

Note: This document has been translated from part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Securities Code 6071
March 9, 2023

(Start date of electronic provision measures: March 2, 2023)

To Shareholders with Voting Rights

1-23-7 Nishi-Shinjuku, Shinjuku-ku, Tokyo
IBJ, Inc.
Shigeru Ishizaka, CEO

Notice of Convocation of the 17th Annual General Meeting of Shareholders

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

We are pleased to announce the 17th Annual General Meeting of Shareholders of IBJ, Inc. (the “Company”) to be held as described below.

The Company will take measures for the electronic provision of information when convening the Annual General Meeting of Shareholders and therefore, information to be provided through such measures is posted as the Notice of Convocation of the 17th Annual General Meeting of Shareholders on the Internet website below.

The Company’s website: https://www.ibjapan.jp/ir/stockholders_meeting

In addition, in lieu of attending the day of the meeting, it is possible to exercise your voting rights in writing (mail) or by electronic means (via the Internet, etc.). Please review the Reference Documents for the General Meeting of Shareholders posted on the website as an item to be provided through the electronic provision measures and exercise your voting rights no later than 6:45 p.m. on Thursday, March 23, 2023, Japan time.

Details

- | | |
|---|--|
| 1. Date and time: | Friday, March 24, 2023, at 10:00 a.m. (JST)
(The reception will start at 9:30 a.m. (JST)) |
| 2. Venue: | sola city Hall (EAST), 2nd floor, sola city Conference Center
4-6 Kanda Surugadai, Chiyoda-ku, Tokyo |
| 3. Purpose of the meeting:
Matters to be reported: | <ol style="list-style-type: none">1. The Business Report, the Consolidated Financial Statements, and the audit reports on the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Board for the 17th Term (from January 1, 2022 to December 31, 2022)2. The Non-Consolidated Financial Statements for the 17th Term (from January 1, 2022 to December 31, 2022) |

Matters to be resolved:

- Proposal 1: Dividends of Surplus
- Proposal 2: Partial Amendments to the Articles of Incorporation
- Proposal 3: Election of six Directors
- Proposal 4: Election of one Corporate Auditor
- Proposal 5: Revision of Remuneration for Allotment of Restricted Stock to Directors of the Company (Excluding Outside Directors)

- When attending the meeting, please present the enclosed voting rights exercise form at the reception desk.
- If you fail to indicate your vote for or against a proposal on the Voting Rights Exercise Form, your vote will be deemed as a vote in favor.
- Any corrections to items to be provided through the electronic provision measures will be posted on the website on which such item is posted.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Dividends of Surplus

The Company recognizes distributing profits to shareholders as one of the important management issues. Regarding distribution of profits, the fundamental policy is to strengthen the financial structure and secure internal reserves necessary to further expand operations as well as proactively provide dividends of surplus in line with performance.

Based on the aforementioned policy, the Company proposes a 6-yen Year-end dividend per share after comprehensively considering internal reserves for future growth investment.

Items Related to the Year-end Dividend

1. Type of dividend property

Cash

2. Allotment of dividend property and the aggregate amount

Per share of Company stock 6 yen

Total amount of dividends 241,403,364 yen

3. Effective date of dividends of surplus

March 27, 2023

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

(1) Partial deletion of purposes

In order to clarify business contents in line with the current situation of the Company’s business, the Company proposes a partial deletion of business purposes under Article 2 (Purposes) of the current Articles of Incorporation. Additionally, in parallel with the above, the Company proposes modification of the article numbers.

(2) Addition of business purposes

To prepare for diversification of business contents in the future, the Company proposes to add business purposes to Article 2 (Purposes) of the current Articles of Incorporation.

2. Details of the changes

The details of the changes are as follows.

(Amended portions are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>Article 1 (Omitted) (Purposes) Article 2 The purpose of the Company shall be to engage in the following businesses: 1.-16. (Omitted) <u>17. Sale, import, and export of food and electronic components</u> <u>18. Business relating to pet services</u> <u>19.-26.</u> (Omitted) (Newly established) 27. All businesses incidental to each of the preceding items</p>	<p>Article 1 (Unchanged) (Purposes) Article 2 (Unchanged) 1.-16. (Unchanged) (Deleted) (Deleted) <u>17.-24.</u> (Unchanged) <u>25. Financial instruments intermediary services</u> <u>26. Taking and creating photos and operating photo studios</u> <u>27. Doing hair and operating makeup salons</u> <u>28. Kimono rental services</u> <u>29. Sale of cosmetics and beauty products</u> 30. (Unchanged)</p>

Proposal 3: Election of six Directors

The term of office for all four Directors will expire at the close of this Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of six Directors.

The candidates for Director are as follows.

No.	Candidate Name	Current position at the Company	Candidate Attributes	Attendance at Board of Director meetings
1	Shigeru Ishizaka	CEO	Reappointment	10/10
2	Kenjiro Tsuchiya	Managing Executive Officer	New Candidate	-
3	Yasuyuki Yokogawa	Director	Reappointment	10/10
4	Kozo Umezu	Outside Director	Reappointment Outside Independent Officer	9/9
5	Masahide Kamachi	Outside Director	Reappointment Outside Independent Officer	9/9
6	Tetsushi Kawaguchi	Full-time Corporate Auditor	New Candidate Outside Independent Officer	10/10

No. 1	(Date of Birth: Sep. 6, 1971)	Number of shares of the Company held: 11,556,000
Reappointment	<p>Shigeru Ishizaka</p> <p>Career summary; position and responsibilities at the Company (significant concurrent positions)</p> <p>Apr. 1995 Joined Industrial Bank of Japan, Ltd. (presently Mizuho Bank, Ltd.)</p> <p>Feb. 2006 CEO, the Company (current position)</p> <p>Dec. 2021 Unifying the execution of operations for the entire corporate business</p> <p>Mar. 2022 Outside Director, HITOSUKE, inc. (current position)</p> <p>Oct. 2022 Director, ZWEI CO., LTD. (current position)</p> <p>Dec. 2022 Director, IBJ financial advisory Corporation (current position)</p> <p>Dec. 2022 Outside Director, Faber Company Inc. (current position)</p>	
	<p>(Reasons for nomination as candidate for Director)</p> <p>With a management philosophy of “bringing happiness to all the people who share a connection,” Mr. Shigeru Ishizaka founded the Company in 2006. Building up unique strengths that rival firms lack, such as marriage support capabilities, arranged marriage meeting systems, and an overwhelming membership base, the Company has developed an integrated business model by combining IT and services. With a wealth of management experience, essential opinions, and judgement ability, he has contributed to the improvement of corporate value of the entire Group by having successive positions as Director of the Group, developing human resources, and establishing operational methods and compliance systems, etc. The Company proposes that he be elected to continue as Director as it expects contributions to promoting the Group’s long-term improvement of corporate value and growth strategy in the future.</p>	

No. 2	Kenjiro Tsuchiya	(Date of Birth: Apr. 22, 1973)	Number of shares of the Company held: 2,204,900
New Candidate	<p>Career summary; position and responsibilities at the Company (significant concurrent positions)</p> <p>Apr. 1998 Joined Shoko Fund Company Group</p> <p>Oct. 2007 Director, the Company</p> <p>Apr. 2017 Managing Director</p> <p>Mar. 2022 Managing Executive Officer (current position)</p> <p>Jan. 2023 Officer in charge and Supervisor, Sales Division, Affiliate Division, Business Administration Department (current position)</p>		
	<p>(Reasons for nomination as candidate for Director)</p> <p>Mr. Kenjiro Tsuchiya has a wealth of experience and knowledge about multiple businesses of the Sales Division, Affiliate Division, and Lounge Business Department and with the current position of the Managing Executive Officer of the Company, he also possesses a wealth of experience and insights into management. The Company proposes that he be elected as Director as it expects contributions to promoting the Group's long-term improvement of corporate value and growth strategy in the future, with this business experience utilized.</p>		

No. 3	Yasuyuki Yokogawa	(Date of Birth: Jan. 31, 1981)	Number of shares of the Company held: 17,900
Reappointment	<p>Career summary; position and responsibilities at the Company (significant concurrent positions)</p> <p>Oct. 2009 Representative Director and President, iVision Co., Ltd.</p> <p>Mar. 2012 Director and Vice President, STYLEEDGE Co., Ltd.</p> <p>Jun. 2016 Joined the Company</p> <p> General Manager assigned to Business Planning Office</p> <p>Oct. 2016 General Manager, Lounge Business Department</p> <p>Mar. 2017 Director, the Company (current position)</p> <p>Jan. 2018 Supervisor, Lounge Business Department</p> <p>Jan. 2019 Representative Director, Sunmarie Co., Ltd (current position)</p> <p>Apr. 2022 Supervisor, Community Business Division (current position)</p> <p>Jan. 2023 Supervisor, FP Business Department (current position)</p>		
	<p>(Reasons for nomination as candidate for Director)</p> <p>Mr. Yasuyuki Yokogawa has experience as a Representative Director in the IT sector, and with the position of Representative Director of one of the Company's Group companies, he possesses impressive abilities as a corporate administrator. Also, with multiple successive positions as Supervisor of the Company's Lounge Business Department, Community Business Division, etc., he has demonstrated immense leadership in the aforementioned business efforts, marketing expertise, development of human resources, and establishing a system of compliance. The Company proposes that he be elected to continue as Director as it expects contributions to promoting the Group's long-term improvement of corporate value and growth strategy.</p>		

No. 4	Kozo Umezu	(Date of Birth: Apr. 30, 1940)	Number of shares of the Company held: -
Reappointment Outside Independent Officer	Career summary; position and responsibilities at the Company (significant concurrent positions)		
	Apr. 1965 Feb. 1996 Jun. 1996 May 2008 Jun. 2008 Jun. 2016 Mar. 2022	Joined Industrial Bank of Japan, Ltd. (presently Mizuho Financial Group, Inc.) Managing Director Representative Director and President, Industrial Bank NW Asset Management Co., Ltd. (presently Asset Management One Co., Ltd.) Advisor, KABUKI CONSTRUCTION co., ltd. Representative Director and Chairman, NU IP Financial Services, Inc. Outside Director, Japan Health Science Research Laboratory, Inc. (presently Miahelsa Corporation) Outside Director, the Company (current position)	
(Reasons for nomination as candidate for Outside Director and outline of expected roles) Mr. Kozo Umezu has been in successive key positions at the Industrial Bank of Japan, Ltd. (presently Mizuho Financial Group, Inc.), Industrial Bank NW Asset Management Co., Ltd. (presently Asset Management One Co., Ltd.), and NU IP Financial Services, Inc., and possesses a wealth of experience as a corporate administrator in financial institutions with essential opinions in financial affairs and capital policy, as well as personal connections. As the Company promotes strategic business investment aiming for sustainable growth, it expects that in addition to his appropriate recommendations that leverage these experiences, he can demonstrate supervisory functions on business execution to contribute toward the Group's further development and improvement of corporate value, and thus proposes that he be elected to continue as Outside Director.			

No. 5	Masahide Kamachi	(Date of Birth: May 18, 1981)	Number of shares of the Company held: -
Reappointment	Career summary; position and responsibilities at the Company (significant concurrent positions)		
Outside	Nov. 2005	Joined Chuo Aoyama Tax Accountant Office (presently PwC Tax Japan)	
Independent Officer	Nov. 2016	Representative, Kamachi Certified Public Accountant Office (current position)	
		Representative, Kamachi Tax Accountant Office (current position)	
		Outside Director, SOU Inc. (presently Valence Holdings Inc.)	
	Jan. 2017	Representative Director, will consulting, Inc. (current position)	
	Mar. 2017	Outside Corporate Auditor, Medley, Inc. (current position)	
	Nov. 2019	Outside Director; Audit and Supervisory Committee Member, SOU, Inc. (presently Valence Holdings Inc.) (current position)	
	Jan. 2020	Full-Time Associate Professor, Graduate School of Management, GLOBIS University (current position)	
	Mar. 2022	Outside Director, the Company (current position)	
	(Reasons for nomination as candidate for Outside Director and outline of expected roles)		
	Mr. Masahide Kamachi has had successive positions as Outside Officer in several companies, and as a certified public accountant, he has fostered sophisticated expertise in financial affairs, accounting, and auditing. He has been engaged in many comprehensive accounting and tax consulting businesses in business succession, M&A reorganization, capital policy, overseas expansion support, etc. As the Group promotes sustainable growth, it expects that he can leverage his experience to provide appropriate supervision and advice to management, and thus proposes that he be elected to continue as Outside Director.		

No. 6	Tetsushi Kawaguchi	(Date of Birth: June 20, 1972)	Number of shares of the Company held: -
New Candidate	Career summary; position and responsibilities at the Company (significant concurrent positions)		
Outside	Apr. 1995	Joined MITSUI & CO., LTD.	
Independent Officer	May 2000	Corporate Audit Staff, General Electric Company in the U.S.	
	Jan. 2005	Partner, GLOBIS CAPITAL PARTNERS Co., Ltd.	
	May 2007	Outside Director, Japan Animal Referral Medical Center	
	Oct. 2007	Outside Director, the Company	
	Mar. 2015	Corporate Auditor	
	Mar. 2022	Full-time Corporate Auditor (current position)	
	(Reasons for nomination as candidate for Outside Director and outline of expected roles)		
	Mr. Tetsushi Kawaguchi currently fulfills his role as Corporate Auditor by conducting audits of management and business execution from an independent and objective perspective. The Company expects that he can demonstrate supervisory functions on business execution by leveraging such experience to contribute toward the Group's further development and thus proposes that he be elected as Outside Director.		

- (Notes) 1. Mr. Kozo Umezu, Mr. Masahide Kamachi, and Mr. Tetsushi Kawaguchi are candidates for Outside Director and we have reported them as Independent Officers to the Tokyo Stock Exchange.
2. There are no special interests between any Director candidates and the Company.
3. Terms of office as Outside Director of the Company for Mr. Kozo Umezu and Mr. Masahide Kamachi will be one year at the close of this Annual General Meeting of Shareholders.
4. Mr. Tetsushi Kawaguchi is a new candidate for Outside Director. Though he is currently serving as Full-time Corporate Auditor of the Company, he will retire as Corporate Auditor at the close of this Annual General Meeting of Shareholders. His term of office as Corporate Auditor will be eight years at the close of this Annual General Meeting of Shareholders.
5. The Company has entered into a contract of directors' and officers' liability insurance (D&O insurance) with an insurance company with the Directors and Corporate Auditors as insured parties. This insurance contract will cover damages such as monetary damages to be borne by the insured parties. If the candidates assume office as Directors, they will become the insured parties under said insurance contract.
6. The Company has entered into an agreement with Mr. Kozo Umezu and Mr. Masahide Kamachi pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act to limit their liability for damages set forth in Article 423, Paragraph 1 of the said act. According to this agreement, the limit of liability for damages shall be 100 thousand yen or the minimum liability limit pursuant to the provisions of Article 425, Paragraph 1 of the Companies Act, whichever is higher.
7. The Company plans to enter into an agreement with Mr. Tetsushi Kawaguchi pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act to limit their liability for damages set forth in Article 423, Paragraph 1 of the said act. According to this agreement, the limit of liability for damages will be 100 thousand yen or the minimum liability limit pursuant to the provisions of Article 425, Paragraph 1 of the Companies Act, whichever is higher.

Proposal 4: Election of one Corporate Auditor

The term of office for Corporate Auditor Tetsushi Kawaguchi will expire at the close of this Annual General Meeting of Shareholders. Accordingly, the Company newly proposes the election of one Corporate Auditor.

The Audit and Supervisory Board has already given its consent to this proposal.

The candidate for Corporate Auditor is as follows.

	Yuki Futatsuya	(Date of Birth: Oct. 22, 1972)	Number of shares of the Company held: 26,400
New Candidate	Career summary; position at the Company (significant concurrent positions)		
	Sep. 2010	Joined the Company	
	Jul. 2013	Manager, Lounge Business Department	
	Apr. 2015	Manager, Community Business Department	
	Jan. 2017	Manager, Life Design Department	
	Mar. 2017	Director, IBJ life design support Corporation	
	Mar. 2020	Director, the Company	
	Jan. 2021	Supervisor, Sales Division and Manager, Planning and Marketing Department, Sales Division	
	Mar. 2022	Executive Officer (current position) Manager, Business Administration Department	
	Jun. 2022	Representative Director, IBJ financial advisory Corporation (current position)	
	(Reasons for nomination as candidate for Corporate Auditor) Ms. Yuki Futatsuya has a wealth of experience in the Lounge Business and Community Business, and with the position of Representative Director of one of the Company's Group companies, she has engaged in starting a business and possesses broad knowledge about management. Based on the above, the Company expects that she will manage and supervise business execution to strengthen the Company's corporate governance structure and thus proposes that she be elected as Corporate Auditor.		

- (Notes) 1. There are no special interests between the Corporate Auditor candidate and the Company.
2. The Company plans to enter into an agreement with Ms. Yuki Futatsuya pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act to limit their liability for damages set forth in Article 423, Paragraph 1 of the said act.
According to this agreement, the limit of liability for damages will be 100 thousand yen or the minimum liability limit pursuant to the provisions of Article 425, Paragraph 1 of the Companies Act, whichever is higher.
3. The Company has entered into a contract of directors' and officers' liability insurance (D&O insurance) with an insurance company with the Directors and Corporate Auditors as insured parties. This insurance contract will cover damages such as monetary damages to be borne by the insured parties. If Ms. Yuki Futatsuya assumes office as Corporate Auditor, she will become the insured party under said insurance contract. Details of said insurance contract are outlined in Status of Company Officers "(3) Outline of directors' and officers' liability insurance contract" in the Japanese version of this document.

(Reference)

Criteria for Judging Independence of Outside Officers

In the Company's selection by the Board of Directors and the Audit and Supervisory Board of Outside Directors and Outside Corporate Auditors (hereinafter collectively the "Outside Officers") as Independent Officers, the Board of Directors selects candidates for Independent Officers persons to which none of the following items apply, who are determined to have substantial independence, and possess achievements, experience, and expertise that can be expected to contribute to candid, active, and constructive deliberations in the Board of Directors.

1. A person who executes business of the Company or its subsidiaries or affiliates (collectively, the "Group"), a Director who does not execute business of the Company, or an accounting advisor (restricted to cases where an Outside Corporate Auditor is designated Independent Officer)
2. A person or executor whose principal business partner is the Group
3. The Group's principal business partner or person who executes business for the principal business partner
4. A person who receives considerable monetary compensation or other property besides officer remuneration from the Group as a consultant, accounting specialist, or legal specialist (if the receiving party of said property is an organization such as a corporate body or association, the person belonging to said organization)
5. The Company's major shareholder (if the receiving party of said property is a corporate body, the person who executes business for the corporate body)
6. A person or executor who receives vast monetary contributions from the Group
7. A person to whom any of the above items 1. through 6. have applied during the past three years
8. For those applicable to the above items 1. through 7., close relatives
9. Also, any person at risk of having a permanent conflict of interest with any general shareholders even if they do not fall within items 1. through 8. Above

Proposal 5: Revision of Remuneration for Allotment of Restricted Stock to Directors of the Company (Excluding Outside Directors)

At the 11th Annual General Meeting of Shareholders held on March 27, 2017, with regard to remuneration, etc., for Directors of the Company, the Company received approval for an annual amount of up to 300 million yen (including up to 20 million yen for Outside Directors but excluding employee salaries for Directors concurrently serving as employees) and at the 15th Annual General Meeting of Shareholders held on March 29, 2021, as a part of revision of the remuneration system, for the purpose of promoting sharing of benefits and risks of fluctuations in the Company's stock price between Directors of the Company (excluding Outside Directors) and the shareholders and further motivating Directors to not only improve the Company's corporate value but also contribute to a rise in the Company's stock price, it was approved that the Company provides, aside from the remuneration for Directors, the remuneration for granting restricted stock to Directors (excluding Outside Directors) up to 150 million yen per year and that the total number of the Company's ordinary shares newly issued or disposed of as restricted stock remuneration shall not exceed 200,000 shares per year.

In response to recent business results of the Company and strong performance of the stock price, the Company requests approval for revising the remuneration for granting restricted stock to eligible Directors to up to 240 million yen per year aside from the remuneration for Directors, and the total number of the Company's ordinary shares newly issued or disposed of as restricted stock remuneration to up to 300,000 shares per year, for the purpose of driving long-term and sustainable growth, securing objectivity, and transparency through ongoing deliberation at the Nomination and Remuneration Committee, etc.

If Proposal 3 "Election of Six Directors" is approved and resolved as proposed, the number of Directors will be six (including three Outside Directors) and three Directors will become eligible. The timing of payment and specific allotment to such eligible Directors will be decided by the Board of Directors of the Company.

Based on the resolution by the Board of Directors of the Company, the Company will pay monetary compensation claims as remuneration for restricted stock within the above annual amount to eligible Directors of the Company and each of those Directors will make in-kind contribution of all of these monetary compensations claims to receive an allotment of restricted stock.

The amount to be paid for restricted stock will be determined by the Board of Directors based on the closing price of the Company's ordinary shares on the Tokyo Stock Exchange as of the business day prior to the day of the resolution of the Board of Directors of the Company (or the most-recent prior closing price if no transactions were executed on that day) related to the issuance and/or disposition of said stock, the value of which is within the extent that the amount will not be especially favorable to the Directors receiving such restricted stock.

In addition, the aforementioned monetary compensation claims will be provided on the condition that eligible Directors of the Company agree to in-kind contribution as described above and that they conclude an agreement on the allotment of restricted stock that includes the details provided in (2) below. We believe that the maximum amount of remuneration and the total number of the Company's ordinary shares issued or disposed of in this Proposal and other conditions for granting restricted stock to eligible Directors pursuant to this Proposal are appropriate as they have been determined in consideration of the aforementioned purpose, business conditions of the Company, the policy on determination concerning content of remuneration for individual Directors of the Company, and other various conditions.

(1) Total number of restricted stock

The maximum number of restricted stock to be allotted in each fiscal year shall be 300,000 shares, which is the total number of restricted stock to be allotted to eligible Directors of the Company. However, when adjustment of the total number of restricted stock to be allotted is necessary in the case of a stock split of the Company's ordinary shares (including gratis

allotment of the Company's ordinary shares), a reverse stock split, or other similar event after the date of resolution of this Proposal, the Company may adjust the total number of such restricted stock in a reasonable manner.

(2) Details of an agreement on the allotment of restricted stock

In the allotment of restricted stock, an agreement on the allotment of restricted stock concluded between the Company and Directors receiving an allotment of restricted stock based on a resolution by the Board of Directors of the Company shall include the following details.

(i) Details of transfer restriction

Directors receiving an allotment of restricted stock may not transfer to a third party, pledge, assign as security rights, use as inter vivo gift, bequest, or engage in any other act of disposal for restricted stock allotted to said Director (hereinafter, referred to as the "Allotted Stock") for a period of five to twenty years determined by the Board of Directors of the Company (hereinafter, referred to as the "Transfer Restriction Period") (hereinafter, referred to as the "Transfer Restriction").

(ii) Gratis acquisition of restricted stock

In the event that Directors receiving an allotment of restricted stock retire from or leave their position as both Director or an employee of the Company or its subsidiary by the day before the first Annual General Meeting of Shareholders after the date of commencement of the Transfer Restriction Period, the Company shall automatically acquire the Allotted Stock gratis, unless the reason for such retirement or leaving is recognized justifiable by the Board of Directors of the Company.

Furthermore, the Company shall automatically acquire the Allotted Stock gratis for which the Transfer Restriction is not released at the time of expiration of the Transfer Restriction Period as stated in (i) above based on the provisions of release of the Transfer Restriction as provided in (iii) below.

(iii) Release of Transfer Restriction

The Company shall release the Transfer Restriction of all of the Allotted Stock at the time of the expiration of the Transfer Restriction Period, on the condition that Directors receiving an allotment of restricted stock continue to be in a position as Director or an employee of the Company or its subsidiary until the day of the first Annual General Meeting of Shareholders after the date of commencement of the Transfer Restriction Period.

However, in the event that such Directors retire from or leave their position as both Director and an employee of the Company and its subsidiary prior to the expiration of the Transfer Restriction Period due to reasons recognized justifiable by the Board of Directors of the Company, the number of the Allotted Stock of which the Transfer Restriction is to be released and the timing of the release of the Transfer Restriction shall be reasonably adjusted as necessary.

(iv) Handling in the event of organizational restructuring

If, during the Transfer Restriction Period, a merger agreement by which the Company becomes the defunct company, a stock exchange agreement or stock transfer plan by which the Company becomes a wholly-owned subsidiary, or any other proposals related to reorganization, etc., are approved by a General Meeting of Shareholders of the Company (however, when the concerned organizational restructuring, etc., does not require approval by the General Meeting of Shareholders of the Company, then approval by the Board of Directors), the Company shall release the Transfer Restriction by a resolution of the Board of Directors of the Company in advance of the effective date of the concerned organizational restructuring etc., for a reasonably specified number of the Allotted Stock, bearing in mind the period from the date of commencement of the Transfer Restriction Period until the date of approval of the concerned organizational restructuring, etc.

In this case, the Company shall automatically acquire the Allotted Stock gratis of which the Transfer Restriction has not been released at the point immediately after the Transfer Restriction was released based on the provisions above.

[Reference]

In the event this proposal is approved and resolved, the Company plans to allot the maximum number of 300,000 of restricted stock to Executive Officers and significant employees of the Company and Directors, Executive Officers, and significant employees of its subsidiary.