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(Stock Exchange Code: 2196)

June 6, 2023

(Date of commencement of electronic provision measures: May 31, 2023)

To Shareholders with Voting Rights:

Morihiro Shibutani
Representative Director
Escrit Inc.
6-1 Nihombashikoamicho,
Chuo-ku, Tokyo, Japan

**NOTICE OF THE 20TH ANNUAL GENERAL MEETING OF SHAREHOLDERS AND
GENERAL MEETING OF CLASS SHAREHOLDERS BY HOLDERS OF COMMON
SHARES**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially notified of the 20th Annual General Meeting of Shareholders and General Meeting of Class Shareholders by Holders of Common Shares of ESCRIT (the “Company”). The meeting will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information in electronic format (the “electronic provision measures”). Matters subject to the electronic provision measures have been posted on the following website as “Notice of Convocation Annual General Meeting 2023”:

The Company’s website:

<https://www.escrit.jp/ir/news/>

In addition to the above website, those matters have also been posted on the following website. Please access the following Tokyo Stock Exchange’s website (Listed Company Search), perform a search by entering the issue name (Escrit Inc.) or the securities code (2196), and then select “Basic information” and “Documents for public inspection/PR information” to review the information under “Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting.”

The Tokyo Stock Exchange’s website:

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do>

Considering your health condition and the infection situation of the novel coronavirus disease (COVID-19), please carefully determine whether to attend the General Meeting of Shareholders. In lieu of attending the meeting in person, you may exercise your voting rights in advance in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders included in the matters subject to the electronic provision measures and exercise your voting rights in writing or via the Internet by 6:00 p.m. on Wednesday, June 21, 2023, Japan time.

- 1. Date and Time:** Thursday, June 22, 2023, at 10:00 a.m. Japan time (The reception desk opens at 9:30 a.m.)
- 2. Place:** Angelion au plaza TOKYO, SOGO KAN 110 TOWER 11F,
7-1, Kyobashi 3-chome, Chuo-ku, Tokyo, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 20th Fiscal Year (April 1, 2022–March 31, 2023) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 20th Fiscal Year (April 1, 2022–March 31, 2023)

Proposals to be resolved:

[20th Annual General Meeting of Shareholders]

Proposal 1: Partial Amendments to the Articles of Incorporation

Proposal 2: Election of 5 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Proposal 3: Election of 3 Directors Who Are Audit and Supervisory Committee Members

[General Meeting of Class Shareholders by Holders of Common Shares]

Proposal 1: Partial Amendments to the Articles of Incorporation

Proposal 2: Approval of Absorption-type Merger Agreement

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- Any revisions to the matters subject to the electronic provision measures will be posted on the above-listed websites.
- We have delivered a document that contains only part of the matters subject to the electronic provision measures pursuant to laws, regulations and Article 15 of the Articles of Incorporation of the Company. For this reason, please note that the item numbers and referring page numbers specified in the document delivered are those from the matters subject to electronic provision measures.
- To prevent the spread of COVID-19, if you are going to attend the meeting, please check the infection situation and your physical condition on the day of the meeting and cooperate to prevent infection. Please kindly understand in advance that shareholders who appear unwell may not be admitted to the venue. Depending on the infection situation, shareholders may be asked to have your body temperature checked and use the alcohol disinfectant available at the venue, and Directors of the Company and the staff may wear masks at the venue. Please also note that fewer seats will be available at the venue than usual to ensure social distancing, and thus you may not be admitted even if you come to the venue. Furthermore, if the Company decides to change the way of holding or operating the meeting in response to future developments of the COVID-19 situation, a notice will be posted on the Company's website on the Internet (<https://www.escrit.jp/ir/news/>). Shareholders planning to attend the meeting are advised to check the website in advance.

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

In conjunction with the change of the location of receiving a cash consideration acquisition request and a common share consideration acquisition request, the Company intends to make required amendments to Article 12-2 of the current Articles of Incorporation.

2. Details of the amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles	Amended Articles
(Class A Shares) Articles 12-2 Details of Class A shares issued by the Company are as follows. 1.–3. (Text omitted)	(Class A Shares) Articles 12-2 Details of Class A shares issued by the Company are as follows. 1.–3. (Unchanged)
4. Cash-consideration put option (1)–(2) (Text omitted) (3) Location of receiving a cash consideration acquisition request <u>Kowa Nishi-Shinbashi Bldg. B</u> <u>14-1, Nishi-Shinbashi 2-chome, Minato-ku,</u> Tokyo	4. Cash-consideration put option (1)–(2) (Unchanged) (3) Location of receiving a cash consideration acquisition request <u>6-1 Nihombashikoamicho, Chuo-ku, Tokyo</u>
(4) (Text omitted)	(4) (Unchanged)
5. Common share-consideration put option (1)–(5) (Text omitted) (6) Location of receiving a common share consideration acquisition request <u>Kowa Nishi-Shinbashi Bldg. B</u> <u>14-1, Nishi-Shinbashi 2-chome, Minato-ku,</u> Tokyo	5. Common share-consideration put option (1)–(5) (Unchanged) (6) Location of receiving a common share consideration acquisition request <u>6-1 Nihombashikoamicho, Chuo-ku, Tokyo</u>
(7)–(8) (Text omitted)	(7)–(8) (Unchanged)
6.–9. (Text omitted)	6.–9. (Unchanged)

Proposal 2: Election of 5 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all 4 Directors (excluding Directors who are Audit and Supervisory Committee members; the same applies hereinafter in this proposal) will expire at the conclusion of this year's Annual General Meeting of Shareholders. In anticipation of future expansion of our business, the Company proposes to increase the number of Directors by 1 and elect 5 Directors. The Audit and Supervisory Committee of the Company believes that all the candidates for Director proposed in this proposal are qualified.

The candidates for Director are as follows:

No.	Name (Date of birth)	Past experience, positions and responsibility at the Company	Number of shares of the Company held
1	Reappointment Hiroshi Iwamoto (July 29, 1965)	<p>April 1989 Joined Suntory Limited (now Suntory Holdings Limited)</p> <p>May 1991 Joined Recruit Co., Ltd. (now Recruit Holdings Co., Ltd.)</p> <p>June 2003 Founded the Company President and Representative Director of the Company</p> <p>June 2015 Chairman & President and Representative Director of the Company</p> <p>April 2016 Chairman & CEO and Representative Director of the Company</p> <p>March 2018 Outside Director, B-Lot Company Limited (to present)</p> <p>July 2020 Chairman Founder of the Company (to present)</p> <p>[Significant concurrent positions] Outside Director, B-Lot Company Limited</p>	1,029,900 (common shares)
<p>[Reasons for nomination as a candidate for Director] Since the Company was founded in 2003, Mr. Hiroshi Iwamoto had led the growth of the Company as Representative Director until 2020. He has deep insight nurtured through his company management and is well versed in industry trends. Therefore, the Company proposes his reelection as Director.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibility at the Company	Number of shares of the Company held
2	Reappointment Morihiro Shibutani (June 18, 1966)	<p>September 1986 Director of Shibutani Mokuzai Kogyo K.K. (now Shibutani & Co.)</p> <p>November 2008 President and Representative Director of Shibutani & Co.</p> <p>May 2013 Joined the Company Executive Officer, in charge of Construction and Interior Business of the Company</p> <p>June 2013 Director & Senior Managing Executive Officer, in charge of Construction and Interior Business of the Company</p> <p>June 2015 Vice President and Representative Director of the Company Chairman and Representative Director of Shibutani & Co.</p> <p>April 2016 President and Representative Director & COO of the Company</p> <p>April 2016 Chairman and Representative Director, SHIBUTANI ESTATE PARTNERS (to present)</p> <p>April 2020 Chairman, President and Representative Director of Shibutani & Co. (to present)</p> <p>July 2020 Representative Director CEO of the Company (to present)</p> <p>[Significant concurrent positions] Chairman, President and Representative Director, Shibutani & Co. Chairman and Representative Director, SHIBUTANI ESTATE PARTNERS</p>	775,500 (common shares)
<p>[Reasons for nomination as a candidate for Director] Since assuming the office of President and Representative Director in 2016, Mr. Morihiro Shibutani has taken strong leadership in supervising the Group and been playing a central role in its management and business. Therefore, the Company proposes his reelection as Director.</p>			
3	Reappointment Itaru Kichise (October 5, 1973)	<p>November 2014 Joined the Company</p> <p>January 2015 General Manager, Finance and Accounting Department of the Company</p> <p>March 2017 General Manager, Management Division of the Company</p> <p>April 2017 Executive Officer and General Manager, Management Division of the Company</p> <p>June 2020 Director & Senior Executive Officer and General Manager, Management Division of the Company</p> <p>July 2020 Director & CFO and General Manager, Management Division of the Company</p> <p>August 2021 Director & CFO of the Company (to present)</p>	1,700 (common shares)
<p>[Reasons for nomination as a candidate for Director] Mr. Itaru Kichise joined the Company in 2014 and served as General Manager, Finance and Accounting Department, and as Executive Officer and General Manager, Management Division, and assumed Director in 2020 to play a leading role in establishing financial strategies. He is expected to draw on his abundant experience and achievements to perform a sufficient role in deciding matters important to the Group and executing business strategies. Therefore, the Company proposes his reelection as Director.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibility at the Company	Number of shares of the Company held
4	New appointment Naruhiko Fujiwara (March 1, 1978)	December 2008 Joined the Company August 2010 Manager, LAGUNASUITE NAGOYA HOTEL & WEDDING of the Company December 2012 Office Supervisor, Business Division of the Company (in charge of western Japan) August 2014 Division Manager, Bridal Division of the Company January 2017 Executive Officer of Partner Agent Inc. (now Tameny Inc.) October 2020 Rejoined the Company. Vice General Manager, Bridal Business Division of the Company April 2022 Executive Officer, General Manager, Bridal Business Division (to present)	—
<p>[Reasons for nomination as a candidate for Director] Mr. Naruhiko Fujiwara joined the Company in 2008 and served as Office Manager, Office Supervisor, Division Manager, and then engaged in management at another company as Executive Officer. Since he rejoined the Company in 2020, he has led the revival of business of the Bridal Business Division with his strong leadership and determination. He assumed office of Executive Officer in 2022 and has contributed to further expansion of business. He is expected to draw on his abundant experience and achievements to perform a sufficient role in deciding matters important to the Group and executing business strategies. Therefore, the Company proposes his election as Director.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibility at the Company	Number of shares of the Company held
5	Outside Director Reappointment Takateru Kawano (October 13, 1972)	<p>April 1996 Joined Itochu Corporation</p> <p>August 1999 Loaned to Japan Online Securities Co., Ltd. (now au Kabucom Securities Co., Ltd.)</p> <p>March 2000 General Manager of President's Office, Director General Manager of Sales Department, Japan Electronic Settlement Planning, Inc. (now Rakuten Bank Ltd.)</p> <p>August 2005 Founded TKP Corporation President, Chief Executive Officer of TKP Corporation</p> <p>October 2014 Representative Director and Chairman of Tokiwaken foods Corporation</p> <p>September 2017 Representative Director and Chairman of Majors Inc.</p> <p>May 2020 Director of Japan Regus Holdings K.K.</p> <p>November 2020 Representative Director and Chairman of Japan Regus Holdings K.K.</p> <p>June 2021 Director of the Company (to present)</p> <p>May 2022 President, CEO and COO of TKP Corporation (to present)</p> <p>[Significant concurrent positions] President, CEO and COO of TKP Corporation</p>	—
<p>[Reasons for nomination as a candidate for Outside Director and expected roles] Mr. Takateru Kawano has been involved in the management of the Company as Outside Director since June 2021, and has provided advice and opinions on the management of the Group as appropriate based on his abundant experience and broad insight as a manager. Based on his experience and insight, he is expected to audit and supervise the overall management of the Group by such as making statements as Director, the Company believes that the functions of the Board of Directors of the Company will be thereby strengthened. Therefore, the Company proposes his reelection as Outside Director.</p>			

Notes:

1. Mr. Takateru Kawano, who is a candidate for Outside Director, concurrently serves as President, CEO and COO of TKP Corporation, which is a principal shareholder of the Company. The Company also has a business partnership with TKP Corporation concerning customer referral or sale consignment related to banquets and other events between the facilities operated by each and conducts transactions with TKP Corporation, including the purchase and sale of the Company's products. There are no special interests between the other candidates and the Company.
2. The Company has entered into the agreements with Mr. Takateru Kawano to limit his liability with regard to the liability for damages stipulated in Article 423, Paragraph 1, of the Companies Act, based on the provisions of Article 427, Paragraph 1, of said Act and Article 32, Paragraph 2 of the Articles of Incorporation. If the election of Mr. Takateru Kawano is approved, the Company intends to continue the said agreement with him. The limit of the liability pursuant to said agreement will be the amount stipulated in Article 425, Paragraph 1, of said Act.
3. The Company has entered into a directors and officers liability insurance agreement with an insurance company as prescribed in Article 430-3, Paragraph 1, of the Companies Act, and candidates are among the insured. The said insurance agreement covers damages to be paid by the insured arising from third-party litigation, derivative lawsuits, corporate litigation, etc. If reelections of Mr. Hiroshi Iwamoto, Mr. Morihiro Shibutani, Mr. Itaru Kichise and Mr. Takateru Kawano and election of Mr. Naruhiro Fujiwara are approved, each candidate will be included among the insured under said insurance agreement. The Company intends to renew said insurance agreement with the same contents during the terms of office of the Directors in this proposal.
4. Mr. Takateru Kawano is currently an Outside Director of the Company, and his term of office will be two (2) years at the conclusion of this year's Annual General Meeting of Shareholders.

Proposal 3: Election of 3 Directors Who Are Audit and Supervisory Committee Members

The terms of office of all 3 Directors who are Audit and Supervisory Committee members will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the Company proposes to elect 3 Directors who are Audit and Supervisory Committee members. This proposal has already been approved by the Audit and Supervisory Committee.

The candidates for Director who is Audit and Supervisory Committee member are as follows:

No.	Name (Date of birth)	Past experience, positions and responsibility at the Company	Number of shares of the Company held
1	Outside Director Reappointment Takeshi Goto (September 12, 1973)	<p>February 2001 Joined SoftBank Investment Co., Ltd. (now SBI Investment Co., Ltd.)</p> <p>March 2011 Executive Officer of SBI Investment Co., Ltd.</p> <p>April 2017 Director, Executive Officer and Executive Vice President of SBI Investment Co., Ltd. (to present)</p> <p>June 2017 Director of the Company</p> <p>September 2017 Director of JAL SBI FINTECH CO., LTD. (to present)</p> <p>June 2021 Director of the Company (Audit and Supervisory Committee member) (to present)</p> <p>January 2022 Director of SBI Crypto Investment Co., Ltd.</p> <p>February 2022 Representative Director of SBI regional activation support Co., Ltd. (to present)</p> <p>Representative Director of SBI University Startup Incubator Co., Ltd. (to present)</p> <p>May 2023 Director of SBI PE Holdings Co., Ltd. (to present)</p> <p>[Significant concurrent positions]</p> <p>Director, Executive Officer and Executive Vice President of SBI Investment Co., Ltd.</p> <p>Representative Director of SBI regional activation support Co., Ltd.</p> <p>Representative Director of SBI University Startup Incubator Co., Ltd.</p>	—
<p>[Reasons for nomination as a candidate for Outside Director and expected roles]</p> <p>Since his appointment as Outside Director of the Company in June 2017, Mr. Takeshi Goto has been involved in management and provided advice and suggestions on the Group's business operations as necessary, based on his ample experience and broad insight as a corporate manager. He is expected to draw on such experience and insight to audit and oversee the overall management of the Group from an independent position, such as making remarks as Director who is Audit and Supervisory Committee member and as a member of the Nomination and Compensation Committee. Therefore, the Company believes that he will help strengthen the function of the Company's Board of Directors through such roles and proposes his reelection as Outside Director who is Audit and Supervisory Committee member.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibility at the Company	Number of shares of the Company held
2	Outside Director Reappointment Takashi Kimura (July 24, 1979)	October 2001 Joined Ernst & Young ShinNihon (now Ernst & Young ShinNihon LLC) July 2012 Established Bellwether Accounting firm and assumed the post of Representative Established Bellwether, Inc and assumed the post of President (to present) November 2014 Established Yamato Audit Corporation and assumed the post of Representative Partner (to present) December 2014 Outside Director of FinTech Global Incorporated January 2017 Established Yamato Certified Public Tax Accountants' Corporation and assumed the post of Representative Partner (to present) June 2017 Director of the Company June 2021 Director of the Company (Audit and Supervisory Committee member) (to present) December 2022 Director of FinTech Global Incorporated (to present) [Significant concurrent positions] Representative Partner, Yamato Certified Public Tax Accountants' Corporation President, Bellwether, Inc Representative Partner, Yamato Audit Corporation	—
<p>[Reasons for nomination as a candidate for Outside Director and expected roles]</p> <p>Since his appointment as Outside Director of the Company in June 2017, Mr. Takashi Kimura has been involved in management and has provided advice and suggestions on the Group's business operations as necessary, based on his deep insight in finance, accounting and taxation business as a certified public accountant and certified public tax accountant. He is expected to draw on such experience and insight to audit and oversee the overall management of the Group from an independent position, such as making remarks as Director who is Audit and Supervisory Committee member and as a member of the Nomination and Compensation Committee. Therefore, the Company believes that he will help strengthen the function of the Company's Board of Directors through such roles and proposes his reelection as Outside Director who is Audit and Supervisory Committee member.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibility at the Company	Number of shares of the Company held
3	Outside Director Reappointment Rina Sumino (March 12, 1980)	<p>October 2002 Joined ChuoAoyama Audit Corporation</p> <p>August 2007 Joined PwC Advisory Co., Ltd. (now PwC Advisory LLC)</p> <p>July 2011 Joined KPMG FAS Co., Ltd.</p> <p>June 2013 Joined Recruit Holdings Co., Ltd.</p> <p>June 2018 Full-time Auditor of Hachimenroppi, Inc. (to present)</p> <p>October 2018 Established Rina Sumino Certified Public Accountant Office Head of Rina Sumino Certified Public Accountant Office (to present)</p> <p>January 2020 Supervisory Director of Invesco Office J-REIT, Inc.</p> <p>July 2020 Corporate Auditor of the Company</p> <p>September 2020 Auditor of SoundFun Inc. (to present)</p> <p>June 2021 Director of the Company (Audit and Supervisory Committee member) (to present)</p> <p>September 2021 External Corporate Auditor of Linc'well Inc. (to present)</p> <p>June 2022 Auditor of NIFTY Lifestyle Co., Ltd. (to present) Auditor of Living Platform, Ltd. (to present)</p> <p>December 2022 Auditor of Japan Social Innovation and Investment Foundation (to present)</p> <p>February 2023 Auditor of Moderato Inc. (to present)</p> <p>[Significant concurrent positions] Full-time Auditor of Hachimenroppi, Inc. Head of Rina Sumino Certified Public Accountant Office</p>	—
<p>[Reasons for nomination as a candidate for Outside Director and expected roles] Ms. Rina Sumino possesses ample experience as a certified public accountant and a high degree of specialist knowledge regarding accounting and taxation business. Since her appointment as Corporate Auditor of the Company in July 2020, she has appropriately overseen the Group's business operations. She is expected to draw on such experience and insight to audit and oversee the overall management of the Group from an independent position. Therefore, the Company believes that she will help strengthen the function of the Company's Board of Directors through such roles and proposes her reelection as Outside Director who is Audit and Supervisory Committee member.</p>			

Notes:

1. There are no special interests between each candidate and the Company.
2. The candidates for Outside Director are candidates for independent officer with no risk of conflict of interest with the general shareholders, the designation of which is required by the Tokyo Stock Exchange.
3. The Company has entered into an agreement with the candidates to limit their liability with regard to the liability for damages stipulated in Article 423, Paragraph 1, of the Companies Act, based on the provisions of Article 427, Paragraph 1 of said Act and Article 32, Paragraph 2 of the Articles of Incorporation. If the election of the candidates is approved, the Company will continue the agreements with them. The limit of the liability pursuant to said agreement will be the amount stipulated in Article 425, Paragraph 1, of said Act.
4. The Company has entered into a directors and officers liability insurance agreement with an insurance company as prescribed in Article 430-3, Paragraph 1, of the Companies Act to insure the candidates. The said insurance agreement covers damages to be paid by the insured arising from third-party litigation, derivative lawsuits, corporate litigation, etc. If the election of the candidates is approved, each candidate will be included among the insured under said insurance agreement. The Company intends to renew said insurance agreement with the same contents during the terms of office of the Directors who are Audit and Supervisory Committee members in this proposal.
5. Mr. Takeshi Goto, Mr. Takashi Kimura and Ms. Rina Sumino are incumbent Outside Directors who are Audit and Supervisory Committee members of the Company. At the conclusion of this year's Annual General Meeting of Shareholders, Mr. Takeshi Goto and Mr. Takashi Kimura will have served as Outside Director of the Company for six (6) years since assuming office and as Outside Director who is Audit and

Supervisory Committee member for two (2) years since assuming office. At the conclusion of this Annual General Meeting of Shareholders, Ms. Rina Sumino will have served as Outside Director who is Audit and Supervisory Committee member for two (2) years since assuming office.

6. Ms. Rina Sumino's name is stated as Rina Okada on her family register.

[Reference] Skills matrix of the Board of Directors (if the Proposals 2 and 3 are approved)

If the Proposal 2: “Election of 5 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” and the Proposal 3: “Election of 3 Directors Who Are Audit and Supervisory Committee Members” are approved as originally proposed, the skills matrix of the Board of Directors will be as follows:

List of Directors' Expertise, Experience, and Abilities (Skills Matrix)

	Company Management	Finance/ Accounting/ Legal	Marketing/ Sales	M&A (Investment/ Finance)	Internal Control	Industry Expertise
Chairman Founder Hiroshi Iwamoto	●		●			●
Representative Director CEO Morihiro Shibutani	●		●		●	●
Director CFO Itaru Kichise	●	●		●	●	●
Director Naruhiko Fujiwara	●		●	●	●	●
Outside Director Takateru Kawano <input type="text" value="Outside"/>	●		●			
Outside Director (Audit and Supervisory Committee Member) Takeshi Goto <input type="text" value="Outside"/> <input type="text" value="Independent"/>	●			●		
Outside Director (Audit and Supervisory Committee Member) Takashi Kimura <input type="text" value="Outside"/> <input type="text" value="Independent"/>		●			●	
Outside Director (Audit and Supervisory Committee Member) Rina Sumino <input type="text" value="Outside"/> <input type="text" value="Independent"/>		●			●	

*The above list does not represent all the expertise, experience and abilities, etc. possessed by Directors.

Proposal 1: Partial Amendments to the Articles of Incorporation

The contents of this proposal are identical to that of Proposal 1 “Partial Amendments to the Articles of Incorporation” in the reference documents for the Annual General Meeting of Shareholders.

Proposal 2: Approval of Absorption-type Merger Agreement

1. Reasons for the absorption-type merger

At the Meeting of the Board of Directors held on May 12, 2023, in order to concentrate management resources and improve operational efficiency, the Company resolved to conduct an absorption-type merger (the “Merger”) in which the Company is the company surviving the absorption-type merger and Sutoria K.K. (“Sutoria”), a wholly-owned subsidiary of the Company, is the company absorbed in the absorption-type merger, with October 1, 2023 as the effective date. Accordingly, the Company has concluded an absorption-type merger agreement as described in “2. Outline of contents of the Absorption-type Merger Agreement” (the “Absorption-type Merger Agreement”).

Since the Merger falls under the category of a simplified merger as stipulated in Article 796, Paragraph 2 of the Companies Act for the Company, and a short form merger as stipulated in Article 784, Paragraph 1 of the same Act for Sutoria, neither of the companies will hold a general meeting of shareholders to obtain approval for the Merger Agreement. Nonetheless, with regard to this proposal, based on Article 322, Paragraph 1, Item 7 of the same Act, we would like to ask for approval for the Absorption-type Merger Agreement at the General Meeting of Class Shareholders by Holders of Common Share.

2. Outline of contents of the Absorption-type Merger Agreement

The contents of the Absorption-type Merger Agreement concluded by the Company and Sutoria on May 12, 2023 are as follows.

Absorption-type Merger Agreement (Duplicate Copy)

On May 12, 2023 (the “Execution Date”), Escrib Inc. (the “Surviving Company”) and Sutoria K.K. (the “Absorbed Company”) concluded an absorption-type merger agreement (the “Agreement”) as follows.

Article 1 Method of the Merger

In accordance with the provisions of the Agreement, the Surviving Company and the Absorbed Company will conduct an absorption-type merger (the “Merger”) with the Surviving Company as the company surviving the absorption-type merger and the Absorbed Company as the company absorbed in the absorption-type merger.

Article 2 Trade Names and Addresses

The trade names and addresses of the Surviving Company and the Absorbed Company are as follows.

(1) Surviving Company: Company surviving the absorption-type merger

Trade name: Escrib Inc.

Address: 6-1 Nihonbashi-Koamicho, Chuo-ku, Tokyo, Japan

(2) Absorbed Company: Company absorbed in the absorption-type merger

Trade name: Sutoria K.K.

Address: 6-1 Nihonbashi-Koamicho, Chuo-ku, Tokyo, Japan

Article 3 Matters Regarding Money, etc. to be Delivered through the Merger and the Allocation thereof

The Surviving Company will not deliver any money, etc. through the Merger to shareholders of the Absorbed Company in lieu of the shares of the Absorbed Company that they hold.

Article 4 Matters Regarding the Surviving Company’s Share Capital and Reserves

The Surviving Company’s share capital and reserves will not increase as a result of the Merger.

Article 5 Effective Date

The date that the Merger takes effect (the “Effective Date”) will be October 1, 2023. If, however, a change is deemed necessary due to a necessity in the proceedings of the Merger or other reasons, the Surviving Company and the Absorbed Company may change the Effective Date upon discussion and mutual agreement.

Article 6 Resolution of General Meeting of Shareholders, etc.

1. The Merger will be implemented as a simplified merger as stipulated in Article 796, Paragraph 2 of the Companies Act.
2. The Surviving Company will, by the day before the Effective Date, seek a resolution at a General Meeting of Class Shareholders regarding approval of the Agreement.
3. In accordance with provisions of the main text of Article 784, Paragraph 1 of the Companies Act, the Absorbed Company will implement the Merger without obtaining approval by resolution at a general meeting of shareholders, stipulated in Article 783, Paragraph 1 of the same Act, regarding the Agreement.

Article 7 Changes to Terms of the Merger and Cancellation of the Agreement

During the period from the Execution Date to the Effective Date, if an event that could seriously hinder the implementation of the Merger occurs or if the possibility of such an occurrence arises, or if there are other circumstances that make it difficult to achieve the purpose of the Merger, the Surviving Company and the Absorbed Company may change the terms of the Merger and other contents of the Agreement, or cancel the Agreement, upon discussion and mutual agreement.

Article 8 Effectiveness of the Merger

The Agreement will cease to be effective if, by the day before the Effective Date, it is not approved by resolution at a General Meeting of Class Shareholders of the Surviving Company as stipulated in Article 6; or if the Agreement is canceled pursuant to the preceding Article.

Article 9 Matters for Discussion

In addition to the matters stipulated in the Agreement, matters necessary for the Merger will be determined upon discussion and mutual agreement between the Surviving Company and the Absorbed Company in accordance with the purpose of the Agreement.

As proof of conclusion of the Agreement, a copy of this document will be prepared, and the Surviving Company and the Absorbed Company will each affix their names and seals on it. The Surviving Company will retain the original copy of the Agreement.

May 12, 2023

Surviving Company:
Morihiro Shibutani
Representative Director
Escrit Inc.
6-1 Nihonbashi-Koamicho, Chuo-ku, Tokyo,
Japan

Absorbed Company:
Hiroshi Iwamoto
Representative Director
Sutoria K.K.
6-1 Nihonbashi-Koamicho, Chuo-ku, Tokyo,
Japan

3. Outline of contents of matters listed in each item of Article 191 of the Regulations for Enforcement of the Companies Act

(1) Matters concerning the appropriateness of consideration

As Sutoria is a wholly-owned subsidiary of the Company, no shares, cash or other form of consideration will be delivered through the Merger. In addition, the Company's share capital and legal capital surplus will not increase as a result of the Merger.

(2) Contents of financial statements, etc. related to the final fiscal year of Sutoria

The financial statements, etc. for the final fiscal year of Sutoria are stated on the following pages.

(3) Events with a significant impact on the status of corporate assets that occurred after the last day of the final fiscal year of the companies involved in the Merger

(1) The Company

Not applicable.

(2) Sutoria

Not applicable.

1. Status of the Company

(1) Business progress and results

The Company leases the building “Palazzo Ducale Azabu,” managed by our parent company Escrit Inc., of which we are a wholly-owned subsidiary.

(2) Status of capital investment

Not applicable.

(3) Status of financing

Not applicable.

(4) Issues to be addressed

We believe that the maintenance of a system that can stabilize the management, etc. of the said real estate will continue to be the main issue.

2. Status of Shares (As of March 31, 2023)

(1) Total number of authorized shares 800 shares

(2) Total number of issued and outstanding shares 350 shares

(3) Number of shareholders 1

(4) Major shareholders

Name	Number of shares held	Shareholding ratio
Escrit Inc.	350	100%

3. Status of Company Officers

(1) Status of Directors (As of March 31, 2023)

Position in the Company	Name	Responsibilities and significant concurrent positions
Representative Director	Hiroshi Iwamoto	Chairman Founder of Escrit Inc.

(2) Directors who retired during the fiscal year

Not applicable.

Balance Sheet
(As of March 31, 2023)

(Thousand yen)

Assets		Liabilities	
Current assets	37,089	Current liabilities	21,275
Cash and deposits	12,825	Accounts payable - other	110
Prepaid expenses	19,800	Income taxes payable	265
Accounts receivable - other	100	Advances received	20,900
Consumption taxes refund receivable	4,363	Non-current liabilities	58,923
Non-current assets	141,600	Asset retirement obligations	58,923
Investments and other assets	141,600	Total liabilities	80,198
Guarantee deposits	126,000	Net assets	
Long-term prepaid expenses	15,600	Shareholders' equity	98,490
		Share capital	32,964
		Retained earnings	65,526
		Other retained earnings	65,526
		Retained earnings brought forward	65,526
		Total net assets	98,490
Total assets	178,689	Total liabilities and net assets	178,689

Statements of Income

(From April 1, 2022 to March 31, 2023)

(Thousand yen)

Title	Amount	
Net sales		237,000
Cost of sales		218,400
Gross profit		18,600
Selling, general and administrative expenses		2,109
Operating profit		16,490
Non-operating income		
Interest income	0	
Miscellaneous income	19	19
Non-operating expenses		
Miscellaneous losses	0	0
Ordinary profit		16,510
Profit before income taxes		16,510
Income taxes		265
Profit		16,244

Statements of Changes in Net Assets

(From April 1, 2022 to March 31, 2023)

(Thousand yen)

	Shareholders' equity				Total net assets
	Share capital	Retained earnings		Total shareholders' equity	
		Other retained earnings	Total retained earnings		
		Retained earnings brought forward			
Balance at beginning of period	32,964	49,281	49,281	82,245	82,245
Changes of items during period					
Profit		16,244	16,244	16,244	16,244
Total changes of items during period	—	16,244	16,244	16,244	16,244
Balance at end of period	32,964	65,526	65,526	98,490	98,490

Notes to Non-consolidated Financial Statements (April 1, 2022–March 31, 2023)

I. Notes to the matters regarding major accounting policies

Method of depreciation of non-current assets

(1) Property, plant and equipment

The declining balance method is used (for buildings (excluding facilities attached to buildings), the straight-line method is used).

(2) Intangible assets

The straight-line method is used.

II. Notes to the Non-consolidated Balance Sheet, etc.

Accumulated impairment losses of property, plant and equipment	¥150,637 thousand
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III. Notes to the Non-consolidated Statements of Changes in Net Assets

Total number of issued and outstanding shares as of March 31, 2023	350 shares
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