

June 15, 2022

Company name: J T O W E R Inc.  
Representative: Representative Director  
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(TSE Growth Code No. 4485)  
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**Supplementary Information on “Proposal No. 2: Amendment to the Articles of Incorporation to Permit the Holding of General Meeting of Shareholders Without a Designated Location for the Meeting” of the 10th Annual General Meeting of Shareholders**

It has come to our attention that the voting advisory firm Institutional Shareholder Services Inc. (“ISS”) recommends voting against “Proposal No. 2: Amendment to the Articles of Incorporation to Permit the Holding of General Meeting of Shareholders Without a Designated Location” for the 10th Annual General Meeting of Shareholders to be held on June 24, 2022 (the “Proposal”).

We provide the following views on the Proposal. Your approval of the Proposal would be appreciated.

1. Details of the ISS recommendation to vote against the proposal

ISS makes recommendations against the Proposal for the following reasons.

- (1) The passage of this proposal will authorize the company to hold General Meeting of Shareholders Without a Designated Location (“virtual only shareholders’ meeting”) permanently, without further need to consult shareholders, even after the current health crisis is resolved.
- (2) The proposed language fails to specify situations under which virtual only shareholders’ meeting will be held.
- (3) There are concerns that a move to completely eliminate physical shareholder attendance at meetings may make it difficult to ask and answer questions between shareholders and the company, and worse, questions or moves by shareholders, whom management do not welcome, could be conveniently handled in a way advantageous to management.

2. Supplementary explanation of our views

(1) Policy for holding virtual only shareholders' meetings

The Proposal is intended to require the amendment to the articles of incorporation in advance to enable us to prepare for future emergencies and to operate general meeting of shareholders flexibly. Even if the Proposal is approved and passed, we do not anticipate holding a virtual only shareholders’ meeting without restriction or permanently.

Our policy is to hold virtual only shareholders' meeting, only when the Board of Directors determines that it is inappropriate in considering the interests of shareholders to hold general meeting of shareholders with a designated location due to the occurrence of an infectious disease or disaster or other reasonable circumstances.

(2) The activation, efficiency, and smooth operation of general meeting of shareholders

We believe that the following (1)-(3) will be realized through virtual only shareholders' meeting, (1) It will be easier for remote shareholders, including non-residents to participate, (2) Operational costs can be reduced compared to physical meeting, (3) Even under special circumstances, such as the spread of infectious diseases and the occurrence of disasters, it is possible to hold general meeting of shareholders without gathering shareholders, and even if virtual only shareholder's meeting is held in accordance with the policy of (1), we do not believe that this will hinder the activation, efficiency, and smooth operation of general meeting of shareholders.

(3) Promoting meaningful communication with shareholders

We believe that even if virtual only shareholder's meeting is held in accordance with the policy of (1), meaningful communication with shareholders will not be hindered. This is because we can attract many shareholders to attend the meeting, and provide opportunities for exercising rights removing physical restrictions such as the travel time, expenses, health and safety of shareholders.

At virtual only shareholders' meeting, in accordance with the principles of Companies Act, we need to accept questions and motions from shareholders, and the rights of shareholders cannot be unduly restricted. In addition, under the Japanese Companies Act, if we do not take up any questions against us, or arbitrarily manages the questions in a manner convenient to the management, it may be regarded as unfair management and may be a reason for canceling the resolution of the general meeting of shareholders, for this reason, we do not conduct such arbitrary operations.

Furthermore, in order to hold virtual only shareholders' meeting, the Minister of Economy, Trade and Industry and the Minister of Justice are required to confirm that the meeting meets the requirements stipulated by the Ministry of Economy, Trade and Industry and the Ministry of Justice as cases in which we contribute to strengthening industrial competitiveness while giving consideration to securing the interests of shareholders. We have already obtained confirmation from both ministers.

When submitting the application for this confirmation, we are required to state the "Policy on Countermeasures Related to Disruptions in Communication Methods" and the "Policy on Considering Securing the Interests of Shareholders with Disruptions in Using the Internet as a Method of Communication." If we decide to hold virtual only shareholders' meeting in accordance with the policy of (1), we plan to consider and implement measures to realize fairness in consideration of securing the interests of shareholders in accordance with the confirmed policy.

As stated above, at the present time, our policy is to hold virtual only shareholders' meetings only in limited situations.

Going forward, while continuing to maintain communication with our shareholders, we will carefully and flexibly consider how to manage general meeting of shareholders in the new era, where business globalization, advances in IT and other innovation are remarkable, taking into account various circumstances such as our shareholder composition, social conditions, and progress in innovation technologies, while giving consideration to securing the interests of our shareholders.