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Securities code: 6183
(Mailing date) May 9, 2023
(Start date for electronic provision measures) April 26, 2023

To Shareholders with Voting Rights:

Shunsuke Noda
Representative Director
BELLSYSTEM24 Holdings, Inc.
4-1-1, Toranomon, Minato-ku,
Tokyo, Japan

**NOTICE OF
THE 9TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

The 9th Ordinary General Meeting of Shareholders of BELLSYSTEM24 Holdings, Inc. (the “Company”) will be held as follows.

Regarding the convocation of this General Meeting of Shareholders, measures for electronic provision have been taken for the information included in the Reference Documents for the General Meeting of Shareholders, etc. (matters subject to electronic provision measures), and the information has been posted on the Company’s website as “Notice of the 9th Ordinary General Meeting of Shareholders and Materials for the General Meeting of Shareholders.” Please access the Company’s website below and select “Investors,” “Stock Information,” and “General Meeting of Shareholders (Japanese only)” from the menu.

The Company’s website: <https://www.bell24.co.jp/en/>

In addition to the Company’s website, matters subject to electronic provision measures will also be posted on the Tokyo Stock Exchange (TSE) website. Please access the following TSE website (Listed Company Search), search for “BELLSYSTEM24 Holdings, Inc.” in the issue name (company name) search box or “6183” in the code search box, then select “Basic information,” and “Documents for public inspection/PR information” in order, and confirm by checking “Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting” located under “Filed information available for public inspection.”

Tokyo Stock Exchange website (Listed Company Search):
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

As an alternate option to attending the event in person, you can exercise your voting rights in writing (with the voting rights exercise form) or electronically (on the Internet, etc.). Accordingly, we ask that you examine the Reference Documents for the General Meeting of Shareholders listed below and exercise your voting rights by 6:00 p.m. on Thursday, May 25, 2023.

Date and Time: Friday, May 26, 2023 at 10:00 a.m. Japan time
(Reception opens at 9:00 a.m.)

Place: **Trust City Conference Kamiyacho**
2F Kamiyacho Trust Tower, 4-1-1, Toranomom, Minato-ku, Tokyo, Japan

Meeting Agenda:

Matters to be reported:

1. Contents of the Business Report and contents of the Consolidated Financial Statements for the Company's 9th Fiscal Year (March 1, 2022–February 28, 2023) and audit results of the Consolidated Financial Statements from the Accounting Auditor and the Board of Corporate Auditors
2. Contents of the Non-consolidated Financial Statements for the Company's 9th Fiscal Year (March 1, 2022–February 28, 2023)

Proposals to be resolved:

Proposal 1: Appropriation of Surplus
Proposal 2: Election of Nine (9) Directors
Proposal 3: Election of Three (3) Corporate Auditors
Proposal 4: Election of One (1) Substitute Corporate Auditor
Proposal 5: Partial Revision of Performance-linked Stock-based Compensation, etc. for Directors, etc.

Matters concerning the Exercise of Voting Rights

1. If voting rights are exercised more than once via the Internet, etc., the last vote shall be deemed to be the valid vote.
2. If voting rights are exercised both by the voting rights exercise form and via the Internet, etc., the vote cast via the Internet, etc. shall be deemed to be the valid vote.
3. If there is no indication of approval or disapproval for each agenda item on the voting rights exercise form sent to us, we will treat it as an indication of approval.

Regarding other matters subject to electronic provision measures (matters omitted from documents to be delivered)

Of the matters subject to electronic provision measures, the following matters will not be included in the documents delivered to shareholders, regardless of whether or not a request for delivery of documents was made, in accordance with the provisions of laws and regulations and the provisions of Article 15, Paragraph 2 of the Company's Articles of Incorporation.

- (1) "Status of Stock Acquisition Rights, etc." in the Business Report
 - (2) "Systems to Ensure the Appropriateness of Business Operations and the Status of Operation of Such Systems" in the Business Report
 - (3) "Basic Policy regarding Control of the Company" in the Business Report
 - (4) "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements
 - (5) "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial Statements
- These matters were included in the scope of audit conducted by Corporate Auditors in preparing their audit reports, as well as in the scope of audit conducted by the Accounting Auditor in preparing their accounting audit reports.

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- Should there be any amendments to the matters subject to electronic provision measures, the matters before and after amendment will be posted on each website.
 - If you plan to attend the meeting in person, please submit the enclosed voting rights exercise form to the reception at the meeting.
 - We would like to ask for your understanding in advance that no souvenirs will be provided for shareholders attending this General Meeting of Shareholders.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

Taking into comprehensive consideration the Company's performance for the current fiscal year, its financial condition, and the future business environment, the Company proposes to pay a year-end dividend for the current fiscal year as follows.

Matters related to year-end dividend

(1) Type of dividend assets

Cash

(2) Matters concerning the allocation of dividend assets and the total amount thereof

Per share of common stock of the Company: ¥30

Total amount of dividends: ¥2,211,464,880

(3) Effective date of distribution of surplus

May 29, 2023

Proposal 2: Election of Nine (9) Directors

The terms of office of all Directors (nine (9) Directors) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of nine (9) Directors (including five (5) Outside Directors).

The candidates for Directors are as follows.

No.	Name	Current positions	Attendance at the Board of Directors meetings
1	Shunsuke Noda [Reappointment]	President, CEO and Representative Director	16/16
2	Noriyuki Hayata [Reappointment]	Director and Executive Vice President	16/16
3	Toyohisa Tsuji [Reappointment]	Director and Corporate Officer SVP	16/16
4	Takehiko Go [Reappointment]	Director and Corporate Officer SVP	13/13
5	Hiroshi Kajiwara [New appointment] [Outside]	—	-/-
6	Ikuo Koshiro [New appointment] [Outside]	—	-/-
7	Nobuya Ishizaka [Reappointment] [Outside] [Independent]	Outside Director	14/16
8	Aki Tsurumaki [Reappointment] [Outside] [Independent]	Outside Director	16/16
9	Makiko Takahashi [Reappointment] [Outside] [Independent]	Outside Director	16/16

(Note) Director Mr. Takehiko Go was newly appointed as Director at the 8th Ordinary General Meeting of Shareholders held on May 27, 2022, therefore his attendance at Board of Directors Meetings held on or after May 27, 2022 is stated.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Shunsuke Noda (May 7, 1962) [Reappointment] [Term of office as Director] 3 years and 0 months [Attendance at the Board of Directors meetings] 16/16 (100%)	<p>April 1987 Joined ITOCHU Corporation</p> <p>November 2000 Director, Internet start-up business development unit, ICT Division</p> <p>April 2006 General Manager, Business Solution Department</p> <p>June 2008 Representative Director and President, Excite Japan Co., Ltd.</p> <p>April 2012 Chief Operating Officer, ICT, Insurance & Logistics Division, ITOCHU Corporation</p> <p>April 2015 Chief Operating Officer, ICT Division</p> <p>September 2015 Director of the Company</p> <p>April 2017 Executive Officer, General Manager, Corporate Planning & Administration Division, ITOCHU Corporation</p> <p>April 2018 Executive Officer, CSO, General Manager, CP & CITIC Business Development Department</p> <p>April 2019 Managing Executive Officer, CDO, CIO</p> <p>May 2020 President, CEO and Representative Director of the Company (current position)</p> <p>May 2020 President and Representative Director, BELLSYSTEM24, Inc. (current position)</p>	7,100
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Noda has a wide range of business experience mainly in the information and communications business field at a trading company. Also, as Managing Executive Officer serving as both CDO (Chief Digital Officer) and CIO (Chief Information Officer) of the trading company, he has accumulated a wealth of experience and knowledge such as by participating in management decision-making, particularly in the formulation of business strategies for next-generation businesses. Furthermore, he served as an Outside Director of the Company until March 2017, and is now in charge of management of the Company as President, CEO and Representative Director. Therefore, we have determined that he can continue to apply the experience and knowledge he has accumulated to management of the Company.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	<p>Noriyuki Hayata (January 27, 1959)</p> <p>[Reappointment]</p> <p>[Term of office as Director] 7 years and 8 months</p> <p>[Attendance at the Board of Directors meetings] 16/16 (100%)</p>	<p>April 1981 Joined ITOCHU Corporation</p> <p>March 2004 Seconded to Yellow Hat (Shanghai) Consulting Ltd., Director and General Manager</p> <p>April 2009 General Manager, Planning and Administration Department, Machinery Company, ITOCHU Corporation</p> <p>April 2013 Executive Officer, General Manager, Secretariat</p> <p>April 2015 Director and Corporate Officer SVP, former BELLSYSTEM24 Holdings, Inc.</p> <p>April 2015 Director, Bell Medical Solutions, Inc. (currently BELLSYSTEM24, Inc.)</p> <p>May 2015 Representative Director and President</p> <p>September 2015 Director and Corporate Officer SVP of the Company</p> <p>March 2017 Director and Corporate Officer EVP</p> <p>May 2017 Corporate Officer EVP, BELLSYSTEM24, Inc.</p> <p>May 2021 Director and Executive Vice President of the Company (current position)</p> <p>May 2021 Executive Vice President, BELLSYSTEM24, Inc. (current position)</p> <p>(In charge)</p> <p>Human resources development and legal affairs and compliance</p>	17,600
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Hayata has global business experience mainly in the machinery field at a trading company. As General Manager of the Planning and Administration Department, Machinery Company, and Executive Officer of the trading company, he has accumulated a wealth of experience and knowledge such as by participating in management decision-making concerning strategy planning and business management. Since joining the Company, he has been in charge of corporate planning, business strategy, public relations and investor relations, and oversight of subsidiaries. Currently, as Director and Executive Vice President, he is in charge of human resources development, as well as legal affairs and compliance, contributing to the Company's execution of its management strategy. Therefore, we have determined that he can continue to apply the experience and knowledge he has accumulated to management of the Company.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	<p>Toyohisa Tsuji (April 11, 1964)</p> <p>[Reappointment]</p> <p>[Term of office as Director] 3 years and 0 months</p> <p>[Attendance at the Board of Directors meetings] 16/16 (100%)</p>	<p>April 1989 Joined ITOCHU Corporation</p> <p>November 2005 Seconded to arukikata.com Co., Ltd. (currently GIO CLUB Co., Ltd.), Representative Director</p> <p>January 2006 Seconded to Chikyuno Arukikata T&E Co., Ltd. (currently GIO CLUB Co., Ltd.), Representative Director and Executive Vice President</p> <p>April 2009 Seconded to ITOCHU Electronics Corporation (currently ITOCHU Interactive Corporation), Representative Director and President</p> <p>October 2014 Corporate Officer, former BELLSYSTEM24 Holdings, Inc.</p> <p>October 2014 Corporate Officer, BELLSYSTEM24, Inc.</p> <p>March 2015 Corporate Officer, former BELLSYSTEM24 Holdings, Inc.</p> <p>September 2015 Corporate Officer of the Company</p> <p>December 2019 Director, True Touch Co., Ltd.</p> <p>May 2020 Director and Corporate Officer of the Company</p> <p>March 2021 Director and Corporate Officer SVP of the Company (current position)</p> <p>March 2021 Corporate Officer EVP, BELLSYSTEM24, Inc. (current position)</p> <p>(In charge) Corporate planning and business strategy, public and investor relations, solution promotion, and oversight of subsidiaries</p>	3,600
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Tsuji has business experience mainly in the information and communications business field at a trading company. Also, as a representative director of other companies in the same field, he has accumulated a wealth of experience and knowledge such as by participating in management decision-making. Since joining the Company, he first earned experience in corporate planning and public and investor relations. Currently, as Director and Corporate Officer SVP, he is in charge of corporate planning and business strategy, public and investor relations, solution promotion, and oversight of subsidiaries, contributing to the Company's execution of its management strategy. Therefore, we have determined that he can continue to apply the experience and knowledge he has accumulated to management of the Company.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	<p>Takehiko Go (April 1, 1971)</p> <p>[Reappointment]</p> <p>[Term of office as Director] 1 year and 0 months</p> <p>[Attendance at the Board of Directors meetings] 13/13 (100%)</p>	<p>April 1994 Joined Osaka Chuo Seika Co., Ltd.</p> <p>April 1997 Joined the former BELLSYSTEM24, Inc.</p> <p>March 2005 Seconded to BB Call, Inc. (currently BELLSYSTEM24, Inc.)</p> <p>March 2008 Corporate Officer</p> <p>March 2009 Director</p> <p>March 2010 Managing Director</p> <p>March 2012 Corporate Officer, former BELLSYSTEM24, Inc.</p> <p>March 2012 Representative Director and President, BB Call, Inc. (currently BELLSYSTEM24, Inc.)</p> <p>March 2014 Corporate Officer SVP, COO, BELLSYSTEM24, Inc.</p> <p>May 2016 Corporate Officer EVP (current position)</p> <p>July 2017 Director, CTC First Contact Corporation</p> <p>May 2020 Director, TB Next Communications Co., Ltd.</p> <p>March 2022 Director, Horizon One Inc. (current position)</p> <p>May 2022 Director and Corporate Officer SVP of the Company (current position)</p> <p>(In charge) Business oversight</p>	2,400
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Go has business experience in the CRM domain, focused on the information and communications field at an operating company. He has also accumulated experience in business oversight, including base development, personnel recruiting, and educational measures, and contributes to the Group's execution of its management strategies in a wide range of fields. As a representative director of an operating company, he has a wealth of experience and knowledge such as by participating in management decision-making. Currently, as Director and Corporate Officer SVP, he is in charge of business oversight such as base development, personnel recruiting, and educational measures related to operating companies, contributing to the Company's execution of its management strategy. Therefore, we have determined that he can continue to apply the experience and knowledge he has accumulated to management of the Company.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held	
5	Hiroshi Kajiwara (December 23, 1966) [New appointment] [Outside] [Term of office as Director] – years and – months [Attendance at the Board of Directors meetings] –/– (–%)	April 1990 Joined ITOCHU Corporation July 2010 Outside Director, ITOCHU Cable Systems Corp. June 2012 Outside Director, SPACE SHOWER NETWORKS INC. (current position) April 2013 Deputy General Manager, Communication & Mobile Business Department, ITOCHU Corporation March 2015 Outside Director, Asurion Japan K.K. April 2015 General Manager, Communication & Mobile Business Department, ITOCHU Corporation April 2016 Representative Director, ITOCHU Fuji Partners, Inc. (current position) April 2017 Deputy Chief Operating Officer, ICT Division, ITOCHU Corporation April 2020 Chief Operating Officer, ICT Division June 2020 Director, ITOCHU Techno-Solutions Corporation (current position) April 2021 Executive Officer, Chief Operating Officer, ICT Division, ITOCHU Corporation (current position)	—	
		[Reason for nomination as candidate for Outside Director and summary of expected roles] Mr. Kajiwara has business experience in the information and communications field at a trading company, and as a representative director of other companies in the same field, he has accumulated a wealth of experience and knowledge such as by participating in management decision-making. Therefore, we have determined that we can expect him to offer useful advice for the supervision of the Board of Directors and the management of the Company, from a professional point of view. In addition, as a candidate for the member of the Nominating Committee and the Remuneration Committee, we intend for him to participate in deliberations regarding the selection of candidates for officers of the Company and the determination of executive compensation from an objective and neutral point of view.		

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
6	Ikuo Koshiro (February 8, 1964) [New appointment] [Outside] [Term of office as Director] – years and – months [Attendance at the Board of Directors meetings] –/– (–%)	April 1986 April 1991 April 2012 April 2016 April 2018 April 2020 April 2022 April 2023	Joined Caterpillar Mitsubishi Ltd. Joined Toppan Inc. General Manager, Business Innovation Department, Information & Communication Division Senior General Manager, Marketing Division Head of Toppan Idea Center General Manager, Marketing Sub-division Executive Officer, General Manager, Marketing Sub-division Executive Officer, Head of Frontier Business Development Center (current position)	—
<p>[Reason for nomination as candidate for Outside Director and summary of expected roles]</p> <p>Mr. Koshiro has accumulated a wealth of experience and knowledge in the field of information communications, especially in the fields of marketing and new business development, at a printing company. Therefore, we have determined that we can expect him to offer useful advice for the supervision of the Board of Directors and the management of the Company, from a professional point of view. In addition, as a candidate for the member of the Nominating Committee and the Remuneration Committee, we intend for him to participate in deliberations regarding the selection of candidates for officers of the Company and the determination of executive compensation from an objective and neutral point of view.</p>				

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	<p>Nobuya Ishizaka (December 10, 1966)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Term of office as Director] 7 years and 8 months</p> <p>[Attendance at the Board of Directors meetings] 14/16 (88%)</p>	<p>April 1990 Joined Mitsubishi Corporation</p> <p>May 2000 Established Golf Digest Online Inc., President and Representative Director (current position)</p> <p>June 2012 Representative Director and President, Insight Co., Ltd.</p> <p>August 2013 Director, Venture Republic Inc.</p> <p>September 2014 President and Representative Director, GDO GolfTEC Co., Ltd. (currently Golf Digest Online Inc.)</p> <p>April 2015 Director, Insight Co., Ltd.</p> <p>May 2015 Director, former BELLSYSTEM24 Holdings, Inc.</p> <p>September 2015 Director of the Company (current position)</p> <p>April 2016 Director, GolfTEC Enterprises, LLC (USA)</p> <p>November 2016 President and Representative Director, KIDS GOLF Inc.</p> <p>April 2017 President and Representative Director, GDO Sports, Inc. (U.S.A.) (current position)</p> <p>November 2017 Representative Director, Japan Speedgolf Association (current position)</p> <p>July 2018 Chairman and Director, GolfTEC Enterprises, LLC (USA) (current position)</p> <p>March 2021 Director, GDO GolfTEC Co., Ltd. (currently Golf Digest Online Inc.)</p>	—
<p>[Reason for nomination as candidate for Outside Director and summary of expected roles]</p> <p>Mr. Ishizaka is expected to act on the basis of protecting the interests of general shareholders as an independent officer. He has broad experience at a trading company and also has accumulated a wealth of management experience and knowledge as a representative director of a listed company, as well as by working both inside and outside of Japan. Therefore, we have determined that we can expect him to continue offering useful advice for management of the Company, from an objective point of view. In addition, as a candidate for the member of the Nominating Committee and the Remuneration Committee, we intend for him to continue to participate in deliberations regarding the selection of candidates for officers of the Company and the determination of executive compensation from an objective and neutral point of view.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
8	Aki Tsurumaki (November 17, 1968) [Reappointment] [Outside] [Independent] [Term of office as Director] 7 years and 0 months [Attendance at the Board of Directors meetings] 16/16 (100%)	April 1993 October 1994 April 1995 April 1997 September 2002 June 2012 May 2016	Joined Tokyo Metropolitan Government Passed bar examination Joined Legal Training and Research Institute of Japan Registered as an attorney (Tokyo Bar Association) Co-Representative, Kamijo & Tsurumaki Law Office (current position) Outside Corporate Auditor, Ichikoh Industries, Ltd. (current position) Director of the Company (current position)	—
	<p>[Reason for nomination as candidate for Outside Director and summary of expected roles]</p> <p>Mr. Tsurumaki is expected to act on the basis of protecting the interests of general shareholders as an independent officer. He also utilizes his experience and insight as an attorney to contribute to the Board of Directors' efforts on governance. Therefore, we have determined that we can expect him to continue offering useful advice for promoting compliance management of the Company, from an objective point of view. In addition, as a candidate for the member of the Nominating Committee and the Remuneration Committee, we intend for him to continue to participate in deliberations regarding the selection of candidates for officers of the Company and the determination of executive compensation from an objective and neutral point of view.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
9	Makiko Takahashi (May 12, 1967) [Reappointment] [Outside] [Independent] [Term of office as Director] 6 years and 0 months [Attendance at the Board of Directors meetings] 16/16 (100%)	<p>April 1993 Joined Kanagawa Academy of Science and Technology</p> <p>January 2004 Project Associate Professor, Intellectual Property and Technology Transfer, Office of Industry Liaison, Tokyo Institute of Technology</p> <p>September 2006 Project Associate Professor, Center for Research Strategy and Support, Tohoku University</p> <p>April 2010 Research Strategy Planning Member, Committee for Research Strategy, Institute of Physical and Chemical Research (currently RIKEN)</p> <p>September 2010 Doctor (engineering), School of Engineering, Tohoku University</p> <p>July 2014 Professor, Graduate School of Innovation Management, Kanazawa Institute of Technology (current position)</p> <p>May 2017 Director of the Company (current position)</p> <p>March 2021 Outside Director, Golf Digest Online Inc. (current position)</p>	—
<p>[Reason for nomination as candidate for Outside Director and summary of expected roles]</p> <p>Ms. Takahashi is expected to act on the basis of protecting the interests of general shareholders as an independent officer. She has advanced expertise in knowledge creation through collaboration between industry and academia, as well as in research and development projects, technology transfer, and strategic management of intellectual property. She also has a wealth of experience in joint research with private companies and government institutions. Therefore, we have determined that we can expect her to continue offering useful advice for the Company's process management, executive management training, and initiatives for new technology, from an objective point of view. In addition, as a candidate for the member of the Nominating Committee and the Remuneration Committee, we intend for her to continue to participate in deliberations regarding the selection of candidates for officers of the Company and the determination of executive compensation from an objective and neutral point of view.</p>			

- Notes:
1. There is no special interest between each candidate for Director and the Company.
 2. Mr. Hiroshi Kajiwara, Mr. Ikuo Koshiro, Mr. Nobuya Ishizaka, Mr. Aki Tsurumaki, and Ms. Makiko Takahashi are candidates for Outside Director as stipulated in Article 2, Item 15 of the Companies Act.
 3. Mr. Aki Tsurumaki and Ms. Makiko Takahashi have never been involved in corporate management, but are judged to be able to appropriately perform their duties as Outside Director based on the above "Reason for nomination as candidate for Outside Director and summary of expected roles."
 4. The Company currently has an agreement with Mr. Nobuya Ishizaka, Mr. Aki Tsurumaki, and Ms. Makiko Takahashi to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act, pursuant to the provision of Article 427, Paragraph 1 of the said Act. If the election of each of them is approved, the Company intends to continue the said agreement. In addition, if the election of Mr. Hiroshi Kajiwara and Mr. Ikuo Koshiro is approved, the Company intends to enter into the same agreement with them. The maximum amount of liability for damages under the said agreement is the amount stipulated in laws and regulations.
 5. The Company has entered into a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. If the

election of each candidate for Director is approved, both newly appointed and reappointed Directors will be insured by this agreement.

6. Mr. Nobuya Ishizaka, Mr. Aki Tsurumaki, and Ms. Makiko Takahashi are currently Outside Directors of the Company, and their terms of office will be seven (7) years and eight (8) months, seven (7) years, and six (6) years, respectively, at the conclusion of this General Meeting of Shareholders.
7. Mr. Nobuya Ishizaka, Mr. Aki Tsurumaki, and Ms. Makiko Takahashi meet all the requirements in the Independence Standards for Outside Officers set by the Company (see page 28), and we have registered them with the Tokyo Stock Exchange as independent officers stipulated by the Exchange. Transactions exist between the Company and Golf Digest Online Inc., where Mr. Nobuya Ishizaka concurrently serves as Representative Director, but the amount paid by the Company was less than 0.1% of the Company's net sales in the most recent consolidated fiscal year.

Proposal 3: Election of Three (3) Corporate Auditors

The terms of office of all three (3) Corporate Auditors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of three (3) Corporate Auditors (including two (2) Outside Corporate Auditors).

The Board of Corporate Auditors has given its consent to this proposal.

The candidates for Corporate Auditors are as follows.

No.	Name (Date of birth)	Career summary, positions, and significant concurrent positions	Number of shares of the Company held
1	<p>Satoko Hamaguchi (August 8, 1960)</p> <p>[Reappointment]</p> <p>[Term of office as Corporate Auditor] 7 years and 8 months</p> <p>[Attendance at the Board of Directors meetings] 16/16 (100%)</p> <p>[Attendance at the Board of Corporate Auditors meetings] 19/19 (100%)</p>	<p>April 1983 Joined Takarazuka Enterprise Co., Ltd. (currently Resorttrust, Inc.)</p> <p>May 1984 Joined GLOBAL JAPAN. CO., LTD</p> <p>September 1986 Joined the former BELLSYSTEM24, Inc.</p> <p>August 2003 Corporate Officer</p> <p>March 2005 Corporate Officer SVP</p> <p>March 2009 Corporate Officer SVP</p> <p>March 2010 Corporate Officer EVP</p> <p>March 2011 Representative Director and President, BellSoleil, Inc.</p> <p>October 2013 Corporate Officer, former BELLSYSTEM24, Inc.</p> <p>March 2014 Corporate Officer, former BELLSYSTEM24, Inc.</p> <p>March 2014 Director, former BELLSYSTEM24 Holdings, Inc.</p> <p>March 2015 Corporate Auditor, former BELLSYSTEM24 Holdings, Inc.</p> <p>September 2015 Corporate Auditor of the Company (current position)</p> <p>November 2021 Auditor, Japan Audit & Supervisory Board Members Association (current position)</p>	600
<p>[Reason for nomination as candidate for Corporate Auditor]</p> <p>Ms. Hamaguchi has held important positions in the sales and operations divisions of our group companies for many years, has a track record of overseeing the human resources and compliance divisions, and possesses a wide range of business knowledge necessary for audits. Moreover, based on her track record as a Corporate Auditor of the Company, we have determined that she is qualified to continue as a Corporate Auditor.</p>			

No.	Name (Date of birth)	Career summary, positions, and significant concurrent positions	Number of shares of the Company held
2	<p>Yoshiko Hayama (October 7, 1959)</p> <p>[New appointment] [Outside] [Independent]</p> <p>[Term of office as Corporate Auditor] – years and – months</p> <p>[Attendance at the Board of Directors meetings] –/– (–%)</p> <p>[Attendance at the Board of Corporate Auditors meetings] –/– (–%)</p>	<p>April 1983 Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)</p> <p>September 1984 Joined Surugadai Academy</p> <p>October 1990 Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>March 1994 Certified Public Accountant</p> <p>January 2007 Joined Ernst & Young ShinNihon (currently Ernst & Young ShinNihon LLC), Certified Public Accountant</p> <p>January 2015 Representative, Yoshiko Hayama Certified Public Accountant Office (current position)</p> <p>June 2015 Outside Audit & Supervisory Board Member, COCO'S JAPAN CO., LTD.</p> <p>May 2016 Outside Director, Sugi Holdings Co., Ltd. (current position)</p> <p>August 2016 Senior Researcher, The Japanese Institute of Certified Public Accountants (current position)</p> <p>June 2017 Outside Director, COCO'S JAPAN CO., LTD.</p> <p>May 2018 Outside Audit & Supervisory Board Member, Adastria Co., Ltd. (current position)</p> <p>June 2020 Outside Director, Zensho Holdings Co., Ltd. (current position)</p>	—
<p>[Reason for nomination as candidate for Outside Corporate Auditor]</p> <p>As a certified public accountant, Ms. Hayama has knowledge in the fields of finance and accounting, and is capable of ensuring the appropriateness of auditing in these fields, which play a critical role in auditing. Moreover, she has experience serving as director and corporate auditor at multiple companies, including listed companies. Therefore, we have determined that we can expect her to apply her knowledge and experience to the Company's auditing activities. In addition, as a candidate for the member of the Nominating Committee and the Remuneration Committee, we intend for her to participate in deliberations regarding the selection of candidates for officers of the Company and the determination of executive compensation from an objective and neutral point of view.</p>			

No.	Name (Date of birth)	Career summary, positions, and significant concurrent positions	Number of shares of the Company held	
3	Kenichiro Soma (November 7, 1966) [New appointment] [Outside] [Term of office as Corporate Auditor] – years and – months [Attendance at the Board of Directors meetings] –/– (–%) [Attendance at the Board of Corporate Auditors meetings] –/– (–%)	April 1989	Joined ITOCHU Corporation	—
		May 2012	General Manager, Structured Finance Department, Finance Division	
		May 2016	Deputy General Manager, Finance Division	
		May 2018	Assistant General Manager, Asia & Oceania Bloc and in charge of business management (residing in Singapore)	
		June 2020	CFO, Food Company	
		June 2020	Director, TAIPEI FINANCIAL CENTER CORP	
		June 2020	Commissioner, PT. ANEKA TUNA INDONESIA	
		June 2020	Outside Auditor, Dole International Holdings	
		June 2020	Outside Corporate Auditor, Prima Meat Packers, Ltd. (current position)	
		May 2022	Outside Corporate Auditor, NIPPON ACCESS, INC.	
April 2023	CFO, ICT & Financial Business Company, ITOCHU Corporation (current position)			
April 2023	Outside Corporate Auditor, POCKET CARD CO., LTD. (current position)			
[Reason for nomination as candidate for Outside Corporate Auditor] Mr. Soma has been involved in the finance department of a trading company for many years, and has wealth of knowledge in the field from inside and outside of Japan. He has also served as outside corporate auditor at multiple companies including listed companies. Therefore, we have determined that we can expect him to apply his knowledge and experience to the Company's auditing activities.				

- Notes:
1. There is no special interest between each candidate for Corporate Auditor and the Company.
 2. Ms. Yoshiko Hayama has never been involved in corporate management, but is judged to be able to appropriately perform her duties as Outside Corporate Auditor based on the above “Reason for nomination as candidate for Outside Corporate Auditor.”
 3. Ms. Yoshiko Hayama and Mr. Kenichiro Soma are candidates for Outside Corporate Auditor as stipulated in Article 2, Item 16 of the Companies Act.
 4. If the election of Ms. Yoshiko Hayama and Mr. Kenichiro Soma is approved, the Company will enter into an agreement with them to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act, pursuant to the provision of Article 427, Paragraph 1 of the said Act. The maximum amount of liability for damages under the said agreement will be the amount stipulated in laws and regulations.
 5. If the election of each candidate for Corporate Auditor is approved, they will be insured by the directors and officers liability insurance agreement that the Company has entered into, as provided for in Article 430-3, Paragraph 1 of the Companies Act.
 6. Ms. Yoshiko Hayama meets all the requirements in the Independence Standards for Outside Officers set by the Company (see page 28), and we plan to register her with the Tokyo Stock Exchange as an independent officer stipulated by the Exchange.
 7. Mr. Kenichiro Soma concurrently serves as Outside Corporate Auditor of Prima Meat Packers, Ltd., but is scheduled to retire in June 2023.

Proposal 4: Election of One (1) Substitute Corporate Auditor

The Company proposes the election of one (1) substitute Corporate Auditor in preparation for a shortfall in the number of Corporate Auditors as provided for in laws and regulations.

The Board of Corporate Auditors has given its consent to this proposal.

The candidate for the substitute Corporate Auditor is as follows.

Name (Date of birth)	Career summary, positions, and significant concurrent positions	Number of shares of the Company held
Michiharu Matsuda (February 14, 1961) [Outside] [Independent]	April 1983 Joined Japan Finance Corporation for Small and Medium Enterprise (currently Japan Finance Corporation)	—
	October 2010 Office Manager, Saitama Office, Deloitte Touche Tohmatsu LLC	
	September 2017 Established Matsuda Certified Public Accountants Office (current position)	
	November 2017 Director, MANI, INC. (current position)	
	November 2018 Director, Member of the Audit & Supervisory Committee, Saizeriya Co., Ltd. (current position)	
	June 2019 Auditor, Open Door Inc. (current position)	
[Reason for nomination as candidate for substitute Corporate Auditor] Mr. Matsuda has knowledge of the fields of taxation and accounting as a certified public accountant, and is capable of ensuring the propriety of auditing in these fields, which is a critical role of auditing. He also has experience as an outside auditor and outside director of multiple companies, including listed companies. Therefore, we have determined that we can expect him to apply his knowledge and experience to the Company's auditing activities.		

- Notes:
1. There is no special interest between Mr. Michiharu Matsuda and the Company.
 2. Mr. Michiharu Matsuda is to be elected as a substitute for Ms. Yoshiko Hayama and Mr. Kenichiro Soma, who will be elected as Outside Corporate Auditors as stipulated in Article 2, Item 16 of the Companies Act if Proposal 3 is approved as originally proposed at this General Meeting of Shareholders.
 3. In the event that the Company does not have the number of Corporate Auditors required by laws and regulations and Mr. Michiharu Matsuda assumes office as Outside Corporate Auditor, the Company will enter into an agreement with Mr. Matsuda to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act, pursuant to the provision of Article 427, Paragraph 1 of the said Act. The maximum amount of liability for damages under the said agreement will be the amount stipulated in laws and regulations.
 4. In the event that the Company does not have the number of Corporate Auditors required by laws and regulations and Mr. Michiharu Matsuda assumes office as Outside Corporate Auditor, he will be insured by the directors and officers liability insurance agreement that the Company has entered into, as provided for in Article 430-3, Paragraph 1 of the Companies Act.
 5. Mr. Michiharu Matsuda meets all the requirements in the Independence Standards for Outside Officers set by the Company (see page 28). If the Company does not have the number of Corporate Auditors required by laws and regulations and Mr. Matsuda assumes office as

Outside Corporate Auditor, the Company plans to register him with the Tokyo Stock Exchange as an independent officer stipulated by the Exchange.

Proposal 5: Partial Revision of Performance-linked Stock-based Compensation, etc. for Directors, etc.

1. Reason for the proposal and reasons for deeming the remuneration appropriate

The remuneration for the Company's Directors consisted of "Basic compensation" and "Performance-linked compensation" (remuneration for Outside Directors consisting only of basic remuneration), however, at the 4th Ordinary General Meeting of Shareholders held on May 25, 2018, the Company received shareholders' approval for the introduction of a performance-linked stock-based compensation plan (hereinafter referred to as "the Plan") for Directors (excluding Outside Directors, non-residents of Japan, and employees seconded from other companies; the same shall apply hereinafter in this proposal) and Corporate Officers (excluding non-residents of Japan and employees seconded from other companies; the same shall apply hereinafter in this proposal) (hereinafter collectively referred to as "Directors, etc.>").

This proposal requests the partial revision of the Plan in order to further clarify the link between remuneration for Directors, etc. and the Group's performance and shareholder value, as well to further raise awareness of contributions to the improvement of medium- to long-term financial results and corporate value.

The number of Directors subject to the Plan will be four (4) if Proposal 2 "Election of Nine (9) Directors" is approved as originally proposed. As mentioned above, Corporate Officers are also subject to the Plan (as of the day following the General Meeting of Shareholders, we expect there to be two (2) Corporate Officers who are not concurrently serving as Directors subject to the Plan), and remuneration under the Plan includes remuneration for Corporate Officers. However, in this proposal, based on the possibility that these Corporate Officers will be newly appointed as Directors during the target period, we will propose the amount and details of overall remuneration based on the Plan as remuneration, etc. for Directors, etc. In addition, under the Plan, we integrally manage the compensation for the Company's Directors, etc., and the executive compensation for Directors (excluding Outside Directors, non-residents of Japan, and employees seconded from other companies) and Corporate Officers (excluding non-residents of Japan and employees seconded from other companies) (such Directors and Corporate Officers are hereinafter collectively referred to as "Eligible Subsidiary Directors, etc.," and Eligible Subsidiary Directors, etc. and the Company's Directors are hereinafter collectively referred to as "Eligible Directors, etc.") of the Company's major subsidiaries (hereinafter referred to as "Eligible Subsidiaries," and the Company and the Eligible Subsidiaries are hereinafter collectively referred to as the "Eligible Companies" or "Eligible Company," as the case may be).

At the Board of Directors meeting held on April 19, 2023, the Company resolved a new policy for determining the details of individual remuneration, etc. for Directors, subject to the approval of this proposal. The details are as described in <Reference> on pages 24 through 26 of the Reference Documents for the General Meeting of Shareholders. This proposal is in line with this policy, and we believe that the content of this proposal is appropriate, as it is necessary and rational for the payment of the Directors' individual remuneration, etc. Moreover, this proposal has been submitted after being decided by the Board of Directors based on a report by the voluntary Remuneration Committee delegated by the Board of Directors.

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

(1) Overview of the Plan

The Plan is a stock-based compensation plan in which Company shares are acquired through a trust using the amount of remuneration for Eligible Directors, etc. contributed by

the Eligible Companies as a source of funds, and Eligible Directors, etc. receive Company shares and money equivalent to the conversion of Company shares into cash (hereinafter collectively referred to as the delivery and payment (hereinafter collectively referred to as “Delivery, etc.” or “Delivered, etc.” as the case may be) of “Company Shares, etc.”). (Details are as described in (2) onwards.)

(a) Eligible persons for Delivery, etc. of Company Shares, etc. subject to the Plan	<ul style="list-style-type: none"> • Directors and Corporate Officers of the Company (excluding Outside Directors, non-residents of Japan, and employees seconded from other companies.) • Directors and Corporate Officers of the Company’s major subsidiaries (excluding Outside Directors, non-residents of Japan, and employees seconded from other companies.) 	
(b) Impact of Company shares subject to the Plan on the total number of issued shares		
Maximum amount of money contributed by the Company (as described in (2) below.)	<ul style="list-style-type: none"> • A total of 315 million yen (of which, 189 million yen is from the Company) for each target period consisting of 3 fiscal years 	
Maximum number of Company Shares, etc. that can be acquired by Eligible Directors, etc. and acquisition method of Company shares (as described in (2) and (3) below.)	<ul style="list-style-type: none"> • Number of shares obtained by multiplying 65,000 shares by the number of years in the target period • The maximum number of points granted to Eligible Directors, etc. per year is 65,000 points (of which, the maximum number of points granted to Directors, etc. of the Company is 39,000 points) • The ratio of the number of shares equivalent to the maximum number of points granted to Eligible Directors, etc. per year to the total number of issued shares of the Company (as of the end of February 2023, after the deduction of treasury shares) is approximately 0.09% • Since Company shares are scheduled to be acquired from the stock market, dilution will not occur under the Plan 	
(c) Details of performance indicators (as described in (3) below.)	<ul style="list-style-type: none"> • Fluctuates according to the degree of achievement of targets for financial indicators (consolidated operating income) and non-financial indicators (employee engagement score) 	
(d) Timing of Delivery, etc. of Company shares, etc. (as described in (4) below.)	Performance-linked portion	At time of retirement of Eligible Directors, etc.
	Fixed portion	During the tenure of Eligible Directors, etc. (after three years have passed since each year’s points are granted)

(2) Maximum amount of money that can be contributed by each Eligible Company

The Plan covers three consecutive fiscal years (hereinafter referred to as the “Target Period”) corresponding to the period of the Company’s mid-term management plan.

The Company will contribute a maximum amount of 189 million yen for each Target Period as remuneration for Directors, etc. of the Company, and together with the amount of money contributed by Eligible Subsidiaries as remuneration to Eligible Subsidiary Directors, etc. (the maximum total amount that may be contributed by each Eligible Company is 315 million yen), a trust with a trust period of three years (hereinafter referred to as “the Trust”) will be established (includes the extension of the trust period in the last paragraph of (2); the same shall apply hereinafter) with the Eligible Directors, etc. who satisfy the beneficiary requirements as beneficiaries.

The Trust will acquire Company shares from the stock market using the entrusted money as a source of funds in accordance with the instructions of the trust administrator. During the trust period, each Eligible Company will grant points (as described in (3) below) to Eligible Directors, etc., and the Trust will undertake the Delivery, etc. of Company Shares, etc.

Upon the expiration of the Trust’s trust period, the Trust may be continued by changing the trust agreement and entrusting additional funds instead of establishing a new Trust. In that case, the trust period will be extended for three years, and the three fiscal years following the extension of the trust period will be the new Target Period. For each extended trust period, Eligible Subsidiaries will make new contributions to the Company within the scope approved by the General Meeting of Shareholders of said Eligible Subsidiary, and the amount of money contributed by Eligible Subsidiaries, together with an additional amount of money contributed by the Company within the range of 189 million yen, will be additionally entrusted. Moreover, each Eligible Company will continue to grant points to Eligible Directors, etc. during the extended trust period, and the Trust will continue to undertake the Delivery, etc. of Company Shares, etc. during the extended trust period.

However, in the event that additional contributions are made, if there are Company shares (excluding Company shares equivalent to points granted to Eligible Directors, etc. for which Delivery, etc. has not been completed) and money remaining in the trust property at the end of the trust period before the extension (hereinafter collectively referred to as “Remaining Shares, etc.”), the total amount of the Remaining Shares, etc. and additional contributions made by the Company and Eligible Subsidiaries shall be within the range of 315 million yen. This extension of the trust period is not limited to one time, and the trust period may be extended in the same manner in the future.

If the trust agreement is not changed and additional funds are not made at the end of the Trust’s trust period, points will not be granted to Eligible Directors, etc. thereafter. However, if, at the time, there are Eligible Directors, etc. who may meet the beneficiary requirements, the Trust’s trust period may be extended for a maximum of 10 years until Delivery, etc. of the Company’s Shares, etc. to the Eligible Directors, etc. is completed.

(3) Calculation method and maximum number of Company shares to be Delivered, etc. to Eligible Directors, etc.

The number of Company Shares, etc. to be Delivered, etc. to Eligible Directors, etc. will be calculated according to the number of points granted to Eligible Directors, etc. each year. In May of each year during the trust period, Eligible Directors, etc. are granted points

corresponding to the fiscal year ending on the last day of February of the same year. They shall be granted “performance-linked points” aimed at increasing the willingness of Eligible Directors, etc. to contribute to improving the medium- to long-term performance of the Company and increasing corporate value, as well as “fixed points” aimed at strengthening the sharing of interests with shareholders through shareholding during the terms of office of Eligible Directors, etc. The composition ratio of performance-linked points and fixed points shall be 70%:30%.

(a) Performance-linked points

Points are calculated by multiplying the basic points predetermined for each position by a performance-linked coefficient based on the degree of achievement of performance targets in each fiscal year during the Target Period. The performance-linked coefficient is determined according to the degree of achievement of targets for financial indicators (consolidated operating income) and non-financial indicators (employee engagement score).

(b) Fixed points

Points are calculated based on the basic points predetermined for each position. One point is equivalent to one Company share. However, if an event occurs during the trust period where it is deemed fair to adjust points, such as a stock split or reverse stock split of Company shares, the number of Company shares per point will be adjusted according to the split ratio, consolidation ratio, etc.

The maximum total number of points that may be granted to the Company’s Directors, etc. per year is 39,000 points (the maximum total number of points that may be granted to Eligible Directors, etc. per year is 65,000 points). The maximum amount of points is set based on the maximum amount of money contributed by each Eligible Company in (2) above, with reference to past stock prices, etc.

The maximum total number of Company shares that the Trust can acquire during the Plan’s Target Period (three fiscal years) (hereinafter referred to as the “Number of Shares to be Acquired”) will be the number of shares equivalent to the maximum number of points per fiscal year multiplied by three, the number of years in the Target Period (195,000 shares). If the above points are adjusted, the maximum Number of Shares to be Acquired will also be adjusted accordingly.

(4) Timing and method of Delivery, etc. of Company Shares, etc. to Eligible Directors, etc.

Eligible Directors, etc. who meet the beneficiary requirements shall receive from the Trust a number of Company shares (shares less than one unit are rounded up) equivalent to a certain percentage of accumulated points at that time by completing the prescribed procedures for confirming beneficiary rights. For Company shares equivalent to the remaining accumulated points, they shall receive from the Trust the amount of money equivalent to the amount of Company shares converted into cash within the Trust.

(a) Performance-linked points

For Eligible Directors, etc., the timing of Delivery, etc. of Company Shares, etc. will be at the time of retirement of the relevant Eligible Director, etc. If, in addition to their position as an Eligible Director, etc. of a certain Eligible Company, the relevant Eligible Director, etc. concurrently serves as an Eligible Director, etc. of another Eligible Company (including cases where an Eligible Director, etc. retires as Eligible Director, etc. of a certain Eligible Company while at the same time assuming office as an Eligible Director, etc. of another Eligible Company), Company Shares, etc. will be

Delivered, etc. all at once upon retirement from the position of Eligible Director, etc. at all Eligible Companies.

(b) Fixed points

The timing of Delivery, etc. of the Company Shares, etc. to Eligible Directors, etc. shall be after each period of three years from the granting of fixed points each year, in principle. However, if an Eligible Director, etc. retires before three years have passed since the fixed points were granted, Company Shares, etc. equivalent to the fixed points granted up to that point shall be Delivered, etc. to the Eligible Director, etc. immediately after retirement.

In the event that an Eligible Director, etc. dies during the trust period, all of the Company shares corresponding to the points granted up to that point shall be converted into cash within the Trust, and an heir of the Eligible Director, etc. shall receive a monetary payment equivalent to the amount converted into cash.

Moreover, in the event that an Eligible Director, etc. becomes a non-resident of Japan during the trust period, the Eligible Director, etc. may receive a monetary payment equivalent to the amount converted into cash after all Company shares corresponding to the points granted up to that point are converted into cash within the Trust. Even if the beneficiary requirements are met, in the event of a serious violation of duties as a Director or Corporate Officer, or a serious violation of internal regulations, etc., the Company may choose not to Deliver, etc. all or part of the Company Shares, etc., or may request the return of all or part of the Company Shares, etc. that have been Delivered, etc. or the equivalent amount thereof.

(5) Voting rights related to Company shares

Voting rights for Company shares in the Trust shall not be exercised during the trust period in order to ensure neutrality in management.

(6) Other details regarding the Plan

Other details regarding the Plan will be determined by the Board of Directors each time the Trust is established, the trust agreement is changed, or additional contributions are made to the Trust.

<Reference>

Subject to the approval of Proposal 5 “Partial Revision of Performance-linked Stock-based Compensation, etc. for Directors, etc.” at this General Meeting of Shareholders, the Company resolved a new policy for determining the details of individual remuneration, etc. for Directors at the Board of Directors meeting held on April 19, 2023.

The details are as follows.

1) Basic policy

The remuneration for Directors of the Company is paid based on a compensation system with awareness of medium- to long-term improvement of corporate value and the sharing of interests with shareholders. The remuneration for individual Directors, pursuant to compensation resolutions made at the General Meeting of Shareholders, consists of three components: “Basic compensation” is paid according to their positions and the importance of roles, “Performance-linked compensation” based on financial results in each fiscal year, and “Stock-based compensation” with the goal of raising awareness of contributions to the improvement of medium- to long-term financial

results and corporate value, as well as strengthening the sharing of interests with shareholders through shareholding during the terms of office of Eligible Directors, etc. However, compensation for Outside Directors consists only of basic compensation and excludes any connection to financial results due to their independence from the Company's business operations.

- 2) Policy for determining the amount of individual basic compensation, etc. (including the policy for determining the timing and conditions for the granting of basic compensation.)

Basic compensation shall be a fixed monthly cash remuneration, and shall be determined by taking into consideration the individual evaluation of each Director within a standard amount set according to positions and the importance of roles.

- 3) Policy for determining the content and calculation method of amount or number for performance-linked compensation and stock-based compensation (including the policy for determining the timing and conditions for the granting of performance-linked compensation and stock-based compensation.)

Performance-linked compensation shall be a cash remuneration that reflects performance indicators in order to increase incentive for improving financial results on an annual basis. Performance indicators for performance-linked compensation are "consolidated revenue," "consolidated operating income," "profit (loss) attributable to owners of parent," and "consolidated operating income for the previous fiscal year." It is calculated based on the payout rate based on the achievement rate of each performance indicator against the basic amount for each Director's position, and decided after comprehensive consideration of the evaluation of each Director's degree of contribution to financial results. The determined amount will be paid as a bonus every year at a specific time. The "consolidated revenue," "consolidated operating income," and "profit (loss) attributable to owners of parent" performance indicators shall be set on an annual basis to be consistent with the mid-term management plan, and shall be reviewed as necessary depending on environmental changes affecting the corporate activities of the entire Group.

Stock-based compensation shall be a "Board Incentive Plan (BIP) Trust," which is a performance-linked stock remuneration system that utilizes a trust. The number of Company shares and the amount of money equivalent to the converted amount of Company shares (hereinafter, "Company Shares, etc.") to be delivered and paid (hereinafter, "Delivered, etc.," "Deliver, etc." or "Delivery, etc.," as the case may be) to Directors through this trust shall be calculated according to the number of points (performance-linked points and fixed points) granted to Directors each year. The composition ratio of performance-linked points and fixed points shall be 70%:30%. The performance indicators used to calculate performance-linked points are "consolidated operating income" and "employee engagement score," and at the time of retirement of a Director, the Company shall Deliver, etc. Company Shares, etc. equivalent to the cumulative value of performance-linked points. The "consolidated operating income" performance indicator shall be set on an annual basis to be consistent with the mid-term management plan. In addition, fixed points are calculated based on the basic points predetermined for each position, and the timing of Delivery, etc. of the Company Shares, etc. equivalent to the granted fixed points shall be after each period of three years from the granting of fixed points each year, in principle. However, if a Director retires before three years have passed since the fixed points were granted, Company Shares, etc.

equivalent to the fixed points granted up to that point shall be Delivered, etc. to the Director immediately after retirement.

- 4) Policy for determining the ratio of monetary compensation, performance-linked compensation, or stock-based compensation to individual Director compensation, etc. Based on the results of a survey of companies that have introduced a stock-based compensation plan similar to ours, the ratios of performance-linked compensation and stock-based compensation shall be determined according to the position and role of each Director so as to provide an incentive to contribute to sustainable and medium- to long-term improvement of financial results. For Representative Directors, the ratio of performance-linked compensation and stock-based compensation to the total amount of compensation shall be set at 40% or more (when performance is standard).

- 5) Matters regarding the delegation of decisions on the details of individual remuneration, etc. for Directors

Based on a resolution of the Board of Directors, the Remuneration Committee, which consists of a majority of Independent Outside Directors and Independent Outside Corporate Auditors, shall be entrusted with specific details regarding individual remuneration, etc. for Directors. The content of this authority is to determine and review the criteria for executive compensation based on this policy, and to determine individual remuneration, etc. based on the evaluation of individual Directors based on the criteria for executive compensation. In addition, when the Remuneration Committee is making decisions, advice may be sought from external experts in order to ensure the appropriateness and legitimacy of the decisions.

- 6) Important matters related to the determination of the details of individual remuneration, etc. for Directors, other than the above items

In order to operate in line with this policy when determining the details of individual remuneration, etc. for Directors, the Board of Directors has resolved and established the Director Remuneration Regulations.

(Reference) Skills and experience of Directors and Corporate Auditors after this Ordinary General Meeting of Shareholders

	Name	Corporate management	Human resources	Technology / innovation	Global	Sustainability	Finance/ accounting	Legal affairs/ risk management
Director	Shunsuke Noda	●	●	●	●			
	Noriyuki Hayata	●	●			●		●
	Toyohisa Tsuji	●		●		●	●	
	Takehiko Go	●	●			●		
	Hiroshi Kajiwara	●		●	●			
	Ikuo Koshiro			●		●		
	Nobuya Ishizaka	●		●	●			
	Aki Tsurumaki		●					●
	Makiko Takahashi			●		●		
Corporate Auditor	Satoko Hamaguchi		●			●	●	●
	Yoshiko Hayama					●	●	●
	Kenichiro Soma				●		●	

(Reference) Independence Standards for Outside Officers

BELLSYSTEM24 Holdings, Inc. (the “Company”) defines the following standards for determining that Outside Directors and Outside Corporate Auditors have independence (the “Independence Standards”) and designates as independent officers stipulated by Tokyo Stock Exchange, Inc. those who do not fall under any of the Independence Standards.

- (1) A person (or its person performing an executive role) whose major customers*¹ include the BELLSYSTEM24 Group (the “Group”)*²
 - *¹ Meaning cases in which sales between the counterparty and the Group exceed 2% of the consolidated net sales of the counterparty for the most recent business year.
 - *² Meaning the Company and its subsidiaries and affiliated companies.
- (2) A counterparty (or its person performing an executive role) who is a major customer* of the Group
 - * Meaning cases in which sales between the counterparty and the Group exceed 2% of the consolidated revenue of the Group for the most recent business year.
- (3) A consultant, accountant or lawyer who receives a large amount of monetary compensation or other property*, other than officer’s remuneration, from the Group (if the person who receives the said property is a legal entity, association or other organizations, this means a person who belongs to the said organization.)
 - * Meaning cases in which the payment amount for the most recent business year of the Group exceeds the following amounts.
 - In the case of a legal entity, association or other organizations, the higher of 10 million yen and 2% of the annual sales (total revenue) of the said organization
 - In cases other than the above, 10 million yen
- (4) A person who receives a large amount of donation* from the Group (if the person who receives the said donation is a legal entity, association or other organizations, this means a person who belongs to the said organization.)
 - * Meaning cases in which the total amount of donation from the Group exceeds 10 million yen for the most recent business year.

- (5) A major lender* (or its person performing an executive role) for the Group
 - * Meaning a person within the top three persons who are funding sources of the Group for the most recent business year.
- (6) A major shareholder* (or its person performing an executive role) of the Company
 - * Meaning a person holding 10% or more of the Company’s stock directly or indirectly.
- (7) A person performing an executive role at a company whose major shareholder* is the Company
 - * Meaning cases in which the Company directly or indirectly owns 10% or more of the said company’s stock.
- (8) A person performing an executive role at an auditing corporation that serves as an accounting auditor of the Group
- (9) A person who fell under any of (1) to (8) above in the last 3 years
- (10) A close relative* of a person falling under any of the following (limited to an important person)
 - (a) A person falling under any of (1) to (9) above
 - (b) A person performing an executive role at a subsidiary of the Company (including Non-Executive Directors or an accounting advisor in cases in which Outside Corporate Auditors are designated as independent officers)
 - (c) A person who was performing an executive role at a subsidiary of the Company (including Non-Executive Directors or an accounting advisor in cases in which Outside Corporate Auditors are designated as independent officers) for the past 3 years
 - (d) A person who was performing an executive role at the Company (including Non-Executive Directors in cases in which Outside Corporate Auditors are designated as independent officers) for the past 3 years
 - * Meaning spouse and relatives within the second degree of relationship.

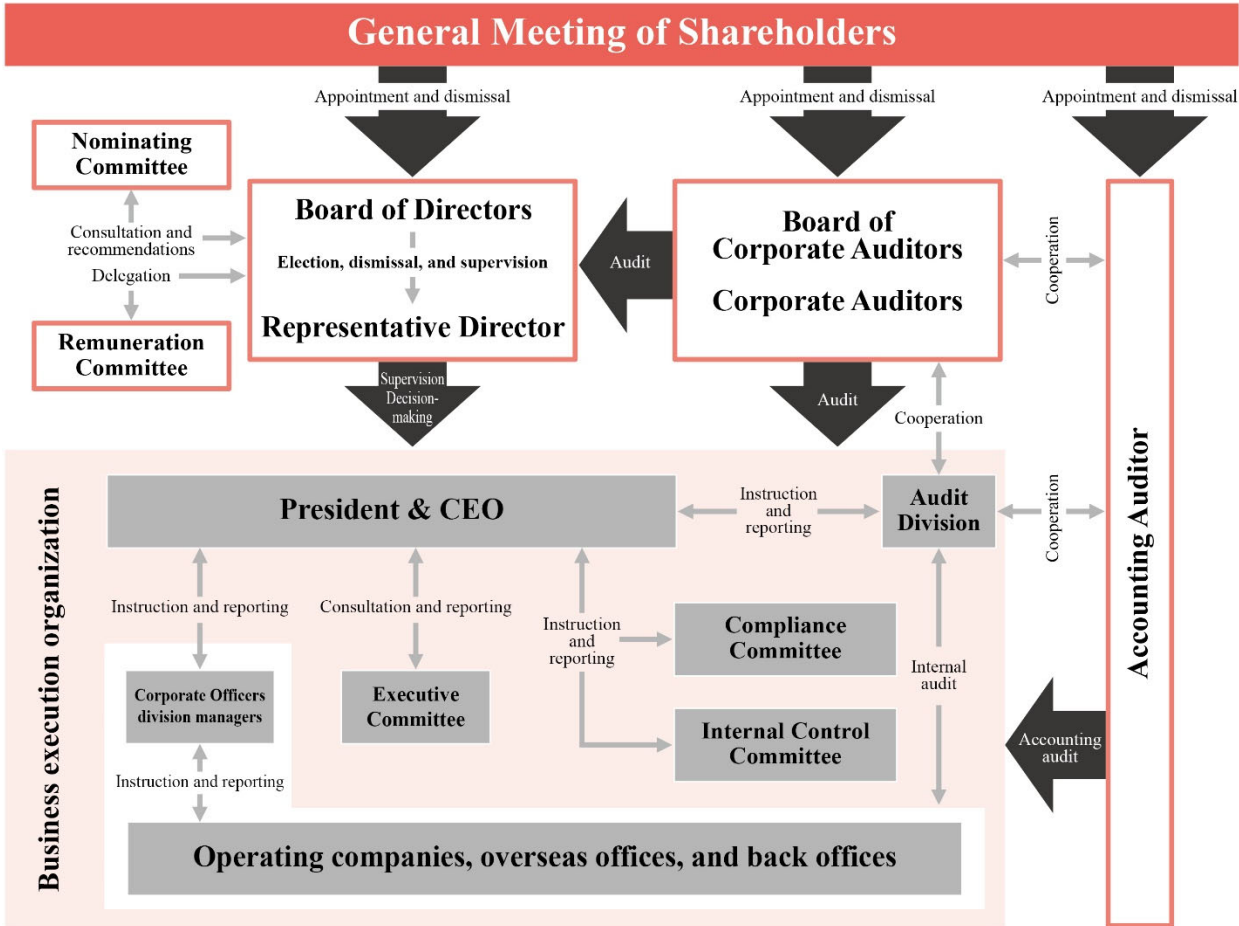
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(Reference) Corporate Governance Initiatives

■ **Basic Concept of Corporate Governance**

The Company believes that building good relationships with all stakeholders of the Group such as shareholders, clients, business partners and employees and winning their trust are essential for maximizing its corporate value. For this purpose, the Company regards strengthening corporate governance as one of its most important management issues. Based on this recognition, we endeavor to operate with a focus on transparency and soundness while improving management efficiency.

■ **Corporate Governance System**



■ **Board of Directors**

The Board of Directors meets each month and at other times as required to decide on important matters and supervise the execution of business by the Directors and the Corporate Officers according to laws, regulations, the Articles of Incorporation, the Board of Directors Regulations and other company regulations. The Board of Directors consists of nine (9) Directors, including three (3) Independent Outside Directors to strengthen its supervisory function. Three (3) Corporate Auditors, including one (1) Independent Outside Corporate Auditor, also attend meetings of the Board of Directors.

Each fiscal year, the Board of Directors analyzes and evaluates the effectiveness of the Board of Directors as a whole based on self-evaluations by each Director and Corporate Auditor via questionnaires, and announces the results.

■ **Nominating Committee and Remuneration Committee**

The Nominating Committee, as an advisory body to the Board of Directors, reports the appointment and dismissal standards for Directors and Corporate Auditors and deliberates on individual draft personnel proposals for Directors, Representative Director, and Corporate Auditors pursuant to the standards for the appointment and dismissal of Directors, Corporate Auditors, and Representative Director approved by the Board of Directors.

The Company has also formulated and announced criteria for the independence of candidates for Independent Outside Directors based on the criteria for independence set forth by the Tokyo Stock Exchange.

The Remuneration Committee, as delegated by the Board of Directors and in accordance with the basic policy on executive compensation and compensation resolutions at the General Meetings of Shareholders, deliberates and decides on individual remuneration plans for Directors based on the criteria for executive compensation.

The Nominating Committee and the Remuneration Committee consist of the Representative Director, President and Chief Executive Officer, Non-Executive Directors, Independent Outside Directors and Independent Outside Corporate Auditors in order to establish a system for decision-making that ensures transparency and fairness, in which the majority of members are Independent Outside Directors and Independent Outside Corporate Auditors.

■ **Remuneration System for Directors**

The remuneration for Directors of the Company is paid based on a compensation system with awareness of medium- to long-term improvement of corporate value and shareholder interests. The remuneration for individual Directors, pursuant to compensation resolutions made at the General Meeting of Shareholders, consists of three components. “Basic compensation” is paid according to their positions and the importance of roles, “Performance-linked compensation” based on financial results in each fiscal year, and “Stock-based compensation” with the goal of raising awareness of contributions to the improvement of medium- to long-term financial results and corporate value. However, compensation for Outside Directors consists only of basic compensation and excludes any connection to financial results due to their independence from the Company’s business operations.

Notes: 1. The numbers of persons indicate those in the case of approval of Proposal 2 and Proposal 3 of this General Meeting of Shareholders.

2. If Proposal 5 is approved, the “Policy for determining the details of individual remuneration, etc. for Directors” will be changed to the contents of pages 24 to 26 of the Reference Documents for the General Meeting of Shareholders.