

(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 2, 2022

To Our Shareholders:

Norikatsu Nagino,
Director, Representative Executive
Officer & President

Scala, Inc.
2-21-1, Shibuya, Shibuya-ku, Tokyo

Notice of Convocation of the 36th 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 36th Ordinary General Meeting of Shareholders as described below.

Date and time Monday, September 26, 2022 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 36th Fiscal Year (July 1, 2021 - June 30, 2022)
 2. Non-consolidated Financial Statements for the Company’s 36th Fiscal Year (July 1, 2021 - June 30, 2022)

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
Proposal No. 4: 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 includes return of investment profits in the fiscal year ended June 30, 2021 to shareholders.

- | | |
|---|---|
| 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: 314,453,718 yen |
| 3. Effective date of distribution of retained earnings: | September 27, 2022 |

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
28,691,236 yen of 28,691,236 yen (entire amount)
Legal retained earnings
63,489,782 yen of 63,489,782 yen (entire amount) |
| 2. Date of effectiveness of reductions: | October 28, 2022 |

Proposal No. 3: Partial Amendments to the Articles of Incorporation

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

1. Reason for Amendments

(1) Additions to and changes in business purposes

In line with the business of newly established and acquired subsidiaries, and the business expansion of the Scala Group, Scala plans to add and change business purposes of Article 2 (Purpose) of the current Articles of Incorporation.

(2) Introduction of the electronic provision system for reference documents for the Shareholders Meeting

The amending provisions in the proviso of Article 1 of the Supplementary Provisions of the Act for Partially Amending the Companies Act (Act No. 70 of 2019) became effective on September 1, 2022. In accordance with it, Scala plans to amend Article 14 of the current Articles of Incorporation to introduce the system for providing reference documents for the General Meeting of Shareholders in an electronic format.

2. Proposed Amendments

The proposed amendments are as follows.

(The underlined parts indicate the proposed amendments.)

Current Articles of Incorporation	Proposed Amendments
<p>(Purpose)</p> <p>Article 2. The purpose of the Company is to perform businesses described in the following items:</p> <ol style="list-style-type: none"> 1. Production, manufacturing and processing of crops and livestock 2. Manufacture of machinery, equipment and electronic devices for business use 3. Manufacture of biofuels 4. Generation and supply of electricity using natural energy sources 5. Telecommunications business 6. Information services 7. Wholesale and retail of food and beverages 8. Purchase, sale and repair of used items 9. Catalog and e-commerce sales business 10. Foreign exchange, loans and loan guarantees 11. Consumer credit business 12. Financial products 13. Investments 14. Operation and management of investment funds 15. Loans, debt guarantees and other credit services 16. Agent and sales activities for life, non-life and cooperative insurance 17. Real estate leasing and management 18. Rental of a variety of products and equipment 19. Management services for companies and organizations that have received management rights 20. Corporate management consulting 	<p>(Purpose)</p> <p>Article 2. The purpose of the Company is to perform businesses described in the following items:</p> <ol style="list-style-type: none"> 1. Production, manufacturing and processing of crops and livestock 2. Manufacture of machinery, equipment and electronic devices for business use 3. Manufacture of biofuels 4. Generation and supply of electricity using natural energy sources 5. Telecommunications business 6. Information services 7. Wholesale and retail of food and beverages 8. Purchase, sale and repair of used items <u>and retail sales of sporting goods and other merchandise</u> 9. Catalog and e-commerce sales business 10. Foreign exchange, loans and loan guarantees 11. Consumer credit business 12. Financial products 13. Investments 14. <u>Investment advisory and agency services</u>, operation and management of investment funds 15. Loans, debt guarantees and other credit services 16. Agent and sales activities for life, non-life and cooperative insurance <u>and small-amount, short-term insurance business</u> 17. Real estate leasing and management 18. Rental of a variety of products and equipment 19. Management services for companies and organizations that have received management rights 20. Corporate management consulting

Current Articles of Incorporation	Proposed Amendments
<p>21. M&A brokerage, intermediary and advisory services</p> <p>22. Support for new business development and consulting for sales and other activities for new businesses</p> <p>23. Management of medical facilities, hotels, restaurants and sports facilities (Newly established)</p> <p>(Newly established)</p> <p><u>24.</u> Management of schools and other education institutions and education consulting</p> <p><u>25.</u> Social welfare, healthy living and senior care services</p> <p><u>26.</u> Temporary staffing and worker placement business</p> <p><u>27.</u> General and special worker temporary staffing business</p> <p><u>28.</u> Call center business</p> <p><u>29.</u> Planning and operation of events (Newly established)</p> <p>(Newly established)</p> <p><u>30.</u> Business processes, consulting, direct and agent sales, import/export, marketing, brokerage and intermediary services, surveys, document preparation, content preparation, information collection, planning, operations, management and all other activities associated with all of the preceding items</p>	<p>21. M&A brokerage, intermediary and advisory services</p> <p>22. Support for new business development and consulting for sales and other activities for new businesses</p> <p>23. Management of medical facilities, hotels, restaurants and sports facilities</p> <p><u>24.</u> <u>In accordance with the Travel Agency Law, a travel business, travel agent business and travel services business as well as surveys, planning and operations involving travel and sightseeing</u></p> <p><u>25.</u> <u>Management of competitive organizations and sports teams and planning and consulting concerning sports</u></p> <p><u>26.</u> Management of schools and other education institutions and education consulting</p> <p><u>27.</u> Social welfare, healthy living and senior care services <u>and consulting for health care and welfare services</u></p> <p><u>28.</u> Temporary staffing and worker placement business</p> <p><u>29.</u> General and special worker temporary staffing business</p> <p><u>30.</u> Call center business</p> <p><u>31.</u> Planning and operation of events</p> <p><u>32.</u> <u>Collaboration and co-creation activities with companies, the public sector and education institutions</u></p> <p><u>33.</u> <u>Planning, development and sales activities for promotional characters and management of intellectual assets for character merchandise</u></p> <p><u>34.</u> Business processes, consulting, direct and agent sales, import/export, marketing, brokerage and intermediary services, surveys, <u>research and development</u>, document preparation, content preparation, information collection, planning, operations, management and all other activities associated with the preceding items</p>

Current Articles of Incorporation	Proposed Amendments
<p data-bbox="159 244 774 304"><u>(Internet Disclosure and Deemed Provision of Reference Documents for the Shareholders Meeting)</u></p> <p data-bbox="159 315 786 719">Article 14. <u>In connection with the calling of the Shareholders Meetings, the Company may regard that the information concerning the matters to be stated or indicated in the reference documents for General Meeting of Shareholders, business reports, non-consolidated financial statements and consolidated financial statements has been submitted to the shareholders, if the information is disclosed through internet in accordance with the provisions in the ordinance of Ministry of Justice.</u></p> <p data-bbox="159 763 582 864">Supplementary Provisions Article 1. – Article 2 (Omitted) (Newly established)</p>	<p data-bbox="807 244 1422 304"><u>(Electronic Provision Measure for Reference Documents for the Shareholders Meeting)</u></p> <p data-bbox="807 315 1422 719">Article 14. <u>The Company shall, when convening a Shareholders Meeting, take the electronic provision measure for information included in the reference documents for General Meeting of Shareholders, etc.</u> 2. <u>Among the matters subject to the electronic provision measure, the Company may choose not to include all or part of the matters stipulated in the ordinance of Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p> <p data-bbox="807 763 1422 864">Supplementary Provisions Article 1. – Article 2 (Remain unchanged) <u>Article 3. Article 14 of the current Articles of Incorporation shall remain in force with respect to a Shareholders Meeting to be held on a date within six months from September 1, 2022, the date of implementation of the amended provisions stipulated in the proviso of Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019). These supplementary provisions shall be deleted on the later of either the day on which six months elapse from the date of implementation or the day on which three months elapse from the day of the Shareholders Meeting set forth above.</u></p>

Proposal No. 4: Election of Ten Directors

The terms of office of all ten directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, Scala proposes the election of ten directors based on the decision of the Nominations Committee.

The company's basic policy is that at least one-third of its directors are independent outside directors. If this proposal is approved, the ratio of independent outside directors to the number of directors will remain one-third as before.

The candidates for directors are as follows.

Candidate No.	Name	Current Positions at the Company
1	<u>Re-elected</u> Norikatsu Nagino	Director, Representative Executive Officer & President, Chairperson of Nominations Committee and Remuneration Committee
2	<u>Re-elected</u> Seiichi Kiyomi	Director, Executive Officer
3	<u>Re-elected</u> Hideaki Nitta	Director, Executive Officer
4	<u>Re-elected</u> Takeo Aida	Director, Chairperson of Audit Committee
5	<u>Re-elected</u> Shoichi Watanabe	<u>Outside Independent</u> Outside Director, Member of Nominations Committee and Remuneration Committee
6	<u>Re-elected</u> Masatoshi Kushizaki	<u>Outside Independent</u> Outside Director
7	<u>Re-elected</u> Satoshi Ugajin	<u>Outside Independent</u> Outside Director, Member of Audit Committee
8	<u>Re-elected</u> Akihiro Yuki	<u>Outside Independent</u> Outside Director, Member of Audit Committee
9	<u>Re-elected</u> Takuto Kawanishi	<u>Outside Independent</u> Outside Director, Member of Nominations Committee, Audit Committee and Remuneration Committee
10	<u>Re-elected</u> Sakka Kobayashi	<u>Outside</u> Outside Director

Candidate No.

1

Norikatsu Nagino

(Date of birth: January 6, 1975)

Re-elected



Number of shares of
the Company held:
336,400 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
June 2021	Director of Scala Communications, Inc. (current)
September 2021	Director of the Company (current)
September 2021	Representative Executive Officer & President of the Company (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 representative director and in other executive roles at Scala and subsidiaries where he has contributed to the growth of corporate value. Currently, he serves as the representative executive officer and president of the Company. 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:

153,100 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
March 2020	Representative Director of LEOCONNECT Inc. (current)
June 2020	Representative Director of Connect Agency Inc. (current)
September 2021	Director of the Company (current)
September 2021	Executive Officer of the Company (current)
September 2021	Representative Director of Scala Service, 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:

99,400 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
June 2021	Representative Director of Scala Communications, Inc. (current)
June 2021	President & CEO of Scala Next, Inc. (current)
September 2021	Director of the Company (current)
September 2021	Executive Officer of the Company (current)
February 2022	Representative Director of EGG CO., LTD. (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 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

Takeo Aida

(Date of birth: February 7, 1955)

Re-elected



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
September 2021	Director 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 a member of Audit & Supervisory Board and Audit Committee. 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.

5

Shoichi Watanabe

(Date of birth: May 23, 1962)

Re-elected
Outside
Independent



Number of shares of
the Company held:

36,900 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. (currently MatsukiyoCocokara & Co.) (current)

Reason for the nomination and summary of expected roles

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 MatsukiyoCocokara & Co.

Candidate No.

6

Masatoshi Kushizaki

(Date of birth: May 16, 1966)

Re-elected
Outside
Independent



Number of shares of
the Company held:

300 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 and summary of expected roles

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.

7

Satoshi Ugajin

(Date of birth: February 11, 1975)

Re-elected
Outside
Independent



Number of shares of
the Company held:

400 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
- September 2021 Outside Director of the Company (current)

Reason for the nomination and summary of expected roles

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.

8

Akihiro Yuki

(Date of birth: October 7, 1966)

Re-elected
Outside
Independent



Number of shares of
the Company held:

200 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
January 2020	CFO of Welltool Co., Ltd.
September 2021	Outside Director of the Company (current)
April 2022	Auditor of Sayama Gakuen Asian Animal College (current)
May 2022	Representative Employee of East Japan Reconstruction Support Organization LLC (current)
May 2022	Part-time Auditor of ESPOIR Co.,Ltd. (current)
July 2022	Representative Managing Director of ILLHOME.CO.LTD (current)

Reason for the nomination and summary of expected roles

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., Auditor of Sayama Gakuen Asian Animal College, Representative Employee of East Japan Reconstruction Support Organization LLC, Part-time Auditor of ESPOIR Co.,Ltd., Representative Managing Director of ILLHOME.CO.LTD

Candidate No.

9

Takuto Kawanishi

(Date of birth: August 10, 1976)

Re-elected
Outside
Independent



Number of shares of
the Company held:

4,100 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
June 2020 Outside Director of AICHI CORPORATION (current)
September 2021 Outside Director of the Company (current)

Reason for the nomination and summary of expected roles

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 the governance and 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

Candidate No.

10

Sakka Kobayashi

(Date of birth: September 20, 1983)

Re-elected
Outside



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)
January 2020 Partner at Nishimura & Asahi (current)
September 2021 Outside Director of the Company (current)

Reason for the nomination and summary of expected roles

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

Notes:

1. There are no special interests between each candidate and the Company.
2. Mr. Shoichi Watanabe, Mr. Masatoshi Kushizaki, Mr. Satoshi Ugajin, Mr. Akihiro Yuki, Mr. Takuto Kawanishi, and Ms. Sakka Kobayashi 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 nine years and three years, respectively, at the conclusion of this shareholders meeting. Terms of office as outside directors of Mr. Satoshi Ugajin, Mr. Akihiro Yuki, Mr. Takuto Kawanishi, and Ms. Sakka Kobayashi are one year 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, Mr. Masatoshi Kushizaki, Mr. Satoshi Ugajin, Mr. Akihiro Yuki, Mr. Takuto Kawanishi, and Ms. Sakka Kobayashi to limit their liability for damages under Paragraph 1, Article 423 of the same act. The details of this agreement are stated on page 53 of the Business Report (Japanese only). If the reappointment of each individual is approved, the Company plans to continue the relevant agreement with each individual.
 - (3) The Company has registered Mr. Shoichi Watanabe, Mr. Masatoshi Kushizaki, Mr. Satoshi Ugajin, Mr. Akihiro Yuki, Mr. Takuto Kawanishi, and Ms. Sakka Kobayashi as independent directors in accordance with the provisions of the Tokyo Stock Exchange. If their appointment is approved, the Company will continue to designate Mr. Shoichi Watanabe, Mr. Masatoshi Kushizaki, Mr. Satoshi Ugajin, Mr. Akihiro Yuki and Mr. Takuto Kawanishi as independent directors. Though Ms. Sakka Kobayashi satisfies the requirements for independent directors as stipulated by the Tokyo Stock Exchange and the Company's "Criteria of Independence for Outside Directors," she is not designated as an independent director.
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 53 of the Business Report (Japanese only). The insurance policy is scheduled to be renewed in March 2023, 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, 2022.

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, and the skill matrix that indicates directors skills and expertise is as follows.

◎: Essential skills and professional expertise expected of directors

○: Outstanding skills and professional expertise

Candidates for Directors		Norikatsu Nagino	Seiichi Kiyomi	Hideaki Nitta	Takeo Aida	Shoichi Watanabe	Masatoshi Kushizaki	Satoshi Ugajin	Akihiro Yuki	Takuto Kawanishi	Sakka Kobayashi
						Independent Outside Director	Independent Outside Director	Independent Outside Director	Independent Outside Director	Independent Outside Director	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	○			○	○		○	○	◎	○

*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