan under which the Company will become a wholly owned subsidiary
- (v) A proposal for approval of an amendment to the Articles of Incorporation to provide that the acquisition of all shares issued by the Company by way of transfer will require the approval of the Company
- (vi) A proposal for approval of an amendment to the Articles of Incorporation to provide that the Company's approval will be required for the acquisition of the relevant class of shares by transfer as the subject of the stock acquisition rights or that the Company may acquire all the shares of the said class by a resolution of the general meeting of the shareholders

In addition to the above, the Company may acquire stock acquisition rights without consideration in the event that the stock acquisition rights are no longer exercisable pursuant to the provisions of (8) below.

(8) Conditions for exercise of stock acquisition rights

Holders of stock acquisition rights must hold the position of director, auditor, executive officer, corporate officer or employee of the Company or its affiliates at the time of exercising the stock acquisition rights. However, this will not apply in cases where the Board of Directors of the Company deems that there is a justifiable reason, such as retirement due to expiration of the term of office. Other conditions for the exercise of stock acquisition rights will be determined by the Board of Directors of the Company, which will determine the subscription terms and conditions of the stock acquisition rights.

Proposal 6: Determination of the Amount and Details of Stock-Based Remuneration, Etc., for Directors (Excluding Those Serving on the Audit and Supervisory Committee)

1. Reason for proposal and reason the said remuneration, etc., is appropriate

This proposal requests the introduction of a new stock-based remuneration plan, a trust-based restricted stock units (RSU) plan to the Company's directors (excluding the directors serving on the Audit and Supervisory Committee and outside directors, hereinafter in this proposal the "Executive Directors"), which is separate from the remunerations for Executive Directors proposed in Proposal 4 "Revision of the Amount of Remuneration, Etc., for Directors (Excluding Those Serving on the Audit and Supervisory Committee)" and Proposal 5 "Determination of the Amount and Details of Remuneration, Etc., for Stock Acquisition Rights to Be Paid as Stock Options to Directors (Excluding Those Serving on the Audit and Supervisory Committee)" (hereinafter the "Plan").

The introduction of this Plan is intended to motivate the Executive Directors to contribute to the enhancement of the Company's shareholder value and corporate value over the medium- to long-term, to retain talented management personnel, and to further increase the sense of shared interest with the shareholders by encouraging Executive Directors to own the Company's shares. The Board of Directors, at its meeting held on May 17, 2022, established a new Policy for Determining the Remuneration, Etc., for Individual Directors, subject to the approval of Proposals 4 through 7 in this General Meeting of the Shareholders, a summary of which is set forth on pages 19 to 24 of the Reference Materials for the General Meeting of the Shareholders. This proposal is appropriate because it is in line with such policy as described in 2. below and the content of the proposal is necessary and reasonable to grant individual remuneration, etc., to each Executive Director.

If Proposal 2, "Election of Six (6) Directors (Excluding Those Serving on the Audit and Supervisory Committee)," is approved as proposed, there will be six (6) Executive Directors of the Company eligible for the Plan.

Subject to the approval of this proposal, the Company will abolish the remuneration framework related to the current restricted stock remuneration plan as of the fiscal year ending March 31, 2023, and from the fiscal year beginning on April 1, 2023 (fiscal year ending March 31, 2024), no new restricted stock remuneration will be allocated to the Executive Directors.

2. Amount and details, etc., of remuneration under the Plan

This Plan is a stock-based remuneration system under which the common stock of the Company (the "Company's Shares") is acquired through a trust funded by the amount of remuneration paid by the Company to the Executive Directors, and the Company's Shares and an amount of money equivalent to the cash proceeds from the conversion of the Company's Shares (the "Company's Shares, Etc.") are delivered and/or provided ("Delivery, Etc.") to the Executive Directors through the said trust.

The detail of this Plan is as follows:

Eligibility	Directors of the Company (excluding directors serving on the Audit and Supervisory Committee and outside directors)
Eligible period	<ul style="list-style-type: none"> • Three consecutive fiscal years • The initial eligible period will be the three fiscal years beginning with the fiscal year ending on March 31, 2023 to the fiscal year ending on March 31, 2025.
Maximum amount of money to be contributed by the Company to the trust	<ul style="list-style-type: none"> • Contributions of up to JPY500 million will be made in the first fiscal year of each eligible period • The maximum amount of money that the Company will contribute to the trust is calculated by adding trust remuneration and trust expenses to the funds for the acquisition of shares, taking into consideration the possibility of an increase in the number of Executive Directors in the future, the economic situation and other various factors. • A trust with a trust period of approximately three years is established each fiscal year. • In principle, the number of trusts to be established for the Company's Executive Directors per fiscal year will be one, and if a trust is established in each fiscal year, three trusts will coexist during the eligible period. • The Company may provide stock-based remuneration to the Executive Directors as an incentive plan under this Plan by establishing a new trust with a trust period of approximately three years every fiscal year after the fiscal year ending on March 31, 2023. • During the three fiscal years following the establishment of each new trust, the Company will contribute up to JPY500 million to the trust in the first fiscal year of the eligible period, and during the trust period, the Company will grant points to Executive Directors and Deliver, Etc., the Company's Shares, Etc.
Calculation method and maximum amount, etc., of the number and amount of Company's Shares, Etc., to be Delivered, Etc., to Executive Directors	<ul style="list-style-type: none"> • 1.1 million shares per eligible period • Ratio to the Company's total number of outstanding shares (as of March 31, 2022, after deduction of treasury stock) is approximately 0.015% • In the first fiscal year of the eligible period, the Company grants base points calculated by dividing the base stock-based remuneration pre-determined in accordance with roles, responsibilities, etc., by the Company's stock price. • The base points granted will be transferred to the share delivery points by one-third each year over the eligible period, and the number of Company's Shares, Etc., to be Delivered, Etc., and the amount in each fiscal year shall be determined according to the number of such share delivery points. *One share of Company's Shares per point (fractions of less than one point are rounded down) *In the event of a stock split, reverse stock split, etc. of Company's Shares during the

	<p>trust period, the number of Company's Shares per point will be adjusted in accordance with the split ratio, reverse stock split ratio, etc. of Company's Shares</p> <ul style="list-style-type: none"> • In the event that an Executive Director retires or dies during the trust period, the number of Company's Shares, Etc. to be Delivered, Etc. shall be determined in accordance with the number of share delivery points calculated up to that point in time. • At the expiration of the trust period, the trust may be continued by amending the trust agreement or by making additions instead of establishing a new trust. • If the trust is continued, the trust period will be extended for another three years, and the Company plans to make additional contributions within the range of JPY500 million in the first fiscal year of the eligible period for each of the three fiscal years following the extension of the trust period. • In the event that additional contributions are made, and if any Company's Shares (excluding Company's Shares equivalent to the points granted to Executive Directors that have not yet been Delivered, Etc.), and money are remaining in the trust on the last day of the trust period (“Remaining Shares, Etc.”), the total amount of the Remaining Shares, Etc. and the additional trust money to be contributed will be within the amount of JPY500 million (the trust period may be extended more than once and be re-extended thereafter in the same manner). • In the event that the trust is terminated, and if at the end of the trust period (or the extended trust period if the trust is continued as described above), there are Executive Directors in office who may satisfy the beneficiary requirements, the trust period will be extended for a certain period of time without immediately terminating the trust. (However, in such cases, no new share delivery points will be granted to the Executive Directors.) 	
Method of acquisition of Company's Shares	Scheduled to be acquired from the Company (through disposal of treasury stock or issuance of new shares) or from the stock market	
Performance achievement conditions	Not linked to performance (constant)	
Time and method of Delivery, Etc. of Company's Shares, Etc. to Executive Directors	Time	<ul style="list-style-type: none"> • Delivery, Etc. after the end of each fiscal year during the eligible period to Executive Directors who have fulfilled the requirements for beneficiaries (delivered annually) • Company's Shares issued to the Executive Director under this Plan must be held for a period of three years from the date of delivery of such shares.
	Method	<ul style="list-style-type: none"> • Around July immediately following the end of each fiscal year during the eligible period, the Company's Shares equivalent to 50% of the share delivery points (rounded up to the nearest unit) will be delivered from the trust, and the Company's Shares equivalent to the remaining share delivery points will be converted into cash in the trust and the amount equivalent to the amount of conversion will be paid out.

		<ul style="list-style-type: none"> • In the event of the death of an Executive Director who satisfies the beneficiary requirements during the trust period, the Company's Shares corresponding to the number of share delivery points calculated up to that point shall be converted into cash within the trust, and cash equivalent to the amount of such conversion shall be paid from the trust to the heirs of such Executive Director.
Clawback system, etc.		In the event of serious misconduct or violation by an Executive Director, the Company may demand that the Executive Director forfeit the beneficial interest in the Company's Shares to be delivered (malus) or demand the return of money equivalent to the Company's Shares, Etc., that have been delivered (clawback).
Voting rights related to Company's Shares in the trust		To ensure neutrality in management, voting rights are not exercised during the trust period.
Handling of dividends related to Company's Shares in the trust		<ul style="list-style-type: none"> • Dividends on Company's Shares in the trust are received by the trust and used for trust remuneration and trust expenses. • In the event that, after appropriation for trust remuneration and trust expenses, there is a residual dividend at the stage of final termination of the trust, it will belong to the Company to the extent of the trust expense reserve after deduction of funds for stock acquisition from the trust fund, and the portion exceeding the trust expense reserve is scheduled to be donated to an organization that has no interest in the Company or its directors.
Other details on the Plan		Other details relating to the Plan shall be determined by the Nominating and Remuneration Committee or the Board of Directors each time the trust is established, the trust agreement is amended, or additional contributions are made to the trust.

Proposal 7: Determination of the Amount and Details of Stock-Based Remuneration, Etc., for Directors Serving on the Audit and Supervisory Committee

1. Reason for proposal and reason the said remuneration, etc., is appropriate

This proposal requests the introduction of a new stock-based remuneration plan, a trust-based restricted stock units (RSU) plan to the Company's directors serving on the Audit and Supervisory Committee, which is separate from the maximum amount of remunerations for directors serving on the Audit and Supervisory Committee (within JPY200 million per year) approved in the 20th Ordinary General Meeting of the Shareholders held on June 18, 2015 (hereinafter the "Plan"). In light of the role that directors serving on the Audit and Supervisory Committee are expected to fulfill, this Plan is designed to provide a fixed number of shares to be delivered, not linked to performance.

The introduction of this Plan is intended to ensure that directors serving on the Audit and Supervisory Committee have a supervisory function to judge the appropriateness of business execution from an objective standpoint, as well as to further increase the sense of shared interest with the shareholders by encouraging directors serving on the Audit and Supervisory Committee to own the Company's shares. The Board of Directors, at its meeting held on May 17, 2022, established a new Policy for Determining the Remuneration, Etc., for Individual Directors, subject to the approval of Proposals 4 through 7 in this General Meeting of the Shareholders, a summary of which is set forth on pages 19 to 24 of the Reference Materials for the General Meeting of the Shareholders. This proposal is appropriate because it is in line with such policy as described in 2. below and the content of the proposal is necessary and reasonable to grant individual remuneration, etc., to each director serving on the Audit and Supervisory Committee.

If Proposal 3, "Election of Three (3) Directors Serving on the Audit and Supervisory Committee," is approved as proposed, there will be four (4) directors serving on the Audit and Supervisory Committee of the Company eligible for the Plan.

Please note that all directors serving on the Audit and Supervisory Committee of the Company have expressed their opinion that there are no matters to be pointed out.

2. Amount and details, etc., of remuneration under the Plan

This Plan is a stock-based remuneration system under which the common stock of the Company (the "Company's Shares") is acquired through a trust funded by the amount of remuneration paid by the Company to the directors serving on the Audit and Supervisory Committee, and the Company's Shares and an amount of money equivalent to the cash proceeds from the conversion of the Company's Shares (the "Company's Shares, Etc.") are delivered and/or paid ("Delivery, Etc.") to the directors serving on the Audit and Supervisory Committee through the said trust.

The detail of this Plan is as follows:

Eligibility	The Company's directors serving on the Audit and Supervisory Committee
Eligible period	• Three consecutive fiscal years

	<ul style="list-style-type: none"> • The initial eligible period will be the three fiscal years beginning with the fiscal year ending on March 31, 2023 to the fiscal year ending on March 31, 2025.
<p>Maximum amount of money to be contributed by the Company to the trust</p>	<ul style="list-style-type: none"> • Contributions of up to JPY50 million will be made in the first fiscal year of each eligible period • The maximum amount of money that the Company will contribute to the trust is calculated by adding trust remuneration and trust expenses to the funds for the acquisition of shares, taking into consideration the possibility of an increase in the number of directors serving on the Audit and Supervisory Committee in the future, the economic situation and other various factors. • A trust with a trust period of approximately three years is established each fiscal year. • In principle, the number of trusts to be established for the Company's directors serving on the Audit and Supervisory Committee per fiscal year will be one, and if a trust is established in each fiscal year, three trusts will coexist during the eligible period. • The Company may provide stock-based remuneration to the directors serving on the Audit and Supervisory Committee under this Plan by establishing a new trust with a trust period of approximately three years every fiscal year after the fiscal year ending on March 31, 2023. • During the three fiscal years following the establishment of each new trust, the Company will contribute up to JPY50 million to the trust in the first fiscal year of the eligible period, and during the trust period, the Company will grant points to directors serving on the Audit and Supervisory Committee and Deliver, Etc., the Company's Shares, Etc.
<p>Calculation method and maximum amount, etc., of the number and amount of Company's Shares, Etc., to be Delivered, Etc., to directors serving on the Audit and Supervisory Committee</p>	<ul style="list-style-type: none"> • 120,000 shares per eligible period • Ratio to the Company's total number of outstanding shares (as of March 31, 2022, after deduction of treasury stock) is approximately 0.002% • In the first fiscal year of the eligible period, the Company grants base points calculated by dividing the base stock-based remuneration pre-determined in accordance with roles, responsibilities, etc., by the Company's stock price. • The base points granted will be transferred to the share delivery points by one-third each year over the eligible period, and the number of Company's Shares, Etc., to be Delivered, Etc., and the amount in each fiscal year shall be determined according to the number of such share delivery points. *One share of Company's Shares per point (fractions of less than one point are rounded down) *In the event of a stock split, reverse stock split, etc. of Company's Shares during the trust period, the number of Company's Shares per point will be adjusted in accordance with the split ratio, reverse stock split ratio, etc. of Company's Shares • In the event that a director serving on the Audit and Supervisory Committee retires

	<p>or dies during the trust period, the number of Company's Shares, Etc. to be Delivered, Etc. shall be determined in accordance with the number of share delivery points calculated up to that point in time.</p> <ul style="list-style-type: none"> • At the expiration of the trust period, the trust may be continued by amending the trust agreement or by making additions instead of establishing a new trust. • If the trust is continued, the trust period will be extended for another three years, and the Company plans to make additional contributions within the range of JPY50 million in the first fiscal year of the eligible period for each of the three fiscal years following the extension of the trust period. • In the event that additional contributions are made, and if any Company's Shares (excluding Company's Shares equivalent to the points granted to directors serving on the Audit and Supervisory Committee that have not yet been Delivered, Etc.), and money are remaining in the trust on the last day of the trust period ("Remaining Shares, Etc."), the total amount of the Remaining Shares, Etc. and the additional trust money to be contributed will be within the amount of JPY50 million (the trust period may be extended more than once and be re-extended thereafter in the same manner). • In the event that the trust is terminated, and if at the end of the trust period (or the extended trust period if the trust is continued as described above), there are directors serving on the Audit and Supervisory Committee in office who may satisfy the beneficiary requirements, the trust period will be extended for a certain period of time without immediately terminating the trust. (However, in such cases, no new share delivery points will be granted to the directors serving on the Audit and Supervisory Committee.) 	
Method of acquisition of Company's Shares	Scheduled to be acquired from the Company (through disposal of treasury stock or issuance of new shares) or from the stock market	
Performance achievement conditions	Not linked to performance (constant)	
Time and method of Delivery, Etc. of Company's Shares, Etc. to directors serving on the Audit and Supervisory Committee	Time	<ul style="list-style-type: none"> • Delivery, Etc. after the end of each fiscal year during the eligible period to directors serving on the Audit and Supervisory Committee who have fulfilled the requirements for beneficiaries (delivered annually) • Company's Shares issued to the directors serving on the Audit and Supervisory Committee under this Plan must be held for a period of three years from the date of delivery of such shares.
	Method	<ul style="list-style-type: none"> • Around July immediately following the end of each fiscal year during the eligible period, the Company's Shares equivalent to 50% of the share delivery points (rounded up to the nearest unit) will be delivered from the trust, and the Company's Shares equivalent to the remaining share delivery points will be converted into cash in the trust and the amount equivalent to the amount of conversion will be paid out.

	<ul style="list-style-type: none"> • In the event of the death of a director serving on the Audit and Supervisory Committee who satisfies the beneficiary requirements during the trust period, the Company's Shares corresponding to the number of share delivery points calculated up to that point shall be converted into cash within the trust, and cash equivalent to the amount of such conversion shall be paid from the trust to the heirs of such director serving on the Audit and Supervisory Committee.
Clawback system, etc.	In the event of serious misconduct or violation by a director serving on the Audit and Supervisory Committee, the Company may demand that the director serving on the Audit and Supervisory Committee forfeit the beneficial interest in the Company's Shares to be delivered (malus) or demand the return of money equivalent to the Company's Shares, Etc., that have been delivered (clawback).
Voting rights related to Company's Shares in the trust	To ensure neutrality in management, voting rights are not exercised during the trust period.
Handling of dividends related to Company's Shares in the trust	<ul style="list-style-type: none"> • Dividends on Company's Shares in the trust are received by the trust and used for trust remuneration and trust expenses. • In the event that, after appropriation for trust remuneration and trust expenses, there is a residual dividend at the stage of final termination of the trust, it will belong to the Company to the extent of the trust expense reserve after deduction of funds for stock acquisition from the trust fund, and the portion exceeding the trust expense reserve is scheduled to be donated to an organization that has no interest in the Company or its directors.
Other details on the Plan	Other details relating to the Plan shall be determined by the Nominating and Remuneration Committee or the Board of Directors each time the trust is established, the trust agreement is amended, or additional contributions are made to the trust.