

Stock Code : 9450

To Those Shareholders with Voting Rights

NOTICE OF THE 23RD (FY2022) ANNUAL GENERAL MEETING

Proposed resolutions and reference matters

Proposal No.1: Appropriation of Surplus

The appropriation of retained earnings will be as follows.

One of the most important management issues for the Group is to return profits to shareholders while aiming to expand business performance through growth investments. With regard to dividends to shareholders, we will strive to maintain stable dividends while aiming for a dividend payout ratio above that of the previous year and aiming to return profits to shareholders in line with business performance.

In light of the above, for the time being, only the year-end dividend will be planned, and the year-end dividend of ¥4.5 per share held will be paid to shareholders of record at the end of the fiscal year.

Matters related to the year-end dividend

1. Type of assets to be distributed

Cash

2. Matters concerning the allotment of the Dividend Property to shareholders and the total amount thereof

4 yen per share of common stock

Total dividend 91,797,552 yen

3. The date on which the said distribution of the surplus will take effect

September 29, 2022

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reason for the proposal

- (1) The Law Concerning Partial Amendment to the Industrial Competitiveness Enhancement Law (Law No. 70 of 2021) was enacted. Under the provisions of the Articles of Incorporation, listed companies are allowed to hold general meetings of shareholders with no fixed place (a general meeting of shareholders attended by directors and shareholders via the Internet without having a physical meeting place, So-called virtual-only general meeting of shareholders) under certain conditions that are determined based on consideration for ensuring the interests of shareholders. Therefore, Article 13, Paragraph 2, of the Articles of Incorporation is to be added so that a general meeting of shareholders with no fixed place can be held.
- (2) As the amended provisions stipulated in the proviso of Article 1 of the Supplementary Provisions of the "Law for Partial Amendment of the Corporate Law" (Law No. 70 of 2019) came into force on September 1, 2022, the Articles of Incorporation of the Company will be amended as follows in order to introduce the electronic provision system of materials for general meetings of shareholders.
 - ① Article 19, paragraph 1 of the proposed amendment stipulates that measures for electronic provision shall be taken with respect to the information contained in the Reference Documents for General Meeting of Shareholders, etc.
 - ② Article 19, paragraph 2 of the proposed amendment sets forth provisions for limiting the scope of matters stated in the document to be delivered to the shareholder who requested the document issuance.
 - ③ The provisions of the Reference Documents for General Meetings of Shareholders and other documents that are deemed to be disclosed on the Internet (Article 19 of the current Articles of Incorporation) will no longer be necessary and will be deleted.
 - ④ Supplementary provisions will be established in conjunction with the above-mentioned establishment and deletion.

2. Details of the change

The details of the amendments to the Articles of Incorporation are as follows.

This proposal shall become effective after this general meeting.

(Underlined parts are changed)

Current Articles of Incorporation	Proposed changes
<p style="text-align: center;">Chapter 3 General Provisions</p> <p>(Convocation)</p> <p>Article 13(Omitted)</p> <p style="text-align: center;">(New clause)</p> <p>Articles 14 to 18 (Omitted)</p> <p>(Disclosure of Reference Materials for General Meetings of Shareholders on the Internet and Deemed Provision)</p> <p>Articles 19 In connection with the convocation of the general meeting of shareholders, the Company may deem that the Company has provided the shareholders with information on matters to be stated or indicated in the reference documents for general meeting of shareholders, business reports, financial statements, and consolidated financial statements by disclosing them through the Internet in accordance with the provisions of the applicable Ordinance of the Ministry of Justice.</p> <p style="text-align: center;">(New clause)</p> <p style="text-align: center;">(New clause)</p> <p>Articles 20 to 43 (Omitted)</p>	<p style="text-align: center;">Chapter 3 General Provisions</p> <p>(Convocation)</p> <p>Article 13 (as is)</p> <p><u>2 The Company may hold a general meeting of shareholders with no fixed place.</u></p> <p>Articles 14 to 18 (as is)</p> <p style="text-align: center;">(Deleted)</p> <p>(Electronic Provision Measures, etc.)</p> <p>Articles 19 <u>The Company shall, at the time of convening a general meeting of shareholders, take electronic measures for the information contained in the Reference Documents for General Meeting of Shareholders, etc.</u></p> <p><u>2 The Company may, with respect to all or part of the matters for which the Electronic Provisioning Measures are to be taken as prescribed by the applicable Ordinance of the Ministry of Justice, omit to state such matters in the documents to be delivered to the shareholders who have requested the delivery of the documents by the Record Date of Voting Rights.</u></p> <p>Articles 20 to 43 (as is)</p>

<p>Supplementary Provisions</p> <p>(Transitional Measures Concerning Exemption of Auditors from Liability)</p> <p>The Company may, by a resolution of the Board of Directors, exempt any auditor (including former auditors) from liability for compensation as set forth in Paragraph 1 of Article 423 of the Companies Act with respect to any act conducted prior to the conclusion of the 22nd Ordinary General Meeting of Shareholders to the extent permitted by laws and regulations.</p> <p style="text-align: center;">(New clause)</p> <p style="text-align: center;">(New clause)</p>	<p>Supplementary Provisions</p> <p>(Transitional Measures Concerning Exemption of Auditors from Liability)</p> <p>1 The Company may, by a resolution of the Board of Directors, exempt any auditor (including former auditors) from liability for compensation as set forth in Paragraph 1 of Article 423 of the Companies Act with respect to any act conducted prior to the conclusion of the 22nd Ordinary General Meeting of Shareholders to the extent permitted by laws and regulations.</p> <p><u>2 Article 19 of the Articles of Incorporation (Deemed Provision of Reference Documents for Shareholders Meetings, etc. on the Internet) shall remain in force with respect to a general meeting of shareholders whose date falls within six months from September 1, 2022 (hereinafter referred to as the "Date of Enforcement") as the date of the general meeting of shareholders.</u></p> <p><u>3 Supplementary Provisions 2 and 3 shall be deleted after the date when six months have elapsed from the date of Date of Enforcement or three months have elapsed from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>
--	--

Proposal No.3: Election of seven Director (excluding Audit and Supervisory Committee Member)

Reason for the proposal

All (seven) directors (excluding directors who are Audit and Supervisory Committee members; hereinafter the same on this agenda) will expire at the conclusion of the General Meeting. We would like to ask for the election of seven directors.

If this proposal is approved as a draft, two of the seven directors will be independent directors as stipulated by the Tokyo Stock Exchange and the Sapporo Stock Exchange.

(Selection of Director Candidates)

Based on our corporate philosophy, we select candidates who embody this philosophy at a high level and can be expected to contribute to the group's further development as Director candidates. Our basic policy is to appoint them at the annual general meeting of shareholders for a one-year term.

Specifically, the Board of Directors selects candidates for directors who have extensive practical experience and expertise and are able to make appropriate management decisions and supervise them through leadership roles in the IT industry, financial industry, corporate management, legal affairs, administration, and consulting.

If the proposal for the election of a director is approved in accordance with the draft proposal at this general meeting, seven directors will assume office, but we believe that it is an appropriate size for the proper decision-making and supervision of management. We also emphasize the diversity of our director, and we select two women out of seven Director candidates.

With respect to this proposal, we believe that our Audit and Supervisory Committee is qualified for all director candidates.

Director candidates excluding Audit and Supervisory Committee Members are as follows.

Candidate Number	Name			Position and responsibilities	Director meeting Attendance status
1	Masanori Inomata	Reappointment		President of the Representative Director	16times/16 times (100%)
2	Takafumi Hamauzu	Reappointment		Managing Director Corporate general manager of corporate planning office	16 times/16 times (100%)
3	Hisashi Kaneko	Reappointment		Managing director, Head of Sales Business Use Sales promotion Department and Head of Business Development Department (current).	12 times/12 times (100%)
4	Mie Ishimaru	Reappointment		Director General Manager of Corporate Administration Division and General Manager of Finance & Accounting Department	16 times/16 times (100%)
5	Nobuyuki Shinoda	Outside the Company	Independence	Director Chairperson of the compensation committee	16 times/16 times (100%)
6	Chikako Shimahata	Outside the Company	Independence	Director	16 times/16 times (100%)
7	Daisuke Ishikawa	New appointment		Executive Officers General Manager of Home Use Sales Division and General Manager of West Japan Sales Department.	—

Reappointment Candidate for reappointed director
 New appointment Candidate for new director
 Outside the Company Candidate for Outside director
 Independence Candidates for Independent Officers under the provisions of the Tokyo Stock Exchange and the Sapporo Stock Exchange

Candidate Number	Name (Date of Birth)	Brief personal history, position in us, and responsibility [status of important concurrent positions]	Own Number of our shares
1	<p>Masanori Inomata</p> <p>(Born February 26, 1965)</p> <p>[Director candidates]</p> <p>Reappointment</p> <p>Attendance at Director meetings 16 times/16 times (100%)</p>	<p>Arp. 1987 Joined Koa Fire and Marine Insurance. (Currently Sompo Japan Insurance Inc.)</p> <p>Dec. 1995 Representative Director of My Net.</p> <p>Nov. 2003 President and Chief Executive Director of the Company (to present)</p> <p>Dec. 2008 Corporate Auditor of LEOC</p> <p>Jun. 2011 Representative Director of MI Corporation, Inc. (to present)</p> <p>Jan. 2020 Director of FG-Lab Inc. (current)</p> <p>Mar. 2020 Director of BizGenesis Inc. (current)</p> <p>Feb. 2021 Director of FG Smart Asset Inc. (current)</p> <p>Jul. 2021 President and CEO of Off-Grid Lab Inc. (current position)</p> <p>May. 2022 Director General of Sakura Aid, General Incorporated Association. (current)</p>	5,322,400 shares
	Reasons for Director Candidates	<p>Since the company's founding, he has served as president of the Representative Director, and throughout this time he has formed and cultivated a corporate culture that leads our development and gathers as many "thanks" as possible. He is continuing to grow the business results by guiding our group broadly in terms of the development of the business strategies, taking the initiative, and taking the initiative. These achievements, experiences, and accumulated knowledge and contacts will continue to contribute to the decision-making of our director association, as well as are useful for the global expansion of the business and the enhancement of corporate value, and we have made him a director candidate.</p>	
	Special interest	There is no special interest between the company.	

Candidate Number	Name (Date of Birth)	Brief personal history, position in us, and responsibility [status of important concurrent positions]	Own Number of our shares
2	<p>Takafumi Hamauzu</p> <p>(Born January 20, 1976)</p> <p>[Director candidates]</p> <p>Reappointment</p> <p>Attendance at Director meetings 16 times/16 times (100%)</p>	<p>Apr. 2000 Joined Areaquest Co., Ltd.</p> <p>Dec. 2000 Joined Venture Link Inc.</p> <p>Apr. 2007 Joined ORIX Capital Corporation</p> <p>Feb. 2011 General manager of the Corporate Planning Office</p> <p>Jun. 2011 President of Chintai Seikatsu Corporation</p> <p>Jan. 2013 Executive officer and general manager of the corporate planning office</p> <p>Mar. 2014 Senior executive officer and general manager of the business administration division</p> <p>Mar. 2016 Managing Director and general manager of the business administration division</p> <p>Oct. 2016 Managing executive officer and deputy general manager of the sales promotion division</p> <p>Sep. 2018 Managing Director and general manager of the business administration division</p> <p>Feb. 2021 Auditor of FG Smart Asset Inc. (current)</p> <p>Jul. 2021 Managing Director of General Manager of Corporate Planning Division (to present)</p>	117,200 shares
	Reasons for Director Candidates	<p>Since joining us, he has worked in the operations of the Corporate Planning Division and the Sales Division, and currently oversees the Corporate Planning Division. We have been mainly involved in making decisions on important management matters and supervising business execution and have promoted the strengthening of management and sales divisions. We have extensive business expertise and general management knowledge, and are therefore qualified as Director of our company, and have been designated as candidates for director.</p>	
	Special interest	There is no special interest between the company	

Candidate Number	Name (Date of Birth)	Brief personal history, position in us, and responsibility [status of important concurrent positions]	Own Number of our shares
3	<p data-bbox="498 488 703 515">Hisashi Kaneko</p> <p data-bbox="498 584 703 611">(Born April 25, 1966)</p> <p data-bbox="498 633 703 661">[Director candidates]</p> <p data-bbox="498 675 703 702">Reappointment</p> <p data-bbox="469 749 732 886">Attendance at Director meetings 12 times/12 times (100%)</p>	<p data-bbox="755 296 1363 323">Apr. 1989 Joined Ome Shinkin Bank</p> <p data-bbox="755 332 1363 400">Jul. 1994 Joined Osaka USEN Broadcasting Corporation. (currently USEN Corporatin)</p> <p data-bbox="755 408 1363 436">Jun. 2019 Joined UCOM Corporation</p> <p data-bbox="755 444 1363 540">Oct. 2013 Joined the Company, General Manager of East Japan Sales Department, Condominium ISP Business Division</p> <p data-bbox="755 548 1363 617">Jul. 2015 Executive Officer, General Manager of East Japan Sales Department, Sales Division of the Company</p> <p data-bbox="755 625 1363 721">Jul. 2016 Senior Executive Officer, General Manager of East Japan Sales Department, Sales Division of the Company</p> <p data-bbox="755 729 1363 798">Feb. 2020 Managing Executive Officer, General Manager of Residence Wi-Fi Sales Dept., Sales Promotion Div.</p> <p data-bbox="755 806 1363 834">Feb. 2021 Director of FG Smart Asset Inc. (current)</p> <p data-bbox="755 842 1363 979">Jul. 2021 Senior Executive Officer, General Manager of Sales Promotion Division and General Manager of Business Development Department of the Company.</p> <p data-bbox="755 987 1363 1083">Jul. 2022 Managing director, Head of Sales Business Use Sales promotion Department and Head of Business Development Department (current).</p>	110,800 shares
	Reasons for Director Candidates	<p data-bbox="755 1111 1557 1407">In addition to his abundant experience and achievements through many years of business execution in the telecommunications-related business, he has insight into management. Since joining our company, he has worked in the operations of the sales department, and currently oversees the Sales Promotion Division. He was mainly involved in making decisions on important management matters and supervising the execution of business, and worked to strengthen the sales division. We have extensive business expertise and general management knowledge, and are therefore qualified as director of our company, and have been designated as candidates for director.</p>	
	Special interest	There is no special interest between the company	

Candidate Number	Name (Date of Birth)	Brief personal history, position in us, and responsibility [status of important concurrent positions]	Own Number of our shares
4	<p>Mie Ishimaru</p> <p>(Born November 2, 1969)</p> <p>[Director candidates]</p> <p>Reappointment</p> <p>Attendance at Director meetings 16 times/16 times (100%)</p>	<p>Nov. 1997 Joined Asahi Auditing Corporation (currently limited liability Azsa Auditing Corporation)</p> <p>Apr. 2003 Certificated Public Accountant</p> <p>May. 2011 Registered as a certified public tax accountant</p> <p>Jun. 2012 Director of Densan Corporation.</p> <p>Jul. 2018 Outside Director of Japanpara Co., Ltd. (current position)</p> <p>Sep.2018 Outside independent Director</p> <p>Sep. 2019 Deputy general manager of Director business administration division and the general manager of the finance and accounting department</p> <p>Jan. 2020 Auditor of FG-Lab Inc. (current)</p> <p>Mar. 2020 Auditor of BizGenesis Inc. (current)</p> <p>Jul. 2021 General Manager of Director Business Administration Division and General Manager of the Finance and Accounting Department (to present)</p>	8,000 shares
	Reasons for Director Candidates	<p>Since joining our company, she has worked in the business administration department and currently oversees the business administration headquarters. She has been involved in overseeing the execution of business by the business management department and has been engaged in the management and supervision of the Finance and Accounting Department. As a certified public accountant, she is qualified as a director because she has a wealth of careers and expertise, and she has become a candidate for director.</p>	
	Special interest	There is no special interest between the company	

Candidate Number	Name (Date of Birth)	Brief personal history, position in us, and responsibility [status of important concurrent positions]	Own Number of our shares			
5	Nobuyuki Shinoda (Born August 30, 1951) [Candidates for external Director] <table border="1" style="display: inline-table; vertical-align: middle;"> <tr> <td style="text-align: center;">Reappointment</td> <td style="text-align: center;">Outside the Company</td> <td style="text-align: center;">Independence</td> </tr> </table> Attendance at Director meetings 16 times/16 times (100%)	Reappointment	Outside the Company	Independence	Apr. 1974 Joined Seibu Department Store Corporation. Mar. 1995 General Manager of Human Resources Division, Personnel Division, Ikebukuro Personnel Division, same company as above Mar. 1997 Joined Loft Corporation Sep. 2002 Executive Officer of Loft Corporation May. 2008 Director Executive Officer and in charge of Corporate Planning of Loft Corporation Mar. 2011 In charge of the Administration Division of Loft Corporation Apr. 2016 Joined Citizen Retail Planning Corporation Jun. 2016 Outside Independent Director (to present) Jan. 2020 Chairman of our compensation committee (to present)	3,800 shares
	Reappointment	Outside the Company	Independence			
	Reasons for Outside Director Candidates and Expected Roles	Based on his wealth of knowledge and experience in management cultivated to date, we expect him to carry out supervision of our overall management and provide appropriate advice from an objective perspective and have made him the company an outside director candidate. After the appointment, we expect him to make use of his expertise as an experienced manager to make comments at Director meetings, etc. on the formulation of management plans, etc. mainly from a managerial perspective, and to supervise the progress of management plans, etc.				
Special interest	There is no special interest between the company.					

Candidate Number	Name (Date of Birth)	Brief personal history, position in us, and responsibility [status of important concurrent positions]		Own Number of our shares		
6	Chikako Shimahata (Born January 30, 1985) [Candidates for external Director]	Apr. 2007	Joined Sapporo Branch of Shinko Securities (currently Mizuho Securities)	No Shares		
		Oct. 2012	Joined Japan Pension Service Sapporo West Pension Office			
		Apr. 2013	Registration as a certified social insurance and labor consultant			
	<table border="1" style="display: inline-table; vertical-align: middle;"> <tr> <td style="width: 30px; height: 30px; text-align: center;">Reappointment</td> <td style="width: 30px; height: 30px; text-align: center;">Outside the Company</td> <td style="width: 30px; height: 30px; text-align: center;">Independence</td> </tr> </table>	Reappointment	Outside the Company	Independence	Apr. 2013	Pirika Office Representative of Labor Relations Office (to present)
Reappointment	Outside the Company	Independence				
		Jun. 2020	Representative Director of Pirika Corporation (to present)			
	Attendance at Director meetings 16 times/16 times (100%)	Sep. 2020	Outside Director of the Company (to present)			
	Reasons for Outside Director Candidates and Expected Roles	Shimahata is qualified as a certified social insurance and labor consultant and has a wealth of careers and expertise in personnel and labor affairs. In order to make use of her knowledge/experience in our director committee system, we have appointed her as an outside director candidate. We hope that she will utilize her expertise as a certified social insurance and labor consultant to strengthen the supervisory functions of management in general and the supervisory functions of conflicts of interest, mainly from a labor law perspective.				
	Special interest	There is no special interest between Mr. Shimahata and us.				

Candidate Number	Name (Date of Birth)	Brief personal history, position in us, and responsibility [status of important concurrent positions]	Own Number of our shares
7	Daisuke Ishikawa (Born July 31, 1989) [Director candidates] New appointment	Apr. 2012 Joined the Company. Aug. 2019 General Manager of Residence Wi-Fi Sales Dept., Sales Promotion Div. Jul. 2020 General Manager of East Japan Sales Dept., Sales Promotion Div. Sep. 2021 Executive Officer, Deputy General Manager of Sales Promotion Division and General Manager of East Japan Sales Department Jul. 2022 Executive Officer, General Manager of Home Use Sales Division and General Manager of West Japan Sales Department.	3,207 shares
	Reasons for Director Candidates	Since joining our company, I have worked in the operations of the sales department, and currently oversee the Home Use Sales Division. We have promoted the decision-making of important matters in the sales department and the strengthening of the sales department. Because of our extensive business experience, we have decided to be qualified as a director of the Company and have appointed a candidate for the Board of Directors.	
	Special interest	There is no special interest between the company	

(NOTE)

1. For "Number of Shares of the Company Owned," the numbers of shares held as of June 30, 2022 for the respective candidates are shown.
2. Nobuyuki Shinoda and Chikako Shimahata are candidates for outside independent directors. If both are elected as directors, we plan to continue to make them independent directors as stipulated by the Tokyo Stock Exchange and the Sapporo Stock Exchange.
3. Nobuyuki Shinoda and Chikako Shimahata, candidates for outside director, are currently outside directors of the Company. As of the conclusion of this general meeting, the years since their appointment as outside directors will be six years for Mr. Nobuyuki Shinoda and two years for Ms. Chikako Shimahata.
4. We have an officer liability insurance contract with the insurance company, and in the event each candidate is elected as a director, we shall become the insured under the such insurance contract. It will be updated in the next update. Please refer to page 19 of the business report for an insurance policy outline.
5. We have stipulated in the Articles of Incorporation that we may enter into a limited liability agreement with outside directors to limit their liability for damages as stipulated in Paragraph 1 of Article 423 of the Companies Act in accordance with the provisions of Paragraph 1 of Article 427 of the same Act, in order to attract appropriate personnel with a high degree of independence as outside directors. As a result, Nobuyuki Shinoda and Chikako Shimahata have concluded a limited liability agreement with us to limit their liability to the amount stipulated by laws and regulations, and if the reappointment of both of them is approved, we plan to continue the above limited liability agreement.

(Reference) Skill matrix of directors

	Audit and Supervisory Committee Member	Outside Directors and Auditors	Corporate management Understanding of our business	ESG · SDGs	Financial accounting	Human Resources and Labor	Legal compliance	Sales strategy marketing	New business technologies	Diversity (age/nationality/sex)
Masanori Inomata			●	●	●	●	●	●	●	●
Takafumi Hamauzu			●	●	●	●	●	●	●	
Hisashi Kaneko				●					●	●
Mie Ishimaru			●	●		●	●	●		
Nobuyuki Shinoda		●	●				●	●	●	
Chikako Shimahata		●	●		●		●	●		
Daisuke Ishikawa				●					●	
Tetsuo Tatsuta	●		●	●				●		
Tomohiro Obata	●	●	●					●		
Hiroshi Kamada	●	●	●					●		