

Disclaimer: This is the 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
June 2, 2022

To Shareholders:

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

Notice of Convocation of the 60th 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 60th Ordinary General Meeting of Shareholders of INES Corporation (the Company) will be held as stated below.

For shareholders, please exercise your voting rights after reading the information on pages 2 and 3 for guidance on exercising your voting rights and reviewing the “Ordinary General Meeting of Shareholders Reference Documents” provided below.

Particulars

- 1. Date and Time:** 10:00 a.m. on June 24 (Friday), 2022
- 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 60th fiscal year (from April 1, 2021 to March 31, 2022)
- Item 2:** Report on the Non-Consolidated Financial Statements for the 60th fiscal year (from April 1, 2021 to March 31, 2022)

Matters to be Resolved:

- Item 1:** Appropriation of Retained Earnings
- Item 2:** Partial Amendment to the Articles of Incorporation
- Item 3:** Election of Six (6) Corporate Directors
- Item 4:** Election of One (1) Substitute Corporate Auditor

4. Disclosure via the Internet

- (1) In accordance with the provisions of certain laws and regulations as well as Article 17 of the Company's Articles of Incorporation, the following items are posted on the Company's website and are therefore not included in the documents accompanying this Notice of Convocation.

[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

- (2) In the event that the Ordinary General Meeting of Shareholders Reference Documents, Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements need to be revised, the amendments will be publicized by posting on the Company's website.

The Company's Website: <https://www.ines.co.jp/>

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 23 (Thursday), 2022**

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.

Website for exercising voting rights:

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

- * 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 23 (Thursday), 2022

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 24 (Friday), 2022

(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, the Company would like to further enhance profit returns to shareholders in relation to dividends at the end of the current fiscal year 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

¥20.00 per share of common stock

¥415,859,980 total dividend payment

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

June 27, 2022

For the fiscal year, since we paid an interim dividend of ¥20.00 per share on December 3, 2021, the total annual dividend for the period under review amounted to ¥40.00 per share.

Item 2: Partial Amendment to the Articles of Incorporation

1. Reasons for Proposal

(1) In order to expand the choices of venues for the general meeting of shareholders in case of natural disasters or unexpected accidents, Article 15 (Venue) of the current Articles of Incorporation, which limits the place where the general meeting of shareholders is convened, shall be deleted. In connection with the deletion of Article 15 of the current Articles of Incorporation, Article 16 and the subsequent articles of the current Articles of Incorporation shall be moved forward by one article.

(2) In connection with the enforcement of the revised provisions specified in the proviso of Article 1 of the Supplementary Provisions of the “Act Partially Amending the Companies Act” (Law No. 70 of 2019) on September 1, 2022, the system for providing general shareholders meeting materials in electronic format will be introduced. Accordingly, the Articles of Incorporation shall be amended as follows:

[1] Since a company is required to stipulate in its Articles of Incorporation that the company shall take measures for provision in electronic format with regard to information including the content of reference documents for general shareholders meeting, Article 16 (Measures for Provision in Electronic Format, etc.), paragraph 1 of the proposed amendment shall be newly provided.

[2] As for matters for which measures for provision in electronic format are taken with regard to information including the content of reference documents for general shareholders meeting, in order to allow the scope of matters to be described in documents issued to a shareholder who applied for the issuance of such documents to be limited to the scope stipulated by the Ordinance of the Ministry of Justice, Article 16 (Measures for Provision in Electronic Format, etc.), paragraph 2 of the proposed amendment shall be newly provided.

[3] Where the system for providing general shareholders meeting materials in electronic format is introduced, the provisions of Article 17 (Internet Disclosure and Deemed Provision of General Meeting of Shareholders Reference Documents, etc.) of the current Articles of Incorporation will be unnecessary and the provisions shall be deleted.

[4] Supplementary provisions regarding the effect of the above-mentioned provisions to be newly provided and those to be deleted shall be provided.

(3) Upon closing of the 53rd Ordinary General Meeting of Shareholders held on June 26, 2015, it was decided not to renew our basic policy of countermeasures for large-scale purchasing of our shares (Anti-Takeover Measures). Accordingly, Article 18 of the current Articles of Incorporation (Resolutions at a General Shareholders Meeting) shall be deleted. In connection with the deletion of the said article, Article 19 and the subsequent articles of the current Articles of Incorporation shall be moved forward by one article.

2. Contents of Amendment

The contents of amendment are as follows:

(The underlined portions indicate those amended.)

Current Articles of Incorporation	Proposed Amendment
<p>Article 1 ~ Article 14 (Texts are omitted)</p> <p><u>(Venue)</u></p> <p>Article 15 <u>The Company shall hold its general shareholders meetings in Kanagawa Prefecture or Tokyo.</u></p> <p>Article 16 (Texts are omitted)</p> <p><u>(Internet Disclosure and Deemed Provision of General Meeting of Shareholders Reference Documents, etc.)</u></p> <p>Article 17 <u>At the occasion of convocation of a general meeting of shareholders, the Company may disclose information related to matters to be contained or indicated in general shareholders meeting reference documents, business reports, non-consolidated financial statements and consolidated financial statements (including accounting audit reports or auditing reports related to such consolidated financial documents) by the method using the internet in accordance with the provisions of the Ordinance of the Ministry of Justice, which is deemed to have been provided to its shareholders.</u></p> <p>(Newly Provided)</p>	<p>Article 1 ~ Article 14 (The same as the current provisions)</p> <p>(Deleted)</p> <p>Article 15 (The same as the current provisions)</p> <p>(Deleted)</p> <p><u>(Measures for Provision in Electronic Format, etc.)</u></p> <p>Article 16 <u>At the occasion of convocation of a general meeting of shareholders, the Company shall take measures for provision in electronic format with regard to information including the content of reference documents for general shareholders meeting.</u></p> <p>2 <u>With regard to all or any part of matters for which measures for provision in electronic format are taken and which are stipulated by the Ordinance of the Ministry of Justice, the Company may decide not to describe such matters in documents to be issued to a shareholder who applied for the issuance of documents prior to the base date of the voting rights.</u></p>

Current Articles of Incorporation	Proposed Amendment
<p>(Resolutions at a General Shareholders Meeting)</p> <p>Article 18 <u>At the Company's general meeting of shareholders, any matters that are otherwise provided for in laws and regulations or the Articles of Incorporation may be stipulated by resolution of such a shareholders meeting. In addition, any basic policy of anti-takeover measures may be prescribed by resolution of such a shareholders meeting.</u></p> <p>2 <u>The Company may decide on any matter concerning the gratis allotment of stock acquisition rights by resolution of the Board of Directors as well as by resolution of a general shareholders meeting or resolution of the Board of Directors under a delegation given by resolution of a general shareholders meeting.</u></p> <p>3 <u>The anti-takeover measures set forth in paragraph 1 shall mean measures that make it difficult to take over the Company by issuing new stock or stock acquisition rights without having business purposes such as funding or business tie-up as its primary purpose, which are introduced prior to the commencement of takeover by any person or entity that may impair the Company's corporate value as well as common interests of the Company's shareholders. In addition, "introduce" shall mean to decide specific content of anti-takeover measures, such as making a resolution on the issuance of new stock or stock acquisition rights as an anti-takeover measure.</u></p>	<p>(Deleted)</p>
<p>Articles 19 ~ Article 49 (Texts are omitted)</p> <p>(Newly Provided)</p>	<p>Article 17 ~ Article 47 (The same as the current provisions)</p> <p>(Supplementary Provisions)</p> <p>(Transitional Measures Concerning Provision of General Shareholders Meeting Materials in Electronic Format)</p> <p>Article 1 <u>The deletion of Article 17 (Internet Disclosure and Deemed Provision of General Meeting of Shareholders Reference Documents, etc.) of the Articles of Incorporation before amendment and new provision of Article 16 (Measures for Provision in Electronic Format, etc.) of the Articles of Incorporation after amendment shall take effect as from September 1, 2022 ("Date of Enforcement"), that is the date of enforcement of the revised provisions specified in the proviso of Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Law No. 70 of 2019).</u></p>

	<p><u>2 Notwithstanding the preceding paragraph, Article 17 (Internet Disclosure and Deemed Provision of General Meeting of Shareholders Reference Documents, etc.) of the Articles of Incorporation before amendment shall remain in effect for a shareholders meeting held on any day within six (6) months after the Date of Enforcement.</u></p> <p><u>3 This Article shall be deleted on the date six (6) months after the Date of Enforcement or on the date three (3) months after the date of the general shareholders meeting set forth in the preceding paragraph, whichever is later.</u></p>
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Item 3: Election of Six (6) Corporate Directors

The term of office of all six (6) Corporate Directors will expire at the end of this Ordinary General Meeting of Shareholders. Accordingly, we propose that six (6) Corporate Directors be elected.

The candidates for director positions are as follows:

Nominee Number	Name	Position and Duty	Attribute	Attendance Status at 2021 Board of Corporate Directors
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	Kyota Omori	Outside Director	Reappointment Outside Director Independent Officer	11 times/11 times (100%)
4	Qun Jin	Outside Director	Reappointment Outside Director Independent Officer	11 times/11 times (100%)
5	Kanako Murakami	---	New appointee Outside Director Independent Officer	---
6	Nobuyuki Sato	---	New appointee Outside Director Independent Officer	---

<p>Nominee Number 1</p> <p style="border: 1px solid black; display: inline-block; padding: 2px;">Reappointment</p> <p>Koichi Yoshimura (October 25, 1965)</p> <p>Company Shares Owned 24,687</p> <p>Term of Office as Director (As of the end of this General Meeting) 8 years</p> <p>His Attendance Status at Board of Corporate Directors 11 times/11 times (100%)</p>	<p>Brief Personal History, Position and Duty in the Company</p> <p>Apr. 1988 Joined the Company</p> <p>Aug. 2010 General Manager, Life Insurance Institution Systems Division, Finance Systems Group, the Company</p> <p>Apr. 2013 Executive Officer and Group Executive, Finance Systems Group, the Company</p> <p>Jun. 2014 Director and Executive Officer, General Manager, Financial Systems Group, the Company</p> <p>Apr. 2016 Director, Executive Officer and General Manager, IT Solutions Division, the Company</p> <p>Apr. 2018 Director, Executive Officer and General Manager, Public Service Systems Solutions Division, the Company</p> <p>Apr. 2019 Director, Managing Executive Officer and General Manager, Public Service Systems Solutions Division, the Company</p> <p>Apr. 2020 President and Representative Director, the Company (Current position)</p> <p>Important Concurrent Roles N/A</p> <p>Reason for Nominating Mr. Yoshimura as a Director</p> <p>Having been responsible for the Company's general public, financial 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 Mid-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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Nominee Number 2	Brief Personal History, Position and Duty in the Company
Reappointment	Apr. 1985 Joined The Mitsubishi Bank, Ltd. (current MUFG Bank, Ltd.)
Susumu Tsukahara (April 8, 1961)	Jun. 2005 Assistant Head of General Planning Office, The Mitsubishi Bank, Ltd.
Company Shares Owned 22,967	May 2008 Manager, Financial Accounting Office, Corporate Planning Division, The Mitsubishi Bank, Ltd.
Term of Office as Director (As of the end of this General Meeting) 7 years	Nov. 2014 Executive Officer and General Manager, Financial & Accounting Division, the Company
His Attendance Status at Board of Corporate Directors 11 times/11 times (100%)	Jun. 2015 Director, Managing Executive Officer and General Manager, Financial & Accounting Division, the Company
	Apr. 2021 Director and Senior Managing Executive Officer, the Company (Current position)
	Important Concurrent Roles
	N/A
	Reason for Nominating Mr. Tsukahara as a Director
	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 the establishment of a sustainable and stable earnings structure with a focus on 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 by promoting the implementation of the Company's Mid-term Business Plan based on his wealth of experience and insight, the Company is requesting he be reappointed as a director.

<p>Nominee Number 3</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>Kyota Omori (March 14, 1948)</p> <p>Company Shares Owned 0</p> <p>Term of Office as Outside Director (As of the end of this General Meeting) 4 years</p> <p>His Attendance Status at Board of Corporate Directors 11 times/11 times (100%)</p>	<p>Brief Personal History, Position and Duty in the Company</p> <p>Apr. 1972 Joined The Mitsubishi Bank, Ltd. (current MUFG Bank, Ltd.)</p> <p>Jun. 2003 Managing Director, The Bank of Tokyo-Mitsubishi, Ltd. (current MUFG Bank, Ltd.)</p> <p>May 2004 Managing Executive Officer and Americas General Manager (in New York), The Bank of Tokyo-Mitsubishi, Ltd.</p> <p>Oct. 2007 Executive Operating Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (current MUFG Bank, Ltd.)</p> <p>Jun. 2008 Vice President and Director, Mitsubishi UFJ Financial Group, Inc.</p> <p>Dec. 2010 President and Representative Director, Mitsubishi Research Institute, Inc.</p> <p>Jul. 2011 Chairman and Director, Mitsubishi Research Institute DCS Co., Ltd.</p> <p>Jun. 2015 Outside Director, NCS&A Co., Ltd. (Current position)</p> <p>Dec. 2016 Chairman and Representative Director, Mitsubishi Research Institute, Inc.</p> <p>Dec. 2017 Chairman and Director, Mitsubishi Research Institute, Inc.</p> <p>Dec. 2017 Director, Mitsubishi Research Institute DCS Co., Ltd.</p> <p>Jun. 2018 Outside Director, the Company (Current position)</p> <p>Dec. 2021 Special Adviser, Mitsubishi Research Institute, Inc.</p> <p>Important Concurrent Roles</p> <p>Special Adviser, Mitsubishi Research Institute, Inc. Outside Director, NCS&A Co., Ltd.</p> <p>Reason for Nominating Mr. Omori as an Outside Director and Overview of his Expected Role</p> <p>Candidate Mr. Omori has engaged in corporate management in the banking and IT service industries over the years. In the Company, he has exercised appropriate oversight of the management of the Company and its Group as an outside director since 2018 based on his wealth of experience and insight as a management expert acquired over the course of his career. As it is expected that he will continue to exercise appropriate oversight of the management of the Company and its Group, the Company is requesting he be reappointed as an outside director.</p> <p>Matters Relating to Independence</p> <p>The trade volume between Mitsubishi Research Institute, Inc. for which he served as a director until December 2021 and the Company in fiscal year 2021 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 trade volume between Mitsubishi Research Institute DCS Co., Ltd. for which he served as a director until December 2018 and the Company in fiscal year 2021 accounted for less than 0.4% 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. Therefore, the Company is certain that his independence is fully ensured.</p>
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<p>Nominee Number 4</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>Qun Jin (September 27, 1962)</p> <p>Company Shares Owned 0</p> <p>Term of Office as Outside Director (As of the end of this General Meeting) 2 years</p> <p>His Attendance Status at Board of Corporate Directors 11 times/11 times (100%)</p>	<p>Brief Personal History, Position and Duty in the Company</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>Important Concurrent Roles</p> <p>Professor, Department of Human Informatics and Cognitive Sciences, Faculty of Human Sciences, Waseda University</p> <p>Reason for Nominating Mr. Jin as an Outside Director and Overview of his Expected Role</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>Matters Relating to Independence</p> <p>Although the Company made a donation to Waseda University for which the Candidate serves as a professor, this donation was made to support the university's students who have suffered financial hardship in connection with the COVID-19 pandemic. While there is a joint research agreement between our subsidiary company INES Research Institute, Inc. and Waseda University, 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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Nominee Number 5	Brief Personal History, Position and Duty in the Company
<div style="border: 1px solid black; background-color: black; color: white; padding: 2px; display: inline-block;">New appointee</div>	<p>Oct. 2001 Registered as an attorney (Daini Tokyo Bar Association) (Current) Joined Nozomi Sogo Attorneys at Law</p>
<div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside Director</div>	<p>Nov. 2012 Member, Environmental Health Committee of Tokyo Metropolitan Government</p>
<div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent Officer</div>	<p>Jun. 2020 Outside Auditor, Shinsei Trust & Banking Co., Ltd. (Current position)</p>
<p>Kanako Murakami (Name on the family register: Kanako Sato) (March 13, 1978)</p>	<p>Apr. 2021 Partner, Nozomi Sogo Attorneys at Law (Current position)</p> <p>Important Concurrent Roles Partner, Nozomi Sogo Attorneys at Law Outside Auditor, Shinsei Trust & Banking Co., Ltd.</p>
<p>Company Shares Owned 0</p>	<p>Reason for Nominating Ms. Murakami as an Outside Director and Overview of her Expected Role</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 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>As it is expected that she will be able to take advantage of such professional knowledge and insight acquired over the course of her career for the management of the Company and its Group, the Company is requesting she be newly appointed as an outside director.</p> <p>Matters Relating to Independence</p> <p>Although the Company makes payment of attorney's fees to Nozomi Sogo Attorneys at Law for which the Candidate serves as a partner, the amount of payment is less than 0.001% of its consolidated cost of sales. Therefore, the Company is certain that her independence is fully ensured.</p>

Nominee Number 6	Brief Personal History, Position and Duty in the Company
<div style="border: 1px solid black; background-color: black; color: white; padding: 2px; display: inline-block;">New appointee</div>	Apr. 1992 Part-time Lecturer, Faculty of Law, Chuo University
<div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside Director</div>	Apr. 1995 Full-time Lecturer, Faculty of Economics, Kushiro Public University of Economics
<div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent Officer</div>	Apr. 1997 Assistant Professor, Faculty of Economics, Kushiro Public University of Economics
Nobuyuki Sato (August 6, 1962)	Apr. 2001 Professor, Faculty of Policy Management, Shobi University
Company Shares Owned	Apr. 2006 Professor, Chou University Law School (Current position)
0	Jan. 2011 Vice-President, Chuo University (Retired in Nov. 2014)
	Jul. 2020 Vice-President, Chuo University (Current position)
	Apr. 2021 Director, Chuo University Educational Ability Research and Development Organization (Current position)
	Important Concurrent Roles
	Professor, Chou University Law School
	Vice-President, Chuo University
	Member, The Registered Foreign Lawyers Disciplinary Actions Committee, Japan Federation of Bar Associations
	Member, Personal Identification Information Protection Committee, Japan Agency for Local Authority Information Systems
	Member, Certification Business Information Protection Committee, Japan Agency for Local Authority Information Systems
	Reason for Nominating Mr. Sato as an Outside Director and Overview of his Expected Role
	<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. As it can be expected that he will be able to take advantage of such professional knowledge and insight acquired over the course of his career for the management of the Company and its Group, the Company is requesting he be newly appointed as an outside director.</p>
	Matters Relating to Independence
	<p>Although the Company made a donation to Chuo University for which the Candidate serves as the vice-president, this donation was made to support the university's students who have suffered financial hardship in connection with the COVID-19 pandemic. The transaction amount between the Company and Japan Agency for Local Authority Information Systems is less than 0.001% of the Company's consolidated cost of sales. In addition, while there is an advisory contract between our subsidiary company INES Research Institute, Inc. and Chuo University, the transaction amount is less than 0.01% of the Company's consolidated cost of sales. Therefore, the Company is certain that his independence is fully ensured.</p>

Notes:

1. None of the above candidates have special vested interests in the Company.
2. Candidates for directors, Mr. Kyota Omori, Mr. Qun Jin, Ms. Kanako Murakami and Mr. Nobuyuki Sato are candidates for outside directors.
The Company notified the Tokyo Stock Exchange of positions of Mr. Kyota Omori and Mr. Qun Jin 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 each of Ms. Kanako Murakami and Mr. Nobuyuki Sato is approved, we will newly notify the said stock exchange of their position as independent officers.
3. Each of Mr. Kyota Omori and Mr. Qun Jin, 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. Kyota Omori, Mr. Qun Jin, Ms. Kanako Murakami and Mr. Nobuyuki Sato is approved, the Company will continue the agreements with Mr. Kyota Omori and Mr. Qun Jin, respectively, and will enter into agreements with Ms. Kanako Murakami and Mr. Nobuyuki Sato, respectively.
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. Kyota Omori and Mr. Qun Jin. If the appointment of each candidate is approved, the Company will continue the said indemnity agreement, and if the appointment of each of Ms. Kanako Murakami and Mr. Nobuyuki Sato 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 page 28 of the Japanese document.
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 page 28 of the Japanese document.

(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	Director	○	○			
3	Kyota Omori	Outside Director	○			○	○
4	Qun Jin	Outside Director				○	○
5	Kanako Murakami	Outside Director	○		○		
6	Nobuyuki Sato	Outside Director	○		○	○	

Item 4: Election of One (1) Substitute Corporate Auditor

To ensure that the number of corporate auditors does not fall below the number stipulated in laws and regulations, we propose the election of one (1) substitute corporate auditor.

Approval for this proposal has been obtained in advance from the Board of Corporate Auditors.

The candidate for the position of substitute outside auditor is as follows:

<div style="border: 1px solid black; padding: 2px; margin-bottom: 10px;">Substitute Outside Auditor</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 10px;">Independent Officer</div> <p>Katsutoshi Hayafune (May 21, 1971)</p> <p>Company Shares Owned 0</p>	<p>Brief Personal History</p> <p>Oct. 1992 Joined Tohmatsu & 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 & Co.</p> <p>Jun. 2007 Partner, the Financial Advisory Services Division, Tohmatsu & 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>Important Concurrent Roles</p> <p>Representative Partner, ykr Accounting Advisory LLC</p> <p>Reason for Nominating Mr. Hayafune as a Substitute Outside Auditor</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 a substitute outside auditor.</p> <p>Matters Relating to Independence</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:

1. Mr. Katsutoshi Hayafune, the candidate for the position of substitute corporate auditor, has no special vested interests with the Company.
2. He satisfies the requirements as an independent officer provided for in the provisions of the Tokyo Stock Exchange. If he is appointed as an outside auditor, we will notify the said stock exchange of his position as an independent officer.
3. If he is appointed as a corporate auditor, he and the Company are to enter 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 shall be the minimum amount required by laws and regulations.
4. If he is appointed as a corporate auditor, he and the Company are to enter into an indemnity agreement provided for in Article 430-2 (1) of the Companies Act. For an overview of the indemnity agreement, please refer to page 28 of the Japanese document.
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 auditors are the insured. If Mr. Hayafune is appointed as a corporate auditor, he will be included in the insured of the insurance agreement, and then the insurance agreement is to be renewed. For an overview of the insurance agreement, please refer to page 28 of the Japanese document.

Consolidated Balance Sheet
(As of March 31, 2022)

(¥ millions)

Item	Amount	Item	Amount
ASSETS		LIABILITIES	
Current Assets:	(22,323)	Current Liabilities:	(6,117)
Cash and deposits	9,945	Accounts payable	2,153
Notes and accounts receivable and contract assets	9,323	Accrued expenses	1,170
Securities	2,300	Income taxes payable	593
Work in process	210	Accrued consumption taxes	135
Raw materials and supplies	78	Advances received	284
Prepaid expenses	436	Provision for bonuses	1,047
Other	41	Provision for directors' bonuses	66
Allowance for doubtful accounts	△ 13	Provision for loss on order received	137
Non-current Assets:	(24,504)	Other	527
Tangible Non-current Assets:	(1,878)	Non-current Liabilities:	(6,089)
Buildings and structures	626	Provision for directors' retirement benefits	112
Tools, furniture and fixture	1,248	Net defined benefit liability	5,690
Land	3	Assets retirement obligations	267
Intangible Non-current Assets:	(2,680)	Other	19
Software	2,656	Total Liabilities	12,207
Other	24	NET ASSETS	
Investments and Other Assets:	(19,945)	Shareholders' Equity:	(34,913)
Investment securities	13,586	Capital stock	15,000
Long-term prepaid expenses	750	Capital surplus	14,592
Deferred tax assets	4,493	Retained earnings	9,973
Other	1,114	Treasury shares	△ 4,651
		Accumulated Other Comprehensive Income:	(△293)
		Valuation difference on available-for-sale securities	32
		Remeasurements of defined benefit plans	△ 326
		Total Net Assets	34,620
Total Assets	46,827	Total Liabilities and Net Assets	46,827

Consolidated Statement of Operations
(For the year from April 1, 2021 to March 31, 2022)

(¥ millions)

Item	Amount	
Revenue		40,033
Cost of Sales		31,556
Gross Profit		8,477
Selling, General and Administrative Expenses		6,514
Operating Income		1,963
Non-Operating Income:		121
Interest income	55	
Dividends income	11	
Dividend income on insurance	24	
Gain on investments in investment partnerships	2	
Other	27	
Non-Operating Expenses:		23
Interest expenses	0	
Commission for purchase of treasury shares	18	
Other	5	
Ordinary Income		2,060
Extraordinary Income:		6
Gain on sales of investment securities	6	
Extraordinary Losses:		140
Loss on retirement of non-current assets	2	
Loss on sales of investment securities	7	
Loss on valuation of investment securities	71	
Impairment loss	5	
Cancellation penalty	52	
Income before Income Taxes		1,926
Income Taxes and Other		643
Adjustment of Corporate Taxes		△ 16
Net Income		1,300
Net Income attributable to Owners of Parent		1,300

Consolidated Statement of Changes in Shareholders' Equity
(For the year from April 1, 2021 to March 31, 2022)

(¥ millions)

	Shareholder's equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of April 1, 2021	15,000	14,582	9,725	△ 102	39,204
Cumulative amount affected by changes in accounting policy			3		3
Balance at the beginning of the period reflecting changes in accounting policy	15,000	14,582	9,728	△ 102	39,207
Changes during year					
Cash dividends from retained earnings			△ 1,055		△ 1,055
Net income attributable to owners of parent			1,300		1,300
Purchase of treasury shares				△ 4,569	△ 4,569
Disposal of treasury shares		9		20	30
Net changes of items other than shareholders' equity					
Total changes during year	---	9	244	△ 4,548	△ 4,294
Balance as of March 31, 2022	15,000	14,592	9,973	△ 4,651	34,913

	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, 2021	△ 10	△ 398	△ 408	38,795
Cumulative amount affected by changes in accounting policy				3
Balance at the beginning of the period reflecting changes in accounting policy	△ 10	△ 398	△ 408	38,799
Changes during year				
Cash dividends from retained earnings				△ 1,055
Net income attributable to owners of parent				1,300
Purchase of treasury shares				△ 4,569
Disposal of treasury shares				30
Net changes of items other than shareholders' equity	43	72	115	115
Total changes during year	43	72	115	△ 4,178
Balance as of March 31, 2022	32	△ 326	△ 293	34,620

Non-Consolidated Balance Sheet
(As of March 31, 2022)

(¥ millions)

Item	Amount	Item	Amount
ASSETS		LIABILITIES	
Current Assets:	(19,765)	Current Liabilities:	(5,601)
Cash and deposits	7,748	Accounts payable	2,235
Accounts receivable and contract assets	8,644	Accrued payable	61
Securities	2,300	Accrued expenses	926
Work in process	193	Income taxes payable	583
Raw materials and supplies	78	Accrued consumption taxes	92
Prepaid expenses	561	Advances received	283
Other	248	Deposits received	304
Allowance for doubtful accounts	△ 9	Provision for bonuses	876
Non-current Assets:	(22,961)	Provision for directors' bonuses	51
Tangible Non-current Assets:	(1,565)	Provision for loss on order received	137
Buildings	553	Other	48
Structures	0	Non-current Liabilities:	(4,938)
Tools, furniture and fixture	1,008	Provision for retirement benefits	4,633
Land	3	Provision for directors' retirement benefits	61
Intangible Non-current Assets:	(2,654)	Assets retirement obligations	229
Telephone rights	16	Other	13
Software	2,634	Total Liabilities	10,539
Other	4	NET ASSETS	
Investments and Other Assets:	(18,740)	Shareholders' Equity:	(32,137)
Investments securities	11,876	Capital Stock:	(15,000)
Shares in affiliates	1,089	Capital Surplus:	(14,592)
Investments in capital of subsidiaries and affiliates	13	Capital reserve	3,750
Long-term prepaid expenses	680	Other capital surplus	10,842
Deferred tax assets	4,065	Retained earnings:	(7,196)
Guarantee deposited	925	Other retained earnings	7,196
Long-term loans	1	Retained earnings carried forward	7,196
Utility membership	81	Treasury shares:	(△ 4,651)
Other	6	Valuation, Translation Adjustment and Other:	(49)
Total Assets	42,726	Valuation difference on available-for-sale securities	49
		Total Net Assets	32,187
		Total Liabilities and Net Assets	42,726

Non-Consolidated Statement of Operations
(For the year from April 1, 2021 to March 31, 2022)

(¥ millions)

Item	Amount	
Revenue		35,029
Cost of Sales		27,695
Gross Profit		7,334
Selling, General and Administrative Expenses		6,210
Operating Income		1,124
Non-Operating Income:		461
Interest income	49	
Dividends income	370	
Dividend income on insurance	24	
Gain on investments in investment partnerships	2	
Other	14	
Non-Operating Expenses:		21
Commission for purchase of treasury shares	18	
Other	3	
Ordinary Income		1,563
Extraordinary Income:		212
Gain on sales of investment securities	6	
Gain on liquidation of subsidiaries and affiliates	205	
Extraordinary Losses:		79
Loss on retirement of non-current assets	0	
Loss on sales of investment securities	7	
Loss on valuation of investment securities	71	
Income before Income Taxes		1,696
Income Taxes and Other		399
Adjustment of Corporate Taxes		△ 67
Net Income		1,364

Non-Consolidated Statement of Changes in Shareholders' Equity
(For the year from April 1, 2021 to March 31, 2022)

(¥ 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, 2021	15,000	3,750	10,832	14,582	6,885	6,885
Cumulative amount affected by changes in accounting policy					3	3
Balance at the beginning of the period reflecting changes in accounting policy	15,000	3,750	10,832	14,582	6,888	6,888
Changes during year						
Cash dividends from retained earnings					△ 1,055	△ 1,055
Net income					1,364	1,364
Purchase of treasury shares						
Disposal of treasury shares			9	9		
Net changes of items other than shareholders' equity						
Total changes during year	---	---	9	9	308	308
Balance as of March 31, 2022	15,000	3,750	10,842	14,592	7,196	7,196

	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, 2021	△ 102	36,364	3	3	36,367
Cumulative amount affected by changes in accounting policy		3			3
Balance at the beginning of the period reflecting changes in accounting policy	△ 102	36,367	3	3	36,370
Changes during year					
Cash dividends from retained earnings		△ 1,055			△ 1,055
Net income		1,364			1,364
Purchase of treasury shares	△ 4,569	△ 4,569			△ 4,569
Disposal of treasury shares	20	30			30
Net changes of items other than shareholders' equity			46	46	46
Total changes during year	△ 4,548	△ 4,230	46	46	△ 4,183
Balance as of March 31, 2022	△ 4,651	32,137	49	49	32,187