

(English Translation)

This English translation is an abridged version of the original document in Japanese. In the event of any discrepancy, the Japanese version prevails.

Stock code: 4845
September 6, 2021

To Our Shareholders:

Norikatsu Nagino,
Representative Director & President
Scala, Inc.
2-21-1, Shibuya, Shibuya-ku, Tokyo

Notice of Convocation of the 35th Ordinary General Meeting of Shareholders

I would like to take this opportunity to thank you for your support of Scala, Inc. (“Scala” or the “Company”). We will hold the 35th Ordinary General Meeting of Shareholders as described below.

Date and time Monday, September 27, 2021 at 10 a.m. (JST)
Place B2F Ballroom, Cerulean Tower Tokyu Hotel
26-1 Sakuragaoka-cho, Shibuya-ku, Tokyo

- For safety during the COVID-19 pandemic, the number of seats will be much smaller than usual because of extra space between seats. Therefore, some shareholders who come to attend the meeting may not be allowed to enter the meeting room.
- All Scala personnel at the shareholders meeting will wear masks and we will check the temperature of everyone who attends the meeting and ask for the use of hand sanitizer dispensers placed near the reception desk. Individuals who have an elevated temperature, are not feeling well will not be allowed to enter the meeting room.
- Shareholders are asked to bring a mask and wear the mask while at the location of the meeting.

Meeting agenda

Matters to be reported:

1. The Business Report, Consolidated Financial Statements and the results of audits conducted by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements for the Company’s 35th Fiscal Year (July 1, 2020 - June 30, 2021)
2. Non-consolidated Financial Statements for the Company’s 35th Fiscal Year (July 1, 2020 - June 30, 2021)

Proposals to be resolved:

Proposal No. 1: Dividends from Surplus
Proposal No. 2: Decreases in Legal Capital Surplus and Legal Retained Earnings
Proposal No. 3: Partial Amendments to the Articles of Incorporation 1 (Change to the Company with Nominations and Other Committees Governance Structure)
Proposal No. 4: Partial Amendments to the Articles of Incorporation 2 (Shareholders Meetings with No Designated Location)
Proposal No. 5: Election of Ten Directors

Disclosure via the Internet

Among the documents to be provided at the time of giving this notice, those concerning Notes to the Consolidated Financial Statements and Notes to the Non-Consolidated Financial Statements are not included in this notice. This information is instead posted on the Scala website in compliance with the laws and ordinances as well as Article 14 of the Scala Articles of Incorporation. Therefore, the documents in this notice are part of the Consolidated Financial Statements and Non-Consolidated Financial Statements that were audited by the accounting auditor and Audit & Supervisory Board members to prepare their Audit Reports.

If any amendment is made to the Reference Documents for the General Meeting of Shareholders, the Business Report and the Consolidated and/or the Non-Consolidated Financial Statements, the amended information will be disclosed on the Scala website.

- Scala’s website: <https://scalagr.jp/ir/convocation/>

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Dividends from Surplus

The distribution of earnings to shareholders is one of the highest priorities of Scala. The basic policy is to pay a stable dividend while retaining earnings as needed to increase financial soundness and fund upcoming activities for the growth of business operations. In accordance with this policy, we are asking shareholders to approve the following fiscal year-end dividend, which takes into account results of operations in the fiscal year ended June 30, 2021 and the outlook for business operations.

- | | |
|---|---|
| 1. Type of dividend: | Cash |
| 2. Dividend payment and total amount: | 18 yen per share of common stock of the Company
Total amount of dividends: 316,754,118 yen |
| 3. Effective date of distribution of retained earnings: | September 28, 2021 |

Proposal No. 2: Decreases in Legal Capital Surplus and Legal Retained Earnings

To increase the amount available for distribution to shareholders and take actions involving equity with speed and agility, we are asking shareholders to approve the reversal of the legal capital surplus and legal retained earnings in accordance with Paragraph 1, Article 448 of the Companies Act. The entire amount of the reduction of these two items is to be transferred to other capital surplus and retained earnings brought forward.

- | | |
|---|--|
| 1. Reductions: | Legal capital surplus
28,787,931 yen of 28,787,931 yen (entire amount)
Legal retained earnings
52,626,192 yen of 52,626,192 yen (entire amount) |
| 2. Date of effectiveness of reductions: | October 29, 2021 |

Proposal No. 3: Partial Amendments to the Articles of Incorporation 1
(Change to the Company with Nominations and Other Committees Governance Structure)

Scala proposes to make the following amendments to the Articles of Incorporation.

1. Reason for Amendments

Scala plans to change to the Company with Nominations and Other Committees governance structure for the purposes of placing more emphasis on external and objective viewpoints and further increasing the oversight and monitoring capabilities of the Board of Directors. To adopt this governance structure, Scala asks shareholders to approve new provisions for a Nominations Committee, Audit Committee and Remuneration Committee and for the executive officer position, the deletion of provisions for Audit & Supervisory Board members and the Audit & Supervisory Board, and other necessary amendments. All Audit & Supervisory Board members have agreed with the proposal to establish Article 38 (Liability Exemption for Audit & Supervisory Board Members)

2. Details of Amendments

The details of amendments are as follows.

(The underlined parts indicate the proposed amendments.)

Current Articles of Incorporation	Proposed Amendments
<p>(Organization Elements)</p> <p>Article 4. The Company has a General Meeting of Shareholders, Directors, and the following entities.</p> <p>(1) Board of Directors (2) <u>Audit & Supervisory Board members</u> (3) <u>Audit & Supervisory Board</u> (4) Accounting Auditor</p> <p>(Person Who Calls Shareholders Meetings and Chairperson)</p> <p>Article 13. Except when specified otherwise by laws and regulations, shareholders meetings are called by <u>the director and president</u> and meetings are chaired by <u>this director and president</u> pursuant to the resolution of the Board of Directors.</p> <p>2. If there has been an accident involving the <u>director and president</u>, another director will take the place of the <u>director and president</u> in the order determined in advance by the Board of Directors.</p>	<p>(Organization Elements)</p> <p>Article 4. The Company <u>is a Company with a Nominations Committee and Other Committees</u> and has the following entities in addition to the General Meeting of Shareholders and Directors.</p> <p>(1) Board of Directors (2) <u>Nominations Committee, Audit Committee and Remuneration Committee</u> (3) <u>Executive Officers</u> (4) Accounting Auditor</p> <p>(Person Who Calls Shareholders Meetings and Chairperson)</p> <p>Article 13. Except when specified otherwise by laws and regulations, shareholders meetings are called by a <u>director who is designated as a representative executive officer in advance by a resolution of the Board of Directors</u> and meetings are chaired by this <u>representative executive officer</u> pursuant to the resolution of the Board of Directors.</p> <p>2. If there has been an accident involving the <u>director who is designated as the representative executive officer</u>, another director will take the place of the <u>representative executive officer</u> in the order determined in advance by the Board of Directors.</p>
<p>(Number of Directors)</p> <p>Article 18. The Company has no more than 10 Directors. (Newly established)</p>	<p>(Number of Directors)</p> <p>Article 18. The Company has no more than 10 Directors. <u>2. At least half of the directors are outside directors as defined in Articles 2 and 15 of the Companies Act.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Term of Office)</p> <p>Article 20. The term of office of a director expires at the conclusion of the Ordinary General Meeting of Shareholders relating to the last business year ending within <u>two years</u> after the election.</p> <p>2. The term of office of a substitute director or a director who is elected due to an increase in the number of directors is same as the remaining term of office of the current directors.</p>	<p>(Term of Office of Directors)</p> <p>Article 20. The term of office of a director expires at the conclusion of the Ordinary General Meeting of Shareholders relating to the last business year ending within <u>one year</u> after the election.</p> <p>2. The term of office of a substitute director or a director who is elected due to an increase in the number of directors is same as the remaining term of office of the current directors.</p> <p>(Minor correction of a Japanese character; does not affect the English translation)</p>
<p>(Person Who Calls Board of Directors Meetings and Chairperson)</p> <p>Article 21. Except when specified otherwise by laws and regulations, Board of Directors meetings are called by <u>the director and president</u> and meetings are chaired by this <u>director and president</u>.</p> <p>2. If there has been an accident involving the <u>director and president</u>, another director will take the place of the <u>director and president</u>.</p>	<p>(Person Who Calls Board of Directors Meetings and Chairperson)</p> <p>Article 21. Except when specified otherwise by laws and regulations, Board of Directors meetings are called by a <u>director who is designated as a representative executive officer in advance by a resolution of the Board of Directors</u> and meetings are chaired by this <u>representative executive officer</u>.</p> <p>2. If there has been an accident involving the <u>director who is designated as the representative executive officer</u>, another director will take the place of the <u>representative executive officer</u> in the order determined in advance by the Board of Directors.</p>
<p>(Convocation Notice for the Board of Directors Meeting)</p> <p>Article 22. The convocation notice of a meeting of Board of Directors is dispatched to each director <u>and Audit & Supervisory Board members</u> no later than three days prior to the date of such meeting; provided, however, that such period may be shortened in case of emergency.</p> <p>2. The Board of Directors meetings may be convened without using the procedure for calling these meetings only if all directors <u>and Audit & Supervisory Board members</u> agree.</p>	<p>(Convocation Notice for the Board of Directors Meeting)</p> <p>Article 22. The convocation notice of a meeting of Board of Directors is dispatched to each director no later than three days prior to the date of such meeting; provided, however, that such period may be shortened in case of emergency.</p> <p>2. The Board of Directors meetings may be convened without using the procedure for calling these meetings only if all directors agree.</p>
<p>(<u>Representative Directors and</u> Directors with Specific Titles)</p> <p>Article 23. <u>The representative directors are appointed by a resolution of the Board of Directors.</u></p> <p>2. The Board of Directors may, by resolution, elect one chairperson, <u>one director and president, and one or more director and vice presidents, senior managing directors and managing directors.</u></p>	<p>(Directors with Specific Titles)</p> <p>Article 23. A chairperson of the Board of Directors may be elected by a resolution of the Board of Directors.</p> <p>(Deleted)</p>
<p>(Method of Adopting Resolutions at the Board of Directors)</p> <p>Article 25. A resolution of the Board of Directors is adopted by a majority vote of directors present at the meeting where a majority of the directors entitled to participate in the vote are present.</p>	<p>(Method of Adopting Resolutions at the Board of Directors)</p> <p>Article 25. A resolution of the Board of Directors is adopted by a majority vote of directors present at the meeting where a majority of the directors entitled to participate in the vote are present.</p>

Current Articles of Incorporation	Proposed Amendments
<p>2. When all directors approve in writing or electronically a proposal submitted to the Board of Directors, the proposal will be deemed to have been approved. <u>However, the proposal will not be deemed to have been approved if an Audit & Supervisory Board member objects to the proposal.</u></p>	<p>2. When all directors approve in writing or electronically a proposal submitted to the Board of Directors, the proposal will be deemed to have been approved.</p>
<p>(Minutes of the Board of Directors Meetings) Article 26. The substance of the proceedings at the Board of Directors meetings, the results thereof, and other matters required by laws and regulations are stated or recorded in the minutes of the meetings, and the directors <u>and Audit & Supervisory Board members</u> present affix their names and seals thereto or put their electronic signatures thereon.</p>	<p>(Minutes of the Board of Directors Meetings) Article 26. The substance of the proceedings at the Board of Directors meetings, the results thereof, and other matters required by laws and regulations are stated or recorded in the minutes of the meetings, and the directors present affix their names and seals thereto or put their electronic signatures thereon.</p>
<p>(Remunerations for Directors) Article 27. Remuneration, bonuses and other benefits received by directors from the Company for the performance of their duties (“remuneration, etc.”) is a maximum of 500 million yen each year. <u>This does not include salaries paid to directors who are also employees of the Company.</u></p>	<p>(Remunerations for Directors) Article 27. Remuneration, bonuses and other financial benefits received by directors from the Company for the performance of their duties (“remuneration, etc.”) are a maximum of 500 million yen each year <u>and are determined by resolutions of the Remuneration Committee.</u></p>
<p>(Liability Exemption for Directors) Article 28. Pursuant to the provisions of Paragraph 1, Article 423 of the Companies Act, the Company may, by the resolution of the Board of Directors, exempt directors (including former directors) from their liability to compensate for damages due to a failure to perform their duties, on the condition that they act in good faith and are not grossly negligent in performing their duties. The limit of liability is set at the amount prescribed by laws and regulations. 2. In accordance with Paragraph 1, Article 423 of the Companies Act, the Company can sign contracts with <u>outside directors</u> under which the Company assumes liability up to the monetary limit prescribed by laws and regulations, on the condition that they act in good faith and are not grossly negligent in performing their duties.</p>	<p>(Liability Exemption for Directors) Article 28. Pursuant to the provisions of Paragraph 1, Article 423 of the Companies Act, the Company may, by the resolution of the Board of Directors, exempt directors (including former directors) from their liability to compensate for damages due to a failure to perform their duties, on the condition that they act in good faith and are not grossly negligent in performing their duties. The limit of liability is set at the amount prescribed by laws and regulations. 2. In accordance with Paragraph 1, Article 423 of the Companies Act, the Company can sign contracts with <u>directors (except directors who are executives of the Company)</u> under which the Company assumes liability up to the monetary limit prescribed by laws and regulations, on the condition that they act in good faith and are not grossly negligent in performing their duties.</p>
<p><u>Chapter 5. Audit & Supervisory Board Members and the Audit & Supervisory Board</u></p>	<p>(Deleted)</p>
<p>(<u>Number of Audit & Supervisory Board Members</u>) Article 30. <u>The Company has no more than five Audit & Supervisory Board members.</u></p>	<p>(Deleted)</p>
<p>(<u>Election of Audit & Supervisory Board Members</u>) Article 31. <u>Audit & Supervisory Board members are selected at the General Meeting of Shareholders.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>2. Resolutions for the election of Audit & Supervisory Board members shall be adopted by a majority of the voting rights of the shareholders present at the meeting where shareholders holding one-third or more of the voting rights of the shareholders who are entitled to exercise their voting rights are present.</u></p>	
<p><u>(Term of Office)</u> <u>Article 32. The term of office of an Audit & Supervisory Board member expires at the conclusion of the Ordinary General Meeting of Shareholders relating to the last business year ending within four years after the election.</u> <u>2. The term of office of an Audit & Supervisory Board member elected as the substitute of an Audit & Supervisory Board member who retired from office before the expiration of the term of office shall continue until the time of the expiration of the term of office of the retired Audit & Supervisory Board member.</u> <u>3. The effective period of the resolution for the election of substitute Audit & Supervisory Board members shall be until the beginning of the Ordinary General Meeting of Shareholders relating to the last fiscal year ending within four years after the election.</u></p>	(Deleted)
<p><u>(Full-time Audit & Supervisory Board Members)</u> <u>Article 33. The full-time Audit & Supervisory Board members are appointed by the resolution of the Audit & Supervisory Board.</u></p>	(Deleted)
<p><u>(Convocation Notice for the Audit & Supervisory Board)</u> <u>Article 34. The convocation notice of a meeting of the Audit & Supervisory Board is dispatched to each Audit & Supervisory Board members no later than two days prior to the date of such meeting; provided, however, that such period may be shortened in case of emergency.</u> <u>2. The meeting of the Audit & Supervisory Board may be convened without using the procedure for calling these meetings only if all members agree.</u></p>	(Deleted)
<p><u>(Method of Adopting Resolutions at the Audit & Supervisory Board)</u> <u>Article 35. A resolution of the Audit & Supervisory Board is adopted by a majority vote of Audit & Supervisory Board members present at the meeting where a majority of the members entitled to participate in the vote are present.</u></p>	(Deleted)

Current Articles of Incorporation	Proposed Amendments
<p><u>(Minutes of the Meetings of the Audit & Supervisory Board)</u> <u>Article 36. The substance of the proceedings at the meetings of the Audit & Supervisory Board, the results thereof, and other matters required by laws and regulations are stated or recorded in the minutes of the meetings, and the Audit & Supervisory Board members present affix their names and seals thereto or put their electronic signatures thereon.</u></p>	(Deleted)
<p><u>(Rules of the Audit & Supervisory Board)</u> <u>Article 37. Items concerning the Audit & Supervisory Board are designated by laws and regulations and the Articles of Incorporation as well as by the Rules of the Audit & Supervisory Board established by the Audit & Supervisory Board.</u></p>	(Deleted)
<p><u>(Remuneration, etc.)</u> <u>Article 38. Remuneration, etc. for Audit & Supervisory Board members is no more than 100 million yen per annum.</u></p>	(Deleted)
<p><u>(Liability Exemption for Audit & Supervisory Board Members)</u> <u>Article 39. Pursuant to the provisions of Paragraph 1, Article 423 of the Companies Act, the Company may, by the resolution of the Board of Directors, exempt Audit & Supervisory Board members (including former Audit & Supervisory Board members) from their liability to compensate for damages due to a failure to perform their duties, on the condition that they act in good faith and are not grossly negligent in performing their duties. The limit of liability is set at the amount prescribed by laws and regulations.</u> <u>2. Pursuant to the provisions of Paragraph 1, Article 423 of the Companies Act, the Company may exempt outside Audit & Supervisory Board members from their liability to compensate for damages due to a failure to perform their duties, on the condition that they act in good faith and are not grossly negligent in performing their duties. The limit of liability is set at the amount prescribed by laws and regulations.</u></p>	(Deleted)
(Newly established)	<u>Chapter 5. Nominations Committee, Audit Committee and Remuneration Committee</u>
(Newly established)	<p><u>(Method of Selecting Committee Members)</u> <u>Article 30. Members of the Nominations Committee, Audit Committee and Remuneration Committee are selected from among the directors by resolutions of the Board of Directors.</u></p>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p><u>(Authority of the Committees)</u> <u>Article 31. Authority and other items concerning the Nominations Committee, Audit Committee and Remuneration Committee are designated by laws and regulations and the Articles of Incorporation as well as by rules for each committee established by the Board of Directors.</u></p>
(Newly established)	<p><u>Chapter 6. Executive Officer</u></p>
(Newly established)	<p><u>(Number of Executive Officers)</u> <u>Article 32. The Company has no more than ten executive officers</u></p>
(Newly established)	<p><u>(Election of Executive Officers)</u> <u>Article 33. Executive officers are selected by a resolution of the Board of Directors.</u></p>
(Newly established)	<p><u>(Term of Office of Executive Officers)</u> <u>Article 34. The term of office of an executive officer expires at the conclusion of the Ordinary General Meeting of Shareholders relating to the last business year ending within one year after the election.</u> <u>2. The term of office of a substitute executive officer or an executive officer who is elected due to an increase in the number of executive officers is same as the remaining term of office of the current executive officers.</u></p>
(Newly established)	<p><u>(Representative Executive Officers and Executive Officers with Specific Titles)</u> <u>Article 35. The representative executive officers are appointed by the resolution of the Board of Directors.</u> <u>2. The Board of Directors may, by resolution, elect one executive officer and president, and one or more executive officers with specific titles.</u></p>
(Newly established)	<p><u>(Assignment of Duties and Executive Hierarchy)</u> <u>Article 36. The duties and hierarchy of executive officers are determined by resolutions of the Board of Directors.</u></p>
(Newly established)	<p><u>(Remuneration, etc.)</u> <u>Article 37. Remuneration, etc. for executive officers is determined by resolutions of the Remuneration Committee.</u></p>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<u>(Liability Exemption for Executive Officers)</u> <u>Article 38.</u> Pursuant to the provisions of Paragraph 1, Article 423 of the Companies Act, the Company may, by the resolution of the Board of Directors, exempt executive officers (including former executive officers) from their liability to compensate for damages due to a failure to perform their duties, on the condition that they act in good faith and are not grossly negligent in performing their duties. The limit of liability is set at the amount prescribed by laws and regulations.
Chapter 6. Accounting Auditor (Election of Accounting Auditor) Article 40.- Article 42. (Omitted)	Chapter 7. Accounting Auditor (Election of Accounting Auditor) Article 39.- Article 41. (Remain unchanged)
Chapter 7. Accounts (Business Year) Article 43.- Article 46. (Omitted)	Chapter 8. Accounts (Business Year) Article 42. – Article 45. (Remain unchanged)
(Newly established)	<u>Supplementary Provisions</u>
(Newly established)	<u>(Transitional Measures Concerning Exemption from Liability of Audit & Supervisory Board Members)</u> <u>Article 1.</u> With respect to the liability of Audit & Supervisory Board members (including former Audit & Supervisory Board members) prior to the conclusion of the 35th Ordinary General Meeting of Shareholders, the provisions of Paragraph 1, Article 39 of the Articles of Incorporation prior to the amendment shall apply.

Proposal No. 4: Partial Amendments to the Articles of Incorporation 2
(Shareholders Meetings with No Designated Location)

Scala proposes to make the following amendments to the Articles of Incorporation.

1. Reason for Amendments

Following the enactment of the Act for Partial Amendment of the Act on Strengthening Industrial Competitiveness (Law No. 70, June 16, 2021), listed companies are allowed to hold shareholders meetings with no designated location (a virtual meeting, which is a shareholders meeting with no physical meeting room, allowing directors, shareholders and others to attend by using the internet or other method) in accordance with the Articles of Incorporation. There are certain requirements for holding these meetings, such as measures to protect the interests of shareholders. Scala believes that increasing options for methods used to hold shareholders meetings will benefit shareholders by taking into account major disasters, such as a pandemic or natural disaster, the increasing use of digital technologies in society, and other considerations. For these reasons, shareholders are asked to approve the following amendments concerning shareholders meetings with no designated location to the Articles of Incorporation.

If shareholders approve this proposal, this amendment to the Articles of Incorporation will become effective on the condition that, in accordance with the amended Act on Strengthening Industrial Competitiveness, confirmation concerning shareholders meetings with no designated location is received from the Minister of Economy, Trade and Industry and the Minister of Justice.

2. Details of Amendments

The details of amendments are as follows.

(The underlined parts indicate the proposed amendments.)

Current Articles of Incorporation	Proposed Amendments
(Convocation) Article 11. The Ordinary General Meeting of Shareholders is convened in September every year, and an extraordinary general meeting of shareholders is convened whenever necessary. (Newly established)	(Convocation) Article 11. The Ordinary General Meeting of Shareholders is convened in September every year, and an extraordinary general meeting of shareholders is convened whenever necessary. <u>2. The Company can hold a shareholders meeting that does not have a designated location.</u>
(Newly established)	<u>Supplementary Provisions</u>
(Newly established)	<u>(Convocation)</u> <u>Article 2. In accordance with the Act on Strengthening Industrial Competitiveness and 2021 Ordinance No. 1 of the Ministry of Justice and Ministry of Economy, Trade and Industry, the amendment to Article 11 will become effective when the Minister of Justice and the Minister of Economy, Trade and Industry confirm that completely electronic shareholders meetings of the Company fulfill the requirements of this ordinance. These supplementary provisions will be deleted when Article 11 becomes effective.</u>

Proposal No. 5: Election of Ten Directors

If Proposal No. 3, Partial Amendment to the Articles of Incorporation 1 (Change to the Company with Nominations and Other Committees Governance Structure) is approved and adopted as proposed, the governance structure of Scala will change from a Company with an Audit & Supervisory Board to a Company with Nominations and Other Committees. In conjunction with this change, the terms of office of all four directors and all four Audit & Supervisory Board members will expire.

Therefore, Scala proposes the election of ten directors.

The candidates for directors are as follows.

Candidate No.	Name	Current Positions at the Company
1	Re-elected Norikatsu Nagino	Representative Director & President and Executive Officer
2	Re-elected Seiichi Kiyomi	Senior Executive Officer
3	Re-elected Hideaki Nitta	Senior Executive Officer
4	Re-elected Shoichi Watanabe Outside Independent	Outside Director
5	Re-elected Masatoshi Kushizaki Outside Independent	Outside Director
6	New Sakka Kobayashi Outside Independent	-
7	New Takeo Aida	Full-time Audit & Supervisory Board Member
8	New Satoshi Ugajin Outside Independent	Outside Audit & Supervisory Board Member
9	New Akihiro Yuki Outside Independent	Outside Audit & Supervisory Board Member
10	New Takuto Kawanishi Outside Independent	Outside Audit & Supervisory Board Member

Candidate No.

1

Norikatsu Nagino

(Date of birth: January 6, 1975)

Re-elected



Number of shares of the Company held:
299,600 shares

Past experience, positions, responsibilities and significant concurrent positions

January 2000	Director of Dbecs Co., Ltd.
March 2004	Completed the doctoral course in Computational Intelligence and Systems Science at Interdisciplinary Graduate School of Science and Engineering, Tokyo Institute of Technology (Doctor of Engineering)
January 2005	Representative Director & President of Dbecs Co., Ltd.
June 2006	Director of Digi-Ana Communications Inc. (currently Scala Communication, Inc.)
September 2009	Director of the Company
December 2010	Representative Director & President of NewsWatch, Inc.
April 2012	Representative Director of Digi-Ana Communications Inc. (currently Scala Communications, Inc.)
August 2013	Representative Director & President of the Company
September 2019	Representative Director & President and Executive Officer of the Company (current)
June 2021	Director of Scala Communications, Inc. (current)

Reason for the nomination

Mr. Nagino became the representative director and president of a subsidiary of Scala in 2005 and subsequently served as the president and in other executive roles at Scala and subsidiaries where he has contributed to the growth of corporate value. As the chief executive officer, he has extensive knowledge and experience concerning corporate management. Shareholders are asked to reelect Mr. Nagino to enable him to continue to contribute to the sustained growth of the Company.

Candidate No.

2

Seiichi Kiyomi

(Date of birth: March 31, 1970)

Re-elected



Number of shares of the Company held:
138,100 shares

Past experience, positions, responsibilities and significant concurrent positions

June 1990	Joined SYSTEM'S Co., Ltd.
October 1994	Joined Database Communications, Inc.
April 2004	Joined Digi-Ana Communications Inc. (currently Scala Communications, Inc.)
July 2009	Director of Digi-Ana Communications Inc. (currently Scala Communications, Inc.)
July 2011	Director & Vice President of Digi-Ana Communications Inc. (currently Scala Communications, Inc.)
December 2011	Director & President of Digi-Ana Communications Inc. (currently Scala Communications, Inc.)
September 2013	Director of the Company
September 2019	Senior Executive Officer of the Company (current)
March 2020	Representative Director of LEOCONNECT Inc. (current)
June 2020	Representative Director of Connect Agency Inc. (current)

Reason for the nomination

As the president and in other executive roles at Scala subsidiaries, Mr. Kiyomi has contributed to the growth of corporate value. He has considerable knowledge and experience concerning the core IT/AI/IoT/DX business and associated businesses. Shareholders are asked to elect Mr. Kiyomi as a director to enable him to continue to contribute to the sustained growth of the Company.

Candidate No.

3

Hideaki Nitta

(Date of birth: April 15, 1975)

Re-elected



Number of shares of
the Company held:

85,500 shares

Past experience, positions, responsibilities and significant concurrent positions

June 1998	Joined Zapic Co., Ltd.
October 2007	Joined Digi-Ana Communications Inc. (currently Scala Communication, Inc.)
December 2010	General Manager of Sales Department of Digi-Ana Communications Inc. (currently Scala Communications, Inc.)
December 2011	Director of Digi-Ana Communications Inc. (currently Scala Communications, Inc.)
September 2015	Director of the Company
September 2019	Senior Executive Officer of the Company (current)
June 2021	Representative Director of Scala Communications, Inc. (current)
June 2021	President & CEO of Scala Next, Inc. (current)

Reason for the nomination

As a director of Scala subsidiaries and in other executive roles, Mr. Nitta has contributed to the growth of corporate value. Mr. Nitta has considerable knowledge and experience concerning the core IT/AI/IoT/DX business and has expertise concerning the use of co-creation for the developing new businesses. Shareholders are asked to elect Mr. Nitta as a director to enable him to continue to contribute to the sustained growth of the Company.

Candidate No.

4

Shoichi Watanabe

(Date of birth: May 23, 1962)

Re-elected
Outside
Independent



Number of shares of
the Company held:

35,200 shares

Past experience, positions, responsibilities and significant concurrent positions

April 1989	Joined Sumitomo Electric Industries, Ltd.
April 1993	Registered as an attorney at law, joined Miyoshi & Associates Law Firm
April 2003	Opened Takaku and Watanabe Law Office (currently The Rights Law and Patent Offices) (current)
September 2007	Outside Audit & Supervisory Board member of the Company
September 2013	Outside Director of the Company (current)
June 2020	Outside Audit & Supervisory Board member of Matsumotokiyoshi Holdings Co., Ltd. (current)

Reason for the nomination

Mr. Watanabe has experience as an outside director and, as an attorney at law, has extensive knowledge and experience concerning legal matters and compliance. Shareholders are asked to elect Mr. Watanabe as an outside director to enable him to contribute to the sustained growth of Scala by using this experience to provide advice concerning legal matters and compliance and to perform the oversight of management.

Responsibilities and significant concurrent positions

Attorney at Law, Partner at The Rights Law and Patent Offices, Outside Audit & Supervisory Board member of Matsumotokiyoshi Holdings Co., Ltd.

Candidate No.

5

Masatoshi Kushizaki

(Date of birth: May 16, 1966)

Re-elected
Outside
Independent



Number of shares of
the Company held:

0 shares

Past experience, positions, responsibilities and significant concurrent positions

April 1991 Joined Nikko Securities Co., Ltd. (currently SMBC Nikko Securities Inc.)
April 2002 Joined Dream Incubator Inc.
June 2006 Executive Officer of Dream Incubator Inc.
September 2009 President and Chief Executive Officer of MORALIS. Inc. (current)
September 2019 Outside Director of the Company (current)

Reason for the nomination

As the executive officer of a strategic consulting firm, Mr. Kushizaki has experience concerning corporate management that gives him extensive knowledge and experience involving all aspects of management. Shareholders are asked to elect Mr. Kushizaki as an outside director to enable him to contribute to the sustained growth of Scala by using this management and other experience to provide advice concerning management and to perform the oversight of management.

Responsibilities and significant concurrent positions

President and Chief Executive Officer of MORALIS.Inc.

Candidate No.

6

Sakka Kobayashi

(Date of birth: September 20, 1983)

New
Outside
Independent



Number of shares of
the Company held:

0 shares

Past experience, positions, responsibilities and significant concurrent positions

December 2009 Registered as an attorney at law
January 2010 Joined Nishimura & Asahi (admitted in Japan)
January 2017 Registered as an attorney at law (admitted in New York)
November 2017 Registered as an attorney at law (admitted in Texas)
January 2020 Partner at Nishimura & Asahi (current)

Reason for the nomination

Ms. Kobayashi has extensive experience and knowledge concerning the group management, reorganization and other activities, including domestic and cross-border M&A transactions. Furthermore, Ms. Kobayashi has considerable experience and expertise as an attorney at law. Shareholders are asked to elect Ms. Kobayashi as an outside director to enable her to contribute to the sustained growth of Scala by using her experience and knowledge to provide advice concerning M&A, group management and other matters and to perform the oversight of management.

Responsibilities and significant concurrent positions

Attorney at Law, Partner at Nishimura & Asahi

Candidate No.

7

New

Takeo Aida

(Date of birth: February 7, 1955)



Number of shares of the Company held:

47,300 shares

Past experience, positions, responsibilities and significant concurrent positions

April 1977 Joined Okasan Securities Co., Ltd.
February 2001 General Manager of Administrative Department of the Company
September 2007 Audit & Supervisory Board member of the Company
September 2011 Retired from Audit & Supervisory Board member of the Company
July 2012 Director & Vice President of Database Communications, Inc.
(currently Scala Service, Inc.)
September 2013 Full-time Audit & Supervisory Board member of the Company
(current)

Reason for the nomination

As the general manager of the Administration Department of Scala and the vice president of a Scala subsidiary, as well as in other roles, Mr. Aida has extensive experience and knowledge concerning corporate management. He also has many years of experience as an Audit & Supervisory Board member. Shareholders are asked to elect Mr. Aida as a director to enable him to use this experience and knowledge to perform audits using professional skills and diverse perspectives.

Candidate No.

8

New
Outside
Independent

Satoshi Ugajin

(Date of birth: February 11, 1975)



Number of shares of the Company held:

0 shares

Past experience, positions, responsibilities and significant concurrent positions

October 1997 Joined Deloitte Touche Tohmatsu (current Deloitte Touche Tohmatsu LLC) Tokyo Office
March 2005 Joined Kenedix, Inc., seconded to Kenedix REIT Management, Inc.
September 2007 Joined Mizuho Corporate Advisory Co., Ltd. (currently Mizuho Bank, Ltd.)
November 2008 Joined Japan Business Assurance Co., Ltd.
August 2011 Director of JBA HR Solution Co., Ltd. (current)
September 2015 Managing Director of Japan Business Assurance Co., Ltd. (current),
Director of JBA Holdings Co., Ltd. (current)
August 2016 Supervisory Officer of ESCON JAPAN REIT Investment Corporation (current)
March 2019 Audit & Supervisory Board member (part-time) of Info Cubic Japan Co., Ltd. (current)
September 2019 Outside Audit & Supervisory Board member of the Company
(current)

Reason for the nomination

Mr. Ugajin has considerable experience and knowledge as a certified public accountant. Shareholders are asked to elect Mr. Ugajin as an outside director to enable him to use this experience and knowledge to perform audits using professional skills and diverse perspectives.

Responsibilities and significant concurrent positions

Certified Public Accountant, Director of JBA HR Solution Co., Ltd., Managing Director of Japan Business Assurance Co., Ltd., Director of JBA Holdings Co., Ltd., Supervisory Officer of ESCON JAPAN REIT Investment Corporation, Audit & Supervisory Board member (part-time) of Info Cubic Japan Co., Ltd.

Candidate No.

9

Akihiro Yuki

(Date of birth: October 7, 1966)

New
Outside
Independent



Number of shares of
the Company held:

0 shares

Past experience, positions, responsibilities and significant concurrent positions

April 1989	Joined The Chiba Bank, Ltd.
February 1995	Transferred to the Hong Kong Branch of The Chiba Bank, Ltd.
June 2004	Chief Representative of Shanghai Representative Office of The Chiba Bank, Ltd.
October 2010	General Manager of Growth Business Support Office, Corporate Business Division of The Chiba Bank, Ltd.
June 2013	General Manager of Kinshicho Branch of The Chiba Bank, Ltd.
June 2015	General Manager of Shinjuku Branch of The Chiba Bank, Ltd.
June 2017	General Manager of Choshi Branch of The Chiba Bank, Ltd.
July 2018	Advisor of Block Co Plus Inc.
August 2019	President of Sunrise Co., Ltd. (current)
September 2019	Outside Audit & Supervisory Board member of the Company (current)
January 2020	CFO of Welltool Co., Ltd. (current)

Reason for the nomination

Mr. Yuki has considerable experience and knowledge involving risk management and compliance at financial institutions. Shareholders are asked to elect Mr. Yuki as a director to enable him to use this experience and knowledge to perform audits using professional skills and diverse perspectives.

Responsibilities and significant concurrent positions

President of Sunrise Co., Ltd.; CFO of Welltool Co.,Ltd.

Candidate No.

10

Takuto Kawanishi

(Date of birth: August 10, 1976)

New
Outside
Independent



Number of shares of
the Company held:

2,500 shares

Past experience, positions, responsibilities and significant concurrent positions

October 2003	Registered as an attorney at law, joined Midosuji Legal Profession Corporation (Osaka Bar Association)
January 2008	Joined the Inspection Department of Financial Services Agency (Financial Securities Inspector, Special Inspector)
February 2010	Joined Midosuji Legal Profession Corporation Tokyo Office (Tokyo Bar Association)
January 2012	Partner at Midosuji Legal Profession Corporation Tokyo Office
June 2015	Outside Director of FIS Co., Ltd. (current)
July 2015	Joined Nozomi Sogo Attorneys at Law
July 2016	Partner at Nozomi Sogo Attorneys at Law (current)
July 2018	Outside Audit & Supervisory Board member of Rakuten Insurance Holdings Co., Ltd. (current)
September 2019	Outside Audit & Supervisory Board member of the Company (current)
June 2020	Outside Director of AICHI CORPORATION (current)

Reason for the nomination

Mr. Kawanishi has considerable experience and knowledge as an attorney at law. Shareholders are asked to elect Mr. Kawanishi as an outside director to enable him to use this experience and knowledge to perform audits using professional skills and diverse perspectives.

Responsibilities and significant concurrent positions

Attorney at Law, Partner at NOZOMI Sogo Attorneys at Law, Outside Director of FIS Co., Ltd., Outside Audit & Supervisory Board member of Rakuten Insurance Holdings Co., Ltd., Outside Director of AICHI CORPORATION

Notes:

1. There are no special interests between each candidate and the Company.
2. Mr. Shoichi Watanabe, Mr. Masatoshi Kushizaki, Ms. Sakka Kobayashi, Mr. Satoshi Ugajin, Mr. Akihiro Yuki, and Mr. Takuto Kawanishi are candidates for outside directors.
3. Special note regarding candidates for outside directors:
 - (1) Terms of office as outside directors of Mr. Shoichi Watanabe and Mr. Masatoshi Kushizaki are eight years and two years, respectively, at the conclusion of this shareholders meeting. Terms of office as outside Audit & Supervisory Board members of Mr. Satoshi Ugajin, Mr. Akihiro Yuki, and Mr. Takuto Kawanishi are two years at the conclusion of this shareholders meeting.
 - (2) In accordance with the provisions of Paragraph 1, Article 427 of the Companies Act, the Company has entered into an agreement with Mr. Shoichi Watanabe and Mr. Masatoshi Kushizaki to limit their liability for damages under Paragraph 1, Article 423 of the same act. The details of this agreement are stated on page 57 of the Business Report. If the reappointment of each individual is approved, the Company plans to continue the relevant agreement with each individual. In addition, if the appointment of Ms. Sakka Kobayashi, Mr. Satoshi Ugajin, Mr. Akihiro Yuki, and Mr. Takuto Kawanishi is approved, the Company plans to enter into the relevant liability limitation agreement with these individuals.
 - (3) The Company has registered Mr. Shoichi Watanabe, Mr. Masatoshi Kushizaki, Mr. Satoshi Ugajin, Mr. Akihiro Yuki, and Mr. Takuto Kawanishi as independent directors in accordance with the provisions of the Tokyo Stock Exchange. If their appointment is approved, the Company will continue to designate each of them as an independent director. As Ms. Sakka Kobayashi satisfies the requirements for independent directors as stipulated by the Tokyo Stock Exchange, the Company plans to designate her as an independent director if the appointment is approved.
4. The Company has entered into a liability insurance contract for directors as stipulated in Article 430-3 of the Companies Act, naming all directors of the Company (including outside directors) as insureds, and in the event that each candidate is reappointed or elected as a director of the Company, each candidate will be insured under the relevant insurance contract. The details of this agreement are stated on page 57 of the Business Report. The insurance policy is scheduled to be renewed in March 2022, during the term of office of each candidate.
5. The number of shares of the Company held by each candidate is the number of shares as of June 30, 2021.

Reference: Skills and Professional Knowledge of Director Candidates (Skill Matrix)

The purpose of this proposal is to achieve a composition of the Board of Directors capable of supporting the sustained growth of corporate value and performing the effective oversight of management. Directors require experience and accomplishments involving corporate management and an understanding of Scala's medium-term plan, strategic objectives and business climate. This proposal specifies the key skills*¹ and key professional expertise*² that the Board of Directors needs and requires that individuals at the Scala Group and from outside the group are selected as director candidates in a manner that achieves the proper composition of the board.

◎: Essential skills and professional expertise expected of directors

○: Outstanding skills and professional expertise

Candidates for Directors		Norikatsu Nagino	Seiichi Kiyomi	Hideaki Nitta	Shoichi Watanabe	Masatoshi Kushizaki	Sakka Kobayashi	Takeo Aida	Satoshi Ugajin	Akihiro Yuki	Takuto Kawanishi
					Independent Outside Director	Independent Outside Director	Independent Outside Director		Independent Outside Director	Independent Outside Director	Independent Outside Director
Key skills* ¹	Long-term strategies	◎				◎					
	Sustainability management	○	○		◎						
	Inorganic growth			○			◎				
	New business development		○	◎		○					
	Management supervision and monitoring	○						◎	○	○	○
Key professional expertise* ²	IT/IoT/AI/DX	○	◎	○				○			
	Finance, accounting and M&A	○					○	○	◎	◎	○
	Legal affairs and risk management	○			○		○	○	○	○	◎
Committees	Nominations Committee	●			●						●
	Remuneration Committee	●			●						●
	Audit Committee							●	●	●	●

*1 Key skills

- Long-term strategies: The ability to anticipate long-term changes and structure the management strategies needed to respond to these changes
- Sustainability management: The ability to establish management strategies that incorporate the goal of sustainable growth
- Inorganic growth: The ability to establish management strategies that use M&A and other methods for non-linear growth
- New business development: The ability to conceive ideas for business that can become new profit centers and then launch and expand these businesses
- Management supervision and monitoring: The ability to accurately understand how business operations are conducted and play a leading role in dealing with issues and taking the company in the proper direction

*2 Key professional expertise

- IT/IoT/AI/DX: Expertise concerning Scala's core IT/IoT/AI businesses and digital technologies
- Finance, accounting and M&A: Expertise concerning finance and accounting required for the management of a listed company and concerning M&A
- Legal affairs and risk management: Expertise concerning legal affairs and risk management required for the management of a listed company