

This document is an unofficial translation and summary of the Notice of the 16th Annual General Meeting of Shareholders and is provided for your convenience only, without any warranty as to its accuracy or as to the completeness of the information. The Japanese original version of the document is the sole official version.

Securities code: 6028  
September 3, 2021

**To All Shareholders:**

Takeshi Yagi  
Representative Director, President and CEO  
TechnoPro Holdings, Inc.  
6-10-1 Roppongi, Minato-ku,  
Tokyo, Japan

## **CONVOCATION NOTICE OF THE 16TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

The 16th Annual General Meeting of Shareholders of TechnoPro Holdings, Inc. (the “Company”) will be held as follows.

The Company has made careful consideration on the current status of the COVID-19 infection and has resolved to hold the General Meeting of Shareholders taking appropriate measures to prevent infections.

However, considering the importance of preventing spread of infection, the Company requests the shareholders not to attend the General Meeting of Shareholders in person unless absolutely necessary, and exercise their voting rights in writing (by post) or via the Internet in advance.

Please review the attached Reference Documents for General Meeting of Shareholders and exercise your voting rights as described in “Instructions on Exercise of Voting Rights” on page 5 (Japanese only).

- 1. Date and Time:** **September 29, 2021 (Wednesday) at 10:00 a.m.**  
**(Reception for attendees begins at 9:00 a.m.)**
- 2. Place:** **Akihabara Convention Hall**  
Akihabara Dai Bldg. 2F, 1-18-13 Sotokanda, Chiyoda-ku, Tokyo, Japan
- 3. Meeting Agenda:**  
**Report matters:**
  1. The Business Report, the Consolidated Financial Statements and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 16th Fiscal Year (July 1, 2020 to June 30, 2021)
  2. The Non-consolidated Financial Statements for the 16th Fiscal Year (July 1, 2020 to June 30, 2021)

**Resolution matters:**

- First proposal:** Appropriation of Surplus
- Second proposal:** Partial Amendments to the Articles of Incorporation
- Third proposal:** Election of Nine (9) Directors
- Fourth proposal:** Election of One (1) Audit & Supervisory Board Member
- Fifth proposal:** Election of One (1) Substitute Audit & Supervisory Board Member
- Sixth proposal:** Determination of Remuneration for Granting Performance-Linked and Restricted Shares to Directors (Executive Directors Only)

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- ⊙ Of the documents provided by the Convocation Notice of the Annual General Meeting of Shareholders, three (3) documents: “Systems to Ensure the Propriety of Business Operations and the Operational Status of that System” in the Business Report, “Consolidated Statement of Changes in Equity” and “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements and “Statement of Changes in Equity” and “Notes to Non-consolidated Financial Statements” in the Non-consolidated Financial Statements that are made available on the Company’s website under laws and regulations and Article 14 of the Company’s Articles of Incorporation; are not available in this Convocation Notice of the Annual General Meeting of Shareholders. Consequently, the documents attached to this Convocation Notice of the Annual General Meeting of Shareholders consist of part of the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Audit & Supervisory Board Members and the Accounting Auditor in preparing their audit reports. These documents are available in Japanese only.
  - ⊙ Any amendments to the Reference Documents for General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, and the Non-consolidated Financial Statements will be posted on the Company’s website. The amendments in these documents will be available in Japanese only.
  - ⊙ To ensure that information is furnished in a timely manner, the content of this Convocation Notice of the Annual General Meeting of Shareholders was disclosed on the Company’s website before it was sent out.

**Company’s website: <https://www.technoproholdings.com/en/>**

## **Request to help prevent the spread of COVID-19 infection**

To help prevent the spread of COVID-19 infection, we ask that all shareholders pay particular attention to the following points. We appreciate your kind understanding and cooperation.

### **■Request for exercising your voting rights in advance**

The Company recommends shareholders to refrain from attending the General Meeting of Shareholders in person this year and exercise their voting rights in writing (by post) or via the Internet in advance to prevent the spread of infection. Please see pages 5 and 6 for details on exercising voting rights in writing (by post) or via the Internet (Japanese only).

### **■Request to shareholders who are attending**

If you are planning to attend, please check the infection status and your health condition on the day of the meeting, and take measures against infection such as wearing a mask. Careful consideration should be given to whether to attend the General Meeting of Shareholders especially if you are elderly, have an underlying health condition, are pregnant, or are unwell (having cold symptoms, etc.).

The Company requests your understanding for the following measures planned for the General Meeting of Shareholders this year to prevent spread of infection.

- **Gifts and drink such as water and tea will not be provided.**
- The number of available seats that we can provide is limited due to securing sufficient distance. Therefore, it is possible that you are not allowed to enter the venue.
- Body temperature will be checked near the entrance of the venue. We may have to ask you to refrain from entering the venue if you do not allow us to check your temperature, you have a temperature, or you appear to be unwell.
- Staff who are serving at the venue may query on your state of health or request you to leave if you appear to be unwell.
- Directors on the stage and staff serving at the venue will wear masks, face shields, and gloves, and alcohol-based hand sanitizers will be provided. The Company plans to implement various measures to prevent infection and sincerely requests your kind understanding and cooperation.
- The Company is considering making the proceedings of the General Meeting of Shareholders shorter than normal.

The above descriptions may change depending on the future status.

The venue, time, and administration method may also have to be drastically altered depending on the situation around the day of the General Meeting of Shareholders.

Please check the Company's website for the latest information.

**Company's website:**

**<https://www.technoproholdings.com/en/>**

## Reference Documents for General Meeting of Shareholders

### First proposal: Appropriation of Surplus

The Company's basic policy regarding profit allocation is to support demand for funds that facilitate growth and ensure financial soundness through internal reserves in an aim to improve corporate and shareholder value while directly returning a portion of profits to shareholders through dividends with the consolidated dividend payout ratio serving as concrete benchmark. In terms of dividend levels, the Company's basic policy is to pay a consistent dividend twice a year (interim dividends and year-end dividends), based on a medium- to long-term consolidated dividend payout ratio of 50%.

In accordance with the above policy, the Company proposes to pay year-end dividends for the fiscal year under review as follows.

<b>1. Type of dividends</b>	Cash
<b>2. Allotment of property for dividends and total amount thereof</b>	<p>Per share of ordinary shares of the Company: <b>135 yen</b></p> <p>Total dividends: <b>4,847,672,475 yen</b></p> <p>As the Company has already paid an interim dividend of 50.00 yen per share, the annual dividend for the fiscal year under review will be 185.00 yen per share.</p>
<b>3. Effective date of dividends from surplus</b>	September 30, 2021

(Note) The Company conducted a 3-for-1 split for each ordinary share effective July 1, 2021. The record date of the year-end dividends for the fiscal year under review (the 16th term) is June 30, 2021; therefore, the Company will pay them based on the number of shares before the stock split.

### For reference: Annual dividend per share and consolidated payout ratio in recent years

	13th term (Year ended June 30, 2018)	14th term (Year ended June 30, 2019)	15th term (Year ended June 30, 2020)	16th term (Year ended June 30, 2021)
Annual dividend per share (yen)	120.00	134.00	150.00	185.00
Consolidated payout ratio (%)	50.0	50.2	50.0	50.2

**Second proposal: Partial Amendments to the Articles of Incorporation**

1. Reasons for the proposal

The Company proposes the amendment to Article 23 (Board of Directors), Paragraph 1 of the current Articles of Incorporation to select the convener and the chairperson by resolution of the Board of Directors. This aims to select the chairperson of the Board of Directors flexibly and further enhance effectiveness of the Board of Directors.

2. Details

Details of the amendments are as follows:

(Underlined parts are amended)

Current Articles of Incorporation	Proposed Amendments
<p>Article 23. (Board of Directors)</p> <p>1. A meeting of the Board of Directors shall, unless otherwise provided for in laws and regulations, be convened and chaired by a <u>Representative Director</u>; provided, however, that in cases where <u>the Representative Director</u> is unable to so act or there is a vacancy in the office <u>or in cases where there are two (2) or more Representative Directors</u>, one of other Directors in the order predetermined by the Board of Directors shall convene and chair the meeting of the Board of Directors.</p> <p>2. (Omitted)</p> <p>3. (Omitted)</p>	<p>Article 23. (Board of Directors)</p> <p>1. A meeting of the Board of Directors shall, unless otherwise provided for by laws and regulations, be convened and chaired by a <u>Director predetermined by the Board of Directors</u>; provided, however, that in cases where <u>the Director</u> is unable to so act or there is a vacancy in the office, one of other Directors in the order predetermined by the Board of Directors shall convene and chair the meeting of the Board of Directors.</p> <p>2. (No change)</p> <p>3. (No change)</p>

### Third proposal: Election of Nine (9) Directors

The terms of office will expire for all eight (8) Directors at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of nine (9) Directors.

#### Reasons for increasing the number of Directors

Aiming for further strengthening corporate governance practices and enabling managerial decisions and oversight from a wider viewpoint in specialized fields, the Company proposes the election of a new Outside Director who has knowledge in the IT field and management experience at other companies in light of the management strategies in the medium-term management plan.

The candidates for Directors are as follows:

Candidate No.	Name	Positions and responsibilities at the Company		Attendance at Board of Directors meetings	Attendance at Nomination and Compensation Committee meetings	Attendance at Independent Executive Committee meetings
1	Yasuji Nishio	Director and Chairman	Reappointment/ Non-executive	15/15 meetings (100%)	–	–
2	Takeshi Yagi	Representative Director, President and CEO	Reappointment	15/15 meetings (100%)	–	–
3	Gaku Shimaoka	Vice President, Representative Director and COO	Reappointment	15/15 meetings (100%)	–	–
4	Koichiro Asai	Senior Managing Director	Reappointment	15/15 meetings (100%)	–	–
5	Toshihiro Hagiwara	Managing Director and CFO	Reappointment	15/15 meetings (100%)	–	–
6	Tsunehiro Watabe	Director (outside)	Reappointment/ Outside/ Independent/ Non-executive	15/15 meetings (100%)	12/12 meetings (100%)	2/2 meetings (100%)
7	Kazuhiko Yamada	Director (outside)	Reappointment/ Outside/ Independent/ Non-executive	15/15 meetings (100%)	12/12 meetings (100%)	2/2 meetings (100%)
8	Harumi Sakamoto	Director (outside)	Reappointment/ Outside/ Independent/ Non-executive	15/15 meetings (100%)	–	2/2 meetings (100%)
9	Shoko Takase	–	New/Outside/ Independent/ Non-executive	–	–	–

(Note) The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The insurance policy covers the insured's losses for compensation for damage, litigation expenses, etc. incurred from claims for damages arising from acts carried out by the insured as an officer or a person at a certain position of the Company. If each candidate is reappointed or elected, he or she will be included in the insurance policy as an insured. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.

Candidate No.		Reappointment/Non-executive
1	<h1>Yasuji Nishio</h1>	Date of birth: December 7, 1951 69 years old (as of September 29, 2021)



Number of shares of the  
Company held  
(As of June 30, 2021)  
41,080 shares

Term of office as Director  
9 years and 5 months

Rate of attendance in  
meetings for the fiscal year  
ended June 30, 2021  
Board of Directors:  
15/15 meetings (100%)

### Career summary, positions and responsibilities at the Company

April 1974	Joined The Long-Term Credit Bank of Japan, Limited (current Shinsei Bank, Limited)
March 2000	Head of Controller Division, ditto
July 2000	Managing Executive Officer, Yamasa, Co., Ltd.
December 2004	Senior Managing Director, SECOM Medical Resources Co., Ltd.
October 2005	Standing Director, Yotsuya Medical Cube, Medical Corporation Anshinkai
October 2006	CFO and General Manager of Finance Department, Showajisyo Inc.
July 2007	Senior Executive Officer, CFO, Kokusai Kogyo Co., Ltd.
May 2008	Director and CFO, The Goodwill Group, Inc.
October 2009	Managing Executive Officer and CFO, Radia Holdings, Inc.
October 2010	Managing Director and CFO, Advantage Resourcing Japan, Inc.
April 2012	Managing Director, CFO and General Manager of Finance & Accounting Division, TechnoPro Holdings, Inc.
July 2013	Representative Director, President, CEO, CFO and General Manager of Finance & Accounting Division, ditto
February 2014	Representative Director, President and CEO, ditto
July 2014	Representative Director and President, TechnoPro, Inc.
July 2021	Director and Chairman, TechnoPro Holdings, Inc. (at present)

### Significant concurrent positions

None

### Reasons for nomination as a Director candidate

Mr. Yasuji Nishio has worked in managerial positions in banking and various other industries. Subsequent to that, he served as Chief Financial Officer of the Company. Since his appointment as the Company's Representative Director, President and CEO in July 2013, he has been involved in guiding and overseeing overall management, and he has achieved continuous improvement in the Group's earnings results. He has also contributed to the strengthening of the decision-making and oversight functions of the Company's Board of Directors, in acting as its chairperson. He has been serving as a Director and Chairman since July 2021, and provides advice from a right viewpoint backed by his extensive management experience at the Company and an objective non-executive standpoint, as well as strives to improve the effectiveness of corporate governance. Mr. Yasuji Nishio has been selected as a candidate for another term as Director because the Company expects that he will continue play a satisfactory role with the aim of heightening its corporate value continuously.

- (Notes) 1. There is no conflict of interest between Mr. Yasuji Nishio and the Company.  
2. The Company conducted a 3-for-1 split for each ordinary share effective July 1, 2021. The number of shares of the Company held by Mr. Yasuji Nishio states the number of shares as of June 30, 2021 before the stock split.  
3. Mr. Yasuji Nishio and the Company have entered into an agreement limiting his liability to the higher of either 5 million yen or the minimum liability amount as defined in Article 423(1) of the Companies Act, pursuant to Article 427(1) of the Companies Act. The Company intends to retain the aforementioned agreement with his for limitation of liability if this proposal for his reappointment gains approval.

Candidate No.		Reappointment
2	<b>Takeshi Yagi</b>	Date of birth: August 9, 1967 54 years old (as of September 29, 2021)



Number of shares of the Company held  
(As of June 30, 2021)  
13,040 shares

Term of office as Director  
7 years and 2 months

Rate of attendance in meetings for the fiscal year ended June 30, 2021  
Board of Directors:  
15/15 meetings (100%)

**Career summary, positions and responsibilities at the Company**

April 1991	Joined The Long-Term Credit Bank of Japan, Limited (current Shinsei Bank, Limited)
May 2008	General Manager of Human Resources Division, Shinsei Bank, Limited
November 2012	Managing Executive Officer and General Manager of Human Resources Division, TechnoPro Holdings, Inc.
August 2013	Director, TechnoPro Construction, Inc. (at present)
February 2014	Managing Executive Officer (in charge of HR and General Affairs), TechnoPro Holdings, Inc.
July 2014	Director (in charge of HR and General Affairs), Managing Executive Officer, ditto Director and Senior Executive Officer, TechnoPro, Inc.
September 2018	Director (in charge of HR and General Affairs, and Vice in charge of CSR promotion), Managing Executive Officer, TechnoPro Holdings, Inc.
July 2021	Representative Director, President and CEO, ditto (at present) Director, TechnoPro, Inc. (at present)

**Significant concurrent positions**

Director, TechnoPro, Inc.  
Director, TechnoPro Construction, Inc.

**Reasons for nomination as a Director candidate**

Mr. Takeshi Yagi has long been involved with the banking industry in the field of human resources. Since July 2014, he has been participating in the management as a Director of the Company, taking charge of the HR, human resources development, general affairs and CSR promotion departments, all fields in which he has extensive experience and expansive knowledge. He has achieved results with respect to strengthening corporate governance practices, developing an internal control framework, introducing personnel systems, and establishing an educational training system and other initiatives, and has also contributed to business growth and performance improvement by participating in strategy formulation, and strengthening of the decision-making function of the Board of Directors. In addition, he was appointed Representative Director, President and CEO in July 2021 and has been involved in guiding and overseeing overall management of the Group. Mr. Takeshi Yagi has been selected as a candidate for another term as Director because the Company expects that, as a Director, he will play a satisfactory role not only in the execution of business but also in deciding important matters involving the Group.

- (Notes) 1. There is no conflict of interest between Mr. Takeshi Yagi and the Company.  
2. The Company conducted a 3-for-1 split for each ordinary share effective July 1, 2021. The number of shares of the Company held by Mr. Takeshi Yagi states the number of shares as of June 30, 2021 before the stock split.



Candidate No.		Reappointment
3	<b>Gaku Shimaoka</b>	Date of birth: June 12, 1975 46 years old (as of September 29, 2021)



Number of shares of the Company held  
(As of June 30, 2021)  
35,740 shares

Term of office as Director  
7 years and 7 months

Rate of attendance in meetings for the fiscal year ended June 30, 2021  
Board of Directors:  
15/15 meetings (100%)

**Career summary, positions and responsibilities at the Company**

August 2006	Representative Director and President, Ctec, Inc.
November 2006	Representative Director and President, Crystal, Inc.
June 2007	Managing Executive Officer, The Goodwill Group, Inc.
May 2008	Director and COO, ditto
October 2009	Managing Executive Officer, Radia Holdings, Inc.
April 2012	Managing Executive Officer, TechnoPro Holdings, Inc.
February 2014	Director (in charge of Business) and Managing Executive Officer, ditto
July 2014	Representative Director (President of TechnoPro Design Company) and Senior Executive Officer, TechnoPro, Inc.
March 2019	Director (in charge of Business and Global Business) and Managing Executive Officer, TechnoPro Holdings, Inc.
July 2021	Representative Director, President and COO, ditto (at present)
	Representative Director and President, TechnoPro, Inc. (President of TechnoPro Design Company) (at present)
	Director, TechnoPro Construction, Inc. (at present)

**Significant concurrent positions**

Representative Director and President, TechnoPro, Inc. (President of TechnoPro Design Company)  
Director, TechnoPro Construction, Inc.

**Reasons for nomination as a Director candidate**

Mr. Gaku Shimaoka has been involved in the human resources services business over many years, and is thus intimately familiar with industry, customer, and technology trends, as well as possessing extensive experience of the Group's business operations. He has been serving as a Director (in charge of Business) of the Company since February 2014 and as a Director (in charge of Business and Global Business) since March 2019. In particular, he has achieved results with respect to cultivating high value-added engineers in the department of which he is in charge, focusing on solution business, promoting collaboration with companies having the latest technologies, developing global business strategies, pursuing synergies with domestic business and other initiatives as well as contributed to the strengthening of the decision-making function of the Board of Directors. In addition, he was appointed Vice President, Representative Director and COO in July 2021 and has overseen the business execution related to the Group's business operation. Mr. Gaku Shimaoka has been selected as a candidate for another term as Director because the Company expects that, as a Director, he will play a satisfactory role not only in the execution of business but also in deciding important matters involving the Group.

- (Notes) 1. There is no conflict of interest between Mr. Gaku Shimaoka and the Company.  
2. The Company conducted a 3-for-1 split for each ordinary share effective July 1, 2021. The number of shares of the Company held by Mr. Gaku Shimaoka states the number of shares as of June 30, 2021 before the stock split.

Candidate No.		Reappointment
4	<b>Koichiro Asai</b>	Date of birth: March 3, 1970 51 years old (as of September 29, 2021)



Number of shares of the  
Company held  
(As of June 30, 2021)  
17,740 shares

Term of office as Director  
7 years and 7 months

Rate of attendance in  
meetings for the fiscal year  
ended June 30, 2021  
Board of Directors:  
15/15 meetings (100%)

**Career summary, positions and responsibilities at the Company**

January 2006	Representative Director and President, Crystal, Inc.
June 2007	Executive Officer, The Goodwill Group, Inc.
November 2008	Representative Director and President, TechnoPro Engineering, Inc.
July 2010	Representative Director and President, CSI, Inc.
June 2011	Representative Director and President, Advantage Science, Inc.
April 2012	Managing Executive Officer, TechnoPro Holdings, Inc.
February 2014	Director (in charge of Business) and Managing Executive Officer, ditto
July 2014	Representative Director (President of TechnoPro Engineering Company and President of TechnoPro IT Company) and Senior Executive Officer, TechnoPro, Inc.
July 2021	Senior Managing Director, TechnoPro Holdings, Inc. (at present) Representative Director and President, TechnoPro, Inc. (President of TechnoPro Engineering Company and President of TechnoPro IT Company) (at present)

**Significant concurrent positions**

Representative Director and President, TechnoPro, Inc. (President of TechnoPro Engineering Company and President of TechnoPro IT Company)

**Reasons for nomination as a Director candidate**

Mr. Koichiro Asai has been involved in the human resources services business over many years, and is thus intimately familiar with industry, customer, and technology trends, as well as possessing extensive experience of the Group's business operations. He has been serving as a Director (in charge of Business) of the Company since February 2014 and as a Senior Managing Director since July 2021. In particular, he has been driving the growth and the evolution of the core business, such as increasing profit and the number of engineers and in the department of which he is in charge, promoting partnership with large IT companies, focusing on cloud, security, and ERP-related business and taking other initiatives. He has also contributed to the strengthening of the decision-making function of the Board of Directors. Mr. Koichiro Asai has been selected as a candidate for another term as Director because the Company expects that, as a Director, he will play a satisfactory role not only in the execution of business but also in deciding important matters involving the Group.

- (Notes) 1. There is no conflict of interest between Mr. Koichiro Asai and the Company.  
2. The Company conducted a 3-for-1 split for each ordinary share effective July 1, 2021. The number of shares of the Company held by Mr. Koichiro Asai states the number of shares as of June 30, 2021 before the stock split.

Candidate No.		Reappointment
5	Toshihiro Hagiwara	Date of birth: August 1, 1971 50 years old (as of September 29, 2021)



Number of shares of the  
Company held  
(As of June 30, 2021)  
3,409 shares

Term of office as Director  
2 years

Rate of attendance in  
meetings for the fiscal year  
ended June 30, 2021  
Board of Directors:  
15/15 meetings (100%)

**Career summary, positions and responsibilities at the Company**

April 1996	Joined RECOF Corporation
August 2004	Joined Cerberus Japan K.K.
April 2006	Managing director, ditto
January 2017	Joined The Asahi Shimbun Company (Corporate Planning Office, Strategic Investment Division)
May 2019	Managing Executive Officer (in charge of Management), TechnoPro Holdings, Inc. Director and Senior Executive Officer, TechnoPro, Inc. (at present)
July 2019	Managing Executive Officer (in charge of Management) and CFO, TechnoPro Holdings, Inc.
September 2019	Director (in charge of Management) and CFO, ditto Director, TechnoPro Construction, Inc. (at present)
July 2021	Managing Director and CFO, ditto (at present)

**Significant concurrent positions**

Director and Senior Executive Officer, TechnoPro, Inc.  
Director, TechnoPro Construction, Inc.

**Reasons for nomination as a Director candidate**

Mr. Toshihiro Hagiwara has in-depth knowledge and extensive experience in corporate acquisitions, finance, capital markets, accounting, and tax matters. Further, having got deeply involved in investment into a former incarnation of TechnoPro Holdings during his working for a global investment fund, he is already well-versed in the company's business and industry structure. He has been serving as a Director (in charge of Management) and CFO of the Company since September 2019 and as a Managing Director and CFO since July 2021. In particular, he has achieved results with respect to strengthening of business management by utilizing the cost of capital, capital policies to enhance the effectiveness of medium- to long-term growth strategies, securing financial stability, and IR activities, as well as contributed to the strengthening of the decision-making function of the Board of Directors. Mr. Toshihiro Hagiwara has been selected as a candidate for another term as Director because the Company expects that, as a Director, he will play a satisfactory role not only in the execution of business but also in deciding important matters involving the Group.

- (Notes) 1. There is no conflict of interest between Mr. Toshihiro Hagiwara and the Company.  
2. The Company conducted a 3-for-1 split for each ordinary share effective July 1, 2021. The number of shares of the Company held by Mr. Toshihiro Hagiwara states the number of shares as of June 30, 2021 before the stock split.

Candidate No.	<h1>Tsunehiro Watabe</h1>	Reappointment/Outside/Independent/ Non-executive
6		Date of birth: February 17, 1945 76 years old (as of September 29, 2021)



Number of shares of the  
Company held  
(As of June 30, 2021)  
0 shares

Term of office as Director  
9 years and 5 months

Rate of attendance in  
meetings for the fiscal year  
ended June 30, 2021  
Board of Directors:  
15/15 meetings (100%)

Nomination and  
Compensation Committee:  
12/12 meetings (100%)

Independent Executive  
Committee:  
2/2 meetings (100%)

### Career summary, positions and responsibilities at the Company

April 1968	Joined The Long-Term Credit Bank of Japan, Limited (current Shinsei Bank, Limited)
June 1994	Director, ditto
July 1998	Director and Chairman, UBS Trust Bank, Ltd.
December 2004	Director and Vice Chairman, UBS Securities Japan Co., Ltd.
March 2007	Vice Chairman, Morgan Stanley Japan Securities Co., Ltd. (current Morgan Stanley MUFG Securities Co., Ltd.)
August 2010	Chairman, CVC Asia Pacific (Japan) KK
June 2011	Outside Audit & Supervisory Board Member, D.A. Consortium Inc.
April 2012	Director, TechnoPro Holdings, Inc. (at present) Member of Board of Trustees, Japan Economic Foundation (at present)
June 2015	Outside Director, D.A. Consortium Inc.

### Significant concurrent positions

Member of Board of Trustees, Japan Economic Foundation

### Reasons for nomination as candidate for Outside Director and overview of expected role

Mr. Tsunehiro Watabe has extensive experience and expansive knowledge as a manager of banks, foreign-affiliated financial institutions, and other corporations. Since his appointment as Outside Director of the Company in April 2012, he has actively provided opinions and advice on the overall management of the Group at meetings of the Board of Directors and has also provided proper oversight by objectively assessing business matters affecting the Company. In addition, he has contributed to the strengthening of management functions by providing necessary and appropriate advice in the deliberation of appointment and remuneration of officers, and other proposals as a member of the Nomination and Compensation Committee. Mr. Tsunehiro Watabe has been selected as a new candidate for Independent Outside Director because the Company expects that he will fulfill the above role with the aim of heightening its corporate value continuously.

- (Notes)
- There is no conflict of interest between Mr. Tsunehiro Watabe and the Company.
  - Mr. Tsunehiro Watabe is a candidate for Outside Director. His term of office as Outside Director is nine (9) years and five (5) months at the conclusion of this Annual General Meeting of Shareholders. He satisfies the criteria stipulated by the Company in the "Selection Standards for Directors and Audit & Supervisory Board Members" and the "Independence Standards for Outside Officers" (refer to pages 25 and 28). The Company has registered Mr. Tsunehiro Watabe as an Independent Officer with Tokyo Stock Exchange, Inc. and intends to provide notification of his continued position as Independent Officer if this proposal for his reappointment gains approval.
  - Mr. Tsunehiro Watabe and the Company have entered into an agreement limiting his liability to the higher of either 5 million yen or the minimum liability amount as defined in Article 423(1) of the Companies Act, pursuant to Article 427(1) of the Companies Act. The Company intends to retain the aforementioned agreement with him for limitation of liability if this proposal for his reappointment gains approval.

Candidate No.	<h1>Kazuhiko Yamada</h1>	Reappointment/Outside/Independent/ Non-executive
7		Date of birth: April 28, 1981 40 years old (as of September 29, 2021)



### Career summary, positions and responsibilities at the Company

October 2005	Registered at Daini Tokyo Bar Association Assigned to Nakamura, Tsunoda & Matsumoto
January 2012	Partner, Nakamura, Tsunoda & Matsumoto (at present)
September 2015	Director, TechnoPro Holdings, Inc. (at present)
September 2016	Special Visiting Professor, Gakushuin University Law School (at present)
December 2019	Outside Auditor, Tokyo Commodity Exchange, Inc. (at present)

### Significant concurrent positions

Partner, Nakamura, Tsunoda & Matsumoto  
Outside Auditor, Tokyo Commodity Exchange, Inc.

Number of shares of the  
Company held  
(As of June 30, 2021)  
0 shares

Term of office as Director  
6 years

Rate of attendance in  
meetings for the fiscal year  
ended June 30, 2021  
Board of Directors:  
15/15 meetings (100%)

Nomination and  
Compensation Committee:  
12/12 meetings (100%)

Independent Executive  
Committee:  
2/2 meetings (100%)

### Reasons for nomination as candidate for Outside Director and overview of expected role

Although Mr. Kazuhiko Yamada has no direct experience in corporate management, he has extensive experience and knowledge as an attorney particularly in the fields of corporate acquisitions, corporate restructuring, equity practice, etc., the Companies Act, and the Financial Instruments and Exchange Act. Moreover, since his appointment as Outside Director of the Company in September 2015, he has provided opinions and advice particularly with respect to strengthening corporate governance practices at meetings of the Board of Directors and has also provided proper oversight by objectively assessing business matters affecting the Company. In addition, he has contributed to the strengthening of management functions by providing necessary and appropriate advice in the deliberation of appointment and remuneration of officers, and other proposals as a member of the Nomination and Compensation Committee. Mr. Kazuhiko Yamada has been selected as a new candidate for Independent Outside Director because the Company expects that he will fulfill the above role with the aim of heightening its corporate value continuously.

- (Notes)
- There is no conflict of interest between Mr. Kazuhiko Yamada and the Company.
  - Mr. Kazuhiko Yamada is a candidate for Outside Director. His term of office as Outside Director is six (6) years at the conclusion of this Annual General Meeting of Shareholders. He satisfies the criteria stipulated by the Company in the "Selection Standards for Directors and Audit & Supervisory Board Members" and the "Independence Standards for Outside Officers" (refer to pages 25 and 28). The Company has registered Mr. Kazuhiko Yamada as an Independent Officer with Tokyo Stock Exchange, Inc. and intends to provide notification of his continued position as Independent Officer if this proposal for his reappointment gains approval.
  - Mr. Kazuhiko Yamada and the Company have entered into an agreement limiting his liability to the higher of either 5 million yen or the minimum liability amount as defined in Article 423(1) of the Companies Act, pursuant to Article 427(1) of the Companies Act. The Company intends to retain the aforementioned agreement with him for limitation of liability if this proposal for his reappointment gains approval.

Candidate No.		Reappointment/Outside/Independent/ Non-executive
8	<b>Harumi Sakamoto</b>	Date of birth: April 10, 1938 83 years old (as of September 29, 2021)



**Career summary, positions and responsibilities at the Company**

April 1962	Joined Ministry of International Trade and Industry (current Ministry of Economy, Trade and Industry)
July 1984	Head of Policy Planning Office of Minister's Secretariat, ditto
June 1986	Chief, Sapporo Trade and Industry Bureau, ditto
August 1987	Advisor, The Dai-Ichi Kangyo Bank, Ltd.
May 1990	Managing Director, The Seiyu, Ltd.
May 1997	Executive Vice President, ditto
September 1997	Executive Vice President, The Seibu Department Stores, Ltd.
April 1999	Vice Chairman, Japan Association of Corporate Executives
October 2000	Secretary General, Japan Association for the 2005 World Exposition
October 2003	Vice Chairperson, ditto
June 2006	President, The Distribution Systems Research Institute
June 2008	Outside Director, The Bank of Yokohama, Ltd.
June 2010	Chairman, Japan Facility Management Promotion Association
June 2013	Outside Director, Mitsubishi Motors Corporation
September 2016	Director, TechnoPro Holdings, Inc. (at present)

Number of shares of the Company held (As of June 30, 2021)

0 shares

Term of office as Director

5 years

Rate of attendance in meetings for the fiscal year ended June 30, 2021

Board of Directors:

15/15 meetings (100%)

Independent Executive Committee:

2/2 meetings (100%)

**Significant concurrent positions**

None

**Reasons for nomination as candidate for Outside Director and overview of expected role**

Ms. Harumi Sakamoto has extensive experience and expansive knowledge which she has gained acting as a government administrator involved in policy of the Ministry of International Trade and Industry and as an executive of various corporations and organizations. Since her appointment as Outside Director of the Company in September 2016, she has actively provided opinions and advice on the overall management of the Group at meetings of the Board of Directors and has also provided proper oversight by objectively assessing business matters affecting the Company. Ms. Harumi Sakamoto has been selected as a new candidate for Independent Outside Director because the Company expects that she will fulfill the above role with the aim of heightening its corporate value continuously.

- (Notes) 1. There is no conflict of interest between Ms. Harumi Sakamoto and the Company.
2. Ms. Harumi Sakamoto is a candidate for Outside Director. Her term of office as Outside Director is five (5) years at the conclusion of this Annual General Meeting of Shareholders. She satisfies the criteria stipulated by the Company in the "Selection Standards for Directors and Audit & Supervisory Board Members" and the "Independence Standards for Outside Officers" (refer to pages 25 and 28). The Company has registered Ms. Harumi Sakamoto as an Independent Officer with Tokyo Stock Exchange, Inc. and intends to provide notification of her continued position as Independent Officer if this proposal for her reappointment gains approval.
3. Ms. Harumi Sakamoto and the Company have entered into an agreement limiting her liability to the higher of either 5 million yen or the minimum liability amount as defined in Article 423(1) of the Companies Act, pursuant to Article 427(1) of the Companies Act. The Company intends to retain the aforementioned agreement with her for limitation of liability if this proposal for her reappointment gains approval.
4. In April 2016, it was revealed that fraudulent acts have been committed with respect to fuel consumption testing of vehicles manufactured by Mitsubishi Motors Corporation, where Ms. Harumi Sakamoto served as Outside Director until June 2018. In September of the same year, the Ministry of Land, Infrastructure, Transport and Tourism noted that fraudulent acts had also been performed with regard to the internal testing carried out within said company for the purpose of re-validating the fuel consumption figures of the vehicles involved in said fraudulent acts. Furthermore, in January 2017, the Consumer Affairs Agency noted that acts that violated the Act Against Unjustifiable Premiums and Misleading Representations had taken place with regard to the display in catalogs, etc. of vehicles of said company that had been involved in the fraudulent acts related to fuel consumption testing, and issued a cease and desist order in addition to an order to pay surcharges. Ms. Harumi Sakamoto had been unaware of any of these improprieties until they came to light, but has been providing recommendations from a legal compliance perspective at the entity's meetings of the board of directors on a regular basis. After the improprieties came to light, she instructed Mitsubishi Motors Corporation on matters about conducting thorough investigations and preventing recurrence of such incidents.

Candidate No.		New/Outside/Independent/ Non-executive
9	<b>Shoko Takase</b>	Date of birth: January 4, 1965 56 years old (as of September 29, 2021)



Number of shares of the  
Company held  
(As of June 30, 2021)  
0 shares

Term of office as Director

Rate of attendance in  
meetings for the fiscal year  
ended June 30, 2021  
Board of Directors:

**Career summary, positions and responsibilities at the Company**

April 1987	Joined IBM Japan, Ltd.
January 2005	Seconded to IBM Corporation (IBM Corporation USA Headquarter)
January 2007	Manager of Strategy and Marketing, Global Technology Services, IBM Japan, Ltd.
January 2010	Brand Executive of Tivoli, Software Group, ditto
July 2015	Mobile County Leader, Growth Initiatives, ditto
July 2016	Brand Executive of Resiliency Services, Global Technology Services, ditto
July 2018	Director, Head of IBM Cloud Solutioning Center, IBM Japan, Ltd.
April 2019	Managing Director for Enterprise Sector, Cisco Systems G.K.
July 2021	Advisor, TechnoPro Holdings, Inc. (at present)

**Significant concurrent positions**

None

**Reasons for nomination as candidate for Outside Director and overview of expected role**

Ms. Shoko Takase has a wealth of achievements in global IT companies and expansive knowledge regarding customer and technology trends. As the Company aims to expand the solutions business with a focus on the digital field as part of its medium-term management plan, the Company expects that Ms. Shoko Takase will provide useful advice from a practical point of view based on the numerous transformations she has achieved for customers utilizing IT technology. In addition, because Ms. Shoko Takase has experience as a corporate manager, the Company expects that she will objectively assess the Company's management and provide proper oversight. Ms. Shoko Takase has been selected as a new candidate for Independent Outside Director because the Company expects that she will fulfill the above role with the aim of heightening its corporate value continuously.

- (Notes) 1. There is no conflict of interest between Ms. Shoko Takase and the Company.
2. Ms. Shoko Takase is a candidate for Outside Director. She satisfies the criteria stipulated by the Company in the "Selection Standards for Directors and Audit & Supervisory Board Members" and the "Independence Standards for Outside Officers" (refer to pages 25 and 28). The Company intends to provide notification to Tokyo Stock Exchange, Inc. of her position as Independent Officer if she is elected as Director.
3. If Ms. Shoko Takase is elected as Director, she and the Company will enter into an agreement limiting her liability defined in Article 423, paragraph (1) of the Companies Act to the higher of either 5 million yen or the minimum liability amount stipulated by laws and regulations, pursuant to Article 427, paragraph (1) of the Companies Act.
4. The Company has entered into an advisory agreement (agreement period: July 1, 2021 to September 28, 2021) with Ms. Shoko Takase in order to obtain valuable advice and guidance on business matters affecting the Company, business strategy, etc. from the perspective of an independent person who does not belong to the Company. The purpose of the agreement is so that she will understand the Company's business conditions, progress of the medium-term management plan, etc. prior to assuming office as Outside Director of the Company and be able to fulfill the expected role quickly and smoothly after assuming office. In addition, the total remuneration amount as an Advisor falls under 500 million yen, which is within the scope stipulated in the Company's "Independence Standards for Outside Officers" (refer to page 28), and the Company has determined that her independence is sufficiently maintained.

#### Fourth proposal: Election of One (1) Audit & Supervisory Board Member

The term of office of Mr. Mitsutoshi Takao will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of one (1) Audit & Supervisory Board Member.

The Audit & Supervisory Board consented to the proposal of this resolution.

The candidate for Audit & Supervisory Board Member is as follows:

Name	Current position at the Company		Attendance at Board of Directors meetings	Attendance at Audit & Supervisory Board meetings	Attendance at Nomination and Compensation Committee meetings	Attendance at Independent Executive Committee meetings
Mitsutoshi Takao	Part-time Audit & Supervisory Board Member (outside)	Reappointment/ Outside/ Independent	15/15 meetings (100%)	16/16 meetings (100%)	12/12 meetings (100%)	2/2 meetings (100%)

(Notes) The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The insurance policy covers the insured's losses for compensation for damage, litigation expenses, etc. incurred from claims for damages arising from acts carried out by the insured as an officer or a person at a certain position of the Company. Mr. Mitsutoshi Takao will be included in the insurance policy as an insured if this proposal for his reappointment gains approval. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.

#### For reference: Composition of the Audit & Supervisory Board if this proposal is approved

Name	Position at the Company		Attendance at Board of Directors meetings	Attendance at Audit & Supervisory Board meetings	Attendance at Nomination and Compensation Committee meetings	Attendance at Independent Executive Committee meetings
Hitoshi Madarame	Full-time Audit & Supervisory Board Member	Incumbent	15/15 meetings (100%)	16/16 meetings (100%)	–	–
Mitsutoshi Takao	Part-time Audit & Supervisory Board Member (outside)	Reappointment/ Outside/ Independent	15/15 meetings (100%)	16/16 meetings (100%)	12/12 meetings (100%)	2/2 meetings (100%)
Akira Mikami	Part-time Audit & Supervisory Board Member (outside)	Incumbent/ Outside/ Independent	15/15 meetings (100%)	16/16 meetings (100%)	–	2/2 meetings (100%)
Rumiko Tanabe	Part-time Audit & Supervisory Board Member (outside)	Incumbent/ Outside/ Independent	12/12 meetings (100%)	11/11 meetings (100%)	–	2/2 meetings (100%)

(Note) The attendance of Ms. Rumiko Tanabe is of the Board of Directors meetings, Audit & Supervisory Board meetings, and Independent Executive Committee meetings since her assignment as Audit & Supervisory Board Member of the Company on September 29, 2020.



# Mitsutoshi Takao

Reappointment/Outside/Independent

Date of birth: April 1, 1950

71 years old

(as of September 29, 2021)



Number of shares of the Company held  
(As of June 30, 2021)  
4,000 shares

Term of office as Audit & Supervisory Board Member  
7 years and 5 months

Rate of attendance in meetings for the fiscal year ended June 30, 2021  
Board of Directors:  
15/15 meetings (100%)

Audit & Supervisory Board:  
16/16 meetings (100%)

Nomination and Compensation Committee:  
12/12 meetings (100%)

Independent Executive Committee:  
2/2 meetings (100%)

## Career summary and positions at the Company

April 1972	Joined Kawasaki Heavy Industries, Ltd.
January 1998	Senior Manager, Planning & Control Department, Jet Engine Division, Aerospace Group, ditto
April 2004	Senior Manager, Head Office Finance & Accounting Department, ditto
April 2005	Executive Officer, ditto
June 2008	Senior Vice President (Representative Director), ditto
April 2012	Senior Executive Vice President (Representative Director), ditto
April 2014	Audit & Supervisory Board Member, TechnoPro Holdings, Inc. (at present)
March 2018	Director Audit & Supervisory Committee Member, MEC COMPANY LTD. (at present)
September 2020	Audit & Supervisory Board Member, TechnoPro, Inc. (at present)
	Audit & Supervisory Board Member, TechnoPro Construction, Inc. (at present)

## Significant concurrent positions

Director Audit & Supervisory Committee Member, MEC COMPANY LTD.  
Audit & Supervisory Board Member, TechnoPro, Inc.  
Audit & Supervisory Board Member, TechnoPro Construction, Inc.

## Reasons for nomination as an Outside Audit & Supervisory Board Member candidate

Mr. Mitsutoshi Takao possesses knowledge of general management, including finance and accounting, as well as extensive experience in the management of a major listed company. Based on them, since assuming office as an Outside Audit & Supervisory Board Member of the Company in April 2014, he has appropriately performed the duties of the Outside Audit & Supervisory Board Member, including actively expressing useful opinions at meetings of the Board of Directors, the Audit & Supervisory Board and others. In addition, he has contributed to strengthen management functions by providing necessary and appropriate advice in the deliberation of appointment, remuneration, and other proposals as the chairperson of the Nomination and Compensation Committee. Mr. Mitsutoshi Takao has been selected as a candidate for Independent Outside Audit & Supervisory Board Member because the Company expects that he will provide oversight, auditing and advice from a neutral and objective perspective.

- (Notes)
1. There is no conflict of interest between Mr. Mitsutoshi Takao and the Company.
  2. The Company conducted a 3-for-1 split for each ordinary share effective July 1, 2021. The number of shares of the Company held by Mr. Mitsutoshi Takao states the number of shares as of June 30, 2021 before the stock split.
  3. Mr. Mitsutoshi Takao is a candidate for Outside Audit & Supervisory Board Member. His term of office as Audit & Supervisory Board Member is seven (7) years and five (5) months at the conclusion of this Annual General Meeting of Shareholders. He satisfies the criteria stipulated by the Company in the "Selection Standards for Directors and Audit & Supervisory Board Members" and the "Independence Standards for Outside Officers" (refer to pages 25 and 28). The Company has registered Mr. Mitsutoshi Takao as an Independent Officer with Tokyo Stock Exchange, Inc. and intends to provide notification of his continued position as Independent Officer if this proposal for his reappointment gains approval.
  4. Mr. Mitsutoshi Takao and the Company have entered into an agreement limiting his liability to the higher of either 5 million yen or the minimum liability amount as defined in Article 423(1) of the Companies Act, pursuant to Article 427(1) of the Companies Act. The Company intends to retain the aforementioned agreement with him for limitation of liability if this proposal for his reappointment gains approval.

## Fifth proposal: Election of One (1) Substitute Audit & Supervisory Board Member

The effectiveness of the election of substitute Audit & Supervisory Board Member Mr. Yoshio Kitaarai, elected at the 12th Annual General Meeting of Shareholders held on September 28, 2017 will expire at the commencement of this Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of one (1) substitute Audit & Supervisory Board Member prescribed in Article 329, paragraph (3) of the Companies Act to be ready to fill a vacant position should the number of Audit & Supervisory Board Members fall below the number required by laws and regulations and the Articles of Incorporation.

The validity of the election of substitute Audit & Supervisory Board Member can be nullified by resolution of the Board of Directors if the consent of the Audit & Supervisory Board has been obtained; provided, however, that it is only in a time before assuming office. The Audit & Supervisory Board consented to the proposal of this resolution.

The candidate for substitute Audit & Supervisory Board Member is as follows:

<h1>Yoshio Kitaarai</h1>	Reappointment/Outside/Independent Date of birth: September 5, 1954 67 years old (as of September 29, 2021)
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Number of shares of the Company held (As of June 30, 2021)  
0 shares

### Career summary and positions at the Company

April 1980	Registered at Dai-Ichi Tokyo Bar Association Practiced as an associate lawyer at Okada Law Office (later Okada-Tagawa Law Office)
January 1986	Practiced at Hijiribashi Law Office
August 1988	Worked for Field Fisher & Martineau Solicitors (U.K.) (later Field Fisher Waterhouse LLP)
September 1991	Practiced at Hijiribashi Law Office
January 2000	Practiced at Itoga Law Office
April 2001	Representative attorney, Kitaarai-Aoki Law Office (at present)
April 2009	Vice-president, Dai-Ichi Tokyo Bar Association
April 2011	Director, Hojinkai (Public Interest Incorporated Foundation) (at present)
March 2012	Member of Committee of Proper Administration for Allocation of Welfare Service, Tokyo Council of Social Welfare (at present)
October 2012	Councilor, Tsumugi (Social Welfare Corporation) (at present)

### Significant concurrent positions

Representative attorney, Kitaarai-Aoki Law Office

### Reasons for nomination as a substitute Outside Audit & Supervisory Board Member candidate

Although Mr. Yoshio Kitaarai has no experience in corporate management, he possesses long-standing experience of serving as an attorney on cases in various fields of law including commercial transactions, corporate reorganization, and employment, as well as corporate lawsuits such as shareholder derivative suit. Mr. Yoshio Kitaarai has been selected as a candidate for substitute Audit & Supervisory Board Member because the Company expects that he will deliver useful opinions and remarks based on his advanced expert knowledge to the audit of the Company.

- (Notes)
1. There is no conflict of interest between Mr. Yoshio Kitaarai and the Company.
  2. Mr. Yoshio Kitaarai is a candidate for substitute Outside Audit & Supervisory Board Member. He satisfies the criteria stipulated by the Company in the "Selection Standards for Directors and Audit & Supervisory Board Members" and the "Independence Standards for Outside Officers" (refer to pages 25 and 28). The Company intends to provide notification to Tokyo Stock Exchange, Inc. of his position as Independent Officer if he is elected as Audit & Supervisory Board Member.
  3. If Mr. Yoshio Kitaarai is appointed as Audit & Supervisory Board Member, he and the Company will enter into an agreement limiting his liability to the higher of either 5 million yen or the minimum liability amount as defined in Article 423(1) of the Companies Act, pursuant to Article 427(1) of the Companies Act.
  4. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The insurance policy covers the insured's losses for compensation for damage, litigation expenses, etc. incurred from claims for damages arising from acts carried out by the insured as an officer or a person at a

certain position of the Company. Mr. Yoshio Kitaarai will be included in the insurance policy as an insured if this proposal for his appointment gains approval. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.

## **Sixth proposal: Determination of Remuneration for Granting Performance-Linked and Restricted Shares to Directors (Executive Directors Only)**

### **1. Overview of the proposal**

This proposal is to ask for approval of implementing a plan to issue restricted stock units under the performance-based stock compensation program, known as the Performance Share Unit (hereinafter the “PLAN”) as a new incentive structure based on the achievement of the performance criteria for the Company’s Directors (limited to Executive Directors). The amount of the annual compensation for the Directors was set at up to 400 million yen, excluding the wages paid to the relevant directors as employees of the Company, at the Extraordinary Meeting of Shareholders held on June 30, 2014. However, the Company considers the compensation granted by the PLAN separately from the above-mentioned compensation for the Directors.

In addition, separately from the above-mentioned compensation for the Directors, the annual compensation from the restricted stock units (hereinafter the “Former Plan”) was set at up to 100 million yen for Directors (excluding Outside Directors) at the 12th General Meeting of Shareholders held on September 28, 2017. However, if this proposal is approved in its original form, the Former Plan will be abolished, and the Company will discontinue the granting of shares based on the Former Plan as well as granting the monetary compensation claims therefor.

The PLAN, in principle, will be implemented during the same period of the medium-term management plan (initially set for five fiscal years between the fiscal year starting July 1, 2021 and the fiscal year starting July 1, 2025) (hereinafter the “Subject Period”), and the number of restricted stock units determined by the achievement of performance criteria during the Subject Period will be granted to the Directors, limited to the Executive Directors (hereinafter the “Eligible Directors”). Specifically, in order to issue the number of common shares of the Company as determined above, the compensation for the Eligible Directors shall be granted after the end of the Subject Period, and all relevant monetary compensation claims shall be required in kind when the Company issues its common shares or treasury shares to grant them to the Eligible Directors, and the share transfer restriction shall be set until the expiration of the restriction under the agreement between the Eligible Directors and the Company. In principle, the date of expiration of the transfer restriction shall be the retirement date of each Eligible Director.

Grant of monetary compensation claims and common shares to the Eligible Directors based on the PLAN shall occur in the fiscal year immediately after the Subject Period, and the specific date shall be determined at the board of directors’ meeting with the utmost deliberation on the report from the Nomination and Compensation Committee established as an advisory body for the board of directors. The total amount of monetary compensation claims shall not exceed the amount calculated by multiplying the number of years of the Subject Period by 160 million yen, and the total number of common shares shall not exceed the number calculated by multiplying the number of years of the Subject Period by 160,000 share. For the initial Subject Period (five years), therefore, the total amount of the monetary compensation claims shall be up to 800 million yen per Subject Period, and the total number of common shares shall be up to 800,000 shares per Subject Period. However, the upper limit of the total number of said common shares shall be adjusted according to the ratio of stock split (including the allotment of the Company’s common shares without any contribution) or stock consolidation on and after the date of the resolution of the proposal.

The Company’s Board of Directors, at a meeting held on August 10, 2021, established a policy for determining the details of remuneration, etc. for each individual director, as described on pages 49 to 51 (Japanese only). The purpose of implementation and other details regarding the PLAN is as follows and since the PLAN is in line with such policy, we believe that the content of this proposal is appropriate.

If approval is granted for the third proposal herein calling for “Election of Nine (9) Directors,” there will be four (4) Eligible Directors.

### **2. Purpose of implementing the PLAN**

The Company released its new medium-term management plan “Evolution 2026” aiming to realize the Purpose & Vision of the Group on August 10, 2021. The Company has decided to implement the PLAN to clarify the linkage of compensation for the Eligible Directors with their medium and long term achievement of performance and share value, through which the Company grants incentives to the Eligible Directors to promote the achievement of performance criteria set forth in the medium-term management plan and the sustainable enhancement of corporate value while further allying the shared value between the Eligible Directors and the Shareholders.

### **3. Details of the PLAN**

#### **(1) Number of shares to be granted**

As described above “1. Overview of the proposal,” the number of shares granted to the Eligible Directors based on the PLAN may vary depending on the achievement of performance criteria during the Subject Period specified by the medium-term management plan, while the upper limit of the total number of shares shall be as described in the one above. During the initial Subject Period, the Company is planning to determine the total number of shares granted to each Eligible Director using the calculation method shown below. (However, the number of shares to be granted may be rationally adjusted depending on the period in office of each Eligible Director during the Subject Period.)

<Calculation method for the number of shares to be granted>

Number of shares to be granted = (I) Number of shares linked with the net profit + (II) Number of shares linked with the ROE, on a consolidated basis respectively

The ratio of the number of shares linked with the net profit and the number of shares linked with the ROE shall be 8:2 as described below.

- (I) Number of shares linked with the net profit  
 Basic compensation<sup>\*1</sup> × 0.8 × Performance-based compensation rate (I)<sup>\*2</sup> ÷ Price of allotted shares<sup>\*3</sup>  
 (\*1) The amount of the basic compensation shall be determined at the board of directors' meeting.  
 (\*2) Performance-based compensation rate (I) may vary between 0 and 200% depending on the achievement of performance criteria for the net profit, which is the net profit after deducting minority interest belonging to the owner of the parent company, specified by the medium-term management plan.  
 (\*3) The price of share allotted to the Eligible Directors shall be determined at the board of directors' meeting to be fair and rational based on the closing share price of the Company at the TSE on the previous day of each resolution for the issuance of new shares or the disposition of treasury shares (or the closing share price at the TSE on the nearest prior trading day if the Company's common shares were not traded on said previous day).
- (II) Number of shares linked with the ROE  
 Basic compensation<sup>\*1</sup> × 0.2 × Performance-based compensation rate (II)<sup>\*4</sup> ÷ Price of allotted shares<sup>\*3</sup>  
 (\*4) Performance-based compensation rate (II) shall be set at 100% when the ROE criteria specified by the medium-term management plan has been achieved, and at 0% when they have not been achieved.

(2) The amount of monetary compensation claims

Total amount of the monetary compensation claims granted to the Eligible Directors shall be as described in the above-mentioned 1. However, during the initial Subject Period (for five fiscal years between the fiscal year starting July 1, 2021 and the fiscal year starting July 1, 2025), the Company is planning to determine the amount of the monetary compensation claims granted to each Eligible Director by multiplying the number of shares to be granted described in the above-mentioned 1 with the price of allotted shares<sup>\*3</sup> described in the above-mentioned 1.

(3) Transfer restriction

When issuing of the Company's common shares or disposing of its treasury shares, the Company shall conclude a PLAN Allotment Agreement (hereinafter the "Allotment Agreement") to set share transfer restriction with the Eligible Directors. In addition, to ensure the effectiveness of such transfer restriction, the shares granted to the Eligible Directors in accordance with the PLAN shall be managed with the exclusive accounts opened by the Eligible Directors at a securities firm designated by the Company during the restriction period to prevent the share transfer, the set-up of the security rights, and all other actions during the period of transfer restriction.

- A) Until retirement, the Eligible Directors shall not transfer, set up security rights for, and take any other actions regarding the Company's common shares allotted in accordance with the Allotment Agreement
- B) In the case of certain events such as the board of directors determines that there has been a material breach of the delegation agreement between the Company and the Eligible Directors during the term of office of the Eligible Directors, the Company may acquire the common shares in question without providing compensation
- C) Other matters including cancellation conditions regarding the transfer restriction set in advance by the Company's board of directors' meeting

However, in the case that any Eligible Director retires before the date of the first General Meeting of Shareholders held after the expiration of the Subject Period due to the expiration of his/her term of office or other justifiable grounds, the number of common shares without the transfer restriction determined as described in above-mentioned 1 is granted.

(4) Other

In the case that any merger agreement in which the Company is the absorbed company, any share exchange agreement in which the Company is the wholly owned subsidiary, and any other similar matters regarding reorganization, etc. are approved at the Company's General Meeting of Shareholders during the Subject Period (or the Company's board of directors' meeting if the above-mentioned matters do not require approval from its Shareholders), the Company shall not grant the monetary compensation claims and common shares; provided, however, that the effective date for the relevant reorganization, etc. is scheduled before the date the stock is granted in accordance with the PLAN.

In addition, in the case that any Eligible Director retires or is involved in a certain illegal activity during the Subject Period, the PLAN allows the Company, as a so-called malus provisions, to choose not to grant the monetary compensation claims and common shares in response to a decision made at the board of directors' meeting with the utmost deliberation on a report from the Nomination and Compensation Committee.

**For reference:**

If this proposal is approved in its original form, the performance-based stock compensation program similar to the PLAN will be adopted to Directors, Executive Officers and other core personnel of the Company and its subsidiaries.

## For reference: Skill matrix for the Board of Directors and the Audit & Supervisory Board

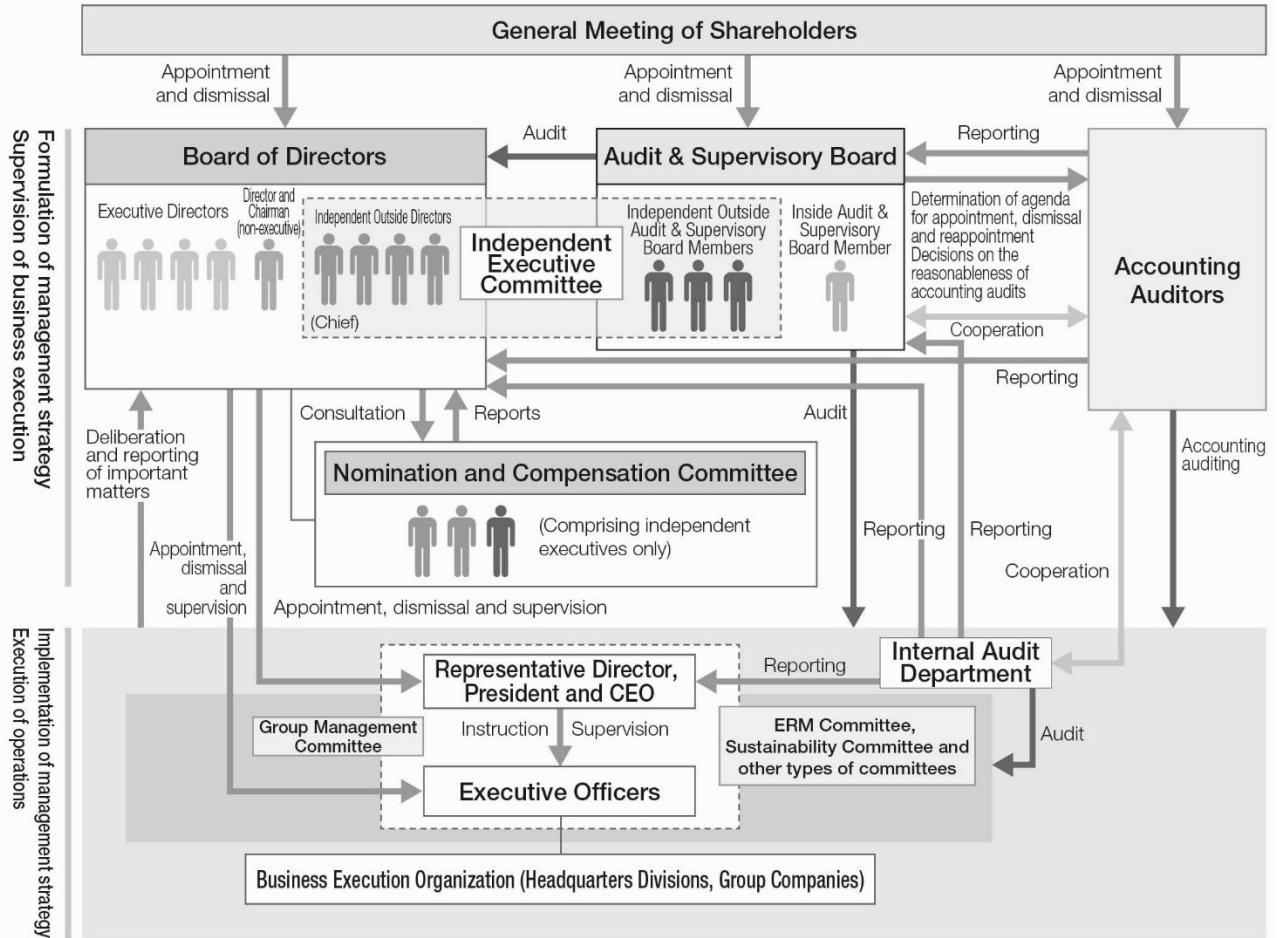
The members of the Board of Directors and Audit & Supervisory Board, and main skills, experience, and knowledge that are possessed by each member are as follows (if the third and fourth proposals are approved).

The Company maintains diversity in the Board of Directors and the Audit & Supervisory Board and puts in place the system to respond flexibly to various changes in business environment by making the best use of expertise of each member and keeping the overall balance.

	Name/Position	Nomination and Compensation Committee ◎Chairperson	Attributes		Fields of Experience, Expertise, etc.								Specialization
			Gender ● Male ★ Female	Independence	Background and Experience in the Company's Operation	Knowledge of Customer and Technology Trends	Experience as Director or Audit & Supervisory Board Member of a Listed Company	Experience as CFO or Experience and Expertise in Finance, Accounting and Tax	Experience and Knowledge of M&A	International Experience and Language Skills	Experience and Expertise in Personnel and Human Resource Development	Experience and Expertise in Law, Compliance, Risk Management and Internal Auditing	
Board of Directors	<b>Yasuji Nishio</b> Director and Chairman		●		●		●	●		●			
	<b>Takeshi Yagi</b> Representative Director, President and CEO		●				●			●	●		
	<b>Gaku Shimaoka</b> Vice President, Representative Director and COO		●		●	●	●						
	<b>Koichiro Asai</b> Senior Managing Director		●		●	●	●						
	<b>Toshihiro Hagiwara</b> Managing Director and CFO		●					●	●	●			Certified public accountant
	<b>Tsunehiro Watabe</b> Chief Outside Director	●	◎	●	●		●		●	●			
	<b>Kazuhiko Yamada</b> Outside Director	●	●	●	●		●				●		Attorney
	<b>Harumi Sakamoto</b> Outside Director		●	★	●		●						
<b>Shoko Takase</b> Outside Director		●	★	●	●				●				
Audit & Supervisory Board	<b>Hitoshi Madarame</b> Audit & Supervisory Board Member (standing)		●								●		
	<b>Mitsutoshi Takao</b> Outside Audit & Supervisory Board Member	◎	●	●	●		●	●					
	<b>Akira Mikami</b> Outside Audit & Supervisory Board Member		●	●	●		●			●	●		Certified internal auditor, certified financial services auditor
	<b>Rumiko Tanabe</b> Outside Audit & Supervisory Board Member		●	★	●			●					Certified public accountant

- (Notes)
1. The above does not represent every single item of skills, experience, ability, knowledge, and attainment of each member.
  2. In principle, "Experience" of each item indicates at least three years of involvement in the given operation or position in total.

**For reference: The Company’s governance systems**



- (Notes)
1. The above shows the systems if the third and fourth proposals are approved.
  2. The Board of Directors is chaired by the Chairman. The Audit & Supervisory Board is chaired by an inside Audit & Supervisory Board Member. The Nomination and Compensation Committee is chaired by an Independent Outside member of the Audit & Supervisory Board. The Independent Executive Committee is chaired by the chief independent Outside Director.

The Group has developed the “TechnoPro Group Corporate Governance Guidelines” to establish the best corporate governance for continuous growth and improvement of corporate value. As a result, the Group has implemented and is maintaining the system to conduct the followings.

- Adopt corporate structure employing a Board of Directors, which makes decisions over management and has supervisory and monitoring authority over business execution, and an Audit & Supervisory Board comprising auditors, which oversees audit functions.
- Implement an executive officer system that allocates executive authority and responsibility over daily operations to executive officers to enable dynamic and efficient business management.
- Establish and utilize the Nomination and Compensation Committee to further enhance governance functions by ensuring the appropriate involvement of and receipt of advice from Outside Directors and Outside Audit & Supervisory Board Members regarding matters such as executive appointments and compensation.

**(Implementation of Nomination and Compensation Committee meetings)**

The Committee has held twelve meetings in this fiscal year where succession of the Company’s CEO and appointment, remuneration, skill matrix, etc. of Directors of the Company and the Group companies were deliberated.

- Enhance system of internal controls mainly for the purpose of ensuring the reliability of financial reporting.
- Establish the Independent Executive Committee, which is a meeting body to enable information exchange and sharing, and opinion exchange between Independent Outside Directors and Independent Outside Audit & Supervisory Board Members so as to respond to the corporate governance code that urges the active involvement of Independent Officers and to reinforce governance that facilitates medium- to long-term improvement of profitability.

(Implementation of Independent Executive Committee meetings)

The Committee has held two meetings in this fiscal year where information on management strategies, management plans, etc., of the Group was shared and opinions were exchanged.

**[Analysis and assessment of effectiveness of the Board of Directors]**

The Company conducts annual analysis and assessment of effectiveness of the Board of Directors based on the “TechnoPro Group Corporate Governance Guidelines” and appropriately discloses the outline of the results. Methods of analysis and assessment are as follows:

- (Assessment method) Self-assessment questionnaire  
(Target) All Directors and Audit & Supervisory Board Members  
(Questionnaire items)
1. Size and composition of the Board of Directors
  2. Operation of the Board of Directors meeting
  3. Information provision and support for Outside Officers
  4. Roles and responsibilities of the Board of Directors
  5. Relationship with shareholders, investors, and other stakeholders
  6. Contribution as an individual (Directors and Audit & Supervisory Board Members)
  7. Operation of the Nomination and Compensation Committee
- (Analysis method) Hold a discussion in the Board of Directors meeting based on the result from the self-assessment questionnaire to check the effectiveness of the Board of Directors and extract issues.

The Company plans to disclose the outline of the analysis and assessment result of this fiscal year in the “Corporate Governance Report” which will be submitted to Tokyo Stock Exchange, Inc. in September 2021.

The “TechnoPro Group Corporate Governance Guidelines” is published on the Company’s website (<https://www.technoproholdings.com/en/>).



**For reference:**

The Company has established the “Selection Standards and Appointment and Dismissal Procedures for Directors and Audit & Supervisory Board Members,” “Standards and Procedures for Appointment and Dismissal of CEO” and the “Independence Standards for Outside Officers” as set forth below. Furthermore, selection of all candidates for Director and Audit & Supervisory Board Member has involved making recommendations to the Nomination and Compensation Committee along with related deliberations and reporting.

***[Selection Standards and Appointment and Dismissal Procedures for Directors and Audit & Supervisory Board Members]*****1. Selection Standards for Directors and Audit & Supervisory Board Members**

The Company’s Directors and Audit & Supervisory Board Members must satisfy the conditions listed below, in addition to meeting criteria that includes satisfying statutory requirements and those of the Articles of Incorporation, exhibiting no behavior that would be grounds for disqualification as stipulated in the Directors/Audit & Supervisory Board Members Regulations, and having no current or prior involvement with anti-social forces.

<b>“Prerequisites” for All Directors and Audit &amp; Supervisory Board Members</b>	
1. All such individuals must exhibit outstanding character, knowledge and insight, while maintaining high regard for regulatory compliance and ethical standards. 2. All such individuals must maintain objectivity in making decisions, perceptiveness and foresight.	
<b>“Common requirements” for Outside Directors and Outside Audit &amp; Supervisory Board Members in particular</b>	
1. Such individuals must have a high degree of knowledge along with extensive practical experience and experience serving in a leadership role in one or more fields such as corporate management, internal control, compliance, finance and accounting, financing, legal affairs, government, crisis management and education. 2. Such individuals must possess the capacity to gain an overall understanding of the entire Group, and to ascertain the essential issues and risks thereof, and should be capable of being counted on for making constructive contributions during deliberations of meetings of the Board of Directors and other such forums in a candid and active manner.	
<b>Requirements for Outside Directors in particular</b>	<b>Requirements for Outside Audit &amp; Supervisory Board Members in particular</b>
1. Such individuals must be those who can be counted on for objective business oversight and managerial decisions from a practical point of view based on extensive experience in corporate management and specialized fields, and for providing advice and support to facilitate sustainable growth of the Company.	1. Such individuals must be appointed with the aim of heightening neutrality and independence of the audit framework, and must be individuals capable of expressing an objective audit opinion from a neutral standpoint.
<b>Requirements for Inside Directors in particular</b>	<b>Requirements for Inside Audit &amp; Supervisory Board Members in particular</b>
1. Such individuals must be well-informed regarding industry trends and relevant regulations affecting the Group and the business model of the Group, and must have extensive practical experience in respective specialized fields. 2. Such individuals must be counted on to conduct business, with a capacity to manage organizations drawing on a Company-wide perspective.	1. Such individuals must be well-informed regarding the organization, business pursuits and operating processes of the Group, and must be capable of performing highly effective audits involving the proper collection of information from within the Group.

(Note) Each of the above requirements is applicable to candidates for the positions of Director, Audit & Supervisory Board Member, Outside Director, Inside Director (meaning a Director who is not an Outside Director), Outside Audit & Supervisory Board Member, Inside Audit & Supervisory Board Member (meaning an Audit & Supervisory Board Member who is not an Outside Audit & Supervisory Board Member).

**2. Procedures**

- (1) The appointment and dismissal of Directors and Audit & Supervisory Board Members shall be subject to resolution by a General Meeting of Shareholders.
- (2) Candidates for Directors who are submitted to a General Meeting of Shareholders shall be determined by the Board of Directors. The Board of Directors shall select candidates for Directors through deliberations of the Nomination and Compensation Committee, considering the above selection standards and policy for the composition of the Board of Directors.
- (3) Candidates for Audit & Supervisory Board Members who are submitted to a General Meeting of Shareholders shall be determined by the Board of Directors. The Board of Directors shall select candidates for Audit & Supervisory Board Members through deliberations of the Nomination and Compensation Committee, considering the above selection standards and policy for composition of the Audit & Supervisory Board, and consent of the Audit & Supervisory Board thereafter.
- (4) If any Director or Audit & Supervisory Board Member does not meet the abovementioned qualifications during his/her term, or is considered to engage in any misconduct or conduct that damages the Company’s credibility, or is judged ineligible to be a Director or Audit & Supervisory Board Member, the Company shall take prescribed measures, including dismissal according to laws and regulations. A proposal for the dismissal of a Director shall be determined by the Board of Directors through deliberation of the Nomination and Compensation Committee.

### **3. Policy for the composition of the Board of Directors/Audit & Supervisory Board**

- (1) Diversity of the members of the Board of Directors and Audit & Supervisory Board shall be taken into consideration, respectively, for the appointment of Directors and Audit & Supervisory Board members.
- (2) The Board of Directors shall help the Board of Directors function properly as a whole by leveraging the respective Directors' diverse experience and knowledge, and ensure that the Board of Directors can discharge its fiduciary responsibility overall.
- (3) At least one (1) Audit & Supervisory Board Member shall be a person who has sufficient knowledge about financial and accounting matters.

#### ***[Standards and Procedures for Appointment and Dismissal of CEO]***

The Company considers the appointment and dismissal of a chief executive officer (hereinafter referred to as "CEO") to be the most important strategic decision from the perspective of the Company's sustainable growth and enhancement of corporate value on a medium- to long-term basis, and based on such understanding, has established the "Standards and Procedures for Appointment and Dismissal of CEO" as set forth below, with the aim of selecting the most eligible person as CEO, whether internally or externally, and establishing procedures for objective, timely and transparent appointments and dismissals.

#### **1. Appointment Standards for a CEO**

The Company has established the "Core requirements" for a CEO, in particular, as the appointment standards for a CEO, based on the prerequisite that the relevant CEO shall meet the requirements ("prerequisites" for All Directors and Audit & Supervisory Board Members" and "requirements for Inside Directors in particular") in the Selection Standards for Directors and Audit & Supervisory Board Member.

##### (Core requirements for a CEO)

- Presence in terms of dignity and quality as the highest ranking member of the top management.
- Absence of any health problem mentally or physically.
- Excellent exercise of leadership.
- Excellent capability of responding to change.
- Ability to make reasonable decisions and willingness to take responsibility for decisions made.
- Willingness to develop human resources and promote talented people proactively.
- Ability to undertake management from a global perspective.
- Possibility of exercising excellent management ability based on a great deal of experience and achievements in the management of a previous company or companies (if a CEO is selected from external qualified candidates).

#### **2. Appointment Procedures for a CEO**

- The Nomination and Compensation Committee, which consists of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members of the Company, shall submit a proposal to the Board of Directors after selecting a CEO candidate.
- If a CEO candidate is selected internally, the Nomination and Compensation Committee shall select such candidate from among internal qualified candidates through deliberations, including the implementation of individual interviews as necessary, while simultaneously taking into consideration overall evaluations from the perspective of the requirements in the abovementioned 1. and attendance in training programs based on plans for the development of human resources, among other factors.
- If no candidate is available internally, the Nomination and Compensation Committee shall select a CEO candidate externally from among qualified candidates.
- The Board of Directors shall conduct deliberations on a candidate submitted by the Nomination and Compensation Committee and determine the next CEO. In doing so, the chairperson of the Nomination and Compensation Committee shall provide a detailed explanation on the selection, including reasons for choosing the relevant candidate (if a CEO is selected from among external candidates, reasons for such selection shall be presented).
- The Nomination and Compensation Committee shall determine a tentative successor in an emergency plan by September 30 of every year in the case of an unexpected incident occurring to a CEO, subject to deliberations based on the evaluation of such a successor by members of the Nomination and Compensation Committee. The selection (cancellation and replacement) of a tentative successor is implemented every year.

#### **3. Dismissal Standards for a CEO**

The Company has established "Underperformance" and "Applicable factors that make a CEO unsuitable to assume the highest ranking management position" as dismissal standards for CEO.

##### (1) (Underperformance)

- The Group remains unprofitable for three consecutive years in terms of consolidated operating income.

##### (2) (Applicable factors that make a CEO unsuitable to assume the highest ranking management position)

- If the CEO's health conditions are too poor to discharge his/her duties as a CEO.
- If any matters that apply mutatis mutandis as reason for the disqualification of Directors specified in Article 331 of the Companies Act occurs.
- If the Company's credibility is considered to be damaged and the smooth operation of businesses is affected due to the CEO's behavior or words, findings of any misconduct/occurrence of losses and damages for which the CEO should be responsible, or other factors.

#### **4. Dismissal Procedures for a CEO**

- Deliberations and necessary surveys pertaining to the applicability or non-applicability of factors in the abovementioned 3. (2) shall be made through meetings held by Independent Officers comprising all Independent Outside Directors and Independent Audit & Supervisory Board Members of the Company. If the dismissal of CEO is decided to be appropriate at a meeting of Independent Officers, the chairperson (chief Independent Outside Director) shall submit a proposal for the dismissal of CEO to the Board of Directors.
- If the requirement in the abovementioned 3. (1) is met or any fact considered to be reason for dismissal without the need for deliberation by a meeting of Independent Officers is identified, the Board of Directors shall resolve to dismiss the CEO unconditionally.

***[Independence Standards for Outside Officers]***

The Company has established these “Independence Standards for Outside Officers” (hereinafter referred to as the “Standards”) as set forth below, with the aim of clarifying criteria for designating Outside Directors and Outside Audit & Supervisory Board Members of the Company (hereinafter collectively referred to as “Outside Officers”) as Independent Officers.

1. The Company determines that an Outside Officer or a candidate for Outside Officer of the Company is independent of the Company if one or more of the following do not apply with respect to the Outside Officer or the candidate for Outside Officer:

- i. The individual is currently or recently\*1 (the same applies hereunder) affiliated with the Company or its subsidiaries (hereinafter collectively referred to as the “Group”);
- ii. The individual is currently or recently affiliated with a business partner of which the Group accounts for at least 2% of the business partner’s prior fiscal year consolidated net sales, or a business partner that accounts for at least 2% of the Company’s prior fiscal year consolidated net sales;
- iii. The individual holds at least 10% of the total number of outstanding shares of the Company as of the last day of the prior fiscal year, or the individual is currently or recently affiliated with a company or a corporate group that holds at least 10% of the total number of outstanding shares of the Company as of the last day of the prior fiscal year;
- iv. The individual is currently or recently affiliated with a company or a group of which the Group holds at least 10% of the total number of issued shares as of the last day of the prior fiscal year;
- v. The individual is currently or recently affiliated with an audit firm that conducts statutory audits of the Group;
- vi. The individual is currently or recently affiliated with a financial institution that is essential in enabling fund procurement of the Group, and is relied on to the extent that there is no substitute for the entity;
- vii. The individual currently or recently acts as a consultant, legal professional, accounting expert, or tax specialist who has received remuneration other than executive compensation exceeding 10 million yen directly from the Group during any one (1) business year of the past three (3) business years (in the case that such individual receiving such remuneration is a corporation, association or other such body, then this refers to an individual belonging to such body);
- viii. The individual currently or recently acts as a trustee or other executor of business of an organization that has received contributions or grant funds exceeding 10 million yen from the Group during any one (1) business year of the past three (3) business years;
- ix. The individual acts as an executor of business of a company involved in mutual dispatch of directors and audit & supervisory board member to and from the Group, or;
- x. The individual is a relative within the second degree of kinship of, or a member of family cohabiting with, an individual as described in any of the aforementioned items (excluding individuals who are not in key\*2 positions).

(Notes)

\*1 “Recently” refers to a period of less than three (3) years from the date of an individual’s appointment as a Director or an Audit & Supervisory Board Member of the Company.

\*2 An individual in a “key” position refers to an important employee of a respective company or business partner such as a director, an executive, an audit & supervisory board member and an executive officer, or an accounting auditor and a CPA or an attorney affiliated with respective audit corporations and respective law firms.

2. If any of the circumstances set forth above in section 1 apply to an individual, that individual may still be designated as an Independent Officer at the discretion of the Board of Directors or the Audit & Supervisory Board following deliberations of the Nomination and Compensation Committee.
3. Irrespective of whether or not any of the circumstances set forth above in section 1 apply, an Independent Officer must not be in a situation that could be reasonably judged as one whereby the individual is unable to fulfill his or her duties as an Outside Officer acting in an independent capacity.
4. An Independent Officer must endeavor to ensure ongoing adherence to the Standards until his or her resignation, and must promptly report matters to the Company in cases where he or she no longer maintains independence as set forth in the Standards.

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The above is an excerpt from the “TechnoPro Group Corporate Governance Guidelines.” The entire document is available through the Company’s website: <https://www.technoproholdings.com/en/>