

Dear shareholders,

We would like to express our appreciation for your continued support and understanding. We hereby inform you that our 34th Annual General Meeting of Shareholders will be held as described below.

From the viewpoint of preventing the spread of COVID-19, this fiscal year, we have decided to hold the Annual General Meeting of Shareholders online through live streaming using a web conferencing system.

For the fiscal year ended March 31, 2022, the final year of our Third Medium-term Management Plan, we achieved record-high numbers in both sales and profits, despite the lingering effect of the novel coronavirus on our lives and society.

Recently, our work style has become more and more diverse. To adapt to such increasingly diverse work styles, the Company has pushed forward with operational reforms towards digital transformation or DX, including the promotion of remote work and digitization of documents. Further, we are called upon more than ever to put in place security measures against cyber-attacks which are on the rise globally. In this age of transformation, we have strived to create cloud-based businesses and provide security services so we can help our corporate customers continue their business activities smoothly without delay. As a result, we have achieved a significant growth of our business.

On April 4, 2022, the Company shifted its listing to the Prime Market of the Tokyo Stock Exchange. In line with the shift, we newly formulated basic policies on sustainability and identified six materiality issues in accordance with the revised corporate governance code. Also, with a view to realizing a higher level of governance and ensuring diversity, we propose that External Members of the Board represent the majority of the Board of Directors of the Company.

I appreciate your continued understanding and support.

Shinichi Ata
President & CEO

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

Securities Code: 4726
May 30, 2022

To Shareholders with Voting Rights:

Shinichi Ata, Representative
Director, President & CEO
SB Technology Corp.
6-27-30, Shinjuku, Shinjuku-ku,
Tokyo, Japan

Convocation Notice of the 34th Annual General Meeting of Shareholders

We hereby inform you that the 34th Annual General Meeting of Shareholders of SB Technology Corp. (the “Company”) will be held as described below.

With a view to preventing the spread of the novel coronavirus (COVID-19) infections, shareholders are requested to exercise their voting rights for this General Meeting of Shareholders in writing or via the Internet as much as possible after reviewing the Reference Documents for the General Meeting of Shareholders as described below, and to refrain from attending the meeting regardless of their health condition.

No souvenirs are prepared for attending shareholders at the meeting. We appreciate your understanding.

- 1. Date and Time:** Monday, June 20, 2022 at 10:00 a.m. Japan time
(Reception opens at 9:30 a.m.)
- 2. Place:** The Company’s conference room
Shinjuku Eastside Square 17F
6-27-30, Shinjuku, Shinjuku-ku, Tokyo
(Please refer to the map at the end of this document.)
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. Business Report, Consolidated Financial Statements for the 34th fiscal year (April 1, 2021 to March 31, 2022) and results of audits by the Independent Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements.
 2. Non-consolidated Financial Statements for the 34th fiscal year (April 1, 2021 to March 31, 2022)
 - Proposals to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Partial Amendments to the Articles of Incorporation
 - Proposal 3:** Election of Nine (9) Members of the Board
 - Proposal 4:** Determination of Remuneration for Granting Restricted Stock and Stock Options to Members of the Board

- ◎ For those attending the meeting on the day, please submit the enclosed voting rights exercising form to the reception desk.
- ◎ The following items are not presented in this Convocation Notice and the documents to be provided, as they are made available on the Company's website* pursuant to applicable laws and regulations and Article 16 of the Articles of Incorporation. The Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements provided with this Convocation Notice are a subset of documents used by the Independent Auditor in the preparation of the Independent Auditor's Report, and by the Audit & Supervisory Board in the preparation of the Audit Report.
 - Business Report: Overview of Systems to Ensure Appropriateness of Business Operations and Its Implementation Status
 - Consolidated Financial Statements: Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements
 - Non-consolidated Financial Statements: Non-consolidated Statement of Changes in Equity and Notes to Non-consolidated Financial Statements
- ◎ Any revisions to the Reference Documents for the General Meeting of Shareholders as well as the Business Report, Consolidated Financial Statements, or Non-consolidated Financial Statements will be posted on the Company's website.*
 - * The Company's website: <https://www.softbanktech.co.jp/en/>

Notice regarding Measures against COVID-19

To prevent the infection and spread of COVID-19, the following measures will be taken, as we consider the safety of our shareholders our highest priority.

Prior exercise of voting rights in writing or via the Internet is highly recommended so that you can exercise your voting rights even if you are not present at the venue. Questions and comments are also being accepted in advance via the Internet. A livestream of the meeting will also be available on the day of the meeting.

The abovementioned measures are subject to update depending on the status of the spread of infection up to the date of the meeting or the content of announcements by the government. Please also visit the Company's website (<https://www.softbanktech.co.jp/en/>) on the Internet to confirm the latest information.

- All participating officers, including the Chairman, will be participating remotely through the web conferencing system and will not be present at the venue.
- The proceedings of this year's meeting will be in a shorter time than usual.
- Office tours and other events following the General Meeting of Shareholders will be cancelled.
- Admission restrictions and other measures may be taken at the venue of the General Meeting of Shareholders to prevent infection.

Guidance on livestreaming

The 34th Annual General Meeting of Shareholders will be broadcast live on the Company's website.

How to view the livestreaming: Please visit to view the livestream on the "Shareholder's Meeting" page of the Company's website.

Release date and time: Monday, June 20, 2022 at 10:00 a.m. Japan time

- Voting rights cannot be exercised, and questions cannot be answered through the livestreaming.
- If for any reason the livestreaming cannot be provided, notice will be given on the Company's website.

Guidance on asking questions and making comments via the Internet

Questions and comments from all shareholders are accepted via the Internet.

For questions and comments Please refer to the "Shareholder's Meeting" page of the Company's website for questions and comments.

Matters of high interest to our shareholders will be addressed at the Meeting.

Acceptance deadline: No later than 6:00 p.m. Japan time on Friday, June 10, 2022

- There is no need to enter your name, address, etc. For purposes of protecting personal information, please do not provide any personal information.

Guidance on exercising your voting rights

A voting right is an important right of shareholders to participate in the management of the Company. We kindly ask you to refer to the Reference Documents for the General Meeting of Shareholders and exercise your voting rights in any of the following forms.

- Exercising voting rights by postal mail

Indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and send the form back to us by postal mail.

Deadline: To arrive by 5:45 p.m. on Friday, June 17, 2022

How to exercise the voting rights by postmail

1. Fill out the boxes on the form, indicating your vote for or against each proposal.
 - Proposals 1 through 4
 - If you approve of all candidates → Circle “贊” [Approve].
 - If you disapprove of all candidates → Circle “否” [Disapprove].
 - *If you disapprove of certain candidates in Proposal 3, enter the candidate number(s) of the candidate(s) you disapprove of.
2. After indicating your vote for the proposals on your Voting Rights Exercise Form, split it and return the left piece to us by postal mail.

Notes:

- If there is no indication of a vote for or against a specific proposal, it shall be deemed as an indication of approval to that proposal.
- The Voting Rights Exercise Form has a QR code necessary for “Smart Voting.” The voting code and password necessary for exercising voting rights via the Internet are printed on the back side.
- If you attend the meeting in person after having exercised your voting rights in writing or online, the vote will be deemed cancelled.
- Exercising voting rights via the Internet

Lodge your vote for or against the proposals on the designated website for exercising voting rights.

Exercise Deadline: By 5:45 p.m. on Friday, June 17, 2022

How to exercise the voting rights via the Internet

Scanning QR code to use the Smart Voting service

This service enables you to access the designated website for exercising voting rights without entering the voting code or password.

1. Scan the QR code printed on the lower right corner of the enclosed Voting Rights Exercise Form.
2. Follow the instructions on the screen to indicate your vote for or against the proposals.

*Instruction is written in Japanese.

Notes:

- You can vote using the Smart Voting service only once. If you wish to change your vote after exercising your voting rights, access the designated website for PCs, log in by entering the voting code and password printed on the reverse side of the right piece of the Voting Rights Exercise Form, and exercise your voting rights again.

Using the voting code and password

Voting rights exercise website: <https://soukai.mizuho-tb.co.jp/>

1. Access the designated website for exercising voting rights and click “次へすすむ” [Next].
2. Enter the voting code into the field on the screen, and then click “次へ” [Next].
3. Enter the password into the field on the screen, and then click “登録” [Register].
4. Follow the instructions on the screen to indicate your vote for or against the proposals.

Inquiry

If you have any questions about how to exercise voting rights online using a PC, please contact the following.

<p style="text-align: center;">Stock Transfer Agency Department Mizuho Trust & Banking Co., Ltd. 0120-768-524 Open: 9:00 a.m.–9:00 p.m. (except for year-end and new year holidays)</p>
--

Notes:

- Certain times of incorrect password entries will lock your password and prevent you from logging in. Should your password be locked, follow the instructions displayed on the screen to unlock it.
- If voting rights are exercised both by mail and online, the vote exercised online will be deemed valid.
- If voting rights are exercised online multiple times, the last vote will be deemed valid.

Reference

Institutional investors may use the electronic voting system platform that is operated by ICJ, Inc.

- Attending the General Meeting of Shareholders in person

Bring this Notice with you and submit the enclosed Voting Rights Exercise Form at the reception desk.

Date and time of the meeting: 10:00 a.m. on Monday, June 20, 2022

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company considers returning profits to its shareholders to be one of its important management policies, and has been striving to achieve sustainable enhancement of the corporate value while strengthening the business structure. The Company's policy for returning profits to shareholders is based on the distribution of results through dividends, and the Company intends to pay stable and continuous dividends while comprehensively taking into account factors such as consolidated business results, investment plans, and cash on hand for each fiscal year. It is also the Company's policy to distribute surplus twice a year as interim and year-end dividends.

In accordance with the abovementioned basic policies, the Company proposes that the year-end dividend be increased by 10 yen per share from the initial dividend forecast as stated in the notice concerning revisions to dividend forecasts announced on January 27, 2022, and that the dividend be paid as follows, taking into consideration the return of profit in line with the strong results of the fiscal year under review.

Combined with the interim dividend (20 yen per share) paid earlier, the annual dividend will be 50 yen per share, an increase of 10 yen per share from the previous fiscal year.

1	Type of asset distributed as dividend	Cash
2	Matters concerning the allocation of assets distributed as dividends and its total amount	30 yen per share of common stock of the Company Total amount: 607,753,470 yen
3	Effective date of dividends from surplus	June 21, 2022

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

In accordance with the effective date set on September 1, 2022 for the system to provide materials for the General Meeting of Shareholders electronically as stipulated in the proviso of Article 1 of the Supplementary Provision of the “Act Partially Amending the Companies Act” (Act No. 70 of 2022), the Company proposes to establish a new provision to the effect that it will take measures to provide the information contained in reference documents for the general meeting of shareholders, etc. electronically and that it may limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.

In addition, the Company proposes to delete the current provisions on Internet disclosure and deemed provision of reference documents for the general meeting of shareholders, etc., as they become unnecessary, and to establish supplementary provisions related to the effective date, etc. associated with these changes.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p><u>(Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, etc.)</u> <u>Article 16 The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference materials for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements (including accounting auditors’ report and auditors’ report regarding such consolidated financial statements), by disclosing such information through the Internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p> <p>(Newly established)</p> <p>(Newly established)</p>	<p>(Deleted)</p> <p><u>(Measures for Electronic Provision, Etc.)</u> <u>Article 16 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference materials for the general meeting of shareholders, etc. electronically.</u> <u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p> <p><u>Supplementary Provisions</u> <u>1. The deletion of Article 16 (Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.) of the Articles of Incorporation before amendment and the addition of Article 16 (Measures for Electronic Provision, Etc.) after amendment shall come into effect on September 1, 2022.</u></p>

Current Articles of Incorporation	Proposed Amendments
	<p>2. <u>Notwithstanding the provisions of the preceding paragraph, Article 16 (Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.) of the Articles of Incorporation before amendment shall remain in force with respect to a general meeting of shareholders to be held on a day between September 1, 2022 and the last day of February 2023.</u></p> <p>3. <u>These supplementary provisions shall be deleted on March 1, 2023 or the date on which three (3) months have elapsed from the date of the general meeting of shareholders described in the preceding paragraph, whichever is later.</u></p>

Proposal 3: Election of Nine (9) Members of the Board

The terms of office of all six (6) Members of the Board will expire at the conclusion of this Annual General Meeting of Shareholders. Therefore, the election of nine (9) Members of the Board is proposed, increasing the number of External Members of the Board by three (3) to further reinforce the Company's management supervision function. Subject to the approval of this proposal as originally proposed, the majority of the Company's Members of the Board will be Independent Directors.

The candidates for Members of the Board are as follows:

No.	Name	Current positions and responsibilities at the Company
1	Shinichi Ata [Reappointment]	Representative Director, President & CEO
2	Mitsuhiro Sato [Reappointment]	Member of the Board, Senior Executive Vice President, CSO and Head of Business Unit
3	Masaaki Okazaki [Reappointment]	Member of the Board, Executive Vice President, CFO and Head of Management Unit
4	Kimihiko Kaneko [Reappointment]	Member of the Board
5	Shigeo Suzuki [Reappointment] [Outside] [Independent]	Member of the Board
6	Yoshie Munakata [Reappointment] [Outside] [Independent]	Member of the Board
7	Yukari Tominaga [New appointment] [Outside] [Independent]	Senior Adviser (part-time)
8	Yuka Miyagawa [New appointment] [Outside] [Independent]	Senior Adviser (part-time)
9	Madoka Sawa [New appointment] [Outside] [Independent]	Senior Adviser (part-time)

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	<p style="text-align: center;">Shinichi Ata (September 28, 1958) [Reappointment]</p>	<p>August 1997 Joined Microsoft Co., Ltd. (currently Microsoft Japan Co., Ltd.)</p> <p>January 1998 Managing Director, Microsoft Co., Ltd. (currently Microsoft Japan Co., Ltd.)</p> <p>May 2000 Representative Director, President, Microsoft Co., Ltd. (currently Microsoft Japan Co., Ltd.)</p> <p>August 2003 Joined Softbank BB Corp. (currently SoftBank Corp.) Executive Director</p> <p>April 2006 Executive Vice President; General Manager, Information System and CS Unit, Vodafone K.K. (currently SoftBank Corp.)</p> <p>June 2006 Board Director, JAPAN TELECOM CO., LTD. (currently SoftBank Corp.)</p> <p>June 2007 Senior Executive Vice President & CISO, Head of Information System and CS Unit, SoftBank Telecom Corp. (currently SoftBank Corp.)</p> <p>June 2007 Board Director, Senior Executive Vice President & CISO, Information System and CS Unit, SoftBank BB Corp. (currently SoftBank Corp.)</p> <p>June 2010 Board Director, Senior Executive Vice President & CISO, Information System and CS Unit, SoftBank Mobile Corp. (currently SoftBank Corp.)</p> <p>January 2012 Joined the Company</p> <p>April 2012 CEO & Executive Officer, the Company (to present)</p> <p>June 2012 Representative Director, President, the Company (to present)</p> <p>June 2013 Director, Fontworks Inc. (to present)</p> <p>July 2015 Director, ASORA Tech Corp. (to present)</p>	58,500
<p>[Reason for nomination as candidate for Member of the Board]</p> <p>As Representative Director and President of the Company, Mr. Shinichi Ata has led the Company and all of its group companies with his strong leadership since 2012. Based on his wealth of experience in overall management as a corporate manager over many years, he has formulated, promoted and executed the management strategies for the Company and the Group, thereby enhancing corporate value on a sustained basis. The 35th fiscal year (from April 1, 2022 to March 31, 2023) is the first year of the Fourth Medium-Term Management Plan. The Company would like to reelect Mr. Ata as a Member of the Board, judging that he is an appropriate person to lead the Company to grow the Group further and realize its long-term vision by accelerating the evolution of the Company into a service provider, establishing a solid position as a company responsible for ICT Services business within the SoftBank Group, and leading the improvement and reform of management issues, such as improving profitability.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	<p>Mitsuhiro Sato (September 16, 1962)</p> <p>[Reappointment]</p>	<p>April 1986 Joined Abe Software Corporation (currently ABEISM CORPORATION)</p> <p>January 1991 Joined SoftBank Corp. (currently SoftBank Group Corp.)</p> <p>August 1998 Joined the Company</p> <p>December 2000 Vice President, the Company</p> <p>October 2009 Vice President and General Manager, Web Business Service Department, the Company</p> <p>June 2010 Member of the Board, the Company (to present)</p> <p>May 2012 Representative Director and President, M-SOLUTIONS, Inc.</p> <p>June 2012 Vice President, CTO, CISO, and General Manager, Research & Business Development Promotion Division, the Company</p> <p>June 2013 Director, Fontworks Inc. (to present)</p> <p>March 2014 Director, Cybertrust Japan Co., Ltd.</p> <p>October 2015 Executive Vice President, CSO, Head of Technology Unit, and General Manager, PM Partner Division, the Company</p> <p>June 2016 Director, MIRACLE LINUX CORPORATION (currently Cybertrust Japan Co., Ltd.)</p> <p>December 2016 Representative Director and President, Kan Corporation</p> <p>April 2018 Senior Executive Vice President, CSO and Head of Technology Unit, the Company</p> <p>April 2019 Vice President and Executive Officer and CSO, the Company</p> <p>June 2019 Director, M-SOLUTIONS, Inc. (to present)</p> <p>July 2020 Director, DENEN Co., Ltd. (to present)</p> <p>April 2021 Director, I/O SYSTEM INTEGRATION CO., LTD. (to present)</p> <p>June 2021 Director, Kan Corporation (to present)</p> <p>April 2022 Senior Executive Vice President, CSO and Head of Business Unit, the Company (to present)</p>	20,000
<p>[Reason for nomination as candidate for Member of the Board]</p> <p>Mr. Mitsuhiro Sato has coordinated the Company's technology division for many years, driving the strengthening and expansion of the business base through high-value added services, such as quality improvement by strengthening the project management system and unique services using cutting-edge ICT technology. He has the professional knowledge, insight, and experience to support the Company's services. He assumes the role of the head of the Business Unit, in addition to his position of the vice president and executive officer in the 35th fiscal year (from April 1, 2022 to March 31, 2023), the first year of the Fourth Medium-Term Management Plan. The Company would like to reelect Mr. Sato as a Member of the Board, judging that he is an appropriate person to increase the corporate value and energetically drive the further growth of the Company's core businesses with the above role and position.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	<p>Masaaki Okazaki (November 29, 1965)</p> <p>[Reappointment]</p>	<p>April 1989 Joined Kao Corporation</p> <p>July 1994 Joined RYOBI LIMITED</p> <p>July 2002 Joined Mazda Motor Corporation</p> <p>December 2003 Joined SoftBank BB Corp. (currently SoftBank Corp.)</p> <p>June 2004 General Manager, Accounting Department, Management Unit, SoftBank BB Corp.</p> <p>April 2008 General Manager, Cost Management Department, Corporate Planning Division, Finance Unit, SoftBank Mobile Corp. (currently SoftBank Corp.)</p> <p>April 2011 Deputy General Manager, Corporate Planning Division, Finance Unit, SoftBank Mobile Corp.</p> <p>May 2013 General Manager, Corporate Management Division, SoftBank Mobile Corp.</p> <p>April 2016 Joined NIDEC CORPORATION Executive Consultant, NIDEC CORPORATION Seconded to NIDEC TOSOK CORPORATION Senior Vice President, CFO and Executive General Manager, Administration Division, NIDEC TOSOK CORPORATION</p> <p>June 2016 Director, Senior Vice President, CFO and Executive General Manager, Administration Division, NIDEC TOSOK CORPORATION</p> <p>January 2017 Vice President and Chief Financial Officer, , Automotive Motor & Electronic Control Business Unit, NIDEC CORPORATION</p> <p>June 2018 Senior Vice President, Adviser to Chief Financial Officer, and in charge of managing Accounting Department and Finance Department, the said Company</p> <p>November 2018 Senior Vice President and Deputy Executive General Manager, Appliance, Commercial & Industrial Motor Business Unit, NIDEC CORPORATION</p> <p>March 2020 Chief Purchasing Officer and General Manager of Global Centralized Purchasing Division, NIDEC CORPORATION</p> <p>August 2020 Joined MACNICA FUJI ELECTRONICS HOLDINGS, INC. General Manager, Financial Unit, MACNICA FUJI ELECTRONICS HOLDINGS, INC.</p> <p>January 2021 Joined the Company Special Advisor to President, the Company</p> <p>April 2021 Executive Vice President and CFO, the Company</p> <p>June 2021 Member of the Board, the Company (to present)</p> <p>August 2021 Director, DENEN Co., Ltd. (to present)</p> <p>August 2021 Director, Fontworks Inc. (to present)</p> <p>April 2022 Executive Vice President, CFO and Head of Management Unit, the Company (to present)</p>	3,500
<p>[Reason for nomination as candidate for Member of the Board]</p> <p>Mr. Masaaki Okazaki has held key positions in the finance and accounting division for many years and has experience leading the business planning area, including management planning and investment decisions, as a manager. He has abundant business execution experience and extensive knowledge and insight in business and corporate planning as well as his broad knowledge of finance and accounting. The 35th fiscal year (from April 1, 2022 to March 31, 2023) is the first year of the Fourth Medium-Term Management Plan. He is leading the management team in formulating this plan as the person in charge of substantive formulation, including business planning and financial aspects. The Company would like to reelect Mr. Okazaki as a Member of the Board, judging that he is an appropriate person to realize sustainable improvement of the corporate value of the Company and each group companies with his role as Chief Financial Officer (CFO).</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	<p>Kimihiko Kaneko (October 27, 1965)</p> <p>[Reappointment]</p>	<p>April 1988 Joined International Digital Communications Inc. (currently Softbank Corp.)</p> <p>September 1999 Transferred to Cable & Wireless IDC Inc. (currently Softbank Corp.) Director, Programme Management Asia, Cable & Wireless IDC Inc.</p> <p>February 2005 Transferred to Japan Telecom IDC Inc. (currently Softbank Corp.) General Manager, Operation Planning Department, Operation Division</p> <p>July 2005 Transferred to Japan Telecom Co, Ltd. (currently Softbank Corp.) General Manager, Business Administration Department, Technology Unit, Japan Telecom Co, Ltd.</p> <p>April 2007 General Manager, Business Administration Department, Technology Unit, SoftBank Telecom Corp. (currently Softbank Corp.)</p> <p>June 2009 General Manager, Business Administration Department, Technical Management Division, Technology Unit, SoftBank Telecom Corp.</p> <p>May 2012 General Manager, Transition Planning Supervision Department, Transition Promotion Division, Technology Unit, SoftBank Mobile Corp. (currently Softbank Corp.)</p> <p>June 2013 Acting General Manager, Transition Promotion Division, Technology Unit III, SoftBank Mobile Corp.</p> <p>May 2014 General Manager, Transition Promotion Division, Sales Unit III, SoftBank Mobile Corp.</p> <p>January 2015 Seconded to Sprint Corporation (currently T-Mobile US, Inc.) in the United States Director, Technical Advisor Office, Sprint Corporation</p> <p>January 2017 Deputy General Manager, Technological Management Division, Technology Unit and Technology Strategy Unit, SoftBank Corp.</p> <p>April 2017 General Manager, Technological Management Division, Technology Unit and Technology Strategy Unit, SoftBank Corp.</p> <p>July 2018 General Manager, IT Strategy Division, IT & Network Unit and Technology Unit, SoftBank Corp.</p> <p>June 2019 Member of the Board, the Company (to present)</p> <p>April 2021 General Manager, IT & Network Strategy Division, Technology Unit, SoftBank Corp.</p> <p>April 2022 General Manager, Technological Planning & Management Division, Technology Unit, SoftBank Corp. (to present)</p>	-
<p>[Reason for nomination as candidate for Member of the Board]</p> <p>Mr. Kimihiko Kaneko has abundant business execution experience and extensive knowledge and insight in the IT and technology fields at SoftBank's group companies over many years, and is currently in charge of the IT division at the parent company, SoftBank Corp. The Company would like to reelect Mr. Kaneko as a Member of the Board to receive useful advice on the Group's business operations, further expand the Company's performance, and enhance mutual synergy and strengthen IT collaboration with SoftBank Group as a company responsible for the ICT Service business in the SoftBank Group.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	<p>Shigeo Suzuki (July 29, 1954)</p> <p>[Reappointment] [Outside] [Independent]</p>	<p>April 1979 Joined DX ANTENNA CO., LTD.</p> <p>September 1990 Joined Kobe Steel, Ltd. New Business Category Division and Information Electronics Division</p> <p>January 1994 Seconded to KOBELCO SYSTEMS CORPORATION Deputy General Manager, Network Business Group</p> <p>January 2001 Joined SoftBank Commerce Corp. (currently SB C&S Corp.) Vice President, Ariba Business Department, SoftBank Commerce Corp.</p> <p>January 2003 Transferred to SoftBank BB Corp. (currently SB C&S Corp.) Deputy Head of Distribution Business Unit</p> <p>April 2005 Joined NextCom K.K. (currently MITSUI KNOWLEDGE INDUSTRY CO., LTD.) Head of Business Unit 6, NextCom K.K.</p> <p>June 2006 Director, Executive Managing Officer & Executive Officer, Administration of Sales Unit, NextCom K.K.</p> <p>April 2012 Director, Executive Managing Officer & Executive Officer, responsible for Business Unit, MITSUI KNOWLEDGE INDUSTRY CO., LTD.</p> <p>April 2015 Director, Executive Managing Officer & Executive Officer, responsible for Business Alliance Division, Major Account Business & Reals Estate Sector Sales Units, Financial Sector Sales Unit, Telecommunication & Industrial Sales Unit, and Advanced Communication Business Unit, and General Manager, Advanced Technology Center, MITSUI KNOWLEDGE INDUSTRY CO., LTD.</p> <p>June 2016 Member of the Board, the Company (to present)</p>	-
<p>[Reason for nomination as candidate for External Member of the Board and expected roles]</p> <p>Mr. Shigeo Suzuki has a wealth of experience and extensive insight in corporate management. He oversees the Company's management, supervises the management team, participates in meetings of the Remuneration Advisory Committee where Directors' remuneration, etc. are discussed, and reflects the assessment of corporate performance in remuneration from an independent and objective position. The Company would like to reelect Mr. Suzuki as an Independent External Member of the Board in order to strengthen the oversight of operations through his advice based on his extensive experience with the IT industry, as well as knowledge of and insights into the industry, and to receive useful advice on business operations of the Company based on his wealth of knowledge. Until 2005, Mr. Suzuki had executed business at SoftBank BB Corp. (currently SB C&S Corp.), a fellow subsidiary of the Company. The Company considers that he is not in a position to be affected by the intentions of said company because over a decade has passed since he retired from said company and because he has engaged in independent activities since his retirement. As there are no other attributes, etc. that raise questions concerning his independence, the Company has judged that there is no risk of a conflict of interest with general shareholders.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	Yoshie Munakata (June 20, 1958) [Reappointment] [Outside] [Independent]	<p>April 1981 Joined Dai Nippon Printing Co., Ltd.</p> <p>December 1983 Joined Intel Japan K.K. (currently Intel K.K.)</p> <p>February 1999 Manager, Communication Product Business Headquarters, Intel Japan K.K.</p> <p>April 2001 Executive secretary in charge of corporate planning/government relation, Intel Japan K.K.</p> <p>February 2004 Manager, Business Development Headquarters, Intel Japan K.K.</p> <p>April 2009 Director and Executive Deputy President, Intel Japan K.K.</p> <p>October 2016 Established B.Grove Inc. and became Representative Director (to present)</p> <p>June 2017 Member of the Board, the Company (to present)</p> <p>June 2018 Outside Director, Musashi Seimitsu Industry Co., Ltd.</p> <p>November 2018 External Director and Audit & Supervisory Committee Member, Uhuru Corporation</p> <p>December 2018 Outside Director, Japan Sweden Care Institute Co., Ltd.</p>	—
<p>[Reason for nomination as candidate for External Member of the Board and expected roles] Mr. Yoshie Munakata has a wealth of experience and extensive insight in corporate management. He oversees the Company's management, supervises the management team, participates in meetings of the Remuneration Advisory Committee where remuneration, etc. for Members of the Board are discussed, and reflects the assessment of corporate performance in remuneration from an independent and objective position. The Company would like to reelect Mr. Munakata as an Independent External Member of the Board in order to strengthen the oversight of operations and receive useful advice on business operations based on his extensive knowledge of and insights into semiconductor devices needed for digital transformation solution, in order for the Company to evolve as a service provider.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	<p>Yukari Tominaga (April 19, 1958)</p> <p>[New appointment] [Outside] [Independent]</p>	<p>April 1981 Joined Hitachi Computer, Consultant Ltd. (currently Hitachi Solutions, Ltd.)</p> <p>October 2010 Operating Officer and General Manager, Application Systems Department, Industrial and Retail Solutions Systems Business Department No.1, Industrial and Retail Solutions Systems Business Group, Hitachi Solutions, Ltd.</p> <p>April 2011 Executive Officer and Deputy General Manager, Retail Solutions Business Division, Industrial and Retail Solutions Systems Business Group, Hitachi Solutions, Ltd.</p> <p>April 2012 Executive Officer, and General Manager, Retail Solutions Business Division, Industrial and Retail Solutions Systems Business Group, Hitachi Solutions, Ltd.</p> <p>April 2013 Executive Officer and General Manager, Financial Systems Business Division, Financial Systems Business Group, Hitachi Solutions, Ltd.</p> <p>April 2014 Vice President and Executive Officer, Chief Officer, Financial Systems Business Group, and Fellow, Group Management Foundation Reinforcement Group, Hitachi Solutions, Ltd.</p> <p>April 2015 Vice President and Executive Officer, Chief Officer, Social Innovation Promotion Group, and Deputy Chief Officer, Sales Operations, Hitachi Solutions, Ltd.</p> <p>October 2015 Vice President and Executive Officer (in charge of Social Innovation System Business), Hitachi Solutions, Ltd.</p> <p>October 2016 Vice President and Executive Officer, and Chief Officer, Quality Assurance Group, Hitachi Solutions, Ltd.</p> <p>April 2019 Assistant to President and Chief Diversity Officer, Hitachi Solutions, Ltd.</p> <p>April 2020 Fellow, Hitachi Solutions, Ltd.</p> <p>June 2020 External Director, MORINAGA MILK INDUSTRY CO., LTD. (to present)</p> <p>June 2021 Outside Director, Yashima & Co., Ltd. (to present)</p> <p>July 2021 Senior Advisor, the Company (to present)</p>	-
<p>[Reason for nomination as candidate for External Member of the Board and expected roles] Ms. Yukari Tominaga has a background as an engineer, a wealth of experience in corporate management, and extensive insight based on her valuable asset. The Company would like to elect Ms. Tominaga as an Independent External Member of the Board in order to strengthen the oversight of operations, receive useful advice on business operations as well as oversee the Company's management, for example, enabling sustainability and realizing diversity, including the promotion of women's career advancement based on her experience as the Chief Diversity Officer in her previous position.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
8	<p>Yuka Miyagawa (October 10, 1962)</p> <p>[New appointment] [Outside] [Independent]</p>	<p>April 1985 Joined Oki Electric Industry Co., Ltd.</p> <p>November 2001 Seconded to Oki Network Technologies, Oki Electric Industry's US subsidiary</p> <p>April 2003 Manager, No. 3 Sales Division, e-Carriers Business Group, Oki Electric Industry Co., Ltd.</p> <p>April 2005 Deputy Head of Telecommunications Carrier Solution Group, Oki Electric Industry Co., Ltd.</p> <p>April 2008 Manager, Head of Sales & Marketing Administration Division, Carriers Systems Marketing & Sales Division, Oki Electric Industry Co., Ltd.</p> <p>April 2014 Head of Carriers Systems Marketing & Sales Division, Marketing & Sales Group, Oki Electric Industry Co., Ltd.</p> <p>April 2017 Executive Officer and Head of Marketing & Sales Division-2, Marketing & Sales Group, Oki Electric Industry Co., Ltd.</p> <p>April 2020 Senior Vice President and Head of Business Collaboration Division, Components & Platforms Business Group, the said Company</p> <p>April 2021 Joined OKI Crosstech Co., Ltd. Director and Senior Vice President, OKI Crosstech Co., Ltd. (to present)</p> <p>July 2021 Senior Advisor, the Company (to present)</p>	-
<p>[Reason for nomination as candidate for External Member of the Board and expected roles]</p> <p>Ms. Yuka Miyagawa has experience in sales and marketing positions in the IT industry, a wealth of experience in corporate management, and extensive insight based on her valuable asset. She is also active in conducting seminars on the need to embrace diversity in the workplace. The Company would like to elect Ms. Miyagawa as an Independent External Member of the Board in order to strengthen the oversight of operations, receive useful advice on business operations as well as oversee the Company's management, for example, enabling sustainability and realizing diversity, including the promotion of women's career advancement.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
9	Madoka Sawa (May 10, 1969) [New appointment] [Outside] [Independent]	<p>April 1993 Joined The Dai-ichi Life Information Services Co., Ltd. (currently The Dai-ichi Life Information Systems Co., Ltd.)</p> <p>September 1997 Joined Microsoft Company, Limited (currently Microsoft Japan Co., Ltd.)</p> <p>July 2011 Director, Microsoft Technology Center, Microsoft Japan Co., Ltd.</p> <p>March 2014 Director, Microsoft Technology Center and Manager, Cyber Crime Center Japan Satellite, Microsoft Japan Co., Ltd.</p> <p>July 2019 Executive General Manager, Microsoft Japan Co., Ltd.</p> <p>October 2019 CEO, ensow inc. (to present)</p> <p>February 2021 Lumada Innovation Evangelist, Hitachi, Ltd. (to present)</p> <p>March 2021 Advisor, DIGITAL SHIFT, Inc. (to present)</p> <p>March 2021 Advisor, JAC Recruitment Co., Ltd. (to present)</p> <p>September 2021 Advisor, KAJIMA CORPORATION (to present)</p> <p>January 2022 Senior Advisor, the Company (to present)</p> <p>February 2022 Advisor, UMU Technology Japan (to present)</p> <p>April 2022 Full-time Faculty Member (Professor), Musashino University (to present)</p>	—
<p>[Reason for nomination as candidate for External Member of the Board and expected roles]</p> <p>Mr. Madoka Sawa started his career as an engineer and then moving to a global IT company, where he gained experience in overall management. He has extensive insight and has recently been working as a corporate advisor with a wide range of knowledge of security advisory, engineering management, and human resource development. The Company would like to elect Mr. Sawa as an Independent External Member of the Board to strengthen the oversight of operations, receive useful advice on business operations as well as oversee the Company's management based on the latest trends in the global IT field and his extensive knowledge, insight, and forecasts in localizing them in Japan.</p>			

- Notes:
1. There is no special interest between each candidate and the Company.
 2. The Company has concluded a management advisory agreement with candidates for new External Members of the Board: Ms. Yukari Tominaga, Ms. Yuka Miyagawa, and Mr. Madoka Sawa. This aims at receiving advice from each person before assuming office as External Members of the Board. This advisory agreement will expire on May 31, 2022.
 3. Mr. Masaaki Okazaki, the candidate for Member of the Board, was an executive at the Company's parent company, SoftBank Corp. over the past ten years. His positions and responsibilities are as described in the career summary.
 4. Sprint Corporation (currently T-Mobile US, Inc.), where Mr. Kimihiko Kaneko, the candidate for Member of the Board, served as Director, Technical Advisor Office, was an affiliate of the Company's parent company, SoftBank Group Corp., over the past ten years.
 5. Mr. Shigeo Suzuki, Mr. Yoshie Munakata, Ms. Yukari Tominaga, Ms. Yuka Miyagawa and Mr. Madoka Sawa are candidates for External Members of the Board.
 6. Mr. Shigeo Suzuki, Mr. Yoshie Munakata, Ms. Yukari Tominaga, Ms. Yuka Miyagawa, and Mr. Madoka Sawa, the candidates for Members of the Board, meet the requirements under Independence Standards for the Independent Directors/Audit & Supervisory Board Members stipulated by the Company. The Company has notified the Tokyo Stock Exchange, Inc. of the designation of Mr. Shigeo Suzuki and Mr. Yoshie Munakata as Independent Directors who are not likely to cause a conflict of interest with general shareholders as required by the Tokyo Stock Exchange, Inc. If their reappointment is approved, the Company will continue to appoint them as Independent Directors. Additionally, the Company plans to notify the Tokyo Stock Exchange, Inc. of the designation of Ms. Yukari Tominaga, Ms. Yuka Miyagawa, and Mr. Madoka Sawa as Independent Directors if their appointment is approved.
* Please refer to the following website for the Company's Independence Standards for the Independent Directors/Audit & Supervisory Board Members.
https://www.softbanktech.co.jp/-/Media/SMC/corp/ir/management/governance/pdf/20151125_shagai.pdf
*This website is written in Japanese.
 7. To facilitate the invitation of appropriate human resources and enable them to fully play their expected roles, the Company stipulates in Article 29, Paragraph 2 of the Articles of Incorporation that the Company may conclude an agreement with Members of the Board who are non-executive Members of the Board and others, limiting their

liability for damages. Accordingly, the Company has concluded a limited liability agreement with Mr. Kimihiko Kaneko, Mr. Shigeo Suzuki, and Mr. Yoshie Munakata. If their reappointment is approved, the Company plans to retain the above limited liability agreement. In addition, the Company plans to conclude the same limited liability agreement as the above with Ms. Yukari Tominaga, Ms. Yuka Miyagawa, and Mr. Madoka Sawa after their appointment is approved. However, the maximum amount of their liability for damages based on the said agreement shall be 10 million yen or the minimum liability amount stipulated by laws and regulations, whichever is higher, under the proviso in Article 29, Paragraph 2 of the Articles of Incorporation.

8. Mr. Shigeo Suzuki and Mr. Yoshie Munakata, the candidates for Members of the Board, are currently External Members of the Board of the Company, and their terms of office will be six years and five years, respectively, at the conclusion of this Annual General Meeting of Shareholders.

(Reference)

Skill Matrix of Members of the Board and Audit & Supervisory Board Members
(upon approval of their appointment at the General Meeting of Shareholders)

[Members of the Board]

Name	Title	Category						
		Corporate management	Sales / Marketing	Technology	Finance / Accounting	Legal / Governance / Diversity	IT	International experience
Shinichi Ata	Representative Director and President	●	●	●	●		●	●
Mitsuhiro Sato	Member of the Board, Vice President, Executive Officer	●	●	●			●	●
Masaaki Okazaki	Member of the Board, Executive Vice President	●			●	●	●	●
Kimihiko Kaneko	Member of the Board	●		●			●	●
Shigeo Suzuki	External Member of the Board	●	●	●			●	●
Yoshie Munakata	External Member of the Board	●	●	●			●	●
Yukari Tominaga	External Member of the Board	●		●		●	●	
Yuka Miyagawa	External Member of the Board	●	●			●	●	
Madoka Sawa	External Member of the Board	●	●	●			●	●

[Audit & Supervisory Board Members]

Name	Title	Category						
		Corporate management	Sales / Marketing	Technology	Finance / Accounting	Legal / Governance / Diversity	IT	International experience
Mitsumasa Ueno	Full-time External Audit & Supervisory Board Member	●			●	●		●
Haruhiko Hirose	External Audit & Supervisory Board Member				●			●
Michiaki Nakano	External Audit & Supervisory Board Member					●		●
Takashi Naito	Audit & Supervisory Board Member	●		●	●	●		

Proposal 4: Determination of Remuneration for Granting Restricted Stock and Stock Options to Members of the Board

1. Reasons for the proposal and grounds for deeming this remuneration system as appropriate

The annual aggregate cash remuneration of Members of the Board of the Company was approved in an amount not exceeding 400 million yen (excluding the employee salary portion paid to Members of the Board concurrently serving as employees) at the 21st Annual General Meeting of Shareholders held on June 20, 2009. In addition, stock remuneration in the form of granting restricted stock to Members of the Board (excluding External Members of the Board; the “Eligible Directors”) was approved in an amount not exceeding 80 million yen per year (40,000 shares), separately from the aforementioned cash remuneration at the 31st Annual General Meeting of Shareholders held on June 17, 2019.

On this occasion, the Company would like to revise the current stock remuneration system to introduce a stock option plan for Eligible Directors, so that the Company will have a two-pronged stock remuneration system, including the restricted stock remuneration plan, which was introduced in 2019, with a view to making the remuneration more linked to the Company’s share price performance while keeping the amounts of remuneration, etc. unchanged from the conventional amounts. Accordingly, the Company proposes to decide the revision of the remuneration limit on the restricted stock remuneration plan as well as the amount and details of the remuneration in the form of stock options as follows.

While the Company has established its policy for determining the details of remuneration for individual Members of the Board as described on page 38 of this Notice, a policy for determining the stock remuneration as performance-based and non-monetary remuneration was decided at the Board of Directors meeting held on May 13, 2022. Under the policy, the Company shall, subject to the approval of this proposal at this Annual General Meeting of Shareholders, adopt stock options, in addition to the restricted stock, both of which require Members of the Board to remain in service for a certain period of time and achieve certain performance conditions by the time that the economic benefits of the remuneration granted are realized, linking with the medium- to long-term corporate value (shareholder value).

This proposal aims to further increase the incentive effects for Members of the Board to work for sustainable enhancement of the Company’s corporate value, with details necessary and reasonable for granting remuneration to individual Members of the Board in line with the above policy for determining remuneration, maintaining the overall amount of remuneration at the same as before, which therefore is believed to be appropriate.

While there are six Members of the Board (two of whom are External Members of the Board) at present, there will be nine Members of the Board (five of whom are External Members of the Board) subject to the approval of Proposal 3 “Election of Nine (9) Members of the Board” as originally proposed, three of whom will be eligible to remuneration for granting restricted stock and stock options (“Eligible Directors”).

2. Revision to the remuneration limit on restricted stock remuneration plan

At the 31st Annual General Meeting of Shareholders held on June 17, 2019, approval was given to introduce a restricted stock remuneration plan, to provide Eligible Directors with restricted stock remuneration not exceeding 80 million yen per year, with a total number of its common stock becoming available through such issuance or disposal to the Eligible Directors not exceeding 40,000 shares per year.

On this occasion, the Company would like to revise the remuneration limit on monetary remuneration claims to allot to Eligible Directors restricted stock of up to 40 million yen per year, following the introduction of the remuneration plan in the form of stock options. In addition, the Company proposes the total number of shares of common stock of the Company becoming available to Eligible Directors through such issuance or disposal not exceeding 20,000 shares per year (provided, however, that in the event of a stock split (including gratis allotment of shares of common stock of the Company), or a reverse stock split of shares of common stock of the Company, or any other circumstance necessitating the adjustment to the total number of shares of common stock of the Company issued or disposed of as restricted stock after the date of adoption of the resolution for approval of this proposal, such total number of shares shall be adjusted within a reasonable range).

No other changes have been made to the details approved at the 31st Annual General Meeting held on June 17, 2019, as follows:

(1) Transfer Restriction Period

Eligible Directors shall not transfer, use as collateral, or otherwise dispose of the shares of common stock of the Company allotted under the Allotment Agreement (the “Allotted Shares”) (the “Transfer

Restriction”), during a period between three and five years after the date when they receive such allotment, as determined by the Board of Directors (the “Transfer Restriction Period”).

(2) Procedure on the resignation or retirement of the Eligible Director

If an Eligible Director resigns or retires from any and all of the positions of Director, Audit & Supervisory Board Member, Executive Officer, employee (including Vice President) or other positions equivalent thereto of the Company or any of its subsidiaries (collectively, the “Group”), prior to the expiration of the Transfer Restriction Period, the Company shall automatically acquire the Allotted Shares without remuneration, unless such resignation or retirement is due to justifiable reasons, including the expiration of the term of office, retirement due to age, death and resignation due to company reasons.

(3) Removal of Transfer Restrictions

Notwithstanding the provisions of (1) above, the Company shall remove the Transfer Restrictions for all of the Allotted Shares upon expiration of the Transfer Restriction Period, on the condition that the Eligible Director continuously remained in the positions of Director, Audit & Supervisory Board Member, Executive Officer, employee (including Vice President) or any other similar position of the Group throughout the Transfer Restriction Period. However, the number of the Allotted Shares to remove transfer restrictions for and the timing of removal of transfer restrictions shall reasonably be adjusted as necessary, in the event that the Eligible Director resigns or retires from the positions specified by (2) above prior to the expiration of the Transfer Restriction Period, due to justifiable reasons specified by (2) above.

(4) Acquisition without remuneration at the expiration of the Transfer Restriction Period

The Company shall automatically acquire the Allotted Shares without remuneration for which the Transfer Restrictions have not been removed according to (3) above, upon expiration of the Transfer Restriction Period.

(5) Procedure in the event of organizational restructuring, etc.

Notwithstanding the provisions of (1) above, if matters related to a merger agreement in which the Company is to be the absorbed company, a share exchange agreement, a share transfer plan in which the Company is to become a wholly-owned subsidiary, or other organizational restructuring, etc., are approved by a general meeting of shareholders of the Company (or by the Board of Directors of the Company, where such organizational restructuring, etc. does not require approval of a general meeting of shareholders of the company) during the Transfer Restriction Period, the Company shall, by the resolution of the Board of Directors of the Company, remove the Transfer Restrictions for the Allotted Shares of the number reasonably decided based on the period between the starting date of Transfer Restriction Period and the approval date of the organizational restructuring, etc., prior to the effective date of such organizational restructuring, etc. In such case, immediately subsequent to the removal of the Transfer Restrictions, the Company shall automatically acquire without remuneration the Allotted Shares for which the Transfer Restrictions have not been removed.

(6) Other matters decided by the Board of Directors

Other matters concerning this plan shall be decided by the Board of Directors, which shall be incorporated into the Allotment Agreement.

3. Amount and details of remuneration in the form of stock options

On this occasion, in addition to the remuneration proposed for approval as outlined in 2. above, the Company would like to grant to Eligible Directors remuneration in the form of stock acquisition rights as stock options not exceeding 40 million yen (60,000 shares), as outlined below, with a view to increasing their motivation to enhance the corporate value of the Company by aligning interests with shareholders.

(1) Total number of stock acquisition rights and class and number of shares to be issued or transferred

Total number of stock acquisition rights

600 units shall be the maximum number of stock acquisition rights to be issued as remuneration for Members of the Board within one year from the date of the Annual General Meeting of Shareholders for each fiscal year.

Class and number of shares to be issued or transferred

60,000 shares of common stock of the Company shall be the maximum number of shares to be allotted upon exercise of stock acquisition rights issued within one year from the date of the Annual General Meeting of Shareholders for each fiscal year. In the event of adjusting the number of shares to be granted (defined below), the maximum shall be the number obtained by multiplying the number of shares granted after such adjustment by the maximum on the total number of aforementioned stock acquisition rights.

The number of shares to be issued or transferred upon the exercise of stock acquisition rights (the "Number of Granted Shares") shall be 100 shares per stock acquisition right. However, if it is appropriate to adjust the Number of Granted Shares due to conducting a stock split (including gratis allotment of shares of common stock of the Company) or a reverse stock split of shares of common stock of the Company, the Company shall make adjustments to the Number of Granted Shares as deemed necessary to the extent reasonable.

(2) Value of assets to be contributed when exercising stock acquisition rights

The value of assets to be contributed when exercising each stock acquisition right shall be the amount to be paid in per share that can be issued as a result of exercising stock acquisition rights (the "Exercise Price") multiplied by the Number of Granted Shares.

The Exercise Price shall be the average closing price of the Company's common shares (the "Closing Price") during regular trading on the Tokyo Stock Exchange on each day of the month preceding the month that includes the allotment date of the stock acquisition rights (excluding non-trading days), with any fraction less than one yen being rounded up.

However, if such price is lower than the Closing Price on the date of allotment of stock acquisition rights (or the Closing Price on the most recent date prior to the date of allotment of stock acquisition rights if such date is a non-trading day), the Closing Price on the date of allotment of stock acquisition rights shall be the Exercise Price.

If the Company conducts a stock split or a reverse stock split of shares of common stock of the Company, or otherwise needs to adjust the Exercise Price for stock acquisition rights, the Company may make adjustments to the Exercise Price to the extent reasonable.

(3) Period during which stock acquisition rights may be exercised

The period for exercising stock acquisition rights shall be determined by the Board of Directors within the scope of the date of allotment until the day on which 10 years have passed since the date of allotment.

(4) Restrictions on acquisition of stock acquisition rights by transfer

The acquisition of stock acquisition rights by transfer shall require approval by a resolution of the Board of Directors.

(5) Outline of conditions for exercising stock acquisition rights

(i) A holder of stock acquisition rights ("Right Holder") may not exercise the stock acquisition rights yet to be exercised if he/she loses all of his/her positions as a director, employee or any other similar position of the Company or its subsidiaries (collectively, "Qualification for Exercise of Right").

(ii) Notwithstanding the provisions of (i) above, in case that the Right Holder loses his/her Qualification for Exercise of Right due to retirement at the convenience or for other reasons of the Company or its subsidiaries, he/she may exercise the stock acquisition rights which he/she could exercise if he/she has not lost his/her Qualification for Exercise of Right only until the day on which one year from the loss of Qualification for Exercise of Right passes or the expiration of the exercise period, whichever is earlier, if the Company approves in writing, with due consideration of various facts, for him/her to exercise the stock acquisition rights.

(iii) Notwithstanding the provisions of (i) and (ii) above in case the Right Holder loses his/her Qualification for Exercise of Right (excluding the case of the Right Holder's death), he/she may exercise the stock acquisition rights which he/she could exercise if he/she had not lost his/her Qualification for Exercise of Right if the Company approves in writing, with due consideration of various facts, for him/her to exercise the stock acquisition rights.

(iv) Notwithstanding the provisions of (i) above, in case the Right Holder dies, heirs of the Right Holder may exercise the stock acquisition rights which the Right Holder could exercise if he/she was alive, for one year following the death of the Right Holder or the expiration of the exercise period, whichever is earlier.

- (v) Notwithstanding the provisions of (i) and (iv) above, in case the Right Holder dies and heirs of the Right Holder are determined within ten months after the death of the Right Holder, the heirs of the Right Holder may exercise the stock acquisition rights which the Right Holder could exercise if he/she was alive if the Company approves in writing, after due consideration of the facts.
 - (vi) Except as specified in (iv) and (v) above, it is not permitted to inherit the stock acquisition rights. It is also not permitted to inherit the stock acquisition rights again in case the heirs of the Right Holder die.
 - (vii) Other conditions for the exercising of stock acquisition rights shall be decided by the Board of Directors.
- (6) Outline of acquisition provisions for stock acquisition rights
- The Company may acquire stock acquisition rights without remuneration upon reaching the date to be separately determined by the Board of Directors, in any of the following cases:
- (i) When a general meeting of shareholders of the Company has approved (or a resolution has been passed by the Board of Directors if approval of a general meeting of shareholders is not required) a merger agreement for a merger in which the Company is the disappearing company; an absorption-type company split agreement for an absorption-type company split or an incorporation-type company split plan for an incorporation-type company split, in which the Company is the splitting company; or a share exchange agreement for a share exchange in which the Company becomes a wholly owned subsidiary or a share transfer plan in which the Company becomes a wholly owned subsidiary.
 - (ii) When a Right Holder is no longer able to exercise some or all stock acquisition rights in accordance with the provisions of (5) above.
 - (iii) When a Right Holder has waived some or all of the stock acquisition rights he or she holds.
 - (iv) When a general meeting of shareholders of the Company has approved acquisition by the Company of all shares subject to class-wide call, pursuant to Article 171, Paragraph 1 of the Companies Act.
 - (v) When a general meeting of shareholders of the Company has approved a reverse stock split of the class of shares that are the subject of the stock acquisition rights (limited to shares which a fraction of less than one share results when multiplying the number of share units by the reverse stock split ratio).
 - (vi) When the Board of Directors has approved a demand for a cash-out by a special controlling shareholder.

(7) Other matters

Other matters concerning stock acquisition rights shall be decided by the Board of Directors.

(Appendix)

Business Report

(April 1, 2021–March 31, 2022)

1. Status of the Group

(1) Overview of Business Results

(In millions of yen, unless otherwise specified.)

Item	33rd fiscal year	34th fiscal year (fiscal year under review)	Change	Percentage change
Net sales	52,533	66,183	13,649	26.0%
Marginal income	19,819 [37.7%]	22,943 [34.7%]	3,123 [-3.1Pt]	15.8%
Fixed costs	15,964	17,790	1,826	11.4%
Operating profit	3,855 [7.3%]	5,152 [7.8%]	1,297 [+0.5Pt]	33.7%
Ordinary profit	3,981 [7.6%]	5,133 [7.8%]	1,152 [+0.2Pt]	28.9%
Profit attributable to owners of parent	2,428 [4.6%]	3,630 [5.5%]	1,202 [+0.9Pt]	49.5%

Note: Results of the previous fiscal year are unaudited reference values that reflect major differences arising from the application the Accounting Standard for Revenue Recognition.

For the fiscal year under review, the Company achieved record high numbers in net sales, marginal income, operating profit, ordinary profit, and profit attributable to owners of parent.

The Company won a project to additionally develop and operate an electronic application platform from the Ministry of Agriculture, Forestry and Fisheries, which was part of the government DX initiative. The project progressed on schedule, driving net sales and operating profit. As a result, net sales increased 26.0% year on year to 66,183 million yen and operating profit increased 33.7% year on year to 5,152 million yen.

Meanwhile, ordinary profit increased 28.9% year on year to 5,133 million yen, due in part to some reactionary setback from the previous fiscal year in which the Company recorded a one-time non-operating income. As a result of the above, profit attributable to owners of parent soared 49.5% year on year to 3,630 million yen, backed also by other factors including a gain on sale of investment securities.

<Solution category>

The Group operates in a single reportable segment, the “ICT Services” segment. Details and operating results of the main solutions that make up the ICT Services segment are as follows.

The amounts for each of the solution categories of the previous fiscal year are recalculated based on the same method used in the fiscal year under review.

Solution category	Details of solutions	Major operating companies
Business IT Solutions	<Cloud business/for business divisions> <ul style="list-style-type: none">• Consulting services• DX solutions• AI/IoT solutions, etc.	<ul style="list-style-type: none">• SB Technology Corp.• Cybertrust Japan Co., Ltd.• RIDEN Corp.
Corporate IT Solutions	<Cloud business/for company-wide and administrative divisions> <ul style="list-style-type: none">• Cloud integration• Operational efficiency improvement services• Cloud security services• Security operation monitoring services• E-authentication solutions, etc.	<ul style="list-style-type: none">• SB Technology Corp.• Cybertrust Japan Co., Ltd• M-SOLUTIONS, Inc.• Kan Corporation• ASORA Tech Corp.
Technical Solutions	<ul style="list-style-type: none">• On-premise system integration• Equipment sales, construction, operation, and maintenance services• Sales and embedded system development of products related to Linux/OSS, etc.	<ul style="list-style-type: none">• SB Technology Corp.• Cybertrust Japan Co., Ltd.• DENEN Co., Ltd.• I/O SYSTEM INTEGRATION CO., LTD.
EC Solutions	<ul style="list-style-type: none">• Operation of e-commerce sites as agent• Online sales of font licenses, etc.	<ul style="list-style-type: none">• SB Technology Corp.• Fontworks Inc.

Results by Solution Category

The operating results of major solutions constituting the Group's ICT Services Business are as shown below.

*Please refer the graph in the original Japanese version.

Business IT Solutions

[Major businesses]

<Cloud business/for business divisions>

- Consulting services
- DX solutions
- AI/IoT solutions, etc.

The Business IT Solutions category recorded increases in both net sales and profits, backed by solid progress of the project to additionally develop and operate an electronic application platform, which the Company won during the fiscal year ended March 31, 2021 from the Ministry of Agriculture, Forestry and Fisheries, a part of the government DX initiative, and also by the growth of cloud system construction projects for the manufacturing industry.

Corporate IT Solutions

[Major businesses]

<Cloud business/for company-wide and administrative divisions>

- Cloud integration
- Operational efficiency improvement services
- Cloud security services
- Security operation monitoring services
- E-authentication solutions, etc.

The Corporate IT Solutions category recorded increases in both net sales and profits, backed by the growth in the number of cloud system development projects for SoftBank Corp.'s group companies and major corporations, as well as the next information security cloud systems for municipalities under the construction or transition phase.

Technical Solutions

[Major businesses]

- On-premise system integration
- Equipment sales, construction, operation, and maintenance services
- Sales and embedded system development of products related to Linux/OSS, etc.

The Technical Solutions category, which provides solutions for the on-premise environment (where servers, etc. are installed and operated in-house) recorded increases in both net sales and profits, backed by vendor management and system construction projects in the IT field awarded by SoftBank Corp.

EC Solutions

[Major businesses]

- Operation of e-commerce sites as agent
- Online sales of font licenses, etc.

The EC Solutions category recorded net sales and profits as projected at the beginning of the fiscal year under review, although somewhat affected by the Company's transition to the "Accounting Standard for Revenue Recognition" since the fiscal year under review.

(2) Management's Perception and Analysis of Operating Results, etc.

<Basic policy>

The Company, as a core company in the ICT services segment within the SoftBank Group, has persistently sought to acquire cutting-edge ICT technologies, under the corporate mission "Information Revolution, Happiness for Everyone – Technologies Design the Future –." To deliver high-quality IT services to customers, the Company itself has gone out of its way to promote DX, having worked on reforms such as operational efficiency improvement and cost-cutting. Drawing on these experiences, the Company has aimed to contribute to the growth of core businesses of its customers by working with them as their business partner. We also support the IT systems of the SoftBank Group companies in Japan, and solve a diverse range of issues our customers are facing by providing ICT services, to ultimately contribute to realizing a rich information-oriented society.

Further, the SB Technology Group has addressed various social issues through its business and corporate activities towards realizing a sustainable society. In fact, we have identified six materiality issues in order to promote sustainability activities.

For details of our sustainability activities, please refer to our corporate website at:

<https://www.softbanktech.co.jp/en/about/sustainability/>

<Medium-Term Management Plan>

The Company has pursued its "significant growth" based on its management policy. During the 1st Medium-Term Management Plan period from the fiscal year ended March 31, 2014 through the fiscal year ended March 31, 2016, we focused on three domains – cloud, security, and big data – to promote the expansion of our business. During the 2nd Medium-term Management Plan period from the fiscal year ended March 31, 2017 through the fiscal year ended March 31, 2019, we combined the added values of cloud security measures and big data analysis to deliver increased added values to customers, while strengthening our ability to provide services in these domains to build a platform for expanding recurring businesses. During the 3rd Medium-Term Management Plan period from the fiscal year ended March 31, 2020 through the fiscal year ended March 31, 2022, we focused on "Evolving into a service provider" and "Creating consulting & business IT" as priority agendas to drive our contribution to customers' businesses.

For the 3rd Medium-Term Management Plan, we set the following three targets as key management performance indicators for the fiscal year ended March 31, 2022:

- Recording consolidated operating profit of 4,300 million yen (CAGR of 20% from the fiscal year ended March 31, 2019)
- Raising the percentage of net sales from the Corporate IT Solutions and Business IT Solutions categories combined to 50% of overall net sales
- Achieving Return on Equity (ROE) of 13%

As a result, during the fiscal year under review, the Company achieved two of the targets above, with consolidated net sales of 5,100 million yen and ROE of 18.5%. The percentage of sales from the Corporate IT Solutions and Business IT Solutions categories, however, slightly fell short of the target at 49.7%.

<Management's perception of business environment>

During the fiscal year under review, while the threat of COVID-19 lingered on, the economic activities showed a sign of modest recovery, as the vaccine rollout continued to expand and the social-distancing lifestyle had taken hold as the "new normal." While people remained under the social pressure to voluntarily refrain from going out and practice social distancing, corporations implemented a range of initiatives, such as establishing a secure remote work environment, promoting the use of the cloud to adapt to changes in workstyles, and strengthening and creating businesses using digital technologies. Backed by these initiatives, the demand for DX investments from domestic corporations remained solid.

Meanwhile, while we were pressed to review and revise security measures in line with changes in workstyles, the number of cybercrime attacks targeting the vulnerabilities in these measures was on the rise. In addition, as the corporate supply chains have become increasingly complex, cyber-attacks against suppliers have been increasing, revealing the need for the entire supply chain to implement security measures.

ICT related companies, including SB Technology Corp., are called upon to respond to drastic social changes through the promotion of DX and the provision of support to relevant security measures.

(3) Issues to Be Addressed

<Evolving into a service provider>

The Company has supported its customers in promoting their DX by “evolving into a service provider.”

The Company is top ranked in terms of the number of cloud solutions delivered to customers, mostly major companies and government and municipal offices in Japan. Such solutions range from the implementation of Microsoft 365 to the development of the systems that operate in the Azure environment. Drawing on the expertise and process assets obtained through respective development projects, we have provided authentication and workflow services that complement Microsoft’s cloud services, under the “clouXion” brand. The Company is also taking the lead in cloud security, leveraging its top-class track record in the delivery of cloud solutions and expertise in cloud. As a one stop serviceshop, the Company has continued to deliver a broad range of services for protecting customers’ important information assets and supporting their business continuity, including a service to support the implementation of security measures against the threat of increasingly complex cyber-attacks, a Managed Security Service (MSS) to help operate and monitor security measures, and a service to help build CRIST (Computer Risk Incident Response Team) designed to strengthen the internal system to counter against potential cyber-attacks, and a consulting service to comprehensively support the security of corporate clients.

Also, we overhauled our cloud service in the field of municipal information security, one of our core business areas, and have started to deliver the service that meet the requirements set by the Ministry of Internal Affairs and Communications, since April 2022. We developed this new service based on the know-how we had garnered through our existing information security cloud services that we have delivered to four prefectures since 2016. To date, we have won the bids to deliver the new service from ten prefectures. We believe that our evolution into a service provider, drawing on our accumulated know-how, is one of our greatest leaps forward. Nevertheless, while we have strived to expand the sales of own services in cooperation with the SoftBank Group companies and other partner companies so we can provide values broadly to society, these services have yet to substantially contribute to our earnings as expected for a number of reasons. Specifically, such reasons include that sales expansion measures via partner companies were insufficient, and that these own services were not good enough to sell efficiently in terms of specifications. To improve the situation, we will continue efforts to develop the type of services that are easy to deploy, a new method of expanding sales, and training programs to help make effective use of our services.

<Creating consulting & business IT>

Defining the global manufacturing and construction industries, and government and municipal offices as our core customer segments, we have continued to collaborate with our customers with the aim of providing consulting services, and planning, developing, and supporting the deployment of DX strategies, and creating a new business model to help customers grow their core businesses and develop their industries as a whole. As one of such examples, under the 3rd Medium-term Management Plan, we supported the Ministry of Agriculture, Forestry and Fisheries in its initiatives to digitalize and streamline all its operations. Besides system development, we provided training programs on digitalization and promoted the digitalization of application procedures, successfully moving over 2,500 application filings out of about 3,000 filings online. In its plan, the government has aimed to digitalize about 90% of application filings by March 2026. We believe our track record and expertise in digitalization of this kind of operations will help us win projects related to digitalization of application procedures from other government agencies and municipalities.

We will continue to deep-dive and tap into customer needs, further enhance collaborations with IT service providers, and add service functions, to ultimately support the business growth of our customers and expand our sales.

To firmly implement the measures listed above, we need to develop and retain human resources that are the sources of our added values. Believing that, to expand the delivery of our services and support customers in DX of their business operations, we need to develop consultants, we have built an environment that makes easier for employees to work on the types of transactions new to them and gain in experience. We have also encouraged employees to obtain the following certificates: CBAP (Certified Business Analysis Professional) which is based on BABOK (Business Analysis Body of Knowledge), a guide to systematically mastering business analysis; and PMP (Project Management Professional), an international standard certification designed to manage the types of projects that further improve the quality of projects. As a result, 49 employees obtained CBAP and 123 employees have obtained PMP as of the end of March 2022.

(4) Capital Investments

During the fiscal year under review, the Company made capital investments totaling 1,902 million yen primarily in the construction of platforms for projects in the public sector and the implementation of IT management tools within the Company.

(5) Status of Assets, Profit and Loss

(In millions of yen, unless otherwise specified.)

Item	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	50,430	58,324	52,533	66,183
Ordinary profit	2,291	3,033	3,981	5,133
Profit attributable to owners of parent	1,386	1,856	2,428	3,630
Total assets	27,492	32,486	38,798	44,365
Net assets	15,857	17,617	19,577	23,379
Net assets per share (yen)	747.03	813.94	902.72	1,039.71
Basic earnings per share (yen)	70.23	92.56	120.25	179.39
Diluted earnings per share (yen)	68.98	91.53	119.46	177.44

Note: The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) since the beginning of the fiscal year under review. Net sales for the fiscal year ended March 31, 2021 in the above table are unaudited values that reflect major differences arising from the retrospective application of the Accounting Standard for Revenue Recognition.

(6) Major Parents and Subsidiaries

1) Relationship with the parents

The parents of the Company are SoftBank Group Corp., SoftBank Group Japan Corp., and SoftBank Corp. SoftBank Corp. directly owns 10,735 thousand shares of the Company (representing an ownership ratio of 52.99%). SoftBank Group Corp. and SoftBank Group Japan Corp. are the parents of SoftBank Corp., and thus, indirectly own shares of the Company.

The Company has a transactional relationship with SoftBank Corp. in sales of merchandise, system development, technical support, etc. In transactions with SoftBank Corp., we take due consideration of cost plus selling, general and administrative expenses, appropriate margins, market trends, etc. into pricing. Since the Board of Directors of the Company determines the terms and conditions of transactions based on the criteria similar to those applied to other business partners, we believe the way we price transactions do not harm the interest of the Company.

The Company has no contracts with the parent companies concerning material financial and business policies.

2) Major subsidiaries

Company name	Share capital	Ownership ratio	Principal business activities
M-SOLUTIONS, Inc.	100 million yen	100.00%	Providing cloud services and system design, development, operation and maintenance services primarily focused on smart devices
Fontworks Inc.	120 million yen	100.00%	Planning, development, and sales of digital fonts (typefaces), software development, technical services, OEM, etc.
Kan Corporation	10 million yen	100.00%	Providing educational content that employs cloud services to achieve internal business improvement and innovations in communication
Cybertrust Japan Co., Ltd.	794 million yen	58.42%	Providing IoT services, OSS/Linux services, and certification/security services
ASORA Tech Corp.	60 million yen	51.00%	Providing solutions to challenges in agriculture by means of ICT, as well as comprehensive IT services
RIDEN Corp.	115 million yen	82.57%	Providing platforms that facilitate the use of agriculture data and support the acceleration of the growth cycle in agriculture
DENEN Co., Ltd.	35 million yen	100.00%	Providing system consulting and Web system development, mainly for the telecommunications sector and municipalities
I/O SYSTEM INTEGRATION CO., LTD.	14 million yen	100.00%	Development, sales, and maintenance of information processing systems

Notes: 1. On April 15, 2021, Cybertrust Japan Co., Ltd. listed its shares on Mothers, the Tokyo Stock Exchange (currently the Growth Market of the Tokyo Stock Exchange). Following its listing on the stock exchange, the Company sold part of the shares of its common stock it held. As a result, the Company's ownership ratio in Cybertrust Japan has decreased from 71.92% to 58.42%.

2. In March 2022, Fontworks Inc. increased its capital (free capital increase) by converting part of its retained earnings into share capital.

(7) Principal Businesses (As of March 31, 2022)

Details of principal businesses of the Group are as provided on page 28.

(8) Principal Business Locations (As of March 31, 2022)

Company name	Major locations	
SB Technology Corp.	Head office	Shinjuku Office (Shinjuku-ku, Tokyo)
	Development center/branch office	Shiodome Development Center (Minato-ku, Tokyo) Shiba-Daimon Development Center (Minato-ku, Tokyo) Tennozu Development Center (Shinagawa-ku, Tokyo) Toyama Development Center (Toyama-shi, Toyama) Nagoya Office (Nagoya-shi, Nagoya Aichi) Nagoya Development Center (Nagoya-shi, Nagoya Aichi) Osaka Office (Osaka-shi, Osaka) Fukuoka Office (Fukuoka-shi, Fukuoka) Fukuoka Development Center (Fukuoka-shi, Fukuoka) Taiwan Branch (Zhonghe District, New Taipei City)
M-SOLUTIONS, Inc	Head office	Shinjuku-ku, Tokyo
Fontworks Inc.	Head office	Minato-ku, Tokyo
Kan Corporation	Head office	Shinjuku-ku, Tokyo
Cybertrust Japan Co., Ltd.	Head office	Minato-ku, Tokyo
ASORA Tech Corp.	Head office	Shinjuku-ku, Tokyo
RIDEN Corp.	Head office	Shinjuku-ku, Tokyo
DENEN Co., Ltd.	Head office	Shinjuku-ku, Tokyo
I/O SYSTEM INTEGRATION CO., LTD.	Head office	Maebashi-shi, Gunma

Note: Toyama Development Center was opened on May 10, 2021.

(9) Employees (As of March 31, 2022)

1) Employees of the Group

Number of employees	Change from the end of the previous fiscal year
1,379	51 increase

- Notes: 1. Number of employees represent those currently at work. Note that the number does not include non-regular employees (dispatched, contract, and part-time employees).
2. The number includes the employees seconded to the Company from other companies but does not include the employees seconded from the Company to other companies.

2) Employees of the Company

Number of employees	Change from the end of the previous fiscal year	Average age	Average years of service
890	57 increase	38.2	7.3

- Notes: 1. Number of employees include those seconded from SoftBank Corp.
2. Number of employees represent those currently at work. Note that the number does not include non-regular employees (dispatched, contract, and part-time employees).
3. The number includes the employees seconded to the Company from other companies but does not include the employees seconded from the Company to other companies.

(10) Status of Major Lenders (As of March 31, 2022)

Lender	Outstanding balance of loans
Mizuho Bank, Ltd.	1,014 million yen

2. Status of the Company

(1) Status of Shares (as of March 31, 2022)

- 1) Total number of shares authorized to be issued: 85,121,600 shares
- 2) Total number of shares issued: 22,742,800 shares (including 2,484,351 treasury shares)
- 3) Number of shareholders: 6,220 persons (decrease of 1,198 from March 31, 2021)
- 4) Major shareholders

Name of shareholders	Number of shares held (Shares)	Percentage of total shares issued (%)
SoftBank Corp.	10,735,000	52.99
Custody Bank of Japan, Ltd. (Trust Account)	1,739,700	8.59
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,306,000	6.45
Nomura Securities Co., Ltd. (Proprietary Account)	248,800	1.23
SB Technology Corp. Employees Shareholding Association	245,709	1.21
NORTHERN TRUST CO. (AVFC) RE UKAI AIF CLIENTS NONLENDING 10PCT TREATY ACCOUNT	200,000	0.99
Tomokazu Sato	180,400	0.89
Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	133,900	0.66
Katsuo Yamada	122,400	0.60
Norikazu Ishikawa	115,600	0.57

Note: Percentage of total shares issued does not include treasury shares (2,484,351 shares).

- 5) Status of shares issued to corporate officers as remuneration for discharge of duties in the fiscal year under review

Upon a resolution at the 31st Annual General Meeting of Shareholders held on June 17, 2019, the Company introduced a restricted stock remuneration plan. Accordingly, the Company has issued new shares as restricted stock remuneration upon a resolution at the Board of Directors' meeting held on June 21, 2021.

Class and number of shares	3,500 shares of SB Technology's common stock
Issue price	3,030 yen per share
Total issue amount	10,605,000 yen
Persons eligible for share allocation and number thereof	1 Member of the Board (excluding External Members of the Board)
Pay-in date	July 21, 2021

(2) Status of Stock Acquisition Rights

- 1) Status of stock acquisition rights held by officers of the Company issued as remuneration for discharge of duties (as of March 31, 2022)

	FY 2018 1st Series of Stock Acquisition Rights
Date of resolution of issuance	September 26, 2018
Class of shares to be issued or transferred upon exercise of the stock acquisition rights	Common stock of SB Technology
Issue price of the stock acquisition rights	Free of charge
Exercise price of the stock acquisition rights	293,200 yen (2,932 yen per share)
Exercise period of the stock acquisition rights	From October 1, 2020 to September 30, 2024
Conditions for exercise of the stock acquisition rights	(Note 2)
Holding status by the Company's officers (Note 1)	Number of holders: 2 Number of units held: 180 units Number of shares to be issued or transferred: 18,000 shares

- Notes: 1. Neither External Members of the Board nor External Audit & Supervisory Board Members hold the stock acquisition rights, etc.
2. Conditions for the exercise of the stock acquisition rights (outline)
- 1) A right holder may not exercise the stock acquisition rights yet to be exercised if he/she loses all of his/her positions as a Member of the Board or an employee, or any other similar position of the Company or its subsidiaries (collectively, the "qualification for the exercise of the rights").
 - 2) Notwithstanding the provisions of the preceding item 1), in case that a right holder loses his/her qualification for the exercise of the rights due to the retirement from the Company or its subsidiaries because of the company's convenience, if the Company approves in writing the exercise of the rights by the right holder based on applicable circumstances, the right holder may exercise the stock acquisition rights which he/she could exercise if he/she had not lost his/her qualification for the exercise of the rights only until the day on which one year from the loss of qualification for the exercise of the rights passes or the expiration of the exercise period, whichever is earlier.
 - 3) The number of stock acquisition rights that a right holder with 4,000 shares or more of the total number of shares in the stock acquisition rights allotted in the initial allocation may exercise during the period from (a) to (d) below shall be limited to the number prescribed in these provisions. However, if there are any fractions less than one unit in the number of the exercisable stock acquisition rights, the number shall be rounded down.
 - (a) Up to 25% of the number of the stock acquisition rights allotted for the period from October 1, 2020 until September 30, 2021
 - (b) Up to 50% of the number of the stock acquisition rights allotted, combined with the stock acquisition rights exercised during the period described in (a) above, for the period from October 1, 2021 until September 30, 2022
 - (c) Up to 75% of the number of the stock acquisition rights allotted, combined with the stock acquisition rights exercised during the period described in (a) and (b) above, for the period from October 1, 2022 until September 30, 2023
 - (d) Up to 100% of the number of the stock acquisition rights allotted, combined with the stock acquisition rights exercised during the period described in (a), (b), and (c) above, for the period from October 1, 2023 until September 30, 2024
 - 4) The number of stock acquisition rights that a right holder with 3,000 shares or more but less than 4,000 shares of the total number of shares in the stock acquisition rights allotted in the initial allocation may exercise during the period from (a) to (c) below shall be limited to the number prescribed in these provisions. However, if there are any fractions less than one unit in the number of the exercisable stock acquisition rights, the number shall be rounded down.
 - (a) Up to one third of the number of the stock acquisition rights allotted for the period from October 1, 2020 until September 30, 2021
 - (b) Up to two thirds of the number of the stock acquisition rights allotted, combined with the stock acquisition rights exercised during the period described in (a) above, for the period from October 1, 2021 until September 30, 2022
 - (c) Up to 100% of the number of the stock acquisition rights allotted, combined with the stock acquisition rights exercised during the period described in (a) and (b) above, for the period from October 1, 2022 until September 30, 2024
 - 5) The number of stock acquisition rights that a right holder with 2,000 shares or more but less than 3,000 shares of the total number of shares in the stock acquisition rights allotted in the initial allocation may exercise during the period from (a) to (b) below shall be limited to the number prescribed in these provisions. However, if there are any fractions less than one unit in the number of the exercisable stock acquisition rights,

the number shall be rounded down.

- (a) Up to 50% of the number of the stock acquisition rights allotted for the period from October 1, 2020 until September 30, 2021
- (b) Up to 100% of the number of the stock acquisition rights allotted, combined with the stock acquisition rights exercised during the period described in (a) above, for the period from October 1, 2021 until September 30, 2024

2) Status of stock acquisition rights issued as remuneration for discharge of duties in the fiscal year under review

		FY 2021 1st Series of Stock Acquisition Rights
Date of resolution of issuance		September 29, 2021
Number of the stock acquisition rights		2,385 units
Class and number of shares to be issued or transferred upon exercise of the stock acquisition rights		238,500 shares of common stock (100 shares per stock acquisition right)
Pay-in amount of the stock acquisition rights		Free of charge
Amount of assets to be contributed upon exercise of the stock acquisition rights		307,700 yen per stock acquisition right (3,077 yen per share)
Exercise period of the stock acquisition rights		From October 1, 2023 to September 30, 2025
Conditions for the exercise of the stock acquisition rights		(Note 2)
Status of issuance to employees, etc. (Note 1)	Employees of the Company	Number of the stock acquisition rights: 2,320 units Number of shares to be issued or transferred: 232,000 shares Number of persons to whom the stock acquisition rights were issued: 76
	Officers and employees of subsidiaries	Number of the stock acquisition rights: 65 units Number of shares to be issued or transferred: 6,500 shares Number of persons to whom the stock acquisition rights were issued: 2

- Notes:
1. The figures in “Status of issuance to employees, etc.” above do not include persons who concurrently serve as Members of the Board or Audit & Supervisory Board Members of the Company.
 2. Conditions for the exercise of the stock acquisition rights (outline)
 - 1) The number of stock acquisition rights that a right holder may exercise during the period from (a) to (c) below shall be limited to the number prescribed in these provisions. However, if there are any fractions less than one unit in the number of the exercisable stock acquisition rights, the number shall be rounded down.
 - (a) Up to 50% of the number of the stock acquisition rights allotted for the period from October 1, 2023 until March 31, 2024
 - (b) Up to 75% of the number of the stock acquisition rights allotted, combined with the stock acquisition rights exercised during the period described in (a) above, for the period from April 1, 2024 until September 30, 2024
 - (c) Up to 100% of the number of the stock acquisition rights allotted, combined with the stock acquisition rights exercised during the period described in (a) and (b) above, for the period from October 1, 2024 until September 30, 2025
 - 2) A right holder may not exercise the stock acquisition rights yet to be exercised if he/she loses all of his/her positions as a Member of the Board or an employee, or any other similar position of the Company or its subsidiaries (collectively, the “qualification for the exercise of the rights”).
 - 3) Notwithstanding the provisions of the preceding item 2), in case that a right holder loses his/her qualification for the exercise of the rights due to the retirement from the Company or its subsidiaries because of the company’s convenience, if the Company approves in writing the exercise of the rights by the right holder based on applicable circumstances, the right holder may exercise the stock acquisition rights which he/she could exercise if he/she had not lost his/her qualification for the exercise of the rights only until the day on which one year from the loss of qualification for the exercise of the rights passes or the expiration of the exercise period, whichever is earlier.

3) Other significant matters concerning stock acquisition rights

Not applicable.

(3) Status of Corporate Officers

1) Status of Members of the Board and Audit & Supervisory Board Members (as of March 31, 2022)

Title	Name	Responsibilities and significant concurrent positions
Representative Director	Shinichi Ata	President & CEO Director, Fontworks Inc., Director, ASORA Tech Corp.
Member of the Board	Mitsuhiro Sato	Vice President and Executive Officer & CSO Director, M-SOLUTIONS, Inc., Director, Fontworks Inc., Director, Kan Corporation, Director, DENEN Co. Ltd., Director, I/O SYSTEM INTEGRATION CO., LTD.
Member of the Board	Masaaki Okazaki	Executive Vice President & CFO Director, DENEN Co. Ltd., Director, Fontworks Inc.
Member of the Board	Kimihiko Kaneko	General Manager, IT & Network Strategy Division, Technology Unit, SoftBank Corp.
Member of the Board	Shigeo Suzuki	
Member of the Board	Yoshie Munakata	Representative Director, B.Grove Inc., Outside Director, Musashi Seimitsu Industry Co., Ltd.
Full-time External Audit & Supervisory Board Member	Mitsumasa Ueno	Certified Public Accountant, Outside Audit and Supervisory Board Member, ARUHI Corporation
Audit & Supervisory Board Member	Haruhiko Hirose	Certified Public Accountant
Audit & Supervisory Board Member	Michiaki Nakano	Attorney and Partner, South Toranomom Law Offices
Audit & Supervisory Board Member	Takashi Naito	Vice President and General Manager, Finance & Accounting Division, Finance Unit, SoftBank Corp., Audit & Supervisory Board Member, SB Players Corp., Audit & Supervisory Board Member, A Holdings Corporation

- Notes: 1. Messrs. Akira Kitamura, Takashi Kodama, and Masaki Watanabe retired from the position of Member of the Board due to expiration of their terms of office upon the conclusion of the 33rd Annual General Meeting of Shareholders held on June 21, 2021. Meanwhile, Mr. Masaaki Okazaki was elected as a Member of the Board and assumed the position on the same day.
2. Members of the Board Messrs. Shigeo Suzuki and Yoshie Munakata are External Members of the Board. Meanwhile, Audit & Supervisory Board Members Messrs. Mitsumasa Ueno, Haruhiko Hirose, and Michiaki Nakano are External Audit & Supervisory Board Members.
3. The Company has registered Members of the Board Messrs. Shigeo Suzuki and Yoshie Munakata and Audit & Supervisory Board Members Messrs. Mitsumasa Ueno, Haruhiko Hirose, and Michiaki Nakano as independent officers with no potential conflict of interest with general shareholders, the designation of which is required by the Tokyo Stock Exchange.
4. Audit & Supervisory Board Members Messrs. Mitsumasa Ueno and Haruhiko Hirose are certified public accountants and have considerable insight into finance and accounting.
5. Member of the Board Mr. Mitsuhiro Sato retired from the position of Representative Director of Kan Corporation he had concurrently held on June 18, 2021, and assumed the position of Director of the company on the same day.
6. Member of the Board Mr. Masaaki Okazaki assumed the position of Director of both DENEN Co. Ltd. and Fontworks Inc. on August 16, 2021.
7. Member of the Board Mr. Yoshie Munakata retired from the positions of External Director and Audit & Supervisory Committee Member of Uhuru Corporation on September 28, 2021.
8. Changes in responsibilities of Members of the Board after the end of the fiscal year under review were as follows:
Mr. Mitsuhiro Sato: Vice President and Executive Officer, CSO and Head of Business Unit (as of April 1, 2022)
Mr. Masaaki Okazaki: Executive Vice President, CFO and Head of Management Unit (as of April 1, 2022)
9. A change in significant concurrent position of a Member of the Board after the end of the fiscal year under review was as follows:
Mr. Kimihiko Kaneko: General Manager, Technological Planning & Management Division, Technology Unit, SoftBank Corp. (as of April 1, 2022)

2) Description of limited liability agreement

The Company and non-executive Members of the Board and Audit & Supervisory Board Members have respectively concluded an agreement to limit their liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act in accordance with Article 427, Paragraph 1 of the same Act.

Pursuant to the proviso to Article 29, Paragraph 2 of the Articles of Incorporation, the limit of liability assumed by each non-executive Member of the Board under the agreement shall be up to 10 million yen or the minimum amount of liability stipulated by laws and regulations, whichever higher. Meanwhile, pursuant to the proviso to Article 37, Paragraph 2 of the Articles of Incorporation, the limit of liability assumed by each Audit & Supervisory Board Member under the agreement shall be up to 1 million yen or the minimum amount of liability stipulated by laws and regulations, whichever higher.

3) Description of remuneration agreement

Not applicable.

4) Description of Members of the Board and officers liability insurance policy

Not applicable.

5) Remuneration of Members of the Board and Audit & Supervisory Board Members for the fiscal year under review

a. Matters concerning the policy for determining the details of remuneration for individual Members of the Board

The Company has established a policy for determining the details of remuneration for individual Members of the Board and the outline is as follows:

<Basic policy>

The basic policy is to establish a remuneration system that serves as an incentive for achieving the Company's sustainable growth as well as enhancing its corporate value over the medium to long term. Specifically, the remuneration of executive Members of the Board shall comprise basic remuneration as fixed remuneration, bonuses for officers as short-term performance-based remuneration, and stock remuneration as medium-term performance-based remuneration. Meanwhile, the remuneration of External Members of the Board, who serve monitoring and supervisory functions over management from an independent standpoint, shall comprise basic remuneration only, in light of their assumed roles. For Members of the Board whose main duties are to serve as officers of subsidiaries and group companies, remuneration shall be paid by subsidiaries and group companies and determined in accordance with the remuneration policy of each company.

<Policy for determining the amount of individual's basic remuneration (monetary remuneration)>

The basic remuneration shall be monthly fixed cash remuneration and determined, in principle, according to positions, in light of the roles and responsibilities assumed by each Member of the Board, taking also into account the remuneration levels of other companies. For Members of the Board who concurrently serve as employees, the amount of remuneration shall be determined also in light of the amount of employee salaries.

<Policy for determining the details of performance-based remuneration and non-monetary remuneration and methods for determining the amounts or numbers thereof>

The bonuses for officers paid to Members of the board as performance-based remuneration shall be intended to increase the awareness of improving the business performance for each fiscal year and paid as cash remuneration that reflects a relevant performance indicator. The amount of bonuses for officers shall be determined after comprehensive consideration within the range from 0% to 100% of the base amount set at the beginning of the relevant fiscal year based on the quantitative evaluation of business performance for each fiscal year, taking into account the qualitative evaluation of, among other things, performance against targets set for each Member of the Board, and paid at a certain time every year. Consolidated operating profit is used as a performance indicator for the bonuses for officers. The reason for selecting the performance indicator is that it is an important indicator to measure the profitability of our main business. For the fiscal year under review, the target for the performance indicator (consolidated

operating profit) was set at 5,000 million yen and the actual result was 5,152 million yen.

The stock remuneration paid to Members of the Board as non-monetary and performance-based remuneration is linked to the medium- to long-term corporate value (shareholder value) in order to share value with shareholders and increase their motivation and morale for increasing the stock price of the Company. Under the policy, the Company shall grant them restricted stock that requires them to remain in service for a certain period of time and achieve certain performance conditions by the time that the economic benefits of the remuneration granted are realized. The amount of stock remuneration shall be, in principle, determined based on the amount calculated in accordance with their positions and basic remuneration, with reference to the stock price level at that time.

<Policy for determining the ratio of each type of remuneration to the total amount of remuneration for individual Members of the Board>

The ratios of remuneration by type for executive Members of the Board shall be structured so that the higher the position, the greater the weight of performance-based remuneration, taking into account the remuneration levels benchmarked against companies of a similar business scale or in a related industry or business category to the Company. The targeted ratio of each of the three types, basic remuneration, bonuses for officers, and stock remuneration, shall be 6:3:1 (when achieving 100% of the target for the performance indicator).

b. Matters concerning resolutions of General Meetings of Shareholders regarding remuneration for Members of the Board and Audit & Supervisory Board Members

The maximum amounts of remuneration for Members of the Board and Audit & Supervisory Board Members were resolved to be 400 million yen per year (excluding employee salaries) and 40 million yen per year, respectively, at the 21st Annual General Meeting of Shareholders held on June 20, 2009. The numbers of Members of the Board and Audit & Supervisory Board Members at the conclusion of the said General Meeting of Shareholders were six (including 0 External Member of the Board) and four (including four External Audit & Supervisory Board Members), respectively.

Separately from those amounts of remuneration, the maximum amount of remuneration for granting restricted stock to Members of the Board (excluding External Members of the Board) was approved to be 80 million yen per year (excluding employee salaries) at the 31st Annual General Meeting of Shareholders held on June 17, 2019. The number of Members of the Board at the conclusion of the said General Meeting of Shareholders was six (excluding External Members of the Board).

c. Matters concerning the delegation of determination of remuneration for individual Members of the Board

In accordance with the Company's Regulations on Officers' Remuneration, the Company has delegated the authority to determine the specific allocation of remuneration for individual Members of the Board to Mr. Shinichi Ata, Representative Director, President & CEO of the Company.

After the deliberation by the Remuneration Advisory Committee, Mr. Shinichi Ata makes such decisions appropriately by conducting evaluations based on the evaluation methods set forth in the determination policy pursuant to the said regulations. The Remuneration Advisory Committee is a body to conduct investigations and deliberations as well as to make recommendations on remuneration for Members of the Board, in response to consultation by the Board of Directors, and organized by members, including External Members of the Board, elected by the Board of Directors. The number of shares to be allocated to individual Members of the Board under the stock remuneration plan shall be resolved by the Board of Directors after the deliberation by the Remuneration Advisory Committee.

In determining the details of remuneration for individual Members of the Board for the fiscal year under review, the Remuneration Advisory Committee examined the draft of such details from a multifaceted perspective, including consistency with the determination policy, and the Representative Director made decisions in light of reports from the committee. Therefore, the Board of Directors considers that the details of remuneration for individual Members of the Board are in line with the determination policy.

At this Annual General Meeting of Shareholders (34th Annual General Meeting of Shareholders), the Company has submitted Proposal 4 "Determination of Remuneration for Granting Restricted Stock and Stock Options to Members of the Board" as an agenda item for the revision of the current stock remuneration plan to work as a medium- to long-term incentive. For the outline of such revision, please refer to pages 22 through 25.

d. Total amounts of remuneration for Members of the Board and Audit & Supervisory Board Members

Title	Total amount of remuneration (Millions of yen)	Subtotals for each type of remuneration (Millions of yen)			Number of recipients (persons)
		Basic remuneration	Performance-based remuneration		
		Fixed remuneration	Bonuses for offices	Non-monetary remuneration Stock remuneration	
Members of the Board [of which External Members of the Board]	179 [14]	96 [14]	54 [-]	29 [-]	8 [2]
Audit & Supervisory Board Members [of which External Audit & Supervisory Board Members]	18 [18]	18 [18]	- [-]	- [-]	3 [3]

- Notes: 1. The above numbers of recipients do not include one unpaid Member of the Board and one unpaid Audit & Supervisory Board Member.
2. The amounts of remuneration for Members of the Board do not include employee salaries of Members of the Board who concurrently serve as employees.
3. The above number of recipients for Members of the Board includes three Members of the Board who retired upon the conclusion of the 33rd Annual General Meeting of Shareholders held on June 21, 2021.
4. Bonuses for officers are paid to Members of the Board as performance-based remuneration. The historical data of operating profit, including the data for the fiscal year under review, are as stated in “1. Status of the Group (5) Status of Assets, Profit and Loss.”
5. Stock remuneration is granted as performance-based and non-monetary remuneration. The figure presented in “Stock remuneration” represents the recorded amount of expenses incurred in the fiscal year under review for remuneration for granting stock acquisition rights granted as stock options and restricted stock, for which expenses are recorded over multiple years. The details of the said stock remuneration and the status of granting thereof are as stated in “2. Status of the Company (1) Status of Shares” and “2. Status of the Company (2) Status of Stock Acquisition Rights.” The details of restricted stock issued by the Company upon resolution at the meeting of Board of Directors held on June 26, 2020 and the status of granting thereof are as follows:

Class and number of shares	2,200 shares of SB Technology’s common stock
Issue price	3,440 yen per share
Total issue amount	7,568,000 yen
Persons eligible for share allocation and number of eligible persons	1 Member of the Board (excluding External Member of the Board)
Pay-in date	July 20, 2020

6) Matters concerning external officers

a. Significant concurrent positions as executives at other organizations

Title and name	Significant concurrent positions at other organizations and relationships between the Company and such organizations
Member of the Board Yoshie Munakata	Representative Director, B.Grove Inc. There is no special relationship between the said company and the Company.
Audit & Supervisory Board Member Michiaki Nakano	Attorney and Partner, South Toranomom Law Offices There is no special relationship between the said offices and the Company.

b. Significant concurrent positions as external officers at other organizations

Title and name	Significant concurrent positions at other organizations and relationships between the Company and such organizations
Member of the Board Yoshie Munakata	Outside Director, Musashi Seimitsu Industry Co., Ltd. External Director and Audit & Supervisory Committee Member, Uhuru Corporation (retired on September 28, 2021) There is no special relationship between the above companies and the Company.
Audit & Supervisory Board Member Mitsumasa Ueno	Outside Audit and Supervisory Board Member, ARUHI Corporation There is no special relationship between the said company and the Company.

c. Major activities for the fiscal year under review

Title and name	Major activities
Member of the Board Shigeo Suzuki	<p>Mr. Shigeo Suzuki attended all 12 meetings of the Board of Directors held during the fiscal year under review. At those meetings, he actively voiced his opinions on management policy and management improvements from the perspective of achieving sustained growth of the Company and enhancing its corporate value over the medium to long term by drawing on his extensive experience and insights in the IT industry where the Company operates, and fulfilled his appropriate role to ensure the adequacy and appropriateness of decision-making. He also attended meetings of company-wide meeting bodies held by the Company on a quarterly basis to discuss such matters as budget, actual results, and strategies of each division of the Company and made comments on business operations as appropriate.</p> <p>In addition to the above, he worked to supervise the management team by attending meetings of the Remuneration Advisory Committee, a committee to deliberate remuneration and other matters for Members of the Board of the Company, to reflect the evaluations of the Company's business performance and other such factors in their remuneration from an independent and objective standpoint.</p>
Member of the Board Yoshie Munakata	<p>Mr. Yoshie Munakata attended all 12 meetings of the Board of Directors held during the fiscal year under review. At those meetings, he actively voiced his opinions on management policy and management improvements from the perspective of achieving sustained growth of the Company and enhancing its corporate value over the medium to long term by drawing on his extensive experience and insights in the IT industry where the Company operates, and fulfilled his appropriate role to ensure the adequacy and appropriateness of decision-making. He also attended meetings of company-wide meeting bodies held by the Company on a quarterly basis to discuss such matters as budget, actual results, and strategies of each division of the Company and made comments on business operations as appropriate.</p> <p>In addition to the above, he worked to supervise the management team by attending meetings of the Remuneration Advisory Committee, a committee to deliberate remuneration and other matters for Members of the Board of the Company, to reflect the evaluations of the Company's business performance and other such factors in their remuneration from an independent and objective standpoint.</p>
Audit & Supervisory Board Member Mitsumasa Ueno	Mr. Mitsumasa Ueno attended 11 of 12 meetings of the Board of Directors and all 12 meetings of the Audit & Supervisory Board held during the fiscal year under review. At those meetings, he made comments as appropriate mainly from a point of view of a finance and accounting specialist.

Title and name	Major activities
Audit & Supervisory Board Member Haruhiko Hirose	Mr. Haruhiko Hirose attended all 12 meetings of the Board of Directors and 11 of 12 meetings of the Audit & Supervisory Board held during the fiscal year under review. At those meetings, he made comments as appropriate mainly from a point of view of a finance and accounting specialist.
Audit & Supervisory Board Member Michiaki Nakano	Mr. Michiaki Nakano attended all 12 meetings of the Board of Directors and all 12 meetings of the Audit & Supervisory Board held during the fiscal year under review. At those meetings, he made comments as appropriate from a point of view of a corporate legal affairs specialist as an attorney.

(4) Status of Independent Auditor

1) Name of Independent Auditor
Deloitte Touche Tohmatsu LLC

2) Amount of remuneration paid to the Independent Auditor

Amount of remuneration paid to the Independent Auditor for the fiscal year under review	47 million yen
Aggregate amount of cash and other benefits paid to the Independent Auditor by the Company and its subsidiaries	87 million yen

Notes: 1. The audit agreement between the Independent Auditor and the Company does not distinguish between the amounts of remuneration for auditing services under the Financial Instruments and Exchange Act and the Companies Act, and it is practically impossible to distinguish them. Therefore, the amount of remuneration paid to the Independent Auditor for the fiscal year under review was the aggregate amount of the aforementioned remuneration.

2. The Audit & Supervisory Board of the Company reviewed the execution status of the Independent Auditor's duties and actual remuneration paid for the previous fiscal year and examined the details of audit plan and the appropriateness of the basis for calculating quotes for remuneration for the fiscal year under review through necessary materials obtained and reports heard from the Board of Directors, relevant internal departments, and the Independent Auditor. Based on the results, the Audit & Supervisory Board judged that the audit plan and the quotes for remuneration for the fiscal year under review were appropriate, and therefore, gave consent to the amount of remuneration paid to the Independent Auditor prescribed in Article 399, Paragraph 1 of the Companies Act.

3) Details of non-audit services provided by the Independent Auditor

The Company has paid consideration to the Independent Auditor for services other than those prescribed in Article 2, Paragraph 1 of the Certified Public Accountant Act, such as advice and instructions on the application of the revenue recognition standard.

4) Decision-making policy of dismissal or non-reappointment of Independent Auditor

The Audit & Supervisory Board shall determine the details of the proposal on the dismissal or non-reappointment of the Independent Auditor to be submitted to a General Meeting of Shareholders in the event of difficulties for the Independent Auditor to execute its duties or when deemed necessary.

The Independent Auditor shall be dismissed by the unanimous consent of the Audit & Supervisory Board Members when deemed to fall under any of the items under Article 340, Paragraph 1 of the Companies Act. In such a case, an Audit & Supervisory Board Member appointed by the Audit & Supervisory Board shall report the dismissal of the Independent Auditor and reasons therefor at the first General Meeting of Shareholders to be convened after the dismissal.

~~~~~  
Note: Within this Business Report, amounts less than stated units are rounded down, and ratios less than stated units are rounded off.

# Consolidated Financial Statements

## Consolidated Balance Sheet

(As of March 31, 2022)

(In millions of yen)

| Account                                                    | Amount        | Account                                               | Amount        |
|------------------------------------------------------------|---------------|-------------------------------------------------------|---------------|
| <b>(Assets)</b>                                            |               | <b>(Liabilities)</b>                                  |               |
| <b>Current assets</b>                                      | <b>34,326</b> | <b>Current liabilities</b>                            | <b>18,896</b> |
| Cash and deposits                                          | 8,762         | Accounts payable – trade                              | 7,528         |
| Notes and accounts receivable – trade, and contract assets | 22,290        | Current portion of long-term borrowings               | 394           |
| Merchandise                                                | 66            | Lease liabilities                                     | 19            |
| Other                                                      | 3,207         | Accounts payable - other                              | 4,719         |
| Allowance for doubtful accounts                            | (0)           | Income taxes payable                                  | 1,379         |
|                                                            |               | Contract liabilities                                  | 1,835         |
| <b>Non-current assets</b>                                  | <b>10,036</b> | Provision for bonuses                                 | 1,876         |
| <b>Property, plant and equipment</b>                       | <b>1,661</b>  | Provision for loss on orders received                 | 403           |
| Buildings                                                  | 739           | Provision for defect repair                           | 16            |
| Tools, furniture and fixtures                              | 916           | Asset retirement obligations                          | 24            |
| Other                                                      | 5             | Other                                                 | 699           |
| <b>Intangible assets</b>                                   | <b>4,486</b>  | <b>Non-current liabilities</b>                        | <b>2,088</b>  |
| Goodwill                                                   | 1,093         | Long-term borrowings                                  | 799           |
| Software                                                   | 2,553         | Lease liabilities                                     | 96            |
| Software in progress                                       | 461           | Deferred tax liabilities                              | 26            |
| Customer relationships                                     | 262           | Contract liabilities                                  | 709           |
| Other                                                      | 116           | Retirement benefit liability                          | 53            |
| <b>Investments and other assets</b>                        | <b>3,888</b>  | Asset retirement obligations                          | 334           |
| Investment securities                                      | 625           | Other                                                 | 69            |
| Deferred tax assets                                        | 1,309         | <b>Total liabilities</b>                              | <b>20,985</b> |
| Other                                                      | 1,953         |                                                       |               |
|                                                            |               | <b>(Net assets)</b>                                   |               |
| <b>Deferred assets</b>                                     | <b>2</b>      | <b>Shareholders' equity</b>                           | <b>21,055</b> |
| Share issuance costs                                       | 2             | Share capital                                         | 1,254         |
|                                                            |               | Capital surplus                                       | 1,567         |
|                                                            |               | Retained earnings                                     | 19,789        |
|                                                            |               | Treasury shares                                       | (1,555)       |
|                                                            |               | <b>Accumulated other comprehensive income</b>         | <b>7</b>      |
|                                                            |               | Valuation difference on available-for-sale securities | 2             |
|                                                            |               | Foreign currency translation adjustment               | 4             |
|                                                            |               | <b>Share acquisition rights</b>                       | <b>279</b>    |
|                                                            |               | <b>Non-controlling interests</b>                      | <b>2,037</b>  |
| <b>Total assets</b>                                        | <b>44,365</b> | <b>Total net assets</b>                               | <b>23,379</b> |
|                                                            |               | <b>Total liabilities and net assets</b>               | <b>44,365</b> |

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

## Consolidated Statement of Income

(April 1, 2021–March 31, 2022)

(In millions of yen)

| Account                                                       | Amount        |
|---------------------------------------------------------------|---------------|
| <b>Net sales</b>                                              | <b>66,183</b> |
| <b>Cost of sales</b>                                          | <b>52,209</b> |
| <b>Gross profit</b>                                           | <b>13,974</b> |
| <b>Selling, general and administrative expenses</b>           | <b>8,821</b>  |
| <b>Operating profit</b>                                       | <b>5,152</b>  |
| <b>Non-operating income</b>                                   | <b>48</b>     |
| Interest and dividend income                                  | 0             |
| Share of profit of entities accounted for using equity method | 10            |
| Dividend income of insurance                                  | 7             |
| Subsidy income                                                | 22            |
| Miscellaneous income                                          | 7             |
| <b>Non-operating expenses</b>                                 | <b>67</b>     |
| Interest expenses                                             | 16            |
| Loss on investments in investment partnerships                | 2             |
| Donations                                                     | 10            |
| Foreign exchange losses                                       | 18            |
| Miscellaneous losses                                          | 20            |
| <b>Ordinary profit</b>                                        | <b>5,133</b>  |
| <b>Extraordinary income</b>                                   | <b>881</b>    |
| Gain on sale of investment securities                         | 862           |
| Subsidiaries directors' retirement allowance repayment gain   | 18            |
| <b>Extraordinary losses</b>                                   | <b>381</b>    |
| Loss on retirement of non-current assets                      | 242           |
| Impairment losses                                             | 105           |
| Subsidiary company head office transfer cost                  | 5             |
| Salaries and allowance for prior periods                      | 17            |
| Office relocation expenses                                    | 11            |
| <b>Profit before income taxes</b>                             | <b>5,633</b>  |
| Income taxes-current                                          | 1,823         |
| Income taxes-deferred                                         | (45)          |
| <b>Profit</b>                                                 | <b>3,854</b>  |
| Profit attributable to non-controlling interests              | 223           |
| <b>Profit attributable to owners of parent</b>                | <b>3,630</b>  |

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

# Non-Consolidated Financial Statements

## Non-Consolidated Balance Sheet

(As of March 31, 2022)

(In millions of yen)

| Account                                                      | Amount        | Account                                               | Amount         |
|--------------------------------------------------------------|---------------|-------------------------------------------------------|----------------|
| <b>(Assets)</b>                                              |               | <b>(Liabilities)</b>                                  |                |
| <b>Current assets</b>                                        | <b>27,219</b> | <b>Current liabilities</b>                            | <b>18,536</b>  |
| Cash and deposits                                            | 3,252         | Accounts payable - trade                              | 7,432          |
| Notes receivable - trade                                     | 71            | Short-term borrowings                                 | 2,200          |
| Accounts receivable - trade                                  | 16,306        | Current portion of long-term borrowings               | 279            |
| Contract assets                                              | 4,378         | Lease liabilities                                     | 1              |
| Merchandise                                                  | 28            | Accounts payable - other                              | 4,450          |
| Prepaid expenses                                             | 958           | Accrued expenses                                      | 77             |
| Short-term loans receivable from subsidiaries and associates | 230           | Income taxes payable                                  | 1,066          |
| Accounts receivable - other                                  | 1,747         | Contract liabilities                                  | 991            |
| Current portion of guarantee deposits                        | 58            | Refund liabilities                                    | 7              |
| Other                                                        | 186           | Deposits received                                     | 22             |
| Allowance for doubtful accounts                              | (0)           | Provision for bonuses                                 | 1,288          |
|                                                              |               | Provision for loss on orders received                 | 393            |
| <b>Non-current assets</b>                                    | <b>11,017</b> | Provision for defect repair                           | 16             |
| <b>Property, plant and equipment</b>                         | <b>862</b>    | Other                                                 | 308            |
| Buildings                                                    | 317           | <b>Non-current liabilities</b>                        | <b>1,264</b>   |
| Tools, furniture and fixtures                                | 545           | Long-term borrowings                                  | 630            |
|                                                              |               | Lease liabilities                                     | 9              |
| <b>Intangible assets</b>                                     | <b>1,158</b>  | Contract liabilities                                  | 334            |
| Software                                                     | 1,054         | Asset retirement obligations                          | 217            |
| Software in progress                                         | 92            | Other                                                 | 71             |
| Other                                                        | 12            | <b>Total liabilities</b>                              | <b>19,800</b>  |
|                                                              |               | <b>(Net assets)</b>                                   |                |
| <b>Investments and other assets</b>                          | <b>8,995</b>  | <b>Shareholders' equity</b>                           | <b>18,157</b>  |
| Investment securities                                        | 555           | <b>Share capital</b>                                  | <b>1,254</b>   |
| Shares of subsidiaries and associates                        | 5,745         | <b>Capital surplus</b>                                | <b>1,356</b>   |
| Long-term prepaid expenses                                   | 696           | Legal capital surplus                                 | 1,332          |
| Long-term loans receivable from subsidiaries and associates  | 180           | Other capital surplus                                 | 24             |
| Deferred tax assets                                          | 1,012         | <b>Retained earnings</b>                              | <b>17,102</b>  |
| Guarantee deposits                                           | 912           | Legal retained earnings                               | 5              |
| Other                                                        | 51            | Other retained earnings                               | 17,096         |
| Allowance for doubtful accounts                              | (158)         | Retained earnings brought forward                     | 17,096         |
|                                                              |               | <b>Treasury shares</b>                                | <b>(1,555)</b> |
|                                                              |               | <b>Valuation and translation adjustments</b>          | <b>2</b>       |
|                                                              |               | Valuation difference on available-for-sale securities | 2              |
|                                                              |               | <b>Share acquisition rights</b>                       | <b>276</b>     |
| <b>Total assets</b>                                          | <b>38,236</b> | <b>Total net assets</b>                               | <b>18,436</b>  |
|                                                              |               | <b>Total liabilities and net assets</b>               | <b>38,236</b>  |

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

## Non-Consolidated Statement of Income

(April 1, 2021 - March 31, 2022)

(In millions of yen)

| Account                                                                      | Amount        |
|------------------------------------------------------------------------------|---------------|
| <b>Net sales</b>                                                             | <b>56,923</b> |
| <b>Cost of sales</b>                                                         | <b>47,670</b> |
| <b>Gross profit</b>                                                          | <b>9,253</b>  |
| <b>Selling, general and administrative expenses</b>                          | <b>5,514</b>  |
| <b>Operating profit</b>                                                      | <b>3,738</b>  |
| <b>Non-operating income</b>                                                  | <b>13</b>     |
| Interest and dividend income                                                 | 4             |
| Dividend income of insurance                                                 | 5             |
| Refund of defined contribution pension premiums                              | 2             |
| Rental income of facility received                                           | 1             |
| Miscellaneous income                                                         | 1             |
| <b>Non-operating expenses</b>                                                | <b>52</b>     |
| Interest expenses                                                            | 15            |
| Loss on investments in investment partnerships                               | 2             |
| Foreign exchange losses                                                      | 18            |
| Commission expenses                                                          | 1             |
| Donations                                                                    | 10            |
| Miscellaneous losses                                                         | 4             |
| <b>Ordinary profit</b>                                                       | <b>3,699</b>  |
| <b>Extraordinary income</b>                                                  | <b>1,061</b>  |
| Gain on sale of investment securities                                        | 862           |
| Gain on sale of shares of subsidiaries and associates                        | 199           |
| <b>Extraordinary losses</b>                                                  | <b>347</b>    |
| Loss on retirement of non-current assets                                     | 163           |
| Impairment losses                                                            | 38            |
| Office relocation expenses                                                   | 11            |
| Provision of allowance for doubtful accounts for subsidiaries and associates | 134           |
| <b>Profit before income taxes</b>                                            | <b>4,414</b>  |
| Income taxes-current                                                         | 1,341         |
| Income taxes-deferred                                                        | (63)          |
| <b>Profit</b>                                                                | <b>3,136</b>  |

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

**Independent Auditor's Report**  
(English Translation)

May 12, 2022

To the Board of Directors  
SB Technology Corp.

Deloitte Touche Tohmatsu LLC  
Tokyo office

Designated Engagement Partner,  
Certified Public Accountant:

Hiroyuki Kobayashi

Designated Engagement Partner,  
Certified Public Accountant:

Takafumi Shimodaira

**Opinion**

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements of SB Technology Corp. and its consolidated subsidiaries (the "Group"), namely, the consolidated balance sheet as of March 31, 2022, and the consolidated statement of income and consolidated statement of changes in equity for the fiscal year from April 1, 2021 to March 31, 2022, and notes to consolidated financial statements.

In our opinion, the accompanying consolidated financial statements, in accordance with accounting principles generally accepted in Japan, present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2022, and its consolidated financial performance for the year then ended.

**Basis for Opinion**

We conducted our audit 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 Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

The other information comprises the Business Report and the accompanying supplemental schedules. Management is responsible for the preparation and disclosure of the other information. While Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the execution of duties by Members of the Board relating to the design and operation of the Group's reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express our opinion on the other information.

Our responsibilities for the audit of the consolidated financial statements are to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation 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 the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the execution of duties by Members of the Board relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

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

Our objectives 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 includes our opinion. 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 economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting 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 related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. 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 overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are

responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with 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.

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

**Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.

## Independent Auditor's Report

(English Translation)

May 12, 2022

To the Board of Directors  
SB Technology Corp.

Deloitte Touche Tohmatsu LLC  
Tokyo Office

Designated Engagement Partner,  
Certified Public Accountant:

Hiroyuki Kobayashi

---

Designated Engagement Partner,  
Certified Public Accountant:

Takafumi Shimodaira

---

### Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the non-consolidated financial statements of SB Technology Corp. (the "Company"), namely, the non-consolidated balance sheet as of March 31, 2022 and the non-consolidated statement of income and non-consolidated statement of changes in equity for the 34th fiscal year from April 1, 2021 to March 31, 2022, and the notes to non-consolidated financial statements and the accompanying supplemental schedules.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2022, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

### Basis for Opinion

We conducted our audit 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 provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The other information comprises the Business Report and the accompanying supplemental schedules. While Management is responsible for the preparation and disclosure of the other information, Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the execution of duties by Members of the Board relating to the design and operation of the Group's reporting process for the other information.

Our opinion on the non-consolidated financial statements does not cover the other information and we do not express our opinion on the other information.

Our responsibilities for the audit of the non-consolidated financial statements are to read the other information, and in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other

information, we are required to report that fact.  
We have nothing to report in this regard.

#### Responsibilities of Management and 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 the non-consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the execution of duties by Members of the Board relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-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 includes our opinion. 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 economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. 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 Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the non-consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner

that achieves fair presentation.

We communicate with 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.

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

**Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.

## **Audit Report**

(English Translation)

With respect to the performance of duties by Members of the Board during the 34th business year from April 1, 2021 to March 31, 2022, the Audit & Supervisory Board has prepared this Audit Report after deliberations, as unanimous opinion of all Audit & Supervisory Board Members based on the Audit Report prepared by each Audit & Supervisory Board Member, and hereby report as follows:

1. Method and Contents of Audit by Audit & Supervisory Board Members and the Audit & Supervisory Board
  - (1) The Audit & Supervisory Board has established the audit policies in the fiscal year under review, audit plan, etc. and received a report from each Audit & Supervisory Board Member regarding the status of implementation of their audits and results thereof. In addition, the Audit & Supervisory Board has received reports from the Members of the Board, etc. and the Independent Auditor regarding the status of performance of their duties, and requested explanations as necessary.
  - (2) In conformity with the Audit & Supervisory Board Members auditing standards established by the Audit & Supervisory Board, and in accordance with the audit policies, audit plan, etc., each Audit & Supervisory Board Member endeavored to facilitate a mutual understanding with the Members of the Board, the internal audit unit and other employees, etc., while utilizing means via telephone lines, the Internet, and the like, endeavored to collect information and maintain and improve the audit environment, and has conducted audit by the following methods.
    - (i) Each Audit & Supervisory Board Member has attended the meetings of the Board of Directors and other important meetings, received reports on the status of performance of duties from the Members of the Board and other employees and requested explanations as necessary, examined important approval/decision documents, and inspected the status of the corporate affairs and assets at the head office. With respect to the major subsidiaries, each Audit & Supervisory Board Member endeavored to facilitate a mutual understanding and exchanged information with the Directors or Audit & Supervisory Board Members, etc. of each subsidiary and received from subsidiaries reports on their respective business as necessary.
    - (ii) Each Audit & Supervisory Board Member received regular reports from Members of the Board and employees concerning the architecture and implementation of (i) the contents of the Board of Directors' resolutions regarding the development and maintenance of the system to ensure that the Members of the Board listed within the Business Report, during the performance of their duties, complied with all laws, regulations and the Articles of Incorporation of the Company and other systems that are set forth in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the corporate affairs of corporate group consisting of a joint stock company (kabushiki kaisha) and its subsidiaries, and (ii) the systems (internal control systems) based on such resolutions, and requested further information as necessary, making remarks when appropriate.
    - (iii) Each Audit & Supervisory Board Member reviewed the contents of particulars to be given due consideration stipulated in Article 118, Item 5(a) as well as the judgment and the reason stipulated in (b) of the same Item of the Ordinance for Enforcement of the Companies Act in consideration of the status of discussions held by the Board of Directors, etc.
    - (iv) Each Audit & Supervisory Board Member monitored and verified whether the Independent Auditor maintained its independence and properly conducted its audit, received a report from the Independent Auditor on the status of its performance of duties, and requested explanations as necessary. Each Audit & Supervisory Board Member was notified by the Independent Auditor that it had established a "system to ensure that the performance of the duties of the Independent Auditor was properly conducted" (the matters listed in the items of Article 131 of the Ordinance on Accounting of Companies) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council on October 28, 2005), and requested explanations as necessary.

Based on the above-described methods, each Audit & Supervisory Board Member examined the Business Report and the accompanying supplemental schedules, and the Consolidated Financial Statements (the Consolidated Balance Sheet, the Consolidated Statement of Income, the Consolidated Statement of Changes in Equity, and notes to Consolidated Financial Statements as well as the Non-consolidated Financial Statements (the Balance Sheet, the Statement of Income, the Statement of Changes in Equity, and notes to Non-consolidated Financial Statements) and the accompanying supplemental schedules thereto, for the business year under consideration.

## 2. Results of Audit

### (1) Results of Audit of Business Report, etc.

- (i) We acknowledge that the Business Report and the accompanying supplemental schedules thereto fairly present the status of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.
- (ii) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the Articles of Incorporation of the Company was found with respect to the performance of duties by Members of the Board.
- (iii) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the information provided in the Business Report or the performance of duties by Members of the Board concerning the internal control systems.
- (iv) We acknowledge that no matter to be pointed out was found with respect to particulars to be given due consideration so as not to harm the interest of the parent companies described in the Business Report in carrying out transactions, as well as the Board of Directors' judgment on whether or not the transactions harm the interest of the Company, and the reason thereof.

### (2) Results of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of audit performed by the Independent Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

### (3) Results of Audit of Non-consolidated Financial Statements and their Accompanying Supplemental Schedules

We acknowledge that the methods and results of audit performed by the Independent Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

May 12, 2022

Audit & Supervisory Board, SB Technology Corp.

|                                            |                 |        |
|--------------------------------------------|-----------------|--------|
| Full-time Audit & Supervisory Board Member | Mitsumasa Ueno  | (Seal) |
| Audit & Supervisory Board Member           | Haruhiko Hirose | (Seal) |
| Audit & Supervisory Board Member           | Michiaki Nakano | (Seal) |
| Audit & Supervisory Board Member           | Takashi Naito   | (Seal) |

Note: Audit & Supervisory Board Members Mitsumasa Ueno, Haruhiko Hirose, and Michiaki Nakano are external auditors stipulated in Article 2, Item 16 and Article 335, Item 3 of the Companies Act.