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Securities Code: 4420

March 11, 2022

To Our Shareholders:

Katsutoshi Hasegawa, President  
**eSOL Co., Ltd.**  
1-32-2, Honcho, Nakano-ku, Tokyo

## Notice of the 47th Annual General Meeting of Shareholders

It is our pleasure to inform you that the 47th Annual General Meeting of Shareholders of eSOL Co., Ltd. (the “Company”) will be held as indicated below.

To prevent the spread of the novel coronavirus disease (COVID-19), the Company strongly encourages shareholders to refrain from attending the General Meeting of Shareholders in person, and kindly requests that shareholders review the attached Reference Documents for the General Meeting of Shareholders (pages 5 to 15), and exercise their voting rights in writing (via postal mail) or via the Internet in accordance with the “Information on exercise of voting rights” (pages 3 to 4) by 5:30 p.m. on Tuesday, March 29, 2022 (JST).

**1. Date and Time:** Wednesday, March 30, 2022 at 10:00 a.m. (JST)

**2. Venue:** Harmony Hall, 3rd Floor of Harmony Square  
1-32-2, Honcho, Nakano-ku, Tokyo

**3. Purpose of the Meeting:**

**Matters to be reported:**

1. Business Report and Consolidated Financial Statements, and Audit Reports of Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Committee for the 47th fiscal year (from January 1, 2021 to December 31, 2021)
2. Non-consolidated Financial Statements for the 47th fiscal year (from January 1, 2021 to December 31, 2021)

**Matters to be resolved:**

**Proposal No. 1** Appropriation of Surplus

**Proposal No. 2** Amendment to the Articles of Incorporation

**Proposal No. 3** Election of Seven Vice Presidents (Excluding Vice Presidents Who Are Audit & Supervisory Committee Members)

**Proposal No. 4** Election of Three Vice Presidents Who Are Audit & Supervisory Committee Members

- Notes:
1. If you attend the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
  2. In accordance with the laws and regulations, and the provisions of Article 15 of the Articles of Incorporation, among the documents to be provided with this notice, the following items are posted on the website of the Company (<https://www.esol.co.jp/>).
    - (i) Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements
    - (ii) Non-consolidated Statement of Changes in Equity and Notes to Non-consolidated Financial Statements
  3. Documents subject to audit, including those posted on the Company’s website are audited by the Audit & Supervisory Committee and the Financial Auditor.
  4. Changes in the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements will be announced on the Company’s website (<https://www.esol.co.jp/>) as needed.

### **Procedure for COVID-19 prevention**

- From a COVID-19 prevention perspective, the Company strongly encourages shareholders to vote in writing (via postal mail) or via the Internet in advance, and refrain from attending the meeting in person.
- We will widen the spaces in between the shareholders' seats. Due to capacity constraint, we may refuse entry even if you come to the venue on the day of the meeting.
- We will monitor the temperatures of shareholders coming to the venue. We would also like shareholders coming to the venue to cooperate with our measures to prevent the spread of disease such as wearing a mask and using the alcohol disinfectant. We may refuse entry to the meeting venue if you are not cooperative with our preventive measures, or seem to be unwell or have a fever.
- The Vice Presidents attending the meeting and the meeting staff will be wearing masks.
- If there are any significant changes regarding the holding of the meeting, we will make an announcement on our website.

## **Information on exercise of voting rights**

We believe in the importance of our shareholders' voting rights.

Please review the attached Reference Documents for the General Meeting of Shareholders before exercising your voting rights.

You may vote using one of the following three methods:

### **Attending the General Meeting of Shareholders in person**

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

Date and Time: Wednesday, March 30, 2022 at 10 a.m. (JST)

### **Voting in writing (via postal mail)**

Please fill out the enclosed Voting Rights Exercise Form and send it back unstamped.

Votes arriving no later than Tuesday, March 29, 2022 at 5:30 p.m. (JST) are valid.

### **Voting via the Internet**

Please follow the guidelines provided on the next page to exercise your voting rights.

Entries completed no later than Tuesday, March 29, 2022 at 5:30 p.m. (JST) are valid.

## **Method of filling out the Voting Rights Exercise Form**

Please state your approval or disapproval of the proposals.

Proposals No. 1 and No. 2

- Put a circle in the Approval column to express your approval
- Put a circle in the Disapproval column to express your disapproval

Proposals No. 3 and No. 4

- Put a circle in the Approval column if you approve all candidates
- Put a circle in the Disapproval column if you disapprove all candidates
- If you disapprove some of the candidates, put a circle in the Approval column and write the number of the candidates whom you disapprove.

If voting rights are exercised in writing (via postal mail) and also exercised via the Internet (duplicate votes), the votes exercised via the Internet will be deemed valid. If voting rights are exercised multiple times via the Internet, the final vote cast will be deemed valid.

## Voting via the Internet

### Scanning the QR code

If you scan the QR code, it will take you to the voting website without the need to input the login ID and tentative password listed in your Voting Rights Exercise Form.

1. Please scan the QR code on your Voting Rights Exercise Form.  
\* “QR code” is a registered trademark of DENSO WAVE INCORPORATED.
2. Please follow the instructions on the screen to state your approval or disapproval.

### You may only use the QR code to vote once.

If you would like to vote again after submitting your vote or vote without using the QR code, please refer to the “Method of entering the login ID and tentative password” below.

### Method of entering the login ID and tentative password

The voting website: <https://evote.tr.mufg.jp/>

1. Please access the voting website.
2. Please input the login ID and tentative password listed in your Voting Rights Exercise Form, and click Login.  
Enter the login ID and tentative password  
Click on Login
3. Register the new password.  
Enter a new password  
Click Send to submit
4. Follow the instructions on the screen to state your approval or disapproval.

Please contact the following for any questions regarding the method of voting via the Internet, including the use of PCs or smartphones.

Help Desk, Mitsubishi UFJ Trust and Banking Corporation Stock Transfer Agency  
Phone: 0120-173-027  
(9:00 a.m. to 9:00 p.m. (JST); toll free (Japan only))

## Reference Documents for the General Meeting of Shareholders

### Proposal No. 1 Appropriation of Surplus

The Company maintains a basic policy to return profits to its shareholders while giving consideration to the balance between securing sufficient internal reserves for future business development and a strong management base and having increased shareholder return.

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

- (1) Type of dividend property  
To be paid in cash.
- (2) Allotment of dividend property and their aggregate amount  
¥4 per common share of the Company  
Total dividends: ¥81,454,152
- (3) Effective date of dividends of surplus  
March 31, 2022

**Proposal No. 2**      Amendment to the Articles of Incorporation

1. Reasons for the proposal

- (1) With the enforcement of the Act for Partially Amending the Act on Strengthening Industrial Competitiveness and Other Related Laws and Regulations (Act No. 70 of 2021) and by stipulating in the Articles of Incorporation, listed companies are, subject to certain conditions specified with due consideration to securing shareholder benefit, allowed to hold a general meeting of shareholders without a designated location for the meeting (so-called “virtual-only general meeting of shareholders” held and participated in by directors and shareholders via the Internet, etc. without the need to prepare a physical venue). With a pandemic of an infectious disease, large-scale disasters including natural catastrophes, and the expanding digitalization of society, etc. in mind, the Company believes that it can serve the interests of shareholders by allowing a general meeting of shareholders without a designated location for the meeting as one option for the method of holding a general meeting of shareholders in the future. Accordingly, the Company proposes to add Article 12, paragraph 2 to its Articles of Incorporation which allows for a general meeting of shareholders to be held without a designated location.
- (2) Since the revised provisions provided for in a proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format.
  - (i) Because companies are obliged to stipulate in their articles of incorporation that they will take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format, the Company intends to newly establish Article 15 (Measures for Providing Information in Electronic Format, Etc.), paragraph 1.
  - (ii) The Company intends to newly establish Article 15 (Measures for Providing Information in Electronic Format, Etc.), paragraph 2 to provide for the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents to be restricted to the scope designated by the Ministry of Justice Order among items for which the measures for providing information that constitute the content of reference documents for the general meeting of shareholders, etc. in electronic format will be taken.
  - (iii) Since the provisions of Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) will no longer be required after the system for providing informational materials for the general meeting of shareholders in electronic format is introduced, they will be deleted.
  - (iv) Supplementary Provisions regarding the enforcement of the aforementioned provisions to be newly established and deleted will be established. These Supplementary Provisions will be deleted after the due date.

2. Reasons for the amendment

Details of the amendment are as follows:

(The underlined part represents the proposed amendment.)

Current Articles of Incorporation	Proposed amendment
<p>Article 12(Convocation)</p> <p>An annual general meeting of shareholders of the Company shall be convened within three months after the end of every fiscal year. An extraordinary general meeting of shareholders shall be convened whenever necessary.</p> <p style="text-align: center;">(Newly established)</p>	<p>Article 12(Convocation)</p> <p><u>1.</u> An annual general meeting of shareholders of the Company shall be convened within three months after the end of every fiscal year. An extraordinary general meeting of shareholders shall be convened whenever necessary.</p> <p><u>2. The Company may hold a general meeting of shareholders without a designated location for the meeting.</u></p>

Current Articles of Incorporation	Proposed amendment
<p data-bbox="159 206 778 295"><u>Article 15(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u></p> <p data-bbox="159 309 785 631"><u>When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements and/or consolidated financial statements through the Internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p> <p data-bbox="367 636 596 667">(Newly established)</p> <p data-bbox="360 1137 587 1169">(Newly established)</p> <p data-bbox="360 1178 587 1209">(Newly established)</p>	<p data-bbox="1072 206 1184 237">(Deleted)</p> <p data-bbox="807 636 1378 698"><u>Article 15(Measures for Providing Information in Electronic Format, Etc.)</u></p> <ol data-bbox="820 707 1439 1128" style="list-style-type: none"> <li data-bbox="820 707 1439 869"><u>1. When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u></li> <li data-bbox="820 878 1439 1128"><u>2. Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></li> </ol> <p data-bbox="807 1137 1123 1169"><u>(Supplementary Provisions)</u></p> <p data-bbox="807 1178 1433 1308"><u>Article 1 (Transitional Measures Regarding Provision of Informational Materials for General Meeting of Shareholders in Electronic Format)</u></p> <ol data-bbox="820 1317 1439 1953" style="list-style-type: none"> <li data-bbox="820 1317 1439 1697"><u>1. The deletion of Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation and the new establishment of Article 15 (Measures for Providing Information in Electronic Format, Etc.) shall be effective from September 1, 2022, the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Date of Enforcement”).</u></li> <li data-bbox="820 1706 1439 1953"><u>2. Notwithstanding the provision of the preceding paragraph, Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation shall remain effective regarding any general meeting of shareholders held on a date within six months from the Date of Enforcement.</u></li> </ol>

Current Articles of Incorporation	Proposed amendment
	<p>3. <u>The provisions of this Article shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></p>



**Proposal No. 3** Election of Seven Vice Presidents (Excluding Vice Presidents Who Are Audit & Supervisory Committee Members)

The terms of office of all six Vice Presidents (excluding Vice Presidents who are Audit & Supervisory Committee Members; applicable to the rest of this proposal) will expire at the conclusion of this meeting. In that regard, the Company proposes the election of seven Vice Presidents, increasing the number of Outside Vice Presidents by one to further enhance the management system.

Taking into consideration the execution of business and performance, etc. during the current fiscal year, the Audit & Supervisory Committee has judged all of the candidates for Vice Presidents to be appropriate as a Vice President of the Company.

The candidates for Vice Presidents are as follows:

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Katsutoshi Hasegawa (January 26, 1962)  [Reelection]	<p>Apr. 1982      Joined ERG Co., Ltd. (present the Company)</p> <p>Apr. 1997      General Manager of Software Division of the Company</p> <p>June 1999      Vice President and General Manager of Software Division</p> <p>Apr. 2001      Vice President and General Manager of Solution Engineering Division</p> <p>Apr. 2003      Executive Vice President</p> <p>Jan. 2005      Senior Executive Vice President</p> <p>Mar. 2013      President, in charge of Internal Audit Office</p> <p>Mar. 2015      Vice President and Chairman of eSOL TRINITY Co., Ltd. (current position)</p> <p>Apr. 2016      Vice President of AUBASS CO., LTD. (current position)</p> <p>Jan. 2020      President, in charge of President's Office and Internal Audit Office of the Company</p> <p>Mar. 2020      President, in charge of President's Office, Internal Audit Office, Accounting, and Administration</p> <p>Jan. 2022      President, in charge of President's Office, Internal Audit Office, Administration Headquarters, and Accounting (current position)</p> <p>(Significant concurrent positions outside the Company) Vice President and Chairman of eSOL TRINITY Co., Ltd. Vice President of AUBASS CO., LTD.</p>	335,335
<p>[Reasons for nomination] Katsutoshi Hasegawa joined the Company in April 1982 as a software engineer. Only 15 years later, highly valued for his career involving development operations and managerial skills, Mr. Hasegawa was appointed as General Manager of Software Division, responsible for the control of embedded software product development and engineering service. Also experienced General Manager of the present Sensing Solution Division and Director of Administration Division, he has extensive experience and broad knowledge related to the Company's overall businesses. The Company believes that his experience and insights gained through his past career will be beneficial to the management of the Company, and has nominated him as a candidate for Vice President.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
2	Nobuyuki Ueyama (January 20, 1963)  [Reelection]	July 1999 Representative Vice President of eSIM Co., Ltd.	201,396
		Apr. 2001 Joined ERG Co., Ltd. (present the Company)	
3	Futoshi Tokunaga November 8, 1963  [Reelection]	Apr. 2001 General Manager of Embedded Products Division of the Company	301,898
		June 2001 Vice President and General Manager of Embedded Products Division	
4	Mitsunobu Yamada (October 21, 1974)  [Reelection]	Mar. 2008 Executive Vice President	521,898
		Mar. 2015 President of eSOL TRINITY Co., Ltd. (current position)	
		Jan. 2017 Executive Vice President and General Manager of Embedded Products Division of the Company	
		Mar. 2018 Representative of eSOL Europe S.A.S. (current position)	
		Jan. 2022 Executive Vice President and General Manager of Business Management of Software Division of the Company (current position)	
		(Significant concurrent positions outside the Company) President of eSOL TRINITY Co., Ltd. Representative of eSOL Europe S.A.S.	
	[Reasons for nomination] Nobuyuki Ueyama has years of sales experience in the embedded software industry, and has a large connection with not only domestic companies but also overseas companies in the industry. Since Mr. Ueyama joined the Company in April 2001, with his experience as the representative of a foreign-affiliated company, he has also played an important role in the Company's global development. Considering his experience and insights gained through his past career, the Company believes that he is an appropriate person for the supervision of execution of business of the Company, and has nominated him as a candidate for Vice President.		
	[Reasons for nomination] Since joining the Company in October 1986 as a software engineer, Futoshi Tokunaga has gained abundant experience in the engineering service field, and developed the foundation of the current in-vehicle business with a focus especially on in-vehicle systems. Since assuming the position of General Manager of Solution Engineering Division in March 2011, Mr. Tokunaga has helped to significantly expand earnings. Considering his experience and insights gained through his past career, the Company believes that he is an appropriate person for the supervision of execution of business related to the engineering service and the reorganization of the Company, and has nominated him as a candidate for Vice President.		
	[Reasons for nomination] Since joining the present Sensing Device Division of the Company in April 1995, Mitsunobu Yamada has consistently experienced the commercial distribution of the Division, ranging from the maintenance of hardware products such as in-vehicle printers and handy terminals to shipment and sales thereof. Mr. Yamada also has abundant knowledge related to not only the business of the Company but also competitors' products and industry trends. Considering his experience and insights gained through his past career, the Company believes that he is an appropriate person for the supervision of execution of business of the Company, and has nominated him as a candidate for Vice President.		

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
5	Masaki Gondo (October 10, 1970)  [Reelection]	<p>Sept. 1996      Joined ERG Co., Ltd. (present the Company)</p> <p>Jan. 2010      Director of Technological Strategy Office of the Company</p> <p>Jan. 2012      General Manager of Technology Division</p> <p>Mar. 2017      Vice President and General Manager of Technology Division</p> <p>Jan. 2022      Vice President and General Manager of Software Division (current position)</p>	159,898
<p>[Reasons for nomination]</p> <p>Since joining the Company in September 1996 as a software engineer, Masaki Gondo has experienced the engineering service field and been involved in developing the Company's proprietary software products. Mr. Gondo has professional and extensive knowledge related to technology of an embedded OS. Since 2010, he has been involved in product management as a technological strategy officer. In addition, he contributes to the industry-wide technological development in and outside Japan through participating in Embedded Multicore Consortium, IEEE Computer Society/Design Automation/Software-Hardware Interface for Multi-many-core Working Group, and AUTOSAR, a global development partnership of the automobile industry, among others. Considering his experience and insights gained through his past career, the Company believes that he is an appropriate person for the supervision of execution of business of the Company, and has nominated him as a candidate for Vice President.</p>			
6	Nobuhide Nakaido (November 1, 1946)  [Reelection]  [Outside]  [Independent]	<p>Apr. 1971      Joined Sumitomo Corporation</p> <p>Apr. 2005      Representative Vice President and Deputy President, Executive Officer</p> <p>June 2009      Representative Vice President, Chairman and President of Sumisho Computer Systems Corporation (present SCSK Corporation)</p> <p>Oct. 2011      President of SCSK Corporation</p> <p>June 2013      Representative Vice President and Chairman</p> <p>Apr. 2016      Vice President and Advisor</p> <p>May 2017      Outside Vice President of Ichigo Inc. (current position)</p> <p>Oct. 2018      Chairman of Japan Association for Chief Human Resource Officers (current position)</p> <p>Mar. 2019      Outside Vice President of the Company (current position)</p> <p>June 2020      Outside Vice President of Sourcenext Corporation (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Outside Vice President of Ichigo Inc.</p> <p>Chairman of Japan Association for Chief Human Resource Officers</p> <p>Outside Vice President of Sourcenext Corporation</p>	-
<p>[Reasons for nomination and summary of expected role]</p> <p>Nobuhide Nakaido has abundant experience and in-depth insights as a corporate manager, and the Company believes that based on his experience and insights gained through his past career he can be expected to provide advice on the maintenance and improvement of the function to supervise the execution of business of the Company and on overall management. Therefore, the Company has nominated him as a candidate for Outside Vice President. The Company has also designated Mr. Nakaido as an independent officer because it considers that he is independent and there would be no possibility of a conflict of interest with general shareholders.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
7	Hiroshi Kondo (August 22, 1964)  [New election]  [Outside]	<p>Apr. 1987      Joined Nippon Denso Co., Ltd. (present DENSO Corporation)</p> <p>Jan. 2012      General Manager of Design Dept.1 of Electronics Eng. Div.2</p> <p>Jan. 2013      Project Director of Electronics Eng. Div.2</p> <p>Jan. 2014      Project Director of Electronics Eng. Div.3</p> <p>Jan. 2015      Director of Electronics Eng. Div.1</p> <p>July 2016      Deputy Head of Electronics Business Unit</p> <p>Jan. 2017      Deputy Head of Electronics Business Unit</p> <p>Apr. 2018      Executive Director and Head of Electronics BU</p> <p>Apr. 2019      Executive Officer and Head of Electronics BU</p> <p>Apr. 2020      Executive Officer of Electronics BU and Electronics Platform Function Unit</p> <p>June 2021      Senior Director of Electronics BU and AD&amp;ADAS BU, Control Unit Development</p> <p>Jan. 2022      Senior Director and Head of AD&amp;ADAS BU (current position)</p>	—
<p>[Reasons for nomination and summary of expected role]  Since joining Nippon Denso Co., Ltd. (present DENSO Corporation) in April 1987, Hiroshi Kondo has served at the front line of the electronics engineering division and led the business centered on in-vehicle software of DENSO Corporation. Mr. Kondo has abundant experience and professional and extensive insights related to supervision of the development of in-vehicle electronic platforms. For the business and capital alliance agreed between DENSO Corporation and the Company, the methods of improving and controlling quality which have been nurtured by DENSO Corporation in the automobile industry will drive both companies' initiatives in the industry to a maximum level. The Company believes that based on his experience and insights gained through his past career he can be expected to provide advice on the maintenance and improvement of the function to supervise the execution of business of the Company and on overall management. Therefore, the Company has nominated him as a candidate for Outside Vice President.</p>			

- Notes:
- New candidate for Vice President Hiroshi Kondo is a Senior Director of DENSO Corporation, and the Company has transactions related to the agreement, etc. on the business and capital alliance with the aforementioned company. There is no special interest between any other candidates for Vice President and the Company.
  - Nobuhide Nakaido and Hiroshi Kondo are candidates for Outside Vice Presidents.
  - Nobuhide Nakaido is currently an Outside Vice President of the Company, and at the conclusion of this meeting, his tenure will have been three years.
  - Limited liability agreements with candidates for Outside Vice President  
The Company has entered into limited liability agreements with Outside Vice Presidents, and if Nobuhide Nakaido is reelected, the Company plans to renew this agreement with him. If Hiroshi Kondo is elected, the Company plans to enter into the aforementioned limited liability agreement with him. A summary of the agreement is as follows:
    - Pursuant to Article 427, paragraph (1) of the Companies Act, the Company enters into agreements with Outside Vice Presidents of the Company, to limit their liability for damages under Article 423, paragraph (1) of the same Act. The maximum amount of liability for damages under this agreement is the minimum liability amount provided for under Article 425, paragraph (1) of the same Act. If the reelection of individual Vice Presidents is approved, the Company plans to renew the aforementioned agreements with them.
    - The agreements allow the Company to limit the amount of liability for damages only when they have acted in good faith and without gross negligence in performing their duties giving rise to the said liabilities.
  - Summary of directors and officers liability insurance policy  
The Company has entered into a directors and officers liability insurance policy with an insurance company pursuant to Article 430-3, paragraph (1) of the Companies Act, and plans to renew the policy in December 2022. If the reelection of individual Vice Presidents is approved, the individual candidates for Vice Presidents will continue to be the insured.  
If the election of new candidate for Vice President is approved, the candidate will become the insured.
    - Summary of insurance incidents covered  
The directors and officers liability insurance policy covers losses that may arise from the insured Vice Presidents assuming liability in connection with the execution of their duties or through receiving claims pertaining to the pursuit of such liability.
    - Insurance premiums  
The Company fully bears the insurance premiums.
  - Nobuhide Nakaido satisfies the requirements for an independent officer as provided for by the Tokyo Stock Exchange, and the Company has submitted notification to the aforementioned exchange that Mr. Nakaido has been designated as an independent officer as provided for by the aforementioned exchange. If the reelection of Mr. Nakaido is approved, the Company plans to submit notification to the Tokyo Stock Exchange concerning the continuance of his designation as an independent officer.

**Proposal No. 4** Election of Three Vice Presidents Who Are Audit & Supervisory Committee Members

The terms of office of all three Vice Presidents who are Audit & Supervisory Committee Members will expire at the conclusion of this meeting. Therefore, the Company proposes the election of three Vice Presidents who are Audit & Supervisory Committee Members.

The consent of the Audit & Supervisory Committee has been obtained for this proposal.

The candidates for Vice Presidents who are Audit & Supervisory Committee Members are as follows:

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Takeshi Maruyama (February 18, 1953)  [Reelection]	Dec. 1981      Joined ERG Co., Ltd. (present the Company) Apr. 2001      Manager of 1st Technology Section of Solution Engineering Division of the Company Jan. 2006      In charge of Internal Audit, Internal Audit Office Mar. 2011      Full-Time Audit & Supervisory Board Member Mar. 2018      Vice President (Full-Time Audit & Supervisory Committee Member) (current position)	—
[Reasons for nomination] Since joining the Company in December 1981 as a software engineer, Takeshi Maruyama has experienced the position of manager of the engineering service division. Having engaged in internal audits at Internal Audit Office since 2006, Mr. Maruyama has abundant experience and broad insights into both technology and audits. Considering his experience and insights gained through his past career, the Company believes that he is an appropriate person for performing an audit on the execution of duties by the Company's Vice Presidents, and has nominated him as a candidate for Vice President who is Audit & Supervisory Committee Member.			
2	Hiromasa Okuya (January 29, 1944)  [Reelection] [Outside] [Independent]	Apr. 1966      Joined Gifu Plastic Industry Co., Ltd. Feb. 1971      Started serving as a certified public tax accountant Apr. 1976      Started serving as a certified administrative procedures legal specialist Mar. 1980      Established Okuya Accounting Office Ltd. (current position) June 1991      Audit & Supervisory Board Member of ERG Co., Ltd. (present the Company) June 1998      Resigned as Audit & Supervisory Board Member Mar. 2009      Audit & Supervisory Board Member of the Company Mar. 2018      Vice President (Audit & Supervisory Committee Member) (current position)  (Significant concurrent positions outside the Company) Representative of Okuya Hiromasa Tax Accountant Office	9,920
[Reasons for nomination and summary of expected role] Hiromasa Okuya has never in the past been directly involved in the management of a company except as an outside officer. However, Mr. Okuya has abundant experience and professional knowledge as a certified tax accountant, etc. Considering his experience and insights gained through his past career, the Company believes that he is an appropriate person for performing an audit on the execution of duties by the Company's Vice Presidents from an objective perspective, and has nominated him as a candidate for Outside Vice President who is Audit & Supervisory Committee Member.			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Hiroshi Takahashi (June 21, 1949)  [Reelection]  [Outside]  [Independent]	Dec. 1973      Joined Fuso Audit Firm June 1995      Representative Partner of Chuo Audit Firm Aug. 2007      Representative Partner and Managing Executive Director in charge of Business Development Department, Marketing Division of Shin Nihon & Co. (present Ernst & Young ShinNihon LLC) Sept. 2009      Managing Executive Director in charge of Business Promotion Section, Audit Supervisory Department, Client Service Division May 2011      Outside Vice President of PARCO CO., LTD. June 2011      President of PRONET, Inc. (current position) Mar. 2012      Outside Vice President of Sansei Landic Co., Ltd. (current position) Mar. 2017      Vice President of the Company June 2017      Outside Vice President of Realize Co., Ltd. (present Netamoto Inc.) Mar. 2018      Vice President (Audit & Supervisory Committee Member) of the Company (current position)  (Significant concurrent positions outside the Company) President of PRONET, Inc. Outside Vice President of Sansei Landic Co., Ltd.	—
[Reasons for nomination and summary of expected role] Hiroshi Takahashi has abundant experience and broad insights into finance and accounting as a certified public accountant. Considering his experience and insights gained through his past career, the Company believes that he is an appropriate person for performing an audit on the execution of duties by the Company's Vice Presidents from an objective perspective, and has nominated him as a candidate for Outside Vice President who is Audit & Supervisory Committee Member.			

- Notes:
- There is no special interest between any of the candidates and the Company.
  - Hiromasa Okuya and Hiroshi Takahashi are candidates for Outside Vice Presidents.
  - Hiromasa Okuya and Hiroshi Takahashi are currently Outside Vice Presidents of the Company, and at the conclusion of this meeting, their tenure will have been four years and five years, respectively.
  - Limited liability agreements with candidates for Outside Vice President  
The Company has entered into limited liability agreements with Outside Vice Presidents, and if Hiromasa Okuya and Hiroshi Takahashi are reelected, the Company plans to renew this agreement with them. A summary of the agreement is as follows:
    - Pursuant to Article 427, paragraph (1) of the Companies Act, the Company enters into agreements with Outside Vice Presidents of the Company, to limit their liability for damages under Article 423, paragraph (1) of the same Act. The maximum amount of liability for damages under this agreement is the minimum liability amount provided for under Article 425, paragraph (1) of the same Act. If the reelection of individual Vice Presidents is approved, the Company plans to renew the aforementioned agreements with them.
    - The agreements allow the Company to limit the amount of liability for damages only when they have acted in good faith and without gross negligence in performing their duties giving rise to the said liabilities.
  - Summary of directors and officers liability insurance policy  
The Company has entered into a directors and officers liability insurance policy with an insurance company pursuant to Article 430-3, paragraph (1) of the Companies Act, and plans to renew the policy in December 2022.  
If the reelection of individual Vice Presidents is approved, the individual candidates for Vice Presidents will continue to be the insured.
    - Summary of insurance incidents covered  
The directors and officers liability insurance policy covers losses that may arise from the insured Vice Presidents assuming liability in connection with the execution of their duties or through receiving claims pertaining to the pursuit of such liability.
    - Insurance premiums  
The Company fully bears the insurance premiums.
  - Hiromasa Okuya and Hiroshi Takahashi satisfy the requirements for an independent officer as provided for by the Tokyo Stock Exchange, and the Company has submitted notification to the aforementioned exchange that they have been designated as an independent officer as provided for by the aforementioned exchange. If the reelection of Mr. Okuya and Mr. Takahashi are approved, the Company plans to submit notification to the Tokyo Stock Exchange concerning the continuance of their designation as an independent officer.