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Securities identification code: 7823

June 4, 2021

To our shareholders:

Yoshikata Igarashi
Chairman and President
ARTNATURE INC.
3-40-7 Yoyogi, Shibuya-ku, Tokyo

NOTICE OF THE 54TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

This is to notify you of the 54th Ordinary General Meeting of Shareholders of ARTNATURE INC. (the “Company”), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by either of the following methods. After reviewing the attached Reference Documents for the General Meeting of Shareholders, please exercise your voting rights no later than 6:30 p.m. on Tuesday, June 22, 2021 (Japan Standard Time).

1. Date and Time: Wednesday, June 23, 2021, at 10:00 a.m. (Japan Standard Time)

Reception starts at 9:00 a.m.

2. Venue: The Ballroom on Level 39
Park Hyatt Tokyo, Shinjuku Park Tower
3-7-1 Nishi Shinjuku, Shinjuku-Ku, Tokyo

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 54th Term (from April 1, 2020 to March 31, 2021) as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Board of Auditors
2. Non-Consolidated Financial Statements for the 54th Term (from April 1, 2020 to March 31, 2021)

Item to be resolved:

- Proposal 1:** Appropriation of surplus
- Proposal 2:** Partial amendments to the amount of remuneration, etc. concerning stock compensation-type stock options for Directors

General information

If you will be attending the meeting in person, please submit the enclosed voting form to reception staff at the venue.

Moreover, in accordance with applicable laws and regulations and the provisions of Article 15 of the Company’s Articles of Incorporation, the following items from the documents that should be provided will be made available on the Company’s website (URL: <https://www.artnature.co.jp>) and are not therefore among the documents provided with this notice of Ordinary General Meeting of Shareholders.

- Status of items such as stock acquisition rights
- System for ensuring the appropriateness of business and an overview of the operating status of said system
- Notes to Consolidated Financial Statements

- Notes to Non-Consolidated Financial Statements

In the event of revisions to the Reference Documents for the General Meeting of Shareholders, Business Report, Non-Consolidated Financial Statements, or Consolidated Financial Statements, the revised items will be posted on the Company's website (URL: <https://www.artnature.co.jp>) (Japanese only).

Exercising voting rights by proxy: If exercising voting rights by proxy, another shareholder of the Company with voting rights can attend the meeting as your proxy. However, please note that the voting form and a document testifying to their authority to act as proxy must be submitted together with the registered seal certificate for the signature or seal on a document testifying to their authority to act as proxy and a copy of the proxy's passport, driver's license, health insurance certificate, or other document verifying the identity of the shareholder.

Notification method when exercising voting rights diversely: If you plan to exercise your voting rights in a non-uniform way, please inform the Company of this intention with the reason in writing at least three (3) days prior to the date of the general meeting of shareholders.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of surplus

The Company proposes appropriation of surplus as follows:

1. Matters related to year-end dividends

The Company believes that returning profits to shareholders is one of its most important management issues. Our basic policy is to provide stable dividends to shareholders while strengthening our business foundation and financial structure and augmenting internal reserves for future business expansion.

Based on this basic policy and in light of a comprehensive assessment of earnings in this fiscal year, the Company proposes year-end dividends of ¥14 per common share for the 54th Term.

(1) Type of dividend property

Cash

(2) Allocation of dividend property to shareholders and total amount thereof

¥14 per common share of the Company

Total amount of dividends: ¥456,731,254

(3) Effective date of distribution of dividends of surplus

June 24, 2021

Proposal 2: Partial amendments to the amount of remuneration, etc. concerning stock compensation-type stock options for Directors

The allotment to Directors (excluding Outside Directors) of stock acquisition rights for stock compensation-type stock options as remuneration to Directors of the Company was approved at ¥100 million or less annually at the 50th Ordinary General Meeting of Shareholders held on June 22, 2017 (hereinafter, the resolution made by the aforementioned ordinary general meeting of shareholders shall be referred to as “Original Resolution”).

With the enforcement of the “Act Partially Amending the Companies Act (Act No. 70 of 2019) as of March 1, 2021, the Company requests approval again for the details of the conditions for exercise and acquisition requirements, pertaining to the details of stock acquisition rights that have been already approved. The details of this proposal are not intended to increase the limit of remuneration from that of the Original Resolution. This proposal follows procedures in the same way as before and there are no material changes.

With regard to the granting of stock compensation-type stock options, Directors who are allotted stock acquisition rights will be granted remuneration of an equivalent value to the money they have paid in pursuant to resolution of the Board of Directors of the Company on condition that they are in the position of Director of the Company on the day when the subscription requirements of the stock acquisition are decided and that they enter into a stock acquisition right allotment agreement that includes the details described below, such that the payment amount for the remuneration rights and the stock acquisition rights offset each other, resulting in the Directors obtaining stock acquisition rights. The value of remuneration stock options, etc., shall be obtained by multiplying the fair value of one (1) stock acquisition right, as calculated on the day of the allotment of stock acquisition rights, by the total number of new share subscription rates allocated.

At present, the Company has nine (9) Directors (including two (2) Outside Directors).

Details of stock acquisition rights as stock compensation-type stock options for Directors (excluding Outside Directors) of the Company

(1) Type and number of shares to be issued upon exercise of stock acquisition rights

The shares to be issued for the stock acquisition rights shall be common share of the Company, and the number of shares subject to one (1) stock acquisition right (hereinafter “Number of Shares Granted”) shall be one hundred (100) shares. However, after the date of resolution made by the General Meeting of Shareholders, if the Company conducts a share split (including the allotment of common share of the Company to shareholders without consideration; the same applies hereinafter) or consolidates its shares, the Number of Shares Granted for the stock acquisition rights that have not been exercised at the time of the share split or consolidation will be adjusted in accordance with the following calculation.

Number of Shares Granted after adjustment = Number of Shares Granted before adjustment × Ratio of split (or consolidation)

In addition, upon the occurrence of any unavoidable event that requires the adjustment to the Number of Shares Granted, the Company may adjust the Number of Shares Granted as deemed necessary by the Company’s Board of Directors.

Fractions of less than one (1) share resulting from the above adjustment shall be rounded down.

(2) Total number of stock acquisition rights

The number of stock acquisition rights to be allocated within one (1) year from the date of the ordinary general meeting of shareholders for each business term shall not exceed 2,000.

(3) Subscription amount payable for the granted stock acquisition rights

The amount paid in for one (1) subscription right to shares shall be the amount determined by the Board of Directors on the basis of fair value of subscription rights to shares, which is computed by a fair calculation method including the Black-Scholes model, upon the allotment of the subscription rights to shares. The recipient of the allotment of stock acquisition rights (hereinafter “Stock Acquisition Right Holder”) shall not be required to pay in money as the remuneration receivable from the Company shall be

offset against the amount payable for subscription.

- (4) Amount of property to be contributed upon exercise of stock acquisition rights
When calculating the amount of property to be contributed upon exercise of stock acquisition rights, the amount per share issued upon exercise of stock acquisition rights shall be ¥1, and the total amount of property to be contributed shall be obtained by multiplying the amount per share by the Number of Shares Granted.
- (5) Exercise period of stock acquisition rights
The exercise period of stock acquisition rights shall be determined by resolution of the Board of Directors within the scope of fifty (50) years from the date immediately following the allotment date of the stock acquisition rights.
- (6) Conditions for exercise of stock acquisition rights
 - 1) A qualified person entitled to the stock acquisition rights may only exercise the rights in a lump-sum only for a period of ten (10) days (if the 10th day is a holiday, the next business day) reckoning from the day following the date when he/she steps down from the position of a Director of the Company. Other conditions for exercising stock acquisition rights shall be decided by the Board of Directors of the Company that decides the subscription requirements of the stock acquisition rights.
 - 2) If a qualified person entitled to the stock acquisition rights dies, the heir of that person may only exercise the rights in a lump-sum only.
- (7) Restriction on acquisition of the stock acquisition rights by transfer
Acquisition of the stock acquisition rights by transfer shall require approval by resolution of the Board of Directors of the Company.
- (8) Clauses on acquisition of the stock acquisition rights
 - 1) If a Stock Acquisition Right Holder becomes unable to exercise the stock acquisition rights due to the rule of (6) described above and/or other reasons before he/she exercises the stock acquisition rights, the Company may acquire the said stock acquisition rights without consideration on the day determined separately by the Board of Director of the Company.
 - 2) The Company may acquire the stock acquisition rights without consideration on the day determined separately by the Board of Director of the Company if any of the following proposals described in a., b., c., d., or e. is approved by the ordinary general meeting of shareholders of the Company (by the Board of Directors in a case where the ordinary general meeting of shareholders is not required):
 - a. Proposal for approval for a merger agreement, under which the Company will be the dissolving company;
 - b. Proposal for approval for a split agreement or a split plan, under which the Company will be the splitting company;
 - c. Proposal for approval for a share exchange agreement or a share transfer plan, under which the Company will become a wholly-owned subsidiary;
 - d. Proposal for approval for an amendment to the Articles of Incorporation, aimed at establishing a rule to require approval of the Company for acquisition of the entire shares issued by the Company through transfer; and
 - e. Proposal for approval for an amendment to the Articles of Incorporation, aimed at establishing a rule to require approval of the Company for acquisition of shares of the type of shares to be issued upon exercise of stock acquisition rights through transfer, or a rule under which the Company will acquire the entire shares of the said type of shares by resolution of the ordinary general meeting of shareholders
- (9) Other details of stock acquisition rights
Any other details related to stock acquisition rights shall be decided by the Board of Directors of the Company that decides the subscription requirements of the stock acquisition rights.