

Security Code:6694
March 9, 2021

ZOOM CORPORATION
4-4-3 Kanda-surugadai, Chiyoda-ku, Tokyo 101-0062

Notice of the 38th Ordinary General Meeting of Shareholders

Dear Shareholders,

Please be informed that the 38th Ordinary General Meeting of Shareholders of ZOOM CORPORATION will be held as outlined below. To help to prevent the spread of COVID-19, shareholders are requested, as much as possible, to refrain from attending the General Meeting in person and to exercise voting rights in advance in writing or via the Internet. To exercise voting rights in writing or via the Internet, please send the Voting Rights Exercise Form to arrive by, or complete entry of exercise of voting rights via the Internet by, 5:30 pm on Monday, March 29, 2021. We apologize for the inconvenience.

Sincerely,
Masahiro Iijima,
Representative Director and CEO

Details

1. Date and time
Tuesday, March 30, 2021
10:00 am (reception opens at 9:30 am)
2. Location
Room B, Solacity Conference Center, 1F, Ochanomizu Solacity, 4-6 Kanda-surugadai, Chiyoda-ku, Tokyo
3. Agenda items
Matters to be reported:
 1. Report on the business report, the consolidated financial statements, and the results of the audit of the consolidated financial statements by the Accounting Auditor and the Audit & Supervisory Committee for the 38th fiscal year (from January 1, 2020 through December 31, 2020)
 2. Report on the financial statements for the 38th fiscal year (from January 1, 2020 through December 31, 2020)

Matters to be resolved:

- | | |
|-----------------|--|
| Proposal No. 1: | Appropriation of surplus |
| Proposal No. 2: | Election of two Directors of the Board who are not Audit & Supervisory Committee Members |
| Proposal No. 3: | Election of three Directors of the Board who are Audit & Supervisory Committee Members |
| Proposal No. 4: | Selection of Accounting Auditor |
| Proposal No. 5: | Decision on remuneration for granting of Restricted Stock to Directors (not including Directors who are Audit and Supervisory Committee Members and Outside Directors) |



- ◎ When attending on the day of the Meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- ◎ Since, pursuant to laws, regulations, and Article 15 of the Articles of Association, the Company posts the Company Structure and Policies, Notes to the Consolidated Financial Statements, and Notes to the Nonconsolidated Financial Statements to the Internet on the Company website (<https://www.zoom.co.jp/>), they are not included in the attachments to the Notice of the 38th Ordinary General Meeting of Shareholders. Accordingly, the attachments to this Notice constitute part of the subject of auditing by the Audit & Supervisory Committee and the Accounting Auditor in preparation of their audit reports.
- ◎ Any revisions to the reference information for the General Meeting of Shareholders, the business report, the financial statements, and the consolidated financial statements will be posted to the Internet on the Company website (<https://www.zoom.co.jp/>).

Reference information for the General Meeting of Shareholders

Proposals and reference information

Proposal No. 1

Appropriation of surplus

We consider returning profits to shareholders to be an important management issue and strive to do so with consideration for matters such as the state of profits in each business year and future business prospects, while maintaining stable dividends. Specifically, our policy is to pay stable dividends with a target payout ratio of 30%. Based on this policy, we propose the following year-end dividends for the 38th fiscal year.

1. Type of assets to be distributed

Cash

2. Matters related to the rate of allocation of dividend assets to shareholders and their total amount

Per share of Company common stock: 62 yen

Total amount of dividends: 138,860,222 yen

3. Effective date of dividend of surplus

March 31, 2021

Proposal No. 2

Election of two Directors who are not Audit and Supervisory Committee Members.

The terms of office of both Directors who are not Audit and Supervisory Committee Members will expire at the close of this General Meeting of Shareholders. Accordingly, we propose to reelect Masahiro Iijima and Tatsuzo Yamada as Directors who are not Audit and Supervisory Committee Members.

Candidates for Directors are as follows:

1

Masahiro Iijima (date of birth: November 3, 1955)
Shares of Company stock owned: 352,700 shares
Attendance in Board of Directors meetings: 14/14 times (100%)

Reappointment

[Brief career history, position, and responsibilities]

April 1977: Joined KORG Inc.

September 1983: Participated in the establishment of ZOOM

April 1996: General Manager of Administrative Department

February 1998: Appointed Director

September 2003: Appointed Executive Managing Director

July 2004: Appointed Director of ZOOM HK LTD (present post)

May 2008: Appointed Representative Director and CEO (present post)

May 2013: Appointed Manager of ZOOM North America, LLC (present post)

April 2018: Appointed Director (President) of Mogar Music S.p.A. (now Mogar Music S.r.l.) (present post)

[Important concurrent posts]

Manager of ZOOM North America, LLC

Director (President) of Mogar Music S.r.l.

Director of ZOOM HK LTD.

Reasons for Candidacy as Director

As a member of the Company's founding team and Representative Director and CEO since May 2008, Mr. Iijima possesses a wealth of experience and a high degree of discernment as a manager. He is highly familiar with various sections of the Company, from new-product development through marketing, production, and administration, and is considered an appropriate human resource for the Group's sustained growth. For these reasons, we request his reappointment as Director.

Tatsuzo Yamada (date of birth: July 20, 1969)

Shares of Company stock owned: 25,900 shares
Attendance in Board of Directors meetings: 14/14 times (100%)

Reappointment

[Brief career history, position, and responsibilities]

October 1995: Joined Tohmatsu & Co. (now Deloitte Touche Tohmatsu LLC)

May 1999: Registered as certified public accountant

July 2002: Seconded to Deloitte Kuala Lumpur Office as Director

June 2008: Joined BrainPad Inc.

August 2008: Appointed Director of BrainPad Inc.

December 2009: Joined MISUMI Inc., seconded to Promiclos Inc. (now CYGNI Inc.)

June 2012: Joined ZOOM Corporation, Vice President of Administration Division (present post)

March 2013: Appointed Director and CFO (present post)

March 2018: Appointed Director of ZOOM HK LTD. (present post)

March 2018: Appointed Manager of ZOOM North America, LLC (present post)

April 2018: Appointed Director of Mogar Music S.p.A. (now Mogar Music S.r.l.) (present post)

[Important concurrent posts]

Manager of Zoom North America, LLC

Director of Mogar Music S.r.l.

Director of ZOOM HK LTD.

Reasons for Candidacy as Director

Mr. Yamada has been responsible for administrative sections since joining the Company, and he has contributed to building the Company's administrative structure, including that of Group companies. In addition, he has amassed a wealth of experience and knowledge regarding Group business activities through serving as CFO. He is considered an appropriate human resource for the Group's sustained growth. For these reasons, we request his reappointment as Director.

Notes:

1. There are no special interests between either of the candidates and the Company.
2. The Company Audit and Supervisory Committee has judged all candidate Directors who are not Audit and Supervisory Committee Members covered by this proposal to be appropriate for such candidacy.

Proposal No. 3

Election of three Directors of the Board who are Audit and Supervisory Committee Members

The terms of office of all three Directors who are Audit and Supervisory Committee Members will expire at the close of this General Meeting of Shareholders. Accordingly, we propose to elect three Directors who are Audit and Supervisory Committee Members.

The consent of the Audit and Supervisory Committee has been obtained concerning this proposal.
Candidates for Directors who are Audit and Supervisory Committee Members are as follows:

1

Kazuki Yokoyama (date of birth: August 28, 1976)
Shares of Company stock owned: -
Attendance in Board of Directors meetings: 14/14 times (100%)
Attendance in Audit and Supervisory Committee meetings: 14/14 times (100%)

Reappointment

[Brief career history, position, and responsibilities]

April 1999: Joined ACOM Co., Ltd.

December 2005: Joined Tohmatsu LLC (now Deloitte Touche Tohmatsu LLC)

January 2010: Joined AGS Consulting Co., Ltd.

December 2010: Registered as certified public accountant

January 2015: Established Accelerator Alliance Accounting Office (now Accelerator Accounting Office) and appointed Representative Director

June 2015: Appointed Director and Audit and Supervisory Committee Members (present post)

January 2016: Established Accelerator Alliance Co., Ltd. (now Accelerator Consulting Co., Ltd.) and appointed Representative Director

December 2017: Appointed Outside Director of Paraca Inc. (present post)

January 2020: Appointed Representative Employee of Accelerator Accounting Office (present post)

July 2020: Appointed Representative Employee of Accelerator Audit Co. (present post)

[Important concurrent posts]

Representative Director, Accelerator Consulting Co., Ltd.

Representative Employee, Accelerator Accounting Office

Representative Employee, Accelerator Audit Co.

Outside Director, Paraca Inc.

Reasons for Candidacy as Outside Director

Mr. Yokoyama possesses a wealth of knowledge concerning accounting and taxation as a certified public accountant and tax accountant experienced in areas such as accounting auditing and inspection. He utilizes this experience and career history in business section audits in the Group. He is considered appropriate as an Outside Director who is an Audit and Supervisory Committee Member, and we request his reelection to this post.

Fukashi Yamane (date of birth: May 1, 1951)

Shares of Company stock owned: -

Attendance in Board of Directors meetings: 14/14 times (100%)

Attendance in Audit and Supervisory Committee meetings: 14/14 times (100%)

Reappointment

[Brief career history, position, and responsibilities]

April 1975: Joined Kowa Shinyaku Co., Ltd.

July 1980: Joined Deloitte, Haskins & Sells Certified Public Accountants (now Deloitte Touche Tohmatsu LLC)

August 1982: Joined Ota Showa LLC (now Ernst & Young ShinNihon LLC)

March 1986: Registered as a certified public accountant

May 1987: Established APS Co., Ltd. (accounting firm) and appointed Representative Director

January 2009: Established APS Tax Accountant Office and appointed Representative Employee and Director (present post)

February 2012: Appointed Auditor

June 2015: Appointed Director and Audit and Supervisory Committee Members (present post)

[Important concurrent post]

Representative Employee and Director, APS Tax Accountant Office

Reasons for Candidacy as Outside Director

Mr. Yamane possesses a wealth of knowledge concerning accounting and taxation as a certified public accountant and tax accountant experienced in areas such as financial inspection and taxation. He utilizes this experience and career history in auditing in the Group from wide-ranging and advanced perspectives. He is considered appropriate as an Outside Director who is an Audit and Supervisory Committee Member, and we request his reelection to this post. Although the candidate has had no previous involvement in company management other than as an outside director, he is judged to be capable of performing the duties of an Outside Director who is an Audit and Supervisory Committee Member for the reasons stated above.

Katsuhiko Ito (date of birth: July 2, 1972)

Shares of Company stock owned: -

Attendance in Board of Directors meetings: 0/0 times (-%)

Attendance in Audit and Supervisory Committee meetings: 0/0 times (-%)

New appointment**[Brief career history, position, and responsibilities]**

October 2000: Registered as an attorney (Tokyo Bar Association)

October 2000: Joined Tetsu Takahashi Law Office

July 2003: Appointed Partner, Kasumigaseki Partners Law Office

December 2020: Appointed Partner, ITN Law Office (present post)

[Important concurrent post]

Partner, ITN Law Office

Reasons for Candidacy as Outside Director

Mr. Ito possesses a wealth of knowledge concerning the law as a qualified attorney. He can be expected to utilize this experience and career history in auditing in the Group from wide-ranging and advanced perspectives. He is considered appropriate as an Outside Director who is an Audit and Supervisory Committee Member for these reasons, and we request his election to this post. Although the candidate has had no previous involvement in company management other than as an outside director, he is judged to be capable of performing the duties of an Outside Director who is an Audit and Supervisory Committee Member for the reasons stated above.

Notes:

1. There are no special interests between the candidates and the Company.
2. Mr. Yokoyama, Mr. Yamane, and Mr. Ito are candidates for outside directors.
3. Mr. Yokoyama and Mr. Yamane are Company Outside Directors who are Audit and Supervisory Committee Members. Upon the close of this General Meeting, their terms in office will be five years and nine months. They both have been specified as independent officers under the requirements prescribed by the Tokyo Stock Exchange and the Tokyo Stock Exchange has been notified that they serve as independent officers. If their reelection is approved, we plan to have them continue to serve as independent officers.
4. Although Mr. Ito has served as Company advising attorney through February 15, 2021, he meets the requirements for an independent officer as prescribed by the Tokyo Stock Exchange. If his election is approved, we plan to specify him as an independent officer.
5. Mr. Yamane has in the past served as a Company non-operating officer (Outside Auditor).
6. The Company has concluded with Mr. Yokoyama and Mr. Yamane limited liability agreements as stipulated in Article 423, Paragraph 1 of the Companies Act of Japan in accordance with the provisions of Article 427, Paragraph 1 of that act. Under these agreements, their liability for compensation for damages is limited to no more than the minimum liability stipulated under Article 425, Paragraph 1 of that act. Plans call for these agreements to remain in effect if their reelection is approved. In addition, we plan to conclude a similar agreement with Mr. Ito if his election is approved.

Proposal No. 4
 Selection of Accounting Auditor

Since the term of service of the Company's current Accounting Auditor, Deloitte Touche Tohmatsu LLC, will expire at the close of this General Meeting, pursuant to a decision by the Audit and Supervisory Committee we request approval of the selection of Grant Thornton Taiyo LLC as the new Accounting Auditor.

The Audit and Supervisory Committee chose Grant Thornton Taiyo LLC as candidate for Accounting Auditor because, in addition to the expectation that it would audit the Company's accounts from a new perspective, it has been judged to be appropriate as the Company's Accounting Auditor based on comprehensive consideration of matters such as the specialization needed of an Accounting Auditor, its independence and quality-control structures, and auditing costs.

The candidate for Accounting Auditor is as follows.

(As of December 31, 2020)

Name	Grant Thornton Taiyo LLC
Head office address	Akasaka K Tower, 1-2-7 Motoakasaka, Minato-ku, Tokyo
History	September 1971: Taiyo Audit Corporation established October 1994: Joined the Grant Thornton International group January 2006: Taiyo Audit Corporation and ASG Audit Corporation merged to form Taiyo ASG Audit Corporation July 2008: Became Taiyo ASG LLC with a shift to a limited-liability corporation structure July 2012: Merged with Eisho Audit Corporation October 2013: Merged with Kasumigaseki Audit Corporation October 2014: Name changed to Taiyo LLC July 2018: Merged with Yusei Audit & Co.
Overview	Organization Representative employees/employees: 84 Special employees: 4 CPAs: 301 Employees who have passed the CPA exam etc.: 172 Other specialists: 201 Administrative staff: 86 Total (not including part-time staff): 848

Proposal No. 5

Decision on remuneration for granting of Restricted Stock to Directors (not including Directors who are Audit and Supervisory Committee Members and Outside Directors)

The Extraordinary General Meeting of Shareholders held on June 12, 2015 approved an amount of remuneration etc. for Company Directors (not including Directors who are Audit and Supervisory Committee Members) of up to 200 million yen per year (not including the employee salary portion for Directors serving concurrently as employees).

As part of a review of its executive compensation system, the Company would like to establish a new system of payment of remuneration to Directors (not including Directors who are Audit and Supervisory Committee Members and Outside Directors; "subject Directors" hereinafter) for granting of Restricted Stock, under a limit separate from the above remuneration limit. This is intended to provide subject Directors with incentives toward sustained increases in Company corporate value and to promote further sharing of value with shareholders.

Under this proposal, the total amount of remuneration paid through granting of Restricted Stock to subject Directors as monetary claims would be no more than 100 million yen per year (not including the employee salary portion for Directors serving concurrently as employees). In addition, the specific timing of payment and allocation to each of the subject Directors would be decided by the Board of Directors.

The current number of Directors (not including Directors who are Audit and Supervisory Committee Members) is two Directors, and if Proposal No. 2, "Election of two Directors of the Board who are not Audit & Supervisory Committee Members," is approved as proposed, then the number would remain two Directors.

Also, the subject Directors would, based on a resolution of the Company Board of Directors, be paid the entire amount of monetary claims to be paid under this proposal as investment assets in kind, through receiving the issue or disposal of shares of Company common stock. The total number of shares of Company common stock issued or disposed in this way would not exceed 12,800 shares per year (although in the event that there is a need to adjust the total number of shares of Company common stock to be issued or disposed of as shares with restriction on transfer, due to a stock split [including allotment of Company common stock free of charge] or a reverse stock split of Company common stock or other reasons, on or after the date of approval of this proposal, the total number would be adjusted within a reasonable extent).

The pay-in amount per share would be decided by the Board of Directors based on the closing price of Company common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution of the Board of Directors (or the closing price on the most recent trading date if no transactions took place on that date), within an extent that such amount would not be especially beneficial to the subject Directors receiving such common stock. In addition, this issue or disposal of Company common stock and payment of monetary claims as such investment assets in kind will be conditional on conclusion between the Company and the subject Directors of an Agreement on Allotment of Restricted Stock ("Agreement on Allotment" hereinafter) containing the content outlined below.

Also, the maximum limit on the remuneration amount under this proposal, the total number of shares of Company common stock to be issued or disposed of, and other conditions of granting of Restricted Stock to the subject Directors under this proposal have been decided on and are considered appropriate based on consideration of the above purposes, the circumstances of the Company, the Company's policies on decisions related to the content of individual remuneration etc. for Directors (note that this policy will be revised as described under "Reference" below if this proposal is approved), and various other circumstances.

[Outline of the content of the Agreement on Allotment]

(1) Period of restriction on transfer

The subject Directors may not sell, pledge as security, or otherwise dispose of shares of Company common stock of which they received allotment under the Agreement on Allotment ("shares allotted" hereinafter) during the period specified in advance by the Company Board of Directors ("period of restriction on transfer" hereinafter) within the period of three to ten years from the date their allotment was received under the Agreement on Allotment ("restrictions on transfer" hereinafter).

(2) Handling upon leaving the post

If a subject Director has left a post specified in advance by the Company Board of Directors prior to the end of the period of restriction on transfer, then the Company shall, ipso facto, acquire the shares allotted free of charge upon leaving such post, except in cases of completion of his or her term of office, death, or when there are other reasonable grounds for doing so.

(3) Release of the restrictions on transfer

Notwithstanding the provisions under (1) above, the Company may release the restrictions on transfer upon the completion of the period of restriction on transfer for all shares allotted, conditional on the subject Director continuing to be in a post specified in advance by the Company Board of Directors during the period of restriction on transfer.

However, in the event that the subject Director has left a post specified in advance by the Company Board of Directors prior to the completion of the period of restriction on transfer in a case of completion of his or her term of office, death, or when there are other reasonable grounds for doing so as described under (2) above, the number of shares allotted for which the restrictions on transfer will be released and the timing of release of the restrictions on transfer shall be adjusted reasonably as necessary.

In addition, at the point in time immediately after the restrictions on transfer have been released under the provisions above, the Company shall, ipso facto, acquire free of charge the shares allotted for which the restrictions on transfer have not been released.

(4) Handling in cases of reorganization etc.

Notwithstanding the provisions under (1) above, in the event that a merger agreement under which the Company will be the extinguished company, a stock swap agreement or stock transfer plan under which the Company would become a wholly owned subsidiary, or another reorganization etc. during the period of restriction on transfer has been approved by the Company General Meeting of Shareholders (or by the Company Board of Directors if such reorganization etc. does not require the approval of the Company General Meeting of Shareholders), then the Company may, through a resolution of its Board of Directors, release the restrictions on transfer prior to the effective date of such reorganization etc., for a reasonably determined number of shares allotted based on the period from the starting date of the period of restriction on transfer to the date of approval of such reorganization etc. In the case described above, the Company shall, ipso facto, acquire free of charge the shares allotted for which the restrictions on transfer have not been released at the point in time immediately after the release of the restrictions on transfer.

(5) Other matters

Other matters concerning the Agreement on Allotment shall be determined by the Company Board of Directors.

[Reference]

With regard to non-monetary remuneration, in the meeting of the Board of Directors held on February 22, 2021, the Company established a policy for decisions on the content of individual remuneration etc. for Directors conditional on the approval in the 38th Ordinary General Meeting of Shareholders held on Mar 30, 2021 of Proposal No. 5, "Decision on Remuneration for Granting of Restricted Stock to Directors (not Including Directors who are Audit and Supervisory Committee Members and Outside Directors)," as proposed. This policy is outlined below.

1. Basic policies

The basic policies of this system are for remuneration of Company Directors (hereinafter, not Including Directors who are Audit and Supervisory Committee Members) to be linked to the interested of shareholders, in order to function as incentives toward sustained growth in corporate value, and for decisions on remuneration levels for individual Directors to be appropriate in light of their individual responsibilities.

Remuneration shall consist of base remuneration (monetary remuneration) and non-monetary remuneration.

Remuneration of outside Directors shall consist of base remuneration (monetary remuneration) only, in consideration of their positions overseeing the business execution of Directors without being influenced by Company business performance.

2. Policy concerning decisions on amounts of individual remuneration etc. for base remuneration (including policy concerning decisions on the timing or conditions of awarding remuneration etc.)

Base remuneration of Directors shall be paid in the form of a fixed amount of monthly monetary remuneration, decided through comprehensive consideration of matters such as Company financial status and management performance, Director duties and responsibilities, and degree of contribution to the Company.

3. Policy concerning decisions on the content and calculation methods for amounts or quantities of non-monetary remuneration (including policy concerning decisions on the timing or conditions of awarding remuneration etc.)

Non-monetary remuneration shall be paid in the form of Restricted Stock, with the total amount of monetary claims paid for granting to the subject Directors Restricted stock to be no more than 100 million yen per year (not including the employee salary portion for Directors serving concurrently as employees), and with the number of shares of Company common stock to be newly issued or disposed of by the Company to be no more than 12,800 shares per year (although in the event of a stock split or a reverse stock split of Company common stock, this number would be adjusted within a reasonable extent based on the ratio of such stock split or reverse stock split).

The specific timing of payment and allotment to Directors etc. shall be decided by the Board of Directors.

4. Policy concerning decisions on rates of amounts of monetary and non-monetary remuneration to amounts of remuneration to individual Directors

The rates of amounts of monetary and non-monetary remuneration to amounts of remuneration to individual Directors shall be decided by the Board of Directors with reference to amounts of Directors' monetary remuneration as their individual base remuneration.

5. Matters related to decisions on the content of Directors' individual remuneration etc.

Directors' individual base remuneration shall be proposed by the Representative Director and decided on through resolution of the Board of Directors, with the content of the Audit and Supervisory Committee.

Decisions on numbers of shares allotted to individual Directors as non-monetary remuneration shall be made through resolution of the Board of Directors.