

**Note: This document has been translated from 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.**

Securities Code: 8704  
June 7, 2024

Dear Shareholders

28th Floor, Yebisu Garden Place Tower,  
4-20-3, Ebisu, Shibuya-ku, Tokyo  
**TRADERS HOLDINGS CO., LTD.**

Representative Director, Chairman and President  
Takayuki Kanamaru

## **Notice of Convocation of the 25th Annual General Meeting of Shareholders**

I would like to take this opportunity to thank all of you for your ongoing support. We are pleased to inform you that the 25th Annual General Meeting of Shareholders will be held as outlined below.

In convening the Annual General Meeting of Shareholders, we have taken electronic provision measures for information contained in the reference and other documents for the Annual General Meeting of Shareholders (items subject to electronic provision measures), and they are posted on the following websites on the Internet.

We ask you to access either of these websites and confirm.

### **[The Company's website (in Japanese)]**

<https://www.tradershd.com/ir/soukai/>



In addition to the above website, the items subject to electronic provision measures are also posted on the website of Tokyo Stock Exchange, Inc. (TSE). Please access the TSE website (Listed Company Search) below, enter and search “Traders Holdings” for Issue name (company name) or “8704” for Code, select “Basic information” and then “Documents for public inspection/PR information,” and check “Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting” under “Filed information available for public inspection.”

### **[TSE website (Listed Company Search) (in Japanese)]**

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>



If you do not attend the meeting, you may exercise your voting rights by electronic means (via the Internet, etc.) or in writing. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. on Tuesday, June 25, 2024, (JST).

1. **Date and time:** 10 a.m. on Wednesday, June 26, 2024, (JST)  
(Doors will open at 9:30 a.m.)
2. **Place:** SPACE 6 Conference Room, 4th Floor, Ebisu Garden Place  
Tower 4-20-3, Ebisu, Shibuya-ku, Tokyo
3. **Agenda for the Meeting:**
  - Matters to Be Reported:**
    1. Report on the content of the business report and the consolidated financial statements and report on the results of the audits of the consolidated financial statements performed by the Accounting Auditor and the Audit & Supervisory Board for the 25th fiscal year (covering the period from April 1, 2023, to March 31, 2024).
    2. Report on the non-consolidated financial statements for the 25th fiscal year (covering the period from April 1, 2023, to March 31, 2024).

**Matters to Be Resolved:**

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Five (5) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal 4:** Election of Three (3) Directors Who Are Audit and Supervisory Committee Members
- Proposal 5:** Election of One (1) Substitute Director Serving as Audit and Supervisory Committee Member
- Proposal 6:** Establishment of the Amount of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal 7:** Establishment of the Amount of Remuneration for Directors Who Are Audit and Supervisory Committee Members
- Proposal 8:** Establishment of Remuneration for Granting Restricted Stock to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors)

**4. Matters Regarding the Exercise of Voting Rights:**

- (1) If neither “for” or “against” is marked on the submitted Voting Rights Exercise Form, it will be treated as consent for the relevant proposals.
  - (2) If you exercise your voting rights more than once via the Internet, etc., only your last vote will be treated as valid.
  - (3) If you exercise your voting rights both in writing using the voting form and via the Internet, etc., only the vote cast via the Internet, etc., will be treated as valid, regardless of the date and time that the votes are received.
- ◎ If you plan to attend the Meeting in person, please submit the Voting Rights Exercise Form to the receptionist at the Meeting.
  - ◎ Should there be any amendments to the electronic provision measures, a notice to that effect and the matters before and after the amendments will be posted on the Company website and the TSE website on the Internet.
  - ◎ Any changes in the management of the Annual General Meeting of Shareholders will be announced on the Company website.

- © In accordance with laws and regulations and the provisions of Article 15 of the Articles of Incorporation of the Company, the following matters are not included in the documents including the electronic provision measures to be issued to shareholders who have requested the issuance of such documents.
- (i) “Principal Offices,” “Employees,” “Accounting Auditors,” “Systems to Ensure Proper Operations,” and “Basic Policy on Control of the Company” in the Business Report;
  - (ii) Consolidated Statement of Changes in Net Assets and Notes to Consolidated Financial Statements; and
  - (iii) Statement of Changes in Net Assets and Notes to Non-consolidated Financial Statements

The Audit & Supervisory Board Members and the Accounting Auditors have audited the documents subject to audit, including the matters stipulated above.

## **Guide to Exercising Voting Rights by Electronic Means**

### **1. Exercising voting rights via the Internet**

If you wish to exercise your voting rights via the Internet, please review the following points before exercising your voting rights. If you plan to attend the Meeting in person, you do not need to complete any procedures to exercise your voting rights by mail or via the Internet.

#### **(i) Voting rights exercise website**

- (1) You can exercise your voting rights via the Internet by accessing the voting rights exercise website designated by the Company (<https://evote.tr.mufg.jp/>) from your personal computer or smartphone. (Please note that you will not be able to access the above URL from 2:30 a.m. to 4:30 a.m. every day.)
- (2) You may not use the voting rights exercise website to exercise your voting rights using your personal computer or smartphone depending on your Internet usage environment, subscription services, or model.
- (3) You may exercise your voting rights via the Internet by 5:30 p.m. on Tuesday, June 25, 2024, (JST). We ask you to exercise your voting rights ahead of time and contact the Help Desk if you have any questions.

#### **(ii) How to exercise your voting rights via the Internet**

On the voting rights exercise website (<https://evote.tr.mufg.jp/>), use the “Login ID” and “Tentative Password” indicated on the Voting Rights Exercise Form, and follow the on-screen guidance to cast your vote.

### **2. Platform for exercise of electronic voting rights**

Nominal shareholders such as trust companies, including standing proxies, who have applied in advance for the use of the electronic voting rights exercise platform operated by ICJ, Inc., a joint venture company established by the Tokyo Stock Exchange, etc., may also use the platform as a method of exercising their voting rights by electronic means at the General Meeting of Shareholders of the Company in addition to the exercise of voting rights via the Internet as described in 1. above.

## Consolidated financial statements

### i. Consolidated balance sheets

	(Millions of yen)
	As of March 31, 2024
<b>Assets</b>	
Current assets	
Cash and deposits	8,850
Work in process	1
Segregated deposits	99,572
Segregated deposits for customers	99,556
Other segregated deposits	16
Trading products	1,200
Short-term guarantee deposits	5,970
Margin deposits for foreign exchanges	5,569
Margin deposits for crypto assets	396
Margin deposits for other assets	5
Other	806
Allowance for doubtful accounts	(23)
<b>Total current assets</b>	<b>116,378</b>
Non-current assets	
Property, plant and equipment	257
Buildings	168
Tools, furniture and fixtures	88
Intangible assets	744
Software	702
Other	41
Investments and other assets	813
Investment securities	100
Long-term advance paid	20
Deferred tax assets	275
Other	435
Allowance for doubtful accounts	(19)
<b>Total non-current assets</b>	<b>1,814</b>
<b>Total assets</b>	<b>118,193</b>

Note: All amounts are rounded down to the nearest million Japanese yen.

(Millions of yen)  
As of March 31,  
2024

<b>Liabilities</b>	
Current liabilities	
Trading products	298
Deposits received	26
Guarantee deposits received	100,113
Margin deposits received for foreign exchanges	99,977
Margin deposits received for crypto assets	136
Short-term borrowings	1,127
Current portion of long-term borrowings	393
Current portion of bonds payable	600
Income taxes payable	505
Provision for bonuses	273
Other	546
<b>Total current liabilities</b>	<b>103,884</b>
Non-current liabilities	
Long-term borrowings	112
Provision for retirement benefits for directors (and other officers)	33
Retirement benefit liability	41
Other	0
<b>Total non-current liabilities</b>	<b>187</b>
<b>Total liabilities</b>	<b>104,071</b>
<b>Net assets</b>	
Shareholders' equity	
Share capital	1,564
Capital surplus	961
Retained earnings	12,386
Treasury shares	(921)
<b>Total shareholders' equity</b>	<b>13,991</b>
Accumulated other comprehensive income	
Foreign currency translation adjustment	78
<b>Total accumulated other comprehensive income</b>	<b>78</b>
Share acquisition rights	49
Non-controlling interests	0
<b>Total net assets</b>	<b>14,121</b>
<b>Total liabilities and net assets</b>	<b>118,193</b>

## ii. Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2024
<b>Operating revenue</b>	
Commission received	80
Net trading income	9,787
Financial revenue	1
Other sales	234
<b>Total operating revenue</b>	<b>10,103</b>
Financial expenses	53
Cost of sales	138
<b>Net operating revenue</b>	<b>9,912</b>
<b>Selling, general and administrative expenses</b>	<b>5,499</b>
<b>Operating profit</b>	<b>4,412</b>
<b>Non-operating income</b>	
Interest and dividend income	2
Subsidy income	3
Insurance claim income	2
Other	1
<b>Total non-operating income</b>	<b>9</b>
<b>Non-operating expenses</b>	
Interest expenses	14
Foreign exchange losses	14
Other	2
<b>Total non-operating expenses</b>	<b>31</b>
<b>Ordinary profit</b>	<b>4,389</b>
<b>Extraordinary income</b>	
Reversal of provision for bonuses	3
<b>Total extraordinary income</b>	<b>3</b>
<b>Extraordinary losses</b>	
Loss on retirement of non-current assets	7
Head office relocation expenses	18
Impairment losses	6
<b>Total extraordinary losses</b>	<b>32</b>
<b>Profit before income taxes</b>	<b>4,360</b>
Income taxes - current	758
Income taxes - deferred	267
<b>Total income taxes</b>	<b>1,026</b>
<b>Profit</b>	<b>3,334</b>
<b>Loss attributable to non-controlling interests</b>	<b>(0)</b>
<b>Profit attributable to owners of parent</b>	<b>3,334</b>

Note: All amounts are rounded down to the nearest million Japanese yen.

## Non-consolidated financial statements

### i. Non-consolidated balance sheets

	(Millions of yen)
	As of March 31, 2024
<b>Assets</b>	
Current assets	
Cash and deposits	711
Accounts receivable - other	537
Other	97
<b>Total current assets</b>	<b>1,346</b>
Non-current assets	
Property, plant and equipment	
Buildings	60
Other	27
<b>Total property, plant and equipment</b>	<b>87</b>
Investments and other assets	
Shares of subsidiaries and associates	2,160
Investments in capital of subsidiaries and associates	127
Guarantee deposits	136
Long-term prepaid expenses	255
Deferred tax assets	187
<b>Total investments and other assets</b>	<b>2,866</b>
<b>Total non-current assets</b>	<b>2,954</b>
<b>Total assets</b>	<b>4,301</b>
<b>Liabilities</b>	
Current liabilities	
Current portion of long-term borrowings	291
Accrued expenses	100
Income taxes payable	4
Provision for bonuses	34
Other	57
<b>Total current liabilities</b>	<b>488</b>
Non-current liabilities	
Long-term deposits received	89
Provision for retirement benefits for directors (and other officers)	12
Provision for retirement benefits	4
<b>Total non-current liabilities</b>	<b>105</b>
<b>Total liabilities</b>	<b>594</b>

Note: All amounts are rounded down to the nearest million Japanese yen.



	(Millions of yen)
	As of March 31, 2024
<b>Net assets</b>	
Shareholders' equity	
Share capital	1,564
Capital surplus	
Legal capital surplus	558
Other capital surplus	404
Total capital surplus	963
Retained earnings	
Other retained earnings	
Retained earnings brought forward	2,050
Total retained earnings	2,050
Treasury shares	(921)
<b>Total shareholders' equity</b>	<b>3,656</b>
Share acquisition rights	49
<b>Total net assets</b>	<b>3,706</b>
<b>Total liabilities and net assets</b>	<b>4,301</b>

Note: All amounts are rounded down to the nearest million Japanese yen.

## ii. Non-consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2024
<b>Operating revenue</b>	
Consulting fee income of subsidiaries and affiliates	937
Dividends from subsidiaries and associates	951
Total operating revenue	1,888
<b>Net operating revenue</b>	<b>1,888</b>
<b>Selling, general and administrative expenses</b>	<b>984</b>
<b>Operating profit</b>	<b>903</b>
<b>Non-operating income</b>	
Recoveries of written off receivables	0
Other	0
Total non-operating income	0
<b>Non-operating expenses</b>	
Interest expenses	9
Commission expenses	1
Other	0
Total non-operating expenses	11
<b>Ordinary profit</b>	<b>892</b>
<b>Extraordinary income</b>	
Gain on liquidation of subsidiaries	5
Reversal of provision for bonuses	2
Total extraordinary income	8
<b>Extraordinary losses</b>	
Head office relocation expenses	12
Loss on retirement of non-current assets	0
Total extraordinary losses	12
Profit before income taxes	887
Income taxes - current	(432)
Income taxes - deferred	152
<b>Total income taxes</b>	<b>(280)</b>
<b>Profit</b>	<b>1,168</b>

Note: All amounts are rounded down to the nearest million Japanese yen.

## **Reference Materials for the Annual General Meeting of Shareholders**

### **Proposal 1: Appropriation of Surplus**

Our basic policy is to maintain a stable dividend payment twice a year with a target consolidated dividend on equity ratio (DOE) of 4%, taking into account the need to secure retained earnings to develop businesses and strengthen the management base toward the achievements of our targets.

Based on the above policy, we propose to pay a year-end dividend for the fiscal year ended March 31, 2024, as follows.

- (1) Type of dividend asset  
Cash
- (2) Allocation of dividend asset and total amount of allocation  
16 yen per share of common stock; total amount: 446,360,368 yen
- (3) Effective date of distribution of the dividend  
June 27, 2024

## Proposal 2: Partial Amendments to the Articles of Incorporation

### 1. Reasons for amendment

#### (1) Change of Purpose

The Company proposes to make a partial amendment to the description of the business purpose in Article 2 (Purpose) of the current Articles of Incorporation of the Company to clarify the business content in line with the current business activities of the Company and its subsidiaries and to respond to future business development and diversification of the business content.

#### (2) Transition to a Company with an Audit and Supervisory Committee

From the perspective of further enhancing corporate governance, the Company plans to transition to a company with an Audit and Supervisory Committee.

Accordingly, the Company will newly establish provisions concerning the Audit and Supervisory Committee Members and the Audit and Supervisory Committee and delete provisions concerning Audit & Supervisory Board Members and the Audit & Supervisory Board, which are necessary for the transition to a company with an Audit and Supervisory Committee. In addition, the Company will newly establish provisions concerning the delegation of decisions on the execution of business.

And, Article 42, Paragraph 1 and 2 of the current Articles of Incorporation provides for the limitation of liability of Audit & Supervisory Board Members.

However, in order to clarify that it is possible to limit the liability of Audit & Supervisory Board Members for their actions prior to the deletion of this provision, transitional measures concerning the limitation of liability of Audit & Supervisory Board Members will be newly established as a supplementary provision.

#### (3) Other

In accordance with the above-mentioned changes, the Company will revise and delete wording, add new articles, and change the number of articles.

The proposed amendments to the Articles of Incorporation shall become effective at the conclusion of this General Meeting of Shareholders.

### 2. Details of amendments

The details of the amendments are as follows:

(Proposed amendments underlined)

Current Articles of Incorporation	Proposed amendments
<b>CHAPTER I GENERAL PROVISIONS</b>	<b>CHAPTER I GENERAL PROVISIONS</b>
Article 2. (Purpose) 1. The purpose of the Company shall be to control and manage the business activities of domestic and foreign companies that conduct the following or similar business operations, through the holding of shares or other equity interest in such companies.	Article 2. (Purpose) (Unchanged)

Current Articles of Incorporation	Proposed amendments
(1) to (11) (Omitted)	(8) to (11) (Unchanged)
(12) <u>Support for corporations operating power plants using renewable energy resources such as solar, biomass, wind, geothermal, and hydraulic power, and consulting services such as setting up environmental funds and other related businesses</u>	(Deleted)
(13) to (18) (Omitted)	(12) to (17) (Unchanged)
(19) <u>Sales, maintenance, import and export of technology, products and services related to refrigeration, freezing, ice making, thawing, and heating</u>	(Deleted)
(20) <u>Research, development, sales, and implementation support for various systems and products as well as services using biometric authentication technology</u> (Newly established)	(Deleted)
(21) to (22) (Omitted)	(18) <u>Investment in and development of CVC funds, venture capital, and venture companies</u>
	(19) to (20) (Unchanged)
<b>CHAPTER II SHARES</b>	<b>CHAPTER II SHARES</b>
Article 11. (Procedure for the Exercise of Shareholder Rights)	Article 11. (Procedure for the Exercise of Shareholder Rights)
2. The following matters relating to proposals submitted by shareholders, if they exceed 400 Japanese characters, shall be outlined in the reference documents for the General Meeting of Shareholders.	(Unchanged)
(1) Reasons for proposal	(1) Reasons for proposal
(2) <u>Matters related to the election of Directors, Accounting Advisor, Audit &amp; Supervisory Board Members, and Accounting Auditor</u>	(2) <u>Matters related to the election of Directors (excluding Directors who are Audit and Supervisory Committee Members), Directors who are Audit and Supervisory Committee Members, and Accounting Auditor</u>
<b>CHAPTER IV DIRECTORS AND THE BOARD OF DIRECTORS</b>	<b>CHAPTER IV DIRECTORS AND THE BOARD OF DIRECTORS</b>
Article 21. (Number of Directors)	Article 21. (Number of Directors)
1. Directors of the Company shall number eleven (11) or fewer.	1. <u>Directors (excluding Directors who are Audit and Supervisory Committee Members)</u> of the Company shall number eleven (11) or fewer.
(Newly established)	2. <u>The Company shall number five (5) or fewer Directors who are Audit and Supervisory Committee Members.</u>

Current Articles of Incorporation	Proposed amendments
<p>Article 22. (Election of Directors)</p> <p>1. Directors of the Company shall be elected by resolution of a General Meeting of Shareholders.</p>	<p>Article 22. (Election of Directors)</p> <p>1. Directors of the Company shall be elected by resolution of a General Meeting of Shareholders, <u>distinguishing between Directors who are Audit and Supervisory Committee Members and other Directors.</u></p>
<p>Article 23. (Term of Office of Directors)</p> <p>1. The term of office of a Director shall continue through the conclusion of the Annual General Meeting of Shareholders held with respect to the last fiscal year ending within one (1) year after his or her election.</p> <p>2. <u>The term of office of a Director elected to fill a vacancy or increase the number of Directors shall expire at the end of the term of office of the other Directors in office.</u></p> <p>(Newly established)</p>	<p>Article 23. (Term of Office of Directors)</p> <p>1. The term of office of a Director <u>of the Company (excluding Director who are Audit and Supervisory Committee Member)</u> shall continue through the conclusion of the Annual General Meeting of Shareholders held with respect to the last fiscal year ending within one (1) year after his or her election.</p> <p>2. <u>The term of office of a Director who is an Audit and Supervisory Committee Member of the Company shall continue through the conclusion of the Annual General Meeting of Shareholders held with respect to the last fiscal year ending within two (2) years after his or her election.</u></p>
<p>(Newly established)</p>	<p>3. <u>The term of office of a Director who is an Audit and Supervisory Committee Member elected as a substitute for a Director who is an Audit and Supervisory Committee Member who retired prior to the expiration of his or her term of office shall continue until the expiration of the term of office of the retired Director who is an Audit and Supervisory Committee Member.</u></p> <p>Article 24. (Delegation of decision making on <u>important business execution</u>)  <u>Pursuant to Article 399-13, Paragraph 6 of the Companies Act, the Company may delegate all or part of decisions on the execution of important operations (excluding matters set forth in the items of Paragraph 5 of the same Article) to Directors by a resolution of the Board of Directors.</u></p>

Current Articles of Incorporation	Proposed amendments
<p>Article <u>24</u>. (Convocation of Board of Directors Meetings)</p> <p>3. Notice for convening a meeting of the Board of Directors shall be dispatched to each Director <u>and each Audit &amp; Supervisory Board Member</u> three (3) days prior to the date of the meeting. Provided, however, this period may be shortened in the event of an emergency.</p> <p>4. With the consent of all Directors and <u>Audit &amp; Supervisory Board Members</u>, a Board of Directors meeting may be held without undertaking convocation procedures.</p>	<p>Article <u>25</u>. (Convocation of Board of Directors Meetings)</p> <p>3. Notice for convening a meeting of the Board of Directors shall be dispatched to each Director three (3) days prior to the date of the meeting. Provided, however, this period may be shortened in the event of an emergency.</p> <p>4. With the consent of all Directors, a Board of Director’s meeting may be held without undertaking convocation procedures.</p>
<p>Article <u>25</u>. (Omitted)</p>	<p>Article <u>26</u>. (Unchanged)</p>
<p>Article <u>26</u>. (Omission of Resolution by the Board of Directors)</p> <p>If all Directors indicate their consent to a proposal regarding a matter, which is the subject of a resolution by the Board of Directors, either in writing or in electronic form, the Company shall deem such proposal as having been approved by the Board of Directors. <u>Provided, however, that this shall not apply if any Audit &amp; Supervisory Board Member expresses an objection.</u></p>	<p>Article <u>27</u>. (Omission of Resolution by the Board of Directors)</p> <p>If all Directors indicate their consent to a proposal regarding a matter, which is the subject of a resolution by the Board of Directors, either in writing or in electronic form, the Company shall deem such proposal as having been approved by the Board of Directors.</p>
<p>Article <u>27</u>. (Representative Director and Executive Director)</p> <p>1. <u>The Board of Directors shall, by its resolution, elect Representative Director(s).</u></p> <p>2. (Omitted)</p> <p>3. The Board of Directors may, by its resolution, elect one (1) Chairperson and Director, one (1) President Director and a number of Vice President Director, Senior Managing Directors, and Managing Directors.</p>	<p>Article <u>28</u>. (Representative Director and Executive Director)</p> <p>1. <u>The Board of Directors (excluding Directors who are Audit and Supervisory Committee Members) shall, by its resolution, elect Representative Director(s).</u></p> <p>2. (Unchanged)</p> <p>3. The Board of Directors <u>(excluding Directors who are Audit and Supervisory Committee Members)</u> may, by its resolution, elect one (1) Chairperson and Director, one (1) President Director and a number of Vice President Director, Senior Managing Directors, and Managing Directors.</p>

Current Articles of Incorporation	Proposed amendments
<p>Article <u>28.</u> (Minutes of Board of Directors Meetings)  A summary of the proceedings at Board of Directors meetings and the results thereof as well as any other matters provided for by laws and regulations shall be recorded in the minutes of the meetings, which shall bear the names and seals or the electronic signatures of the Directors <u>and Audit &amp; Supervisory Board Members</u> present at the meetings.</p>	<p>Article <u>29.</u> (Minutes of Board of Directors Meetings)  A summary of the proceedings at Board of Director’s meetings and the results there of as well as any other matters provided for by laws and regulations shall be recorded in the minutes of the meetings, which shall bear the names and seals or the electronic signatures of the Directors present at the meetings.</p>
<p>Article <u>29.</u> (Omitted)</p>	<p>Article <u>30.</u> (Unchanged)</p>
<p>Article <u>30.</u> (Remuneration, etc. for Directors)  <u>Remuneration, etc., for Directors</u> shall be determined by resolution of a General Meeting of Shareholders.</p>	<p>Article <u>31.</u> (Remuneration, etc. for Directors)  <u>Remuneration, bonuses and other financial benefits to be received from the Company as consideration for the execution of duties by Directors</u> shall be determined by a resolution of the General Meeting of Shareholders by <u>distinguishing between Directors who are Audit and Supervisory Committee Members and other Directors.</u></p>
<p>Article <u>31.</u> (Omitted)  <u>CHAPTER V</u>  <u>AUDIT &amp; SUPERVISORY BOARD</u>  <u>MEMBERS AND AUDIT &amp;</u>  <u>SUPERVISORY BOARD</u></p>	<p>Article <u>32.</u> (Unchanged)  <b>(Deleted)</b></p>
<p>Article <u>32.</u> (Establishment of Audit &amp; Supervisory Board Members and Audit &amp; Supervisory Board)  <u>The Company shall have Audit &amp; Supervisory Board Members and an Audit &amp; Supervisory Board.</u></p>	<p>(Deleted)</p>
<p>Article <u>33.</u> (Number of Audit &amp; Supervisory Board Members)  <u>The Audit &amp; Supervisory Board Members of the Company shall number three (3) or more.</u></p>	<p>(Deleted)</p>
<p>Article <u>34.</u> (Election of Audit &amp; Supervisory Board Members)  1. <u>Audit &amp; Supervisory Board Members shall be elected by resolution of a General Meeting of Shareholders.</u></p>	<p>(Deleted)</p>



Current Articles of Incorporation	Proposed amendments
<p><u>2. Resolutions for the election of Audit &amp; Supervisory Board Members shall be made by a majority of the voting rights held by shareholders present at the meeting where shareholders holding shares representing not less than one-third (1/3) of the voting rights of the shareholders entitled to vote at such meeting are present.</u></p>	(Deleted)
<p><u>3. The Company may elect alternate Audit &amp; Supervisory Board Members at a General Meeting of Shareholders to provide for a possible shortfall in the number of Audit &amp; Supervisory Board Members stipulated by laws and regulations or the Articles of Incorporation.</u></p>	(Deleted)
<p><u>4. The effectiveness of the election of an alternate Audit &amp; Supervisory Board Member shall continue until the commencement of the Annual General Meeting of Shareholders relating to the last fiscal year ending within four (4) years after his or her election.</u></p>	(Deleted)
<p><u>Article 35. (Term of Office of Audit &amp; Supervisory Board Members)</u></p>	(Deleted)
<p><u>1. The term of office of an Audit &amp; Supervisory Board Member shall continue through the conclusion of the Annual General Meeting of Shareholders held with respect to the last fiscal year ending within four (4) years after his or her election.</u></p>	
<p><u>2. The term of office of an Audit &amp; Supervisory Board Member elected to fill a vacancy shall expire when the term of office of the departed Audit &amp; Supervisory Board Member expires.</u></p>	(Deleted)
<p><u>Article 36. (Full-time Audit &amp; Supervisory Board Members)</u>  <u>The Audit &amp; Supervisory Board shall elect a full-time Audit &amp; Supervisory Board Member from among the Audit &amp; Supervisory Board Members.</u></p>	(Deleted)

Current Articles of Incorporation	Proposed amendments
<p><u>Article 37. (Convocation of Audit &amp; Supervisory Board Meetings)</u></p> <p>1. <u>A full-time Audit &amp; Supervisory Board Member shall convene Audit Supervisory Board meetings. Provided, however, this shall not preclude any other Audit &amp; Supervisory Board Member from requesting a full-time Audit &amp; Supervisory Board Member to convene a meeting of the Audit &amp; Supervisory Board or from convening such a meeting by himself or herself.</u></p> <p>2. <u>Notice for convening a meeting of the Audit &amp; Supervisory Board shall be dispatched to each Audit &amp; Supervisory Board Member three (3) days prior to the date of the meeting. However, this period may be shortened in the event of an emergency.</u></p> <p>3. <u>With the consent of all Audit &amp; Supervisory Board Members, a meeting of the Audit &amp; Supervisory Board may be held without undertaking convocation procedures.</u></p>	<p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p>
<p><u>Article 38. (Method of Resolutions at Audit &amp; Supervisory Board Meetings)</u></p> <p><u>Except as otherwise provided by law, resolutions of the Audit &amp; Supervisory Board shall be adopted by a majority vote of all Audit &amp; Supervisory Board Members.</u></p>	<p>(Deleted)</p>
<p><u>Article 39. (Audit &amp; Supervisory Board Regulations)</u></p> <p><u>Matters relating to the Audit &amp; Supervisory Board shall be governed by the Audit &amp; Supervisory Board Regulations established by the Audit &amp; Supervisory Board, in addition to laws and regulations or the Articles of Incorporation.</u></p>	<p>(Deleted)</p>
<p><u>Article 40. (Minutes of Audit &amp; Supervisory Board Meetings)</u></p> <p><u>A summary of the proceedings at Audit &amp; Supervisory Board meetings and the results thereof as well as any other matters provided for by laws and regulations shall be entered or recorded in the minutes of the meetings, which shall bear the names and seals or the electronic signatures of the Audit &amp; Supervisory Board Members present at the meetings.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed amendments
<p><u>Article 41. (Remuneration, etc. for Audit &amp; Supervisory Board Members)</u>  <u>Remuneration, etc. for Audit &amp; Supervisory Board Members shall be determined by resolution of a General Meeting of Shareholders.</u></p>	(Deleted)
<p><u>Article 42. (Limitation of Liabilities of Audit &amp; Supervisory Board Members)</u>  1. <u>Pursuant to the provisions of Paragraph 1 of Article 426 of the Companies Act, the Company may, to the extent permitted by laws and regulations, exempt an Audit &amp; Supervisory Board Member (including a person who had served as an Audit &amp; Supervisory Board Member) from liability for damages due to any failure in his or her duties by a resolution of the Board of Directors.</u></p>	(Deleted)
<p>2. <u>The Company may enter into a contract with an Audit &amp; Supervisory Board Member to limit liability for damages arising from any failure in his or her duties pursuant to the provisions of Paragraph 1 of Article 427 of the Companies Act. Provided, however, that the maximum amount of liability under such contract shall be the amount specified by laws and regulations.</u></p>	(Deleted)
<p style="text-align: center;"><b>(Newly established)</b></p>	<p><b><u>CHAPTER V</u></b>  <b><u>Audit and Supervisory Committee</u></b></p>
<p style="text-align: center;">(Newly established)</p>	<p><u>Article 33. (Establishment of Audit and Supervisory Committee)</u>  <u>The Company shall establish an Audit and Supervisory Committee.</u></p>
<p style="text-align: center;">(Newly established)</p>	<p><u>Article 34. (Full-time Audit and Supervisory Committee Member)</u>  <u>The Audit and Supervisory Committee may, by its resolution, appoint full-time Audit and Supervisory Committee Members from among the Audit and Supervisory Committee Members.</u></p>

Current Articles of Incorporation	Proposed amendments
(Newly established)	<p><u>Article 35. (Notice for convening a meeting of the Audit and Supervisory Committee)</u></p> <p>1. <u>Notice for convening a meeting of the Audit and Supervisory Committee shall be dispatched to each Audit and Supervisory Committee Member three (3) days prior to the date of the meeting. However, this period may be shortened in the event of an emergency.</u></p>
(Newly established)	<p>2. <u>Notwithstanding the provisions of the preceding paragraph, if the consent of all Audit and Supervisory Committee Members is obtained, a meeting of the Audit and Supervisory Committee may be held without the convocation procedures.</u></p>
(Newly established)	<p><u>Article 36. (Method of Resolution of the Audit and Supervisory Committee)</u></p> <p><u>Resolutions of the Audit and Supervisory Committee shall be made by a majority of the Audit and Supervisory Committee Members present at the meeting where a majority of the Audit and Supervisory Committee Members who are entitled to participate in the vote are present.</u></p>
(Newly established)	<p><u>Article 37. (Minutes of Audit and Supervisory Committee Meetings)</u></p> <p><u>The outline and results of the proceedings of the Audit and Supervisory Committee meetings and other matters prescribed by laws and regulations shall be entered or recorded in the minutes, and the Audit and Supervisory Committee Members present at the meeting shall affix their names and seals or electronic signatures thereto.</u></p>
(Newly established)	<p><u>Article 38. (Audit and Supervisory Committee Rules)</u></p> <p><u>Matters concerning the Audit and Supervisory Committee shall be governed by the Audit and Supervisory Committee Rules established by the Audit and Supervisory Committee, in addition to the provisions of laws and regulations or the Articles of Incorporation.</u></p>

Current Articles of Incorporation	Proposed amendments
<p>Article <u>43.</u> to Article <u>45.</u> (Omitted)</p> <p>Article <u>46.</u> (Remuneration, etc., for Accounting Auditor) Remuneration, etc., for the Accounting Auditor shall be determined by the President Director with the consent of <u>the Audit &amp; Supervisory Board.</u></p>	<p>Article <u>39.</u> to Article <u>41.</u> (Unchanged)</p> <p>Article <u>42.</u> (Remuneration, etc., for Accounting Auditor) Remuneration, etc., for the Accounting Auditor shall be determined by the President Director with the consent of <u>the Audit and Supervisory Committee.</u></p>
<p>Article <u>47.</u> (Omitted)</p>	<p>Article <u>43.</u> (Unchanged)</p>
<p>Article <u>48.</u> to Article <u>50.</u> (Omitted)</p> <p>(Newly established) (Newly established)</p>	<p>Article <u>44.</u> to Article <u>46.</u> (Unchanged)</p> <p><u>Supplementary provision</u> <u>Article 1. (Transitional Measures for Exemption from Liability of Audit &amp; Supervisory Board Members Prior to Transition to a Company with Audit and Supervisory Committee)</u></p>
<p>(Newly established)</p>	<p>1. Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the <u>Company may, by a resolution of the Board of Directors, exempt Audit &amp; Supervisory Board Members (including former Audit &amp; Supervisory Board Members) from liability for damages arising from negligence in their duties prior to the partial amendments to the Articles of Incorporation that were resolved at the 25th Annual General Meeting of Shareholders taking effect, to the extent permitted by laws and regulations.</u></p>
<p>(Newly established)</p>	<p>2. <u>The agreement to limit the liability of Audit &amp; Supervisory Board Members (including former Audit &amp; Supervisory Board Members) for failure to perform their duties prior to the 25th Annual General Meeting of Shareholders pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act shall be governed by Article 42, Paragraph 2 of the Articles of Incorporation prior to the amendment by the resolution of the same Annual General Meeting of Shareholders.</u></p>

### Proposal 3: Election of Five (5) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Subject to the approval of Proposal 2 “Partial Amendments to the Articles of Incorporation,” the Company will transition to a company with an Audit and Supervisory Committee. The terms of office of all Directors will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of five Directors (excluding Directors who are Audit and Supervisory Committee Members). This proposal will become effective on the condition that the amendments to the Articles of Incorporation in Proposal 2 take effect.

Candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows:

Candidate No.	Name (Date of birth)	Career summary, positions and areas of responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Takayuki Kanamaru (October 28, 1928) [Male] Reelection	Oct. 1967 President and Representative Director of Daiwa Shohin Co., Ltd. Apr. 1991 Director of Daiwa Futures Co., Ltd. (currently Himawari Securities, Inc.) Apr. 2002 Director of the Company Jan. 2009 President and Representative Director July 2012 Adviser June 2020 Representative Director, Chairman and President (current position)	1,454,500
(Reasons for designation as a Director nominee) Mr. Takayuki Kanamaru, as the Company's founder, has contributed to the expansion of the Company's business over many years and has played an important role in the sustainable growth and enhancement of corporate value of the Group. The Company nominates Mr. Takayuki Kanamaru as a Director because we believe that his extensive experience and broad knowledge have greatly contributed to the growth of the Group.			

Candidate No.	Name (Date of birth)	Career summary, positions and areas of responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
2	Takeshi Kanamaru (March 5,1991) [Male] Reelection	Apr. 2015    Joined DENTSU INC. Sep. 2021    Joined the Company, General Manager, Strategic Business Promotion Department June 2022    Director (current position) June 2022    Director of Nextop.Asia Co., Ltd. (currently FleGrowth Co., Ltd.) (current position) June 2022    Director of Nextop Software (Dalian) Co., Ltd. (current position) June 2022    Director of Nextop Co., Ltd. (current position)	70,300

(Reasons for designation as a Director nominee)

The reason for nominating Mr. Takeshi Kanamaru as a candidate for Director is that he has extensive experience in sales and marketing at a major advertising agency. He will use his experience to support market measures such as commercials, etc., for securities subsidiaries and CVC (Corporate Venture Capital) to invest in start-up companies with growth potential, and create new added value in the Group's businesses, including the introduction of a new personnel system with an eye to the sustainable growth.

The Company nominates Mr. Takeshi Kanamaru as a Director because it expects that he will contribute to the sustainable corporate growth of the Company by executing his duties on the management of subsidiaries through guidance on sales and marketing as well as advertising development throughout the Group.

Candidate No.	Name (Date of birth)	Career summary, positions and areas of responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Masayuki Niizuma (November 8,1970) [Male] Reelection	<p>Oct. 1995    Joined Tohmatsu &amp; Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>Jan. 2000    Joined Showa Ota &amp; Co. (currently Ernst &amp; Young ShinNihon LLC)</p> <p>Mar. 2000    Registered as a certified public accountant</p> <p>Sep. 2001    Joined Traders Securities Co., Ltd. (currently TRADERS HOLDINGS CO., LTD.)</p> <p>Apr. 2003    Director of Traders Securities Co., Ltd.</p> <p>Nov. 2008    Opened Niizuma Certified Public Accountants Office, Director (current position)</p> <p>May 2009    Registered as a tax accountant</p> <p>June 2011    Director of the Company</p> <p>July 2017    Adviser</p> <p>June 2021    Director of the Company</p> <p>June 2022    Executive Managing Director (current position)</p> <p>June 2022    Director of Nextop.Asia Co., Ltd. (currently FleGrowth Co., Ltd.) (current position)</p> <p>June 2022    Director of Nextop Software (Dalian) Co., Ltd. (current position)</p> <p>June 2022    Director of Nextop Co., Ltd. (current position)</p>	38,900
<p>(Reasons for designation as a Director nominee)</p> <p>Mr. Niizuma has served as a Director at the Company for a long period of time and contributed to the establishment and strengthening of the business foundation since the early days of the Company. In addition, as a certified public accountant and tax accountant, he has deep knowledge of accounting, taxation and finance, and plays a role in appropriate and efficient planning and implementation of a wide range of business management and business strategies of the Group, including financial issues of the Group and support for the management of subsidiaries. The Company nominates Mr. Niizuma as a Director because it believes that he will contribute to the sustainable enhancement of corporate value of the Company.</p>			



Candidate No.	Name (Date of birth)	Career summary, positions and areas of responsibilities (Significant concurrent positions outside the Company)		Number of the Company's shares owned
4	Masashi Ichikawa (August 22, 1969) [Male] Reelection	Oct. 1994	Joined Showa Ota & Co. (currently Ernst & Young Shin Nihon LLC)	21,200
		Apr. 1998	Registered as a certified public accountant	
		Jan. 2000	Opened Ichikawa Certified Public Accountants Office, Director (current position)	
		Apr. 2010	Outside Director of People Co., Ltd.	
		May 2016	Outside Corporate Auditor of ARC SYSTEM WORKS CO., LTD. (current position)	
		June 2020	Director of the Company (current position)	
(Reasons for designation as an Outside Director nominee and expected role) Although Mr. Ichikawa has never been involved in corporate management other than by serving as an outside officer, he has extensive experience as an outside officer in addition to his highly specialized knowledge as a certified public accountant and he has provided advice to the management of the Company based on his insights. The Company nominates Mr. Ichikawa as an Outside Director because it expects that he will continue to supervise the Group's management from an objective and fair standpoint as an Outside Director.				
5	Daisuke Kawabata (December 26, 1972) [Male] Reelection	Apr. 2000	Registered as an attorney	0
		Apr. 2004	Partner of Hibi Yamitsuke Law Office Attorney (current position)	
		June 2017	Bar Examination Committee member	
		Apr. 2020	Instructor, Legal Training and Research Institute of the Supreme Court	
		June 2020	Director (current position)	
(Reasons for designation as an Outside Director nominee and expected role) Although Mr. Kawabata has never been involved in corporate management, he has made comments at meetings of the Board of Directors primarily from the perspective of a legal professional based on his extensive experience as a lawyer and has played a fair role in supervising the Company's management. The Company nominates Mr. Kawabata as an Outside Director because it expects that he will continue to appropriately perform his duties as an Outside Director.				

- Notes:
1. There are no special conflicts of interest between each candidate and the Company.
  2. Mr. Ichikawa and Mr. Kawabata are candidates for Outside Director.
  3. Mr. Ichikawa and Mr. Kawabata are currently Outside Directors of the Company, and their terms of office as Outside Directors will be four years at the conclusion of this Annual General Meeting of Shareholders.
  4. The Company has entered into agreements with Mr. Ichikawa and Mr. Kawabata to limit their liabilities for damages under Paragraph 1 of Article 423 of the Companies Act pursuant to the provisions of Paragraph 1 of Article 427 of the same Act. The maximum amount of liability for damages under such agreement shall be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act. If the reappointment of Mr. Ichikawa and Mr. Kawabata is approved, the Company plans to continue the said agreements with each of them.
  5. The Company has entered directors and officers' liability insurance contracts with insurance companies set forth in Paragraph 1, Article 430-3 of the Companies Act, under which Directors of the Company are insured. Such insurance contracts cover their liability for the performance of their duties as director or officer of the Company and damage which may arise from a claim for loss or damage caused by such liability. Each Director candidate will be included among the insured if elected as a Director of the Company by this proposal.

- The Company plans to renew the said contracts with the same contents at the next renewal.
6. The Company has appointed Mr. Ichikawa and Mr. Kawabata as independent officers as stipulated by Tokyo Stock Exchange, Inc. and submitted a notification to the Tokyo Stock Exchange. If they are elected as proposed at this Meeting, they will continue to be independent officers.

#### Proposal 4: Election of Three (3) Directors Who Are Audit and Supervisory Committee Members

Subject to the approval of Proposal 2 “Partial Amendments to the Articles of Incorporation,” the Company will transition to a company with an Audit and Supervisory Committee. The Company proposes the election of three (3) Directors who are Audit and Supervisory Committee Members.

This proposal has been approved by the Audit and Supervisory Board. This proposal will take effect on the condition that the amendments to the Articles of Incorporation in Proposal 2 takes effect.

Candidates for Directors who are Audit and Supervisory Committee Members are as follows:

Candidate No.	Name (Date of birth)	Career summary, positions, and areas of responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Shinichi Omata (July 6, 1963) [Male] [New Appointment]	<p>Apr. 1986    Joined the Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)</p> <p>Nov. 1994    Joined Sumitomo Capital Securities Co., Ltd. (currently Daiwa Securities Co. Ltd.)</p> <p>Apr. 2009    Joined Daiwa Securities SMBC Co. Ltd. (currently Daiwa Securities Co. Ltd.) General Manager of Osaka Capital Market Department</p> <p>Apr. 2010    Joined Nikko Cordial Securities Inc. (currently SMBC Nikko Securities Inc.) General Manager of Osaka Capital Market Department</p> <p>Dec. 2012    Audit Department of Sumitomo Mitsui Banking Corporation</p> <p>Nov. 2013    Joined SMBC Trust Bank, Ltd.</p> <p>Apr. 2017    Audit Department of Sumitomo Mitsui Banking Corporation</p> <p>June 2022    Full time Audit &amp; Supervisory Board member of the Company (current position)</p> <p>June 2022    Auditor of Nextop.Asia Co., Ltd. (currently FleGrowth Co., Ltd.) (current position)</p> <p>June 2022    Audit &amp; Supervisory Board Member of Traders Securities Co., Ltd. (current position)</p> <p>June 2022    Corporate Auditor of Nextop Software (Dalian) Co., Ltd. (current position)</p> <p>June 2022    Audit &amp; Supervisory Board Member of Nextop Co., Ltd. (current position)</p>	8,700

(Reasons for nomination as a candidate for Director who is an Audit and Supervisory Committee Member)

Mr. Omata has extensive experience in the banking, securities and trust banking businesses, as well as in the inspection of financial institutions. Currently, as a full-time Audit & Supervisory Board Member, he properly audits the execution of business by the Company's Directors. The Company believes that he is qualified to be a Director who is an Audit and Supervisory Committee Member in order to further strengthen the Company's corporate governance structure, and has nominated him as a candidate. He is a full-time Audit & Supervisory Board Member of the Company, and his term of office as an Audit & Supervisory Board Member will be two years at the conclusion of this Annual General Meeting of Shareholders.

2	Hiroshi Sugekawa (October 19, 1968) [Male] [New Appointment]	Apr. 1993	Joined Mamoru Yamaguchi Tax Accountant Office	3,100
		June 2001	Director, Sugekawa Tax Accounting Office	
		Sep. 2005	Representative Partner of TGN Tokyo (current position)	
		Sep. 2009	Member of the House of Representatives	
		June 2020	Audit & Supervisory Board Member of the Company (current position)	

(Reasons for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and expected role)

Mr. Sugekawa has extensive experience as a tax accountant and a member of the House of Representatives. Considering his extensive professional knowledge and broad insight in the field of tax accounting, the Company has judged that he will be able to appropriately perform his duties. Although he has not been directly involved in corporate management, the Company has nominated him as a candidate for Outside Director who is an Audit and Supervisory Committee Member with the expectation that he will utilize his knowledge and experience in supervising the management of the Company from a standpoint independent from the management team that executes business operations. He is an Outside Audit and Supervisory Board Member of the Company, and his term of office as an Outside Audit and Supervisory Board Member will be four years at the conclusion of this Annual General Meeting of Shareholders.

Candidate No.	Name (Date of birth)	Career summary, positions and areas of responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Kenta Asaeda (January 26, 1981) [Male] [New Appointment]	<p>Dec. 2008 Registered as an attorney at law (currently belongs to Tokyo Bar Association) Joined Kojima International Law Office</p> <p>Jan. 2011 Joined Ginza Law and Accounting Office (currently Ginza Kobikicho Law Office)</p> <p>Jan. 2018 Opened Ushigome Law Offices Partner, Attorney (current position)</p> <p>June 2021 Outside Director who is Audit and Supervisory Committee Member of General Oyster, Inc. (current position)</p> <p>June 2022 Audit &amp; Supervisory Board Member of the Company (current position)</p>	0

(Reasons for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and expected role)

Mr. Asaeda is well-versed in corporate legal affairs as an attorney at law and has sufficient insight into audit corporate management through his election as an Outside Director who is an Audit and Supervisory Committee Member of a listed company. Therefore, the Company has judged that he will be able to appropriately perform his duties.

Although Mr. Asaeda has no experience being directly involved in corporate management other than as an outside officer, the Company has nominated him as a candidate for Outside Director who is an Audit and Supervisory Committee Member with the expectation that he will utilize his expert knowledge and experience in supervising the management of the Company from a standpoint independent from the management team that executes business operations.

Mr. Asaeda is an Outside Audit and Supervisory Board Member of the Company, and his term of office as an Outside Audit and Supervisory Board Member will be two years at the conclusion of this Annual General Meeting of Shareholders.

- Notes:
1. There are no special conflicts of interest between each candidate and the Company.
  2. Mr. Sugekawa and Mr. Asaeda are candidates for Outside Directors.
  3. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Omata, Mr. Sugekawa and Mr. Asaeda to limit their liability for damages under Article 423, Paragraph 1 of the same Act. The maximum amount of liability for damages under the agreement is the minimum liability amount set forth in Article 425, Paragraph 1 of the Companies Act. The maximum amount of liability for damages under the agreement is the minimum liability amount provided for in Article 425, Paragraph 1 of the Companies Act. If their election is approved, the Company plans to conclude the agreement with them.
  4. The Company has entered an Officer, etc. Liability Insurance Contract as prescribed in Article 430, Paragraph 3, Paragraph 1 of the Companies Act with an insurance company. The insurance contract covers the damage incurred by the insured person because of being liable for the execution of their duties as an Officer, etc., or receiving a claim for pursuing such liability. Each candidate for Director who is an Audit and Supervisory Committee Member will be included in the insured if elected as a Director of the Company pursuant to this proposal. The insurance contract will be renewed with the same content at the next renewal.
  5. The Company has submitted notification to the Tokyo Stock Exchange, Inc. that Mr. Asaeda has been designated as an independent officer as prescribed by the exchange. If he is elected as proposed at this General Meeting of Shareholders, he will continue to serve as an independent officer.

## Board Skill Matrix (planned)

(Note)The following is the skill matrix of the Board of Directors if the candidates in the Proposals 3 and 4 are appointed as proposed.

Name	Title	Corporate Management / Business Strategy	Financial business experience	Marketing/ Sales	Global business	Legal / Compliance	Finance / Accounting / Tax	Governance / Internal Control / Risk Management
Takayuki Kanamaru	Representative President	●	●					
Takeshi Kanamaru	Representative Executive Vice President	●		●	●			
Masayuki Niizuma	Executive Managing Director	●	●			●	●	
Masashi Ichikawa	Outside Director						●	●
Daisuke Kawabata	Outside Director					●		●
Shinichi Omata	Director (Full-time Audit and Supervisory Committee Member)		●					●
Hiroshi Sugekawa	Outside Director (Audit and Supervisory Committee Member)						●	●
Kenta Asaeda	Outside Director (Audit and Supervisory Committee Member)					●		●

## Proposal 5: Election of One (1) Substitute Director Who Is an Audit and Supervisory Committee Member

Subject to the approval and adoption of Proposal 2 “Partial Amendments to the Articles of Incorporation,” the Company will make the transition to a company with an Audit and Supervisory Committee. Accordingly, the Company proposes the election of one (1) substitute Director who is an Audit and Supervisory Committee Member to prepare for a case in which the number of Directors who are Audit and Supervisory Committee Members falls short of the number prescribed by laws and regulations. This proposal has been approved by the Audit & Supervisory Board.

This appointment may be revoked by a resolution of the Board of Directors with the consent of the Audit and Supervisory Committee only prior to assumption of office.

This proposal will become effective on the condition that the amendments to the Articles of Incorporation in Proposal 2 take effect.

Candidate for substitute Director who is an Audit and Supervisory Committee Member is as follow:

Name (Date of birth)	Career summary, positions and areas of responsibilities (Significant concurrent positions outside the Company)	Number of the Company’s shares owned
Masashi Ichikawa (August 22, 1969) [Male]	Oct. 1994    Joined Showa Ota & Co. (currently Ernst & Young Shin Nihon LLC) Apr. 1998    Registered as a certified public accountant Jan. 2000    Opened Ichikawa Certified Public Accountants Office, Director (current position) Apr. 2010    Outside Director of People Co., Ltd. May 2016    Outside Corporate Auditor of ARC SYSTEM WORKS CO., LTD. (current position) June 2020    Director of the Company (present position)	21,200
(Reasons for nomination as a candidate for Substitute Outside Director who is an Audit and Supervisory Committee Member and expected role) Although Mr. Ichikawa has never been involved in corporate management other than by serving as an outside officer, he has extensive expertise in finance and accounting as a certified public accountant, as well as extensive experience in auditing in general at audit firms and multiple companies. Therefore, the Company has newly nominated him as a candidate for substitute Outside Director who is an Audit and Supervisory Committee Member.		

- Notes:
1. There are no special interests between the candidate for Director and the Company.
  2. If Proposal 3 is approved as originally proposed, Mr. Ichikawa will assume the position of Outsider Director (excluding Directors who are Audit and Supervisory Committee Members). However, if the number of Directors who are Audit and Supervisory Committee Members falls short of the number prescribed by laws and regulations, he will resign from his position as Director and assume the position of Director who is Audit and Supervisory Committee Member.
  3. If Mr. Ichikawa, a candidate for substitute Director who is an Audit and Supervisory Committee Member, assumes his office, the Company plans to continue to notify the Tokyo Stock Exchange that he is an independent officer with no risk of conflict of interest with general shareholders, who are required to be designated by the Tokyo Stock Exchange.
  4. The Company has entered an officer liability insurance contract with an insurance company as prescribed in Article 430, Paragraph 3, Paragraph 1 of the Companies Act. The insurance contract covers the damage incurred by the insured person from being liable for the execution

of their duties as an officer, etc., or receiving a claim for pursuing such liability. If he is elected as Director who is an Audit and Supervisory Committee Member, he will be included in the insured persons.

5. If Mr. Ichikawa, a candidate for substitute Director who is an Audit and Supervisory Committee Member, assumes the office, the Company plans to continue the limited liability agreement.

## Proposal 6: Determination of the Amount of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Subject to the approval and adoption of Proposal 2 “Partial Amendments to the Articles of Incorporation,” the Company will transition to a company with an Audit and Supervisory Committee.

At the 23rd Annual General Meeting of Shareholders held on June 28, 2022, it was resolved that the amount of remuneration, etc., for the Company's Directors (including basic remuneration, bonuses, retirement benefits for officers and all other money received from the Company as consideration for the execution of their duties) would be 500 million yen or less per year (of which, the amount for Outside Directors would be 80 million yen or less).

However, in line with the transition to a company with an Audit and Supervisory Committee, the Company proposes that this amount be abolished and that the amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter in this proposal) (including basic remuneration, bonuses, retirement benefits for officers and all other money received from the Company as consideration for the execution of their duties) be newly set at 500 million yen or less per year (of which, the amount for Outside Directors would be 80 million yen or less).

In addition, the Company proposes that the amount of remuneration, etc., for Directors do not include the employee portion of the salary for Directors who concurrently serve as employees, as in the past.

In line with the transition to a company with an Audit and Supervisory Committee, the Company examined the remuneration system for Directors, and at the Board of Directors meeting held on May 23, 2024, the Company determined the content of the policy for determining the remuneration, etc., of individual Directors of the Company, as described at the end of this proposal, on the condition that this proposal is approved and adopted as originally proposed at this Annual General Meeting of Shareholders.

The Company judges that the content of this proposal is reasonable for granting remuneration to Directors (excluding Directors who are Audit and Supervisory Committee Members) in accordance with the policy.

There are currently five (5) Directors (including two (2) Outside Directors). If Proposal 2 “Partial Amendments to the Articles of Incorporation” and Proposal 3 “Election of Five (5) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” are approved and adopted as originally proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) will be five (5) (including two (2) Outside Directors).

This proposal will take effect on the condition that Proposal 2 “Partial Amendments to the Articles of Incorporation” takes effect.



## **(Reference) Matters concerning the policy for determining the content of remuneration, etc., for individual Directors**

At the meeting of the Board of Directors held on May 23, 2024, the Company resolved the policy for determining the content of remuneration, etc., for individual Directors as follows.

This is subject to the approval of Proposal 6 “Establishment of the Amount of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” and Proposal 8 “Establishment of Remuneration for Granting Restricted Stock to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors),” which are submitted to the Annual General Meeting of Shareholders.

### 1. Basic Policy

The basic policy is to set the remuneration of individual Directors (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply hereinafter) at an appropriate level based on their respective responsibilities. Specifically, the remuneration shall consist of basic remuneration, bonuses and retirement benefits, and stock compensation as non-monetary remuneration.

### 2. Basic remuneration (monetary remuneration)

The basic remuneration shall be fixed monthly remuneration, and shall be determined based on a comprehensive consideration of such factors as the Group's management environment and trends in business performance, the scope and size of each Director's area of responsibility, the extent of the Director's responsibility and influence on the Group's management, and the Director's past achievements and performance as well as expected roles in the future.

### 3. Bonus (monetary compensation)

To raise awareness of the need to improve business performance each fiscal year, bonuses shall be paid at a certain time each year, such as after the conclusion of the Annual General Meeting of Shareholders, in an amount determined based on the Group's performance indicators, the degree of achievement of target values, and other factors, taking into consideration future business performance forecasts in a comprehensive manner.

### 4. Retirement benefits (monetary compensation)

Retirement benefits shall be paid at the time of retirement in an amount determined by taking into consideration the responsibilities, number of years in office, and achievements of each Director, in accordance with the Regulations on Retirement Benefits for Directors established separately by the Board of Directors. Retirement benefits shall be paid to Outside Directors.

### 5. Restricted Stock (non-monetary compensation)

Non-monetary compensation shall be restricted stock to strengthen the linkage with long-term business performance and the improvement of corporate value during the term of office. Non-monetary compensation shall be delivered by paying all

monetary compensation claims provided by the Company as contributions in kind at a certain time every year in principle, such as after the end of the Annual Ordinary General Meeting of Shareholders.

The amount and number of such Restricted Shares shall be determined based on the amount of the relevant Director's basic compensation multiplied by a certain payment coefficient. The transfer restriction period for Restricted Shares shall be thirty (30) years from the date of delivery, and if the relevant Director has retired from the position of Director with a justifiable reason, the timing of lifting the transfer restriction shall be reasonably adjusted as necessary. Non-monetary compensation shall be paid to Directors excluding Outside Directors.

#### 6. Ratio of Remuneration, etc., of Individual Directors

The amount of bonuses and restricted shares shall be calculated based on the amount of basic remuneration, while considering the purpose of the Corporate Governance Code and an appropriate ratio in consideration of the Group's performance, the level of other companies, the economic environment, etc., so that an incentive effect for improving the performance of each Director can be expected.

#### 7. Other Important Matters

The Nomination and Remuneration Committee shall be consulted on the amount of basic remuneration and bonuses and the timing of the payment thereof, which are included in the remuneration amount for individual Directors, and the details shall be determined by the Board of Directors after receiving a report from the Committee.

### Proposal 7: Establishment of the Amount of Remuneration for Directors Who Are Audit and Supervisory Committee Members

Subject to the approval and adoption of Proposal 2 “Partial Amendments to the Articles of Incorporation,” the Company will make the transition to a company with an Audit and Supervisory Committee.

Accordingly, the Company proposes that the amount of remuneration for Directors who are Audit and Supervisory Committee Members (including basic remuneration, bonuses, retirement benefits for officers, and any other money received from the Company as consideration for the execution of their duties) be limited to 150 million yen per year.

The Company believes that this proposal is necessary and appropriate, as it determines the limit of remuneration, etc. for Directors who are Audit Committee members within a reasonable range, taking into consideration the state of the Company's management structure, the duties and number of Directors who are Audit Committee members, and other relevant factors.

If Proposal 2 “Partial Amendment of the Articles of Incorporation” and Proposal 4 “Election of Three (3) Directors Who Are Audit and Supervisory Committee Members” are approved as originally proposed, the number of Directors who are Audit and Supervisory Committee Members will be three (3) (including two (2) Outside Directors).

This proposal will take effect on the condition that Proposal 2 “Partial Amendments to the Articles of Incorporation” takes effect.

## Proposal 8: Establishment of Remuneration for Granting Restricted Stock to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors)

To provide the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors, hereinafter referred to as the "Eligible Directors") with an incentive to sustainably increase the Company's corporate value and further promote the sharing of value with shareholders, the Company requests approval for the payment of remuneration for granting restricted shares to the Eligible Directors separately from the remuneration limit for which approval is requested in Proposal 6 "Establishment of the Amount of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)."

Based on this proposal, the remuneration to be paid to the Eligible Directors for granting restricted shares shall be monetary claims (hereinafter referred to as the "Monetary Remuneration Claims"), and the total amount thereof shall be within 300 million yen per year, which is a reasonable amount considering the purpose. In addition, the specific timing of payment and allocation to each Eligible Director shall be as follows.

The above amount of compensation shall not include the employee salaries of Directors who concurrently serve as employees. Currently, there are five (5) Directors (including two (2) Outside Directors). However, if Proposal 3 "Election of Five (5) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)" is approved as originally proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) will be five (5) (including two (2) Outside Directors).

Eligible Directors subject to the grant of restricted stock will be three (3).

In addition, based on the resolution of the Board of Directors of the Company, the Eligible Directors shall pay all monetary compensation claims provided pursuant to this proposal as property contributed to kind and receive the issuance or disposition of the Company's common shares. The total number of the Company's common shares to be issued or disposed of as a result shall not exceed 800,000 shares per year (provided, however, that in the event of a stock split (including allotment of the Company's common shares without contribution) or reverse stock split of the Company's common shares or any other event that requires an adjustment of the total number of the Company's common shares to be issued or disposed of as shares with restriction on transfer, the total number shall be adjusted within a reasonable range).

The amount to be paid in per share shall be the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution of the Board of Directors (or the closing price on the most recent preceding trading day if no trading was made on that day).

Upon issuance or disposal of the Company's common shares in this way, the Company and the Eligible Directors shall enter into an agreement on allotment of shares with restriction of transfer (hereinafter referred to as the "Allotment Agreement" and the Company's common shares allotted pursuant to the Allotment Agreement shall be referred to as the "Allotted Shares"), which includes the outline and the following details.

Although the remuneration limit for restricted shares has increased as approved at the 23rd Annual General Meeting of Shareholders, the purpose of this proposal is to further

motivate Directors to contribute to the achievement of the priority initiatives set forth in the new medium-term management plan “Traders Group Vision for 2027” announced by the Company on April 30, 2024, as well as the expansion of the Group's business and the improvement of the Company's corporate value over the medium to long term.

The granting of shares with restriction of transfer to the Eligible Directors pursuant to this Proposal has been determined in consideration of the above-mentioned purpose, the business conditions of the Company, the policy for determining the remuneration, etc., of the Company's Directors (please refer to the end of Proposal 6 “Establishment of the Amount of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)”), and other various circumstances, and the Company believes that it is appropriate.

(1) Transfer Restriction Period

The Eligible Directors may not transfer, create a security interest on, or otherwise dispose of the Allotted Shares (hereinafter referred to as “Transfer Restrictions”) for 30 years from the payment date for the Allotted Shares (hereinafter referred to as “Transfer Restriction Period”).

(2) Treatment at the time of retirement

If an Eligible Director resigns or retires prior to the expiration of the Transfer Restriction Period from any of the positions of Director, employee, or any other position equivalent thereto of the Company, the Company shall automatically acquire the Allotted Shares without contribution, unless the resignation or retirement is due to the expiration of the term of office, death, or any other justifiable reason.

(3) Lifting of transfer restrictions

Notwithstanding the provision of (1) above, the Company shall lift the Transfer Restrictions on all the Allotted Shares at the time of the expiration of the Transfer Restriction Period, on the condition that the Eligible Director has continuously held any of the positions of Director, employee or other equivalent positions of the Company during the Transfer Restriction Period; provided, however, that if the Eligible Director resigns or retires from any of the positions set forth in (2) above before the expiration of the Transfer Restriction Period due to the expiration of the term of office set forth in (2) above, death, or any other justifiable reason, the Company shall reasonably adjust the number of the Allotted Shares for which the Transfer Restrictions are to be lifted and the timing of lifting the Transfer Restrictions as necessary.

In addition, the Company shall automatically acquire the Allotted Shares for which the Transfer Restrictions have not been lifted at the time immediately after the Transfer Restrictions are lifted in accordance with the provision above without compensation.

(4) Treatment in Organizational Restructuring, etc.

Notwithstanding the provisions of (1) above, if, during the Transfer Restriction Period, a merger agreement under which the Company becomes a disappearing company, a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, or any other matter related to the Organizational Restructuring, etc., is approved at the General Meeting of Shareholders of the

Company (or at a meeting of the Board of Directors of the Company in the case where the approval of the General Meeting of Shareholders is not required for the Organizational Restructuring, etc.), the Company shall, by a resolution of the Board of Directors of the Company, lift the Transfer Restriction prior to the Effective Date of the Organizational Restructuring, etc., with respect to the Allotted Shares in the number reasonably determined considering the period from the commencement date of the Transfer Restriction Period to the date of the approval of the Organizational Restructuring, etc.

(5) Other matters

Other matters concerning the Allotment Agreement shall be determined by the Board of Directors of the Company.