

This document is an unofficial translation and summary of the Notice of the 17th 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 2, 2022

To All Shareholders:

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

CONVOCAION NOTICE OF THE 17TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

The 17th 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, 2022 (Thursday) 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 17th Fiscal Year (July 1, 2021 to June 30, 2022)
 2. The Non-consolidated Financial Statements for the 17th Fiscal Year (July 1, 2021 to June 30, 2022)

Resolution matters:

- First proposal:** Appropriation of Surplus
 - Second proposal:** Partial Amendments to the Articles of Incorporation
 - Third proposal:** Election of Nine (9) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
 - Fourth proposal:** Election of Three (3) Directors Who Are Audit & Supervisory Committee Members
 - Fifth proposal:** Election of One (1) Substitute Director Who Is an Audit & Supervisory Committee Member
 - Sixth proposal:** Setting of the Amount of Remuneration of Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
 - Seventh proposal:** Setting of the Amount of Remuneration of Directors Who Are Audit & Supervisory Committee Members
 - Eighth 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 posted 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 (with gloves in some cases), 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 a 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.

1. Type of dividends	Cash
2. Allotment of property for dividends and total amount thereof	Per share of ordinary shares of the Company: 52 yen Total dividends: 5,601,747,396 yen As the Company has already paid an interim dividend of 20.00 yen per share, the annual dividend for the fiscal year under review will be 72.00 yen per share.
3. Effective date of dividends from surplus	September 30, 2022

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

	14th term (Year ended June 30, 2019)	15th term (Year ended June 30, 2020)	16th term (Year ended June 30, 2021)	17th term (Year ended June 30, 2022)
Annual dividend per share (yen)	44.67	50.00	61.67	72.00
Consolidated payout ratio (%)	50.2	50.0	50.2	50.3

(Note) The Company conducted a 3-for-1 split for each ordinary share effective July 1, 2021. "Annual dividend per share" is calculated on the assumption that the stock split was conducted at the beginning of the 14th term.

Second proposal: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

- (1) The Company intends to make a transition to a company with an Audit & Supervisory Committee in order to achieve sustainable growth and increase corporate value by further enhancing its corporate governance, including the realization of highly transparent management based on further strengthening of the audit and supervisory functions of the Board of Directors and the establishment of a system that enables faster management decision-making and execution under the appropriate supervision of the Board of Directors.
Accordingly, the Company proposes to make necessary changes for the transition to a company with an Audit & Supervisory Committee, such as the establishment of provisions regarding Directors who are Audit & Supervisory Committee Members and the Audit & Supervisory Committee, and the deletion of provisions regarding Audit & Supervisory Board Members and the Audit & Supervisory Board.
- (2) The amended provisions stipulated in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) have been enforced from September 1, 2022, and the system for electronic provision of materials for general meetings of shareholders has been introduced. Accordingly, the Company proposes (a) to establish provisions regarding measures for providing information electronically and provisions to limit the scope of reference documents, etc. to be delivered in paper form to shareholders who have requested them, (b) to delete provisions related to internet disclosure and deemed delivery of reference documents for general meetings of shareholders, etc., and (c) to establish transitional measures.
- (3) Other necessary revisions and adjustments are made to the wording and phrases in the Articles of Incorporation.

2. Details

Details of the amendments are as follows.

These amendments to the Articles of Incorporation will come into effect at the conclusion of the general meeting of shareholders mentioned above.

(Underlined parts are amended)

Current Articles of Incorporation	Proposed Amendments
<p>Article 4. (Organs)</p> <p>The Company shall have the following organs in addition to General Meetings of Shareholders and Directors.</p> <p>(1) Board of Directors</p> <p><u>(2) Audit & Supervisory Board Members</u></p> <p><u>(3) Audit & Supervisory Board</u></p> <p style="text-align: center;">(Newly established)</p> <p><u>(4) Accounting Auditor</u></p>	<p>Article 4. (Organs)</p> <p>The Company shall have the following organs in addition to General Meetings of Shareholders and Directors.</p> <p>(1) Board of Directors</p> <p style="text-align: right;">(Deleted)</p> <p style="text-align: right;">(Deleted)</p> <p><u>(2) Audit & Supervisory Committee</u></p> <p><u>(3) Accounting Auditor</u></p>

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 14. (Internet Disclosure and Deemed Provision of Reference Documents for General Meeting of Shareholders, etc.)</u></p> <p><u>The Company may, when convening a General Meeting of Shareholders, by disclosing the information related to the matters to be stated or displayed in reference documents for General Meeting of Shareholders, business reports, financial statements and consolidated financial statements through the Internet pursuant to the provisions of the applicable Ordinance of the Ministry of Justice, deem that it has provided the same to the shareholders.</u></p> <p>(Newly established)</p>	<p>(Deleted)</p> <p><u>Article 14. (Measures, etc. for Providing Information in Electronic Format)</u></p> <ol style="list-style-type: none"> <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> <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 Ordinance of the Ministry of Justice from being stated in the paper-based documents to be delivered to shareholders who have requested the delivery of paper-based documents by the record date for voting rights.</u>
<p>Article 18. (Number of Directors)</p> <p>The Company shall have <u>not less than three (3) but not more than twenty (20)</u> Directors.</p> <p>(Newly established)</p>	<p>Article 18. (Number of Directors)</p> <ol style="list-style-type: none"> <u>1. The Company shall have not more than fifteen (15) Directors (excluding those who are Audit & Supervisory Committee Members).</u> <u>2. The Company shall have not more than five (5) Directors who are Audit & Supervisory Committee Members.</u>

Current Articles of Incorporation	Proposed Amendments
<p>Article 19. (Election of Directors)</p> <p>1. Directors of the Company shall be elected by resolution adopted by a majority of the voting rights of the shareholders present at a General Meeting of Shareholders where the shareholders holding one third (1/3) or more of the voting rights of the shareholders who are entitled to exercise their voting rights are present.</p> <p style="text-align: center;">(Newly established)</p> <p>2. Cumulative voting shall not be used to elect Directors of the Company.</p>	<p>Article 19. (Election of Directors)</p> <p>1. Directors of the Company shall be elected by resolution adopted by a majority of the voting rights of the shareholders present at a General Meeting of Shareholders where the shareholders holding one third (1/3) or more of the voting rights of the shareholders who are entitled to exercise their voting rights are present.</p> <p>2. <u>The appointment of Directors pursuant to the provisions of the preceding paragraph shall be made by distinguishing between Directors who are Audit & Supervisory Committee Members and other Directors.</u></p> <p>3. Cumulative voting shall not be used to elect Directors of the Company.</p>
<p>Article 20. (Substitute Directors)</p> <p>1. The Company may elect substitute Directors prescribed in Article 329(3) of the Companies Act.</p> <p style="text-align: center;">(Newly established)</p> <p>2. The effective term of the resolution pertaining to the election of substitute Directors <u>in the preceding paragraph</u> shall expire at the commencement of the first Annual General Meeting of Shareholders to be held after such resolution; provided, however, that this shall not preclude shortening the term by resolution of a General Meeting of Shareholders.</p>	<p>Article 20. (Substitute Directors)</p> <p>1. The Company may elect substitute Directors <u>who are Audit & Supervisory Committee Members and other Directors</u> prescribed in Article 329(3) of the Companies Act.</p> <p>2. <u>The effective term of the resolution pertaining to the election of substitute Directors who are Audit & Supervisory Committee Members in the preceding paragraph shall expire at the commencement of the Annual General Meeting of Shareholders for the last business year which ends within two (2) years after such resolution.</u></p> <p>3. The effective term of the resolution pertaining to the election of substitute Directors <u>(excluding those who are Audit & Supervisory Committee Members)</u> in <u>Paragraph 1</u> shall expire at the commencement of the first Annual General Meeting of Shareholders to be held after such resolution; provided, however, that this shall not preclude shortening the term by resolution of a General Meeting of Shareholders.</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>3.</u> The provisions of Article 19.1 shall apply mutatis mutandis to the quorum for a resolution for electing substitute Directors.</p> <p>Article 21. (Terms of Office of Directors)</p> <p>1. Terms of office of Directors shall expire at the conclusion of the Annual General Meeting of Shareholders for the last business year which ends within one (1) year from the time of their election.</p> <p><u>2. The term of office of a Director who is elected to fill a vacancy or to increase the number of Directors shall expire when the term of office of Directors incumbent at the time of his/her election expire.</u></p> <p style="text-align: center;">(Newly established)</p> <p style="text-align: center;">(Newly established)</p> <p>Article 22. (Representative Directors, etc.)</p> <p>1. One or more Representative Directors shall be appointed by resolution of the Board of Directors.</p> <p>2. The Board of Directors may, by its resolution, appoint Directors as Chairman of the Board, President, Senior Managing Director, Managing Director, CEO, COO, CFO or other titles.</p>	<p><u>4.</u> The provisions of Article 19.1 shall apply mutatis mutandis to the quorum for a resolution for electing substitute Directors.</p> <p>Article 21. (Terms of Office of Directors)</p> <p>1. The term of office of Directors <u>(excluding those who are Audit & Supervisory Committee Members)</u> shall expire at the conclusion of the Annual General Meeting of Shareholders for the last business year which ends within one (1) year from the time of their election.</p> <p style="text-align: center;">(Deleted)</p> <p><u>2. Terms of office of Directors who are Audit & Supervisory Committee Members shall expire at the conclusion of the Annual General Meeting of Shareholders for the last business year which ends within two (2) years from the time of their election.</u></p> <p><u>3. The term of office of a Director who is an Audit & Supervisory Committee Member who is elected to fill a vacancy of a Director who is an Audit & Supervisory Committee Member who retired before expiry of the term of office, shall expire when the term of office of the retired Director who is an Audit & Supervisory Committee Member expires.</u></p> <p>Article 22. (Representative Directors, etc.)</p> <p>1. One or more Representative Directors shall be appointed <u>from among the Directors (excluding those who are Audit & Supervisory Committee Members)</u> by resolution of the Board of Directors.</p> <p>2. The Board of Directors may, by its resolution, appoint Directors <u>(excluding those who are Audit & Supervisory Committee Members)</u> as Chairman of the Board, President, Senior Managing Director, Managing Director, CEO, COO, CFO or other titles.</p>

Current Articles of Incorporation	Proposed Amendments
<p>Article 23. (Board of Directors)</p> <ol style="list-style-type: none"> 1. A meeting of the Board of Directors shall, unless otherwise provided for by laws and regulations, be convened and chaired by a Director predetermined by the Board of Directors; provided, however, that in cases where the Director 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. 2. Notice of a meeting of the Board of Directors shall be dispatched to each Director <u>and each Audit & Supervisory Board Member</u> at least three (3) days prior to the date of the meeting; provided, however, that in case of emergency, such period of notice may be shortened. 3. A meeting of the Board of Directors may be held without the procedures of convening if the consent of all Directors <u>and Audit & Supervisory Board Members</u> is obtained. <p style="text-align: center;">(Newly established)</p>	<p>Article 23. (Board of Directors)</p> <ol style="list-style-type: none"> 1. A meeting of the Board of Directors shall, unless otherwise provided for by laws and regulations, be convened and chaired by a Director predetermined by the Board of Directors; provided, however, that in cases where the Director 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. 2. Notice of a meeting of the Board of Directors shall be dispatched to each Director at least three (3) days prior to the date of the meeting; provided, however, that in case of emergency, such period of notice may be shortened. 3. A meeting of the Board of Directors may be held without the procedures of convening if the consent of all Directors is obtained. <p><u>Article 25. (Delegation of Decision-making on Execution of Important Business)</u></p> <p><u>The Company may delegate all or part of the decision-making on the execution of important business to Directors by resolution of the Board of Directors pursuant to the provisions of Article 399-13(6) of the Companies Act (excluding the matters listed in each item of Paragraph 5 of the same Article).</u></p>
<p>Article <u>25</u>. (Minutes of Meetings of Board of Directors)</p> <p>A summary of proceedings and results of business of meetings of the Board of Directors, as well as matters prescribed by laws and regulations, shall be stated or recorded in minutes, on which the names and seals or electronic signatures of the Directors <u>and Audit & Supervisory Board Members</u> present at the meeting shall be affixed.</p>	<p>Article <u>26</u>. (Minutes of Meetings of Board of Directors)</p> <p>A summary of proceedings and results of business of meetings of the Board of Directors, as well as matters prescribed by laws and regulations, shall be stated or recorded in minutes, on which the names and seals or electronic signatures of the Directors present at the meeting shall be affixed.</p>

Current Articles of Incorporation	Proposed Amendments
<p>Article <u>26</u>. (Board of Directors Regulations) Matters pertaining to the Board of Directors shall be governed by the Board of Directors Regulations to be established <u>as necessary</u> by the Board of Directors, in addition to laws and regulations or these Articles of Incorporation.</p>	<p>Article <u>27</u>. (Board of Directors Regulations) Matters pertaining to the Board of Directors shall be governed by the Board of Directors Regulations to be established by the Board of Directors, in addition to laws and regulations or these Articles of Incorporation.</p>
<p>Article <u>27</u>. (Remunerations, etc. for Directors) Directors' financial benefits received from the Company as a consideration for the execution of duties, such as remunerations and bonuses, shall be fixed by resolution of a General Meeting of Shareholders.</p>	<p>Article <u>28</u>. (Remunerations, etc. for Directors) Directors' financial benefits received from the Company as a consideration for the execution of duties, such as remunerations and bonuses, shall be fixed by resolution of a General Meeting of Shareholders <u>by distinguishing between Directors who are Audit & Supervisory Committee Members and other Directors.</u></p>
<p>Article <u>28</u>. (Omitted)</p>	<p>Article <u>29</u>. (No change)</p>
<p style="text-align: center;">Chapter V <u>Audit & Supervisory Board Members</u> <u>and Audit & Supervisory Board</u></p>	<p style="text-align: center;">Chapter V <u>Audit & Supervisory Committee</u></p>
<p><u>Article 29. (Number of Audit & Supervisory Board Members)</u></p>	<p>(Deleted)</p>
<p><u>The Company shall have not less than three (3) but not more than five (5) Audit & Supervisory Board Members.</u></p>	
<p><u>Article 30. (Election of Audit & Supervisory Board Members)</u></p>	<p>(Deleted)</p>
<p><u>1. Audit & Supervisory Board Members shall be elected at a General Meeting of Shareholders.</u></p> <p><u>2. Resolutions for the election of Audit & Supervisory Board Members shall be made by a majority of the voting rights of the shareholders present at the meeting where the shareholders holding one third (1/3) or more of the voting rights of the shareholders who are entitled to exercise their voting rights are present.</u></p>	
<p><u>Article 31. (Substitute Audit & Supervisory Board Members)</u></p>	<p>(Deleted)</p>
<p><u>1. The Company may elect substitute Audit & Supervisory Board Members prescribed in Article 329(3) of the Companies Act.</u></p>	

Current Articles of Incorporation	Proposed Amendments
<p><u>2. The effective term of the resolution pertaining to the election of substitute Audit & Supervisory Board Members in the preceding paragraph shall expire at the commencement of the Annual General Meeting of Shareholders for the last business year which ends within four (4) years after such resolution.</u></p> <p><u>3. The provisions of Article 30.2 shall apply mutatis mutandis to the quorum for a resolution for electing substitute Audit & Supervisory Board Members.</u></p>	
<p><u>Article 32. (Terms of Office of Audit & Supervisory Board Members)</u></p> <p><u>1. Terms of office of Audit & Supervisory Board Members shall expire at the conclusion of the Annual General Meeting of Shareholders for the last business year which ends within four (4) years from the time of their election.</u></p> <p><u>2. The term of office of an Audit & Supervisory Board Member who is elected to fill a vacancy of an Audit & Supervisory Board Member who retired before expiry of the term of office, shall expire when the term of office of the retired Audit & Supervisory Board Member expires.</u></p>	(Deleted)
<p><u>Article 33. (Full-time Audit & Supervisory Board Members)</u></p> <p><u>Full-time Audit & Supervisory Board Members shall be appointed by resolution of the Audit & Supervisory Board.</u></p>	(Deleted)
<p><u>Article 34. (Audit & Supervisory Board)</u></p> <p><u>1. Notice of a meeting of the Audit & Supervisory Board shall be dispatched to each Audit & Supervisory Board Member at least three (3) days prior to the date of the meeting; provided, however, that in case of emergency, such period of notice may be shortened.</u></p> <p><u>2. A meeting of the Audit & Supervisory Board may be held without the procedures of convening if the consent of all Audit & Supervisory Board Members is obtained.</u></p>	(Deleted)

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 35. (Method of Resolutions of Audit & Supervisory Board)</u></p> <p><u>Resolutions of the Audit & Supervisory Board shall, unless otherwise provided for in laws and regulations, be made by a majority of the Audit & Supervisory Board Members.</u></p>	(Deleted)
<p><u>Article 36. (Minutes of Meetings of Audit & Supervisory Board)</u></p> <p><u>A summary of proceedings and results of business of meetings of the Audit & Supervisory Board, as well as matters prescribed by laws and regulations, shall be stated or recorded in minutes, on which the names and seals or electronic signatures of Audit & Supervisory Board Members present at the meeting shall be affixed.</u></p>	(Deleted)
<p><u>Article 37. (Audit & Supervisory Board Regulations)</u></p> <p><u>Matters pertaining to the Audit & Supervisory Board shall be governed by the Audit & Supervisory Board Regulations to be established by the Audit & Supervisory Board, in addition to laws and regulations or these Articles of Incorporation.</u></p>	(Deleted)
<p><u>Article 38. (Remunerations, etc. for Audit & Supervisory Board Members)</u></p> <p><u>Audit & Supervisory Board Members' financial benefits received from the Company as a consideration for the execution of duties, such as remunerations and bonuses, shall be fixed by resolution of a General Meeting of Shareholders.</u></p>	(Deleted)
<p><u>Article 39. (Exemption from Liability of Audit & Supervisory Board Members)</u></p> <p><u>1. With respect to the liability of Audit & Supervisory Board Members (including persons who were Audit & Supervisory Board Members) under Article 423(1) of the Companies Act, the Company may, if they have acted in good faith and without gross negligence in performing their duties, exempt them from such liability, within the limit of the amount provided for in laws and regulations, by resolution of the Board of Directors.</u></p>	(Deleted)

Current Articles of Incorporation	Proposed Amendments
<p data-bbox="209 248 790 801"> <u>2. The Company may enter into agreements with Audit & Supervisory Board Members to the effect that, if they have acted in good faith and without gross negligence in performing their duties, the liability for damages of such Audit & Supervisory Board Members under Article 423(1) of the Companies Act shall be limited; provided, however, that the maximum amount of liability for damages under such agreements shall be either the amount specified in advance which shall not be less than five million (5,000,000) yen, or the amount prescribed by laws and regulations, whichever is higher.</u> </p> <p data-bbox="400 831 596 857">(Newly established)</p> <p data-bbox="400 1379 596 1406">(Newly established)</p>	<p data-bbox="804 831 1251 857"><u>Article 30. (Audit & Supervisory Committee)</u></p> <p data-bbox="834 887 1414 1151"> <u>1. Notice of a meeting of the Audit & Supervisory Committee shall be dispatched to each Audit & Supervisory Committee Member at least three (3) days prior to the date of the meeting; provided, however, that in case of emergency, such period of notice may be shortened.</u> </p> <p data-bbox="834 1180 1414 1350"> <u>2. A meeting of the Audit & Supervisory Committee may be held without the procedures of convening if the consent of all Audit & Supervisory Committee Members is obtained.</u> </p> <p data-bbox="804 1379 1382 1451"><u>Article 31. (Method of Resolution of Audit & Supervisory Committee)</u></p> <p data-bbox="817 1480 1414 1747"> <u>Resolutions of the Audit & Supervisory Committee shall be made by a majority of the Audit & Supervisory Committee Members present at the meeting of the Audit & Supervisory Committee where a majority of the Audit & Supervisory Committee Members entitled to participate in the vote are present.</u> </p>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p><u>Article 32. (Minutes of Meetings of Audit & Supervisory Committee)</u></p> <p><u>A summary of proceedings and results of business of meetings of the Audit & Supervisory Committee, as well as matters prescribed by laws and regulations, shall be stated or recorded in minutes, on which the names and seals or electronic signatures of Audit & Supervisory Committee Members present at the meeting shall be affixed.</u></p>
(Newly established)	<p><u>Article 33. (Audit & Supervisory Committee Regulations)</u></p> <p><u>Matters pertaining to the Audit & Supervisory Committee shall be governed by the Audit & Supervisory Committee Regulations to be established by the Audit & Supervisory Committee, in addition to laws and regulations or these Articles of Incorporation.</u></p>
Article <u>40</u> through Article <u>46</u> (Omitted)	Article <u>34</u> through Article <u>40</u> (No change)
(Newly established)	<u>Supplementary Provisions</u>
(Newly established)	<p><u>Article 1. (Transitional Measures for Exemption from Liability, etc. of Audit & Supervisory Board Members Prior to Transition to Company with Audit & Supervisory Committee)</u></p> <p><u>1. With respect to the liability of Audit & Supervisory Board Members (including persons who were Audit & Supervisory Board Members) under Article 423(1) of the Companies Act for negligence in the performance of duties prior to the effectuation of the partial amendment to the Articles of Incorporation that was resolved at the 17th Annual General Meeting of Shareholders, the Company may, if they have acted in good faith and without gross negligence in performing their duties, exempt them from such liability, within the limit of the amount provided for in laws and regulations, by resolution of the Board of Directors.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p>	<p><u>2. Agreements limiting the liability for damages under Article 423(1) of the Companies Act with respect to the acts of Audit & Supervisory Board Members (including those who were Audit & Supervisory Board Members) prior to the conclusion of the 17th Annual General Meeting of Shareholders shall continue to be governed by the pre-amended provisions of Article 39, Paragraph 2 of the Articles of Incorporation.</u></p> <p><u>Article 2. (Transitional Measures for Providing Informational Materials for General Meetings of Shareholders in Electronic Format)</u></p> <p><u>1. Article 14 (Internet Disclosure and Deemed Provision of Reference Documents for General Meeting of Shareholders, etc.) of the pre-amended Articles of Incorporation shall remain effective regarding any general meeting of shareholders held on a date within six (6) months from September 1, 2022.</u></p> <p><u>2. This Article shall be deleted on the date when six (6) months have elapsed from September 1, 2022 or three (3) months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></p>

Third proposal: Election of Nine (9) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

If approval is granted for the second proposal herein calling for “Partial Amendments to the Articles of Incorporation,” the Company will make a transition to a company with an Audit & Supervisory Committee, and the term of office of all nine (9) Directors will expire at the enforcement of the revised Articles of Incorporation.

Accordingly, the Company proposes the election of nine (9) Directors (excluding Directors who are Audit & Supervisory Committee Members; the same shall apply hereafter in this proposal), of which four (4) are Outside Directors. The proposal shall come into force, on the condition that the revision referred to in the second proposal “Partial Amendments to the Articles of Incorporation” takes effect.

Candidates for Directors were selected at the Board of Directors in accordance with “Selection Standards for Directors and Audit & Supervisory Board Members” (refer to page 39), based on deliberation at and report by the Nomination and Compensation Committee.

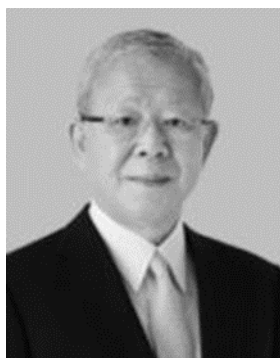
The candidates for Directors are as follows:

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%)	6/6 meetings (100%)	2/2 meetings (100%)
7	Kazuhiko Yamada	Director (outside)	Reappointment/ Outside/ Independent/ Non-executive	15/15 meetings (100%)	6/6 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	Director (outside)	Reappointment/ Outside/ Independent/ Non-executive	11/11 meetings (100%)	–	2/2 meetings (100%)

(Notes) 1. The attendance of Ms. Shoko Takase is of the Board of Directors meetings and Independent Executive Committee meetings since her appointment as Director of the Company on September 29, 2021.

2. 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, the Company plans to include him or her in the insurance policy as the 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	Yasuji Nishio	Date of birth: December 7, 1951
		70 years old
		(as of September 29, 2022)



Number of shares of the Company held
(As of June 30, 2022)
123,240 share

Term of office as Director
10 years and 5 month

Rate of attendance in meetings for the fiscal year ended June 30, 2022
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

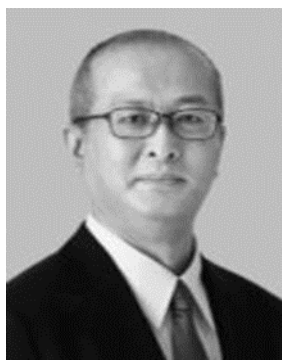
None

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. Since his appointment as Director and Chairman in July 2021, he has provided advice from an accurate viewpoint backed by his extensive management experience at the Company and an objective non-executive standpoint, while striving to improve the effectiveness of corporate governance, and contributing to strengthening the decision-making and supervisory functions of the Board of Directors. Mr. Yasuji Nishio has been selected again as a candidate for Director because the Company expects that he will fulfill the above 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. 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 conclude a new agreement with the same terms and conditions as the above-mentioned agreement with him if this proposal for his reappointment gains approval.

Candidate No.		Reappointment
2	Takeshi Yagi	Date of birth: August 9, 1967 55 years old (as of September 29, 2022)



Number of shares of the Company held
(As of June 30, 2022)
39,420 shares

Term of office as Director
8 years and 2 months

Rate of attendance in meetings for the fiscal year ended June 30, 2022
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 abundant practical experience mainly in the fields of human resources, personnel development, and corporate governance, and extensive insights into sustainability-related matters, finance, etc. After engaging in the human resources area at a bank, he was appointed Director of the Company in July 2014 and since then has strengthened corporate governance practices, developed an internal control framework, established personnel systems, and developed an educational training system and other initiatives, and has also contributed to business growth and performance improvement by participating in strategy formulation, and strengthening the decision-making function of the Board of Directors. In July 2021, he was appointed Representative Director, President and CEO and has been involved in guiding and overseeing overall management of the Group, demonstrating leadership in promoting and implementing important strategies of the medium-term management plan. Mr. Takeshi Yagi has been selected again 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.

(Note) There is no conflict of interest between Mr. Takeshi Yagi and the Company.

Candidate No.	<h1>Gaku Shimaoka</h1>	Reappointment
3		Date of birth: June 12, 1975 47 years old (as of September 29, 2022)



Number of shares of the Company held
(As of June 30, 2022)
107,220 shares

Term of office as Director
8 years and 7 months

Rate of attendance in meetings for the fiscal year ended June 30, 2022
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, and possesses extensive experience in the Group's business operations. Since his appointment as Director (in charge of Business) of the Company in February 2014, he has achieved results particularly with respect to cultivating high-value-added engineers in the department of which he is in charge, promoting collaboration with companies having the latest technologies, developing global business strategies, pursuing synergies with domestic business and other initiatives. After being appointed as Vice President, Representative Director and COO in July 2021, he has supervised business execution regarding the Group's business operations, demonstrating leadership especially in the expansion of the solution business and overseas business in the medium-term management plan, and the expansion of engineer cultivation and DX promotion projects, while at the same time contributing to strengthening the decision-making function of the Board of Directors. Mr. Gaku Shimaoka has been selected again 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.

(Note) There is no conflict of interest between Mr. Gaku Shimaoka and the Company.

Candidate No.	Reappointment
4	<p>Koichiro Asai</p> <p>Date of birth: March 3, 1970</p> <p>52 years old</p> <p>(as of September 29, 2022)</p>



Number of shares of the Company held
(As of June 30, 2022)
53,220 shares

Term of office as Director
8 years and 7 months

Rate of attendance in meetings for the fiscal year ended June 30, 2022
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.

(Note) There is no conflict of interest between Mr. Koichiro Asai and the Company.

Candidate No.	Toshihiro Hagiwara	Reappointment
5		Date of birth: August 1, 1971 51 years old (as of September 29, 2022)



Number of shares of the Company held
(As of June 30, 2022)
10,227 shares

Term of office as Director
3 years

Rate of attendance in meetings for the fiscal year ended June 30, 2022
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.
July 2019 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
September 2019 Director, TechnoPro Construction, Inc. (at present)
July 2021 Managing Director and CFO, ditto (at present)

Significant concurrent positions

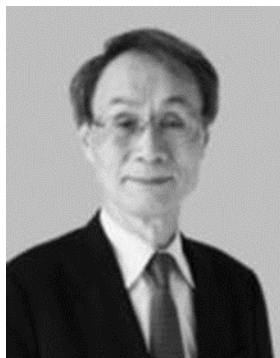
Director and Senior Executive Officer, TechnoPro, Inc.
Director, TechnoPro Construction, Inc.

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 contributed to formulating management strategies, strengthening business management by utilizing the cost of capital, capital policies to enhance the effectiveness of medium- to long-term growth strategies, securing financial stability, the active IR activities and corporate disclosure, as well as strengthening the decision-making function of the Board of Directors. Mr. Toshihiro Hagiwara has been selected again 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.

(Note) There is no conflict of interest between Mr. Toshihiro Hagiwara and the Company.

Candidate No.	<h1>Tsunehiro Watabe</h1>	Reappointment/Outside/Independent/ Non-executive
6		Date of birth: February 17, 1945 77 years old (as of September 29, 2022)



Number of shares of the Company held (As of June 30, 2022)
0 shares

Term of office as Director
10 years and 5 months

Rate of attendance in meetings for the fiscal year ended June 30, 2022
Board of Directors
15/15 meetings (100%)

Nomination and Compensation Committee
6/6 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)

June 2015 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) 1. There is no conflict of interest between Mr. Tsunehiro Watabe and the Company.
2. Mr. Tsunehiro Watabe is a candidate for Outside Director. His term of office as Outside Director is ten (10) 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 39 and 42). 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.
3. 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 conclude a new agreement with the same terms and conditions as the above-mentioned agreement with him 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 41 years old (as of September 29, 2022)



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, 2022)
0 shares

Term of office as Director
7 years

Rate of attendance in meetings for the fiscal year ended June 30, 2022
Board of Directors
15/15 meetings (100%)

Nomination and Compensation Committee
6/6 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)
1. There is no conflict of interest between Mr. Kazuhiko Yamada and the Company.
 2. Mr. Kazuhiko Yamada is a candidate for Outside Director. His term of office as Outside Director is seven (7) 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 39 and 42). 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.
 3. 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 conclude a new agreement with the same terms and conditions as the above-mentioned agreement with him if this proposal for his reappointment gains approval.

Candidate No.		Reappointment/Outside/Independent/ Non-executive
8	Harumi Sakamoto	Date of birth: April 10, 1938 84 years old (as of September 29, 2022)



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, 2022)

0 shares

Term of office as Director

6 years

Rate of attendance in meetings for the fiscal year ended June 30, 2022

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 a corporate manager and representative of various organizations. She also has a high degree of expertise gained through the experience as an Outside Director of several listed companies. 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 six (6) 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 39 and 42). 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 conclude a new agreement with the same terms and conditions as the above-mentioned agreement with her 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.	Reappointment/Outside/Independent/ Non-executive
9	Shoko Takase Date of birth: January 4, 1965 57 years old (as of September 29, 2022)



Number of shares of the Company held (As of June 30, 2022)
0 shares

Term of office as Director
1 year

Rate of attendance in meetings for the fiscal year ended June 30, 2022
Board of Directors
11/11 meetings (100%)

Independent Executive Committee
2/2 meetings (100%)

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.
September 2021 Director, ditto (at present)

Significant concurrent positions

None

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

Ms. Shoko Takase has experience as a corporate manager of a global IT company, a wealth of achievements in realizing customers' transformation which utilizes IT technology, and expansive knowledge regarding customer and technology trends. Since her appointment as Outside Director of the Company in September 2021, with the aim of expanding the solution business focusing on the digital area under the medium-term management plan, she has provided effective recommendations and advice actively at the Board of Directors meetings from a practical perspective, and has also provided proper oversight by objectively assessing business matters affecting the Company. Ms. Shoko Takase has been selected as a 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. Her term of office as Outside Director is one (1) year 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 39 and 42). The Company has registered Ms. Shoko Takase 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. Shoko Takase 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 conclude a new agreement with the same terms and conditions as the above-mentioned agreement with her if this proposal for her reappointment gains approval.

Fourth proposal: Election of Three (3) Directors Who Are Audit & Supervisory Committee Members

If approval is granted for the second proposal herein calling for “Partial Amendments to the Articles of Incorporation,” the Company will make a transition to a company with an Audit & Supervisory Committee.

Accordingly, the Company proposes the election of three (3) Directors who are Audit & Supervisory Committee Members, of which two (2) are Outside Directors.

The proposal shall come into force, on the condition that the revision referred to in the second proposal “Partial Amendments to the Articles of Incorporation” takes effect.

The Audit & Supervisory Board consented to the proposal of this resolution. Candidates for Directors who are Audit & Supervisory Committee Members were selected at the Board of Directors, taking into consideration the transition to a company with an Audit & Supervisory Committee, in accordance with “Selection Standards for Directors and Audit & Supervisory Board Members” (refer to page 39), based on deliberation at and report by the Nomination and Compensation Committee.

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

Candidate No.	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
1	Hitoshi Madarame	Full-time Audit & Supervisory Board Member	New	15/15 meetings (100%)	16/16 meetings (100%)	–	–
2	Mitsutoshi Takao	Part-time Audit & Supervisory Board Member (outside)	New/ Outside/ Independent	15/15 meetings (100%)	16/16 meetings (100%)	6/6 meetings (100%)	2/2 meetings (100%)
3	Rumiko Tanabe	Part-time Audit & Supervisory Board Member (outside)	New/ Outside/ Independent	12/12 meetings (100%)	16/16 meetings (100%)	–	2/2 meetings (100%)

(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 appointed, the Company plans to include him or her in the insurance policy as the insured. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.

Candidate No.		New
1	Hitoshi Madarame	Date of birth: May 25, 1962 60 years old (as of September 29, 2022)



Career summary, positions and responsibilities at the Company

April 1981 Joined Ishimaru Denki Co., Ltd.
March 1997 Joined TST, Inc.
June 2007 Executive Officer, General Manager of Management Division, ditto
December 2008 Executive Officer, CSI, Inc. (Compliance Promotion Division)
July 2012 Executive Officer, General Manager of Management Division, ditto
June 2013 General Manager of Internal Audit Department, TechnoPro Holdings, Inc.
September 2019 Full-time Audit & Supervisory Board Member, ditto (at present)
Audit & Supervisory Board Member, TechnoPro, Inc. (at present)
Audit & Supervisory Board Member, TechnoPro Construction, Inc. (at present)

Number of shares of the Company held (As of June 30, 2022)
549 shares

Term of office as Director

Significant concurrent positions

Audit & Supervisory Board Member, TechnoPro, Inc.
Audit & Supervisory Board Member, TechnoPro Construction, Inc.

Term of office as Audit & Supervisory Board Member
3 years

Rate of attendance in meetings for the fiscal year ended June 30, 2022
Board of Directors
15/15 meetings (100%)

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

Reasons for nomination as candidate for Director who is an Audit & Supervisory Committee Member

Mr. Hitoshi Madarame is well-informed regarding the organization, business pursuits and operating processes of the Group, as well as the laws and regulations to be observed, gained from his extensive experience as a person in charge of administrative departments in companies within the Group and in charge of the Internal Audit Department of the Company. In addition, since his appointment as a full-time Audit & Supervisory Board Member in September 2019, he has gained considerable audit experience. Mr. Hitoshi Madarame has been selected as a candidate for Director who is an Audit & Supervisory Committee Member because the Company expects that he will provide highly efficient oversight, auditing and advice.

- (Notes) 1. There is no conflict of interest between Mr. Hitoshi Madarame and the Company.
2. Mr. Hitoshi Madarame and the Company have entered into an agreement limiting his liability as an Audit & Supervisory Board Member 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 conclude a new agreement with the same terms and conditions as the above-mentioned agreement with him if this proposal for his appointment as Director who is an Audit & Supervisory Committee Member gains approval.

Candidate No.		New/Outside/Independent
2	<h1>Mitsutoshi Takao</h1>	Date of birth: April 1, 1950 72 years old (as of September 29, 2022)



Number of shares of the Company held (As of June 30, 2022)
12,000 shares

Term of office as Director

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

Rate of attendance in meetings for the fiscal year ended June 30, 2022
Board of Directors
15/15 meetings (100%)

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

Nomination and Compensation Committee
6/6 meetings (100%)

Independent Executive Committee
2/2 meetings (100%)

Career summary, positions and responsibilities 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 candidate for Outside Director who is an Audit & Supervisory Committee Member and overview of expected role

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 his appointment as Outside Audit & Supervisory Board Member of the Company in April 2014, he has appropriately performed the duties of an 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 strengthening 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. He also has a high degree of expertise and professional knowledge gained through serving as Outside Director who is an Audit & Supervisory Committee Member of another listed company. Mr. Mitsutoshi Takao has been selected as a candidate for Outside Director who is an Audit & Supervisory Committee Member (independent officer) 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. Mr. Mitsutoshi Takao is a candidate for Outside Director. He is currently an Outside Audit & Supervisory Board Member. His term of office as Outside Audit & Supervisory Board Member is eight (8) years and five (5) months at the conclusion of this Annual General Meeting of Shareholders. He also 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 39 and 42). 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 appointment as Director who is an Audit & Supervisory Committee Member gains approval.
3. Mr. Mitsutoshi Takao and the Company have entered into an agreement limiting his liability as an Audit & Supervisory Board Member 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 conclude a new agreement with the same terms and conditions as the above-mentioned agreement with him if this proposal for his appointment as Director who is an Audit & Supervisory Committee Member gains approval.

Candidate No.		New/Outside/Independent
3	Rumiko Tanabe	Date of birth: December 5, 1969
		52 years old
		(as of September 29, 2022)



Career summary, positions and responsibilities at the Company

April 1992	Audit Department, Asahi Shinwa Audit Corporation (current KPMG AZSA LLC)
January 2003	Assistant Controller, American Home Assurance Company, Ltd.
December 2004	General Manager of Accounts and Finance Division and Controller, ditto
March 2006	Leader of Consolidated Accounts Team, FAST RETAILING CO., LTD.
January 2007	Consolidated Group Leader, HOYA CORPORATION
October 2014	Accounting General Manager of Finance Division, ditto
July 2018	Senior Manager of Vision Care Company Global Headquarters, ditto
June 2020	Director (audit & supervisory committee member), Fast Fitness Japan, Inc.
July 2020	Founded Tanabe Accountant Office (at present)
September 2020	Audit & Supervisory Board Member, TechnoPro Holdings, Inc. (at present)
October 2020	Audit & Supervisory Board Member, Credit Engine Group, Inc. (at present)

Number of shares of the Company held (As of June 30, 2022)
300 shares

Term of office as Director

Term of office as Audit & Supervisory Board Member
2 years

Rate of attendance in meetings for the fiscal year ended June 30, 2022
Board of Directors
15/15 meetings (100%)

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

Independent Executive Committee
2/2 meetings (100%)

Significant concurrent positions

Head, Tanabe Accounting Office
Audit & Supervisory Board Member, Credit Engine Group, Inc.

Reasons for nomination as candidate for Outside Director who is an Audit & Supervisory Committee Member and overview of expected role

Ms. Rumiko Tanabe possesses wide-ranging knowledge in finance, accounts, overall audit, corporate governance, etc., accumulated through her experience in financial accounting operations in listed enterprises and auditing subsidiaries in addition to her professional expertise as a certified public accountant. Since her appointment as Outside Audit & Supervisory Board Member in September 2020, she has exercised her duties as Outside Audit & Supervisory Board Member appropriately by stating effective opinions at the Board of Directors and the Audit & Supervisory Board, etc. She also has a high degree of expertise and professional knowledge gained through serving as Audit & Supervisory Board Member of another company. Ms. Rumiko Tanabe has been selected as a candidate for Outside Director who is an Audit & Supervisory Committee Member (independent officer) because the Company expects that she will provide oversight, auditing and advice from a neutral and objective perspective.

- (Notes) 1. There is no conflict of interest between Ms. Rumiko Tanabe and the Company.
2. Ms. Rumiko Tanabe is a candidate for Outside Director. She is currently an Outside Audit & Supervisory Board Member. Her term of office as Outside Audit & Supervisory Board Member is two (2) years at the conclusion of this Annual General Meeting of Shareholders. She also 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 39 and 42). The Company has registered Ms. Rumiko Tanabe 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 appointment as Director who is an Audit & Supervisory Committee Member gains approval.
3. Ms. Rumiko Tanabe and the Company have entered into an agreement limiting her liability as an Audit & Supervisory Board Member 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 conclude a new agreement with the same terms and conditions as the above-mentioned agreement with her if this proposal for her appointment as Director who is an Audit & Supervisory Committee Member gains approval.

Fifth proposal: Election of One (1) Substitute Director Who Is an Audit & Supervisory Committee Member

If approval is granted for the second proposal herein calling for “Partial Amendments to the Articles of Incorporation,” the Company will make a transition to a company with an Audit & Supervisory Committee.

Accordingly, the Company proposes the election of a substitute Director who is an Audit & Supervisory Committee Member to be ready to fill a vacant position should the number of Directors who are Audit & Supervisory Committee Members fall below the number required by laws and regulations and the Articles of Incorporation. The proposal shall come into force, on the condition that the revision referred to in the second proposal “Partial Amendments to the Articles of Incorporation” takes effect.

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

The Audit & Supervisory Board consented to the proposal of this resolution. The candidate for substitute Director who is an Audit & Supervisory Committee Member was selected at the Board of Directors, taking into consideration the transition to a company with an Audit & Supervisory Committee, in accordance with “Selection Standards for Directors and Audit & Supervisory Board Members” (refer to page 39), based on deliberation at and report by the Nomination and Compensation Committee.

The candidates for substitute Directors who are Audit & Supervisory Committee Members are as follows:

Yoshio Kitaarai	New/Outside/Independent Date of birth: September 5, 1954 68 years old (as of September 29, 2022)
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Number of shares of the Company held
(As of June 30, 2022)
0 shares

Career summary, positions and responsibilities 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)
- October 2012 Councilor, Tsumugi (Social Welfare Corporation) (at present)

Significant concurrent positions

Representative attorney, Kitaarai-Aoki Law Office

Reasons for nomination as candidate for substitute Outside Director who is an Audit & Supervisory Committee Member and overview of expected role

Although Mr. Yoshio Kitaarai has no experience in corporate management directly, he possesses long-standing experience of serving as an attorney in cases in various fields of law including commercial transactions, corporate reorganization, and employment, as well as corporate lawsuits such as shareholder derivative suits. Mr. Yoshio Kitaarai has been selected as a candidate for substitute Outside Director who is an Audit & Supervisory Committee Member because the Company expects that he will provide appropriate auditing and advice, etc. on business execution by Directors from a legal professional’s perspective.

- (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 Director who is an Audit & Supervisory Committee 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 39 and 42). The Company intends to provide notification to Tokyo

Stock Exchange, Inc. of his position as Independent Officer if he is elected as Director who is an Audit & Supervisory Committee Member.

3. If Mr. Yoshio Kitaarai is appointed as Director who is an Audit & Supervisory Committee 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: Setting of the Amount of Remuneration of Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

If approval is granted for the second proposal herein calling for “Partial Amendments to the Articles of Incorporation,” the Company will make a transition to a company with an Audit & Supervisory Committee.

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, in connection with the transition to a company with an Audit & Supervisory Committee, the Company proposes to discontinue the above-mentioned compensation, and newly stipulate the amount of compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) as up to 600 million yen (of which, compensation for Outside Directors is not more than 100 million yen), taking into consideration various economic conditions, as provided by the provisions of paragraphs 1 and 2 of Article 361 of the Companies Act. In addition, the amount of the above-mentioned compensation shall not include the wages paid to the relevant directors as employees of the Company as before.

The current number of Directors is nine (9) (of which, four (4) are Outside Directors). If approval is granted for the second and third proposals herein, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) subject to the compensation referred to in the proposal will be nine (9) (of which four (4) are Outside Directors).

The proposal shall come into force, on the condition that the revision referred to in the second proposal “Partial Amendments to the Articles of Incorporation” takes effect.

The amount of remuneration has been set in consideration of the above circumstances. Moreover, the fixed remuneration and single-year bonus (performance-linked remuneration) based on the proposal are paid based on the policy for determining the details of individual remuneration of Directors (excluding Directors who are Audit & Supervisory Committee Members) to be resolved to elect at the Board of Directors subsequent to the conclusion of the General Meeting of Shareholders, and the Board of Directors has received reports from the Nomination and Compensation Committee which deliberated and recognized the appropriateness of the setting of the amount of remuneration in the proposal. Accordingly, we believe that the content of this proposal is appropriate.

Seventh proposal: Setting of the Amount of Remuneration of Directors Who Are Audit & Supervisory Committee Members

If approval is granted for the second proposal herein calling for “Partial Amendments to the Articles of Incorporation,” the Company will make a transition to a company with an Audit & Supervisory Committee.

Accordingly, as provided by the provisions of paragraphs 1 and 2 of Article 361 of the Companies Act, the Company proposes to stipulate the amount of compensation for Directors who are Audit & Supervisory Committee Members as up to 100 million yen, taking into consideration the responsibilities of Audit & Supervisory Committee Members and economic situations and other conditions.

If approval is granted for the second and fourth proposals herein, the number of Directors who are Audit & Supervisory Committee Members subject to the compensation referred to in the proposal will be three (3).

The proposal shall come into force, on the condition that the revision referred to in the second proposal “Partial Amendments to the Articles of Incorporation” takes effect.

The amount of remuneration has been set in consideration of the above circumstances. Moreover, the proposed amount of remuneration is the same as the amount of remuneration of Audit & Supervisory Board Members which was approved at the Extraordinary General Meeting of Shareholders held on June 30, 2014, and the Board of Directors has received reports from the Nomination and Compensation Committee which deliberated and recognized the appropriateness of the setting of the amount of remuneration in the proposal. Accordingly, we believe that the content of this proposal is appropriate.

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

1. Overview of the proposal

The 16th Annual General Meeting of Shareholders held on September 29, 2021 approved to implement a plan to issue restricted stock units under the performance-based stock compensation program, known as the Performance Share Unit (hereinafter the “Plan”) as an incentive structure based on the achievement of the performance criteria for the Company’s Directors (limited to Executive Directors). As the Company will make a transition to a company with an Audit & Supervisory Committee on the condition that approval is granted for the second proposal herein calling for “Partial Amendments to the Articles of Incorporation,” the Company proposes to abolish the remuneration amount limit pertaining to the Plan, and newly set a remuneration amount limit pertaining to the Plan. The Company asks for the approval of this proposal separately from the above-mentioned amount of the remuneration of Directors (excluding Directors who are Audit & Supervisory Committee Members) to be approved in the sixth proposal.

If approval is granted for the second and third proposals herein, the number of Directors subject to the compensation referred to in the proposal will be four (4).

The proposal shall come into force, on the condition that the revision referred to in the second proposal “Partial Amendments to the Articles of Incorporation” takes effect.

The proposal is part of a procedure associated with the transition to a company with an Audit & Supervisory Committee. The details of the remuneration amount pertaining to the Plan are substantially the same as what was approved at the 16th Annual General Meeting of Shareholders held on September 29, 2021. Moreover, the Plan’s payment is based on the policy for determining the details of individual remuneration of Directors (excluding Directors who are Audit & Supervisory Committee Members) to be resolved to elect at the Board of Directors subsequent to the conclusion of the General Meeting of Shareholders, and the Board of Directors has received reports from the Nomination and Compensation Committee which deliberated and recognized the appropriateness of the Plan. Accordingly, we believe that the content of this proposal is appropriate.

2. Overview of the Plan

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. Granting 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 shares. 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.

3. 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.

4. Details of the Plan

(1) Number of shares to be granted

As described above “2. Overview of the Plan,” 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^{*1} × 0.8 × Performance-based compensation rate (I)^{*2} ÷ Price of allotted shares^{*3}
(*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^{*1} × 0.2 × Performance-based compensation rate (II)^{*4} ÷ Price of allotted shares^{*3}
(*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 2. 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 described in the above-mentioned (1)(*3).

(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:

After the Plan was approved at the 16th Annual General Meeting of Shareholders held on September 29, 2021, a performance-based stock compensation program similar to the Plan has been adopted for Directors, Executive Officers and other core personnel of the Company and its subsidiaries.

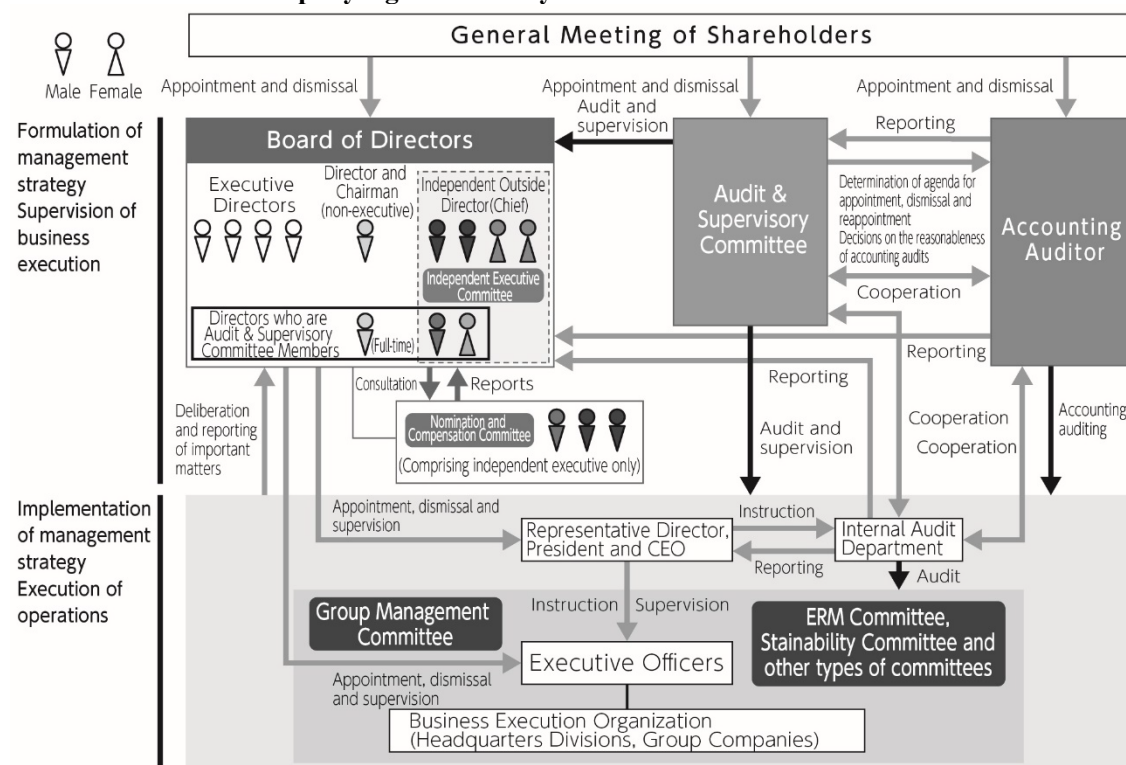
For reference: Skill matrix for the Board of Directors

In pursuit of the corporate purpose (significance of existence) “Create value with customers with the use of technology and human resources, and contribute to the achievement of a sustainable society,” the Company works toward important strategies of the medium-term management plan “Evolution 2026”: (1) growth and evolution of the core projects (engineer dispatching business in Japan); (2) expansion of the solution business and overseas business centering on the digital area; and (3) expansion of engineer cultivation and DX promotion projects. To execute these projects steady and supervise them appropriately, the Board of Directors of the Company believes that it is necessary for the Board Members to have necessary knowledge, experience and capabilities in a well-balanced manner as a whole, while also keeping a balance between diversity and the size of the Board. The members of the Board of Directors, and the main skills, experience, and knowledge that are possessed by each member will be as follows (if the second, third and fourth proposals are approved).

		Board of Directors	Audit & Supervisory Committee	Nomination and Compensation Committee	Independent Executive Committee	Attributes		Fields of Experience, Expertise, etc.										Specialization
		◎Chairperson	◎Chairperson	◎Chairperson	◎Chairperson	Gender	Independence	Insights in the Trend of Technology, IT, and Digitalization	Experience as CFO, or Experience and Expertise in Finance, Accounting, and Tax Management	Experience and Knowledge of M&A	Global Experience and Language Skills	Experience and Expertise in Personnel and Human Resource Development	Insight in ESG and Sustainability	Experience and Expertise in Law, Compliance, Risk Management, and Internal Auditing	(Profession or Qualification with High Business Relevance)			
Name	Position					●Male ★Female		Achievements and Experience in Human Resources Business Management	Management Experience in Other Listed Companies, etc.									
Yasuji Nishio	Director and Chairman	◎				●	●	●	●		●							
Takeshi Yagi	Representative Director, President and CEO	●				●					●	●	●					
Gaku Shimaoka	Vice President, Representative Director and COO	●				●	●	●										
Koichiro Asai	Senior Managing Director	●				●	●	●										
Toshihiro Hagiwara	Managing Director and CFO	●				●			●	●	●			Certified public accountant				
Tsunehiro Watabe	Outside Director	●	●	◎	●	●			●	●	●							
Kazuhiko Yamada	Outside Director	●	●	●	●	●							●	Attorney				
Harumi Sakamoto	Outside Director	●		●	★	●			●									
Shoko Takase	Outside Director	●		●	★	●	●	●			●							
Hitoshi Madarame	Director (Full-time Audit & Supervisory Committee Member)	●	◎			●							●					
Mitsutoshi Takao	Outside Director (Audit & Supervisory Committee Member)	●	●	◎	●	●	●		●	●		●						
Rumiko Tanabe	Outside Director (Audit & Supervisory Committee 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 second, third and fourth proposals are approved.
 2. The Board of Directors is chaired by a Non-executive Director and Chairman. The Audit & Supervisory Committee is chaired by a full-time Director who is an Audit & Supervisory Committee Member. The Nomination and Compensation Committee is chaired by an Independent Outside Director. 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 the system to conduct the following. The “TechnoPro Group Corporate Governance Guidelines” will be revised in accordance with a transition to a company with an Audit & Supervisory Committee.

- Adopt a 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 Committee comprising Audit & Supervisory Committee Members, 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 regarding matters such as executive appointments and compensation.

(Implementation of Nomination and Compensation Committee meetings)

The Committee has held six meetings in this fiscal year and deliberated matters concerning personnel affairs of officers of the Company and the Group companies, remuneration of officers (including individual personnel affairs and remuneration amount, the policy for determining remuneration, and a stock-based remuneration system), review of the organizational design, and succession of key positions, among other things.

- 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 (after the transition to a company with an Audit & Supervisory Committee, Independent Outside Directors) 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 business strategies, corporate governance system, 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 2022.

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 (excluding Director who is Audit & Supervisory Committee Member) and Director who is Audit & Supervisory Committee 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,” “Standards and Procedures for Appointment and Dismissal of CEO” and “Independence Standards for Outside Officers” will be revised as appropriate, as the Company will transition to a company with an Audit & Supervisory Committee, on the condition that approval is granted for the second proposal herein calling for “Partial Amendments to the Articles of Incorporation.”

[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.

“Prerequisites” for All Directors and Audit & Supervisory Board Members	
<ol style="list-style-type: none"> All such individuals must exhibit outstanding character, knowledge and insight, while maintaining high regard for regulatory compliance and ethical standards. All such individuals must maintain objectivity in making decisions, perceptiveness and foresight. 	
“Common requirements” for Outside Directors and Outside Audit & Supervisory Board Members in particular	
<ol style="list-style-type: none"> 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. 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. 	
Requirements for Outside Directors in particular	Requirements for Outside Audit & Supervisory Board Members in particular
<ol style="list-style-type: none"> 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. 	<ol style="list-style-type: none"> 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.
Requirements for Inside Directors in particular	Requirements for Inside Audit & Supervisory Board Members in particular
<ol style="list-style-type: none"> 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. Such individuals must be counted on to conduct business, with a capacity to manage organizations drawing on a Company-wide perspective. 	<ol style="list-style-type: none"> 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

- The appointment and dismissal of Directors and Audit & Supervisory Board Members shall be subject to resolution by a General Meeting of Shareholders.
- 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.
- 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.
- If any Director or Audit & Supervisory Board Member does not meet the above-mentioned 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) A list of the main skills, experience, and knowledge that are possessed by each Director and Audit & Supervisory Board Member shall be formulated, utilized, and disclosed as a skill matrix.
- (4) At least one (1) independent Outside Director shall be a person who has management experience in another company.
- (5) 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 solely 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 above-mentioned 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.

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/>