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September 7, 2021

To Our Shareholders

Masao Ito
President CEO
User Local, Inc.
5-20-6 Shiba, Minato-ku,
Tokyo, Japan

Notice of the 16th Ordinary General Meeting of Shareholders

You are hereby notified that the 16th Ordinary General Meeting of Shareholders of User Local, Inc. (“the Company”) will be held as indicated below.

To prevent the spread of novel coronavirus disease (COVID-19) and ensure the safety of our shareholders, we ask you to, if at all possible, exercise your voting rights in writing or by electronic means (via the Internet, etc.). In addition, if you attend the meeting, please take measures to prevent infection, such as wearing a mask, when attending.

If you exercise your voting rights in writing or by electronic means (via the Internet, etc.), please exercise your voting rights by 6:30 p.m. on Tuesday, September 21, 2021 (Japan Time), having reviewed the Reference Documents for the General Meeting of Shareholders, which follow this notice.

- Date and Time:** September 22, 2021 (Wednesday) 10:00 a.m. (reception opens at 9:30 a.m.) (Japan Time)
- Venue:** 2-5-20 Shibakoen, Minato-ku, Tokyo, Japan Hotel MIEL PARQUE TOKYO 4F 「KUJAKU」
- Purpose of the Meeting**
Matters to be reported:
The Business Report and the Financial Statements for the 16th fiscal year (from July1, 2020 to June 30, 2021), and the results of audits of the Financial Statements by Accounting Auditor and Audit & Supervisory Board
Matters to be resolved:
Proposal1: Appropriation of the Surplus
Proposal2: Partial Amendments to the Articles of Incorporation
Proposal3: Decision on Compensation to Grant Restricted Shares to Directors

· If attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

· In the event that any revision is made to the Reference Documents for the General Meeting of Shareholders, the Business Report, or the Financial Statements, the revised matters of these documents will be posted on the Company’s website mentioned below.

The Company’s website: <https://www.userlocal.jp/ir/>

Reference Documents for the General Meeting of Shareholders

Proposal1: Appropriation of the Surplus

The Company regards the continuous return of profits to its shareholders as a highly important management issue, and our basic policy is to stably implement dividends in consideration of future business expansion, investments in facilities, while maintaining a balance with internal reserves. With regard to the appropriation of the surplus, having taken into account the performance for the fiscal year under review and future business expansion, the Company proposes the following:

Year-end dividends

- (1) Type of dividends: Cash
- (2) Dividend allocation and their aggregate amount thereof
Dividend per common share of the Company: ¥5
Total dividends: ¥39,505,040
- (3) Effective date of dividends of surplus: September 24, 2021

*(Note) The Company conducted a 2-for-1 stock split of common stocks as of July 1, 2021. The dividend of fiscal year ended 30 June 2021 is calculated based on the number of shares before the said stock split as the record date for dividends is June 30, 2021.

Proposal2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments:

(1) The Company relocated its head office functions from Minato-ku, Tokyo to Shinagawa-ku, Tokyo in June 2021 in order to accommodate an increase in personnel in line with business expansion and to improve management efficiency. The Company will change the location of head office as stipulated in Article 3 of the current Articles of Incorporation in accordance with actual conditions.

(2) The Bill for Partially Amending the Industrial Competitiveness Enhancement Act of Japan has been submitted to the Diet (Effective June 16th this year), which allows companies to add a provision to their Articles of incorporation stating that a general meeting of shareholders may be held without specifying a venue (what is called the virtual meeting of shareholders), subject to confirmation by the Ministry of Economy, Trade and Industry and the Ministry of Justice that such companies satisfy the requirements specified by the Ordinance of the Ministry of Economy, Trade and Industry and the Ordinance of the Ministry of Justice, for falling under cases where holding a general meeting of shareholders without specifying a venue contributes to be industrial competitiveness while securing the interests of shareholders.

We believe that the virtual meeting of shareholders will lead to the revitalization, efficiency, and facilitation of the meeting of shareholders by facilitating the attendance of a large number of shareholders, including those in remote areas.

Therefore, we propose amending the Articles of Incorporation to the effect that the Company may hold a general meeting of shareholders without specifying a venue when the Board of Directors of the Company decides.

2. Details of the amendments:

The details of the amendments are as follows (underlined text indicates amendments.):

Current Articles of Incorporation	Proposed Amendment
<p>Articles 3. (Location of the Head Office)</p> <p>The Company shall have a head office in <u>Minato-ku</u>, Tokyo, Japan.</p> <p>Articles 12. (Convocation)</p> <p>The ordinary general meeting of shareholders of the Company shall be convened within three months from the day following the last day of the fiscal year. The extraordinary general meeting of shareholders may be convened when necessary.</p>	<p>Articles 3. (Location of the Head Office)</p> <p>The Company shall have a head office in <u>Shinagawa-ku</u>, Tokyo, Japan.</p> <p>Articles 12. (Convocation)</p> <p>The ordinary general meeting of shareholders of the Company shall be convened within three months from the day following the last day of the fiscal year. The extraordinary general meeting of shareholders may be convened when necessary.</p> <p><u>2. A general meeting of shareholders of the Company may be held without specifying a venue.</u></p>

Proposal3: Decision on Compensation to Grant Restricted Shares to Directors

At the Extraordinary General Shareholders' Meeting to be held on October 10, 2014, compensation payable to Directors was approved at a maximum amount of 200 million yen per year (of which, employee salaries are not included.) and compensation payable to Audit & Supervisory Board Member was approved at a maximum amount of 50 million yen per year.

Compensation to Grant Restricted Shares (hereinafter "The Plan") is to be implemented with the aim of encouraging Directors of the Company to share values with our shareholders and sustainably enhance our corporate value. In addition, the Plan is to be implemented with the aim of encouraging Audit & Supervisory Board Member (hereinafter, together with Directors, "Eligible Board Members") to work to prevent impairment of our corporate value and maintain confidence of the Company. At the Shareholders' Meeting, we plan to seek shareholders' approval for the introduction of the Plan and establishment of compensation under the Plan within the existing compensation limit.

The total amount of monetary receivables to be paid to Directors will be up to 100 million yen per year and Audit & Supervisory Board Member will be up to 25 million yen per year within the existing compensation payable and the specific allocation of payment to Directors will be resolved by the Board of Directors and the specific allocation of payment to Audit & Supervisory Board Members will be resolved by Audit & Supervisory Board. The Company currently have five Directors (including two External Directors) and three Audit & Supervisory Board Members (including three External Audit & Supervisory Board Members).

The Eligible Board Members will pay-in all of the monetary receivables paid by the Company under the Plan as property contributed in kind and receive the common shares to be issued or disposed by the Company in exchange for the in-kind contribution. The total number of the common shares to be issued or disposed under the Plan will be up to 80,000 shares per year for Directors and 20,000 shares per year for Audit & Supervisory Board Members. (The number of shares to be issued or disposed may be adjusted for any compelling reason such as a share split or share consolidation of our common shares.) The paid-in amount per common share to be issued or disposed under the Plan will be determined by the Board of Directors and Audit & Supervisory Board within a range that is not particularly advantageous to the Eligible Board Members, based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day prior to the resolution of the Board of Directors and Audit & Supervisory Board concerning the issuance or disposition thereof (or at the closing price on the immediately preceding trading day, if

no trading is made on that day). Upon the issuance or disposal of the Company's common shares under the Plan, the Company and the Eligible Board Members will enter into a restricted share allotment agreement (hereinafter the "Allotment Agreement"), which stipulates that:

(1) The restricted period will be defined by the Board of Directors within a range from three to six years. The Eligible Board Members shall not transfer, pledge as collateral, or otherwise dispose of the common shares allocated under the Allotment Agreement for a predetermined period.

(2) the common shares shall be acquired by the Company without any compensation when Director loses his/her position as Board of Directors or any other position determined by the Board of Directors and Audit & Supervisory Board Member loses his/her position as Audit & Supervisory Board Member before the expiration of the service period determined by Board of Directors.

(3) the Company will release the restriction on transfer of all of the allocated shares upon the expiration of the restricted transfer period on the condition that the Eligible Board Members has continuously held the position specified in (2) above during the service period. However, if the Eligible Board Members lose his/her position specified in (2) above before the expiration of the service period for reasons that Board of Directors deems justifiable, the number of shares to be released and the timing shall be reasonably adjusted as necessary.

(4) Upon expiration of the transfer restriction period, the Company will automatically acquire all allocated Shares for which the transfer restriction has not been lifted without providing compensation in accordance with the provision of (3) above.

(5) In the event of a merger agreement in which the Company become a dissolved company, or a share exchange agreement, share transfer plan or any other matters of reorganization with which the Company becomes a wholly owned subsidiary is approved at a general meeting of shareholders of the Company (or the Board of Directors where the reorganization does not require the approval of the general meeting of shareholders), the Company shall, by a resolution of the Board of Directors of the Company, lift the transfer restriction on the reasonably determined number of allocated shares based on the period from the start of the restriction transfer period to the date of approval of such organizational restructuring.

(6) At the time immediately after the restrictions on transfer are lifted in accordance with the provisions of (5) above, the Company will automatically acquire all allocated Shares for which the transfer restriction has not been lifted without providing compensation.

(7) The way of notification in this Allotment Agreement, the way of revision of this Allotment Agreement, and other matters to be determined by the Board of Directors shall be the contents of this Allotment Agreement.

At the Board of Directors meeting held on February 10, 2021, the Company established a basic policy regarding the remuneration for Directors and Audit & Supervisory Board Members. The Company plans to amend this policy to conform to the content of this proposition, subject to the approval of this proposition.

The Pay-in amount for the restricted shares is the amount is the market price immediately prior to the date of the Board of Directors meeting resolution and we believe it appropriately and reasonably reflects the company's corporate value and is not a price particularly favorable to the allottee unless there is any special circumstance suggesting that dependence on the latest stock price is inappropriate. Since the dilution ratio is also insignificant, the Company has determined that the granting of the restricted shares is reasonable.