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Securities code: 2484
November 12, 2021

To Shareholders with Voting Rights:

Hideo Fujii,
President & CEO
Demae-can Co., Ltd.
5-27-5 Sendagaya, Shibuya-ku,
Tokyo

**NOTICE OF
THE 22ND ANNUAL GENERAL MEETING OF SHAREHOLDERS**

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

Please be informed that the 22nd Annual General Meeting of Shareholders of Demae-can Co., Ltd. (the “Company”) will be held as described below.

We would like to strongly recommend that you refrain from attending the meeting in person and exercise your voting rights in writing or via the Internet in order to avoid the risk of infections with COVID-19 at the meeting.

Please review the following Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 6:30 p.m. on Friday, November 26, 2021.

- **If you intend to exercise your voting rights in writing:**
Please indicate your approval or disapproval of each proposal on the enclosed Exercise of Voting Rights Form and return it so that it arrives by the aforementioned voting deadline.
- **If you intend to exercise your voting rights via the Internet:**
Please access the Company’s designated voting website (<https://www.net-vote.com/>) (Japanese only), enter the login ID and password provided on the enclosed Exercise of Voting Rights Form, and indicate your approval or disapproval of each proposal by following the instructions on the screen.

1. **Date and Time:** Monday, November 29, 2021 at 10:30 a.m. Japan time (registration begins at 10:00 a.m.)
2. **Place:** **Belle Salle Shinjuku Grand Conference Center**
Sumitomo Fudosan Shinjuku Grand Tower (5th Floor)
8-17-1 Nishishinjuku, Shinjuku-ku, Tokyo
(Please note that the venue is different from that of last year.)

3. **Meeting Agenda:**
Matters to be reported:
 1. The Business Report and Consolidated Financial Statements for the Company’s 22nd Fiscal Year (September 1, 2020 to August 31, 2021) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
 2. Non-consolidated Financial Statements for the Company’s 22nd Fiscal Year (September 1, 2020 to August 31, 2021)

Regarding the handling of the matters to be reported, please refer to “Regarding the Holding of an Adjourned Meeting of the 22nd Annual General Meeting of Shareholders” on page 3.

Proposals to be resolved:

- Proposal 1:** Reduction of the Amount of Stated Capital
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Five Directors
- Proposal 4:** Election of One Audit & Supervisory Board Member
- Proposal 5:** Determination of Compensation for the Allotment of Restricted Stock to Directors (excluding Outside Directors)

Your cooperation is requested with respect to the following:

- We strongly request our shareholders considering attending the meeting in person to refrain from doing so, if at all possible, in light of the spread of COVID-19.
- You can exercise your voting rights, which are important for shareholders, via mail or the Internet, etc.
- The number of seats available at the meeting is expected to be around 100. It may not be possible to secure sufficient number of seats for all shareholders who plan to attend the meeting as an adequate distance will be kept between attendees. If the venue has reached its full capacity when you arrive, you may not be allowed to enter. We appreciate your understanding in advance.
- Please be aware that if you appear to be ill, you may be refused entry. Other steps may also be taken at the venue to prevent infections, so we thank you for your understanding.
- We will not hold a shareholder gathering. No gifts will be distributed, either.

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- © If you plan to attend the meeting in person, please submit the enclosed Exercise of Voting Rights Form at the meeting's reception desk. Please also bring this Notice with you in order to save paper resources.
 - © If revisions are made to the Reference Documents for the General Meeting of Shareholders, the revised content will be posted on the Company's website (<https://corporate.demac-can.com/en/>).
 - © Please be advised that the Notice of Resolutions will be posted on the aforementioned website of the Company instead of being sent directly to shareholders in writing.

Regarding the Holding of an Adjourned Meeting of the 22nd Annual General Meeting of Shareholders

As a part of the meeting agenda of the 22nd Annual General Meeting of Shareholders to be held on November 29, 2021 (hereinafter, the “General Meeting”), the Company had planned to report to shareholders at the General Meeting the matters to be reported, which are the Business Report and Consolidated Financial Statements for the Company’s 22nd Fiscal Year (September 1, 2020 to August 31, 2021), results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board, and the Non-consolidated Financial Statements for the Company’s 22nd Fiscal Year (September 1, 2020 to August 31, 2021) (hereinafter, “Settlement Reports for the 22nd Fiscal Year”). However, the existence of errors was revealed by the findings of the Accounting Auditor, so as of the present time the Company is unable to provide the Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements, Audit Report Pertaining to the Consolidated Financial Statements, Audit Report Pertaining to the Non-consolidated Financial Statements, and Audit Report of the Audit & Supervisory Board, which should be attached to the notice of the General Meeting (hereinafter, “Attached Documents”). We deeply apologize for the considerable inconvenience and concern this may cause shareholders, investors, and all other parties involved.

For the aforesaid reasons, the Company determined that it would have to desist from reporting the Settlement Reports for the 22nd Fiscal Year at the General Meeting. The Company will therefore hold an adjourned meeting of the General Meeting (hereinafter, the “Adjourned Meeting”) and plans to make a proposal to shareholders at the General Meeting on reporting the Settlement Reports for the 22nd Fiscal Year at the Adjourned Meeting and on authorizing the Board of Directors to decide on the date, time, and place of the Adjourned Meeting (hereinafter, the “Proposal”). We intend to promptly disclose the date and time that the Adjourned Meeting will be held as soon as the required procedures are completed after approval of the Proposal at the General Meeting. In addition, the Attached Documents will be provided to shareholders by attaching them to the Notice of the Adjourned Meeting. The Adjourned Meeting is part of the General Meeting, so shareholders attending the Adjourned Meeting must be the same as those eligible to exercise voting rights at the General Meeting. We would again like to deeply apologize for the considerable inconvenience and concern this may cause shareholders, investors, and all other parties involved.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Reduction of the Amount of Stated Capital

1. Purpose of reducing the amount of stated capital

The Company proposes to reduce the amount of stated capital in accordance with provisions under Article 447, Paragraph 1 of the Companies Act to ensure the flexibility and maneuverability of its capital policy going forward and reduce its tax burden.

2. Details of the reduction in the amount of stated capital

(1) Amount of stated capital to be reduced

Stated capital of 55,120,686,724 yen will be reduced by 55,020,686,724 yen, and the full amount of the reduction will be transferred to other capital surplus. The amount of stated capital after the reduction will be 100,000,000 yen.

(2) Effective date of the reduction in the amount of stated capital

January 6, 2022 (planned)

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

- (1) The Company proposes to change the total number of authorized shares stated in Article 6 of its current Articles of Incorporation to 500,000,000 shares to ensure flexibility of its future capital policy.

- (2) The Company proposes to add Paragraph 2 to Article 12 of its Articles of Incorporation in response to the promulgation and enforcement of the Act for Partially Amending the Industrial Competitiveness Enhancement Act and other related acts, which went into force as of June 16, 2021, allowing publicly listed companies to hold general meetings of shareholders without a specific place (so-called virtual only general meetings of shareholders) by setting forth a provision to that effect in their Articles of Incorporation.

General meetings of shareholders without a specific place will make it easier for many shareholders, including those in remote areas, to attend, thereby leading to more dynamic, efficient, and smoothly administered general meetings of shareholders, and we also believe that they can contribute to the prevention of the spread of infections with COVID-19 and other infectious diseases.

In addition to the approval at this General Meeting of Shareholders, the condition for Article 12, Paragraph 2 of the Articles of Incorporation to become effective is to receive confirmation from the Minister of Economy, Trade and Industry and the Minister of Justice pursuant to provisions under the ordinances of the two ministries regarding the satisfaction of requirements set forth under the ordinances of the two ministries as a case where a general meeting of shareholders held by the Company without a specific place will contribute to strengthening its industrial competitiveness while taking into account the ensuring of the interests of its shareholders, and the provision under Article 12, Paragraph 2 shall become effective on the day when such confirmation is received.

- (3) The Company proposes to enable distribution of surplus, etc. to be decided by resolution of the Board of Directors based on the provisions of Article 459, Paragraph 1 of the Companies Act to allow for flexible execution of capital and dividend policies.

2. Details of the changes
The following changes are proposed.

(Changes are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>[Total Number of Authorized Shares] Article 6 The Company's total number of authorized shares shall be <u>150,000,000</u>.</p> <p>Article 7 to Article 11 (Omitted)</p>	<p>[Total Number of Authorized Shares] Article 6 The Company's total number of authorized shares shall be <u>500,000,000</u>.</p> <p>Article 7 to Article 11 (As currently written)</p>
<p>[Convocation <u>Timing</u>] Article 12 (Omitted) (New article)</p> <p>Article 13 to Article 36 (Omitted)</p>	<p>[Convocation] Article 12 (As currently written) <u>(2) The Company may hold its General Meeting of Shareholders without a specific place.</u></p> <p>Article 13 to Article 36 (As currently written)</p>
<p>[<u>Year-end Dividend</u> and Date of Record] Article 37 The Company shall establish August 31 of each year as the date of record and <u>distribute surplus as a year-end dividend to shareholders or registered pledgees of shares by resolution of the Annual General Meeting of Shareholders.</u></p> <p>Article 38 to Article 39 (Omitted)</p>	<p>[<u>Distribution of Surplus, etc.</u> and Date of Record] Article 37 The Company shall establish August 31 of each year as the date of record and <u>regarding the matters stipulated under each item of Article 459, Paragraph 1 of the Companies Act such as those on distribution of surplus may make decisions by resolution of the Board of Directors unless otherwise stipulated by laws and regulations.</u></p> <p>Article 38 to Article 39 (As currently written)</p>
<p>(New addition)</p>	<p><u>Supplemental provision</u> <u>The amendments to Article 1 and Article 12 (Convocation) shall become effective on the date when confirmation is received from the Minister of Economy, Trade and Industry and the Minister of Justice regarding the requirements stipulated under the ordinances of the Ministry of Economy, Trade and Industry and the Ministry of Justice being satisfied by the completely online general meetings of shareholders to be held by the Company, pursuant to the provisions of the Act for Partially Amending the Industrial Competitiveness Enhancement Act and other related acts passed by the Diet; this supplemental provision will be deleted after the effective date.</u></p>

Proposal 3: Election of Five Directors

The terms of office of all seven incumbent Directors will expire as of the conclusion of the Adjourned Meeting on the condition that the holding of the Adjourned Meeting is approved by the General Meeting. Accordingly, the Company proposes to reduce the number of Directors by two to allow for strategic, flexible decision-making by the Board of Directors, and to reappoint four of the seven incumbent Directors and appoint one new Director.

In selecting the Director candidates, the Company consulted with and received reports from the Nomination Advisory Committee, which is comprised of independent officers and chaired by a Director who is an independent officer.

The candidates for Director are as follows.

No.	Name	Current positions and responsibilities at the Company	Attendance at Board of Directors meetings
1	Hideo Fujii [Reappointment]	President & CEO	All 19 meetings
2	Hiroki Tomiyama [Reappointment] [Outside] [Independent Officer]	Director	14 out of 16 meetings
3	Issei Mori [Reappointment] [Outside] [Independent Officer]	Director	All 16 meetings
4	Jun Masuda [Reappointment] [Outside]	Director	All 10 meetings
5	Takao Ozawa [New Appointment] [Outside]	-	-

[Reappointment]: Candidate for reappointment as a Director

[New Appointment]: Candidate for appointment as a Director

[Outside]: Candidate for Outside Director

[Independent Officer]: Independent officer candidate to be registered with Tokyo Stock Exchange, Inc.

Notes: 1. Attendance records for Mr. Hiroki Tomiyama and Mr. Issei Mori indicate the status of attendance after they assumed the office of Director on November 26, 2020.

2. Regarding LINE Corporation, where Mr. Jun Masuda serves as an executive, the parent company of LINE Corporation changed from NAVER Corporation to Z Holdings Corporation as a result of the business integration with Z Holdings Corporation becoming effective as of March 1, 2021, so NAVER Corporation is no longer the parent company of the Company. Mr. Masuda therefore became compliant with the criteria for outside directors, so his record of attendance at Board of Directors meetings includes only his activities as an Outside Director after that date.

No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company (significant concurrent positions)	Number of shares of the Company held
1	Hideo Fujii (November 1, 1976) [Reappointment]	June 2006 Joined Rakuten, Inc. May 2011 Manager of Merchant Strategy Group, Planning Division, Rakuten, Inc. May 2012 Manager of Food and Drink Strategy Group, Planning Division, Rakuten, Inc. March 2014 Manager of International Research Strategy Group, International Division, Rakuten, Inc. May 2015 Director, Rakuten Mart, Inc. October 2016 Joined LINE Corporation May 2017 Executive Officer, LINE Corporation November 2017 Director, the Company August 2018 Director, Venture Republic Inc. February 2019 Executive Officer and CEO of O2O Company, LINE Corporation June 2020 President & CEO, the Company (current position) October 2020 Director, Japan Food Delivery Co., Ltd. (current position)	1,500
[Positions and responsibilities at the Company] President & CEO Supervision of overall business operations			Term of office 1 year, 5 months (as of the end of the General Meeting of Shareholders)
[Significant concurrent positions] Director, Japan Food Delivery Co., Ltd.			
[Reasons for nomination as candidate for Director] Mr. Hideo Fujii has been President & CEO of the Company since June 2020. Along with his track record in leading the Company, he possesses management experience, strong insight and judgment. We believe he can be expected to contribute to further raising the corporate value of the Group, and therefore request that he be reappointed as a Director.			

No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company (significant concurrent positions)	Number of shares of the Company held
2	<p>Hiroki Tomiyama (September 5, 1976)</p> <p>[Reappointment] [Outside] [Independent Officer]</p>	<p>October 2007 Joined Sapporo Drug Store Co., Ltd.</p> <p>May 2015 Representative Director and President, Sapporo Drug Store Co., Ltd.</p> <p>February 2016 Director and Vice President, EZODEN Co., Ltd. (current position)</p> <p>August 2016 Representative Director and President, SATUDORA HOLDINGS CO., LTD.</p> <p>July 2019 Representative Director, Chairman and CEO, Regional Marketing Co., Ltd. (current position) Director and Chairman, GRIT WORKS CO., LTD. (current position) Director, CoelaQanth, Inc. (current position) Director and CMO, AWL, Inc.</p> <p>August 2020 Representative Director, President and CEO, SATUDORA HOLDINGS CO., LTD. (current position) Representative Director, President and CEO, Sapporo Drug Store Co., Ltd. (current position)</p> <p>November 2020 Director, RxR Innovation Initiative Co., Ltd. (current position) Outside Director, Valuence Holdings Inc. (current position) Director, the Company (current position) Member of Nomination Advisory Committee, the Company (current position)</p> <p>March 2021 Member of Advisory Committee on Related Party Transactions, the Company (current position)</p> <p>April 2021 Outside Director, AWL, Inc. (current position)</p>	-
[Positions and responsibilities at the Company] Director Member of Nomination Advisory Committee Member of Advisory Committee on Related Party Transactions		Term of office 1 year (as of the end of the General Meeting of Shareholders)	
[Significant concurrent positions] Representative Director, President and CEO, SATUDORA HOLDINGS CO., LTD. Representative Director, President and CEO, Sapporo Drug Store Co., Ltd. Representative Director, Chairman and CEO, Regional Marketing Co., Ltd. Director and Vice President, EZODEN Co., Ltd. Director and Chairman, GRIT WORKS CO., LTD. Director, CoelaQanth, Inc. Outside Director, AWL, Inc.			
[Reasons for nomination as candidate for Outside Director and summary of expected roles] Mr. Hiroki Tomiyama possesses extensive experience and outstanding insight cultivated over many years as a corporate executive, and we believe that he will utilize his broad-ranging networks in the service of the Company's management, provide opinions and recommendations to achieve qualitative improvement of overall Group management, and perform appropriate audits of business execution as a member of the Company's Nomination Advisory Committee. We therefore request that Mr. Tomiyama be reappointed as a Director.			

No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company (significant concurrent positions)	Number of shares of the Company held
3	<p>Issei Mori (April 26, 1978)</p> <p>[Reappointment] [Outside] [Independent Officer]</p>	<p>December 2009 Registered as an attorney</p> <p>January 2010 Joined Kobayashi & Todo Law and Patent Offices</p> <p>September 2012 Associate Professor, Keio University Law School</p> <p>October 2016 Established Daikanyama Law Office, appointed representative (current position)</p> <p>October 2017 Outside Auditor, FIRSTLOGIC, INC. (current position)</p> <p>November 2017 Outside Auditor, Tampei Pharmaceutical Co., Ltd. (current position)</p> <p>December 2017 Outside Auditor, SportsField Co., Ltd. (current position)</p> <p>Outside Auditor, Atrae, Inc.</p> <p>Non-executive Director (Audit & Supervisory Board Member), Retty Inc. (current position)</p> <p>December 2018 Representative Director, SDGth Inc. (current position)</p> <p>November 2020 Director, the Company (current position)</p> <p>Member of Nomination Advisory Committee, the Company (current position)</p> <p>March 2021 Member of Advisory Committee on Related Party Transactions, the Company (current position)</p>	-
<p>[Positions and responsibilities at the Company]</p> <p>Director</p> <p>Member of Nomination Advisory Committee</p> <p>Member of Advisory Committee on Related Party Transactions</p>		<p>Term of office 1 year (as of the end of the General Meeting of Shareholders)</p>	
<p>[Significant concurrent positions]</p> <p>Representative Attorney, Daikanyama Law Office</p> <p>Outside Auditor, FIRSTLOGIC, INC.</p> <p>Outside Auditor, Tampei Pharmaceutical Co., Ltd.</p> <p>Outside Auditor, SportsField Co., Ltd.</p> <p>Non-executive Director (Audit & Supervisory Board Member), Retty Inc.</p> <p>Representative Director, SDGth Inc.</p>			
<p>[Reasons for nomination as candidate for Outside Director and summary of expected roles]</p> <p>Mr. Issei Mori has extensive experience and expertise as an attorney, and we believe that he will utilize that experience and his strong insight in compliance management and other aspects of governance, and that he will perform appropriate audits of business execution as a member of the Company's Nomination Advisory Committee. We therefore request that Mr. Mori be reappointed as a Director.</p>			

No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company (significant concurrent positions)	Number of shares of the Company held
4	<p>Jun Masuda (April 22, 1977)</p> <p>[Reappointment] [Outside]</p>	<p>November 2007 Director and Vice President, Baidu, Inc. (currently Baidu Japan Inc.)</p> <p>October 2008 Joined Naver Japan Corporation (currently LINE Corporation), Senior Manager of Business Strategy Department</p> <p>June 2011 Director, J Listing Co., Ltd. (currently LINE Business Partners Corporation)</p> <p>January 2012 Executive Officer, NHN Japan Corporation (formerly Naver Japan Corporation, currently LINE Corporation)</p> <p>March 2013 Executive Officer, Senior Manager of Business Strategy Department and Senior Manager of Marketing Communications Office, LINE Corporation</p> <p>April 2013 Senior Executive Officer, CSMO, Senior Manager of Business Strategy Department, LINE Corporation</p> <p>April 2014 Senior Executive Officer and CSMO, LINE Corporation</p> <p>September 2014 Representative Director, LINE Ventures Corporation</p> <p>December 2014 Representative Director, LINE MUSIC Corporation (current position)</p> <p>March 2015 Director and CSMO, LINE Corporation (currently A Holdings Corporation)</p> <p>November 2016 Director, the Company (current position)</p> <p>June 2017 Representative Director, WebPay Holdings Representative Director, WebPay, Inc.</p> <p>September 2017 Representative Director, LINE TICKET Corporation (current position) Director, LINE Pay Corporation (current position)</p> <p>January 2019 Director, LINE Healthcare Corporation (current position)</p> <p>August 2020 Director, LINE Digital Frontier Corporation (current position)</p> <p>November 2020 Director, Webtoon Entertainment Inc. (current position)</p> <p>February 2021 Director and CSMO, LINE Corporation (current position)</p> <p>March 2021 Director and Senior Managing Corporate Officer, Z Holdings Corporation (current position)</p> <p>April 2021 President, Representative Director and CPO, Z Entertainment Corporation (current position)</p>	-
[Positions and responsibilities at the Company] Director			Term of office 5 years (as of the end of the General Meeting of Shareholders)
<p>[Significant concurrent positions]</p> <p>President, Representative Director and CPO, Z Entertainment Corporation</p> <p>Director and Senior Managing Corporate Officer, Z Holdings Corporation</p> <p>Director and CSMO, LINE Corporation (full-time)</p> <p>Representative Director, LINE MUSIC Corporation (part-time)</p> <p>Representative Director, LINE TICKET Corporation (part-time)</p>			

No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company (significant concurrent positions)	Number of shares of the Company held
		<p>[Reasons for nomination as candidate for Outside Director and summary of expected roles]</p> <p>Mr. Jun Masuda possesses extensive experience and broad insight cultivated in the field of business strategy and as a strategy advisor, serving as Director of LINE Corporation and in other executive positions. We believe he will help formulate business strategy that utilizes the management resources of both the Company and LINE Corporation and maximizes the synergies between the two, and therefore request that he be reappointed as a Director.</p>	

No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company (significant concurrent positions)	Number of shares of the Company held	
5	Takao Ozawa (February 29, 1972) [New Appointment] [Outside]	April 1995	Joined CSK Corporation (currently SCSK Corporation)	-
		January 2003	Joined Rakuten, Inc. as Corporate Officer in charge of auction business	
		January 2005	Director, General Manager of Business Division, Rakuten Baseball, Inc.	
		July 2007	Director, Ozawa Research Institute (current position)	
		September 2012	Joined Yahoo Japan Corporation (currently Z Holdings Corporation)	
		July 2013	Corporate Officer, President of Shopping Company, Z Holdings Corporation	
		August 2013	Outside Director, ASKUL Corporation (current position)	
		April 2014	CEO, YJ Capital Inc. (currently Z Venture Capital Corporation)	
		January 2015	Board Member, YJ Capital Inc.	
		September 2015	Outside Director, User Local, Inc.	
		March 2016	Director, ValueCommerce Co., Ltd.	
		April 2018	Managing Corporate Officer, EVP, President of Commerce Company, Z Holdings Corporation	
		June 2018	Director, PayPay Corporation (current position)	
		October 2018	Chairman of the Board, Ikyu Corporation (current position)	
		June 2019	Director, Senior Managing Corporate Officer, Z Holdings Corporation (current position)	
October 2019	Director, EVP, Senior Managing Corporate Officer, COO (Chief Operating Officer), Yahoo Japan Corporation (current position)			
June 2020	Director, ZOZO, Inc. (current position)			
[Positions and responsibilities at the Company] None applicable.			Term of office - years (as of the end of the General Meeting of Shareholders)	
[Significant concurrent positions] Director, Ozawa Research Institute Outside Director, ASKUL Corporation Director, PayPay Corporation Chairman of the Board, Ikyu Corporation Director, Senior Managing Corporate Officer, Z Holdings Corporation Director, EVP, Senior Managing Corporate Officer, COO (Chief Operating Officer), Yahoo Japan Corporation Director, ZOZO, Inc.				
[Reasons for nomination as candidate for Outside Director and summary of expected roles] Mr. Takao Ozawa possesses an extensive track record in positions of responsibility in the commerce business and extensive experience and broad insight in corporate management, serving as Director and Senior Managing Corporate Officer of Z Holdings Corporation. We believe he will contribute substantially to businesses the Company intends to strengthen going forward, and therefore request that he be newly appointed as a Director.				

- Notes: 1. There are no special interest relationships between the Company and any of the candidates.
2. Mr. Hiroki Tomiyama, Mr. Issei Mori, Mr. Jun Masuda, and Mr. Takao Ozawa are candidates for Outside Director. The parent company of LINE Corporation, where Mr. Masuda serves as

an executive, changed from NAVER Corporation to Z Holdings Corporation as a result of the business integration with Z Holdings Corporation becoming effective as of March 1, 2021, so NAVER Corporation is no longer the parent company of the Company. Mr. Masuda therefore meets the criteria for outside directors, and his term of office hereafter is nine months as of the conclusion of the General Meeting.

3. The reasons for the nomination of candidates for Outside Director and a summary of their expected roles are stated in their career summaries.
4. The Company has registered Mr. Hiroki Tomiyama and Mr. Issei Mori as independent officers in accordance with the rules of the Tokyo Stock Exchange. If the two candidates are reappointed, the Company will continue to register them as independent officers.
5. The Company has entered into a liability limitation agreement with Mr. Hiroki Tomiyama, Mr. Issei Mori, and Mr. Jun Masuda that limits liability for damages up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, and if they are reappointed, the agreement will be continued.
6. If Mr. Takao Ozawa is appointed as a Director and assumes the position of Outside Director, the Company intends to enter into a liability limitation agreement with him that limits liability for damages up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.
7. The Company has entered into a directors and officers liability insurance agreement with an insurance company as stipulated in Article 430 (3), Paragraph 1 of the Companies Act. Under the agreement, any damage caused as a result of the insured persons assuming responsibility for the execution of duties as officers or as a result of the insured persons receiving claims pertaining to the pursuit of such responsibility shall be covered. The candidates will be included as the insured persons under this agreement.
In addition, if the candidates are appointed, the Company intends to renew the insurance agreement during the terms of office of the Directors pertaining to this proposal.

Proposal 4: Election of One Audit & Supervisory Board Member

Audit & Supervisory Board Member Mr. Kokan Ki will resign during the recess of the General Meeting (at the conclusion of deliberations on November 29, 2021) on the condition that the holding of the Adjourned Meeting is approved by the General Meeting. Accordingly, the Company proposes the election of one Audit & Supervisory Board Member.

Submission of this proposal has been approved by the Audit & Supervisory Board.

The candidate for Audit & Supervisory Board Member is as follows.

Name		Current position at the Company	Attendance at Board of Directors meetings	Attendance at Audit & Supervisory Board meetings
Noritaka Ochiai	[New Appointment] [Outside]	-	-	-

[New Appointment]: Candidate for appointment as an Audit & Supervisory Board Member

[Outside]: Candidate for Outside Audit & Supervisory Board Member

Name (Date of birth)	Career summary and position at the Company (significant concurrent positions)	Number of shares of the Company held
<p>Noritaka Ochiai (June 18, 1974)</p> <p>[New Appointment] [Outside]</p>	<p>April 1998 Joined The Nikko Securities Co., Ltd. (currently SMBC Nikko Securities Inc.)</p> <p>April 2000 Executive Officer, Arce Co., Ltd.</p> <p>June 2006 Director, General Manager of Business Planning and Management Division, livedoor Holdings Co., Ltd.</p> <p>April 2009 Managing Director, livedoor Co., Ltd.</p> <p>January 2012 Executive Officer, NHN Japan Corporation (currently LINE Corporation)</p> <p>April 2013 Executive Officer, LINE Corporation (current position)</p> <p>May 2014 Auditor, LINE Pay Corporation</p> <p>May 2016 Representative Director, President and CEO, LINE Fukuoka Corp. Auditor, transcosmos online communications inc. (current position)</p> <p>November 2017 Director, Next Library Corporation</p> <p>June 2018 Auditor, LINE Growth Technology Corporation (current position) Representative Director, President, LINE Securities Preparatory Corporation (currently LINE Securities Corporation)</p> <p>July 2019 Director, LINE Business Support Corporation (current position)</p> <p>October 2021 Board Chairperson, LINE Fukuoka Corp. (current position) Director, Co-Chairman, LINE Securities Corporation (current position) Auditor, Z Entertainment Corporation (current position)</p>	<p>-</p>
<p>[Positions at the Company] None applicable.</p>		<p>Term of office - years (as of the end of the General Meeting of Shareholders)</p>
<p>[Significant concurrent positions] Auditor , LINE Growth Technology Corporation Auditor, transcosmos online communications inc. Director, LINE Business Support Corporation Board Chairperson, LINE Fukuoka Corp. Director, Co-Chairman, LINE Securities Corporation Auditor, Z Entertainment Corporation</p>		
<p>[Reasons for nomination as candidate for Outside Audit & Supervisory Board Member] Mr. Noritaka Ochiai possesses extensive knowledge and experience from serving as an Auditor at subsidiaries of LINE Corporation. We believe he will utilize this knowledge and experience in the auditing of the Company and therefore request that he be newly appointed as an Audit & Supervisory Board Member.</p>		

- Notes: 1. There are no special interest relationships between the Company and the candidate.
2. If Mr. Noritaka Ochiai is appointed as an Audit & Supervisory Board Member and assumes the position as an Outside Audit & Supervisory Board Member, the Company intends to enter into a liability limitation agreement with him that limits liability for damages up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.

3. The Company has entered into a directors and officers liability insurance agreement with an insurance company as stipulated in Article 430 (3), Paragraph 1 of the Companies Act. Under the agreement, any damage caused as a result of the insured persons assuming responsibility for the execution of duties as officers or as a result of the insured persons receiving claims pertaining to the pursuit of such responsibility shall be covered. The candidate will be included as the insured persons under this agreement.

In addition, if the candidate is appointed, the Company intends to renew the insurance agreement during the term of office of the Audit & Supervisory Board Member pertaining to this proposal.

Proposal 5: Determination of Compensation for the Allotment of Restricted Stock to Directors
(excluding Outside Directors)

The amount of compensation for the Company's Directors was approved to be no more than 200,000 thousand yen per year (including no more than 50,000 thousand yen per year for Outside Directors, not including the employee salary portion for Directors concurrently serving as employees) at the Company's 15th Annual General Meeting of Shareholders on November 27, 2014.

In addition, apart from the aforementioned compensation for Directors, compensation related to stock acquisition rights in the form of stock options was approved to be set at no more than 50,000 thousand yen per year (including no more than 10,000 thousand yen per year for Outside Directors) at the 9th Annual General Meeting of Shareholders on November 26, 2008.

As part of reexamination of the executive compensation system, the Company proposes, as described below, to allot its Directors (excluding Outside Directors) common stock of the Company, which is subject to a certain transfer restriction period and other stipulations such as causes for acquisition without consideration (hereinafter, "restricted stock"), in place of stock acquisition rights in the form of stock options, in order to allow the Directors (excluding Outside Directors) to share the benefits and risks of stock price fluctuations with shareholders and to further raise their motivation for contributing to increasing the stock price and improving corporate value.

Having comprehensively considered various factors such as the degree of contributions by Directors to the Company, the Company proposes to set the total amount of monetary compensation receivables to be paid to the Company's Directors (excluding Outside Directors) as compensation, etc. related to restricted stock at no more than 500,000 thousand yen annually as a category of compensation separate from the aforementioned compensation for Directors.

On the condition that this proposal is approved, the Company will abolish the provisions of the aforementioned amount of compensation related to stock acquisition rights in the form of stock options and will subsequently allot no new stock acquisition rights as stock options based on the amount stipulated for such compensation.

The decision to allot restricted stock has been made upon comprehensively considering various factors such as the degree of contributions by Directors to the Company, and we believe that the details of this proposal are reasonable.

At the meeting of the Board of Directors held on November 12, 2021, the Company established a policy on determining the details of compensation, etc. for individual Directors, a summary of which follows below. The allotment of restricted stock based on this proposal is in line with this policy.

The Company established a Compensation Committee in fiscal 2020 to make decisions on compensation for Directors.

The Compensation Committee, as an advisory body to the Board of Directors, has a majority that is made up of Outside Directors and is for the purpose of deliberating and making recommendations on the system of compensation for Directors from an independent standpoint and for contributing to the establishment and maintenance of the transparency and fairness of the Company's management and compensation systems through its activities.

The following is a summary of the methods used to decide on policies for decisions related to compensation, etc. for Directors and Audit & Supervisory Board Members and the policies in question.

(1) Directors

The composition of compensation for Directors and the level of standard annual compensation shall incorporate the following perspectives in order to enable the Company to win the competition with domestic and overseas competitors in the domestic delivery market, where high growth is expected going forward, and to achieve increases in corporate value.

1. Appropriate and substantive incentives necessary for realizing business strategy
2. Level of compensation that is competitive in the human capital market
3. Governance perspective, including sharing medium- to long-term interests with shareholders

Compensation, etc. for Directors is made up of base compensation, bonuses, and stock compensation. For base compensation, a payment amount is decided based on the Director's position and duties. For bonuses, individual targets are set for each fiscal year (individual performance, etc.) and a payment amount is decided based on the level of achievement. For stock compensation, restricted stock is granted to provide an incentive to work to sustainably raise the Company's medium- to long-term corporate value and shareholder value, and the number granted is decided based on position.

The policy for deciding the timing and conditions for granting Directors compensation, etc. is as follows.

Base compensation shall be fixed monetary compensation paid monthly. Bonuses may be paid once per half year. For stock compensation, the amount granted is individually determined based on the position of the eligible officer, a transfer restriction release rate is decided based on achievement conditions, and thereafter transfer restrictions are lifted.

Compensation, etc. for Outside Directors shall be base compensation only considering the content of their duties, and bonuses and stock compensation have not been instituted.

(2) Audit & Supervisory Board Members

Compensation, etc. for the Company's Audit & Supervisory Board Members is decided upon deliberation by Audit & Supervisory Board Members. In addition, compensation, etc. for Audit & Supervisory Board Members, including Outside Audit & Supervisory Board Members, is base compensation only considering the content of their duties, and bonuses and stock compensation have not been instituted.

The Company currently has seven Directors (including three Outside Directors). If Proposal 3 is approved, there will be five Directors (including four Outside Directors).

Details of the restricted stock for the Company's Directors (excluding Outside Directors) and the upper limit on the number of shares:

1. Allotment of and payment for restricted stock

The Company will provide monetary compensation receivables to the Company's Directors (excluding Outside Directors), within the scope of the aforementioned annual amount, as compensation, etc. related to restricted stock based on a resolution of the Company's Board of Directors, and Directors will receive the allotment of restricted stock by providing the full amount of the monetary compensation receivables by way of in-kind contribution.

The paid-in amount for restricted stock will be decided by the Company's Board of Directors within a range of amounts not particularly advantageous to the Directors who receive the restricted stock, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day prior to the date of resolution by the Company's Board of Directors pertaining to the issuance or disposition of the stock (if no transaction is concluded on the same day, the closing price on the most recent trading day prior to that day).

In addition, the aforementioned monetary receivables will be provided on the condition that the Company's Directors (excluding Outside Directors) agree to the aforementioned in-kind contribution and that a restricted stock allotment agreement that includes the details stipulated in paragraph 3 below is concluded.

2. Total number of restricted stock

A total of 500,000 shares of restricted stock to be allotted to the Company's Directors (excluding Outside Directors) shall be the maximum number of restricted stock that may be allotted each fiscal year. However, if a stock split (including an allotment of the Company's common shares without contribution) or a stock consolidation of the Company's common stock is performed after the date of the resolution of this proposal, or in other equivalent cases in which it becomes necessary to adjust the total number of restricted stock to be allotted, the number of shares of restricted stock may be reasonably adjusted.

3. Details of restricted stock allotment agreement

The restricted stock allotment agreement to be concluded between the Company and the Directors receiving restricted stock based on the resolution made by the Company's Board of Directors when restricted stock is allotted shall include the following details.

(1) Restrictions on transfer

Directors who have received the allotment of restricted stock shall not transfer the restricted stock allotted to the Directors (hereinafter, the "Allotted Shares") to any third party, establish a right of pledge, establish mortgage rights, give the shares as inter vivos gifts, bequeath them, or dispose of them in any other way (hereinafter, "Transfer Restrictions") during the period of at least one year established by the Company's Board of Directors (hereinafter, "Transfer Restriction Period").

(2) Acquisition of restricted stock without consideration

The Company shall acquire the Allotted Shares without consideration and as a matter of course if a Director who received the allotment of restricted stock resigns or retires from his or her position as a Director, executive officer, or employee of the Company or its subsidiary before the Transfer Restriction Period expires, except when there are reasons deemed justifiable by the Company's Board of Directors.

In addition, the Company shall acquire without consideration and as a matter of course those Allotted Shares for which Transfer Restrictions have not been lifted based on the provision of the grounds for lifting the restrictions as set out in (3) below as of the expiration of the Transfer Restriction Period indicated in (1) above.

(3) Lifting of Transfer Restrictions

The Company shall lift the Transfer Restrictions of the Allotted Shares in whole or in part as of the expiration of the Transfer Restriction Period on the condition that Directors who received the allotment of restricted stock have remained in their positions as Directors, executive officers, or employees of the Company or its subsidiary until the expiration of the Transfer Restriction Period, and that certain performance targets set forth by the Company's Board of Directors have been achieved. However, when the relevant Director has resigned or retired from his or her position as a Director, executive officer, or employee of the Company or its subsidiary prior to expiration of the Transfer Restriction Period for reasons deemed justifiable by the Company's Board of Directors, the Company shall make reasonable adjustments, as necessary, to the

number of Allotted Shares for which Transfer Restrictions will be lifted and the timing for lifting the Transfer Restrictions.

(4) Treatment in the event of organizational restructuring

If a proposal relating to a merger agreement in which the Company is absorbed, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other proposal relating to organizational restructuring, etc. was approved by the Company's General Meeting of Shareholders (or by the Company's Board of Directors if approval by the Company's General Meeting of Shareholders is not required for such organizational restructuring) during the Transfer Restriction Period, the Transfer Restrictions for all Allotted Shares possessed by Directors who had received allotment of restricted stock as of the approval date may be lifted by resolution of the Company's Board of Directors prior to the effective date of the organizational restructuring.

In this case, the Company may acquire without consideration and as a matter of course the Allotted Shares for which the Transfer Restrictions have not yet been lifted immediately after the Transfer Restrictions were lifted based on the aforesaid stipulations (in the case the Transfer Restrictions are not lifted based on the aforesaid stipulations, then at a time prior to the effective date of the organizational restructuring that is reasonably stipulated by the Company's Board of Directors).