

**Disclaimer:** This is a translation of the original notice of convocation in Japanese. In case of any discrepancy between the translation and the original Japanese, the Japanese version shall prevail.

Securities code: 9742

(Date of transmission) June 1, 2023

(Commencement date of measures for electronic provision) May 29, 2023

To Shareholders:

Koichi Yoshimura  
President and Representative Director  
INES Corporation  
3-10-1, Harumi, Chuo-ku,  
Tokyo Japan

### Notice of Convocation of the 61st Ordinary General Meeting of Shareholders

We would like to thank all of you for your continued support of our company.

We hereby inform that the 61st Ordinary General Meeting of Shareholders of INES Corporation (the Company) will be held as stated below.

In convening this General Meeting of Shareholders, we have taken measures to electronically provide the information contained in the Ordinary General Meeting of Shareholders Reference Documents (matters to be provided electronically) and have posted them on the following two websites on the internet. Please access either of these websites to check the information.

The Company's Website  
Page of Shareholders Meeting

<https://www.ines.co.jp/ir/meeting.html>



JPX Website  
Listed Company Search

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>



On the JPX website, please search by the issue name (company name) "INES" or the securities code "9742," and select "Basic information" and "Documents for public inspection/PR information" to check the details.

Shareholders are kindly requested to exercise their voting rights after reviewing the Ordinary General Meeting of Shareholders Reference Documents.

## Particulars

1. **Date and Time:** 10:00 a.m. on June 23 (Friday), 2023
2. **Place:** 5F Conference Center, BELLESALLE TOKYO NIHONBASHI  
Tokyo Nihonbashi Tower 2-7-1, Nihonbashi, Chuo-ku, Tokyo, Japan

### 3. Agenda:

#### Matters to be Reported:

- Item 1:** Report on the Business Report, Consolidated Financial Statements and the Audit Results on the Consolidated Financial Statements by the Accounting Auditors and the Board of Corporate Auditors for the 61st fiscal year (from April 1, 2022 to March 31, 2023)
- Item 2:** Report on the Non-Consolidated Financial Statements for the 61st fiscal year (from April 1, 2022 to March 31, 2023)

#### Matters to be Resolved:

- Item 1:** Appropriation of Retained Earnings
- Item 2:** Partial Amendment to the Articles of Incorporation
- Item 3:** Election of Eight (8) Corporate Directors (Excluding Corporate Directors who are Audit and Supervisory Committee Members)
- Item 4:** Election of Four (4) Corporate Directors who are Audit and Supervisory Committee Members
- Item 5:** Determination of the Amount of Compensation for Corporate Directors (Excluding Corporate Directors who are Audit and Supervisory Committee Members)
- Item 6:** Determination of the Amount of Compensation for Corporate Directors who are Audit and Supervisory Committee Members
- Item 7:** Determination of the Amount of Compensation for Granting Restricted Stock to Corporate Directors (Excluding Corporate Directors who are Audit and Supervisory Committee Members)

- ◎ The following matters, out of the matters to be provided electronically, are not included in the documents to be sent to a shareholder who applied for the issuance of documents in accordance with laws and regulations and Article 16 of the Company's Articles of Incorporation.

[Business Report]

Structure and status of implementation relating to the proper conduct of operations

[Consolidated Financial Statements]

Consolidated Statement of Changes in Shareholders' Equity

Notes to the Consolidated Financial Statements

[Financial Statements]

Non-Consolidated Statement of Changes in Shareholders' Equity

Notes to Non-Consolidated Financial Statements

- ◎ In the event that the electronically provided matters are revised, the details will be posted on the Company's website and the JPX website described above.

## 5. Methods of Exercising Voting Rights

Voting rights in a general meeting of shareholders are important rights for all shareholders. Please exercise your voting rights after reviewing the “Ordinary General Meeting of Shareholders Reference Documents” provided below.

There are three methods for exercising your voting rights.

Please exercise your voting rights by one of the following methods.

### **Exercising Voting Rights via the Internet**

**Deadline for Exercising Voting Rights: Entry completion by 5:20 p.m.  
on June 22 (Thursday), 2023**

Please visit the website for exercising voting rights from your internet environment (PC or smartphone) and enter your vote according to the instructions displayed on the screen by using the “login ID” and “temporary password” entered in the enclosed Voting Rights Exercise Form.

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Website for exercising voting rights:

<https://evote.tr.mufg.jp/>

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- \* Inquiries regarding the exercise of voting rights via the internet:  
Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency  
Division (Help Desk)  
TEL: 0120-173-027 (toll free) Hours: 9:00 a.m. ~ 9:00 p.m.

### **Exercising Voting Rights by Mail in Writing**

**Deadline for Exercising Voting Rights: Mail arriving by 5:20 p.m.  
on June 22 (Thursday), 2023**

Please indicate your approval or disapproval of each item on the agenda in the enclosed Voting Rights Exercise Form and return it by mail.

Any Voting Rights Exercise Form on which approval or disapproval of each item on the agenda has not been indicated shall be treated as an approval of the Company’s proposals.

### **Exercising Voting Rights by Attending the Meeting in Person**

**Date of General Meeting of Shareholders: 10:00 a.m. on June 23 (Friday), 2023  
(Start accepting: 9:30 a.m.)**

Please submit the enclosed Voting Rights Exercise Form at the meeting reception desk.

In the case of attendance by proxy, the proxy is limited to one (1) shareholder of the Company who has voting rights. In this case, the proxy must submit, in addition to the Voting Rights Exercise Form, a mandate form or other documents to prove power of attorney.

## **6. Matters concerning Exercising Voting Rights**

### **(1) Handling of Voting Rights Exercised in Duplicate**

- [1] If you have exercised your voting rights both via the internet and by mail in writing, only the contents of the vote made via the internet shall be deemed valid.
- [2] If you exercise your voting rights multiple times via the internet, the last time that you exercise your voting rights shall be deemed valid.

## Ordinary General Meeting of Shareholders Reference Documents

### Item 1: Appropriation of Retained Earnings

Positioning profit returns to shareholders as one of the most important policies of management, INES Corporation deems continuously implementing stable dividends as its basic policy and pays dividends after having comprehensively considered various factors, including its performance and the business environment.

In light of the above basic policy, for dividends at the end of the current fiscal year in which record-high profits have been achieved, the Company would like to further enhance profit returns to our shareholders and proposes as follows.

Fiscal year-end dividend matters

(1) Type of dividends

Cash dividends

(2) Financial assets to be distributed as dividends and total dividend amount

¥25.00 per share of common stock

¥519,883,100 total dividend payment

(3) Effective date of appropriation of retained earnings as cash dividends

June 26, 2023

For the fiscal year, since we paid an interim dividend of ¥20.00 per share on December 5, 2022, the total annual dividend for the period under review amounted to ¥45.00 per share, an increase of ¥5 from the previous fiscal year.

## **Item 2: Partial Amendment to the Articles of Incorporation**

### **1. Reasons for Proposal**

- (1) In the midst of rapid changes in the future management and business environment, it was decided that we transition to a company with an Audit and Supervisory Committee in order to strengthen and further enhance the audit and supervisory functions and our corporate governance system by granting voting rights at the Board of Corporate Directors meetings to Corporate Directors who are Audit and Supervisory Committee members. With respect to the current Articles of Incorporation, the Company proposes to establish new provisions regarding the Audit and Supervisory Committee and its members, delete provisions regarding the Board of Corporate Auditors and provisions regarding Corporate Auditors, and establish Supplementary Provisions as a transitional measure in connection with the deletion of the provisions regarding the exemption from liability for Corporate Auditors.
- (2) In connection with the enforcement of the “Act for Partially Amending the Industrial Competitiveness Enhancement Act, etc.” (Act No. 70 of 2021) in June 2021, it is now possible for listed companies to hold a general shareholders’ meeting without designating a location (so-called virtual-only shareholders’ meeting) by stipulating in their articles of incorporation to that effect if they receive confirmation from the Minister of Economy, Trade and Industry and the Minister of Justice that they meet the requirements stipulated in an ordinance of the Ministry of Economy, Trade and Industry and the Ministry of Justice. In light of the spread of infectious diseases and the occurrence of large-scale disasters in the past, including natural disasters, and the progress of digitalization throughout society, the Company believes that expanding the options for holding shareholders’ meetings will contribute to the interests of all shareholders, and therefore, proposes to newly establish Article 14 (Convocation), Paragraph 2 as set forth in the Proposed Amendment so that shareholders’ meetings can be held without designating a location. The Company has received confirmation from the Minister of Economy, Trade and Industry and the Minister of Justice that the above requirements are met in advance of the amendment.
- (3) The above changes will be accompanied by changes in the number of articles, additions and deletions of articles, rearrangement of wording, and other necessary changes, such as lexical corrections.

2. Contents of Amendment

The contents of amendment are as follows:

(The underlined portions indicate those amended.)

Current Articles of Incorporation	Proposed Amendment
<p style="text-align: center;">Chapter 1    General Provisions</p> <p>Article 1 ~ Article 3 &lt;Texts are omitted&gt;</p> <p>(Organizational Bodies)</p> <p>Article 4    The Company shall have the following organizational bodies in addition to the general meeting of shareholders and Corporate Directors:</p> <p>(1) Board of Corporate Directors;</p> <p>(2) <u>Corporate Auditors;</u></p> <p>(3) <u>Board of Corporate Auditors; and</u></p> <p>(4) <u>Accounting Auditors.</u></p> <p>Article 5 ~ Article 13 &lt;Texts are omitted&gt;</p> <p style="text-align: center;">Chapter 3    General Meeting of Shareholders (Convocation)</p> <p>Article 14 &lt;Texts are omitted&gt; &lt;Newly Provided&gt;</p> <p>Article 15 ~ Article 19 &lt;Texts are omitted&gt;</p> <p style="text-align: center;">Chapter 4 Corporate Directors and Board of Corporate Directors</p> <p>(Number of Corporate Directors)</p> <p>Article 20    The Company shall have not more than twenty (20) Corporate Directors. &lt;Newly Provided&gt;</p> <p>(Method of Election)</p> <p>Article 21    Corporate Directors of the Company shall be elected at a general meeting of shareholders.</p> <p>2 &lt;Texts are omitted&gt;</p> <p>3 &lt;Texts are omitted&gt;</p> <p>(Term of Office)</p> <p>Article 22    The term of office of a Corporate Director shall expire at the close of the ordinary general meeting of shareholders for the last business year ending within one (1) year from his/her election.</p>	<p style="text-align: center;">Chapter 1    General Provisions</p> <p>Article 1 ~ Article 3 &lt;The same as the current provisions&gt;</p> <p>(Organizational Bodies)</p> <p>Article 4    The Company shall have the following organizational bodies in addition to the general meeting of shareholders and Corporate Directors:</p> <p>(1) Board of Corporate Directors;</p> <p>(2) <u>Audit and Supervisory Committee; and</u> &lt;Deleted&gt;</p> <p>(3) <u>Accounting Auditors.</u></p> <p>Article 5 ~ Article 13 &lt;The same as the current provisions&gt;</p> <p style="text-align: center;">Chapter 3    General Meeting of Shareholders (Convocation)</p> <p>Article 14 &lt;The same as the current provisions&gt;</p> <p><u>2 The Company may hold a general meeting of shareholders without designating a location.</u></p> <p>Article 15 ~ Article 19 &lt;The same as the current provisions&gt;</p> <p style="text-align: center;">Chapter 4 Corporate Directors, Board of Corporate Directors <u>and</u> <u>Audit and Supervisory Committee</u></p> <p>(Number of Corporate Directors)</p> <p>Article 20    The Company shall have not more than twenty (20) Corporate Directors. <u>2 Not more than ten (10) of the Corporate Directors set forth in the preceding paragraph shall be the Audit and Supervisory Committee members.</u></p> <p>(Method of Election)</p> <p>Article 21    Corporate Directors of the Company shall be elected at a general meeting of shareholders <u>separately between those who are Audit and Supervisory Committee members and those who are not.</u></p> <p>2 &lt;The same as the current provisions&gt;</p> <p>3 &lt;The same as the current provisions&gt;</p> <p>(Term of Office)</p> <p>Article 22    The term of office of a Corporate Director <u>(excluding those who are Audit and Supervisory Committee members)</u> shall expire at the close of the ordinary general meeting of shareholders for the last business year ending within one (1) year from his/her election.</p>

Current Articles of Incorporation	Proposed Amendment
<p>&lt;Newly Provided&gt;</p> <p>2 The term of office of any Corporate Director elected as a substitute of a Corporate Director who resigned prior to the expiration of his/her term or <u>any Corporate Director</u> elected to increase the number of Corporate Directors shall <u>expire when the term of office of other</u> Corporate Directors currently in office <u>expires</u>.</p>	<p><u>2 The term of office of a Corporate Director who is an Audit and Supervisory Committee member shall expire at the close of the ordinary general meeting of shareholders for the last business year ending within two (2) years from his/her election.</u></p> <p><u>3 The term of office of any Corporate Director (excluding a person who is an Audit and Supervisory Committee member) elected as a substitute of a Corporate Director (excluding a person who is an Audit and Supervisory Committee member) who resigned prior to the expiration of his/her term or elected to increase the number of Corporate Directors (excluding those who are Audit and Supervisory Committee members) shall be the same as the term of Corporate Directors (excluding those who are Audit and Supervisory Committee members) currently in office.</u></p>
<p>&lt;Newly Provided&gt;</p> <p>(Representative Directors and Executive Directors)</p>	<p>4 The term of office of any Corporate Director who is an Audit and Supervisory Committee member elected as a substitute of a Corporate Director who was an Audit and Supervisory Committee member and resigned prior to the expiration of his/her term shall expire when the term of office of the resigning Corporate Director who was an Audit and Supervisory Committee member expires.</p> <p>(Representative Directors and Executive Directors)</p>
<p>Article 23 The Representative Directors shall be elected by a resolution of the Board of Corporate Directors.</p> <p>2. One (1) Chair of the Corporate Directors of the Board of Corporate Directors may be elected by a resolution of the Board.</p>	<p>Article 23 The Representative Directors shall be elected by a resolution of the Board of Corporate Directors <u>from among the Corporate Directors (excluding those who are Audit and Supervisory Committee members).</u></p> <p>2. One (1) Chair of the Corporate Directors of the Board of Corporate Directors may be elected by a resolution of the Board <u>from among the Corporate Directors (excluding those who are Audit and Supervisory Committee members).</u></p>
<p>Article 24 &lt;Texts are omitted&gt;</p> <p>(Convening Notice for Board of Corporate Directors Meetings)</p> <p>Article 25 A convening notice for a Board of Corporate Directors meeting shall be sent to each Corporate Director <u>and each Corporate Auditor</u> at least three (3) days prior to the date of the meeting; provided, however, that in case of urgent need, such period may be shortened.</p> <p>2. A Board of Corporate Directors meeting may be held without following the convening procedures with the consent of all Corporate Directors <u>and Corporate Auditors</u>.</p>	<p>Article 24 &lt;The same as the current provisions&gt;</p> <p>(Convening Notice for Board of Corporate Directors Meetings)</p> <p>Article 25 A convening notice for a Board of Corporate Directors meeting shall be sent to each Corporate Director at least three (3) days prior to the date of the meeting; provided, however, that in case of urgent need, such period may be shortened.</p> <p>2. A Board of Corporate Directors meeting may be held without following the convening procedures with the consent of all Corporate Directors.</p>



<p>&lt;Newly Provided&gt;</p> <p>Article <u>26</u> &lt;Texts are omitted&gt;</p>	<p><u>(Convening Notice for Audit and Supervisory Committee Meetings)</u></p> <p><u>Article 26</u> A convening notice for a meeting of the Audit and Supervisory Committee shall be sent to each member of the Audit and Supervisory Committee at least three (3) days prior to the date of the meeting; provided, however, that in case of urgent need, such period may be shortened.</p> <p><u>2</u> A meeting of the Audit and Supervisory Committee may be held without following the convening procedures with the consent of all Audit and Supervisory Committee members.</p> <p>Article <u>27</u> &lt;The same as the current provisions&gt;</p>
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Current Articles of Incorporation	Proposed Amendment
<p>(Omission of Resolutions of Board of Corporate Directors)</p> <p>Article <u>27</u> When all Corporate Directors manifest their intention to agree to a proposal to be resolved by the Board of Corporate Directors in writing or by means of electromagnetic records, it shall be deemed that the resolution to approve such proposal has been made by the Board of Corporate Directors; <u>provided, however, that this shall not apply in cases where any Corporate Auditor raises an objection to such proposal.</u></p> <p>(Minutes of Board of Corporate Directors Meetings)</p> <p>Article <u>28</u> The summary and outcome of the proceedings of a Board of Corporate Directors meeting and other matters provided for in laws and regulations shall be described or recorded in the minutes, and the Corporate Directors <u>and Corporate Auditors</u> present at the meeting shall affix their names and seals or electronic signatures thereon.</p> <p>&lt;Newly Provided&gt;</p> <p>Article <u>29</u> &lt;Texts are omitted&gt;</p> <p>&lt;Newly Provided&gt;</p> <p>(Remuneration, etc., of Corporate Directors)</p> <p>Article <u>30</u> Corporate Directors' remuneration, bonuses and other financial benefits that Corporate Directors receive from the Company as consideration for execution of duties shall be determined by a resolution of the general meeting of shareholders.</p> <p>(Exemption from Liability for Corporate Directors)</p> <p>Article <u>31</u> The Company may, under the provisions of Article 426 (1) of the Companies Act, exempt Corporate Directors (including former Corporate Directors) from liability for damages caused by failures in their duties by a resolution of the Board of Corporate Directors to the extent permitted by the applicable laws and regulations.</p>	<p>(Omission of Resolutions of Board of Corporate Directors)</p> <p>Article <u>28</u> When all Corporate Directors manifest their intention to agree to a proposal to be resolved by the Board of Corporate Directors in writing or by means of electromagnetic records, it shall be deemed that the resolution to approve such proposal has been made by the Board of Corporate Directors.</p> <p>(Minutes of Board of Corporate Directors Meetings)</p> <p>Article <u>29</u> The summary and outcome of the proceedings of a Board of Corporate Directors meeting and other matters provided for in laws and regulations shall be described or recorded in the minutes, and the Corporate Directors present at the meeting shall affix their names and seals or electronic signatures thereon.</p> <p><u>(Delegation to Corporate Directors)</u></p> <p>Article <u>30</u> The Company may, under the provisions of <u>Article 399-13 (6) of the Companies Act, delegate all or part of decisions on execution of important operations (excluding matters listed in items of Paragraph (5) of the said Article) to Corporate Directors by a resolution of the Board of Corporate Directors.</u></p> <p>Article <u>31</u> &lt;The same as the current provisions&gt;</p> <p><u>(Regulations of the Audit and Supervisory Committee)</u></p> <p>Article <u>32</u> The matters concerning the Audit and <u>Supervisory Committee shall be governed by the Regulations of the Audit and Supervisory Committee established by the Audit and Supervisory Committee, as well as laws and regulations and these Articles of Incorporation.</u></p> <p>(Remuneration, etc., of Corporate Directors)</p> <p>Article <u>33</u> Corporate Directors' remuneration, bonuses and other financial benefits that Corporate Directors receive from the Company as consideration for execution of duties shall be determined by a resolution of the general meeting of shareholders, <u>separately between Corporate Directors who are Audit and Supervisory Committee members and other Corporate Directors.</u></p> <p>(Exemption from Liability for Corporate Directors)</p> <p>Article <u>34</u> The Company may, under the provisions of Article 426 (1) of the Companies Act, exempt Corporate Directors (including former Corporate Directors) from liability for damages caused by failures in their duties by a resolution of the Board of Corporate Directors to the extent permitted by the applicable laws and regulations.</p>

Current Articles of Incorporation	Proposed Amendment
<u>(Agreement Limiting Liability for Corporate Directors)</u>	
<u>Article 32</u> The Company may, under the provisions of Article 427 (1) of the Companies Act, enter into agreements with Corporate Directors (excluding Executive Directors, etc.) that limit liability for damages caused by failures in their duties; provided, however, that the maximum limit of the liability for damages under such agreement shall be the minimum liability amount provided for in Article 427 (1) of the Companies Act.	2 The Company may, under the provisions of Article 427 (1) of the Companies Act, enter into agreements with Corporate Directors (excluding Executive Directors, etc.) that limit liability for damages caused by failures in their duties; provided, however, that the maximum limit of the liability for damages under such agreement shall be the minimum liability amount provided for in Article 427 (1) of the Companies Act.
<u>Chapter 5</u>	<Deleted>
<u>Corporate Auditors and Board of Corporate Auditors</u>	
<u>(Number of Corporate Auditors)</u>	<Deleted>
<u>Article 33</u> The Company shall have not more than five (5) Corporate Auditors.	
<u>(Election of Corporate Auditors)</u>	<Deleted>
<u>Article 34</u> Corporate Auditors of the Company shall be elected at a general meeting of shareholders.	
2. A resolution to elect Corporate Auditors shall be made by a majority of the votes of the shareholders present at a meeting where shareholders holding one-third (1/3) or more of the voting rights of the shareholders entitled to exercise their voting rights are present.	
<u>(Term of Office)</u>	<Deleted>
<u>Article 35</u> The term of office of a Corporate Auditor shall expire at the close of the ordinary general meeting of shareholders for the last business year ending within four (4) years from his/her election.	
2. The term of office of any Corporate Auditor elected as a Substitute of a Corporate Auditor who resigned prior to the expiration of his/her term shall expire when the term of office of the resigning Corporate Auditor expires.	
<u>(Full-Time Corporate Auditors)</u>	<Deleted>
<u>Article 36</u> Full-time Corporate Auditors shall be elected by a resolution of the Board of Corporate Auditors.	
<u>(Convening Notice for Board of Corporate Auditors Meetings)</u>	<Deleted>
<u>Article 37</u> A convening notice for a Board of Corporate Auditors meeting shall be sent to each Corporate Auditor at least three (3) days prior to the date of the meeting; provided, however, that in case of urgent need, such period may be shortened.	
2. A Board of Corporate Auditors meeting may be held without following the convening procedures with the consent of all Corporate Auditors.	
<u>(Method of Resolutions by Board of Corporate Auditors)</u>	<Deleted>
<u>Article 38</u> Unless otherwise provided for in laws and regulations, resolutions of the Board of Corporate Auditors shall be made by a majority of the Corporate Auditors.	

Current Articles of Incorporation	Proposed Amendment
<p>(Minutes of Board of Corporate Auditors Meetings)  <u>Article 39 The summary and outcome of the proceedings of a Board of Corporate Auditors meeting and other matters provided for in laws and regulations shall be described or recorded in the minutes, and the Corporate Auditors present at the meeting shall affix their names and seals or electronic signatures thereon.</u></p>	<Deleted>
<p>(Regulations of the Board of Corporate Auditors)  <u>Article 40 The matters concerning the Board of Corporate Auditors shall be governed by the Regulations of the Board of Corporate Auditors established by the Board of Corporate Auditors, as well as laws and regulations and these Articles of Incorporation.</u></p>	<Deleted>
<p>(Remuneration, etc., of Corporate Auditors)  <u>Article 41 Corporate Auditors' remuneration and other financial benefits that Corporate Auditors receive from the Company as consideration for execution of duties shall be determined by a resolution of the general meeting of shareholders.</u></p>	<Deleted>
<p>(Exemption from Liability for Corporate Auditors)  <u>Article 42 The Company may, under the provisions of Article 426 (1) of the Companies Act, exempt Corporate Auditors (including former Corporate Auditors) from liability for damages caused by failures in their duties by a resolution of the Board of Corporate Directors to the extent permitted by the applicable laws and regulations.</u></p>	<Deleted>
<p>(Agreement Limiting Liability for Corporate Auditors)  <u>Article 43 The Company may, under the provisions of Article 427 (1) of the Companies Act, enter into agreements with Corporate Auditors that limit liability for damages caused by failures in their duties; provided, however, that the maximum limit of the liability for damages under such agreement shall be the minimum liability amount provided for in Article 427 (1) of the Companies Act.</u></p>	<Deleted>
<p>Chapter 6 Accounting  Article 44 ~ Article 47 &lt;Texts are omitted&gt;   &lt;Newly Provided&gt;</p>	<p>Chapter 5 Accounting  Article 35 ~ Article 38 &lt;The same as the current provisions&gt;  <u>(Supplementary Provisions)</u>  <u>(Transitional Measures Concerning Exemption from Liability for Corporate Auditors)</u>  <u>Article 1 The Company may, under the provisions of Article 426 (1) of the Companies Act, exempt Corporate Auditors (including former Corporate Auditors) from liability for damages caused by failures in their duties before the partial amendment to the Articles of Incorporation resolved at the 61st Ordinary General Meeting of Shareholders takes effect, by a resolution of the Board of Corporate Directors to the extent permitted by the applicable laws and regulations.</u></p>

Current Articles of Incorporation	Proposed Amendment
<p><u>Revised on June 24, 2022</u></p>	<p><u>2 With respect to the agreement limiting liability for damages under Article 423 (1) of the Companies Act regarding the acts of Corporate Auditors (including former Corporate Auditors) prior to the close of the 61st Ordinary General Meeting of Shareholders, the provisions then in force shall remain applicable.</u></p> <p><u>Revised on June 23, 2023</u></p>

**Item 3: Election of Eight (8) Corporate Directors (Excluding Corporate Directors who are Audit and Supervisory Committee Members)**

If Item 2 “Partial Amendment to the Articles of Incorporation” is approved and adopted as proposed, the Company will transition to a company with an Audit and Supervisory Committee upon closing of this Ordinary General Meeting of Shareholders, and the terms of office of all (6) Corporate Directors will expire. Accordingly, we propose that eight (8) Corporate Directors (excluding Corporate Directors who are Audit & Supervisory Committee members; the same shall apply hereinafter in this proposal) be elected.

This proposal will become effective on the condition that the amendment to the Articles of Incorporation in Item 2 “Partial Amendment to the Articles of Incorporation” takes effect.

The candidates for director positions are as follows:

<b>Nominee Number</b>	<b>Name</b>	<b>Position and Duty</b>	<b>Attribute</b>	<b>Attendance Status at 2022 Board of Corporate Directors</b>
1	Koichi Yoshimura	President and Representative Director	Reappointment	11 times/11 times (100%)
2	Susumu Tsukahara	Director and Senior Managing Executive Officer	Reappointment	11 times/11 times (100%)
3	Kazuhiro Fukuyama	Managing Executive Officer	New appointee	---
4	Shuji Hattori	Managing Executive Officer	New appointee	---
5	Qun Jin	Outside Director	Reappointment Outside Director Independent Officer	11 times/11 times (100%)
6	Kanako Murakami	Outside Director	Reappointment Outside Director Independent Officer	9 times/9 times (100%)
7	Nobuyuki Sato	Outside Director	Reappointment Outside Director Independent Officer	9 times/9 times (100%)
8	Takashi Morisaki	---	New appointee Outside Director Independent Officer	---

<p><b>Nominee Number 1</b></p> <p style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</p> <p><b>Koichi Yoshimura</b> (October 25, 1965)</p> <p><b>Company Shares Owned</b> 28,563</p> <p><b>Term of Office as Director</b> (As of the end of this General Meeting) 9 years</p> <p><b>His Attendance Status at Board of Corporate Directors</b> 11 times/11 times (100%)</p>	<p><b>Brief Personal History, Position and Duty in the Company</b></p> <p>Apr. 1988      Joined the Company</p> <p>Aug. 2010      Executive Manager, Life Insurance Institution Systems Division, Finance Systems Group, the Company</p> <p>Apr. 2013      Executive Officer and General Manager, Finance Systems Group, the Company</p> <p>Jun. 2014      Director, Executive Officer and General Manager, Financial Systems Group, the Company</p> <p>Apr. 2016      Director, Executive Officer and Executive Manager, IT Solutions Division, the Company</p> <p>Apr. 2018      Director, Executive Officer and Executive Manager, Public Service Systems Solutions Division, the Company</p> <p>Apr. 2019      Director, Managing Executive Officer and Executive Manager, Public Service Systems Solutions Division, the Company</p> <p>Apr. 2020      President and Representative Director, the Company (Current position)</p> <p><b>Important Concurrent Roles</b> N/A</p> <p><b>Reason for Nominating Mr. Yoshimura as a Director</b></p> <p>Having been responsible for the Company's general public, financial, insurance and industry business fields as a director and executive officer since 2014, Candidate Mr. Yoshimura has become familiar with the Company's business as a whole and has made significant contributions to the promotion of each business. Since 2020, he has taken on the role of leading the entire Company as president and representative director. As it can be expected that he will be able to bring about improvements in business performance and corporate value for future management of the Company and its Group by promoting and taking the initiative in implementation of the Company's Medium-term Business Plan based on his wealth of business experience and insight, the Company is requesting he be reappointed as a director.</p>
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<b>Nominee Number 2</b>	<b>Brief Personal History, Position and Duty in the Company</b>
Reappointment	Apr. 1985      Joined The Mitsubishi Bank, Ltd. (current MUFG Bank, Ltd.)
<b>Susumu Tsukahara</b> (April 8, 1961)	Jun. 2005      Assistant Head of General Planning Office, The Mitsubishi Bank, Ltd.
<b>Company Shares Owned</b> 24,853	May 2008      Manager, Financial Accounting Office, Corporate Planning Division, The Mitsubishi Bank, Ltd.
<b>Term of Office as Director</b> (As of the end of this General Meeting) 8 years	Nov. 2014      Executive Officer and Executive Manager, Financial & Accounting Division, the Company
<b>His Attendance Status at Board of Corporate Directors</b> 11 times/11 times (100%)	Jun. 2015      Director, Managing Executive Officer and Executive Manager, Financial & Accounting Division, the Company
	Apr. 2021      Director and Senior Managing Executive Officer, the Company (Current position)
	<b>Important Concurrent Roles</b>
	N/A
	<b>Reason for Nominating Mr. Tsukahara as a Director</b>
	Candidate Mr. Tsukahara has engaged in finance-related business and corporate management over the years and also contributed to the management of the Company and its Group as the Company's managing executive officer and director from 2015 and as the Company's senior managing executive officer and director since 2021 while working on a sustainable and stable earnings structure through business planning, formulation and execution of human resource, financial and capitalization strategies. As it can be expected that he will be able to bring about improvements in business performance and corporate value for future management based on his wealth of experience and insight, the Company is requesting he be reappointed as a director.



<p><b>Nominee Number 3</b></p> <p><b>New appointee</b></p> <p><b>Kazuhiro Fukuyama</b> (December 24, 1963)</p> <p><b>Company Shares Owned</b> 8,183</p>	<p><b>Brief Personal History, Position and Duty in the Company</b></p> <p>Apr. 1986      Joined the Company</p> <p>Feb. 2008      Fukuoka Branch Manager, Branch Administration Group, the Company</p> <p>Oct. 2010      Executive Manager, Industrial Sales Division, Industrial Systems Group, the Company</p> <p>Apr. 2018      Executive Officer and Executive Manager, IT Solutions Division, the Company</p> <p>Apr. 2020      Executive Officer and Executive Manager, Public Service Systems Solutions Division, the Company</p> <p>Apr. 2021      Managing Executive Officer, the Company</p> <p>Apr. 2022      Managing Executive Officer and Executive Manager, Public Service Systems Solutions Division, the Company (Current position)</p> <p><b>Important Concurrent Roles</b></p> <p>N/A</p> <p><b>Reason for Nominating Mr. Fukuyama as a Director</b></p> <p>Having been responsible for the Company's general public and industry business fields, Candidate Mr. Fukuyama has become familiar with the Company's business as a whole and has made significant contributions to the promotion of each business as an executive officer since 2018. As it can be expected that he will be able to bring about improvements in business performance and corporate value for future management of the Company and its Group by promoting and taking the initiative in response to standardization of the local government information system based on his wealth of business experience and insight, the Company is requesting he be appointed as a new director.</p>
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**Nominee Number 4**

**New appointee**

**Shuji Hattori**  
(August 16, 1965)

**Company Shares Owned**  
6,983

**Brief Personal History, Position and Duty in the Company**

- Apr. 1988      Joined the Company
- Oct. 2006      Nagoya Branch Manager, Branch Administration Group, the Company
- Apr. 2012      Executive Manager, Public Sales Division, Sales Administration Group, the Company
- Oct. 2013      Executive Manager, First Operational Service Division, Operational Service Group, the Company
- Apr. 2017      Executive Manager in charge of Business Strategy Division, the Company
- Apr. 2019      Executive Officer and Deputy Executive Manager, Public Service Systems Solutions Division, the Company
- Apr. 2021      Managing Executive Officer, the Company (Current position)

**Important Concurrent Roles**

N/A

**Reason for Nominating Mr. Hattori as a Director**

Having been responsible for the Company’s general public and DX business fields, Candidate Mr. Hattori has become familiar with the Company’s business as a whole and has made significant contributions to the promotion of each business as an executive officer since 2019. As it can be expected that he will be able to bring about improvements in business performance and corporate value for future management of the Company and its Group by promoting and taking the initiative in building of new business and promotion of DX business based on his wealth of business experience and insight, the Company is requesting he be appointed as a new director.

<p><b>Nominee Number 5</b></p> <p style="border: 1px solid black; padding: 2px;">Reappointment</p> <p style="border: 1px solid black; padding: 2px;">Outside Director</p> <p style="border: 1px solid black; padding: 2px;">Independent Officer</p> <p><b>Qun Jin</b> (September 27, 1962)</p> <p><b>Company Shares Owned</b> 0</p> <p><b>Term of Office as Outside Director</b> (As of the end of this General Meeting) 3 years</p> <p><b>His Attendance Status at Board of Corporate Directors</b> 11 times/11 times (100%)</p>	<p><b>Brief Personal History, Position and Duty in the Company</b></p> <p>Dec. 1984     Assistant Professor and Full-time Lecturer, Department of Computer Science, Hangzhou Dianzi University, China</p> <p>Apr. 1995     Assistant Professor, Department of Information Science and Intelligent Systems, Faculty of Engineering, Tokushima University</p> <p>Apr. 1999     Assistant Professor, Department of Software, Faculty of Computer Science and Engineering, The University of Aizu</p> <p>Apr. 2003     Professor, Department of Human Informatics and Cognitive Sciences, Faculty of Human Sciences, Waseda University (Current position)</p> <p>Sep. 2018     Deputy Dean, Faculty of Human Sciences, Waseda University (in charge of international relations)</p> <p>Sep. 2018     Dean, Graduate School of Human Sciences, Waseda University</p> <p>Jun. 2020     Outside Director, the Company (Current position)</p> <p><b>Important Concurrent Roles</b></p> <p>Professor, Department of Human Informatics and Cognitive Sciences, Faculty of Human Sciences, Waseda University</p> <p><b>Reason for Nominating Mr. Jin as an Outside Director and Overview of his Expected Role</b></p> <p>Although Candidate Mr. Jin has not been engaged in corporate management except for serving as an outside director or an outside auditor, he has been engaged in research on trends and application fields of computer science at universities over the years and has professional knowledge and experience related to such technology and business. In the Company, he has exercised appropriate oversight of the management of the Company and its Group as an outside director since 2020 based on his professional knowledge and experience acquired over the course of his career. As it is expected that he will continue to exercise appropriate oversight of the Company and its Group, the Company is requesting he be reappointed as an outside director.</p> <p><b>Matters Relating to Independence</b></p> <p>While there is a joint research agreement between our subsidiary company INES Research Institute, Inc. and Waseda University for which the Candidate serves as a professor, the transaction amount is less than 0.1% of the Company's consolidated cost of sales. Therefore, the Company is certain that his independence is fully ensured.</p>
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<p><b>Nominee Number 6</b></p> <p style="border: 1px solid black; padding: 2px;">Reappointment</p> <p style="border: 1px solid black; padding: 2px;">Outside Director</p> <p style="border: 1px solid black; padding: 2px;">Independent Officer</p> <p><b>Kanako Murakami</b> (Name on the family register: Kanako Sato) (March 13, 1978)</p> <p><b>Company Shares Owned</b> 0</p> <p><b>Term of Office as Outside Director</b> (As of the end of this General Meeting) 1 year</p> <p><b>Her Attendance Status at Board of Corporate Directors</b> 9 times/9 times (100%)</p>	<p><b>Brief Personal History, Position and Duty in the Company</b></p> <p>Oct. 2001 Registered as an attorney (Daini Tokyo Bar Association) (Current) Joined Nozomi Sogo Attorneys at Law</p> <p>Nov. 2012 Member, Environmental Health Committee of Tokyo Metropolitan Government</p> <p>Jun. 2020 Outside Auditor, Shinsei Trust &amp; Banking Co., Ltd. (Current position)</p> <p>Apr. 2021 Partner, Nozomi Sogo Attorneys at Law (Current position)</p> <p>Apr. 2022 Regular Member, the Daini Tokyo Bar Association</p> <p>Jun. 2022 Outside Director, the Company (Current position)</p> <p>Apr. 2023 Executive Governor, Japan Federation of Bar Associations (Current position)</p> <p><b>Important Concurrent Roles</b></p> <p>Partner, Nozomi Sogo Attorneys at Law Outside Auditor, Shinsei Trust &amp; Banking Co., Ltd. Executive Governor, Japan Federation of Bar Associations</p> <p><b>Reason for Nominating Ms. Murakami as an Outside Director and Overview of her Expected Role</b></p> <p>Although Candidate Ms. Murakami has not been engaged in corporate management except for serving as an outside director or an outside auditor, she has qualifications as an attorney and as a compliance officer and serves as a partner at Nozomi Sogo Attorneys at Law, and is engaged in various aspects of corporate law, including risk management, compliance, and crisis management of companies, and also exercises oversight of corporate management from the perspective of an outside auditor.</p> <p>In the Company, she has exercised appropriate oversight of the management of the Company and its Group as an outside director since 2022 based on her professional knowledge and insight acquired over the course of her career. As it is expected that she will continue to exercise appropriate oversight of the Company and its Group, the Company is requesting she be reappointed as an outside director.</p> <p><b>Matters Relating to Independence</b></p> <p>There is no business relationship between each organization for which the candidate concurrently serves and the Company. Therefore, the Company is certain that her independence is fully ensured.</p>
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<p><b>Nominee Number 7</b></p> <p style="border: 1px solid black; padding: 2px;">Reappointment</p> <p style="border: 1px solid black; padding: 2px;">Outside Director</p> <p style="border: 1px solid black; padding: 2px;">Independent Officer</p> <p><b>Nobuyuki Sato</b> (August 6, 1962)</p> <p><b>Company Shares Owned</b> 0</p> <p><b>Term of Office as Outside Director</b> (As of the end of this General Meeting) 1 year</p> <p><b>His Attendance Status at Board of Corporate Directors</b> 9 times/9 times (100%)</p>	<p><b>Brief Personal History, Position and Duty in the Company</b></p> <p>Apr. 1992 Part-time Lecturer, Faculty of Law, Chuo University</p> <p>Apr. 1995 Full-time Lecturer, Faculty of Economics, Kushiro Public University of Economics</p> <p>Apr. 1997 Assistant Professor, Faculty of Economics, Kushiro Public University of Economics</p> <p>Apr. 2001 Professor, Faculty of Policy Management, Shobi University</p> <p>Apr. 2006 Professor, Chou University Law School (Current position)</p> <p>Jan. 2011 Vice-President, Chuo University (Retired in Nov. 2014)</p> <p>Jul. 2020 Vice-President, Chuo University (Current position)</p> <p>Apr. 2021 Director, Chuo University Educational Ability Research and Development Organization (Current position)</p> <p>Jun. 2022 Outside Director, the Company (Current position)</p> <p><b>Important Concurrent Roles</b></p> <p>Professor, Chou University Law School</p> <p>Vice-President, Chuo University</p> <p>Member, The Registered Foreign Lawyers Disciplinary Actions Committee, Japan Federation of Bar Associations</p> <p>Chairman, Personal Identification Information Protection Committee, Japan Agency for Local Authority Information Systems</p> <p>Chairman, Certification Business Information Protection Committee, Japan Agency for Local Authority Information Systems</p> <p><b>Reason for Nominating Mr. Sato as an Outside Director and Overview of his Expected Role</b></p> <p>Although Candidate Mr. Sato has no experience of being directly involved in company management in the past, he has a wealth of experience in education research and public service related to the introduction of information systems and protection of personal information in local governments. He is also distinguished for his knowledge of fields significantly important in promoting new information processing businesses (IT services) for local governments that may be the Company's main business as well as our future core business. In the Company, he has exercised appropriate oversight of the management of the Company and its Group as an outside director since 2022 based on his professional knowledge acquired over the course of his career. As it is expected that he will continue to exercise appropriate oversight of the Company and its Group, the Company is requesting he be reappointed as an outside director.</p> <p><b>Matters Relating to Independence</b></p> <p>The transaction amount between the Company and Japan Agency for Local Authority Information Systems for which the candidate concurrently serves is less than 0.1% of the Company's consolidated cost of sales. In addition, there is no business or donation relationship between each organization for which the candidate concurrently serves and the Company. Therefore, the Company is certain that his independence is fully ensured.</p>
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<p><b>Nominee Number 8</b></p> <p><b>New appointee</b></p> <p><b>Outside Director</b></p> <p><b>Independent Officer</b></p> <p><b>Takashi Morisaki</b> (January 1, 1955)</p> <p><b>Company Shares Owned</b> 0</p>	<p><b>Brief Personal History, Position and Duty in the Company</b></p> <p>Apr. 1978      Joined The Mitsubishi Bank, Ltd. (current MUFG Bank, Ltd.)</p> <p>Apr. 2008      Managing Officer, Mitsubishi UFJ Financial Group, Inc. Managing Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (current MUFG Bank, Ltd.)</p> <p>May 2010      Managing Executive Officer and Chief Executive Officer , Headquarters for Asia of The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>May 2012      Senior Managing Executive Officer and Chief Executive, Global Markets Unit of The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>Jun. 2012      Senior Managing Director and Chief Executive, Global Markets Unit of The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>Jul. 2012      Managing Officer and Group Head, Integrated Global Markets Business Group of Mitsubishi UFJ Financial Group, Inc.</p> <p>May 2014      Deputy President of The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>Oct. 2016      Executive Vice President and Executive Officer, Mitsubishi Research Institute, Inc.</p> <p>Dec. 2016      President and Representative Director, Mitsubishi Research Institute, Inc.</p> <p>Dec. 2021      Chairman of the Board, Mitsubishi Research Institute, Inc. (Current position)</p> <p><b>Important Concurrent Roles</b></p> <p>Chairman of the Board, Mitsubishi Research Institute, Inc. Outside Auditor, Noritake Co., Limited Outside Director, Japan Business Systems, Inc.</p> <p><b>Reason for Nominating Mr. Morisaki as an Outside Director and Overview of his Expected Role</b></p> <p>Candidate Mr. Morisaki has engaged in corporate management of financial institutions and an IT industry think tank over the years, and as it is expected that he will be able to take advantage of his wealth of experience and insight as a management expert acquired over the course of his career for the management of the Company and its Group, the Company is requesting he be appointed as a new outside director.</p> <p><b>Matters Relating to Independence</b></p> <p>The trade volume between Mitsubishi Research Institute, Inc. for which he currently serves as a director and the Company in fiscal year 2022 accounted for less than 0.7% of the Company's consolidated sales in terms of sales amount and less than 0.3% of the Company's consolidated cost of sales in terms of amount of purchase. The transaction amount between Japan Business Systems, Inc. for which the candidate currently serves as an outside director and the Company in fiscal year 2022 is less than 0.1% of the Company's consolidated cost of sales. Therefore, the Company is certain that his independence is fully ensured.</p>
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Notes:

1. None of the above candidates have special vested interests in the Company.
2. Candidates for directors, Mr. Qun Jin, Ms. Kanako Murakami, Mr. Nobuyuki Sato and Mr. Takashi Morisaki are candidates for outside directors.

The Company notified the Tokyo Stock Exchange of positions of Mr. Qun Jin, Ms. Kanako Murakami and Mr. Nobuyuki Sato as independent officers provided for in the provisions of the Tokyo Stock Exchange. If their appointment is approved, we will once again notify the said stock exchange of the above three persons' position as independent officers. If the appointment of Mr. Takashi Morisaki is approved, we will newly notify the said stock exchange of his position as an independent officer.

3. Each of Mr. Qun Jin, Ms. Kanako Murakami and Mr. Nobuyuki Sato, and the Company have entered into an agreement limiting the liability for damages provided for in Article 423 (1) of the Companies Act. The total maximum liability under such an agreement is the minimum amount required by laws and regulations.

If the appointment of each of Mr. Qun Jin, Ms. Kanako Murakami, Mr. Nobuyuki Sato and Mr. Takashi Morisaki is approved, the Company will continue the agreements with Mr. Qun Jin, Ms. Kanako Murakami and Mr. Nobuyuki Sato, respectively, and will enter into an agreement with Mr. Takashi Morisaki.

4. The Company has entered into an indemnity agreement provided for in Article 430-2 (1) of the Companies Act with each of Mr. Koichi Yoshimura, Mr. Susumu Tsukahara, Mr. Qun Jin, Ms. Kanako Murakami and Mr. Nobuyuki Sato. If the appointment of each candidate is approved, the Company will continue the said indemnity agreement, and if the appointment of each of Mr. Kazuhiro Fukuyama, Mr. Shuji Hattori and Mr. Takashi Morisaki is approved, the Company will enter into the said indemnity agreement with each of them. For an overview of the indemnity agreement, please refer to the Business Report of the Japanese Document under the Summary of the Contents of the Indemnity Agreement in the section of Matters concerning Corporate Officers.

5. The Company has entered into an officers and directors liability insurance agreement provided for in Article 430-3 (1) of the Companies Act with an insurance company, under which the Company's directors are the insured, and we will continue and then renew the insurance agreement. If the appointment of each candidate is approved, each of them will be insured under the insurance agreement. For an overview of the insurance agreement, please refer to the Business Report of the Japanese Document under the Summary of the Contents of the Officers and Directors Liability Insurance Agreement in the section of Matters concerning Corporate Officers.

**Item 4: Election of Four (4) Corporate Directors Who Are Audit and Supervisory Committee Members**

If Item 2 “Partial Amendment to the Articles of Incorporation” is approved and adopted as proposed, the Company will transition to a company with an Audit and Supervisory Committee.

Therefore, the Company proposes that four (4) Corporate Directors who are Audit and Supervisory Committee members be elected.

The Company has obtained the prior consent of the Board of Corporate Auditors to this proposal.

This proposal will become effective on the condition that the amendment to the Articles of Incorporation in Item 2 “Partial Amendment to the Articles of Incorporation” takes effect.

The candidates for directors who are Audit and Supervisory Committee members are as follows:

<b>Nominee Number</b>	<b>Name</b>	<b>Position in the Company</b>	<b>Attribute</b>	<b>Attendance Status at 2022 Board of Corporate Directors</b>	<b>Attendance Status at 2022 Board of Corporate Auditors</b>
1	Kazumasa Otoshi	Outside Auditor	New appointee	11 times/11 times (100%)	13 times/13 times (100%)
2	Kazuhiko Tomoda	Outside Auditor	New appointee Outside Director Independent Officer	10 times/11 times (90.9%)	13 times/13 times (100%)
3	Ryo Haga	Outside Auditor	New appointee Outside Director Independent Officer	11 times/11 times (100%)	13 times/13 times (100%)
4	Katsutoshi Hayafune	---	New appointee Outside Director Independent Officer	---	---



<p><b>Nominee Number 1</b></p> <p><b>New appointee</b></p> <p><b>Kazumasa Otoshi</b> (January 11, 1957)</p> <p><b>Company Shares Owned</b> 0</p> <p><b>Term of Office as Outside Director</b> (As of the end of this General Meeting) --- year</p> <p><b>His Attendance Status at Board of Corporate Directors</b> 11 times/11 times (100%)</p> <p><b>His Attendance Status at Board of Corporate Auditors</b> 13 times/13 times (100%)</p>	<p><b>Brief Personal History and Position in the Company</b></p> <p>Apr. 1979      Joined The Mitsubishi Bank, Ltd. (current MUFG Bank, Ltd.)</p> <p>Jul. 2009      General Manager, Systems Promotion Department, Mitsubishi UFJ Securities Co., Ltd.</p> <p>Jan. 2010      Executive Officer and Deputy General Manager, Systems Division, Mitsubishi UFJ Securities Co., Ltd.</p> <p>May 2010      Managing Executive Officer and Deputy General Manager, Systems Division, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.</p> <p>Jun. 2011      Managing Executive Officer and General Manager, Systems Division, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.</p> <p>Jun. 2013      Managing Executive Officer, Mitsubishi UFJ Securities Holdings Co., Ltd.</p> <p>Jul. 2016      Managing Executive Officer and General Manager, Financial Business Division, Mitsubishi Research Institute DCS Co., Ltd.</p> <p>May 2018      Managing Executive Officer and General Manager, Solutions Business Division, Mitsubishi Research Institute DCS Co., Ltd.</p> <p>Dec. 2019      Corporate Adviser, Mitsubishi Research Institute DCS Co., Ltd.</p> <p>Jun. 2020      Outside Auditor, the Company (Current position)</p> <p><b>Important Concurrent Roles</b></p> <p>N/A</p> <p><b>Reason for Nominating Mr. Otoshi as a Director Who Is an Audit and Supervisory Committee Member</b></p> <p>Having been engaged in the execution of business and corporate management of banks and securities companies over the years, Candidate Mr. Otoshi has a wealth of experience and insight as an IT expert acquired over the course of his career. In the Company, he has exercised appropriate oversight of the management of the Company and its Group as an outside auditor since 2020 based on his insight acquired over the course of his career. As it is expected that he will exercise appropriate oversight of the Company and its Group based on his experience as an auditor of the Company, the Company is requesting he be appointed as a director who is an Audit and Supervisory Committee member.</p>
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<p><b>Nominee Number 2</b></p> <p><b>New appointee</b></p> <p>Outside Director</p> <p>Independent Officer</p> <p><b>Kazuhiko Tomoda</b> (April 30, 1956)</p> <p><b>Company Shares Owned</b> 0</p> <p><b>Term of Office as Outside Director</b> (As of the end of this General Meeting) --- year</p> <p><b>His Attendance Status at Board of Corporate Directors</b> 10 times/11 times (90.9%)</p> <p><b>His Attendance Status at Board of Corporate Auditors</b> 13 times/13 times (100%)</p>	<p><b>Brief Personal History and Position in the Company</b></p> <p>Mar. 1979      Joined Pricewaterhouse Accounting Firm</p> <p>Jul. 1997      Representative Partner, Aoyama Audit Corporation (Reorganized Pricewaterhouse Accounting Firm)</p> <p>Sep. 2006      Representative Partner, Arata Audit Corporation (Current PwC Arata LLC)</p> <p>Jul. 2012      Executive Officer in charge of manufacture/distribution/service sectors, PwC Arata LLC</p> <p>Jun. 2019      Retired from PwC Arata LLC</p> <p>Jul. 2019      Established Tomoda CPA Office (Current position)</p> <p>Jun. 2020      Outside Director (Audit and Supervisory Committee Member), Persol Holdings Co., Ltd. (Current position)</p> <p>Jun. 2020      Outside Auditor, Hakuhodo DY Holdings Inc. (Current position)</p> <p>Jun. 2020      Outside Auditor, Daiko Advertising Inc. (Current position, Until June 2023)</p> <p>Jun. 2020      Outside Auditor, the Company (Current position)</p> <p><b>Important Concurrent Roles</b></p> <p>Outside Director (Audit and Supervisory Committee member), Persol Holdings Co., Ltd.</p> <p>Outside Auditor, Hakuhodo DY Holdings Inc.</p> <p><b>Reason for Nominating Mr. Tomoda as a Director Who Is an Audit and Supervisory Committee Member and Overview of his Expected Role</b></p> <p>Although Candidate Mr. Tomoda has not been engaged in corporate management except for serving as an outside director or an outside auditor, he has specialized knowledge of finance and accounting as a certified public accountant and has been engaged in audits of a number of listed companies as a member of audit corporations over the years. In the Company, he has exercised appropriate oversight of the management of the Company and its Group as an outside auditor since 2020 based on his insight acquired over the course of his career. As it is expected that he will continue to exercise appropriate oversight of the Company and its Group, the Company is requesting he be appointed as an outside director who is an Audit and Supervisory Committee member.</p> <p><b>Matters Relating to Independence</b></p> <p>There is no business relationship between each organization for which the candidate concurrently serves and the Company. Therefore, the Company is certain that his independence is fully ensured.</p>
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<b>Nominee Number 3</b>	<b>Brief Personal History and Position in the Company</b>
<div style="border: 1px solid black; background-color: black; color: white; padding: 2px; display: inline-block;">New appointee</div>	Aug. 1996     Assistant Professor, Faculty of Economics, Yamaguchi University
<div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside Director</div>	Apr. 2003     Professor, Faculty of Law, Okayama University
<div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent Officer</div>	Apr. 2004     Professor, School of Law, Okayama University
<b>Ryo Haga</b> (February 9, 1966)	Apr. 2007     Professor, Graduate School of Humanities and Social Sciences, Okayama University
<b>Company Shares Owned</b> 0	Apr. 2010     Professor, Graduate School of International Social Sciences, Yokohama National University (Current position)
<b>Term of Office as Outside Director</b> (As of the end of this General Meeting) --- year	Jun. 2010     Registered as an attorney (Joined Daiichi Tokyo Bar Association) (Current)
<b>His Attendance Status at Board of Corporate Directors</b> 11 times/11 times (100%)	Apr. 2015     Dean, Law School, Graduate School of International Social Sciences, Yokohama National University
<b>His Attendance Status at Board of Corporate Auditors</b> 13 times/13 times (100%)	Jun. 2021     Outside Auditor, the Company (Current position)
	<b>Important Concurrent Roles</b> Professor, Graduate School of International Social Sciences, Yokohama National University
	<b>Reason for Nominating Mr. Haga as a Director Who Is an Audit and Supervisory Committee Member and Overview of his Expected Role</b>
	Although Candidate Mr. Haga has not been directly involved in company management, he is well-versed in the Financial Instruments and Exchange Act and Companies Act as a qualified attorney and a graduate school professor. In the Company, he has exercised appropriate oversight of the management of the Company and its Group as an outside auditor since 2021 based on his insight acquired over the course of his career. As it is expected that he will continue to exercise appropriate oversight of the Company and its Group, the Company is requesting he be appointed as an outside director who is an Audit and Supervisory Committee member.
	<b>Matters Relating to Independence</b> There is no business relationship between each organization for which the candidate concurrently serves and the Company. Therefore, the Company is certain that his independence is fully ensured.

<p><b>Nominee Number 4</b></p> <p><b>New appointee</b></p> <p><b>Outside Director</b></p> <p><b>Independent Officer</b></p> <p><b>Katsutoshi Hayafune</b> (May 21, 1971)</p> <p><b>Company Shares Owned</b> 0</p>	<p><b>Brief Personal History and Position in the Company</b></p> <p>Oct. 1992      Joined Tohmatsu &amp; Co. (current Deloitte Touche Tohmatsu LLC)</p> <p>May 1996      Registered as a certified public accountant (Current)</p> <p>Sep. 2000      Joined The Bank of Tokyo Mitsubishi, Ltd. (current MUFG Bank, Ltd.)</p> <p>Apr. 2002      Joined the Financial Industry Group Division, Tohmatsu &amp; Co.</p> <p>Jun. 2007      Partner, the Financial Advisory Services Division, Tohmatsu &amp; Co.</p> <p>Jul. 2012      Transferred to Deloitte Tohmatsu Financial Advisory, Ltd. (current Deloitte Tohmatsu Financial Advisory LLC) as Partner</p> <p>Oct. 2019      Representative Partner, ykr Accounting Advisory LLC (Current position)</p> <p><b>Important Concurrent Roles</b></p> <p>Representative Partner, ykr Accounting Advisory LLC</p> <p><b>Reason for Nominating Mr. Hayafune as a Director Who Is an Audit and Supervisory Committee Member and Overview of his Expected Role</b></p> <p>Although Candidate Mr. Hayafune has not been directly involved in company management, he is well-versed in financial accounting as a certified public accountant and has been involved in audits of many listed companies as a member of audit corporations. As it can be expected that he will exercise appropriate oversight of the management of the Company based on his professional knowledge and insight acquired over the course of his career, the Company is requesting he be appointed as an outside director who is an Audit and Supervisory Committee member.</p> <p><b>Matters Relating to Independence</b></p> <p>There is no business relationship between each organization for which the candidate concurrently serves and the Company. Therefore, the Company is certain that his independence is fully ensured.</p>
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Notes:

- None of the above candidates have special vested interests in the Company.
- Mr. Kazuhiko Tomoda, Mr. Ryo Haga and Mr. Katsutoshi Hayafune are candidates for outside directors who are Audit and Supervisory Committee members.  
The Company notified the Tokyo Stock Exchange of positions of Mr. Kazuhiko Tomoda and Mr. Ryo Haga as independent officers provided for in the provisions of the Tokyo Stock Exchange. If their appointment is approved, we will once again notify the said stock exchange of the above two persons' position as independent officers. If the appointment of Mr. Katsutoshi Hayafune is approved, we will newly notify the said stock exchange of his position as an independent officer.
- Each of Mr. Kazumasa Otoshi, Mr. Kazuhiko Tomoda and Mr. Ryo Haga, and the Company have entered into an agreement limiting the liability for damages provided for in Article 423 (1) of the Companies Act. The total maximum liability under such an agreement is the minimum amount required by laws and regulations.  
If the appointment of each of Mr. Kazumasa Otoshi, Mr. Kazuhiko Tomoda, Mr. Ryo Haga and Mr. Katsutoshi Hayafune is approved, the Company will continue the agreements with Mr. Kazumasa Otoshi, Mr. Kazuhiko Tomoda and Mr. Ryo Haga, respectively, and will enter into an agreement with Mr. Katsutoshi Hayafune.
- The Company has entered into an indemnity agreement provided for in Article 430-2 (1) of the Companies Act with each of Mr. Kazumasa Otoshi, Mr. Kazuhiko Tomoda and Mr. Ryo Haga. If the appointment of each candidate is approved, the Company will continue the said indemnity agreement, and if the appointment of Mr. Katsutoshi Hayafune is approved, the Company will enter into the said indemnity agreement with him. For an overview of the indemnity agreement, please refer of the Japanese Document to the Business Report under the Summary of the Contents of the Indemnity Agreement in the section of Matters concerning Corporate Officers.

5. The Company has entered into an officers and directors liability insurance agreement provided for in Article 430-3 (1) of the Companies Act with an insurance company, under which the Company's directors are the insured, and we will continue and then renew the insurance agreement. If the appointment of each candidate is approved, each of them will be insured under the insurance agreement. For an overview of the insurance agreement, please refer to the Business Report of the Japanese Document under the Summary of the Contents of the Officers and Directors Liability Insurance Agreement in the section of Matters concerning Corporate Officers.
6. An executive officer of Daiko Advertising Inc., for which Mr. Kazuhiko Tomoda serves as an outside auditor, was indicted by the Tokyo District Public Prosecutors Office in October 2022 on suspicion of bribery over the selection of sponsors of the Tokyo 2020 Olympic and Paralympic Games. Although he was not aware of this fact in advance, he has made proposals from the viewpoint of the importance of legal compliance and compliance management at meetings of the Board of Corporate Directors and other meetings on a regular basis, and after this fact became known, he has appropriately fulfilled his responsibilities by expressing his opinion on necessary measures to prevent recurrence.

(Reference) Skill Matrix of Directors upon closing of this Ordinary General Meeting of Shareholders

No.	Name	Position in the Company	Knowledge/Experience/Ability, etc.				
			Experience in Management	Finance/Accounting	Legal Affairs	Knowledge about Industry	International Perspective
1	Koichi Yoshimura	Representative Director	○			○	
2	Susumu Tsukahara	Representative Director	○	○			
3	Kazuhiro Fukuyama	Director				○	
4	Shuji Hattori	Director				○	
5	Qun Jin	Outside Director				○	○
6	Kanako Murakami	Outside Director	○		○		
7	Nobuyuki Sato	Outside Director	○		○	○	
8	Takashi Morisaki	Outside Director	○			○	○
9	Kazumasa Otoshi	Director who is an Audit and Supervisory Committee member	○			○	
10	Kazuhiko Tomoda	Outside Director who is an Audit and Supervisory Committee member		○			
11	Ryo Haga	Outside Director who is an Audit and Supervisory Committee member			○		
12	Katsutoshi Hayafune	Outside Director who is an Audit and Supervisory Committee member		○			

**Item 5: Determination of the Amount of Compensation for Corporate Directors (Excluding Corporate Directors who are Audit and Supervisory Committee Members)**

If Item 2 “Partial Amendment to the Articles of Incorporation” is approved and adopted as proposed, the Company will transition to a company with an Audit and Supervisory Committee.

It was resolved at the 47th Ordinary General Meeting of Shareholders convened on June 24, 2009, that the aggregate amount of compensation to be paid to Corporate Directors of the Company shall be no more than 300 million yen per year. However, in accordance with the transition to a company with an Audit and Supervisory Committee, the Company proposes to abolish this system and newly set the amount of compensation for Corporate Directors (excluding Corporate Directors who are Audit and Supervisory Committee members) at no more than 300 million yen per year as before. The amount of compensation for Corporate Directors shall not include salaries and bonuses for the employee’s portion for Corporate Directors who concurrently serve as an employee of the Company, as in the past.

An outline of the Company’s policy for determining the details of individual compensation, etc., for Corporate Directors is set forth in the Business Report under Matters Concerning Policy for Determining Individual Compensation, etc., for Corporate Directors in the Compensation, etc., of Corporate Directors and Auditors in the section of Matters Concerning Corporate Officers. If this proposal is approved, the Company plans to change the subject from “Corporate Directors” to “Corporate Directors (excluding Corporate Directors who are Audit and Supervisory Committee members)” at the Board of Corporate Directors meeting held after the end of this Ordinary General Meeting of Shareholders.

The Company believes that the contents of this proposal are reasonable because it is in line with the above policy and comprehensively takes into consideration the Company’s business scale, the compensation system for officers and its payment level, the current number of officers, and future trends.

The Company currently has six (6) Corporate Directors (including four (4) Outside Directors), and if Item 2 “Partial Amendment to the Articles of Incorporation” and Item 3 “Election of Eight (8) Corporate Directors (excluding Corporate Directors who are Audit and Supervisory Committee members)” are approved and adopted as proposed, the number of Corporate Directors will be eight (8) (including four (4) Outside Directors).

This proposal will become effective on the condition that the amendment to the Articles of Incorporation in Item 2 “Partial Amendment to the Articles of Incorporation” takes effect.

**Item 6: Determination of the Amount of Compensation for Corporate Directors who are Audit and Supervisory Committee Members**

If Item 2 “Partial Amendment to the Articles of Incorporation” is approved and adopted as proposed, the Company will transition to a company with an Audit and Supervisory Committee.

Accordingly, the Company proposes that the amount of compensation for Corporate Directors who are Audit and Supervisory Committee members shall be no more than 72 million yen per year.

The Company believes that the contents of this proposal are reasonable because it comprehensively takes into consideration the Company’s business scale, the compensation system for officers and its payment level, the current number of officers, and future trends.

The number of Corporate Directors who are Audit and Supervisory Committee members in relation to this proposal will be four (4) if Item 2 “Partial Amendment to the Articles of Incorporation” and Item 4: “Election of Four (4) Corporate Directors who are Audit and Supervisory Committee Members” are approved and adopted as proposed.

This proposal will become effective on the condition that the amendment to the Articles of Incorporation in Item 2 “Partial Amendment to the Articles of Incorporation” takes effect.

**Item 7: Determination of the Amount of Compensation for Granting Restricted Stock to Corporate Directors (Excluding Corporate Directors who are Audit and Supervisory Committee Members)**

It was resolved at the 47th Ordinary General Meeting of Shareholders convened on June 24, 2009, that the aggregate amount of compensation to be paid to Corporate Directors of the Company shall be no more than 300 million yen per year. It was also resolved at the 57th Ordinary General Meeting of Shareholders convened on June 25, 2019 that payment of compensation for granting restricted stock is made to Corporate Directors of the Company excluding Outside Directors within the aggregate amount of compensation to be paid to Corporate Directors for the purpose of providing incentives to such Corporate Directors to continuously improve the Company's corporate value, as well as promoting further shared value between Corporate Directors and shareholders. If Item 2 "Partial Amendment to the Articles of Incorporation" is approved and adopted as proposed, the Company will transition to a company with an Audit and Supervisory Committee, and therefore, the Company hereby proposes, as described below, the payment of compensation for granting the restricted stock to Corporate Directors of the Company (excluding Outside Directors and Directors who are Audit and Supervisory Committee members; hereinafter called "Eligible Directors"). This proposal is a procedural matter in connection with the transition to a company with an Audit and Supervisory Committee, and the actual details of the payment of compensation for granting the restricted stock are the same as those approved at the 57th Ordinary General Meeting of Shareholders convened on June 25, 2019.

"Restricted Stock with Working Condition" which has the condition regarding continuous working and the "Restricted Stock with Performance Condition" which has the condition regarding the business performance are provided as the restricted stock.

The Restricted Stock with Working Condition will promote further shared value between Directors and shareholders until Directors' retirement. The Restricted Stock with Performance Condition makes commitment to the business performance of the Directors strong and Directors will obtain incentive to improve the Company's corporate value over medium to long term.

The total compensation amounts to be paid to the Eligible Directors based on this proposal for granting each of the Restricted Stock with Working Condition and the Restricted Stock with Performance Condition shall be, respectively, no more than 45 million yen per year within the range of the aforementioned aggregate amount of compensation for Corporate Directors as the reasonable amounts in light of aforementioned purposes. Details of timing of granting and allocations to each Eligible Director shall be decided by the Board of Corporate Directors.

The Company currently has six (6) Corporate Directors (including four (4) Outside Directors), and if Item 3 "Election of Eight (8) Corporate Directors (Excluding Corporate Directors who are Audit and Supervisory Committee Members)" is approved and adopted as proposed, the Company will have eight (8) Corporate Directors (excluding Corporate Directors who are Audit and Supervisory Committee members) (including four (4) outside directors) or equivalently four (4) Eligible Directors.

All monetary compensation claims paid to Eligible Directors by the Company based on this proposal shall be delivered as property contributed in-kind, and Eligible Directors shall receive common stock of the Company that is issued or disposed of. The total number of common stock of the Company to be issued or disposed of for each of the Restricted Stock with Working Condition and the Restricted Stock with Performance Condition shall not exceed, respectively, 60,000 shares per year (Nevertheless, if on or after the date of approval and adoption of this proposal, the Company's common stock are subject to a stock split (including allotment of the Company's common stock without contribution) or a consolidation of stock, or there are other circumstances requiring the adjustment of the total number of the Company's common stock to be issued or disposed of as restricted stock, the Company will adjust such total number of stock to a reasonable extent.). The amounts to be paid per share of the Company to be issued or disposed of will be



decided by the Board of Corporate Directors, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day preceding the date of the resolution of the Board of Corporate Directors (if the Company's stock are not traded on said date, the closing price of the most recent trading day preceding said date) to the extent that it will not be excessively advantageous for the Eligible Directors. When the Company issues or disposes of its common stock, the Company and Eligible Directors shall conclude a restricted stock allocation agreement (hereinafter, such a restricted stock allocation agreement regarding the Restricted Stock with Working Condition is referred to as the "Allocation Agreement I," and one regarding the Restricted Stock with Performance Condition is referred to as the "Allocation Agreement II") which includes mostly the following items.

This proposal will become effective on the condition that the amendment to the Articles of Incorporation in Item 2 "Partial Amendment to the Articles of Incorporation" takes effect.

#### Description of the Allocation Agreement I

- (1) The Eligible Directors may not transfer, create security interest on, or otherwise dispose of the Company's common stocks allotted under the Allocation Agreement I (the "Allotted Stocks I") during the period from the date when the Allotted Stocks I are granted to the date when the Eligible Directors resign or retire from the post of Director of the Company or other post specified by the Board of Directors (the "Transfer Restriction Period I") (the "Transfer Restriction").
- (2) In the event an Eligible Director resigns or retires from all his/her postposition as set out (1) above before expiration of the period determined by the Board of Directors (the "Service Period"), the Company will acquire the Allotted Stocks I without any compensation as a matter of course, unless there is a reason deemed legitimate by the Board of Directors.
- (3) Notwithstanding the provision of (1) above, on the condition that the Eligible Directors continued to serve as the post set out in the provision of (1) above during the Service Period, the Company will cancel the Transfer Restriction of all Allotted Stocks I at the time of the expiration of the Transfer Restriction Period I. Nevertheless, in the event an Eligible Director resigns or retires from all his/her post set out in the provision of (1) based on any of the reasons deemed legitimate by the Board of Directors set out in (2) above before the expiration of the Transfer Restriction Period I, the Company shall rationally adjust, as needed, the number of the Allotted Stocks I for which the Transfer Restriction will be canceled.
- (4) The Company will acquire the Allotted Stocks I, for which the Transfer Restriction has not been canceled based on the provision of (3) above at the time of the expiration of the Transfer Restriction Period I, as a matter of course, without any compensation.
- (5) Notwithstanding the provision of (1) above, in the event a merger agreement in which the Company will become the absorbed company, a stock exchange agreement or a stock transfer plan in which the Company will become the wholly-owned subsidiary, or any other matter related to organizational restructuring, etc. is approved in the General Meeting of Shareholders (or if approval in the General Meeting of Shareholders is not required in relation to such organizational restructuring, then the Board of Directors' meeting) during the Transfer Restriction Period I, the Company will cancel the Transfer Restriction based on the resolution of the Board of Directors prior to the effective date of such organizational restructuring, etc. for the Allotted Stocks I in number rationally determined in light of the period from the commencement date of the Service Period to the date that such organizational restructuring, etc. is approved. In such case, the Company will acquire the Allotted Stocks I, for which the Transfer Restriction has not been cancelled even at the time immediately after the Transfer Restriction has been cancelled, as a matter of course, without any compensation.

- (6) The manner of declaration of intent and notice under the Allocation Agreement I, and the manner of the amendment of the Allocation Agreement I or other matters determined by the Board of Directors shall constitute a part of the Allocation Agreement I.

#### Description of the Allocation Agreement II

- (1) The Eligible Directors may not transfer, create security interest on, or otherwise dispose the Company's common stocks allotted under the Allocation Agreement II (the "Allotted Stocks II") during the period which prescribed by the Board of Directors of the Company within (5) years (the "Transfer Restriction Period II").
- (2) In the event an Eligible Director resigns or retires from the post of Director of the Company or other post specified by the Board of Directors during the Transfer Restriction Period II, the Company will acquire the Allotted Stocks II without any compensation as a matter of course.
- (3) On the condition that the Eligible Directors achieve the performance indicators set in the Medium-Term Business Plan or other performance condition specified by the Board of Directors (the "Performance Condition") , as well as the condition that the Eligible Directors continue to serve as the post set out in the provision of (2) above during the Transfer Restricted Period II and, the Company will cancel the Transfer Restriction of all Allotted Stocks II at the time of the expiration of the Transfer Restriction Period II.
- (4) The Company will acquire the Allotted Stocks II, for which the Transfer Restriction has not been canceled based on the provision of (3) above at the time of the expiration of the Transfer Restriction Period II, as a matter of course, without any compensation.
- (5) Notwithstanding the provision of (2) above, in the event an Eligible Director resigns or retires from all his/her postposition as set out in the provisions of (2) based on any of the reasons deemed legitimate by the Board of Directors after the definition of attainment of the Performance Condition, before the expiration of the Transfer Restriction Period II, the Company will cancel the Transfer Restriction of all Allotted Stocks II at the time of the resignation or retirement, based on the resolution of the Board of Directors.
- (6) Notwithstanding the provision of (1) above, in the event a merger agreement in which the Company will become the absorbed company, a stock exchange agreement or a stock transfer plan in which the Company will become the wholly-owned subsidiary, or any other matter related to organizational restructuring, etc. is approved in the General Meeting of Shareholders (or if approval in the General Meeting of Shareholders is not required in relation to such organizational restructuring, then the Board of Directors' meeting) during the Transfer Restriction Period II, the Company will acquire the Allotted Stocks II, for which the Transfer Restriction has not been cancelled, prior to the effective date of such organizational restructuring, etc. as a matter of course, without any compensation. However, in case that the Performance Condition defined to attain prior to the effective date of such organizational restructuring, etc., the Company will cancel the Transfer Restriction based on the resolution of the Board of Directors prior to the effective date of such organizational restructuring, etc. for all Allotted Stock II.
- (7) The manner of declaration of intent and notice under the Allocation Agreement II, and the manner of the amendment of the Allocation Agreement II or other matters determined by the Board of Directors shall constitute a part of the Allocation Agreement II.

**Consolidated Balance Sheet**  
**(As of March 31, 2023)**

(¥ millions)

Item	Amount	Item	Amount
<b>ASSETS</b>		<b>LIABILITIES</b>	
<b>Current Assets:</b>	<b>(24,924)</b>	<b>Current Liabilities:</b>	<b>(6,414)</b>
Cash and deposits	9,376	Accounts payable	2,006
Notes and accounts receivable and contract assets	11,960	Accrued expenses	1,261
Securities	2,300	Income taxes payable	908
Work in process	268	Accrued consumption taxes	363
Raw materials and supplies	66	Advances received	191
Prepaid expenses	454	Provision for bonuses	959
Other	514	Provision for directors' bonuses	73
Allowance for doubtful accounts	△ 16	Provision for loss on order received	48
<b>Non-current Assets:</b>	<b>(23,599)</b>	Other	601
<b>Tangible Non-current Assets:</b>	<b>(1,600)</b>	<b>Non-current Liabilities:</b>	<b>(5,822)</b>
Buildings and structures	506	Provision for directors' retirement benefits	102
Tools, furniture and fixture	1,089	Net defined benefit liability	4,608
Land	3	Assets retirement obligations	276
Construction in progress	1	Other	834
<b>Intangible Non-current Assets:</b>	<b>(2,265)</b>	<b>Total Liabilities</b>	<b>12,237</b>
Software	2,241	<b>NET ASSETS</b>	
Other	24	<b>Shareholders' Equity:</b>	<b>(36,627)</b>
<b>Investments and Other Assets:</b>	<b>(19,733)</b>	Capital stock	15,000
Investment securities	13,236	Capital surplus	10,100
Long-term prepaid expenses	678	Retained earnings	11,682
Deferred tax assets	4,490	Treasury shares	△ 155
Other	1,328	<b>Accumulated Other Comprehensive Income:</b>	<b>(△ 341)</b>
		Valuation difference on available-for-sale securities	△ 179
		Remeasurements of defined benefit plans	△ 162
		<b>Total Net Assets</b>	<b>36,286</b>
<b>Total Assets</b>	<b>48,523</b>	<b>Total Liabilities and Net Assets</b>	<b>48,523</b>

**Consolidated Statement of Operations**  
(For the year from April 1, 2022 to March 31, 2023)

(¥ millions)

Item	Amount	
<b>Revenue</b>		<b>42,404</b>
<b>Cost of Sales</b>		<b>32,306</b>
<b>Gross Profit</b>		<b>10,097</b>
<b>Selling, General and Administrative Expenses</b>		<b>6,296</b>
<b>Operating Income</b>		<b>3,801</b>
<b>Non-Operating Income:</b>		<b>85</b>
Interest income	51	
Dividends income	11	
Dividend income on insurance	8	
Other	14	
<b>Non-Operating Expenses:</b>		<b>5</b>
Interest expenses	0	
Loss on investments in investment partnerships	1	
Other	3	
<b>Ordinary Income</b>		<b>3,882</b>
<b>Extraordinary Income:</b>		<b>---</b>
<b>Extraordinary Losses:</b>		<b>182</b>
Loss on retirement of non-current assets	0	
Impairment loss	181	
<b>Income before Income Taxes</b>		<b>3,699</b>
Income Taxes and Other		1,131
Adjustment of Corporate Taxes		27
<b>Net Income</b>		<b>2,541</b>
<b>Net Income attributable to Owners of Parent</b>		<b>2,541</b>

**Consolidated Statement of Changes in Shareholders' Equity**

**(For the year from April 1, 2022 to March 31, 2023)**

(¥ millions)

	Shareholder's equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of April 1, 2022	15,000	14,592	9,973	△ 4,651	34,913
Changes during year					
Cash dividends from retained earnings			△ 831		△ 831
Net income attributable to owners of parent			2,541		2,541
Acquisition of treasury shares				△ 1	△ 1
Disposal of treasury shares		0		6	6
Cancellation of treasury shares		△ 4,491		△ 4,491	---
Net changes of items other than shareholders' equity					
Total changes during year	---	△ 4,491	1,709	4,495	1,713
Balance as of March 31, 2023	15,000	10,100	11,682	△ 155	36,627

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance as of April 1, 2022	32	△ 326	△ 293	34,620
Changes during year				
Cash dividends from retained earnings				△ 831
Net income attributable to owners of parent				2,541
Acquisition of treasury shares				△ 1
Disposal of treasury shares				6
Cancellation of treasury shares				---
Net changes of items other than shareholders' equity	△ 212	164	△ 48	△ 48
Total changes during year	△ 212	164	△ 48	1,665
Balance as of March 31, 2023	△ 179	△ 162	△ 341	36,286

**Non-Consolidated Balance Sheet**  
(As of March 31, 2023)

(¥ millions)

Item	Amount	Item	Amount
<b>ASSETS</b>		<b>LIABILITIES</b>	
<b>Current Assets:</b>	<b>(21,707)</b>	<b>Current Liabilities:</b>	<b>(5,522)</b>
Cash and deposits	6,705	Accounts payable	2,052
Accounts receivable and contract assets	11,223	Accrued payable	143
Securities	2,300	Accrued expenses	986
Work in process	229	Income taxes payable	669
Raw materials and supplies	66	Accrued consumption taxes	237
Prepaid expenses	610	Advances received	190
Other	583	Deposits received	287
Allowance for doubtful accounts	△ 11	Provision for bonuses	803
<b>Non-current Assets:</b>	<b>(22,068)</b>	Provision for directors' bonuses	59
<b>Tangible Non-current Assets:</b>	<b>(1,233)</b>	Provision for loss on order received	48
Buildings	429	Other	45
Structures	0	<b>Non-current Liabilities:</b>	<b>(4,917)</b>
Tools, furniture and fixture	798	Provision for retirement benefits	3,788
Land	3	Provision for directors' retirement benefits	59
Construction in progress	1	Assets retirement obligations	238
<b>Intangible Non-current Assets:</b>	<b>(2,220)</b>	Other	830
Telephone rights	16	<b>Total Liabilities</b>	<b>10,439</b>
Software	2,200	<b>NET ASSETS</b>	
Other	4	<b>Shareholders' Equity:</b>	<b>(33,468)</b>
<b>Investments and Other Assets:</b>	<b>(18,614)</b>	<b>Capital Stock:</b>	<b>(15,000)</b>
Investments securities	11,575	<b>Capital Surplus:</b>	<b>(10,100)</b>
Shares in affiliates	1,089	Capital reserve	3,750
Investments in capital of subsidiaries and affiliates	13	Other capital surplus	6,350
Long-term prepaid expenses	616	<b>Retained earnings:</b>	<b>(8,523)</b>
Deferred tax assets	4,097	Other retained earnings	8,523
Guarantee deposited	1,135	Retained earnings carried forward	8,523
Utility membership	81	<b>Treasury shares:</b>	<b>(△ 155)</b>
Other	5	<b>Valuation, Translation Adjustment and Other:</b>	<b>(△ 132)</b>
		Valuation difference on available-for-sale securities	△ 132
<b>Total Assets</b>	<b>43,775</b>	<b>Total Net Assets</b>	<b>33,335</b>
		<b>Total Liabilities and Net Assets</b>	<b>43,775</b>

**Non-Consolidated Statement of Operations**  
**(For the year from April 1, 2022 to March 31, 2023)**

(¥ millions)

Item	Amount	
<b>Revenue</b>		<b>36,888</b>
<b>Cost of Sales</b>		<b>28,139</b>
<b>Gross Profit</b>		<b>8,748</b>
<b>Selling, General and Administrative Expenses</b>		<b>5,973</b>
<b>Operating Income</b>		<b>2,775</b>
<b>Non-Operating Income:</b>		<b>363</b>
Interest income	45	
Dividends income	297	
Dividend income on insurance	8	
Other	11	
<b>Non-Operating Expenses:</b>		<b>4</b>
Loss on investments in investment partnerships	1	
Other	3	
<b>Ordinary Income</b>		<b>3,133</b>
<b>Extraordinary Income:</b>		<b>----</b>
<b>Extraordinary Losses:</b>		<b>182</b>
Loss on retirement of non-current assets	0	
Impairment loss	181	
<b>Income before Income Taxes</b>		<b>2,951</b>
Income Taxes and Other		744
Adjustment of Corporate Taxes		48
<b>Net Income</b>		<b>2,158</b>

## Non-Consolidated Statement of Changes in Shareholders' Equity

(For the year from April 1, 2022 to March 31, 2023)

(¥ millions)

	Shareholders' equity					
	Capital stock	Capital surplus			Retained earnings	
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings
				Retained earnings carried forward		
Balance as of April 1, 2022	15,000	3,750	10,842	14,592	7,196	7,196
Changes during year						
Cash dividends from retained earnings					△ 831	△ 831
Net income					2,158	2,158
Acquisition of treasury shares						
Disposal of treasury shares			0	0		
Cancellation of treasury shares			△ 4,491	△ 4,491		
Net changes of items other than shareholders' equity						
Total changes during year	---	---	△ 4,491	△ 4,491	1,326	1,326
Balance as of March 31, 2023	15,000	3,750	6,350	10,100	8,523	8,523

	Shareholders' equity		Valuation, translation adjustment and other		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation, translation, adjustment and other	
Balance as of April 1, 2022	△ 4,651	32,137	49	49	32,187
Changes during year					
Cash dividends from retained earnings		△ 831			△ 831
Net income		2,158			2,158
Acquisition of treasury shares	△ 1	△ 1			△ 1
Disposal of treasury shares	6	6			6
Cancellation of treasury shares	4,491	---			---
Net changes of items other than shareholders' equity			△ 182	△ 182	△ 182
Total changes during year	4,495	1,331	△ 182	△ 182	1,148
Balance as of March 31, 2023	△ 155	33,468	△ 132	△ 132	33,335