

January 15, 2025

Attn : All Shareholders

Motoshi Yada  
Representative Director, President and CEO  
H.I.S. Co., Ltd.

Our View of the ISS Report Concerning Proposals  
at the 44th Ordinary General Meeting of Shareholders

We understand that Institutional Shareholder Services Inc. (hereinafter, "ISS"), a proxy advisory firm, has been issued an English-language report (hereinafter, the "Report") that recommends voting against Proposal 1 "Appropriation of surplus" and Proposal 2 "Election of eight(8) Directors (excluding Directors who are Audit and Supervisory Committee Members)" (hereinafter, the "Proposals") at the 44th Ordinary General Meeting of Shareholders scheduled for January 29, 2025.

Therefore, we would like to inform our shareholders and investors once again to fully understand our view on the Proposals as follows.

1. ISS' Reason for Recommending Against

ISS has recommended against Proposal 1: 'Dividend of Surplus' in this report because the audit has not been completed and the audited financial statements have not been disclosed to shareholders, so shareholders are unable to assess the proposal in relation to the company's financial position.

In addition, The reason for recommending against Proposal 2: 'Election of eight (8) Directors (excluding Directors who are members of the Audit Committee)' is that the information required to calculate the percentage of attendance at Board meetings by Junko Owada and Shingo Kagawa, who are candidates for re-election as Outside Directors, is not disclosed and the disclosure is inadequate.

2. Our view and additional disclosure information

Due to the ongoing investigation by the Special investigation committee on suspicions of improper receipt of employment adjustment subsidies by the Company's consolidated subsidiary NUMBER ONE TRAVEL SHIBUYA CO., LTD and to confirm whether there are issues related to the receipt of employment adjustment subsidies throughout the Group, we anticipate that considerable time will be required for the account settlement procedures by the Company, the audit procedures by the Accounting Auditor and other matters based on the findings of the investigation, etc. As a result, we are unable to provide the Business Report, Consolidated Financial Statements, Non-Consolidated Financial Statements, audit report, etc. for the 44th Term, which should be attached to the notice of

convocation of the General Meeting, and are unable to present the Financial Statements at the General Meeting.

With regard to ISS's recommendation on Proposal 1, as noted above, the Special Investigation Committee is conducting an investigation to confirm whether there are issues related to the receipt of employment adjustment subsidies throughout the Group, sincerely because the impact of this matter under investigation on consolidated performance is currently unclear, we regrettably seek to forgo the year-end dividend is appropriate.

In addition, we would like to provide additional disclosure information on the main activities of Ms. Junko Owada and Mr. Shingo Kagawa, Candidates for re-election as independent outside directors in relation to Proposal 2.

1) Main activities

Candidates for directors : Junko Owada 

Re-election	Outside	Independent
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She attended all 13 meetings of the Board of Directors held in the current financial year. She provides advice as appropriate from a broad perspective developed from her extensive experience and insight in human resources, recruitment and education.

Candidates for directors : Shingo Kagawa 

Re-election	Outside	Independent
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He attended all 13 meetings of the Board of Directors held in the current financial year. He provides advice as appropriate based on his extensive knowledge of ICT and DX, as well as his extensive experience and insight as a manager.

Shareholders are kindly requested to carefully consider exercising their voting rights on this proposals after reviewing the our view and additional disclosure information .