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Securities Code: 3923

May 30, 2024

To our shareholders:

Takanori Nakamura, President and Representative Director

**RAKUS Co., Ltd.**

1-9 Tsurunochi, Kita-ku, Osaka

## **Notice of the 24th Annual General Meeting of Shareholders**

We are pleased to inform you that the 24th Annual General Meeting of Shareholders shall be held as follows.

Instead of attending the meeting in person, you may exercise your voting rights in writing or electronically (via the Internet, etc.). Shareholders are kindly requested to examine the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 6:00 p.m. (JST) on Thursday, June 20, 2024.

1. Date and Time: Friday, June 21, 2024 at 10:00 a.m. (JST)

(Reception opens at 9:30 a.m.)

2. Venue: White Hall, 31F, Umeda Center Building

2-4-12 Nakazaki-nishi, Kita-ku, Osaka

3. Purpose of the Meeting

Matters to be reported:

1. Business Report, Consolidated Financial Statements, and Audit Reports of Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 24th fiscal year (from April 1, 2023 to March 31, 2024)
2. Non-consolidated Financial Statements for the 24th fiscal year (from April 1, 2023 to March 31, 2024)

Matters to be resolved:

Proposal No. 1 Appropriation of Surplus

Proposal No. 2 Election of Six Directors

Proposal No. 3 Determination of Compensation for the Purpose of Granting Restricted Stock to Directors and Revision of Amounts of Compensation, etc.

- Note: 1 If you are attending the meeting, please submit the enclosed voting form to reception.
- 2 If any revisions are made to the Reference Documents for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements, or Consolidated Financial Statements, we will post such revisions online on the Company website (<https://www.rakus.co.jp/en/>).

## Reference Documents for the General Meeting of Shareholders

### Proposal No. 1 Appropriation of Surplus

We consider the return of profit to shareholders one of the most important issues for management. We make the following proposal in consideration of the future business developments and the basic policy to maintain stable dividends.

#### Year-end dividends

(1) Type of dividend property

To be paid in cash.

(2) Allotment of dividend property to shareholders and their aggregate amount

We propose to pay a dividend of ¥2.35 per common share of the Company. In this event, the total dividends will be ¥425,852,980.

(3) Effective date of dividends of surplus

The effective date of dividends will be June 24, 2024.

## Proposal No. 2 Election of Six Directors

At the conclusion of this General Meeting of Shareholders, the terms of office of all six Directors will expire. In that regard, the Company proposes the election of six Directors.

The candidates for Director are as follows:

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company [Significant concurrent positions outside the Company]	Number of the Company's shares owned
1	Takanori Nakamura (Jan. 27, 1973)	Nov. 2000 Established the Company; President and Representative Director (current position) May 2014 Chairman, RAKUS Vietnam Co., Ltd. (current position) Feb. 2018 Director, RAKUS Light Cloud Co., Ltd. (current position) Mar. 2018 Director, RAKUS Partners Co., Ltd. (current position) Jul. 2021 Director, RAKUS Mirai Co., Ltd. (current position)	61,435,800
2	Shinichiro Motomatsu (Mar. 3, 1974)	Apr. 2001 Joined the Company Jun. 2021 Director (current position)	8,814,300
3	Takahiro Miyauchi (May 22, 1968)	Mar. 2013 Joined the Company Jun. 2023 Director (current position)	52,700
4	Kenji Ogita (Jul. 6, 1958)	Feb. 2015 Outside Director of the Company (current position) Aug. 2020 Representative Partner, Antelope LLC (current position)	64,000
5	Yukihiko Kunimoto (Aug. 21, 1960)	Apr. 1984 Joined Japan Associated Finance Co., Ltd. (currently JAFCO Group Co., Ltd.) Jan. 2006 Established Independents Co., Ltd. (currently Kips Co., Ltd.); Representative Director (current position)	-

		Jun. 2020 Outside Director of the Company (current position)	
6	Reika Saito (Feb. 7, 1980)	<p>Sep. 2007 Joined Ogasawara International Law Office</p> <p>Oct. 2008 Joined the International Legal Affairs Bureau, Ministry of Foreign Affairs of Japan (with limited term)</p> <p>Oct. 2009 Returned to Ogasawara Konno &amp; Rokugawa</p> <p>Feb. 2012 Joined the Nuclear Damage Compensation Dispute Resolution Center (part-time)</p> <p>Sep. 2012 Assigned overseas to Israel and Egypt</p> <p>Jan. 2018 Returned to Ogasawara Konno &amp; Rokugawa</p> <p>Feb. 2021 Partner, Amita International Law Firm</p> <p>May 2021 Outside Audit &amp; Supervisory Board Member, Grooves Inc. (current position)</p> <p>Apr. 2022 Director, Mirai Koso Kaigi (current position)</p> <p>Jun. 2022 Outside Director of the Company (current position)</p> <p>Sep. 2023 Outside Director of MAYA TECHNOLOGIES, Inc.</p>	-

Notes: 1 There is no special interest between any of the candidates and the Company.

2 Kenji Ogita, Yukihiro Kunimoto and Reika Saito are candidates for Outside Director.

3 The Company has nominated Kenji Ogita and Yukihiro Kunimoto as candidates for Outside Director because it expects that they will supervise its management and provide advice on general management from perspectives outside of the conventional framework based on their

broad experience and deep insights as managers in other companies.

- 4 Reika Saito has not had any involvement in management of a company other than by becoming an outside officer, but she is expected to perform supervisory functions from an independent and objective standpoint and provide advice based on legal knowledge of corporate management in general due to having expert knowledge and experience as an attorney at law and having served as an Outside Audit & Supervisory Board Member of another company. For this reason, the Company has determined that she is capable of fulfilling her duties as an Outside Director of the Company. Her name is recorded as Reika Yukimori in the family registry.
- 5 Kenji Ogita, Yukihiko Kunimoto and Reika Saito are currently Outside Directors of the Company. At the conclusion of this General Meeting of Shareholders, Kenji Ogita will have served for 9 years and 4 months, Yukihiko Kunimoto will have served for 4 years, and Reika Saito will have served for 2 years.
- 6 Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with Kenji Ogita, Yukihiko Kunimoto and Reika Saito to limit the liability for damages under Article 423, paragraph (1). The maximum amount of liability for damages under these agreements is the minimum liability for damages under Article 425, paragraph (1) of the Companies Act. If the reelection of Kenji Ogita, Yukihiko Kunimoto and Reika Saito is approved, the Company plans to continue these agreements.
- 7 The Company has entered into a directors and officers liability insurance policy with an insurance company based on the provisions of Article 430-3, paragraph (1) of the Companies Act. The full amount of all insurance premiums is paid by the Company. This insurance policy shall cover losses and costs such as compensation for damages and litigation expenses incurred in the case of insured parties, including Directors, Audit & Supervisory Board Members and Corporate Officers of the Company and its subsidiaries (including retired officers), being liable or pursued to assume liability for damages related to the execution of their duties. However, steps have been taken to ensure the appropriate execution of duties by officers is not impeded by excluding losses and costs arising from criminal acts, etc. of the insured from coverage. Each

candidate will be covered under this insurance policy if they are elected and assume the office as Director. In addition, the Company plans to renew this insurance policy under the same conditions upon renewal.

- 8 The Company has submitted notification to the Tokyo Stock Exchange that Kenji Ogita, Yukihiro Kunimoto and Reika Saito have been designated as independent officers as provided for by the aforementioned exchange.

Proposal No. 3 Determination of Compensation for the Purpose of Granting Restricted Stock to Directors and Revision of Amounts of Compensation, etc.

At the 7th Annual General Meeting of Shareholders held on June 28, 2007, a limit of 200 million yen per year was approved as the amount of compensation, etc. for Directors of the Company. At the 12th Annual General Meeting of Shareholders held on June 28, 2012, it was decided that the Company would provide company housing that enables commuting to workplaces, etc. where duties are carried out (hereinafter "company housing compensation"), with company housing usage fees collected in accordance with conditions prescribed by the Company, and with a limit of 20 million yen per year approved as the amount of non-monetary compensation to be borne by the Company in this case.

In order to provide Directors of the Company (with Outside Directors excluded; hereby "Eligible Directors") with incentive to work toward continuous enhancement of the Company's corporate value and to further advance the sharing of value with shareholders, the Company hereby requests approval for the introduction of a system that will pay compensation for the purpose of granting new restricted stock to Eligible Directors within the limit on non-monetary compensation subject to revision as outlined below, or that grants restricted stock as compensation, etc. (hereinafter "the System").

Through the introduction of the System, the Company requests that the limit on the combined amount of company housing compensation and non-monetary compensation borne by the company under the System be revised to 50 million yen per year, to enable further contribution to the sustainable improvement of the Company's corporate value and ensure the stable retention of suitable human resources in the future.

The granting of restricted stock based on this proposal will be conducted through one of the following methods, in accordance with a resolution by the Board of Directors.

- (1) A method by which the issuance or disposal of common stock of the Company as compensation, etc. for Eligible Directors is conducted without the requirement of monetary payment or the provision of property contributed in kind (hereinafter "gratis issuance")
- (2) A method by which monetary compensation rights are provided to Eligible Directors as compensation, etc., and by which Eligible Directors provide said



monetary compensation rights in entirety as property contributed in kind and receive the issuance or disposal of common stock of the Company (hereinafter "in-kind contribution issuance").

The total number of shares of common stock of the Company to be issued to Eligible Directors or disposed of based on this proposal will be limited to 50,000 shares per year, and the total amount of the compensation, will be within the above limit on non-monetary compensation, up to 50 million yen per year, an amount considered appropriate in light of the objectives noted above. However, if the total issued number of shares of the Company increases or decreases due to merger or split of stock (including allotment of stock without contribution), the above maximum number of shares will be adjusted in proportion to the change.

In the case of in-kind contribution issuance, the per-share paid-in amount will be determined by the Board of Directors, based on the closing price of the common stock of the Company on the Tokyo Stock Exchange on the business day prior to the date of the resolution by the Board of Directors (or, if no trading is conducted on that day, the closing price on the most recent prior trading day) and to an extent that is not overly advantageous to the Eligible Directors. In the case of gratis issuance, although no payment of money, etc. will be required, the amount of compensation provided to Eligible Directors will be calculated as the amount of compensation per common share of the Company that is issued or disposed of, based on the per-share closing price of the common stock of the Company on the Tokyo Stock Exchange on the business day prior to the date of the resolution by the Board of Directors (or, if no trading is conducted on that day, the closing price on the most recent prior trading day), and in an amount specified by the Board of Directors to an extent that is not overly advantageous to the Eligible Directors.

The specific allocation and timing of payments to individual Eligible Directors will be determined by the Board of Directors, respecting the opinions delivered by the Nomination and Compensation Committee following deliberations.

The Company currently has three Eligible Directors. If Proposal 2 is approved as originally proposed, the number of Eligible Directors will remain three.

In granting restricted stock in accordance with this proposal, the Company and the Eligible Directors will enter into restricted stock allocation agreements that include the content outlined below (hereinafter "Allocation Agreement").

(1) An Eligible Director is subject to prohibition on the transfer, establishment of

security interest, or other disposal (hereinafter "transfer restrictions") of common stock of the Company allocated under the Allocation Agreement (hereinafter "allocated stock") from the date on which the allocated stock is granted until the date on which said Eligible Director retires or resigns from the position of Director or other position specified by the Board of Directors of the Company (hereinafter "transfer restriction period"). However, if the point in time immediately following said retirement or resignation occurs before a period of three months has elapsed from the end of the business year containing the date on which the allocated stock is to be received, the end of the transfer restriction period may be adjusted to within a reasonable range.

(2) If an Eligible Director retires or resigns from the position specified in (1) above before the expiration of the period determined by the Board of Directors of the Company (hereinafter "period of service"), the Company will automatically acquire the allocated stock without provision of compensation, except where the Board of Directors of the Company has recognized that valid reason otherwise exists.

(3) Provided that an Eligible Director has continuously held the position specified in (1) above throughout the period of service, the Company will lift the transfer restrictions on all allocated stock upon the expiration of the transfer restriction period. However, if the Eligible Director has retired or resigned from the position specified in (1) above prior to the expiration of the period of service due to reason deemed valid by the Board of Directors of the Company as stipulated in (2) above, the timing of the lifting of the transfer restrictions and the number of shares of allocated stock will be reasonably adjusted as necessary.

(4) Upon the expiration of the transfer restriction period, the Company will automatically acquire, without provision of compensation, any allocated stock for which transfer restrictions have not been lifted as provided for in (3) above.

(5) In the event that, during the transfer restriction period, an Eligible Director violates legal statutes, regulations of the Company, or this Allocation Agreement, or falls under any other circumstances which the Board of Directors deems to constitute appropriate grounds for gratis acquisition of the allocated stock, the Company will automatically acquire the allocated stock without provision of compensation.

(6) The provisions of (1) above notwithstanding, in the case that, during the transfer restriction period, matters concerning a merger agreement by which the Company will be absorbed, a share exchange agreement or share transfer plan by which the Company will become a wholly owned subsidiary, or any other

organizational restructuring, etc. has been approved by a General Meeting of Shareholders (or by the Board of Directors if approval by a General Meeting of Shareholders is not required for said organizational restructuring, etc.), the Company will, by resolution of the Board of Directors of the Company, lift the transfer restrictions on a reasonably determined number of shares of allocated stock prior to the effective date of said organizational restructuring, etc.

(7) In the event provided for in (6) above, the Company will automatically acquire, without provision of compensation, allocated stock for which transfer restrictions have not been lifted immediately following the lifting of transfer restrictions as provided for in (6).

**【Justification for the Granting of Restricted Stock and the Raising of the Limit on Non-Monetary Compensation】**

In order to provide Eligible Directors with incentive to work toward continuous enhancement of the Company's corporate value and to further advance the sharing of value with shareholders, this proposal will provide compensation for the granting of restricted stock to Eligible Directors or will grant restricted stock as compensation, etc., and thereby will also raise the limit on non-monetary compensation. Although the limit on non-monetary compensation will be applied to both company housing compensation and to compensation based on the System, the raising of the limit on non-monetary compensation is not intended to increase company housing compensation.

At a Board of Directors meeting held on March 12, 2021, the Company made revisions to its policy regarding the determination of individual compensation, etc. for Directors, an outline of which is provided on p. 16 of the Business Report. If this proposal is approved, the Company plans to modify said policy in accordance with this proposal, as described in the following Reference (2). As the maximum number of shares to be issued or disposed of over the course of one (1) year under this proposal represents 0.03% of the total issued number of shares (as of March 31, 2024), the dilution ratio under this proposal is negligible. Accordingly, the Company deems the content of this proposal to be appropriate.

#### Reference (1)

Conditional upon the approval of this proposal, the Company also plans to grant restricted stock to the Executive Officers of the Company.

#### Reference (2): Policy for the Determination of the Content of Individual Compensation for Directors Following Revision

1. Basic Policy: Compensation for Directors of the Company is determined within the limit on compensation resolved by a General Meeting of Shareholders, taking into consideration factors including general standards, performance of the Company, and balance with employee salaries. Specifically, the Company provides compensation for Officers in the form of a single package, and in principle does not provide allowances or other salaries to Officers.

2. Policy Concerning Basic Compensation: Of the basic compensation for Directors of the Company, individual compensation is determined by the Board of Directors, taking into consideration factors including general standards, performance of the Company, performance evaluations of Officers, and balance with employee salaries, within the overall framework approved by a General Meeting of Shareholders. Monthly compensation is calculated on the basis of an annual amount divided by 12, with the payment date for Directors' monthly compensation set to the 25th of each month.

3. Policy Concerning Performance-Linked Compensation, etc.: The Company does not provide performance-linked compensation, etc.

#### 4. Policy Concerning Non-Monetary Compensation, etc.:

(1) The Company provides company housing that enables commuting to workplaces, etc. where duties are carried out. The amount remaining after deduction of a company housing usage fee from the rental fees for the company housing is considered non-monetary compensation.

(2) In addition to (1) above, as non-monetary compensation, the Company provides incentives aimed at the sustainable enhancement of the Company's corporate value and, to further advance the sharing of value with shareholders, grants restricted stock compensation to Directors (excluding Outside Directors). The amount of monetary compensation rights or the number of shares allocated

to each Eligible Director is in principle granted once per year at a specified time, within the limits resolved by a General Meeting of Shareholders and taking into consideration the purpose of the restricted stock compensation system, the position and the scope of responsibilities of individual Eligible Directors, and other relevant factors. From the date on which said restricted stock is granted until the date of retirement or resignation from the position of Director of the Company or other position specified by the Board of Directors of the Company, the transfer, establishment of security interest, or other disposal of the restricted stock is prohibited. However, if the point in time immediately following said retirement or resignation occurs before a period of three months has elapsed from the end of the business year containing the date on which the allocated stock is to be received, the end of the transfer restriction period may be adjusted to within a reasonable range.

5. Policy Concerning the Ratio of Monetary Compensation to Non-Monetary Compensation: The limit on monetary compensation for Directors is 200 million yen per year. The limit on non-monetary compensation is 50 million yen per year.

6. Matters Concerning the Content of Individual Compensation for Directors  
The party with decision-making authority for policy concerning the determination of amounts of compensation, etc. for Directors, or concerning the methods for calculation thereof, will be Representative Director Takanori Nakamura. The content and scope of discretion of said authority will be based on the compensation limits established at General Meetings of Shareholders and on the Internal Regulations Concerning Officer Compensation. In determining the compensation of Directors, Representative Director Takanori Nakamura will respect the opinions delivered by the Nomination and Compensation Committee following deliberations.

End