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May 31, 2021

To Our Shareholders

Nobutaka Kanaji
President & Chief Executive Officer
T-Gaia Corporation
(Securities code: 3738)
4-1-18, Ebisu, Shibuya-ku, Tokyo, Japan

Convocation Notice of the 30th Ordinary General Meeting of Shareholders

First of all, we would like to express our gratitude to your continued support and patronage.

We hereby give notice of the 30th Ordinary General Meeting of Shareholders of T-Gaia Corporation (the “Company”). The meeting will be held in accordance with the details described below.

In order to reduce the risk of the spread of the novel coronavirus disease (COVID-19), continuing on from last year, this year’s Ordinary General Meeting of Shareholders will be held at the Company’s Head Office, with a significant reduction in capacity. In addition, a live stream of the Ordinary General Meeting of Shareholders that can be viewed through the use of a personal computer or smartphone will also be provided for only shareholders.

Therefore, please consider exercising your voting rights in advance by post or via the internet, and taking the opportunity of viewing the Ordinary General Meeting of Shareholders via the live stream.

We request that you refer to the attached “Reference Documents for the Ordinary General Meeting of Shareholders,” and exercise your voting rights by 5:45 p.m. on Thursday, June 17, 2021.

1. Date and Time	Friday, June 18, 2021 at 10:00 a.m. (the venue opens at 9 a.m.)
2. Venue	4-1-18, Ebisu, Shibuya-ku, Tokyo Ebisu Neonart Building 17th Floor, Head Office’s Conference Room (See the map of the ordinary general meeting’s venue on the last page.)
3. Meeting Agenda	Matters to be reported: 1. The Business Report and Consolidated Financial Statements for the Company’s 30th Fiscal Year (from April 1, 2020 to March 31, 2021) and the Results of Audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Board 2. Non-consolidated Financial Statements for the Company’s 30th Fiscal Year (from April 1, 2020 to March 31, 2021) Matters to be resolved Proposal 1: Appropriation of Retained Earnings Proposal 2: Appointment of Nine (9) Directors Proposal 3: Appointment of Two (2) Corporate Auditors Proposal 4: Appointment of One (1) Alternate Corporate Auditor Proposal 5: Revision of Remuneration Amount for Directors

- Pursuant to relevant laws and regulations and Article 15 of the Articles of Incorporation of the Company, the following documents of the documents to be attached to this notice have been posted on the Company’s website. Therefore, they are not included in the Attachment of this notice

(1) Notes to Consolidated Financial Statements

(2) Notes to Non-consolidated Financial Statements

- The documents subject to audit are audited by Corporate Auditors and the Accounting Auditor, including the above items posted on the Company's website.
- If any changes are made to the Reference Documents for the Ordinary General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements, the revised items will be posted on the Company's website.

[Company website] <https://www.t-gaia.co.jp/>

<Requests and information for all shareholders>

- No gifts will be prepared for shareholders attending the Ordinary General Meeting of Shareholders.
- No gathering event for shareholders will be held following the conclusion of the Ordinary General Meeting of Shareholders.
- To prevent the spread of COVID-19, we kindly request that shareholders refrain from attending the venue on the day of the Ordinary General Meeting of Shareholders and exercise your voting rights in advance in writing (post) or via the internet (also accessible via smartphone).
- The Company will present QUO cards (500 yen in value) to shareholders who exercise their voting rights (the receipt of the Voting Rights Exercise Form by the Company or completed via the internet, regardless of approval or disapproval for the resolutions) by 5:45 p.m. on June 17, 2021 (Thursday) and who refrain from attending the venue on the day of the Ordinary General Meeting of Shareholders.
- As a new initiative for our shareholders, the Company will provide a shareholder-only live stream of the Ordinary General Meeting of Shareholders that can be viewed through the internet, so that the scenes of the Ordinary General Meeting of Shareholders can be viewed at home, etc. This will also enable you to post text messages from the viewing screen.

Note that viewing the live stream does not constitute attendance for the purposes of the Companies Act. In addition, posted text messages do not constitute questions at the Ordinary General Meeting of Shareholders under the Companies Act. We ask for your understanding in advance.

Please refer to the “Information on advance exercising of voting rights and the live stream via the internet of the 30th Ordinary General Meeting of Shareholders” enclosed with this notice for details.

- We would like to ask that the shareholders attending the venue cooperate with contagion prevention measures, including the wearing of a mask, the sanitizing of hands through the use of an alcohol-based hand sanitizer, and the undergoing of a temperature check. If you do not cooperate with these contagion prevention measures, or have a fever or are considered to be in poor health, you may be refused entry to the meeting venue.
- In order to prevent contagion, we will make sure that there is sufficient space between chairs the same as last year, and the number of chairs provided will be substantially reduced (capacity: 30 people). Please be aware that you may be refused entry to the venue on the day of the Ordinary General Meeting of Shareholders if the capacity is exceeded; we ask for your understanding in advance.
- In regard to our Officers, it is intended that only some Officers will attend the venue with the other Officers attending online from a separate room. In addition, all Officers and administrative staff in attendance will wear masks inside the venue.
- If a major change occurs to the holding or operation of the Ordinary General Meeting of Shareholders due to future circumstances, we will post a notification on the internet at the Company's website (<https://www.t-gaia.co.jp/>). Even if attending the venue, we request that all shareholders ensure they confirm in advance the latest information.

How to Exercise Voting Rights

You may exercise your voting rights using either one of the following three methods.

Attend the shareholders' meeting



Bring the enclosed Voting Rights Exercise Form to the Ordinary General Meeting of Shareholders and submit it at the venue. (There is no need to affix the postage seal.)

Date and Time: Friday, June 18, 2021 at 10:00 a.m.
(the venue opens at 9 a.m.)

Venue: 4-1-18, Ebisu, Shibuya-ku, Tokyo
Ebisu Neonart Building 17th Floor, Head Office's
Conference Room

Exercise voting rights in writing (by post)



Indicate your approval or disapproval for each of the proposals on the enclosed Voting Rights Exercise Form and post it without affixing stamps.

Deadline: The form has to reach the Company by 5:45 p.m. on
Thursday, June 17, 2021.

Exercise voting rights via the Internet



Access the voting rights exercise website on your personal computer or smartphone and enter your approval or disapproval for each of the proposals following the instructions displayed on the screen. For details, please refer to the next page.

Deadline: The form has to reach the Company by 5:45 p.m. on
Thursday, June 17, 2021.

<Institutional investors>

If you have applied in advance to use the electronic voting platform operated by ICJ, Inc., you may exercise your voting rights on the said platform.

Handling of duplicate exercise of voting rights

- (1) If a shareholder exercises voting rights both by writing and via the Internet, etc., the voting rights exercised via the Internet, etc., will be deemed as valid.
- (2) If a shareholder exercises voting rights more than once via the Internet, etc., the final vote will be deemed as valid.

How to Exercise Voting Rights via the Internet

Exercising voting rights by smartphone

You can log in to the voting rights exercise website without entering your voting rights exercise code and password.

1. Scan the QR code on the bottom right of the Voting Rights Exercise Form. (OR codes are different for each shareholder.)



- * "QR code" is a registered trademark of DENSO WAVE INCORPORATED.
2. Next, follow the guidance on screen to vote yes or no on the proposals.



! If you wish to change your vote after exercising your voting rights, then you must scan the QR code* again and input the Voting Rights Exercise Code and password written on the enclosed Voting Rights Exercise Form (From a PC, you can also directly access the voting rights exercise website at <https://www.web54.net>).

Exercising voting rights on a PC

Voting Rights Exercise Website: <https://www.web54.net>

1. Access the voting rights exercise website.



Click "Next"

2. Input the Voting Rights Exercise Code written on the Voting Rights Exercise Form.



Input the Voting Rights Exercise Code

Click "Log In"

3. Input the password written on the Voting Rights Exercise Form.



Input the initial password

Set your new password"

Click "Register"

4. Next, follow the guidance on screen to vote yes or no on the proposals.

* Shareholders are responsible for connection fees or communication fees incurred when using the voting rights exercise website.

* Depending on the Internet environment you are using, the service you subscribe to, or the device you are using, you may be unable to use the voting rights exercise website.

Inquiries

1. For inquiries about how to operate your PC or smartphone in order to exercise voting rights via the Internet.

Transfer Agent Internet Support, Sumitomo Mitsui Trust Bank, Limited

Direct telephone number

0120-652-031 (toll free)

Available from 9:00 to 21:00

2. Other inquiries

A. Shareholders with an account with a securities company
Please contact your securities company.

B. Shareholders without an account at a securities company
(shareholders with special accounts)

Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited

0120 (782) 031 (toll free)

Available from 9:00 to 17:00 on weekdays

Reference Documents for the Ordinary General Meeting of Shareholders

Proposals and Reference Materials

Proposal 1	Appropriation of Retained Earnings
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We propose to appropriate retained earnings as follows.

Matters concerning the year-end dividend

We view the appropriate return of profits to our shareholders as an important business matter. We have set a target payout ratio of at least 30% and strive to pay a dividend that reflects such factors as business performance for the year under review as well as the future expansion of our business.

In keeping with that policy, we plan to pay the following year-end dividend for the year under review.

(1) Type of dividend property:

Cash

(2) Allocation of dividend property and the total amount:

37.5 yen per common share of stock in T-Gaia Corporation

Total cash dividend of 2,090,067,525 yen

Given that we paid an interim dividend of 37.5 yen per share of common stock, the annual dividend per share will total 75 yen, the same amount as in the previous fiscal year.

(3) Record date for dividend from the surplus:

June 21, 2021

Appointment of Nine (9) Directors

The terms of all nine (9) Directors will expire at the conclusion of this General Meeting of Shareholders.

Therefore, the Company proposes the election of nine (9) Directors.

The candidates for Director are as follows.

Candidate No.		Name	Positions and Responsibilities in the Company	Attendance at meetings of Board of Directors	Years serving as Director:	
1	Reappointment	Nobutaka Kanaji (61 years old)	President and Representative Director, Chief Executive Officer	12/12 meetings	8 years	
2	Reappointment	Tsuyoshi Konda (58 years old)	Director, Executive Vice President (President & Representative Director, QUO CARD Co., Ltd.)	12/12 meetings	6 years	
3	Reappointment	Masato Ishida (60 years old)	Director, Executive Vice President, CSO, in charge of HR & general affairs, legal, management planning and public relations	10/10 meetings	1 year	
4	New appointment	Hiroyuki Sugai (60 years old)	Executive Vice President; CFO, in charge of corporate accounting, finance and settlement, risk management and logistics	–	–	
5	Reappointment	Katsuya Kashiki (54 years old)	Director	10/10 meetings	1 year	
6	Reappointment	Toshiya Asaba (59 years old)	[Candidate for Outside Auditor] [Candidate for Independent Director]	Outside Director	12/12 meetings	5 years
7	Reappointment	Kyoko Deguchi (55 years old)	[Candidate for Outside Director] [Candidate for Independent Director] [Woman]	Outside Director	12/12 meetings	5 years
8	Reappointment	Junichi Kamata (67 years old)	[Candidate for Outside Director] [Candidate for Independent Director]	Outside Director	12/12 meetings	3 years
9	Reappointment	Toshio Morohoshi (67 years old)	[Candidate for Outside Director] [Candidate for Independent Director]	Outside Director	10/10 meetings	1 year

Notes:

1. The age of each candidate is as of the date of this General Meeting of Shareholders.
2. As Mr. Masato Ishida, Mr. Katsuya Kashiki and Mr. Toshio Morohoshi took office on June 29, 2020 (the date of the 29th Ordinary General Meeting of Shareholders), the number of the Board of Directors meetings they were expected to attend differs from other reappointed candidates for Directors.

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Responsibilities in the Company (Major Concurrent Posts)
1 <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Reappointment</div>	<p>Nobutaka Kanaji (March 18, 1960) 61 years old</p> <p>Number of Company shares held: 7,980</p> <p>Attendance at meetings of Board of Directors during FY2021: 12/12 meetings (100%)</p> <p>Years serving as Director: 8 years (at the conclusion of this meeting)</p>	<p>Apr 1983 Joined Sumitomo Corporation</p> <p>Jun 1988 Assigned to Representative Office in Saudi Arabia</p> <p>Aug 2001 Sumitomo Corporation of Americas (New York)</p> <p>Apr 2005 President, Presidio STX, LLC (US)</p> <p>Oct 2007 Manager of Net Business, Sumitomo Corporation</p> <p>Oct 2008 Manager of Mobile & Internet Business, Sumitomo Corporation</p> <p>Jun 2013 Outside Director, T-Gaia Corporation</p> <p>Apr 2014 Director, Executive Vice President; Senior Director of Administrative Unit No. 1, T-Gaia Corporation</p> <p>Apr 2015 Director, Executive Vice President; Senior Director of Corporate Strategy, T-Gaia Corporation</p> <p>Apr 2016 Director, Executive Vice President; Senior Director of Smart Life Business and concurrently Senior Director of Enterprise Solutions Business; Responsibility for Network Business Division, T-Gaia Corporation</p> <p>Apr 2017 President and Chief Executive Officer, T-Gaia Corporation (current)</p> <p>Dec 2017 Director, QUO CARD Co., Ltd. (current)</p> <p>Jun 2020 Representative Director and Chairman, National Association of Mobile-phone Distributors (current)</p>
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Nobutaka Kanaji has been involved in the telecommunications field for many years. From 2013 he supervised various divisions as Director of the Company, from each sales division to the corporate division. Since April 2017 he has demonstrated leadership as President and Chief Executive Officer, who has the highest responsibility in business execution within the Company. Because Mr. Kanaji possesses expert knowledge and abundant experience mainly in the telecommunications field cultivated by serving in these positions, and has a sincere character and a high level of both insight and skill in corporate management, the Company regards Mr. Kanaji to be suitable as a Director of the Company and has nominated him as a candidate for Director again.</p>		

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Responsibilities in the Company (Major Concurrent Posts)	
2	<p>Tsuyoshi Konda (March 13, 1963) 58 years old</p> <p>Number of Company shares held: 1,900</p> <p>Attendance at meetings of Board of Directors during FY2021: 12/12 meetings (100%)</p> <p>Years serving as Director: 6 years (at the conclusion of this meeting)</p>	Apr 1985	Joined Sumitomo Corporation
		Jul 1992	Manager of Mechanical and Electrical Division, Sumitomo Corporation (Shanghai) Limited (China)
		Oct 2003	President, Sumitomo Corporation Equity Asia Limited (Hong Kong)
		Apr 2010	Manager of New Business Investment, Sumitomo Corporation
		Apr 2013	Manager of Investment Development, Sumitomo Corporation
		Aug 2014	Manager of Investment Development and concurrently Manager of Information Business, Sumitomo Corporation
		Apr 2015	Manager of General Mobile Business, Sumitomo Corporation
		Jun 2015	Outside Director, T-Gaia Corporation
		Apr 2016	Director, Senior Executive Officer; Senior Director of Corporate Strategy and concurrently Director of China Business Promotion, T-Gaia Corporation
		Apr 2017	Director, Senior Executive Officer; Senior Director of Corporate Strategy and concurrently Director of Operational Reform Promotion, T-Gaia Corporation
Dec 2017	Director, Senior Executive Officer, T-Gaia Corporation (President & Representative Director, QUO CARD Co., Ltd.)		
Apr 2019	Director, Executive Vice President, T-Gaia Corporation (President & Representative Director, QUO CARD Co., Ltd.) (current)		
	<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Tsuyoshi Konda has engaged in business development of the telecommunications field and investment development of new businesses for many years. From 2015 he deeply engaged in decision-making for the Company's important business execution as Director of the Company. Since 2017 he has demonstrated his skill as President & Representative Director of QUO CARD Co., Ltd. Because Mr. Konda possesses expert knowledge and abundant experience mainly in the telecommunications field cultivated by serving in these positions, and has a sincere character and a high level of both insight and skill in corporate management, the Company regards Mr. Konda to be suitable as a Director of the Company and has nominated him as a candidate for Director again.</p>		

Reappointment

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Responsibilities in the Company (Major Concurrent Posts)
<p>3</p> <p>Reappointment</p>	<p>Masato Ishida (December 1, 1960) 60 years old</p> <p>Number of Company shares held: 700</p> <p>Attendance at meetings of Board of Directors during FY2021 (after assuming office on June 29, 2020): 10/10 meetings (100%)</p> <p>Years serving as Director: 1 year (at the conclusion of this meeting)</p>	<p>Apr 1983 Joined Sumitomo Corporation</p> <p>Apr 2001 President, SMS Construction & Mining Systems Inc. (Canada)</p> <p>Apr 2007 Manager of Construction Equipment Dept. No.3, Sumitomo Corporation</p> <p>Apr 2011 General Manager of Construction Equipment Division, Sumitomo Corporation</p> <p>Apr 2015 Executive Officer, Assistant General Manager for Europe, Middle East, Africa & CIS (United Arab Emirates); concurrently General Manager of Middle East, Sumitomo Corporation, and concurrently President of Sumitomo Corporation Middle East FZE</p> <p>Apr 2018 Managing Executive Officer, General Manager for Europe, Middle East, Africa & CIS (UK), Sumitomo Corporation, and concurrently Chairman of Sumitomo Corporation Europe Holding Limited</p> <p>Apr 2020 Executive Vice President, CSO, in charge of HR & general affairs, legal, management planning and public relations, T-Gaia Corporation</p> <p>Jun 2020 Director, Executive Vice President, CSO, in charge of HR & general affairs, legal, management planning and public relations, T-Gaia Corporation (current)</p>
<p>[Reasons for nomination as a candidate for Director]</p> <p>At Sumitomo Corporation, Mr. Masato Ishida has served as President of the Dealer Business for Construction Equipment and Mining Equipment in Canada, as General Manager of Construction Equipment Division, and as General Manager of the Middle East, then in the role of General Manager for Europe, Middle East, Africa & CIS as a Managing Executive Officer. He has served at the Company since June 2020 as Director, Executive Vice President, CSO, in charge of HR & general affairs, legal, management planning and public relations. Because Mr. Ishida possesses expert knowledge and abundant experience mainly in the business administration and management fields cultivated by serving in these positions, and has a sincere character and a high level of both insight and skill in corporate management, the Company regards Mr. Ishida to be suitable as a Director of the Company and has nominated him again as a candidate for Director.</p>		

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Responsibilities in the Company (Major Concurrent Posts)	
4	Hiroyuki Sugai (February 6, 1961) 60 years old Number of Company shares held: – Attendance at meetings of Board of Directors during FY2021: – Years serving as Director: –	Apr 1984	Joined Sumitomo Corporation
		May 2001	Sumitomo Corporation of Americas (New York)
		Nov 2009	Head of the Finance and Accounting Group, Sumitomo Corporation China Group (Shanghai)
		Nov 2013	General Manager of the Accounting Dept., Media, ICT, Lifestyle Related Goods & Services Business Unit, Sumitomo Corporation
		Apr 2017	General Manager of the Accounting Controlling Dept., Sumitomo Corporation
		Apr 2019	Executive Officer, Assistant CFO, Accounting; and concurrently General Manager, Accounting Controlling Dept., Sumitomo Corporation
		Apr 2021	Executive Vice President; CFO, in charge of corporate accounting, finance and settlement, risk management and logistics, T-Gaia Corporation (current)
<u>New appointment</u>	[Reasons for nomination as a candidate for Director] Mr. Hiroyuki Sugai has been involved in finance and accounting-related business for many years at Sumitomo Corporation, after serving as General Manager of the Accounting Dept., Media, ICT, Lifestyle Related Goods & Services Business Unit and General Manager of the Accounting Controlling Dept., etc., has served as Executive Officer, Assistant CFO, Accounting; and concurrently General Manager, Accounting Controlling Dept., and since April 2021, has worked at our Company as Executive Vice President and CFO, in charge of corporate accounting, finance and settlement, risk management and logistics. Because Mr. Sugai possesses expert knowledge and abundant experience mainly in the finance and accounting field cultivated by serving in these positions, and has a sincere character and a high level of both insight and skill in corporate management, the Company regards Mr. Sugai to be suitable as a Director of the Company and has nominated him as a candidate for Director.		

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Responsibilities in the Company (Major Concurrent Posts)	
5 Reappointment	Katsuya Kashiki (June 28, 1966) 54 years old Number of Company shares held: – Attendance at meetings of Board of Directors during FY2021 (after assuming office on June 29, 2020): 10/10 meetings (100%) Years serving as Director: 1 year	Apr 1990	Joined Sumitomo Corporation
		Jan 1994	Assistant to General Manager of Islamabad Office (Pakistan), Sumitomo Corporation
		Sep 2004	Moscow Office (Russia), IT & Telecom Unit, Sumitomo Corporation
		Feb 2005	Director, Market & Business Development, ZAO Prestige Internet (Russia)
		Jun 2012	Director, ICT Business Division, Sumitomo Corporation (Central Eurasia) LLC (Russia)
		Apr 2018	Manager of Smart Infrastructure Business Dept., Sumitomo Corporation
		Apr 2020	General Manager of Smart Communications Platform Division, Sumitomo Corporation (current)
		Jun 2020	Director, T-Gaia Corporation (current)
[Reasons for nomination as a candidate for Director] Mr. Katsuya Kashiki currently serves as General Manager of Smart Communications Platform Division at Sumitomo Corporation after previously serving as General Manager of Smart Infrastructure Business Department. Because Mr. Kashiki possesses expert knowledge and abundant experience mainly in the telecommunications field cultivated by serving in these positions, and has a sincere character and a high level of both insight and skill in corporate management, the Company regards Mr. Kashiki to be suitable as a Director of the Company and has nominated him as a candidate for Director again.			

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Responsibilities in the Company (Major Concurrent Posts)	
<p style="text-align: center; font-size: 2em; font-weight: bold;">6</p> <p style="text-align: center; border: 1px solid black; padding: 2px;">Reappointment</p> <p>Candidate for Outside Director</p> <p>Candidate for Independent Director</p>	<p style="text-align: center; font-weight: bold;">Toshiya Asaba</p> <p style="text-align: center;">(June 12, 1962) 59 years old</p> <p>Number of Company shares held: 400</p> <p>Attendance at meetings of Board of Directors during FY2021: 12/12 meetings (100%)</p> <p>Years serving as Director: 5 years (at the conclusion of this meeting)</p>	<p>Apr 1989 Joined Recruit Co., Ltd.</p> <p>Apr 1995 Manager of Network Technology, Internet Initiative Japan Inc.</p> <p>Mar 1996 Director, IJ America Inc.</p> <p>Sep 1997 Director of Technology, Internet Multifeed Co.</p> <p>Oct 1998 Manager of Technology Planning, Crosswave Communications, Inc.</p> <p>Jun 1999 Director, Crosswave Communications, Inc.</p> <p>Jun 1999 Director, Co-CTO, Internet Initiative Japan Inc.</p> <p>Jun 2004 Director and Vice President, Internet Initiative Japan Inc. (Retired from this position as of June 2009)</p> <p>Jun 2004 Director, NTT Resonant Incorporated</p> <p>Jun 2008 Representative Director, IJ Innovation Institute Inc.</p> <p>Apr 2012 Representative Director, Stratosphere Inc.</p> <p>Jun 2015 Director, IJ Innovation Institute Inc. (current)</p> <p>Jun 2015 Representative Employee, Gaia Lab LLC (current)</p> <p>Jun 2016 Outside Director, T-Gaia Corporation (current)</p> <p>Nov 2017 Representative Director and Vice Chairman, The Japanese Society for Quality Control (JSQC)</p> <p>Dec 2018 Corporate Auditor, Parongo Co., Ltd. (current)</p>	
		<p>[Reasons for nomination as candidate for Outside Director and overview of expected roles]</p> <p>Mr. Toshiya Asaba has been involved in the establishment of the Internet in Japan and building Internet service for many years. Mr. Asaba has also served as CTO and Representative Director in IT-related companies, so he possesses broad knowledge and abundant experience as an IT specialist and as a corporate manager. Because Mr. Asaba possesses expert knowledge and skills, and has a sincere character, the Company regards Mr. Asaba to be suitable as an Outside Director of the Company and has nominated him as a candidate for Outside Director again. We expect that Mr. Asaba will supervise and provide advice on the execution of business from an outside perspective, based on his aforementioned extensive knowledge and experience.</p>	
		<p>[Special notes on candidate for Outside Director]</p> <p>Mr. Asaba was a person who executed business for Internet Initiative Japan Inc., a business partner of the Company until June 2009. However, more than 11 years have passed since he resigned from that position and the amount of the business between the Company and the Internet Initiative Japan Inc. is insignificant at less than 0.1% of both the Internet Initiative Japan Inc.'s consolidated total revenues and the Company's consolidated net sales, so he is deemed to be adequately independent.</p>	

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Responsibilities in the Company (Major Concurrent Posts)	
<p style="text-align: center; font-size: 2em; font-weight: bold;">7</p> <p>Reappointment</p> <p>Candidate for Outside Director</p> <p>Candidate for Independent Director</p> <p>Woman</p>	<p style="text-align: center;">Kyoko Deguchi (December 12, 1965) 55 years old</p> <p>Number of Company shares held: 900</p> <p>Attendance at meetings of Board of Directors during FY2021: 12/12 meetings (100%)</p> <p>Years serving as Director: 5 years (at the conclusion of this meeting)</p>	<p>Apr 1989 Joined Bain & Company Japan, Incorporated</p> <p>Feb 1998 Senior Director of Planning, Disney Store Japan Inc.</p> <p>Feb 1999 Senior Finance Director, Disney Store Japan Inc.</p> <p>Mar 2001 Director and CFO, GE Plastics Japan Ltd.</p> <p>Apr 2004 Product Director, Janssen Pharmaceutical (currently Ortho Neurologics) (US)</p> <p>Sep 2005 Senior Director of Digestive Region, Pain, and OTC Business Division, Janssen-Cilag Pty Ltd. (Australia)</p> <p>Jan 2007 Assistant Senior Director of Marketing Division, Janssen Pharmaceutical K.K.,</p> <p>Aug 2009 Director, Vice President of Global Marketing, Stryker Japan K.K.</p> <p>Jan 2012 President and CEO, Stryker Japan K.K.</p> <p>Mar 2013 Senior Corporate Executive Officer and Manager of President's Office with concurrent responsibility for Financial and Accounting Division, Bellsystem24 Inc. (Retired from this position as of January 2014)</p> <p>Mar 2014 CEO, AbbVie GK</p> <p>Jul 2014 Outside Director, Nippon Ski Resort Development Co., Ltd. (current)</p> <p>Feb 2015 COO, Medical Corporation Shikiku-kai</p> <p>Apr 2015 Professor, Kenichi Ohmae Graduate School of Business, Business Breakthrough, Inc. (current)</p> <p>Mar 2016 Outside Director, Cookpad Inc. (Retired from this position as of March 2018)</p> <p>Jun 2016 Outside Director, T-Gaia Corporation (current)</p> <p>Aug 2017 Vice President, Medical Corporation Shikiku-kai</p> <p>Jun 2019 Outside Director, NHK Technologies, Inc. (current)</p> <p>Jan 2020 Outside Director, Heartseed Inc. (current)</p>	
		<p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles]</p> <p>Ms. Kyoko Deguchi has been involved in the finance business of many different corporations for many years, and has served as a CFO and Representative Director, so she possesses broad knowledge and abundant experience as a finance specialist and as a corporate manager. Because Ms. Deguchi possesses expert knowledge and skills, and has a sincere character, the Company regards Ms. Deguchi to be suitable as an Outside Director of the Company and has nominated her as a candidate for Outside Director again. We expect that Ms. Deguchi will supervise and provide advice on the execution of business from an outside perspective, based on her aforementioned extensive knowledge and experience.</p>	
		<p>[Special notes on candidate for Outside Director]</p> <p>Ms. Deguchi was a person who executed business for Bellsystem24 Inc., a business partner of the Company, until January 2014. However, more than seven years have passed since she resigned from that position and the amount of business between the Company and Bellsystem24 Inc. is insignificant at less than 0.1% of both Bellsystem24 Inc.'s consolidated revenue and the Company's consolidated net sales, so she is deemed to be adequately independent.</p> <p>Ms. Deguchi was an Outside Director of Cookpad Inc., a business partner of the Company, until March 2018. However, more than three years have passed since she resigned from that position and the amount of business between the Company and Cookpad Inc. is insignificant at less than 0.1% of both Cookpad Inc.'s consolidated sales revenue and the Company's consolidated net sales, so she is deemed to be adequately independent.</p>	

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Responsibilities in the Company (Major Concurrent Posts)	
8	<p>Junichi Kamata (November 28, 1953) 67 years old</p> <p>Number of Company shares held: 1,300</p> <p>Attendance at meetings of Board of Directors during FY2021: 12/12 meetings (100%)</p> <p>Years serving as Director: 3 years (at the conclusion of this meeting)</p>	<p>Apr 1978</p> <p>Jan 1992</p> <p>May 1999</p> <p>Nov 2000</p> <p>Jan 2005</p> <p>Apr 2008</p> <p>Apr 2011</p> <p>Apr 2014</p> <p>Jun 2015</p> <p>Jun 2018</p>	<p>Joined Hitachi Metals, Ltd.</p> <p>CFO, HMT Technology Inc. (US)</p> <p>Manager, Corporate Management Department, LET Inc. (Philippines)</p> <p>Vice President and CFO, Hitachi Metals America (US)</p> <p>General Manager of Human Resources & General Administration Dept., Hitachi Metals, Ltd.</p> <p>Managing Officer, General Manager of Corporate Management Planning Office of Hitachi Metals, Ltd.</p> <p>Managing Officer, President of Piping Components Company of Hitachi Metals, Ltd.</p> <p>Managing Officer of Hitachi Metals, Ltd.; President & CEO, Hitachi Metals America, Ltd. (US)</p> <p>Director, Hitachi Metals, Ltd.</p> <p>Outside Director, T-Gaia Corporation (current)</p>
<p><u>Reappointment</u></p> <p>Candidate for Outside Director</p> <p>Candidate for Independent Director</p>	<p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles]</p> <p>Mr. Junichi Kamata has been involved in the core of management for many years, serving as General Manager of the Human Resources & General Administration Department, General Manager of Corporate Management Planning Office, and Director of Hitachi Metals, Ltd. He possesses broad knowledge and abundant experience as a corporate management specialist and as an executive manager. Because Mr. Kamata possesses expert knowledge and skills, and has a sincere character, the Company regards Mr. Kamata to be suitable as an Outside Director of the Company and has nominated him as a candidate for Outside Director again. We expect that Mr. Kamata will supervise and provide advice on the execution of business from an outside perspective, based on his aforementioned extensive knowledge and experience.</p> <p>[Special notes on candidate for Outside Director]</p> <p>While Mr. Kamata served as a director of Hitachi Metals, Ltd., between June 2015 and June 2018, it was revealed in an investigation report published in January 2021 that inappropriate acts were performed such as entering values inappropriately into inspection reports for certain products manufactured during his tenure as Director at Hitachi Metals, Ltd. It should be noted that Mr. Kamata was not aware of the occurrence of this situation during his tenure as Director at Hitachi Metals, Ltd., but he did make remarks from a compliance perspective at meetings of Hitachi Metals, Ltd.'s Board of Directors, etc., that were held around that time. In addition, in the aforementioned investigation report, it is stated that accurate information of the inappropriate act was not shared at meetings of the Board of Directors, etc.</p>		

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Responsibilities in the Company (Major Concurrent Posts)	
9	Toshio Morohoshi (August 24, 1953) 67 years old Number of Company shares held: – Attendance at meetings of Board of Directors during FY2021 (after assuming office on June 29, 2020): 10/10 meetings (100%) Years serving as Director: 1 year	Apr 1976	Joined Fujitsu Limited
		Jun 1998	President & CEO, Fujitsu PC Corporation (US)
		Jun 2004	President & CEO, Fujitsu Computer Systems Corporation (currently Fujitsu America Inc.) (US)
		Oct 2005	Managing Executive Officer, Fujitsu Limited (Retired from this position as of June 2007)
		Jul 2007	President & CEO of EMC Japan K.K. and concurrently Vice President of EMC Corporation (US)
		Jan 2012	President & CEO of NCR Japan, Ltd. and concurrently North Asia Representative of NCR Corporation (US) (Retired from this position as of February 2015)
		May 2015	President & CEO, Yaskawa Information Systems Corporation (currently YE DIGITAL Corporation)
		Mar 2018	Outside Director of the Board, Nippon Paint Holdings Co., Ltd. (current)
		Aug 2018	Outside Director, WingArc1st Inc. (current)
		Jun 2020	Outside Director, T-Gaia Corporation (current)
<u>Reappointment</u>	<p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles]</p> <p>Mr. Toshio Morohoshi has wide-ranging knowledge and experience as an IT business specialist and as a manager, involved in promoting the IT business and corporate management for many years. At Fujitsu Limited he was involved at the center of management as Managing Executive Officer following positions as President of overseas subsidiaries, etc., with much of this time spent as Representative Director and President in IT companies. Because Mr. Morohoshi has a sincere character and a high level of both insight and skill in corporate management, the Company regards Mr. Morohoshi to be suitable as an Outside Director of the Company and has nominated him as a candidate for Outside Director again. We expect that Mr. Morohoshi will supervise and provide advice on the execution of business from an outside perspective, based on his aforementioned extensive knowledge and experience.</p>		
Candidate for Outside Director			
Candidate for Independent Director			
	<p>[Special notes on candidate for Outside Director]</p> <p>Mr. Morohoshi was a person who executed business for Fujitsu Limited, a business partner of the Company, until June 2007. However, more than 13 years have passed since he resigned from that position and the amount of business between the Company and Fujitsu Limited is insignificant at less than 0.1% of both Fujitsu Limited's consolidated revenue and the Company's consolidated net sales, so he is deemed to be adequately independent.</p> <p>Mr. Morohoshi was a person who executed business for NCR Japan, Ltd., a business partner of the Company, until February 2015. However, more than six years have passed since he resigned from that position and the amount of business between the Company and NCR Japan, Ltd. is insignificant at less than 0.3% of both NCR Japan, Ltd.'s revenue and Company's consolidated net sales, so he is deemed to be adequately independent.</p>		

Notes:

1. This reference document for the Ordinary General Meeting of Shareholders contains information as of the date of its preparation (May 12, 2021). However, the age of each candidate is as of this Ordinary General Meeting of Shareholders, and the number of the Company shares held by each candidate reflects information as of March 31, 2021.
2. Mr. Toshiya Asaba, Ms. Kyoko Deguchi, Mr. Junichi Kamata and Mr. Toshio Morohoshi are candidates for Outside Director.
3. No special interest-relationship exists between the candidates and the Company.
4. Mr. Toshiya Asaba, Ms. Kyoko Deguchi, Mr. Junichi Kamata, and Mr. Toshio Morohoshi are currently Outside Directors for the Company. Mr. Toshiya Asaba and Ms. Kyoko Deguchi will have served five years as Outside Directors at the conclusion of this General Meeting of Shareholders, Mr. Junichi Kamata will have served three years, and Mr. Toshio Morohoshi will have served one year.

5. The Company has entered into agreements with Mr. Katsuya Kashiki, Mr. Toshiya Asaba, Ms. Kyoko Deguchi, Mr. Junichi Kamata and Mr. Toshio Morohoshi pursuant to Article 427, Paragraph 1, of the Companies Act that limit their liability for damages as provided for in Article 423, Paragraph 1, of the same Act. Under this agreement, the limit of liability for damages is an amount stipulated in Article 425, Paragraph 1 of the said Act. We plan to renew the limited-liability agreement with them if their reappointment is approved.
6. The Company has entered into an officer, etc., liability insurance agreement as prescribed in Article 430-3 Paragraph 1 of the Companies Act with an insurance company, and in the case of a claim for compensation for damages being filed by a shareholder or third party, etc., damages such as compensation and dispute costs that are to be borne by the insured party shall be covered by said insurance contract. The full amount of the insurance premiums shall be borne by the Company, and if each candidate is elected and appointed as Director, it is planned to include them in the persons covered by said insurance agreement. In addition, at the time of the next renewal, we plan to renew the agreement with the same content as in the current agreement.
7. Mr. Toshiya Asaba, Ms. Kyoko Deguchi, Mr. Junichi Kamata, and Mr. Toshio Morohoshi meet the criteria for independent directors as defined by the Tokyo Stock Exchange. The Company has reported the status of these four individuals as independent directors to the Tokyo Stock Exchange. If these four candidates are reappointed, the Company plans to continue treating them as independent directors.
8. Mr. Tsuyoshi Konda, Mr. Masato Ishida, and Mr. Hiroyuki Sugai are on assignment from Sumitomo Corporation, the parent company of the Company.

Proposal 3: Appointment of Two (2) Corporate Auditors

The term of office of Corporate Auditor Mr. Toshiro Kaba and Corporate Auditor Mr. Tetsuo Kitagawa will expire at the conclusion of this meeting. Therefore, the Company proposes the election of two (2) Audit & Supervisory Board Members.

The Audit and Supervisory Board has approved this proposal in advance.

The candidates for Corporate Auditor are as follows.

Candidate Number	Name (Date of Birth)	Career Summary, Positions in the Company (Major Concurrent Posts)	
<p style="text-align: center; font-size: 2em; font-weight: bold;">1</p> <p style="text-align: center;">Reappointment</p> <p style="text-align: center;">Candidate for Outside Auditor</p> <p style="text-align: center;">Candidate for Independent Auditor</p>	<p style="text-align: center;">Toshiro Kaba (September 10, 1960) 60 years old</p> <p>Number of Company shares held: 5,000</p> <p>Attendance at meetings of Board of Directors during FY2021: 12/12 meetings (100%)</p> <p>Attendance at meetings of Audit and Supervisory Board during FY2021: 12/12 meetings (100%)</p> <p>Years serving as Corporate Auditor: 8 years (at the conclusion of this meeting)</p>	Apr 1993	Licensed as an attorney
		Jun 2003	Founder and Representative Attorney, Shiroyama Tower Law Office (current)
		Apr 2005	Professor, Graduate School of Laws, Toin University of Yokohama
		Mar 2006	Outside Auditor, GungHo Online Entertainment, Inc. (current)
		Aug 2007	Outside Auditor, Cave Interactive Co., Ltd.
		Apr 2010	Dean, Toin Law School
		Jun 2013	Outside Auditor, T-Gaia Corporation (current)
		Jun 2014	Director, Toin Gakuen
		Mar 2015	Outside Auditor, Piala, Inc. (current)
		Jun 2015	Director, Tokyo-toei Kotsu Kyoryoku-kai (current)
		Apr 2017	Outside Auditor, J.Score Co., Ltd. (current)
		Aug 2019	Outside Director (Audit and Supervisory Committee Member), Cave Interactive CO., LTD.
		Apr 2021	Director, Toin Legal Research Support Center (current) Visiting Professor, Graduate School of Laws, Toin University of Yokohama (current)
<p>[Reasons for nomination as a candidate for Outside Auditor]</p> <p>Mr. Toshiro Kaba has become well versed in corporate law as an attorney, has extensive experience and knowledge, and furthermore, also has deep insight in the field of IT and the internet. In addition, he has been conducting appropriate audits as an outside auditor of the company since 2013. From the perspective of utilizing such experience and knowledge in the monitoring of management in general and for appropriate audit activities, we have once again nominated him as a candidate for Outside Auditor. He has never been directly involved in the management of a company except as an outside officer. However, the Company judges he will appropriately fulfill his duties as an outside Audit & Supervisory Board Member based on the above reasons.</p>			

Candidate Number	Name (Date of Birth)	Career Summary, Positions in the Company (Major Concurrent Posts)	
2 <u>Reappointment</u> Candidate for Outside Auditor Candidate for Independent Auditor	Tetsuo Kitagawa (August 17, 1961) 59 years old	Sep 1985	Joined Aoyama Audit Corporation
		Mar 1989	Received CPA license
		Jul 2002	Representative employee, Chuo-Aoyama Audit Corporation
	Number of Company shares held: —	Sep 2006	Representative employee, Aarata Audit Corporation (now PricewaterhouseCoopers Aarata LLC) Leader, Chemicals, Medicine, Industrial Materials Audit Division, Aarata Audit Corporation
	Attendance at meetings of Board of Directors during FY2021: 12/12 meetings (100%)	Jul 2013	Leader, Independence Management Group, Risk Management and Compliance Office, Aarata Audit Corporation
	Attendance at meetings of Audit and Supervisory Board during FY2021: 12/12 meetings (100%)	Aug 2014	Vice Chair, Ethics Committee, Japanese Institute of Certified Public Accountants
	Years serving as Corporate Auditor: 4 years (at the conclusion of this meeting)	Jun 2016	Resigned from Arata Audit Corporation (now PricewaterhouseCoopers Aarata LLC)
		Jul 2017	Outside Auditor, T-Gaia Corporation (current)
		Dec 2017	Certified Public Accountant Examination Committee Member, Certified Public Accountants and Auditing Oversight Board, Financial Services Agency (current)
		Jun 2019	Outside Director, Daio Paper Corporation (current)
	[Reasons for nomination as a candidate for Outside Auditor]		
	Mr. Tetsuo Kitagawa has gained insight in the fields of finance and accounting as a certified public accountant, and has extensive knowledge and experience. In addition, he has been conducting appropriate audits as an outside auditor of the company since 2017. From the perspective of utilizing such experience and knowledge in the monitoring of management in general and for appropriate audit activities, we have once again nominated him as a candidate for Outside Auditor. He has never been directly involved in the management of a company except as an outside officer. However, the Company judges he will appropriately fulfill his duties as an outside Audit & Supervisory Board Member based on the above reasons.		

Notes:

1. This reference document for the Ordinary General Meeting of Shareholders contains information as of the date of its preparation (May 12, 2021). However, the age of each candidate is as of this Ordinary General Meeting of Shareholders, and the number of the Company shares held by each candidate reflects information as of March 31, 2021.
2. Mr. Toshiro Kaba and Mr. Tetsuo Kitagawa are candidates for outside auditor.
3. No special interest-relationship exists between the candidates and the Company.
4. Mr. Toshiro Kaba and Mr. Tetsuo Kitagawa are currently outside auditors of the Company, and their tenure as outside auditors as of the conclusion of this meeting will be eight years in the case of Mr. Kaba and four years in the case of Mr. Kitagawa.
5. The Company has entered into agreements with Mr. Toshiro Kaba and Mr. Tetsuo Kitagawa pursuant to Article 427, Paragraph 1, of the Companies Act that limits their liability for damages as provided for in Article 423, Paragraph 1 of the same Act. Under this agreement, the limit of liability for damages is an amount stipulated in Article 425, Paragraph 1 of the said Act. We plan to renew the limited-liability agreement with both of them if their reappointments are approved.
6. The Company has entered into an officer, etc., liability insurance agreement as prescribed in Article 430-3 Paragraph 1 of the Companies Act with an insurance company, and in the case of a claim for compensation for damages being filed by a shareholder or third party, etc., damages such as compensation and dispute costs that are to be borne by the insured party shall be covered by said insurance contract. The full amount of the insurance premiums shall be borne by the Company, and if each candidate is elected and appointed as Auditor, it is planned to include them in the persons covered by said insurance agreement. In addition, at the time of the next renewal, we plan to renew the agreement with the same content as in the current agreement.
7. Mr. Toshiro Kaba and Mr. Tetsuo Kitagawa meet the criteria for independent officers as defined by the Tokyo Stock

Exchange. The Company has reported the status of both of these individuals as independent officers to the Tokyo Stock Exchange. If both of these candidates are reappointed, the Company plans to continue treating them as independent officers.

Proposal 4

Appointment of One (1) Alternate Corporate Auditor

To prepare for situations in which the Company lacks the number of Corporate Auditors stipulated by laws and regulations, we hereby propose the appointment of one (1) Alternate Corporate Auditor in advance.

The Audit and Supervisory Board has approved this proposal in advance.

The candidate for Alternate Corporate Auditor is as follows.

Name (Date of Birth)	Career Summary, Positions in the Company (Major Concurrent Posts)	
<p>Tamotsu Ueno (November 18, 1968) 52 years old</p> <p>Number of Company shares held: –</p> <p>Candidate for Alternate Outside Auditor</p> <p>Candidate for Independent Auditor</p>	Apr 1994	Registered as an attorney Joined Motoki Ueno Legal and Accounting Firm (current)
	Apr 2011	Professor, Omiya Law School
	Apr 2013	Counselor, Cooperative Association for Bureau of Transportation, Tokyo Metropolitan Government (current)
	Apr 2014	Professor, Toin Law School
	Jun 2014	Auditor, Japan Sailing Federation (current)
	Apr 2015	Visiting Professor, Toin Law School
	Sep 2018	Part-time Instructor, School of Law, the University of Tokyo (current)

[Reasons for nomination as a candidate for Alternate Outside Auditor]

Mr. Tamotsu Ueno has worked as an attorney for many years, and is especially well versed in the field of bankruptcy and business turnaround. He possesses a high level of expertise and abundant experience in law cultivated by serving as a lawyer. Because Mr. Ueno has a sincere character and a high level of both insight and skill in corporate management, in order to conduct auditing from various perspectives, the Company regards Mr. Ueno to be suitable as Outside Auditor and has nominated him as a candidate for Alternate Outside Auditor. Although he has not been directly involved in corporate management, the Company judged that he can appropriately perform his duties as an Outside Auditor of the Company for the above reasons.

Notes:

1. This reference document for the Ordinary General Meeting of Shareholders contains information as of the date of its preparation (May 12, 2021). However, the age of the candidate is as of this Ordinary General Meeting of Shareholders, and the number of the Company shares held by the candidate reflects information as of March 31, 2021.
2. Mr. Tamotsu Ueno is a candidate for Alternate Outside Auditor.
3. No special interest relationship exists between Mr. Tamotsu Ueno and the Company.
4. The Company plans to enter into a limited-liability agreement with Mr. Tamotsu Ueno pursuant to Article 427, Paragraph 1 of the Companies Act that limits his liability for damages as provided for in Article 423, Paragraph 1 of the same act if he is appointed to serve as a Corporate Auditor. Under this agreement, the limit of liability for damages will be an amount stipulated in Article 425, Paragraph 1, of the same Act.
5. The Company has entered into an officer, etc., liability insurance agreement as prescribed in Article 430-3 Paragraph 1 of the Companies Act with an insurance company, and in the case of a claim for compensation for damages being filed by a shareholder or third party, etc., damages such as compensation and dispute costs that are to be borne by the insured party shall be covered by said insurance contract. The full amount of the insurance premiums shall be borne by the Company, and if the candidate is appointed as Auditor, it is planned to include him in the persons covered by said insurance agreement. In addition, at the time of the next renewal, we plan to renew the agreement with the same content as in the current agreement.
6. Mr. Tamotsu Ueno meets the criteria for independent auditors as defined by the Tokyo Stock Exchange. If he is appointed as Corporate Auditor, the Company plans to treat him as an independent auditor.

Proposal 5: Revision of Remuneration Amount for Directors

Annual remuneration for Directors was no more than 270 million yen by resolution of the 28th Annual General Meeting of Shareholders that met on June 19, 2019. (Of that total, no more than 30 million yen per year was to be paid to Outside Directors; these limits do not include employee salaries).

In consideration of the number of independent outside directors having increased from three to four since 2020 for the purpose of strengthening governance, the recent expansion of roles expected of outside directors, the securing by the Company of the personnel required for the medium to long-term improvement of corporate value, and the possibility of the addition of further directors in the future to further strengthen governance, of the total remuneration amount for directors, we would like to increase the remuneration amount for outside directors, and to amend the remuneration amount for directors to up to 270 million yen per year (of which, up to 60 million yen per year for outside directors).

We have determined that this revised amount of remuneration is necessary and suitable for the prescribing of the details of the remuneration, etc., for individual directors in accordance with the decision-making policy for the details of the remuneration, etc., for individual directors, stated on pages 43-44 of this Notice. It should be noted that, as has been the case to the present, the amount of director remuneration does not include the salary for the employee portion of directors concurrently serving as employees.

There are nine directors at present (of whom four are outside directors), and if Proposal 2 is approved as originally proposed, there will continue to be nine directors (of whom four will be outside directors).

(Reference) Selection criteria and independence standards for Directors and Corporate Auditors

Selection criteria and independence standards for Directors and Corporate Auditors are stipulated as follows in the Basic Policy on Corporate Governance.

1. Director

(1) Selection criteria

A candidate for Director shall be an individual meeting the following criteria, who has profound understanding about our corporate philosophy based on TG Vision (T-Gaia's Corporate Vision), stating "T-Gaia will propose new ways of communication to provide our customers with excitement, delight and safety.", TG Mission (T-Gaia's Corporate Mission) and TG Action (Our Code of Conduct), and who is capable enough to make prompt and appropriate decisions with a view to achieving sustainable growth/development of the Group and the medium- to long-term enhancement of its corporate value.

a. Director (internal)

A candidate for Director (internal) shall be an individual with integrity as well as high-level management insight and capabilities, who has expert knowledge and abundant experience in telecommunications field and other areas, regardless of gender and nationality.

b. Outside Director

A candidate for Outside Director shall be an individual with integrity as well as high-level management insight and capabilities, who is capable enough to supervise business execution while providing advice from an external point of view based on broad-based knowledge and experience in his/her own area of specialty and general corporate management, regardless of gender and nationality.

(2) Independence standards

The Company shall consider an Outside Director independent when he/she does not fall into any of the following.

- a. A person who is, or was an executor of business at the Company, its consolidated subsidiary or equity method affiliate (collectively the "Group")
- b. A person who is or was in the past ten years a director, executive officer, corporate executive officer, or manager or other employee of the Company's parent company or sister company
- c. A person for whom the Group is a principal business partner, or a person who is or was in the past three years his/her executor of business (a principal business partner is defined as having business transactions equivalent to 2% or more of the annual total net sales of the partner in its immediately preceding fiscal year)
- d. A person who is a principal business partner of the Group, or a person who is or was in the past three years his/her executor of business (a principal business partner is defined as having business transactions equivalent to 2% or more of the consolidated annual total net sales of the Group in the immediately preceding fiscal year)
- e. A person who currently provides professional service in the capacity such as consultant, attorney or certified public accountant, gaining in return 10 million yen or more cash or other property benefits per year, apart from executive remuneration paid by the Group (if a party that gains such property benefits is an organization such as corporate body, union or partnership, a person who belongs to such organization that gains property benefits from the Group which is equivalent to 2% or more of annual revenue of such organization), or a person who was in such position in the past three years
- f. A person who is a principal provider of loans to the Group or a business executor of such provider (principal provider of loans refers to an entity that provides the Group with loans equivalent to 2% or more of its consolidated total assets as at the end of its immediately preceding fiscal year) or a person who was in such position in the past three years
- g. A person who is a major shareholder of the Company, or a business executor of such shareholder, or a person who was in such position in the past five years
- h. A person who receives 10 million yen per year or more donation from the Group (if a party that receives such donation is an organization such as corporate body, union or partnership, a person who serves as executor of business at such organization gaining property benefits from the Group which is equivalent to 2% or more of annual

revenue of such organization), or a person who was in such position in the past three years

- i. A person who is engaged in the audit of the Group as its Accounting Auditor or an employee thereof, or who was engaged in the audit of the Group as employee of the Accounting Auditor in the past three years
- j. A person who is director, executive officer, corporate executive officer, or manager or other employee of a company for which the Company is a major shareholder
- k. A person who is director, executive officer or corporate executive officer of a company (or its parent company or subsidiary), for which director or corporate auditor is seconded from the Group
- l. A person who is relative in the second degree or closer of someone who serves or served in the past three years as director, executive officer, corporate executive officer, or manager or other employee of the Group
- m. A person who is relative in the second degree or closer of someone who falls into any of those listed in b. through j. above (insofar as he/she is in an important position)
- n. A person who has served as an external director of the Company for more than eight years
- o. A person who has specific circumstance other than listed above, which prevents him/her from carrying out his/her duty as an external executive officer holding independence, including potential conflicts of interest with the Group

2. Corporate Auditor

(1) Selection criteria

A candidate for Corporate Auditor shall be an individual with integrity as well as high-level insight, experience and capabilities in corporate management, not least operational expert knowledge and hands-on management experience who is considered capable enough to contribute to sustainable growth/development of the Group and the medium- to long-term enhancement of its corporate value, regardless of gender and nationality. Candidate for an Independent Outside Corporate Auditor in particular, shall have advanced expertise and abundant experience in the areas such as legal affairs, accounting and corporate management.

(2) Independence standards

The Company shall consider an Outside Auditor independent when he/she does not fall into any of the following.

- a. A person who is, or was an executor of business at the Company, its consolidated subsidiary or equity method affiliate (collectively the “Group”)
- b. A person who is or was in the past ten years a director, corporate auditor, accounting adviser, executive officer, corporate executive officer, or manager or other employee of the Company’s parent company or sister company
- c. A person for whom the Group is a principal business partner, or a person who is or was in the past three years his/her executor of business (a principal business partner is defined as having business transactions equivalent to 2% or more of the annual total net sales of the partner in its immediately preceding fiscal year)
- d. A person who is a principal business partner of the Group, or a person who is or was in the past three years his/her executor of business (a principal business partner is defined as having business transactions equivalent to 2% or more of the consolidated annual total net sales of the Group in the immediately preceding fiscal year)
- e. A person who currently provides professional service in the capacity such as consultant, attorney or certified public accountant, gaining in return 10 million yen or more cash or other property benefits per year, apart from executive remuneration paid by the Group (if a party that gains such property benefits is an organization such as corporate body, union or partnership, a person who belongs to such organization that gains property benefits from the Group which is equivalent to 2% or more of annual revenue of such organization), or a person who was in such position in the past three years
- f. A person who is a principal provider of loans to the Group or a business executor of such provider (principal provider of loans refers to an entity that provides the Group with loans equivalent to 2% or more of its consolidated total assets as at the end of its immediately preceding fiscal year) or a person who was in such position in the past three years
- g. A person who is a major shareholder of the Company, or a business executor of such shareholder, or a person who was in such position in the past five years
- h. A person who receives 10 million yen per year or more donation from the Group (if a party that receives such donation is an organization such as corporate body, union or partnership, a person who serves as executor of business at such organization gaining property benefits from the Group which is equivalent to 2% or more of annual

revenue of such organization), or a person who was in such position in the past three years

- i. A person who is engaged in the audit of the Group as its Accounting Auditor or an employee thereof, or who was engaged in the audit of the Group as employee of the Accounting Auditor in the past three years
- j. A person who is director, corporate auditor, accounting adviser, executive officer, corporate executive officer, or manager or other employee of a company to which the Company is a major shareholder
- k. A person who is director, corporate auditor, accounting adviser, executive officer or corporate executive officer of a company (or its parent company or subsidiary), to which director or corporate auditor is seconded from the Group
- l. A person who is relative in the second degree or closer of someone who serves or served in the past three years as director, executive officer, corporate executive officer, or manager or other employee of the Group
- m. A person who is relative in the second degree or closer of someone who falls into any of those listed in b. through j. above (insofar as he/she is in an important position)
- n. A person who has specific circumstance other than listed above, which prevents him/her from carrying out his/her duty as an external executive officer holding independence, including potential conflicts of interest with the Group

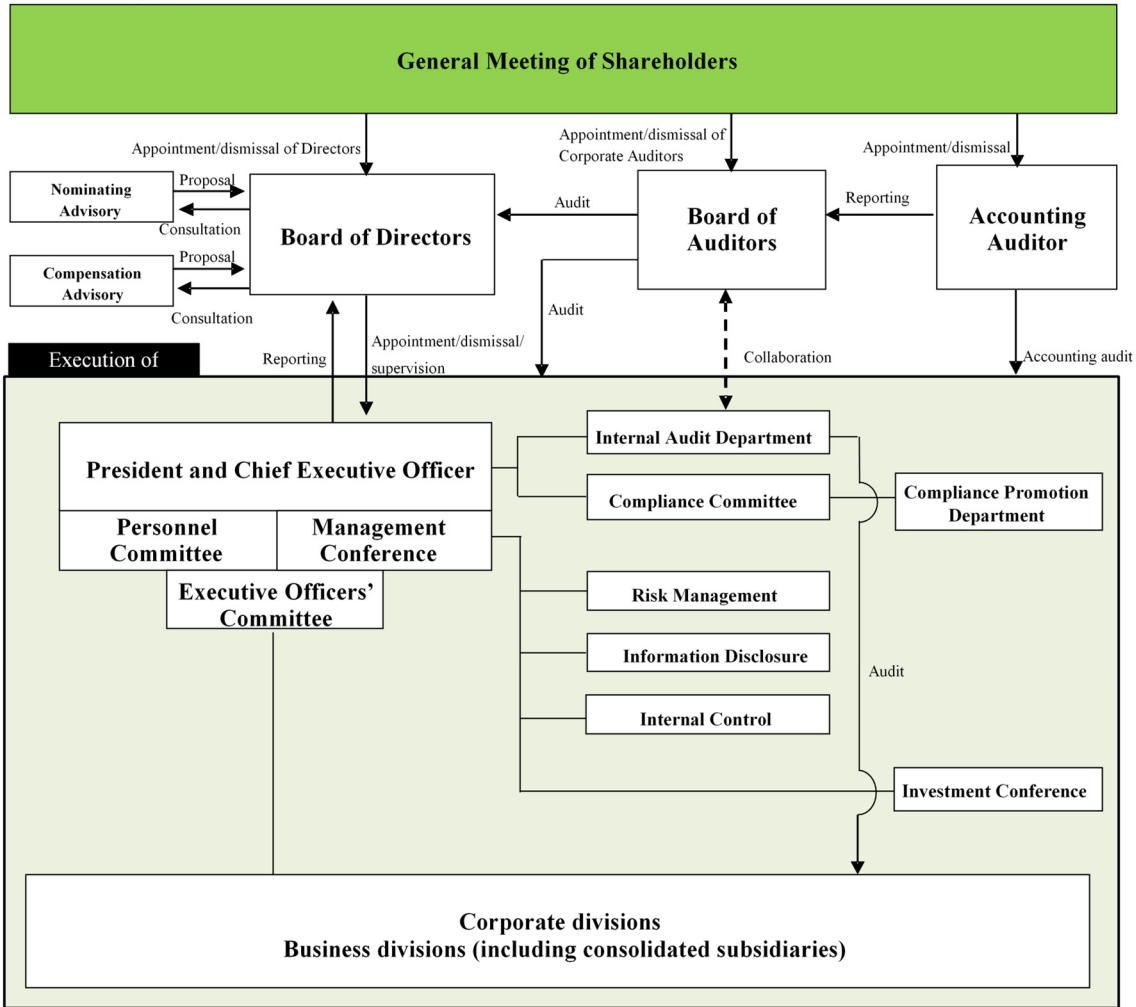
(Reference) Overview of Initiatives Related to Corporate Governance (as of March 31, 2021)

[Our Basic View Related to Corporate Governance]

The Company views corporate governance as a framework for the control of corporate business activities and considers it critically important that the rights and interests of our shareholders be protected and equally guaranteed. We also believe it is imperative that we respect the rights and interests of – and build positive relationships with – stakeholders other than shareholders including our clients, business partners, employees, and local communities. Our basic view related to corporate governance has been specified as the Basic Policy on Corporate Governance, which is disclosed on the Company website. We recognize that corporations have a social mission to pursue their business operations while striving to build and maintain better frameworks for governance. In line with that awareness, we have pursued our day-to-day operations in the interest of refining our institutional frameworks and improving their effectiveness from two perspectives: namely “assuring managerial transparency” and “boosting corporate value.”

[Framework for Corporate Governance]

[Schematic diagram]



[Board of Directors]

The Board of Directors handles decisions on important matters and supervises Directors to determine whether they are performing their duties efficiently and properly. The Board of Directors comprises nine Directors (four of whom are independent officers) including four Outside Directors, and its meetings are also attended by four Corporate Auditors (two of whom are independent officers). Board meetings regularly convene on a monthly basis, and extraordinary meetings are held as required to realize flexible management.

[Board of Auditors]

Of the four Corporate Auditors of the Company, two are Outside Auditors (two of whom are independent officers). Using their professional background, experience and expertise, they do not only audit compliance with laws, but also give advice on overall management from a fair and neutral standpoint.

The Board of Auditors meetings convene on a monthly basis in principle, and four Corporate Auditors hold discussions and report matters at the meetings. Corporate Auditors attend important company meetings such as the Board of Directors meetings to supervise the status of decisions on management policy and the status of performance of duties by Directors. Furthermore, Corporate Auditors appropriately collaborate with the Internal Audit Department and Accounting Auditor and work to strengthen the internal control system through the exchange of views and information with them.

[Nominating Advisory Committee/Compensation Advisory Committee]

The Company has established the Nominating Advisory Committee and the Compensation Advisory Committee as advisory bodies to the Board of Directors, in order to enhance transparency of management. The Nominating Advisory Committee and the Compensation Advisory Committee are composed of Outside Directors and the Representative Director as well as Directors nominated by the President and Representative Director, and the members thereof are decided by the Board of Directors. Also, the majority of the members of each Committee are Outside Directors. The objective of the Nominating Advisory Committee is to propose the appointment and dismissal of Directors and executive officers above Senior Managing Officers to the Board of Directors, and the objective of the Compensation Advisory Committee is to propose such matters as remuneration of Directors and executive officers to the Board of Directors.

The Nominating Advisory Committee meets before the convening of the Board of Directors, which resolves the appointment and dismissal of Directors and executive officers above Senior Managing Officers. However, when issues are raised by the Committee members, Committee meetings are held as needed. The Compensation Advisory Committee meets before the convening of the Board of Directors, which resolves the remuneration of Directors and executive officers. However, when issues are raised by the Committee members, Committee meetings are held as needed.

The composition of the members of the Nominating Advisory Committee and the Compensation Advisory Committee is as follows, and the attendance rate of the current members at the committee meetings in FY 2021 is 100%.

Composition of Members (* denotes the chair) (As of March 31, 2021)

Six members in total

Two Internal Directors	Nobutaka Kanaji*	Katsuya Kashiki		
Four Outside Directors	Toshiya Asaba	Kyoko Deguchi	Junichi Kamata	Toshio Morohoshi

[Evaluation of Effectiveness of the Board of Directors]

The Company conducts surveys on Directors and Corporate Auditors regarding the effectiveness of the Board of Directors as a whole while objective analyses are performed by a third-party institution. In addition, self-evaluation of the Board of Directors is implemented through discussions by members of the Board of Directors based on the results of the surveys to enhance the function. In fiscal 2020, the Company determined that its Board of Directors is functioning appropriately and is effective as a result of implementing self-evaluation of the Board of Directors.

The results for fiscal 2021 will be posted on the Company website (<https://www.t-gaia.co.jp/>) after this General Meeting of Shareholders.

(Attachment)

Business Report (from April 1, 2020, to March 31, 2021)

1. Current Status of the Corporate Group

(1) Business Conditions during the Fiscal Year under Review

(i) Progress and results:

In the fiscal year under review (April 2020 to March 2021), the Japanese economy continues to face a difficult situation due to the impact of COVID-19. We must continue paying attention to the risk that the impact of the spread of COVID-19 on socioeconomic activities will cause downturns in domestic and overseas economies as well as fluctuations in financial and capital markets.

In the market for sales of mobile phone handsets, which is the main business field of the Group (the Company, its consolidated subsidiaries and related companies accounted for by the equity method), a state of emergency was declared for the first time in April 2020 due to the spread of COVID-19, and shops took measures such as reduced hours of operations, temporary closures, and restrictions on transactions in some areas of operations, etc. Subsequently, with the cancellation of the state of emergency, shops gradually returned to normal operations later in the year from June.

In the second state of emergency declared in January 2021, the business was not subject to measures such as reduced hours of operations or temporary closures, and the impact on our business performance was insignificant. We will continue to take measures against COVID-19, such as the advance reservation system, so that our customers can continue to visit our shops with peace of mind.

Meanwhile, telecommunications carriers are continuing to focus on maintaining and expanding their customer bases over the long term, through means such as enhancing point services and contents and commencing settlement services using smartphones. In September 2020, 5G (5th generation mobile communication system) commercial services were launched by telecommunications carriers, and in December of the same year, NTT DOCOMO, INC. was made a wholly owned subsidiary of NIPPON TELEGRAPH AND TELEPHONE CORPORATION. In addition, we continue to see significant changes in the competitive environment, with the launch of new rate plans and online-only plan services in response to the government's request for further reductions in telecommunications rates.

Under this business environment, on November 2, 2020, the Company acquired all of the shares of Personals Mobile Business Split Preparation Co., Ltd. (Trade name changed to TF Mobile Solutions Corporation on the same day; hereafter, "TFM"), the successor to the mobile phone sales business of Fujitsu Personal System Limited, making it a consolidated subsidiary. In addition, TFM was merged into the Company with the effective date of February 1, 2021. We will strive to maintain our position as No. 1 in the industry, and improve the sophistication of services and productivity.

The Group's unit sales of mobile handsets in the fiscal year under review ("unit sales") fell from the previous year to 3.57 million units. From the third quarter of the fiscal year under review (October to December 2020) onward, unit sales has been increasing, partly due to the acquisition of TFM as a subsidiary. However, this was not enough to compensate for the decrease in unit sales due to the spread of COVID-19 in the first quarter (April to June 2020).

Although net sales were affected by a decrease in the number of unit sales and a decline in the average selling price of mobile handsets compared to the previous fiscal year, each level of profit starting with gross profit exceeded the previous fiscal year with the favorable trends in the Enterprise Solutions Business and the

Payment Service Business and Other Business.

Consolidated results of the Group for the fiscal year under review resulted in net sales of 450,863 million yen (down 4.9% year-on-year) and operating income of 14,050 million yen (up 2.4% year-on-year). Ordinary income totaled 19,801 million yen (up 3.2% year-on-year) and net income attributable to shareholders of the parent company totaled 13,042 million yen (up 3.3% year-on-year), due to the recording of 5,926 million yen (up 10.4% year-on-year) of hoard profit of prepaid cards in non-operating income. Consolidated results of each business segment for the fiscal year under review are detailed below.

[Mobile Telecommunications Business]

In the Mobile Telecommunications Business, although unit sales fell from the previous fiscal year's for the reasons mentioned above, the market has been revitalized due to factors such as the announcement of new rate plans by telecommunications carriers in the fourth quarter of the fiscal year under review (January to March 2021). Integration synergies are also being realized, such as the start of sales of the Company's original products at shops newly added as a result of TFM becoming a subsidiary.

In addition, we received special support from telecommunications carrier in the first quarter of the fiscal year under review related to countermeasures against COVID-19. Furthermore, we were able to control selling, general and administrative expenses throughout the fiscal year, which minimized the impact on profits.

As a result, we recorded net sales of 355,468 million yen (down 9.1% year-on-year) and net income attributable to shareholders of the parent company of 7,326 million yen (down 6.3% year-on-year).

[Enterprise Solutions Business]

Unit sales of mobile solutions for corporates increased significantly over the previous fiscal year, due in part to the acquisition of TFM as a subsidiary.

In addition to the tailwind of ICT investment due to working-style reforms, the spread of COVID-19 is also driving companies to accelerate the introduction of telework. The Group is continuing to respond to the social needs that have emerged as companies advance their adoption of ICT by strengthening its LCM (Life Cycle Management) business that manages and supports smart devices, including PCs, throughout their life cycles, from Sourcing and Proposal, Supporting Adaption, Building an Environment, Operation, Maintenance and Update.

As for fixed-line-related merchandise, the Company continued to work on initiatives to improve operational efficiency by introducing systems and to improve the quality of support to re-wholesaling companies and customers for our proprietary "TG-Hikari" optical access service. There was a continued steady increase in the aggregate total lines for our corporate customers.

On the other hand, a related company accounted for by the equity method recorded a one-time loss.

As a result, net sales totaled 32,345 million yen (up 7.3% year-on-year) and net income attributable to shareholders of the parent company totaled 1,935 million yen (up 9.1% year-on-year).

[Payment Service Business and Other Business]

In the Payment Service Business and Other Business, demand for digital content such as games, music, and streaming video remains at high levels given increased time spent at home, and transaction volumes of related gift cards and PIN products increased compared to the previous fiscal year. In addition, sales of earphone microphones and USB cables, necessary for remote work, remained strong at convenience stores in our sales channels.

As for other new businesses, we continued to focus on new forms of initiatives in response to COVID-19, including the online opening of an ICT school for elementary school students and the holding of online

events for our e-sports business.

In overseas payment service business, the gift card business and house card business remained firm in Singapore. The Company is continuing to prepare for its entry into Vietnam.

Consolidated subsidiary QUO CARD Co., Ltd. continued to see a large number of applications for its “QUO Card” and “QUO Card Pay,” and issuance of them increased year-on-year mainly in support of medical personnel by local governments, etc. “QUO Card Pay” is steadily increasing the number of member stores, focused especially in new business categories such as restaurants, drugstores, and fashion. As a result, net sales totaled 63,050 million yen (up 18.9% year-on-year) and net income attributable to shareholders of the parent company totaled 3,780 million yen (up 24.5% year-on-year).

(ii) Capital expenditures:

During the fiscal year under review, the Company and its consolidated subsidiaries made a total of 4,107 million yen in capital investment, primarily as follows.

[Mobile Telecommunications Business-related]

As part of measures to boost sales of mobile phone handsets, etc., we invested a total of 620 million yen mainly to cover the cost of renovating our nationwide mobile phone shops and the purchase of furnishings.

[Systems-related]

We invested 3,057 million yen in measures such as to introduce and strengthen our sales system, and develop system infrastructure.

[Other Capex]

We invested 428 million yen in solar panel equipment, office renovation, and replacement of furniture and fixtures.

(iii) Financing:

During the fiscal year under review, the Group procured 7,000 million yen in short-term borrowings and 24,000 million yen in long-term borrowings from financial institutions to fund the Group’s requirements.

The Company has not raised any other funds through capital increases, bond issuances, etc.

(iv) Business transfers and absorption- or incorporation-type demergers:

None.

(v) Business transfers from other companies:

None.

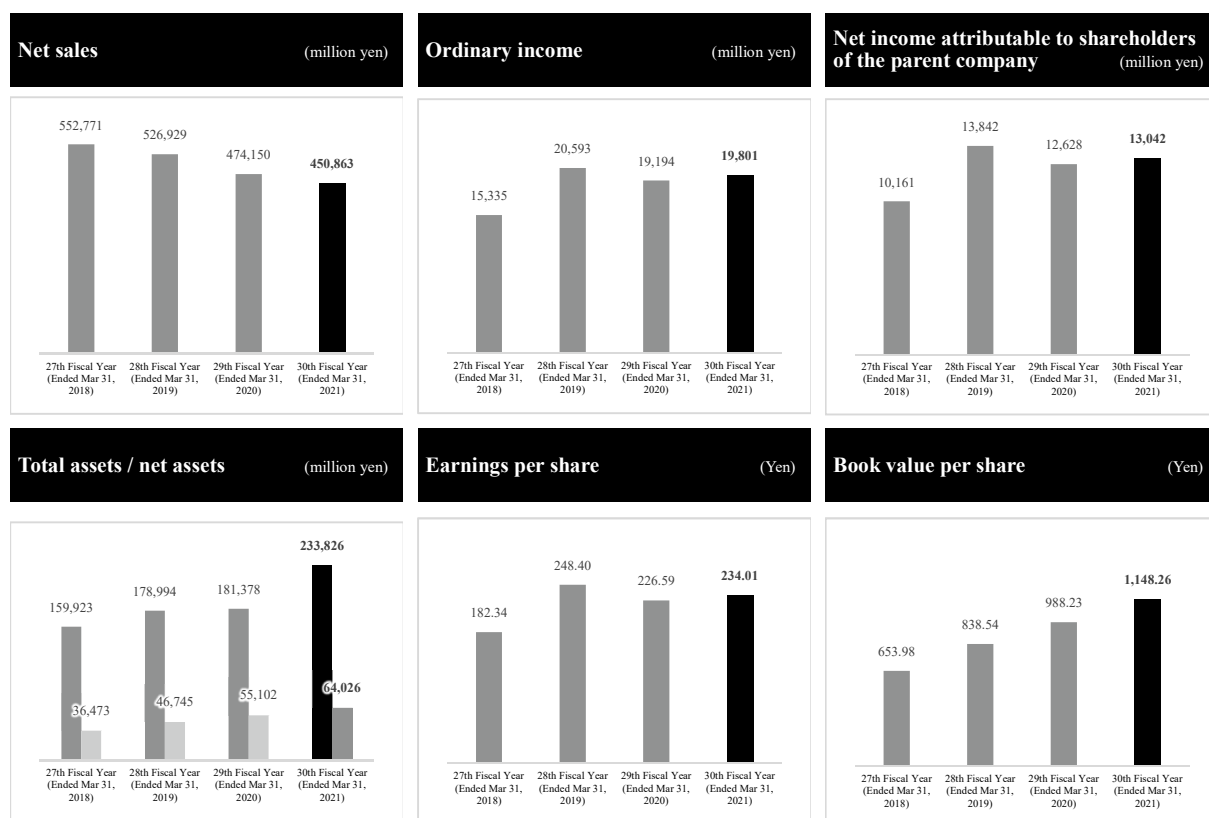
(vi) Succession of rights and obligations related to the business of other companies as a result of absorption-type mergers or demergers:

The Company merged with TF Mobile Solutions Corporation, a wholly owned subsidiary of the Company, through an absorption-type merger effective February 1, 2021, and assumed all rights and obligations related to the mobile phone sales business operated by TF Mobile Solutions Corporation.

(vii) Acquisition or disposal of shares of stock, other equity interest, or subscription rights to shares in other companies:

As of November 2, 2020, the Company acquired all of the shares of the successor to the mobile phone sales business of Fujitsu Personal System Limited, Personals Mobile Business Split Preparation Co., Ltd. (Trade name changed to TF Mobile Solutions Corporation on the same day. On February 1, 2021, TF Mobile Solutions Corporation was merged into the Company as described in (vi) above), making it a consolidated subsidiary.

(2) Trends in Company Assets and Profit & Loss for the Last Three Business Years



Category		27th Fiscal Year (Ended Mar 31, 2018)	28th Fiscal Year (Ended Mar 31, 2019)	29th Fiscal Year (Ended Mar 31, 2020)	30th Fiscal Year (Consolidated Fiscal Year Under Review) (Ended Mar 31, 2021)
Net sales	(million yen)	552,771	526,929	474,150	450,863
Ordinary income	(million yen)	15,335	20,593	19,194	19,801
Net income attributable to shareholders of the parent company	(million yen)	10,161	13,842	12,628	13,042
Earnings per share	(yen)	182.34	248.40	226.59	234.01
Total assets	(million yen)	159,923	178,994	181,378	233,826
Net assets	(million yen)	36,473	46,745	55,102	64,026
Book value per share	(yen)	653.98	838.54	988.23	1,148.26
Equity ratio	(%)	22.8	26.1	30.4	27.4
Return on equity	(%)	30.9	33.3	24.8	21.9

(27th Fiscal Year)

In the mobile telecommunications business, net sales and operating income increased as a result of initiatives to enhance capability of value-added proposals and improve profitability, through measures such as increasing unit sales mainly through the launch of new models and provision of new rate plans and modestly priced handsets, as well as offering optical line service, security-related contents, and smartphone-related products. In the enterprise solutions business, net sales and operating income increased as a result of initiatives in mobile solutions for corporates including making proposals on introduction and utilization of smart devices to enhance operational efficiency, and strengthening marketing capability in fixed line-related merchandise through measures such as discovering new partnering companies and training the existing re-wholesaling companies of line services. The payment service business and other business experienced a decline in transaction volume due to the shift in merchandise composition and reorganization of existing sales channels. Meanwhile, our overseas businesses remained strong. As a result, this fiscal year we recorded net sales of 552,771 million yen, ordinary income of 15,335 million yen, and net income attributable to shareholders of the parent company of 10,161 million yen.

(28th Fiscal Year)

In the mobile telecommunications business, unit sales fell year on year and net sales declined. As for profitability, efforts to increase unit prices per customer and to improve profitability through the provision of various services including optical lines, security-related contents and smartphone-related products including accessories resulted in an increase in net income attributable to shareholders of the parent company. In the enterprise solutions business, we proactively proposed introduction and utilization of smart devices that would enhance operational efficiencies, backed by the tailwind of active corporate investment into ICT, which resulted in an increase in net sales and net income attributable to shareholders of the parent company. The payment service business and other business experienced an increase in transaction volume due to the commencement of transactions of new gift card products through major sales channels. In addition, transaction volumes grew in overseas operations. At QUO CARD Co., Ltd., a consolidated subsidiary, a transient expense was recorded at the end of the fiscal year under review due to the early launch of the service of “QUO Card Pay,” the digital version of QUO Card, resulting in a decrease in operating income. Net income attributable to shareholders of the parent company increased partly due to the impact of recording hoard profit of prepaid cards in non-operating income. As a result, we recorded net sales of 526,929 million yen, ordinary income of 20,593 million yen, and net income attributable to shareholders of the parent company of 13,842 million yen.

(29th Fiscal Year)

In the mobile telecommunications business, unit sales decreased compared to the previous year, and net sales and net income attributable to shareholders of the parent company decreased due to the change in rate plans and sales methods and the setting of a cap on discounting the charge for handsets associated with the enforcement of the amended Telecommunications Business Act. In the enterprise solutions business, we proactively proposed introduction and utilization of smart devices that would enhance operational efficiencies, backed by the tailwind of active corporate investment into ICT. As a result, unit sales increased compared to the previous fiscal year, and net sales and net income attributable to shareholders of the parent company increased. The payment service business and other business experienced increases in transaction volume and net sales compared to the previous fiscal year, due to factors including the end of effects of reorganization of existing sales channels such as convenience stores, and commencement of transactions of new gift card products through major sales channels. Consolidated subsidiary QUO CARD Co., Ltd., experienced declines in operating income and net income attributable to shareholders of the parent company due to a substantial increase in selling, general and administrative expenses associated with the implementation of campaigns to increase the issuance of “QUO Card Pay,” the digital version of the QUO Card, and the expansion of member stores. As a result, this fiscal year we recorded net sales of 474,150 million yen, ordinary income of 19,194 million yen, and net income attributable to shareholders of the parent company of 12,628 million yen.

(30th Fiscal Year)

Details are as stated in 1. (1) (i) "Progress and results."

(3) Status of Parent Company and Major Subsidiaries

(i) Status of parent company

Company Name	Capital Stock	Percentage of T-Gaia Corporation Shares with Voting Rights Held	Relationship with T-Gaia Corporation
Sumitomo Corporation	219,781 million yen	41.89%	Trading partner in sales of mobile phone handsets and management services

Note: Although Sumitomo Corporation, the largest shareholder of the Company, holds less than 50% of the Company's outstanding shares with voting rights, given that a majority of the members on the Company's Board of Directors are employees on assignment from Sumitomo Corporation, Sumitomo Corporation is the Company's parent based on the substantial control criteria.

(ii) Status of major subsidiaries

Company Name	Capital Stock	Percentage of Shares with Voting Rights Held by T-Gaia Corporation	Principal business
QUO CARD Co., Ltd.	1,810 million yen	100.00%	Issuance and settlement services for prepaid and other types of cards; sales and maintenance service of cards and card-related equipment
WAMNET Japan K.K.	200 million yen	97.52%	Digital content network management service provider; development and sales of fax server software

(4) Issues to be Addressed

(i) Management Strategy

On May 7, 2021, the Group announced its "Medium-Term Management Plan (fiscal year ending March 31, 2022 to fiscal year ending March 31, 2024)." With a vision of being "A corporate group that continues to create value for a prosperous future," the Company is increasing corporate value by solving social problems through business.

<Medium-Term Management Plan>

The Medium-Term Management Plan put forward the business strategy to "Realize TG Universe (the ecosystem within T-Gaia)" incorporating the idea of boundless expansion of business. This business strategy is expressed with a circle to indicate expansion like the universe. "People x Technology" is at the center of the circle, with two growth drivers being "Edge Enable" businesses (behind-the-scene businesses that straddle the boundaries between individuals and companies and between companies and that do not put the Company's name up front) inside the circle and "Unique Branded Service Provider" businesses (businesses that provide original service with our own brand) outside the circle.

Then, we identified eight materiality as important business matters that the Company should solve through our business activities.

The Company put forward "TG Universe" and eight materiality and will increase overall revenue in three years' time, while reforming the business portfolio by making a particular push in the Enterprise Solutions Business and the Payment Service Business and by reducing the reliance on the Mobile Telecommunications

Business. Furthermore, in addition to the three existing businesses, we are proactively taking on the challenges to create new businesses for a fourth pillar that contributes to ESG and SDGs.

* Explanatory materials and video on the Medium-Term Management Plan are available on the Company’s website under “Corporate Information > Medium-Term Management Plan” (in Japanese only).

<https://www.t-gaia.co.jp/company/plan.html>

(ii) Important Business Matters (Materiality)

We will position eight materiality as an important element in the formulation of strategies for each business and in the business decision-making process, and aim to achieve business growth for the entire Group by solving the issues facing society through all of our business activities.

1-4: Key issues in management strategy for realizing the TG Universe

<p><u>1. Promoting respect for diversity and advancing human resource development</u></p> <ul style="list-style-type: none"> • Leveraging imagination born of diversity • Building a human resource system that responds to diverse values • Developing professional human resources 	<p><u>2. Progressing thorough use of ICT</u></p> <ul style="list-style-type: none"> • Putting ICT into the hands of all • Realizing productivity improvement through operational reform • Enriching the lives of our customers
<p><u>3. Increasing the power of Enabler</u></p> <ul style="list-style-type: none"> • Strengthening the ecosystem • Providing features that anticipate change • Continuing to upgrade mobile phone shops 	<p><u>4. Fostering a corporate culture that takes on new business challenges</u></p> <ul style="list-style-type: none"> • Building an organization and systems that challenges • Investing actively in growth domains • Creating a unique brand

5-8 Important matters underpinning the management strategy in the upper row

<p><u>5. Pursuing sustainable development through collaboration with customers and business partners</u></p> <ul style="list-style-type: none"> • Increasing customer satisfaction • Strengthening further relationships with business partners • Listening to the issues and making appropriate suggestions 	<p><u>6. Creating shared values as a member of local communities</u></p> <ul style="list-style-type: none"> • Coexisting with local communities through business • Bridging the digital divide through ICT education • Serving an important access point function in local communities
<p><u>7. Taking proactive measures to address environmental issues and climate change</u></p> <ul style="list-style-type: none"> • Helping to reduce the environmental impact on the earth • Promoting renewable energy business • Providing support in times of disaster using our network 	<p><u>8. Enhancing corporate governance</u></p> <ul style="list-style-type: none"> • Ensuring thorough compliance • Strengthening Group governance • Enhancing information disclosure

(iii) Initiatives in each business

In the first year of the Medium-Term Management Plan, we will focus on the following initiatives by business segment.

(Mobile telecommunications business)

While the role and significance of carrier shops are being questioned due to the impact of COVID-19 and the launch of online-only plans, the Group will maintain its No. 1 position as a sales agent in terms of both quality and quantity, and enhance the “existence value” of carrier shops.

Specifically, by offering utility value that meets customer requirements that respond to changes in the environment and market caused by COVID-19 and other factors, the Group will work to increase customer satisfaction and strengthen continuous relationships with customers. We will continue our active investment in education and strategic investment in shops to expand the range of products we offer.

We will also create sales opportunities by strengthening initiatives such as travelling sales.

(Enterprise solutions business)

By expanding its services in the LCM business and new business areas such as edge computing, the Group will provide total support for ICT operation and management, including not only corporate mobile, but also network and infrastructure construction.

In addition to strengthening and expanding customer contact points, we will also work to further expand our original services such as “movino star” and “TG Hikari” by strengthening cooperation within the Group and with investees.

(Payment service business and other business)

The Group will continue to increase the transaction volume of PIN and gift cards for online services, mainly games, and introduce new products to meet the demand in non-gaming fields (video content, etc.).

In addition, we will utilize our digital code distribution server to strengthen sales to corporate customers in collaboration with QUO CARD Co., Ltd., our consolidated subsidiary. QUO CARD Co., Ltd. will continue to work on expanding the number of member stores and issuing QUO Card Pay.

In other business, we will strengthen our efforts in new businesses that respond to ESG, such as eSports, ICT classes, and renewable energy business.

(iv) Work style

The Group is implementing various initiatives based on a philosophy to realize the creation of a work environment where all employees can work with excitement and to continue as a company that values our employees as well as their families.

(Pursuit of work fulfillment and ease of work for every individual employee)

The cultivation of “human resources” that form the core of the Group is positioned as an important business strategy, and the Company aims to further expand training and other cultivation of professional human resources. In addition, we have enhanced systems to increase the motivation of employees such as expanding the scope of approved side jobs, inhouse FA and inhouse recruitment and introduced various measures to stimulate communication between employees.

(Realization of Diversity & Inclusion)

The Group believes diversity of human resources is important for sustainable growth and to create new value and is proactively undertaking initiatives to promote diversity and inclusion. Specifically, this includes initiatives such as the enhancement of various measures and systems to promote the empowerment of women, the creation of work environments that enable long-term service for people with special needs, and rules that are appropriate for LGBT, as well as enhancements to various support systems in line with a healthy management.

(Diverse work styles regardless of time or location)

The Company is undertaking initiatives to enhance flexible work styles and the work environment such as

the super flex system and hot desking, further enhancing the business environment by promoting operational reforms such as going paperless and teleworking for the purpose of enhancing the work-life balance and maintaining and improving mental and physical health, as well as increasing employee satisfaction and productivity.

(v) Compliance

The Group positions compliance involving everyday observation of laws and regulations and internal rule and the preservation of ethics as one of the most critical issues in the performance of business operations. We will continue with initiatives to quickly detect and respond to risk and conduct awareness activities through measures such as enhancement of training about compliance and use of inhouse SNS.

(5) Major Lines of Business (as of March 31, 2021)

Business Category	Business Content
Mobile telecommunications business	Intermediary services for consumer-oriented mobile phone service contracts, etc.; sales of mobile phone handsets, other terminal devices, and related merchandise
Enterprise solutions business	Intermediary services for mobile phone handset and solution service contracts aimed at corporate clientele; network management services business, etc.; intermediary services for fixed-line service contracts, etc.
Payment service business and other business	Distribution business in digital payment using PIN sales systems; gift card sales business; prepaid card business; overseas businesses, etc.

(6) Main Sales Offices (as of March 31, 2021)

(i) T-Gaia Corporation

Head Office

1-18 Ebisu 4-chome, Shibuya-ku, Tokyo

West Japan Regional Headquarters

6-20 Dojima 1-chome, Kita-ku, Osaka City, Osaka Prefecture

Tokai Regional Headquarters

11-11 Nishiki 1-chome, Naka-ku, Nagoya City, Aichi Prefecture

Kyushu Regional Headquarters

7-20 Gionmachi, Hakata-ku, Fukuoka City, Fukuoka Prefecture

Hokkaido Branch

2 Odori-nishi 8-chome, Chuo-ku, Sapporo City, Hokkaido

Tohoku Branch

15-1 Honcho 2-chome, Aoba-ku, Sendai City, Miyagi Prefecture

Niigata Branch

1-24 Kamitokoro 1-chome, Chuo-ku, Niigata City, Niigata Prefecture

Nagano Branch

991-1 Kurita, Nagano City, Nagano Prefecture

Hokuriku Branch

1-1 Hirooka 3-chome, Kanazawa City, Ishikawa Prefecture

Chugoku Branch

8-12 Nakamachi, Naka-ku, Hiroshima City, Hiroshima Prefecture

Shikoku Branch

1-5 Bancho 1-chome, Takamatsu City, Kagawa Prefecture

(ii) Subsidiaries

QUO CARD Co., Ltd.

Headquarters 4-1 Nihombashi Honcho 2-chome, Chuo-ku, Tokyo

WAMNET Japan K.K.

Headquarters 5-17 Shinkawa 1-chome, Chuo-ku, Tokyo

(7) Employees (as of March 31, 2021)**(i) Group employees**

No. of Employees	Change from the End of Previous Fiscal Year
5,088	Increase of 998

Notes: 1. The number of employees refers to full-time employees (including those transferred to the Group from outside the Group but not those on transfer outside the Group) and does not include the annual average of 2,193 temporary employees (an increase of 38 employees from the previous fiscal year).

2. The increase of 998 in the number of employees from the end of the previous fiscal year is mainly due to acquisition and adjusting the status for certain temporary employees to regular employees by the Company.

(ii) T-Gaia Corporation employees

No. of Employees	Change from the End of Previous Fiscal Year	Average Age	Average Years of Consecutive Employment
4,181	Increase of 286	38.1 years old	9.5 years

Notes: 1. The number of employees refers to full-time employees (including those transferred to the Company from outside the Company but not those on transfer outside the Company) and does not include the annual average of 2,066 temporary employees (a decrease of 32 employees from the previous fiscal year).

2. The increase of 286 in the number of employees from the end of the previous fiscal year is mainly due to acquisition and adjusting the status for certain temporary employees to regular employees by the Company.

(8) Major Creditors (as of March 31, 2021)

Creditors	Balance of borrowings (million yen)
Sumitomo Mitsui Banking Corporation	8,437
Mizuho Bank, Ltd.	8,437
Sumitomo Mitsui Trust Bank, Limited	3,937
MUFG Bank, Ltd.	1,312

(9) Other Important Matters concerning the Status of the Corporate Group

None.

2. Current Status of the Company

(1) Shares (as of March 31, 2021)

- (i) Authorized shares: 400,000,000
(ii) Issued shares: 56,074,000 shares
(iii) Shareholders: 18,269
(iv) Major shareholders (top 10):

Shareholder	Shares Held	Shareholding Ratio
Sumitomo Corporation	23,345,400	41.89%
Hikari Tsushin, Inc.	5,516,500	9.90%
UH Partners 2, Inc.	5,516,500	9.90%
UH Partners 3, Inc.	2,727,200	4.89%
The Master Trust Bank of Japan, Ltd. (Trust account)	1,781,000	3.20%
Custody Bank of Japan, Ltd. (Trust account)	926,800	1.66%
T-Gaia Employee Shareholding Association	880,100	1.58%
STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02 505002	513,300	0.92%
SMBC Nikko Securities Inc.	512,100	0.92%
NOMURA PB NOMINEES LIMITED OMNIBUSMARGIN (CASHPB)	444,900	0.80%

Note: Shareholding ratios are calculated after deducting 338,866 shares of treasury stock, rounded down to two decimal places.

(v) Shares issued to officers of the Company as consideration for the execution of duties during the fiscal year

The Company, at the 28th Ordinary General Meeting of Shareholders held on June 19, 2019, passed a resolution to introduce a restricted stock remuneration system for directors, excluding Outside Directors of the Company and directors that have been seconded from the parent company (hereinafter “Subject Directors”), as a remuneration system targeted at the granting of medium to long-term incentives and the sharing of shareholder value.

In response to this, a resolution was passed at the meeting of the Board of Directors held on June 29, 2020 to dispose of treasury stock as restricted stock remuneration, and a disposal of 2,961 treasury shares of the Company (includes the portion for executive officers) was performed on July 28, 2020. It should be noted that the number of restricted stocks issued to directors of the Company is as set forth below.

Category	Number of Shares	Number of Persons Eligible for Issuance
Directors (excluding Outside Directors)	263 shares	1 person
Outside Director	—	—
Corporate Auditor	—	—

(vi) Other share-related matters of importance:

None

(2) Company Officers

(i) Directors and Corporate Auditors (as of March 31, 2021):

Position	Name	Responsibilities & Important Concurrent Posts
President & Representative Director	Nobutaka Kanaji	Chief Executive Officer Representative Director and Chairman, National Association of Mobile-phone Distributors
Director	Soichiro Tada	Executive Vice President, CFO, in charge of corporate accounting, finance and settlement, information system, risk management and logistics
Director	Tsuyoshi Konda	Executive Vice President (President & Representative Director, QUO CARD Co., Ltd.)
Director	Masato Ishida	Executive Vice President, CSO, in charge of HR & general affairs, legal, management planning and public relations
Director	Katsuya Kashiki	General Manager of Smart Communications Platform Business, Sumitomo Corporation
Director	Toshiya Asaba	Representative Employee, Gaia Lab LLC
Director	Kyoko Deguchi	Vice President, Medical Corporation Shikiku-kai Outside Director, Nippon Ski Resort Development Co., Ltd.
Director	Junichi Kamata	
Director	Toshio Morohoshi	Outside Director of the Board, Nippon Paint Holdings Co., Ltd. Outside Director, WingArc1st Inc.
Statutory Auditor	Naoya Okutani	
Statutory Auditor	Ryo Hashimoto	
Corporate Auditor	Toshiro Kaba	Representative Attorney, Shiroyama Tower Law Office Outside Auditor, GungHo Online Entertainment, Inc. Dean, Toin Law School Outside Auditor, Piala, Inc.
Corporate Auditor	Tetsuo Kitagawa	Certified Public Accountant Outside Director, Daio Paper Corporation

Notes:

1. Upon the conclusion of the 29th Ordinary General Meeting of Shareholders held on June 29, 2020, Director Mr. Masahiro Miyashita and Director Mr. Koichi Kawase retired due to the expiration of their terms of office.
2. Director Ms. Kyoko Deguchi retired as Vice President, Medical Corporation Shikiku-kai on March 31, 2021.
3. Corporate Auditor Mr. Toshiro Kaba retired from the post of Outside Director (Audit and Supervisory Committee Member), Cave Interactive Co., Ltd. as of August 28, 2020 and from the post of Dean, Toin Law School, on March 31, 2021.
4. Changes to the position and role of directors on April 1, 2021 are as set forth below.

Name	Before Transfer	After Transfer
Soichiro Tada	Director, Executive Vice President, CFO, in charge of corporate accounting, finance and settlement, information system, risk management and logistics	Director

5. Directors Toshiya Asaba, Kyoko Deguchi, Junichi Kamata, and Toshio Morohoshi are Outside Directors.
6. Corporate Auditors Toshiro Kaba and Tetsuo Kitagawa are Outside Auditors.
7. As detailed below, Full-time Auditors Naoya Okutani and Ryo Hashimoto and Corporate Auditor Tetsuo Kitagawa possess considerable expertise in the fields of finance and accounting.
 - Full-time Auditor Naoya Okutani is licensed as Small and Medium sized Enterprise Consultant.
 - Full-time Auditor Ryo Hashimoto has many years of experience with financial and accounting operations at our parent company, Sumitomo Corporation.
 - Corporate Auditor Tetsuo Kitagawa is licensed as a certified public accountant.
8. The Company has designated Director Toshiya Asaba, Director Kyoko Deguchi, Director Junichi Kamata, Director Toshio Morohoshi, Corporate Auditor Toshiro Kaba, and Corporate Auditor Tetsuo Kitagawa as independent officers pursuant to Tokyo Stock Exchange rules, and has notified the stock exchange to that effect.
9. There is no special relationship between the Company and either of the entities at which Outside Directors and Outside Auditors hold important concurrent posts.
10. The Company has entered into agreements with Directors Katsuya Kashiki, Toshiya Asaba, Kyoko Deguchi, Junichi Kamata, and Toshio Morohoshi; Full-time Auditors Naoya Okutani and Ryo Hashimoto; and Corporate Auditors Toshiro Kaba and Tetsuo Kitagawa pursuant to Article 427, Paragraph 1 of the Companies Act that limit their liability for damages as defined in Article 423, Paragraph 1 of the same Act. Under these agreements, the limit of liability for damages is an amount stipulated in Article 425, Paragraph 1 of the Companies Act.

(ii) Remuneration, etc., for Directors and Auditors:

A. Matters relating to the policy for decisions on individual remuneration, etc., for directors

Matters relating to the policy for decisions on individual remuneration, etc., for directors

In regard to individual remuneration, etc., for directors for the current fiscal year, the Board of Directors has confirmed that the method for determining remuneration, etc., and the details of the determined remuneration, etc., are consistent with the decision-making policy determined by the Board of Directors, and that the reports from the Compensation Advisory Committee have been respected, and has determined that such individual remuneration, etc., is in compliance with said decision-making policy. The content of the decision-making policy for the individual remuneration, etc., of directors is as shown below.

a. Policy for basic remuneration

A fixed amount based on the expectations for the role, in accordance with the position.

b. Performance-based, etc., policy

As a short-term incentive to raise awareness of improving performance in a single fiscal year, etc., a comprehensive evaluation is conducted that comprises both a quantitative evaluation of company-wide consolidated net income attributable to parent company shareholders and the net income of the department in charge, as well as a qualitative evaluation of the contribution of role in accordance with position and contribution to the company as a whole, and the amount of remuneration is determined in accordance with the level of achievement.

c. Policy on non-monetary remuneration, etc.

We have introduced restricted stock remuneration as a mechanism for promoting improvements to performance in the medium to long term. Based on individual evaluations, shares will be assigned with a 20% premium against the amount by which the standard amount for performance-based remuneration for each position is exceeded.

d. Policy on remuneration, etc., ratio

The ratio of fixed remuneration is around 70% of the total, and the ratio of performance-based remuneration and share remuneration (restricted stock remuneration) is around 30% of the total. It should be noted that the remuneration for directors seconded from the parent company will be fixed remuneration and performance-based remuneration only, and the remuneration for outside directors shall be fixed remuneration only.

e. Policy on timing and conditions for the granting of remuneration, etc.

A meeting of the Compensation Advisory Committee is held in June of each year, during which an evaluation is conducted on each individual, proposed remuneration is formulated, and is submitted for resolution to a meeting of the Board of Directors held in that same month. It should be noted that fixed remuneration and performance-based remuneration is paid monthly as a fixed monthly amount, and share remuneration is paid in July of each year.

f. Matters relating to decisions on remuneration, etc., other than the above

A Compensation Advisory Committee comprised of the representative director and Outside Directors has been established as a discretionary advisory body of the Board of Directors. The Compensation Advisory Committee engages in deliberations on the determination of remuneration, etc., policy, performance evaluations, the formulation of proposed individual remuneration amounts, issues relating to the evaluation system, as well as countermeasures thereto, and reports on the results of this to the Board of Directors. The Board of Directors, in response to reports from the Compensation Advisory Committee determines officer remuneration within the range of the content and amount approved by the General Meeting of Shareholders.

It should be noted that of the aforementioned policies, c and d will be changed as shown below from fiscal year 2021 onward.

c. Policy on non-monetary remuneration, etc.

As a long-term incentive to raise awareness of management from the perspective of shareholders, a certain number of shares will be granted for each position, based on the expectations for the role in accordance with the position (restricted stock remuneration).

d. Policy on remuneration, etc., ratio

A standard table has been formulated for each position; the ratio of fixed remuneration against the total remuneration for each position is approximately 60%, the performance-based remuneration is approximately 30%, and share remuneration (restricted stock remuneration) is approximately 10%.

It should be noted that the remuneration for directors seconded from the parent company will be fixed remuneration and performance-based remuneration only, and the remuneration for outside directors shall be fixed remuneration only.

B. Matters relating to the policy for decisions on remuneration, etc., for corporate auditors

In regard to remuneration for corporate auditors, from the perspective of them having an independent position to monitor the execution of duties of directors, monthly remuneration comprising of fixed remuneration has been put in place, and the amount, calculation method, and allocation, etc., for this is determined within the range approved at a General Meeting of Shareholders, upon discussions with the corporate auditors.

C. Total amount of remuneration, etc., for directors and corporate auditors for this fiscal year

Category	Total amount of remuneration, etc. (million yen)	Total amount of remuneration, etc., by type (million yen)			Number of eligible officers
		Basic remuneration	Performance-based remuneration, etc.	Non-monetary remuneration, etc.	
Director (of whom Outside Directors)	154 (27)	110 (27)	42 (-)	0 (-)	8 (4)
Corporate Auditor (of whom Outside Auditors)	52 (12)	52 (12)	- (-)	- (-)	4 (2)
Total (of whom Outside Officers)	207 (39)	163 (39)	42 (-)	0 (-)	12 (6)

Notes:

- Listed remuneration amounts for Directors do not include employee salaries paid to Directors in concurrent employee posts.
- The performance indicator for performance-based remuneration, etc. is net income attributable to parent company shareholders, and the performance for the period ending March 31, 2020 was 12,628 million yen. The reason for the selection of this indicator is because it has been determined that net income attributable to parent company shareholders is a clear indicator as an incentive for improving the corporate value of the Group as well as motivation. In addition, the method for determining the amount of performance-based remuneration is the making of a decision based on the amount of net income attributable to parent company shareholders and the level of contribution of each director to performance, etc.
- The content of the non-monetary remuneration, etc., is shares of the Company, and the conditions, etc., for allocation are as described in “A. Matters relating to the policy for decisions on individual remuneration, etc., for directors” In addition, the status of issuance this fiscal year is as described in “2 (1) (v) Shares issued to officers of the Company as consideration for the execution of duties during this fiscal year.”
- Annual remuneration for Directors was limited to no more than 270 million yen by resolution of the 28th Annual General Meeting of Shareholders that met on June 19, 2019. (Of that total, no more than 30 million yen per year was to be paid to Outside Directors; these limits do not include employee salaries). The number of Directors as of the conclusion of said General Meeting of Shareholders was eight (of whom three were Outside Directors).
In addition, separate from monetary remuneration, the remuneration to be paid for the purpose of granting restricted stocks to Directors (excluding Outside Directors and Directors seconded by the parent company) was limited to an amount not exceeding 30 million yen per annum (not including employee salaries) by resolution at the 28th Annual General Meeting of Shareholders that met on June 19, 2019. There was one director (excluding ineligible Outside Directors and Directors seconded by the parent company) as of the conclusion of said General Meeting of Shareholders.
- Annual remuneration for Corporate Auditors was limited to no more than 70 million yen by resolution of the 17th Annual

General Meeting of Shareholders that met on June 26, 2008. The number of Corporate Auditors as of the conclusion of said General Meeting of Shareholders was four.

6. As of the end of the fiscal year, there were nine Directors (four of which were Outside Directors) and four Corporate Auditors (two of which were Outside Corporate Auditors). The differences with the number of paid personnel stated above is that there are three unpaid directors, including two directors who retired at the 29th Annual General Meeting of Shareholders held on June 29, 2020.

(iii) Activities of Outside Officers during fiscal year under review:

a. Attendance at meetings of the Board of Directors and Board of Auditors

	Meetings of Board of Directors		Meetings of Board of Auditors	
	Meetings attended / Meetings held	Attendance rate (%)	Meetings attended / Meetings held	Attendance rate (%)
Director Toshiya Asaba	12/12	100.0	–	–
Director Kyoko Deguchi	12/12	100.0	–	–
Director Junichi Kamata	12/12	100.0	–	–
Director Toshio Morohoshi	10/10	100.0	–	–
Corporate Auditor Toshiro Kaba	12/12	100.0	12/12	100.0
Corporate Auditor Tetsuo Kitagawa	12/12	100.0	12/12	100.0

Note: Entries for the number of meetings attended by, and the attendance rates of, Outside Directors and Outside Auditors refer to the number of Board of Directors' or Board of Auditors' meetings they attended and their respective attendance rates during their terms of office.

b. Overview of communication and expected role of Outside Directors

- Director Toshiya Asaba, based on the extensive operational experience and in-depth knowledge he has accumulated as CTO and a member of top management at an IT company, plays an appropriate role towards ensuring the validity and appropriateness of decisions, including actively stating opinions from an outside perspective, and providing supervision and advice, etc., on the execution of business from an independent, objective perspective.
- Director Kyoko Deguchi, based on the extensive experience regarding finance operations at a corporation, and the operational experience and in-depth knowledge she has accumulated as a corporate manager, etc., plays an appropriate role towards ensuring the validity and appropriateness of decisions, including actively stating opinions from an outside perspective, and providing supervision and advice, etc., on the execution of business from an independent, objective perspective.
- Director Junichi Kamata, based on the extensive experience regarding core business operations of corporate management, in areas such as corporate planning and human resources at a corporation, and the operational experience and in-depth knowledge he has accumulated as a corporate manager, etc., plays an appropriate role towards ensuring the validity and appropriateness of decisions, including actively stating opinions from an outside perspective, and providing supervision and advice, etc., on the execution of business from an independent, objective perspective.
- Director Toshio Morohoshi, based on the extensive operational experience and in-depth knowledge he has accumulated while engaged in corporate management at multiple IT related companies,

including overseas companies, plays an appropriate role towards ensuring the validity and appropriateness of decisions, including actively stating opinions from an outside perspective, and providing supervision and advice, etc., on the execution of business from an independent, objective perspective.

- Drawing from his professional knowledge as an attorney, Corporate Auditor Toshiro Kaba has made recommendations and proposals aimed at ensuring the rationality and suitability of decisions by the Board of Directors.

Additionally, at meetings of the Board of Auditors, he has voiced views and opinions reflecting his professional background as an attorney.

- Drawing from his professional knowledge as a CPA, Corporate Auditor Tetsuo Kitagawa has made recommendations and proposals aimed at ensuring the rationality and suitability of decisions by the Board of Directors.

In addition, at meetings of the Board of Auditors, he has voiced views and opinions reflecting his professional background as a CPA.

(3) Accounting Auditor

(i) Name: Deloitte Touche Tohmatsu, LLC

(ii) Remuneration:

	Remuneration, etc. (million yen)
Remuneration, etc. paid to the accounting auditor for the fiscal year under review	71
Total in monetary remuneration and other economic benefits to be paid to the accounting auditor by the Company and its subsidiaries	89

Notes:

1. The audit contract between the Company and the Accounting Auditor does not clearly specify and cannot materially classify the amounts of remuneration that are paid for audits performed under provisions of the Companies Act or provisions of the Financial Instruments and Exchange Act. Accordingly, the table entries for remuneration, etc. paid to the Accounting Auditor for the fiscal year under review are totals of these respective amounts.
2. Remuneration, etc. paid to the Accounting Auditor includes remuneration paid for audits based on the consolidation package of the parent company.
3. The Board of Auditors decided to approve the amount of remuneration, etc. for the Accounting Auditor after verifying the content of the Accounting Auditor's audit plan, the status of audit accounting services performed, and the basis for the remuneration calculations.
4. The amount of the remuneration, etc., paid by the Company to the Accounting Auditor included compensation for their advisory duties concerning revenue recognition standards, etc., other than the duties prescribed in Article 2 (1) of the Certified Public Accountants Act.

(iii) Policy regarding decisions to dismiss or refuse to reappoint Accounting Auditors:

The Company's Board of Auditors shall dismiss an Accounting Auditor in the event conditions for said dismissal pursuant to provisions in Article 340 of the Companies Act are deemed to have been met.

3. Frameworks for the Assurance of Proper Business Operations and the Operational Status of Said Frameworks

[Our Basic View Related to Corporate Governance]

The Group views corporate governance as a framework for the control of corporate business activities and considers it critically important that the rights and interests of our shareholders be protected and equally guaranteed. We also believe it is imperative that we respect the rights and interests of – and build positive relationships with – stakeholders other than shareholders including our clients, business partners, employees, and local communities. We recognize that corporations have a social mission to pursue their business operations while striving to build and maintain better frameworks for governance. In line with that awareness, we have pursued our day-to-day operations in the interest of refining our institutional frameworks and improving their effectiveness from two perspectives: namely “assuring managerial transparency” and “boosting corporate value.”

Also, we have developed the frameworks for the assurance of appropriate business operations and monitor their operational status as described below.

(1) Overview of Decisions concerning Frameworks for the Assurance of Proper Business Operations

The following is an overview of Company decisions that relate to frameworks aimed at ensuring the compliance of duties performed by Directors with laws and regulations and provisions of the Company’s Articles of Incorporation, and ensuring the propriety of other Company operations.

(i) Framework to ensure that duties performed by Directors and Employees are in compliance with applicable laws and the Company’s Articles of Incorporation:

- a. In the performance of its business operations, the Company has assigned top priority to legal and ethical compliance. It has accordingly established a set of Compliance Regulations that all Company officers and employees are required to observe.
- b. The Company has endeavored to build a compliance framework and maintain and improve its effectiveness by establishing a Compliance Committee that is headed by a Chief Compliance Officer and whose members include the President and executive officers. The Compliance Committee convenes as necessary in accordance with the Compliance Committee Regulations, and incorporates an internal Compliance Promotion Department that serves in an administrative role.
- c. To foster and strengthen an awareness of compliance company-wide, the Company has prepared and enhanced compliance training programs for its executive officers and employees.
- d. Multiple channels have been set up inside and outside the Company for reporting and consultations on compliance-related issues. These include channels to outside legal counsel and third-party institutions.
- e. Violators of Company compliance policy are dealt with sternly and are subject to disciplinary actions under the Company’s employment regulations.
- f. Mutual monitoring practices are enlisted on a daily basis to gauge compliance with applicable laws and internal Company regulations and rules. Periodic audits are also performed and potential impacts on Company business are assessed.

(ii) Framework for retention and management of information relevant to the executive duties of Directors:

- a. Minutes of meetings of the Board of Directors, approval documents, and other documents and information (including digital records) relevant to the executive duties of Directors are appropriately retained and managed in accordance with the Company’s Document Management Regulations and Information System Management Regulations. The status of document retention and management is verified and the regulations are revised as necessary.
- b. Directors and Auditors may promptly view these documents and other information upon request.

(iii) Regulations and other frameworks for the management of risk of loss:

- a. To manage the various risks of loss facing the T-Gaia Group's business operations and prevent those risks from materializing, the Company collects and analyzes risk-related information and detects early predictors of risk. It has also enacted a set of Risk Management Regulations and established supervisory departments for specific types of risk to quickly implement appropriate countermeasures when a risk has become manifest. Additionally, it convenes meetings of the Risk Management Committee on a regular basis and endeavors to develop, maintain, and improve its frameworks for risk management.
- b. The heads of individual units within the T-Gaia Group execute the business operations of their respective units within the scope of authority granted under the Work Authority Regulations and manage the risks associated with those business operations.

In the event certain business operations are outside their normal scope of authority, they will follow the approval request and reporting procedures stipulated in the Work Authority Regulations and manage the risk associated with those operations they are permitted to fulfill.

- c. Pursuant to provisions of the Internal Audit Regulations, the Internal Audit Department performs periodic audits to determine whether the business operations of Company headquarters, regional headquarters, divisions, branches and subsidiaries of the Company are being performed properly and in compliance with applicable laws and regulations and the Articles of Incorporation, and reports its audit findings to the President.

(iv) Framework to ensure that duties of Directors are efficiently performed:

- a. The Board of Directors handles decisions on important matters and supervises Directors to determine whether they are performing their duties efficiently and properly. The number of Directors on the Board is kept within limits that allow meetings of the Board to engage in full discussions of their agenda and reach sensible decisions in a prompt manner.
- b. Management Conferences are convened to discuss matters of importance including policies of importance to Company management in general and matters for deliberation at or reporting to meetings of the Board of Directors. Management Conference members strive through the exchange of information to achieve mutual understanding on matters involving the execution of business.
- c. The executive officer framework strives to enhance the functions of the Board of Directors and facilitate the prompt execution of business by separating the management functions of "decision-making and executive supervision" from the function of "business execution." Executive Officers are appointed by the Board of Directors and fulfill duties assigned by the Board of Directors.
- d. Company headquarters, regional headquarters, divisions, and branches are treated as the units of business execution. The heads of these respective units are each granted a certain measure of authority under provisions of the Work Authority Regulations in the interest of facilitating localized management of unit operations with a sense of speed. Company headquarters, regional headquarters, divisions, and branches are also treated as the units of profit. This ensures the transparency of managerial conditions at headquarters and regional headquarters.
- e. Approval request and reporting frameworks facilitate the transfer of clearly defined authority and responsibility under provisions of the Work Authority Regulations and the Segregation of Duties Regulations, and ensure that work duties are promptly executed. Permission to execute duties that are outside the scope of a Director's authority is contingent upon a decision, as stipulated in applicable regulations, that is based on deliberations by the administrative unit with field expertise. The Company endeavors to review and revise relevant regulations and approval request and reporting procedures as

necessary and develop, maintain, and improve its frameworks for the efficient and proper execution of Directors' duties.

(v) Framework to ensure the propriety of the business operations of the Corporate Group comprising the Company, its parent, and subsidiaries:

- a. Based on the principle of autonomous subsidiary operations and in keeping with the Regulations for the Management of Affiliates, the headquarters, regional headquarters, division, or business branch engaged in business operations most closely related to the business of a given subsidiary is the unit with supervisory responsibility for that subsidiary. Supervisory units periodically request reports containing important information about the subsidiaries under their supervision including the subsidiaries' business results and financial statements. In addition to identifying the subsidiaries' management conditions and developing and maintaining appropriate frameworks for consolidated management, the supervisory units request that subsidiaries submit reports on matters covered by the Regulations for the Management of Affiliates and reports on the findings of audits performed under provisions of the Internal Audit Regulations. As a holder of equity interest, the Company appropriately makes its intentions known to the management teams at its subsidiaries.
- b. The Company has developed and put into effect a compliance framework for Group companies as a whole and also sets up frameworks for the acquisition of legal advice from outside law offices, as necessary. Additionally, it strives to cultivate an awareness of compliance through the implementation of programs of training in legal compliance for Group officers and employees once a year.
- c. The Regulations for the Management of Affiliates establish operational authority and chains of command for subsidiaries and require that subsidiaries build structures that are in compliance with these.

(vi) Employees that are assigned on request from Auditors to assist in the performance of Auditors' duties:

In the event Corporate Auditors require assistance with the performance of their duties, they may submit requests to the Representative Director asking that employees with the knowledge and skills required for audit duties be assigned to serve as their assistants.

(vii) The autonomy of employees covered in the preceding Clause from the Board of Directors:

Directive authority over an employee that has been assigned under terms of the preceding Clause shall rest with the Corporate Auditor to whom the employee has been assigned. That employee shall not receive orders from Directors. To ensure the independence and effectiveness of an employee assigned under terms of the preceding Clause, the Representative Director shall form decisions on personnel appraisals, personnel transfers, and disciplinary actions affecting the employee only after obtaining the consent of the Full-time Auditor.

(viii) Framework for reporting to Corporate Auditors by Directors, Employees, and Others:

- a. Corporate Auditors may attend meetings of the Board of Directors, Management Conference, Executive Officers' Committee, and other important meetings.
- b. Corporate Auditors may review important documentation and request submission of that documentation.
- c. Corporate Auditors may receive reports from T-Gaia Group officers and employees whenever necessary.
- d. Corporate Auditors audit the management of subsidiaries through on-site audits and day-to-day coordination with auditors for the subsidiaries.
- e. Directors, T-Gaia Group officers and employees, or persons to whom they have reported, shall submit reports to the Board of Auditors or to a Corporate Auditor ("Special Auditor") designated by the Board of Auditors under any of the following circumstances:
 - Significant damages to the Company or grave compliance violations that have either occurred or are

likely to occur

- Events about which a Special Auditor has requested reports, or that otherwise are deemed to warrant an audit (e.g., subsequent events)
- The Regulations for Compliance Reports and Consultations stipulate that Group officers and employees or persons to whom they have reported can submit “whistleblower” reports directly to a Corporate Auditor, and explicitly prohibit job dismissals and other adverse actions against whistleblowers solely for submitting such reports.

(ix) Other frameworks to ensure that Auditors are performing audits effectively:

- a. Directors are familiar with the audit standards that clarify Auditor duties and responsibilities and fully recognize the importance of audits performed by Auditors. Additionally, Directors help cultivate an appropriate environment for audits.
- b. Corporate Auditors maintain close working relationships with the Internal Audit Department, receive timely reports from the Internal Audit Department on internal audit plans and findings, and contribute to the efficient implementation of audits.
- c. Through periodic meetings with the Accounting Auditor and participation in on-site audits at the close of the fiscal year, Corporate Auditors endeavor to exchange information and develop their understanding of the audit activities of the Accounting Auditor and help improve audit efficiency and quality.

(x) Policy on the processing of expenses incurred from the fulfillment of Auditor duties and responsibilities:

When Corporate Auditors request advance payment or reimbursement of expenses associated with the performance of their duties, those expenses are processed as requested except in cases where they are deemed unnecessary for the performance of Corporate Auditors’ duties.

(2) Overview of the Operational Status of Frameworks for the Assurance of Proper Business Operations

The following is an overview of the operational status of frameworks designed to ensure the propriety of Company business operations.

(i) Duties of Company Directors:

The Board of Directors comprises nine Directors including four independent Outside Directors, and its meetings are also attended by four Corporate Auditors including two independent Outside Auditors. Board meetings convene on a monthly basis and through active discussions and the exchange of views, promptly reach decisions on Company management policy, business strategy, and other matters of importance as defined by applicable laws, statutes, and the Company Articles of Incorporation.

(ii) Duties of Auditors:

Auditors attend meetings of the Board of Directors, Management Conference, and other important meetings, review important business documentation, conduct on-site audits of the Company’s various divisions, regional headquarters, branches, and directly managed carrier shops, hold hearings with key executives, conduct on-site audits of Company subsidiaries in Japan and abroad, and exchange views with the Representative Directors of subsidiaries.

Auditors also strive to maintain close working ties with the Company’s Internal Audit Department and the Accounting Auditor through the exchange of information and views, hold periodic meetings to exchange views with the President and independent Outside Directors, promote mutual understanding, and perform effective audits.

(iii) Compliance:

Positioning the legal compliance and the promotion of ethical conduct as one of the issues of top priority for

its business operations, the T-Gaia Group holds Compliance Committee meetings once every two months, discusses various issues on compliance, and are working to ensure full compliance. Based on the discussions of the Committee, as part of educational activities, we have implemented compliance training such as e-learning course-driven compliance training for all executive officers and employees of the Company as well as employees of partner agencies, training for new employees, and training tailored for each operational base for shop employees, given by staff dedicated to compliance. We also conduct company-wide compliance-related educational activities on a regular basis.

Additionally, the Company endeavors to quickly identify and counter compliance risk by encouraging active use of the multiple reporting/consulting channels installed by the Company and conducting compliance awareness surveys to all Company employees as well as questionnaire surveys to the Company's trading partners.

(iv) Risk management:

To actively control risk and maintain and expand its corporate value, the Company has established a set of Risk Management Regulations and convenes meetings of the Risk Management Committee twice per annum, in principle.

The T-Gaia Group endeavors to identify and protect against risk and has built a framework to quickly and accurately implement countermeasure in the event a risk has materialized.

(v) Management of subsidiaries:

Based on its principle of respecting the independent management of its subsidiaries, the Company, as a holder of equity interest, appropriately expresses its views and intentions with regard to important matters in keeping with its Regulations for the Management of Affiliates.

In addition, the Company receives periodic reports on subsidiary business results and financial information from the supervisory departments with jurisdiction.

4. Basic Policy concerning Control of the Company

The Company is aware that this is an important matter and has devoted study to that matter on a continuing basis. However, in view of the current distribution of its stock, the Company has not yet implemented any defensive measures.

5. Policies concerning Decisions on Dividends of Surplus

In response to its business performance, it is a basic policy of the Company to return profits to our Shareholders with a dividend payout ratio of at least 30 % while securing the internal reserves necessary for future business expansion and the reinforcement of its business foundations.

For the fiscal year under review, we plan to propose a year-end dividend of 37.5 yen per share of common stock. Given that we paid an interim dividend of 37.5 yen per share in December 2020, the annual dividend per share will total 75 yen (same as in the previous year).

It is Company policy to allocate internal reserves to the expansion and reinforcement of our existing business foundations, human resources development, strategic investments, and the launch of new businesses.

Consolidated Balance Sheet

(as of March 31, 2021)

		(million yen)	
Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	183,612	Current liabilities	148,474
Cash and deposits	49,401	Accounts payable – trade	9,689
Notes and accounts receivable – trade	22,487	Long-term borrowings within one year	3,751
Products	21,530	Accounts payable – other	19,675
Inventories	70	Income taxes payable	3,966
Other accounts receivable	14,148	Reserve for bonuses	2,926
Guarantee deposits	73,790	Deposits received of prepaid cards	106,516
Other current assets	2,254	Others	1,948
Allowance for doubtful accounts	(71)	Non-current liabilities	21,325
Fixed assets	50,214	Long-term borrowings	18,373
Tangible fixed assets	4,487	Provision for long-term service benefits	201
Buildings and structures	2,470	Retirement benefit liabilities	318
Machinery, equipment and vehicles	838	Asset removal obligations	1,980
Furniture and fixtures	798	Others	451
Land	304	Total liabilities	169,800
Lease assets	51	(Net Assets)	
Construction in progress	23	Shareholders' equity	63,672
Intangible fixed assets	23,123	Capital Stock	3,154
Goodwill	18,756	Capital surplus	5,092
Software	1,340	Retained earnings	55,739
Others	3,026	Treasury stock	(312)
Investment and other assets	22,603	Accumulated other comprehensive income	325
Investment securities	4,119	Valuation difference on available-for-sale securities	311
Deferred tax assets	12,186	Foreign currency translation adjustment	14
Retirement benefit asset	5	Non-controlling interests	28
Leasehold deposits	4,800		
Others	1,496	Total net assets	64,026
Allowance for doubtful accounts	(4)	Total Liabilities and Net Assets	233,826
Total Assets	233,826		

Note: The figures have been rounded down to the nearest million yen

Consolidated Statement of Income

(from April 1, 2020 to March 31, 2021)

(million yen)

Item	Amount	
Net sales		450,863
Cost of sales		380,929
Gross profit		69,934
Selling, general and administrative expenses		55,883
Operating income		14,050
Non-operating income		
Interest income	3	
Dividend income	9	
Hoard profit of prepaid cards	5,926	
Others	569	6,508
Non-operating expenses		
Interest expenses	78	
Equity in loss of affiliates	540	
Others	350	757
Ordinary income		19,801
Extraordinary gains		
Gain on sales of fixed assets	8	
Gain on sale of investment securities	78	
Settlements received	350	436
Extraordinary losses		
Loss on sales of fixed assets	11	
Loss on removal of fixed assets	49	
Impairment loss	168	
Others	1	230
Net income before income taxes		20,007
Income taxes – current	6,199	
Income taxes – deferred	752	6,952
Net income		13,055
Net income attributable to non-controlling interests		12
Net income attributable to shareholders of the parent company		13,042

Note: The figures have been rounded down to the nearest million yen.

Consolidated Statement of Changes in Shareholders' Equity

(from April 1, 2020 to March 31, 2021)

(million yen)

	Shareholders' equity				
	Capital Stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the end of the previous fiscal year	3,154	5,177	46,876	(315)	54,893
Changes during the fiscal year					
Dividends from surplus			(4,180)		(4,180)
Net income attributable to shareholders of the parent company			13,042		13,042
Disposal of treasury shares		3		2	6
Change in ownership interest of parent due to transactions with non-controlling interests		(89)			(89)
Changes in items other than shareholders' equity during the fiscal year (net)					
Total changes during the fiscal year	—	(85)	8,862	2	8,779
Balance at the end of the fiscal year	3,154	5,092	55,739	(312)	63,672

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at the end of the previous fiscal year	163	18	182	26	55,102
Changes during the fiscal year					
Dividends from surplus					(4,180)
Net income attributable to shareholders of the parent company					13,042
Disposal of treasury shares					6
Change in ownership interest of parent due to transactions with non-controlling interests					(89)
Changes in items other than shareholders' equity during the fiscal year (net)	147	(4)	142	1	144
Total changes during the fiscal year	147	(4)	142	1	8,923
Balance at the end of the fiscal year	311	14	325	28	64,026

Note: The figures have been rounded down to the nearest million yen.

Non-consolidated Balance Sheet

(as of March 31, 2021)

(million yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	99,093	Current liabilities	89,063
Cash and deposits	43,629	Accounts payable – trade	9,581
Notes and accounts receivable – trade	22,037	Long-term borrowings within one year	3,751
Products	20,650	Accounts payable – other	12,600
Inventories	54	Income taxes payable	2,995
Prepaid expenses	743	Deposits received	57,081
Other accounts receivable	9,959	Reserve for bonuses	2,501
Other current assets	2,339	Others	552
Allowance for doubtful accounts	(321)	Non-current liabilities	21,109
Fixed assets	70,348	Long-term borrowings	18,373
Tangible fixed assets	3,227	Provision for long-term service benefits	201
Buildings	2,241	Provision for retirement benefits	318
Structures	182	Asset removal obligations	1,829
Furniture and fixtures	499	Others	386
Land	304	Total liabilities	110,172
Construction in progress	0	(Net Assets)	
Intangible fixed assets	21,630	Shareholders' equity	58,958
Goodwill	18,128	Capital Stock	3,154
Software	856	Capital surplus	5,644
Others	2,645	Legal capital surplus	5,640
Investment and other assets	45,490	Other capital surplus	3
Investment securities	2,008	Retained earnings	50,472
Stocks of subsidiaries and affiliates	27,238	Legal retained earnings	17
Deferred tax assets	10,229	Other retained earnings	50,454
Leasehold deposits	4,677	Retained earnings brought forward	50,454
Others	1,340	Treasury stock	(312)
Allowance for doubtful accounts	(4)	Valuation and translation adjustments	311
Total Assets	169,442	Valuation difference on available-for-sale securities	311
		Total net assets	59,269
		Total Liabilities and Net Assets	169,442

Note: The figures have been rounded down to the nearest million yen.

Non-consolidated Statement of Income

(from April 1, 2020 to March 31, 2021)

(million yen)

Item	Amount	
Net sales		
Net sales of goods	266,088	
Commission fee	161,108	427,197
Cost of sales		
Cost of goods sold	266,723	
Commission fee	96,002	362,725
Gross profit		64,471
Selling, general and administrative expenses		48,523
Operating income		15,948
Non-operating income		
Interest income	9	
Dividend income	891	
Subsidy income	424	
Others	110	1,435
Non-operating expenses		
Interest expenses	143	
Allowance for doubtful accounts carried forward	250	
Loss on abolishment of retirement benefit plan	48	
Others	11	452
Ordinary income		16,931
Extraordinary gains		
Gain on sales of fixed assets	8	
Gain on sale of investment securities	78	
Loss on extinguishment of tie-in shares	27	114
Extraordinary losses		
Loss on sales of fixed assets	11	
Loss on removal of fixed assets	42	
Impairment loss	159	
Loss on valuation of subsidiary and affiliate shares	83	
Others	1	297
Net income before income taxes		16,747
Income taxes – current	4,909	
Income taxes – deferred	441	5,350
Net income		11,397

Note: The figures have been rounded down to the nearest million yen.

Non-consolidated Statement of Changes in Shareholders' Equity

(from April 1, 2020 to March 31, 2021)

(million yen)

	Shareholders' equity						
	Capital Stock	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at the end of previous period	3,154	5,640	—	5,640	17	43,237	43,254
Changes of items during the period							
Dividends from surplus						(4,180)	(4,180)
Net income						11,397	11,397
Disposal of treasury shares			3	3			
Changes in items other than shareholders' equity during the period (net)							
Total changes during the period	—	—	3	3	—	7,217	7,217
Balance at the end of the period	3,154	5,640	3	5,644	17	50,454	50,472

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the end of previous period	(315)	51,734	163	163	51,898
Changes of items during the period					
Dividends from surplus		(4,180)			(4,180)
Net income		11,397			11,397
Disposal of treasury shares	2	6			6
Changes in items other than shareholders' equity during the period (net)			147	147	147
Total changes during the period	2	7,223	147	147	7,371
Balance at the end of the period	(312)	58,958	311	311	59,269

Note: The figures have been rounded down to the nearest million yen.

Independent Auditor's Report on Consolidated Financial Statements

Independent Auditor's Report

May 10, 2021

To the Board of Directors,
T-Gaia Corporation

Tokyo office, Deloitte Touche Tohmatsu LLC

Tokio Suzuki (seal)

Designated Limited Liability Partner

Engagement Partner

Certified Public Accountant

Naokazu Fukushi (seal)

Designated Limited Liability Partner

Engagement Partner

Certified Public Accountant

Koji Hara (seal)

Designated Limited Liability Partner

Engagement Partner

Certified Public Accountant

Audit Opinion:

We have audited the consolidated financial statements comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in shareholders' equity and the related notes of T-Gaia Corporation for the fiscal year from April 1, 2020 to March 31, 2021 in accordance with Article 444 Paragraph 4 of the Companies Act of Japan.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of T-Gaia Corporation and its consolidated subsidiaries for the period for which the consolidated financial statements were prepared in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion:

We conducted our audits in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements:

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan. This includes the development and implementation of internal control deemed necessary by management for the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to a going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements:

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor.

Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- When auditing the consolidated financial statements, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and the appropriateness of related notes thereto.
- Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes to the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Interests in the Company:

We or engagement partners have no interests in the Company and its consolidated subsidiaries, which should be stated in compliance with the Certified Public Accountants Act.

Independent Auditor's Report on Non-consolidated Financial Statements

Independent Auditor's Report

May 10, 2021

To the Board of Directors,
T-Gaia Corporation

Tokyo office, Deloitte Touche Tohmatsu LLC

Tokio Suzuki (seal)

Designated Limited Liability Partner

Engagement Partner

Certified Public Accountant

Naokazu Fukushi (seal)

Designated Limited Liability Partner

Engagement Partner

Certified Public Accountant

Koji Hara (seal)

Designated Limited Liability Partner

Engagement Partner

Certified Public Accountant

Audit Opinion:

We have audited the accompanying non-consolidated financial statements comprising the non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in shareholders' equity and the related notes as well as the supporting schedules of T-Gaia Corporation for the 30th fiscal year from April 1, 2020 to March 31, 2021 (hereinafter the "non-consolidated financial statements, etc.") in accordance with Article 436 Paragraph 2, item 1 of the Companies Act of Japan.

In our opinion, the non-consolidated financial statements, etc. referred to above, present fairly, in all material respects, the financial position and the results of operations of the Company for the period for which the financial statements, etc. were prepared in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion:

We conducted our audits in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of non-consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-consolidated Financial Statements:

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan. This includes the development and implementation of internal control deemed necessary by management for the preparation and fair presentation of non-consolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, etc. management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to a going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, etc.:

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the non-consolidated financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these non-consolidated financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The purpose of an audit is not to express an opinion on the effectiveness of the Company's internal control. However, in performing this risk assessment, we consider internal control relevant to the Company's preparation and fair presentation of the non-consolidated financial statements, etc. in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and the appropriateness of related notes thereto.
- Conclude on the appropriateness of preparing the non-consolidated financial statements, etc. with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the non-consolidated financial statements, etc. or, if the notes to the non-consolidated financial statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the non-consolidated financial statements, etc. and notes to the non-consolidated financial statements, etc. are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the non-consolidated financial statements, etc. including the related notes thereto, and whether the non-consolidated financial statements, etc. fairly present the underlying transactions and accounting events.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Interests in the Company:

Neither our firm nor any of the engagement partners has any interest in the Company as required to be disclosed herein under the provisions of the Certified Public Accountants Act.

Audit Report by Audit and Supervisory Board

Audit Report

The Audit and Supervisory Board, upon deliberation, prepared this audit report regarding the performance of duties of the Directors of T-Gaia Corporation during the 30th fiscal year from April 1, 2020 to March 31, 2021, based on the audit reports prepared by each Audit and Supervisory Board Member, and hereby reports as follows:

1. Auditing Method Employed by Audit and Supervisory Board Members and the Audit and Supervisory Board and Details Thereof

- (1) The Audit and Supervisory Board established an auditing policy and the assignment of the duties, etc., received from each Audit and Supervisory Board Member reports on the execution of audits and the results thereof and, in addition, received reports on the performance of their duties from the Directors and the Accounting Auditor and, when necessary, requested explanations regarding such reports.
- (2) In accordance with the auditing standards for Audit and Supervisory Board Members established by the Audit and Supervisory Board, and based on the auditing policy and the assignment of duties etc., each Audit and Supervisory Board Member has taken steps to facilitate communication with the Directors, the internal audit department as well as other employees, and has endeavored to gather information and establish an environment for auditing. Each Audit and Supervisory Board Member has audited in the following manner:
 - (i) Each Audit and Supervisory Board Member attended meetings of the Board of Directors and other important meetings, received from the Directors, employees and other related persons reports on the performance of their duties and, when necessary, requested explanations regarding such reports. In addition, each Audit and Supervisory Board Member inspected important decision documents, etc. and examined the business and financial position of the Company at the head office and other major business offices of the Company. With respect to the subsidiaries of the Company, each Audit and Supervisory Board Member has taken steps to facilitate communication with the Directors, Audit and Supervisory Board Members and other related persons of major subsidiaries and to share information with them and, when necessary, received reports from the subsidiaries regarding their businesses.
 - (ii) In terms of the content of resolutions made by the Board of Directors concerning the establishment of the systems provided for in Article 100 paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act to ensure that the performance of duties by the Directors, which are described in the business report, is compliant with the laws and regulations of Japan and with the Company's Articles of Incorporation and other systems to ensure that operation of a joint stock company and the corporate group comprising its subsidiaries will be conducted appropriately, as well as the status of such systems established by such resolutions (internal control system), each Audit and Supervisory Board Member periodically received reports on the status of development and operating situation of such systems from Directors and employees and, when necessary, requested explanations regarding such reports and expressed their opinion.
 - (iii) The Audit and Supervisory Board Members monitored and examined whether the accounting auditors maintained their independence and performed audits in an appropriate manner. The Audit and Supervisory Board Members received reports from the Accounting Auditor on the performance of their duties and, when necessary, requested explanations regarding those reports. The Audit and Supervisory Board Members also received notification from the Accounting Auditor that they have taken steps to improve the "System for Ensuring Appropriate Execution of the Duties" (as enumerated in each item of Article 131 of the Rules of Corporate Accounting) in compliance with the "Standards for Quality Control of Audit" (adopted by the Business Accounting Deliberation Council on October 28, 2005), etc. When necessary, the Audit and Supervisory Board Members requested explanations on such notifications.

Based on the aforementioned method, the Audit and Supervisory Board Members reviewed the business report and supporting schedules thereto for the concerned fiscal year, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in shareholders' equity and the related notes) and supplementary schedules thereto and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in shareholders' equity and the related notes).

2. Results of Audit

(1) Audit Results on the Business Report, etc.

- (i) In our opinion, the business report and the supporting schedules fairly represent the Company's condition in conformity with the applicable laws and regulations of Japan as well as the Articles of Incorporation of the Company.
- (ii) With respect to the execution of duties by the Directors, we have found no evidence of misconduct or material facts in violation of the applicable laws and regulations of Japan or the Articles of Incorporation of the Company.
- (iii) In our opinion, the content of the resolutions made by the Board of Directors regarding the internal control system is appropriate. Furthermore, we have not found anything to be pointed out on the content described in the business report and the performance of duties of the Directors concerning the internal control system.

(2) Results of Audit of the Non-consolidated Financial Statements and Supplementary Schedules:

In our opinion, the method and results of the audit employed and rendered by Deloitte Touche Tohmatsu LLC, the Accounting Auditor of the Company, are fair and reasonable.

(3) Results of Audit of the Consolidated Financial Statements:

In our opinion, the method and results of the audit employed and rendered by Deloitte Touche Tohmatsu LLC, the Accounting Auditor of the Company, are fair and reasonable.

May 10, 2021

Audit and Supervisory Board, T-Gaia Corporation

Full-time Audit and Supervisory Board Member	Ryo Hashimoto (Seal)
Full-time Audit and Supervisory Board Member	Naoya Okutani (Seal)
Outside Audit and Supervisory Board Member	Toshiro Kaba (Seal)
Outside Audit and Supervisory Board Member	Tetsuo Kitagawa (Seal)