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(Code: 4847 TSE Prime market)  
September 7, 2022

**To Shareholders with Voting Rights:**

Kunimitsu Sato  
Chief Executive Officer,  
Representative Director  
INTELLIGENT WAVE INC.  
1-21-2, Shinkawa, Chuo-ku, Tokyo,  
Japan

**NOTICE OF  
THE 39TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

We are pleased to inform you that the 39th Annual General Meeting of Shareholders of INTELLIGENT WAVE INC. (the “Company”) will be held for the purposes as described below.

In order to prevent the new coronavirus from spreading, we kindly ask that you check the epidemic situation as well as your own physical condition on the date of the General Meeting of Shareholders before deciding to attend.

Instead of attending the meeting, you may exercise your voting rights by either of the methods below. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by no later than 6:00 p.m. Japan time on Tuesday, September 27, 2022.

[Exercising Voting Rights by Mail]

Please indicate your vote of approval or disapproval for the proposals on the enclosed Voting Rights Exercise Form and return it so that it arrives by the above exercise deadline.

[Exercising Voting Rights via the Internet]

Please access the URL indicated on the Voting Rights Exercise Form and enter your vote of approval or disapproval for the proposals by the above exercise deadline. For details, please see the “Guide to Exercising Voting Rights via the Internet” on page 5 (Japanese version only).

- 1. Date and Time:** Wednesday, September 28, 2022 at 10:00 a.m. Japan time  
(Reception opens: 9:00 a.m.)
- 2. Place:** “EAST21 HALL,” first floor of Hotel East 21 Tokyo located at  
6-3-3, Toyo, Koto-ku, Tokyo, Japan
- 3. Meeting Agenda:**
  - Matters to be reported:** The Business Report and the Non-consolidated Financial Statements for the Company’s 39th Fiscal Year (July 1, 2021 - June 30, 2022)
  - Proposals to be resolved:**
    - Proposal 1:** Distribution of Surplus
    - Proposal 2:** Partial Amendments to the Articles of Incorporation
    - Proposal 3:** Election of 6 Directors
    - Proposal 4:** Election of 2 Auditors
    - Proposal 5:** Payment of Retirement Bonuses to Retiring Directors and Auditors

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- ◎ If attending the meeting, please present the enclosed Voting Rights Exercise Form at the reception desk upon your arrival.  
Additionally, please bring this Convocation Notice with you in order to conserve resources.
  - ◎ If the Reference Documents for the General Meeting of Shareholders, the Business Report, and the Non-consolidated Financial Statements are amended, the amended items will be posted on our Internet website (<https://www.iwi.co.jp>).

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Distribution of Surplus

The Company considers the return of profits to shareholders an important management issue, and our basic policy is to maintain a stable level of dividends, while taking into consideration the internal reserves required for strengthening our business foundations.

Based on this basic policy, the year-end dividend for the fiscal year under review shall be 17 yen per share, a 4 yen increase from the previous fiscal year, as a part of measures to enhance shareholder returns.

#### Items Related to the Year-end Dividend

(1) Type of dividend property

Cash

(2) Items related to the allocation of dividend property to shareholders and its total amount

17 yen per common share

Total amount: 446,813,533 yen

(3) Effective date of distribution of surplus

September 29, 2022

**Proposal 2:** Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) were enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.

- (1) The proposed Article 14, Paragraph 1 provides that information contained in the reference documents for the general meeting of shareholders, etc. shall be provided electronically.
- (2) The purpose of the proposed Article 14, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (3) The provisions related to the internet disclosure and deemed provision of the reference documents for the general meeting of shareholders, etc. (Article 14 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (4) In line with the above establishment and deletion of the provisions, supplementary provisions related to transitional measures shall be established.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u>  <u>Article 14 The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p> <p>(Newly established)</p> <p>(Newly established)</p>	<p>(Deleted)</p> <p><u>(Measures for Electronic Provision, Etc.)</u>  <u>Article 14 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u>  <u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u>  <u>(Supplementary Provisions)</u>  <u>1. Article 14 of the Articles of Incorporation before amendment (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) shall remain in force with respect to a general meeting of shareholders to be held on a date before February 28, 2023.</u>  <u>2. These supplementary provisions shall be deleted on March 1, 2023, or after the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

**Proposal 3:** Election of 6 Directors

The terms of office of all 6 Directors will expire at the conclusion of this year's General Meeting of Shareholders. Accordingly, the Company proposes the election of 6 Directors.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Kunimitsu Sato (December 23, 1959)	April 1983      Joined Dai Nippon Printing Co., Ltd. October 2001    General Manager of Sales Development Dept., IC Card Div., Business Forms & Securities Operations April 2006      General Manager of IC Card Business Development Dept., IC Card Business Development Div., Information Processing Solutions Operations April 2007      General Manager of IC Card Business Development Div., Information Processing Solutions Operations October 2012    General Manager of Digital Security Div., Information Solutions Operations April 2016      Deputy General Manager of C&I Center, Information Innovation Operations April 2018      General Manager of C&I Center, Information Innovation Operations September 2019   Director of the Company April 2020      Deputy General Manager of Information Innovation Operations, Dai Nippon Printing Co., Ltd. September 2020   Chief Executive Officer, Representative Director of the Company (current)	8,100
<Reason for nomination as candidate for Director> Mr. Kunimitsu Sato took office as Chief Executive Officer, Representative Director in September 2020. He possesses abundant experience and insight in the industry. With his strong leadership and deep understanding of the Company's entire organization, he may be expected to fulfill a sufficient role in providing appropriate advice and information as well as managing and supervising the execution of business operations at the Company, and we therefore propose his continued election as Director.			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	Kenichi Tachinooka (August 16, 1963)	<p>April 1988      Joined the Company</p> <p>July 2010      Executive Officer; General Manager of Securities Solution Business Division</p> <p>July 2011      General Manager of 3rd Sales Department, 1st Sales Division; General Manager of Securities System Development Division</p> <p>July 2012      General Manager of Securities System Development Division</p> <p>February 2014    General Manager of Financial System Development Division; General Manager of Securities System Development Division</p> <p>September 2014    Director; General Manager of Financial System Development Division; General Manager of Securities System Development Division; Director of Security System Development Division</p> <p>April 2015      Director; General Manager of BPM Division; General Manager of Financial System Development Division; General Manager of Securities System Development Division</p> <p>July 2015      Director; Director of 2nd System Development Division; General Manager of BPM Division; General Manager of 1st System Development Division</p> <p>April 2016      Director; Director of BPM Division; General Manager of 1st System Development Division; Director of 2nd System Development Division</p> <p>September 2016    Managing Director; Director of BPM Division; General Manager of 1st System Development Division; Director of 2nd System Development Division</p> <p>July 2017      Managing Director; General Manager of System Development Division</p> <p>July 2018      Managing Director; Director of 1st System Development Division; Director of 2nd System Development Division; Director of 3rd System Development Division</p> <p>July 2019      Managing Director; Director of 3rd System Development Division</p> <p>October 2020     Managing Executive Officer; Director of 3rd System Development Division</p> <p>July 2021      Managing Executive Officer; Director of 3rd System Development Division; Director of Quality Assurance Department</p> <p>July 2022      Managing Executive Officer; Director of Strategy &amp; R&amp;D Division; Director of Security System Division; Director of Quality Assurance Department (current)</p>	4,300
<p>&lt;Reason for nomination as candidate for Director&gt; Mr. Kenichi Tachinooka has a wide range of operational knowledge and experience concerning system development, security product development and sales, and quality assurance in general. He may be expected to fulfill a sufficient role in managing and supervising the execution of business operations at the Company, and we therefore propose his election as Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Taisuke Goto (April 27, 1974)	<p>December 1998    Joined Software Japan Laboratory</p> <p>March 2005        Joined the Company</p> <p>January 2016      General Manager of Development Department III, 1st System Development Division</p> <p>October 2016      Deputy General Manager of System Development Division; Deputy General Manager of Project Promotion Division</p> <p>July 2017           Deputy General Manager of System Development Division</p> <p>October 2017      Deputy General Manager of System Development Division; Security Management Department, Business Administration Division</p> <p>July 2018           General Manager of 3rd System Development Division</p> <p>September 2018   Director; General Manager of 3rd System Development Division</p> <p>July 2019           Director; Director of Business Administration Division; Director of Management Planning Office</p> <p>June 2020           Board Member of the Software Association of Japan (current)</p> <p>September 2020   Director; Executive Officer of Business Administration Division and Director of Management Planning Office, the Company</p> <p>September 2021   Director; Managing Executive Officer of Business Administration Division and Director of Management Planning Office (current)</p>	3,000
<p>&lt;Reason for nomination as candidate for Director&gt;</p> <p>Mr. Taisuke Goto possesses abundant operational knowledge and experience, having overseen development of the Company's products, primarily in relation to the development of systems to detect fraudulent credit card transactions, since joining the Company. In addition, he has been overseeing the Business Administration Division and Management Planning Office since July 2019. He may be expected to fulfill a sufficient role in managing and supervising the execution of business operations at the Company as the officer responsible for strengthening coordination between administration and development departments, and we therefore propose his continued election as Director.</p>			
4	Mitsue Sako (May 26, 1964)	<p>January 1990      Joined Dai Nippon Sapporo ISD Co., Ltd.</p> <p>June 2002           General Manager of Sapporo System Development Department I, Hokkaido System Division, DNP Information Systems Co., Ltd.</p> <p>April 2005           General Manager of Embedded System Development Division</p> <p>October 2012      Corporate Officer, General Manager of Information Processing Solutions System Development Division</p> <p>April 2017           Corporate Officer, in charge of System Integration Division, System Product Development Division, Hokkaido System Division, Tohoku System Division, and Western Japan System Division, DNP Digital Solutions Co., Ltd.</p> <p>April 2019           Senior Corporate Officer</p> <p>October 2020      Deputy General Manager of System Platform Development Division, ICT Center, Information Innovation Operations, Dai Nippon Printing Co., Ltd.</p> <p>September 2021   Director; Executive Officer; Director of 2nd System Development Division, the Company</p> <p>July 2022           Director; Executive Officer; Director of 2nd System Division (current)</p>	400
<p>&lt;Reason for nomination as candidate for Director&gt;</p> <p>Ms. Mitsue Sako possesses abundant operational knowledge and experience, having long been engaged in a variety of system development projects. She may be expected to fulfill a sufficient role in managing and supervising the execution of business operations at the Company, and we therefore propose her continued election as Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
	Akira Watanabe (May 13, 1953)	April 1979 Registered as attorney at law (current) Akira Watanabe Law Office April 1999 Special Visiting Professor of Faculty of Law, Gakushuin University April 2003 Visiting Professor of Faculty of Law, Seikei University April 2004 Professor of Gakushuin University Law School September 2013 Project Professor of Research Center for Advanced Science and Technology, The University of Tokyo September 2014 Director of the Company (current) April 2019 Visiting Fellow of Research Center for Advanced Science and Technology, The University of Tokyo (current)	15,100
5	<p data-bbox="193 607 1129 633">&lt;Reason for nomination as candidate for Outside Director and overview of expected roles&gt;</p> <p data-bbox="193 636 1461 965">Mr. Akira Watanabe possesses legal expertise as an attorney at law, in addition to academic knowledge from serving in numerous positions, including Project Professor of Research Center for Advanced Science and Technology, The University of Tokyo. As Outside Director, he participates in management from an objective standpoint and provides appropriate advice and suggestions when the Board of Directors is making decisions, from a standpoint independent of the management team engaged in the execution of business operations. In addition, in June 2021, he became a member of the Nomination and Compensation Committee, and engages in making decisions on nominating candidates for Directors, selecting Executive Officers and compensation for Directors and other matters from an objective and neutral standpoint. The Company expects him to contribute to further strengthening its governance system and give appropriate advice and suggestions, and therefore proposes his continued election as Outside Director. Although he does not have experience of engaging in corporate management other than as an outside officer, the Company deems that he is capable of performing his duties as an Outside Director appropriately as he did to this day.</p>		



No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
6	Kenichi Miki (July 11, 1955)	<p>April 1978      Joined Daiwa Securities Co. Ltd.</p> <p>August 1979    Joined Daiwa Computer Service Co., Ltd. (currently Daiwa Institute of Research Ltd.)</p> <p>June 2002      General Manager of System Solution Business Headquarters</p> <p>April 2004      Executive Officer; General Manager of System Solution Business Headquarters; General Manager of Telecom System Business Headquarters; Officer in charge of Social Insurance System Business Headquarters; Information Security Officer</p> <p>April 2005      Executive Officer in charge of operations, Daiwa Securities SMBC Co. Ltd.</p> <p>June 2006      Outside Director, Japan Securities Depository Center, Incorporated</p> <p>April 2008      Managing Executive Officer in charge of operations, Daiwa Securities SMBC Co. Ltd.</p> <p>January 2010    Managing Executive Officer in charge of operations, Daiwa Securities Capital Markets Co. Ltd.</p> <p>April 2010      Executive Managing Director; Deputy Head of Administrative Division, Daiwa Securities Co. Ltd.</p> <p>April 2011      Senior Executive Managing Director, Daiwa Institute of Research Holdings Ltd.; President, DIR Information Systems Co., Ltd.</p> <p>April 2015      Senior Executive Managing Director, Daiwa Institute of Research Business Innovation Ltd.; President, DIR Xunhe Business Innovation (Beijing) Limited; President, DIR Xunhe Business Innovation (Jinan) Limited</p> <p>April 2016      Advisor, Daiwa Institute of Research Business Innovation Ltd.</p> <p>April 2017      Retired as Advisor</p> <p>September 2017 Director of the Company (current)</p>	—
<p>&lt;Reason for nomination as candidate for Outside Director and overview of expected roles&gt;</p> <p>Mr. Kenichi Miki possesses experience as a manager and abundant knowledge and expertise in the industry, having overseen system development departments at Daiwa Institute of Research Ltd. over many years, before serving as Managing Executive Officer in charge of operations at Daiwa Securities SMBC Co. Ltd., Managing Executive Officer in charge of operations at Daiwa Securities Capital Markets Co. Ltd., and subsequently Executive Managing Director at Daiwa Securities Co. Ltd. As Outside Director, he participates in management from an objective standpoint and provides appropriate advice and suggestions when the Board of Directors is making decisions, from a standpoint independent of the management team engaged in the execution of business operations. In June 2021, he became the chair of the Nomination and Compensation Committee, and engages in making decisions on nominating candidates for Directors, selecting Executive Officers and compensation for Directors and other matters from an objective and neutral standpoint. The Company expects him to contribute to further strengthening its governance system and give appropriate advice and suggestions, and therefore proposes his continued election as Outside Director.</p>			

(Notes)

1. Mr. Kenichi Tachinooka is a new candidate for Director.
2. There are no special interests between the candidates for Directors and the Company.
3. Messrs. Akira Watanabe and Kenichi Miki are candidates for Outside Directors.  
The Company has designated Messrs. Akira Watanabe and Kenichi Miki as Independent Directors as stipulated by the rules of the Tokyo Stock Exchange, and has registered them as such with the Exchange. If their reelection is approved at this year's General Meeting of Shareholders, they will remain as Independent Directors.
4. Number of years as Outside Director of the Company since each candidate for Outside Director assumed office  
Mr. Akira Watanabe will have served as Outside Director of the Company for 8 years at the conclusion of this year's General Meeting of Shareholders.  
Mr. Kenichi Miki will have served as Outside Director of the Company for 5 years at the conclusion of this year's General Meeting of Shareholders.
5. In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Messrs. Akira Watanabe and Kenichi Miki under which their liability for damages pursuant to Article 423, Paragraph 1 of the same act shall be limited to the amount provided for in laws and regulations. If their reelection is approved at this year's General Meeting of Shareholders, the Company intends to continue the same liability limitation agreement

with each of them as stipulated in the Company's Articles of Incorporation, in order to allow them to adequately fulfill their expected roles as Outside Directors.

6. The Company has entered into a directors and officers liability insurance contract as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to insure its Directors, Auditors, and Executive Officers. The insurance covers claims for damage and legal costs incurred by the insured in the event that claims for damages arise due to their actions made in their capacity as an officer. The candidates for Director will be insured by the contract if they are elected. The contract term of the insurance is 1 year, and the Company intends to renew the insurance contract before the expiration of the contract term upon the resolution of the Board of Directors.

**Proposal 4:** Election of 2 Auditors

The term of office of Auditor Mr. Masaharu Shirasugi will expire at the conclusion of this year's General Meeting of Shareholders and Auditor Mr. Yoshinori Kato will resign at the conclusion of this year's General Meeting of Shareholders. Accordingly, the Company proposes the election of 2 Auditors.

The Board of Auditors has previously given its approval to this proposal.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Takeshi Matsuda (December 20, 1964)	<p>April 1988      Joined the Company</p> <p>January 2005    General Manager of 2nd System Department, Credit System Business Division</p> <p>February 2014   General Manager of Security System Development Division</p> <p>April 2015      General Manager of Security Solution Business Division; General Manager of Planning and Development Promotion Division</p> <p>July 2015        General Manager of Security Solution Business Division</p> <p>September 2015 Director; General Manager of Security Solution Business Division</p> <p>July 2016        Director; General Manager of Security Solution Business Division; Deputy General Manager of 1st System Development Division</p> <p>October 2016    Director; General Manager of Security Solution Business Division; Deputy General Manager of Project Promotion Division; Deputy General Manager of System Development Division</p> <p>July 2017        Director; General Manager of Project Promotion Division</p> <p>July 2018        Director; General Manager of 1st System Development Division</p> <p>September 2018 Managing Director; General Manager of 1st System Development Division</p> <p>July 2019        Managing Director; Director of 1st System Development Division</p> <p>October 2020    Managing Executive Officer; Director of 1st System Development Division</p> <p>March 2022      Managing Executive Officer; Director of 1st System Development Division; Director of Business Development Office</p> <p>July 2022        Managing Executive Officer; Director of 1st System Division; Director of 3rd System Division (current)</p>	6,100
<p>&lt;Reason for nomination as candidate for Auditor&gt;</p> <p>Mr. Takeshi Matsuda possesses abundant operational knowledge and experience in general system development, primarily related to the finance sector and the security sector. He may be expected to provide oversight and advice on overall management based on his wide-ranging insight, and we therefore propose his election as Auditor.</p>			
2	Naoyuki Beppu (March 13, 1967)	<p>April 1989      Joined Dai Nippon Printing Co., Ltd.</p> <p>June 1991       Recruiting and Training Dept.</p> <p>July 1995        Dai Nippon Printing Labor Union (temporary leave and seconded)</p> <p>June 2005       Executive Chairperson of Dai Nippon Printing Labor Union</p> <p>June 2021       Dai Nippon Printing Co., Ltd. (reinstated)</p> <p>                      Deputy General Manager of Strategic Business Planning &amp; Development Division (current)</p>	—
<p>&lt;Reason for nomination as candidate for Auditor&gt;</p> <p>Mr. Naoyuki Beppu possesses experience in important positions in both labor and management in a wide range of sectors, including business administration, personnel systems, and safety and health. He may be expected to provide useful opinions and suggestions from an objective standpoint, and we therefore propose his election as Auditor.</p>			

(Notes)

1. Messrs. Takeshi Matsuda and Naoyuki Beppu are new candidates for Auditor.
2. There are no special interests between the candidates for Auditors and the Company.
3. In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with

Auditors under which their liability for damages pursuant to Article 423, Paragraph 1 of the same act shall be limited to the amount provided for in laws and regulations. If the election of Messrs. Takeshi Matsuda and Naoyuki Beppu as Auditors is approved at this year's General Meeting of Shareholders, the Company intends to enter into the same liability limitation agreement with each of them as stipulated in the Company's Articles of Incorporation, in order to allow them to adequately perform their duties as Auditors.

4. The Company has entered into a directors and officers liability insurance contract as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to insure its Directors, Auditors, and Executive Officers. The insurance covers claims for damage and legal costs incurred by the insured in the event that claims for damages arise due to their actions made in their capacity as an officer. The candidates for Director will be insured by the contract if they are elected. The contract term of the insurance is 1 year, and the Company intends to renew the insurance contract before the expiration of the contract term upon the resolution of the Board of Directors.

#### Independence Standards for Independent Officers

The Company has established the following standards for the independence of Outside Directors and Outside Auditors (hereinafter referred to as "Outside Officers"), in order to ensure the objectivity and neutrality of corporate governance. Those who are deemed to not fall under any of the following items will be designated as Independent Officers.

1. An individual, or an executive of a company, that has the Company as a major business partner (Note 1)  
An individual or company that has the Company as a major business partner is defined as one that received payments from transactions with the Company amounting to 5% or more of its annual consolidated net sales during any of the 3 most recent fiscal years (Note 2).
2. A major business partner of the Company, or an executive thereof (Note 1)  
A major business partner of the Company is defined as one to which the Company made payments for transactions with the Company amounting to 5% or more of the Company's annual consolidated net sales during any of the 3 most recent fiscal years (Note 2).
3. A consultant, accounting expert or legal expert who received large sums of money or other assets from the Company, apart from compensation as an officer of the Company  
Large sums of money or other assets are defined as those for which the annual monetary value is 10 million yen or greater.
4. An individual who fell under any of the above items 1. to 3. at any time during the past 3 fiscal years (Note 2)
5. An individual who fell under any of the items 1) to 3) below, at any time during the past 10 years before becoming an Independent Officer
  - 1) An executive, or non-executive director, of the Company's parent company
  - 2) An auditor of the Company's parent company (only in cases where an Outside Auditor is to be designated as an Independent Officer)
  - 3) An executive of a sister company of the Company
6. An individual within two degrees of kinship to an individual who falls under any of the items 1) to 4) below
  - 1) An individual falling under any of the items 1. to 5. above
  - 2) An executive of a subsidiary of the Company (Note 1)
  - 3) A non-executive director of a subsidiary of the Company (in cases where an Outside Auditor is to be designated as an Independent Officer)
  - 4) An individual who, at any time during the past 3 fiscal years (Note 2), fell under 1) or 2) above or was an executive of the Company (Note 1)
7. A major shareholder of the Company, or an executive thereof (Note 1)  
Major shareholders are defined as those holding 10% or more of the voting rights of the Company, either directly or indirectly.

(Note 1) Executives are as defined under Article 2, Paragraph 3, Item 6 of the Regulation for Enforcement of the Companies Act.

(Note 2) Beginning from the date when the proposal for election to be submitted to the General Meeting of Shareholders is determined.

**Proposal 5:** Payment of Retirement Bonuses to Retiring Directors and Auditors

Director Mr. Keiji Ohyama and Auditor Mr. Masaharu Shirasugi will retire from the position of Director and Auditor, respectively, due to the expiration of their terms of office at the conclusion of this year's General Meeting of Shareholders. In order to reward their distinguished services during their tenure, the Company proposes to pay them retirement bonuses within a reasonable range, in accordance with its predetermined criteria. The Company also proposes that decisions on the specific amount, time, method, etc. of the payment be left to the discretion of the Board of Directors for the bonus to the retiring Director and to Auditors' discussion for the bonus to the retiring Auditor.

Retirement bonuses are paid in recognition of the efforts made by retiring Directors and Auditors to enhance the Company's business performance and corporate value. The amounts of bonuses are calculated using the Company's standards for the calculation of retirement payments to officers, according to factors such as position and length of service, based on the Company's Regulations on the Payment of Retirement Benefits to Officers.

The content of this proposal is therefore deemed appropriate.

The past experience of the retiring Director and Auditor is as follows:

Name	Past experience	
Keiji Ohyama	July 2007 September 2021	Director of the Company Director, Senior Executive Officer of the Company (current)
Masaharu Shirasugi	September 2014	Full-time Auditor of the Company (current)

**Reference: Structure of Directors and Auditors after Proposals 3 and 4 are approved (planned)**

\*If the candidates listed in this Convocation Notice are elected as originally proposed, the main expertise, knowledge, and experience possessed by Directors and Auditors will be as follows.

Name	Management/Corporate					Strategy/Business promotion					
	Corporate management	Business management	Finance/Accounting	Legal compliance	Personnel labor	Sales	System development	Project management	Business development	M&A	Overseas business
Kunimitsu Sato	○	○					○	○	○	○	○
Kenichi Tachinooka		○				○	○	○	○		○
Taisuke Goto		○			○		○	○			
Mitsue Sako		○					○	○			
Akira Watanabe				○							
Kenichi Miki	○	○			○		○	○	○		○
Takeshi Matsuda		○					○	○	○		
Naoyuki Beppu	○				○						
Hiroshi Sato	○	○				○					
Noboru Takebayashi	○	○					○	○	○		
Masayuki Horie			○								