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(Stock Exchange Code 4725)

March 10, 2023

(Starting date of the measures for electronic provision: March 7, 2023)

To Shareholders with Voting Rights:

Ryota Nishimori
President and CEO
CAC Holdings Corporation
24-1, Nihonbashi-Hakozaki-cho, Chuo-ku, Tokyo

**NOTICE OF
THE 57TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

The 57th Annual General Meeting of Shareholders of CAC Holdings Corporation (the “Company”) will be held for the purposes as described below.

The Company has taken measures for the electronic provision of materials for this General Meeting of Shareholders, and posted the matters to be provided electronically as the Notice of the 57th Annual General Meeting of Shareholders on the following website.

The Company’s website: https://www.cac-holdings.com/eng/ir/shareholders_meeting.html

In addition to the above, the matters to be provided electronically are disclosed on the following website.

Tokyo Stock Exchange’s website: <https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

To view the information thus disclosed, please access the website above, search for the Company by entering our company name or stock exchange code, and select “Basic information” and then “Documents for public inspection/PR information.”

After careful consideration in light of the recent status of COVID-19, we have decided to hold this General Meeting of Shareholders by taking appropriate measures for infection prevention.

To prevent infection, we ask our shareholders to exercise their voting rights in advance either by mail or via the Internet.

If you are not attending the meeting, you can exercise your voting rights by either procedure described below. Please review the Reference Documents for the General Meeting of Shareholders contained in the matters to be provided electronically, and exercise your voting rights by no later than 5:30 p.m. on Tuesday, March 28, 2023, Japan time.

[Exercise of voting rights by mail]

Please indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form and return it so that it is received by the exercise deadline set forth above.

[Exercise of voting rights via the Internet]

Please access to the Website to Exercise Voting Rights at <https://evote.tr.mufg.jp/>, and indicate your vote for or against the proposal following the instructions on the screen.

Please review the instructions under “Notes for exercising your voting rights via the Internet” described in pages 5 to 6 to exercise your voting rights.

1. Date and Time: Wednesday, March 29, 2023 at 10:00 a.m. Japan time (Reception opens at 9:30 a.m.)

2. Place: The meeting room, 2nd floor, CAC Holdings Corporation's head office building 24-1, Nihonbashi-Hakozaki-cho, Chuo-ku, Tokyo
Seats available for our shareholders are limited to secure sufficient spaces between seats to prevent the spread of infections. Therefore, please note that you may not be admitted even if you come to the venue on the meeting date.

3. Meeting Agenda:

Matters to be reported:

1. The Business Report, Consolidated Financial Statements for the Company's 57th Fiscal Year (January 1, 2022 - December 31, 2022) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the Company's 57th Fiscal Year (January 1, 2022 - December 31, 2022)

Proposals to be resolved:

Proposal 1: Appropriation of Surplus
Proposal 2: Election of Seven (7) Directors
Proposal 3: Election of Two (2) Corporate Auditors
Proposal 4: Election of a Substitute Corporate Auditor
Proposal 5: Update of the Policy against Large-scale Purchases of Shares (Anti-takeover Measures)

1. Our policy on the operation of this General Meeting of Shareholders in relation to preventing the spread of COVID-19 is as follows:
 - (1) Any updates on our measures described above in response to, among other factors, the situation on the spread of COVID-19 and announcements by the government or other relevant agencies will be posted on the Company's website (<https://www.cac-holdings.com/>).
 - (2) The exercise of voting rights using the Voting Rights Exercise Form entails the risk of infection in the process of returning it by mail and tallying. Therefore, we ask our shareholders to use the Internet as much as possible when exercising their voting rights.
 - (3) Alcohol disinfectants for shareholders will be placed near the reception at the venue. Shareholders are kindly requested to wear face masks.
 - (4) We will measure body temperature of visitors near the reception of the venue. Those who are found to have fevers, look unwell, or are mandated to take measures required by the Japanese government, etc., are not allowed to enter the venue. If such shareholders come to the venue, we might have to ask them to leave.
 - (5) Our officers and operational staff will undergo body temperature measurement and other health checks and wear face masks.
 - (6) To shorten the duration of this General Meeting of Shareholders in light of preventing the spread of COVID-19, detailed explanations on matters to be reported (including audit reports) and proposals at the venue will be omitted. We ask our shareholders to read through this Notice of General Meeting of Shareholders in advance.
 - (7) Regardless of physical conditions of our officers on the meeting day, only part of them may attend in light of reducing the risk of spreading COVID-19 and the Company's continuation of business.
2. When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
3. If the matters to be provided electronically are revised, the detail of such revisions will be posted on the relevant websites on which the matters are published.
4. If you intend to exercise your voting rights by proxy, you may appoint one (1) other shareholder holding voting rights of the Company to act as your proxy pursuant to the provisions of Article 15 of the Articles of Incorporation of the Company. Please have your proxy submit your Voting Rights Exercise Form along with a written proof of his/her right of proxy at the reception desk.
5. If neither approval nor disapproval of a proposal is indicated on the Voting Rights Exercise Form, it shall be deemed a vote of approval.
6. Please be reminded that any person other than shareholders, such as a shareholders' proxy and a companion who are not shareholders themselves, shall not be allowed to attend the meeting.
7. This document also serves as a document that contains the matters to be provided electronically and is delivered to shareholders who have requested delivery of such a document.

Notes for exercising your voting rights

If you are not attending the meeting:

Exercise of voting rights by mail

Please indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form and return it so that it is received by the exercise deadline.

If you do not indicate your vote for or against a proposal on the Voting Rights Exercise Form, that vote shall be deemed a vote for the proposal.

Exercise deadline: The Form must arrive by no later than 5:30 p.m. on Tuesday, March 28, 2023, Japan time.



Exercise of voting rights via the Internet

Please review the “Notes for exercising your voting rights via the Internet” below (pages 5 to 6), and indicate your vote for or against the proposal following the instructions on the screen.

Exercise deadline: By no later than 5:30 p.m. on Tuesday, March 28, 2023, Japan time



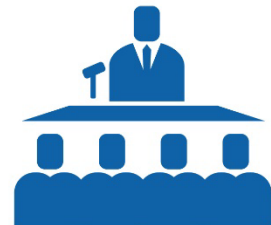
Exercise of voting rights using **smartphones**

You can exercise your voting rights by scanning the QR code on the Supplement Sheet (on the right side) of the Voting Rights Exercise Form **without entering your Login ID or temporary password. This can be done only once.**

If you are attending the meeting:

When attending the meeting, please bring this Notice of General Meeting of Shareholders with you and submit the enclosed Voting Rights Exercise Form at the reception desk.

Date and time of the meeting: Wednesday, March 29, 2023 at 10:00 a.m. Japan time



Notes for exercising your voting rights via the Internet

When exercising your voting rights via the Internet, please access the voting rights exercise website from your smartphone or personal computer, etc. and follow the instructions on the screen.

Voting rights exercise deadline

By no later than 5:30 p.m. on Tuesday, March 28, 2023

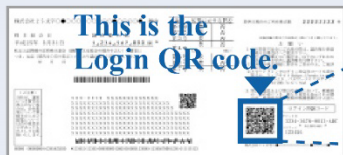


When using smartphones - How to scan the QR code

By scanning the Login QR code, you can log in to the website without entering your Login ID or temporary password.

* You can use the following method only once to exercise your voting rights.

1. Scan the QR code.



Supplement Sheet (on the right side) of the Voting Rights Exercise Form

Please scan the Login QR code on the Supplement Sheet (on the right side) of the enclosed Voting Rights Exercise Form using your smartphone.



2. Choose the method of exercising your voting rights.

When the screen for choosing the method of voting for or against the proposal appears, choose the method of exercising your voting rights.



3. Enter your vote for or against each proposal.

Enter your vote for or against each proposal following the instructions on the screen.



Follow the instructions on the screen to complete exercising your voting rights.

When you log in to the website for the second and subsequent times:

Please follow the instructions on the next page to log in to the website.

To institutional investors:

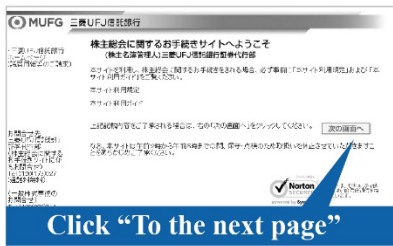
If prior application is made for use of the electronic voting rights exercising platform operated by ICJ, Inc., you may exercise your voting rights via the platform.

* QR code is a registered trademark of DENSO WAVE INCORPORATED.



How to enter your Login ID and temporary password

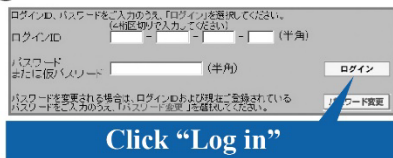
1. Access the voting rights exercise website



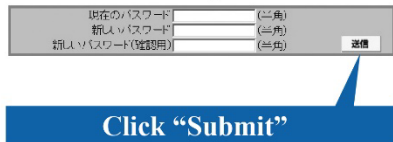
Voting Rights Exercise Website
<https://evote.tr.mufg.jp/>



2. Enter your Login ID and temporary password provided in your Supplement Sheet (on the right side) of the Voting Rights Exercise Form



3. Enter both your "new password" and "new password (for confirmation)"



Hereafter, please follow the instructions on the screen to exercise your vote.

Cautions:

Handling of voting rights exercised for multiple times


- If you exercise your voting rights via the Internet, you do not need to vote by mail.
- If you exercised your voting rights both in writing and via the Internet, the voting rights exercised via the Internet shall be treated as the valid vote.
- If you exercised your voting rights for multiple times via the Internet, the voting rights exercised last shall be treated as the valid vote.

Website business hours:

- The website is unavailable from 2:00 a.m. through 5:00 a.m. every day.

Inquiries about the system, etc.

Stock Transfer Agency Department (help desk),
 Mitsubishi UFJ Trust and Banking Corporation

 **Phone: 0120-173-027**

(toll free, inquiries accepted from 9:00 to 21:00 (only within Japan))

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

We consider the return of profits to our shareholders to be an important business mission. We work under a basic policy of continuing to pay stable dividends by monitoring the consolidated dividend payout ratio, while at the same time striving to increase our earning power and build a sound financial structure. Under the policy, the Company would like to declare year-end dividend for the 57th fiscal year as described below.

1. Type of dividend:
Cash dividend
2. Matters related to the allocation of assets to be paid as dividends and the total amount of dividends:
The Company proposes paying a dividend of ¥30 per common share for a total of ¥510,102,660.
3. Effective date of payment of dividends from surplus:
March 30, 2023

Proposal 2: Election of Seven (7) Directors

The terms of office of all five (5) Directors will expire at the conclusion of this General Meeting of Shareholders. We therefore propose that seven (7) Directors be elected, with the addition of two (2) Outside Directors to ensure diversity of the Board of Directors and further strengthen corporate governance.

The candidates are as follows. As of the date the determination to call this General Meeting of Shareholders was made, we have yet to receive an acceptance of assumption from Mr. Tatsuya Harada due to internal regulations of The University of Tokyo, which he is affiliated with, but we hope to receive one by the day of this General Meeting of Shareholders.

The Board of Directors nominated the candidates based on the advice given by the Nomination Committee.

No.	Name	Positions	Responsibilities	Attendance at the Board of Directors meetings held during the fiscal year ended December 31, 2022 (Attendance Rate)	
1	Reappointment	Akihiko Sako	Chairman	Attended 17 out of 17 meetings (100%)	
2	Reappointment	Ryota Nishimori	President and CEO	Attended 17 out of 17 meetings (100%)	
3	Reappointment	Togo Shimizu	Senior Managing Director and Executive Officer	Chairman of Strategic Investment Committee, Head - Corporate Management, and Senior Vice President, Corporate Div.	Attended 17 out of 17 meetings (100%)
4	Reappointment	Mika Matsuo	Director	Attended 17 out of 17 meetings (100%)	
5	Reappointment	Yuki Otsuki	Director	Attended 17 out of 17 meetings (100%)	
6	New appointment	Tatsuya Harada	—	Attended - out of - meetings (- %)	
7	New appointment	Tatsuo Watanabe	—	Attended - out of - meetings (- %)	

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Akihiko Sako (June 15, 1960) <u>Reappointment</u>	<p>April 1983 Joined Computer Applications Co., Ltd. (currently CAC Holdings Corporation)</p> <p>April 1999 General Manager, 1st Section, Financial System Dept., the Company</p> <p>March 2000 Executive Officer and General Manager, 1st Section, Financial System Dept., SI Div., the Company</p> <p>March 2005 Director, Executive Officer and Senior Vice President, Corporate Div., the Company</p> <p>March 2008 Director, Managing Executive Officer and Senior Vice President, Corporate Planning Div., the Company</p> <p>January 2011 President and CEO, the Company</p> <p>April 2014 President and CEO, CAC Corporation</p> <p>January 2021 Chairman, the Company (to present)</p>	61,999
2	Ryota Nishimori (December 18, 1967) <u>Reappointment</u>	<p>April 1994 Joined Computer Applications Co., Ltd. (currently CAC Holdings Corporation)</p> <p>July 2007 General Manager, Corporate Planning Dept., the Company</p> <p>April 2009 Executive Officer and Vice President, Finance Business Unit, the Company</p> <p>January 2011 Director & President & Treasurer, CAC AMERICA CORPORATION</p> <p>April 2014 Transferred to CAC Corporation</p> <p>July 2014 President, Strategic Initiatives, Accel Frontline Limited (currently Inspirisys Solutions Limited)</p> <p>January 2016 Executive Officer, CAC Corporation</p> <p>March 2016 Director, the Company</p> <p>April 2016 Director and Executive Officer, CAC Corporation</p> <p>January 2018 Director, Head - Corporate Dept., Corporate Planning Dept., and Innovative Business Planning Dept., the Company</p> <p>January 2019 Director, Head- CAC, the Company</p> <p>January 2019 President and CEO, CAC Corporation (to present)</p> <p>January 2019 Director, Executive Officer, Head-Core ICT Domain, the Company</p> <p>March 2019 Managing Executive Officer, Head-Core ICT Domain, the Company</p> <p>March 2020 Director, Senior Executive Officer, Head-Core ICT Domain, the Company</p> <p>January 2021 President and CEO, the Company (to present)</p> <p>[Significant concurrent position] • President and CEO, CAC Corporation</p>	48,044
3	Togo Shimizu (September 28, 1956) <u>Reappointment</u>	<p>April 1982 Joined the Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)</p> <p>April 2007 General Manager, Career Development Div., Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)</p> <p>April 2009 Executive Officer and General Manager, Executive Secretariat, Mizuho Corporate Bank, Ltd.</p> <p>April 2012 Managing Executive Officer and Joint Head of IT & Systems Group, Mizuho Corporate Bank, Ltd.</p> <p>April 2013 Deputy President, Mizuho Information & Research Institute, Inc.</p> <p>March 2019 Senior Managing Director, the Company</p> <p>January 2022 Senior Managing Director, Executive Officer in charge of Strategic Investment Dept., Chairman of Strategic Investment Committee and Head - India, the Company</p> <p>January 2023 Senior Managing Director, Executive Officer, Chairman of Strategic Investment Committee, Head - Corporate Management, and Senior Vice President, Corporate Div., the Company (to present)</p>	26,598

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	Mika Matsuo (May 29, 1961) <u>Reappointment</u>	<p>June 1987 Quality Director & Organizational Learning Director, Citibank, N. A., Global Consumer Bank Japan</p> <p>September 2001 Asia Pacific, Master Black Belt, Six Sigma Solutions, J. P. Morgan Chase & Co.</p> <p>August 2002 Head of Human Resources Dept., The Tokyo Star Bank, Limited</p> <p>August 2008 Head of Asia Pacific Human Resources & Senior Vice President, Moody's Japan K.K.</p> <p>April 2010 Executive Officer & Chief of Staff, The Tokyo Star Bank, Limited</p> <p>September 2011 Executive Officer & Chief Human Resources Officer, Chartis Far East Holdings KK (currently AIG Japan Holdings KK)</p> <p>January 2018 Director, Executive Officer & Chief Human Resources Officer, AIG Japan Holdings KK</p> <p>February 2020 Executive Advisor, Asahi Group Holdings, Ltd. (to present)</p> <p>March 2021 Director, the Company (to present)</p> <p>March 2022 Independent Director, Supervisory Committee Member, SEMBA CORPORATION (to present)</p> <p>[Significant concurrent positions] <ul style="list-style-type: none"> • Executive Advisor, Asahi Group Holdings, Ltd. • Independent Director, Supervisory Committee Member, SEMBA CORPORATION </p>	0
5	Yuki Otsuki (February 9, 1986) <u>Reappointment</u>	<p>April 2011 Trainee Doctor, Hitachi, Ltd. Hitachinaka General Hospital</p> <p>April 2012 Trainee Doctor, Tokyo Medical and Dental University, Medical Hospital</p> <p>April 2013 Full-time Industrial Physician, TOSHIBA CORPORATION</p> <p>April 2015 Doctor, Department of Dermatology, Tokyo Medical and Dental University, Medical Hospital</p> <p>Full-time Industrial Physician, Tokyo Business Service Co., Ltd. (to present)</p> <p>July 2015 Doctor, Department of Dermatology, Shonan Fujisawa Tokushukai Hospital</p> <p>December 2015 Director, Labo Metrica Co., Ltd. (to present)</p> <p>August 2017 Associate Professor, Department of Dermatology, Tokyo Medical and Dental University, Medical Hospital</p> <p>September 2018 Chief Physician, Department of Dermatology, Soka Municipal Hospital</p> <p>March 2021 Director, the Company (to present)</p> <p>January 2023 Representative Director, Medical Perch Co., Ltd. (to present)</p> <p>[Significant concurrent positions] <ul style="list-style-type: none"> • Full -time Industrial Physician, Tokyo Business Service Co., Ltd. • Representative Director, Medical Perch Co., Ltd. </p>	0

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
6	Tatsuya Harada (June 14, 1972) <u>New appointment</u>	<p>April 2001 Research Fellowship for Young Scientists (PD), Japan Society for the Promotion of Science</p> <p>September 2001 Visiting Scientist, Carnegie Mellon University</p> <p>December 2001 Research Associate, Information Science and Technology (IST), The University of Tokyo</p> <p>April 2006 Lecturer, IST, The University of Tokyo</p> <p>April 2009 Associate Professor, IST, The University of Tokyo</p> <p>April 2013 Professor, IST, The University of Tokyo</p> <p>October 2016 Team Leader, Center for Advanced Intelligence Project, RIKEN (to present)</p> <p>November 2017 Visiting Professor, Research Center for Medical Bigdata, National Institute of Informatics (to present)</p> <p>September 2019 Professor, Research Center for Advanced Science and Technology, The University of Tokyo (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Professor, Research Center for Advanced Science and Technology, The University of Tokyo • Team Leader, Center for Advanced Intelligence Project, RIKEN • Visiting Professor, Research Center for Medical Bigdata, National Institute of Informatics 	0
7	Tatsuo Watanabe (June 11, 1964) <u>New appointment</u>	<p>April 1987 Joined SUMITOMO LIFE INSURANCE COMPANY</p> <p>February 2004 Director, Soleil Soul Co., Ltd. (to present)</p> <p>June 2004 Full-time Auditor, All About, Inc. (to present)</p> <p>October 2012 Director, Japan Open Innovation Network (to present)</p> <p>June 2014 Auditor, All About Life Marketing, Inc. (to present)</p> <p>March 2016 Outside Director, Audit and Supervisory Committee Member, WirelessGate, Inc.</p> <p>August 2016 Outside Director, Hoshino Co., Ltd. (to present)</p> <p>June 2020 Auditor, internet infinity INC. (to present)</p> <p>June 2020 External Director, CELM Inc. (to present)</p> <p>March 2021 Outside Director, ORJ Inc. (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Full-time Auditor, All About, Inc. • Outside Director, Audit and Supervisory Committee Member, WirelessGate, Inc. • Auditor, internet infinity INC. • External Director, CELM Inc. 	0

(Notes)

1. The name in the family register of Ms. Mika Matsuo is Mika Sekiguchi.
2. There are no special interests between each candidate for Director and the Company.
3. Ms. Mika Matsuo, Ms. Yuki Otsuki, Mr. Tatsuya Harada, and Mr. Tatsuo Watanabe are candidates for Outside Directors.
4. Ms. Mika Matsuo, who possesses abundant experience in corporate management as charged with the HR function, has been fulfilling her role appropriately through providing opinions and advice to ensure adequacy and appropriateness of decision-making by the Board of Directors. Expecting that she will leverage her experience and skills to provide advice for decision-making by the Board of Directors, the Company recommends that she be elected as Outside Director. The term of office of Ms. Mika Matsuo as Outside Director will be two (2) years at the conclusion of this General Meeting of Shareholders.
5. Ms. Yuki Otsuki, who possesses abundant experience as an industrial physician in such areas as work environment improvement and mental health management, has been fulfilling her role appropriately through providing opinions and advice to ensure adequacy and appropriateness of decision-making by the Board of Directors and providing advice on promoting the health and productivity management. Expecting that she will leverage her experience and skills to provide advice for decision-making by the Board of Directors, the Company recommends that she be elected as Outside Director. The term of office of Ms. Yuki Otsuki as Outside Director will be two (2) years at the conclusion of this General Meeting of Shareholders.
6. Mr. Tatsuya Harada is expected to provide opinions and advice to ensure adequacy and appropriateness of decision-making by the Board of Directors, mainly based on his profound knowledge as a specialist in advanced technology. As such, the Company recommends that he be elected as Outside Director.
7. Mr. Tatsuya Harada has never been directly involved in corporate management but has served as a university professor specializing in advanced technology for many years. As such, the Company judges that he is able to fulfill his duties as Outside Director properly in terms of supervision and checking function of management.

8. Mr. Tatsuo Watanabe, who possesses abundant experience in corporate management and other duties gained over many years, is expected to provide opinions and advice to ensure adequacy and appropriateness of decision-making by the Board of Directors. As such, the Company recommends that he be elected as Outside Director.
9. The Company has entered into agreements with Outside Directors Ms. Mika Matsuo and Ms. Yuki Otsuki to limit their liability pursuant to Article 427, Paragraph 1 of the Companies Act. Subject to their reappointment, the Company intends to continue the above-mentioned agreements with them. The Company also intends to enter into the same agreements with Mr. Tatsuya Harada and Mr. Tatsuo Watanabe, candidates for Outside Directors.
The maximum amount of liability pursuant to the agreement is the minimum amount stipulated by Article 425, Paragraph 1 of the Companies Act.
10. The Company has entered into a directors' and officers' liability insurance policy with an insurance company and intends to renew it in April 2023. The policy covers expenses and damage payments to be borne by insured persons arising from third party litigations, derivative lawsuits, and corporate litigations.
However, there are grounds for exemptions. For example, losses or damage an insured person has caused intentionally or with gross negligence will not be covered.
If the candidates for Directors assume office, they will become insured persons under the insurance policy.
11. The Company has designated Ms. Mika Matsuo and Ms. Yuki Otsuki as independent officers prescribed by the Tokyo Stock Exchange, Inc. and registered them as such at the Tokyo Stock Exchange, Inc. Subject to their reappointment as Directors, the Company will reappoint them as independent officers. In addition, if Mr. Tatsuya Harada and Mr. Tatsuo Watanabe are elected, the Company intends to newly register them as independent officers at the Tokyo Stock Exchange, Inc.

Proposal 3: Election of Two (2) Corporate Auditors

The terms of office of two (2) Corporate Auditors will expire at the conclusion of this General Meeting of Shareholders. We therefore propose that two (2) Corporate Auditors be elected.

This proposal has been endorsed by the consent of the Board of Corporate Auditors.

The candidates are as follows.

The Board of Directors nominated the candidates based on the advice given by the Nomination Committee.

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
1	Kazuki Kawamata (September 17, 1962) <u>Reappointment</u>	<p>April 1986 Joined Computer Applications Co., Ltd. (currently CAC Holdings Corporation)</p> <p>January 2004 General Manager, Design and Infrastructure Supervision Center, Production Quality Improvement Div., the Company</p> <p>January 2005 General Manager, Financial System Business Unit, the Company</p> <p>March 2005 Executive Officer and General Manager, Financial System Business Unit, the Company</p> <p>March 2011 Director, Executive Officer and General Manager, Sales Div., the Company</p> <p>April 2014 Director and Executive Officer, CAC Corporation</p> <p>July 2017 Director and Managing Executive Officer, CAC Corporation</p> <p>March 2019 Full-time Corporate Auditor, the Company (to present)</p> <p>[Significant concurrent position] • Corporate Auditor, CAC Corporation</p>	5,000
2	Yuichi Ishino (March 13, 1968) <u>Reappointment</u>	<p>April 1991 Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)</p> <p>June 2002 Joined NISSAN MOTOR CO., LTD.</p> <p>January 2007 Joined Booz Allen Hamilton Inc. (currently PwC Consulting LLC)</p> <p>July 2009 Representative Director, Ontrack Corporation (to present)</p> <p>March 2019 Corporate Auditor, the Company (to present)</p> <p>[Significant concurrent position] • Representative Director, Ontrack Corporation</p>	0

(Notes)

- There are no special interests between each candidate for Corporate Auditor and the Company.
- Mr. Yuichi Ishino is a candidate for Outside Corporate Auditor.
- Mr. Yuichi Ishino possesses abundant experience in corporate management along with broad experience and deep insights developed through his financial consulting practice. Since he has been fulfilling his role appropriately through providing opinions and advice to ensure adequacy and appropriateness of decision-making by the Board of Directors, the Company recommends that he be elected as Outside Corporate Auditor. The term of office of Mr. Yuichi Ishino as Outside Corporate Auditor will be four (4) years at the conclusion of this General Meeting of Shareholders.
- The Company has entered into agreements with Full-time Corporate Auditor Mr. Kazuki Kawamata and Outside Corporate Auditor Mr. Yuichi Ishino to limit their liability pursuant to Article 427, Paragraph 1 of the Companies Act. Subject to their reappointment, the Company intends to continue the above-mentioned agreements with them.
The maximum amount of liability pursuant to the agreement is the minimum amount stipulated by Article 425, Paragraph 1 of the Companies Act.
- The Company has entered into a directors' and officers' liability insurance policy with an insurance company and intends to renew it in April 2023. The policy covers expenses and damage payments to be borne by insured persons arising from third party litigations, derivative lawsuits, and corporate litigations.
However, there are grounds for exemptions. For example, losses or damage an insured person has caused intentionally or with gross negligence will not be covered.
If the candidates for Corporate Auditors assume office, they will become insured persons under the insurance policy.
- The Company has designated Mr. Yuichi Ishino as an independent officer prescribed by the Tokyo Stock Exchange, Inc. and registered him as such at the Tokyo Stock Exchange, Inc. Subject to his reappointment as Corporate Auditor, the Company will reappoint him as an independent officer.

Proposal 4: Election of a Substitute Corporate Auditor

To prepare for the event that the number of Corporate Auditors falls below the number required by laws and regulations, we propose that one (1) Substitute Corporate Auditor be elected as a substitute for any of the Corporate Auditors.

This election may be canceled by a resolution of the Board of Directors with the consent of the Board of Corporate Auditors provided that such cancellation is made before the assumption of office.

This proposal has been endorsed by the consent of the Board of Corporate Auditors.

The candidate is as follows.

The Board of Directors nominated the candidate based on the advice given by the Nomination Committee.

Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
<p>Kakuji Mitani (October 11, 1975)</p> <p><u>New appointment</u></p>	<p>October 2002 Admitted to the Bar Joined MOMO-O, MATSUO & NAMBA</p> <p>September 2007 Joined Weil, Gotshal & Manges LLP, New York</p> <p>February 2008 Admitted to the New York Bar</p> <p>September 2008 Joined MOMO-O, MATSUO & NAMBA</p> <p>January 2011 Partner, MOMO-O, MATSUO & NAMBA</p> <p>January 2018 Outside Corporate Auditor, KinoPharma, Inc. (to present)</p> <p>April 2021 Representative Attorney, SPARKLE LEGAL (to present)</p> <p>[Significant concurrent position] • Representative Attorney, SPARKLE LEGAL</p>	<p>0</p>

(Notes)

- There are no special interests between the candidate for Substitute Corporate Auditor and the Company.
- Mr. Kakuji Mitani is a candidate for Substitute Outside Corporate Auditor.
- Mr. Kakuji Mitani is expected to provide opinions and advice to ensure appropriateness of decision-making by the Board of Directors, mainly from the perspective of a professional attorney. As such, the Company recommends that he be elected as Substitute Outside Corporate Auditor.
- If Mr. Kakuji Mitani assumes office of Corporate Auditor, the Company intends to enter into an agreement with him to limit his liability pursuant to Article 427, Paragraph 1 of the Companies Act.
The maximum amount of liability pursuant to the agreement is the minimum amount stipulated by Article 425, Paragraph 1 of the Companies Act.
- The Company has entered into a directors' and officers' liability insurance policy with an insurance company and intends to renew it in April 2023. The policy covers expenses and damage payments to be borne by insured persons arising from third party litigations, derivative lawsuits, and corporate litigations.
However, there are grounds for exemptions. For example, losses or damage an insured person has caused intentionally or with gross negligence will not be covered.
If Mr. Kakuji Mitani assumes office of Corporate Auditor, he will become an insured person under the insurance policy.
- Subject to Mr. Kakuji Mitani's assumption of office of Corporate Auditor, the Company will designate him as an independent officer prescribed by the Tokyo Stock Exchange, Inc. and newly register him as such at the Tokyo Stock Exchange, Inc.

(Reference)

If all candidates listed in this Notice of the Annual General Meeting of Shareholders are elected as proposed, the Company's Board of Directors, including Corporate Auditors who are not up for election this time, will comprise members with the following skills:

Name	Business management	Finance	Legal affairs/risks/governance	IT/technological trends/products	Global experience	Personnel affairs/human resource development/health and productivity management	Society/environment/sustainability	Business development/sales/marketing
Akihiko Sako	•				•	•	•	•
Ryota Nishimori	•			•	•	•	•	•
Togo Shimizu		•			•	•		•
Mika Matsuo					•	•	•	
Yuki Otsuki						•	•	
Tatsuya Harada				•				
Tatsuo Watanabe	•	•	•					
Masaaki Yoshida		•	•					
Kazuki Kawamata				•				•
Hirokazu Honda			•		•			
Yuichi Ishino	•	•			•			•

Proposal 5: Update of the Policy against Large-scale Purchases of Shares (Anti-takeover Measures)

The Company obtained shareholder approval at the 54th Annual General Meeting of Shareholders held on March 24, 2020, for the “Update of the Policy against Large-scale Purchases of Shares (Anti-takeover Measures),” which was introduced to enforce certain reasonable rules regarding purchases of the Company’s shares that aim to obtain a voting rights percentage (Note 2) of 20% or more of a specific shareholder group (Note 1), or purchases of the Company’s shares that will result in obtaining a voting rights percentage of 20% or more of a specific shareholder group (both instances exclude cases to which the Board of Directors of the Company has agreed in advance. Hereinafter, such a purchasing act is referred to as a “Large-scale Purchase Action,” and the specific shareholder group that conducts such a Large-scale Purchase Action is referred to as a “Large-scale Purchaser”). Under the Policy, the Company intends to provide sufficient information to shareholders and to prevent an inappropriate purchase of the Company’s shares that enforces control over decisions on the Company’s financial and operational policies, with a view towards enhancing the Company’s corporate value. The updated Policy (hereinafter referred to as the “Policy”), however, is to expire at the conclusion of this General Meeting of Shareholders.

Prior to the expiry of the Policy, the Company discussed the pros and cons of updates, as well as the need to revise the Policy, in consideration of the changes in situations, amendments to laws and regulations, and other factors subsequent to the implementation of the Policy. Accordingly, we propose to extend the Policy for a further three years, subject to the approval of shareholders at the General Meeting of Shareholders.

This Proposal, which is to be resolved at this General Meeting of Shareholders, has obtained the consent of all five (5) Directors, including two (2) Outside Directors, and all four (4) Corporate Auditors, including two (2) Outside Corporate Auditors.

Note 1: A specific shareholder group means a holder (a holder as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act, including a party deemed to be a holder in accordance with Article 27-23, Paragraph 3 of the Act) of share certificates, etc. of the Company (share certificates, etc. as defined in Article 27-23, Paragraph 1 of the Act), or a party conducting a purchase, etc. (a purchase, etc. as defined in Article 27-2, Paragraph 1 of the Act, including a purchase conducted in the financial instruments exchange markets) and its joint holders (a joint holder as defined in Article 27-23, Paragraph 5 of the Act, including a party deemed to be a joint holder in accordance with Article 27-23, Paragraph 6 of the Act), as well as a person in a special relationship (a person in a special relationship as defined in Article 27-2, Paragraph 7 of the Act).

Note 2: In the calculation of the voting rights percentage, the denominator shall be the number of total voting rights of the issued shares of the Company at the time of calculation, less the number of treasury shares held by the Company as listed in the most recent share buyback report.

1. Purpose of the Introduction of the Policy

While we believe that whether or not to accept a proposal associated with a Large-scale Purchase Action should depend on a decision that is ultimately made by shareholders, we also believe that the shareholders must be provided with adequate information regarding such a proposal, along with a reasonable amount of time necessary for the evaluation thereof. This belief is supported by the following reasons.

The Group’s principal line of business is the provision of IT services, including the development of information strategies, construction of systems, and operation and management of systems, and we are continuously providing services that meet the information system-related needs of each corporate customer. As a result, we have accumulated extensive operational experience regarding specific companies and the business sectors in which they operate, along with special expertise and know-how, receiving high evaluations from our corporate customers and maintaining reliable relationships. This cycle is believed to provide the Group with significant competitive strength against our peers, and to constitute a source of the Group’s corporate value. Accordingly, it may not be straightforward to determine the Group’s corporate value, or to judge the validity of a proposal associated with a Large-scale Purchase, without fully understanding the importance of such relationships between the Company and each of its corporate customers.

As such, in order for shareholders to make a rational judgment regarding the validity of the price offered by a Large-scale Purchaser for the acquisition of shares of the Company, appropriate and sufficient information must be provided by the Large-scale Purchaser, as well as by the Board of Directors of the Company, regarding, in particular, the marketing policies and strategies, etc. that are focused on the Company’s existing clients and the business sectors in which they operate, in addition to the management policies and business plans envisaged for the future, based on the above background of our business.

In addition, we believe that rules must be established to protect our shareholders from any unforeseen disadvantages that may result from a Large-scale Purchase Action, and to allow the Board of Directors to demand, as appropriate for the benefit of the shareholders, that the Large-scale Purchaser make an improvement to its original proposal associated with the Large-scale Purchase, or make an alternative proposal, depending on the circumstances.

The Company shall, based on the aforementioned philosophy, hereby establish the rules concerning Large-

scale Purchase Actions (hereinafter referred to as the “Large-scale Purchase Rules”) as follows.

2. Large-scale Purchase Rules

(1) The Large-scale Purchaser shall, prior to conducting a Large-scale Purchase Action, provide the Board of Directors with the necessary and sufficient information for shareholders and the Board of Directors to make a judgment (hereinafter referred to as the “Necessary Information”), which shall be based on the following guidelines.

- 1) An outline of the Large-scale Purchaser (including a description of the business of the Large-scale Purchaser, experience in operations that are similar to the Company’s operations, etc.)
- 2) Objectives and details of the Large-scale Purchase Action
- 3) Basis of calculation of the amount of consideration for the acquisition of the Company’s shares
- 4) Materials that evidence the existence of the finance source for the purchase
- 5) Management policies, business plans, financial plans, capital policies, dividend policies, asset utilization policies, etc. envisaged over the next five (5) years after participating in the management of the Company

Since what specifically constitutes the Necessary Information may vary on a case by case basis for Large-scale Purchase Actions, a Large-scale Purchaser shall, prior to conducting a Large-scale Purchase Action, submit a letter of intent to the President and CEO of the Company, specifying the appellation of the Large-scale Purchaser, its address, jurisdiction over incorporation, name of its representative, and domestic contact details, as well as an outline of the proposed Large-scale Purchase Action, and stating that it will comply with the Large-scale Purchase Rules.

The Company shall, within ten (10) business days following the receipt of the letter of intent, supply a list of the Necessary Information that should be initially provided by the Large-scale Purchaser. If the information initially provided has, as a result of an examination thereof, proven to be insufficient, additional information may be required until a sufficient level of Necessary Information has been obtained.

The fact that the Large-scale Purchase Action was conducted, along with the Necessary Information provided to the Board of Directors shall be disclosed, in whole or in part, at a point in time deemed to be appropriate by the Board of Directors, if it is deemed necessary in order for our shareholders to make judgments.

(2) The Board of Directors shall establish a period of sixty (60) days (if purchasing all of the Company’s shares through a tender offer in exchange for cash (yen) only), or ninety (90) days (if otherwise), counting from the day following the receipt of all of the Necessary Information requested by the Company, as a period necessary for the Board to conduct evaluation, review, negotiation, and opinion formation regarding the Large-scale Purchase Action (hereinafter referred to as the “Board of Directors’ Evaluation Period”). The Large-scale Purchaser shall not commence the Large-scale Purchase Action during the Board of Directors’ Evaluation Period.

The Board of Directors shall, during the Board of Directors’ Evaluation Period, review the Necessary Information provided by the Large-scale Purchaser, and organize and announce an opinion thereon, as the Board of Directors.

3. Measures

(1) If the Large-scale Purchaser has complied with the Large-scale Purchase Rules

If the Large-scale Purchaser has duly complied with the Large-scale Purchase Rules, the Board of Directors shall, in principle, not take the countermeasures described in 3 (2) 1) and 3 (2) 2), although it may take legitimate and reasonable measures, such as announcing its opinion against the proposal associated with the Large-scale Purchase Action, or persuading shareholders by offering an alternative proposal. However, even if the Large-scale Purchase Rules have been complied with, the Board of Directors may still take the countermeasures described in 3 (2) 1) and 3 (2) 2) in order to protect the interests of the shareholders, if it falls under any of the matters described in Appendix 1, as instances where the Board of Directors determines that the Large-scale Purchase Action would significantly compromise the interests of the shareholders.

Furthermore, prior to the activation of the countermeasures, the Board of Directors of the Company may convene a General Meeting of Shareholders to confirm the intentions of the Company’s shareholders concerning the countermeasures when the Special Committee has recommended that the shareholders’ intentions be confirmed or when the Board of Directors of the Company has decided that the shareholders’ intentions should be confirmed. The Board of Directors of the Company shall comply with resolutions of the General Meeting of Shareholders thus held to confirm the shareholders’ intentions. As such, the Board of

Directors of the Company shall not activate the countermeasures if a proposal on the activation of the countermeasures has been voted down at such a General Meeting of Shareholders. When the confirmation of the shareholders' intentions is thus sought, the Large-scale Purchaser shall not commence the Large-scale Purchase Action before the intentions of the Company's shareholders have been confirmed and a decision has been made as to whether the Company will activate the countermeasures or not.

(2) In the event that the Large-scale Purchaser does not comply with the Large-scale Purchase Rules

If the Large-scale Purchaser fails to comply with the Large-scale Purchase Rules, the Board of Directors may, for the purpose of protecting the interests of the shareholders, take any of the following specific countermeasures that are considered appropriate by the Board of Directors. In the event of the actual issue of share acquisition rights, an exercise period, as well as exercise requirements, may be established in consideration of the effect of the countermeasures, such as a requirement for exercising share acquisition rights that the exerciser does not belong to a specific shareholder group that holds more than a certain percentage of share certificates, etc. of the Company.

1) Gratis allotment of share acquisition rights

a) Allottees and the number of share acquisition rights to be allotted

Share acquisition rights shall be allotted at a ratio of one (1) share acquisition right per share held (excluding the Company's common shares held by the Company) to shareholders listed or recorded in the final shareholder registry on the date of allotment prescribed separately by the Board of Directors.

b) Class and number of shares subject to share acquisition rights

The class of shares subject to share acquisition rights shall be the common stock of the Company, and the number of shares subject to share acquisition rights shall be one (1) per share acquisition right.

c) Total number of share acquisition rights to be issued

The total number of share acquisition rights to be allotted shall be equal to the total number of issued shares in the Company (excluding the Company's common shares held by the Company) at the closing date of the allotment prescribed separately by the Board of Directors.

d) Issue price of share acquisition rights

Share acquisition rights shall be gratuitous.

e) Amount to be paid when exercising share acquisition rights

The property to be contributed upon exercise of the share acquisition rights shall be cash in the amount prescribed by the Board of Directors, within a range of not less than one (1) yen per share, but not exceeding one-half (1/2) of the market price per share.

f) Restrictions on the transfer of share acquisition rights

Approval from the Board of Directors shall be required for the transfer of share acquisition rights.

g) Exercise period for share acquisition rights, etc.

The exercise period for share acquisition rights, conditions for exercise, and conditions for acquisition, as well as other necessary matters shall be prescribed separately by the Board of Directors.

2) Other countermeasures

In cases where activation of 1) is not considered reasonable, but some countermeasures against a Large-scale Purchase Action still need to be implemented, the Board of Directors shall take certain countermeasures that are considered to be legitimate and reasonable against the Large-scale Purchase Action, selecting from among the options available under the authority of the Board of Directors, to the extent permitted by the Companies Act of Japan and other relevant laws, as well as the Articles of Incorporation of the Company.

(3) Suspension of the countermeasures after their activation

The Board of Directors may, even after having resolved to implement the countermeasures against a Large-scale Purchase Action based on the Policy, decide to suspend the activation of the countermeasures, while also respecting the recommendations of the Special Committee to the greatest extent possible when the prerequisites for the activation of the countermeasures described in 3 (1) and 3 (2) are considered by the Board of Directors to have ceased to exist, as the Large-scale Purchaser has either terminated the Large-scale Purchase Action, or has agreed to comply with the Large-scale Purchase Rules, etc.

(4) Establishment of a Special Committee

To ensure adequate operation of the Policy and to prevent the Board of Directors from making arbitrary decisions, a Special Committee shall be established which comprises Outside Directors, Outside Corporate Auditors, and appropriately appointed external experts.

The Board of Directors shall, in making decisions regarding whether or not to implement the countermeasures described in 3 (2) 1) and 3 (2) 2), as well as other important decisions such as suspension of these countermeasures, always obtain recommendations from the Special Committee and give maximum respect to those recommendations.

In addition to the President and CEO of the Company, each member of the Special Committee shall also be authorized to call Special Committee meetings, so that the committee meetings can be held without fail, whenever necessary. The outline of the Special Committee is described in Appendix 2.

(5) Review of the Policy and its effective period

The Board of Directors shall review the Policy, as appropriate, in view of relevant legislative developments, etc.

The effective period of the Policy shall expire at the conclusion of the 60th Annual General Meeting of Shareholders scheduled to be held in March 2026.

However, the Policy shall, even during its effective period, be terminated if and when the General Meeting of Shareholders or the Board of Directors resolves on the abolition thereof.

4. Impact on Shareholders and Investors Upon Initiation of Countermeasures, etc.

(1) Impact on shareholders and investors upon initiation of countermeasures

If decisions have been made to implement the countermeasures against a Large-scale Purchase Action, appropriate disclosure should take place in a timely and appropriate manner in accordance with laws and regulations and the stock exchange regulations, etc., while appropriate consideration shall be made to ensure that the interests of the shareholders and investors other than the Large-scale Purchaser will not be compromised (subject, however, to the shareholders' compliance with the procedures described in (2) below).

As stated in 3 (3), the countermeasures against the Large-scale Purchase may be suspended based on a resolution of the Board of Directors. If the Board of Directors suspends the activation of the gratis allotment of share acquisition rights as a countermeasure after having passed a resolution thereon, or if the Company decides to acquire, without consideration, all of the allotted share acquisition rights, the value per share of the Company will not be diluted. Thus, those shareholders and investors engaged in the trading of the Company's shares, etc. in anticipation of such a dilution may suffer a corresponding loss due to share price fluctuations, etc.

(2) Procedures that shareholders are required to follow in the event of activation of countermeasures

In the event of implementation of the countermeasures, shareholders will suffer a disadvantage in the form of dilution of their equity interest, unless they follow the procedures described below.

(In the event of the issuance of share acquisition rights)

Shareholders must complete registration of the transfer by the record date to be announced separately, express their intention concerning the subscription, and follow the exercise procedures (such as payment of the exercise price).

5. Rationality of the Policy

The Policy sets out rules for securing the information and time necessary for shareholders to make decisions regarding Large-scale Purchases of the Company's shares, and stipulates that countermeasures will be taken if a Large-scale Purchaser does not comply with such rules or if the Board of Directors of the Company determines that a Large-scale Purchase Action will significantly impair the interests of shareholders. As such, we believe that the Policy does not harm the common interests of our shareholders and is not intended to maintain the positions of the Company's officers, as explained below.

(1) Compatibility with the Guidelines Regarding Takeover Defense

It is our view that the Policy satisfies the three principles stipulated in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" issued by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005, namely: 1. Principle of protecting and enhancing corporate value and shareholders' common interests; 2. Principle of prior disclosure and shareholders' will; and 3. Principle of necessity and reasonableness.

We also believe that the Policy sufficiently takes into account the contents of "Takeover Defense Measures in Light of Recent Environmental Changes" published on June 30, 2008 by the Corporate Value Study Group set up at the Ministry of Economy, Trade and Industry.

(2) Reflection of shareholders' intentions

As described above in 3 (5) Review of the Policy and its effective period, the Policy becomes effective upon the approval of shareholders at this Annual General Meeting of Shareholders, and its effective period will expire at the conclusion of the 60th Annual General Meeting of Shareholders scheduled to be held in March 2026. Furthermore, the term of office of the Company's Directors is one year as stipulated in the Articles of Incorporation of the Company, and as stated above in 3 (5) Review of the Policy and its effective period, since the Policy can be terminated by a resolution of the Board of Directors, even during the effective period of the Policy, we believe that shareholders' intentions are reflected in the Policy through the appointment of Directors. The above mentioned 3 (5) Review of the Policy and its effective period also states that the Policy can be terminated by a resolution of the General Meeting of Shareholders even before its effective period expires. Accordingly, the Policy is designed to reflect shareholders' intentions to the greatest extent possible.

(3) Maximum respect for decisions made by those with a high degree of independence

As described above in 3 (4) Establishment of a Special Committee, to ensure adequate operation of the Policy and to prevent the Board of Directors from making arbitrary decisions, a Special Committee shall be established which comprises Outside Directors, Outside Corporate Auditors, and appropriately appointed external experts. Important decisions, including whether or not to activate the Policy, shall always be subject to the recommendations of the Special Committee, which are to be respected to the utmost.

In addition, as described in the Rules for Administration of the Special Committee, the Special Committee may seek professional advice from securities companies and other external experts at the Company's expense.

Accordingly, a mechanism is in place to respect the decisions of those with a high degree of independence to the greatest extent possible in activating the Policy.

(4) Setting objective requirements

As described above in 3 (1) and 3 (2), under the Policy, countermeasures will be activated only if a Large-scale Purchaser does not comply with the Large-scale Purchase Rules, or the Board of Directors determines that a Large-scale Purchase Action significantly impairs the interests of shareholders even when the Large-scale Purchase Rules are satisfied. Accordingly, the Policy ensures that countermeasures cannot be activated unless the predetermined reasonable objective requirements are satisfied, providing a mechanism to prevent any arbitrary activation by the Board of Directors.

(5) Not a dead-hand or slow-hand takeover defense measure

As described above in 3 (5) Review of the Policy and its effective period, the Policy can be terminated at any time by a resolution of the Board of Directors, which comprises Directors elected at the Company's General Meeting of Shareholders. In addition, those who intend to purchase a large number of share certificates, etc. of the Company may elect Directors whom they have nominated at the General Meeting of Shareholders, and the Policy may be terminated by a resolution of the Board of Directors composed of such Directors. Therefore, the Policy is not a so-called dead-hand takeover defense measure (a takeover defense measure, the activation of which cannot be prevented even by replacing a majority of the members of the Board of Directors).

Furthermore, the term of office of the Company's Directors is one year as stipulated in the Articles of Incorporation, and the Company also does not adopt a staggered term system that differentiates the terms of Directors. Therefore, the Policy is neither a so-called slow-hand takeover defense measure (a takeover defense measure that requires time to prevent its activation due to the fact that directors cannot be replaced all at once).

(Appendix 1)

The Board of Directors may determine that the Large-scale Purchase Action would significantly compromise the interests of the shareholders, specifically when a case falls under any of the following:

1. A purchase that threatens to obviously harm the Company's corporate value, and in turn, the interests of shareholders, by any of the following acts:
 - (1) Purchasing shares, etc., not for genuine participation in the management of the Company, but for the purpose of artificially boosting the share price temporarily followed by sales of the shares to parties within the Company at the top of the market (so-called greenmailer)
 - (2) Purchasing shares, etc. for the purpose of conducting a so-called "scorched earth" operation, i.e., temporarily controlling the management of the Company to transfer to the Large-scale Purchaser or its group companies, etc., the management assets necessary for the Company's business management, such as intellectual property rights, know-how, confidential business information, and critical business partners or customers
 - (3) Purchasing shares, etc. for the purpose of diverting the Company's assets as collateral for debts or a source of repayments for the Large-scale Purchaser or its group companies, etc., after taking control of the Company's management
 - (4) Purchasing shares, etc. for the purpose of temporarily controlling the management of the Company to sell or otherwise dispose of real estate, securities, or other high-value assets that are not relevant to the Company's business for the time being, and to demand that the Company pay high dividends for a limited time, or to attempt to sell the Company's shares at high prices while the Company's share prices surge following the temporarily high dividends.
2. A purchase that threatens to virtually force shareholders to sell their shares, etc., as in a coercive two-tier purchase (refers to the purchase of shares, etc. such as a tender offer, in which the purchase of all the shares is not inducted in the first stage of purchase, and the purchasing conditions in the second stage of purchase are set unfavorably, or not stated clearly).
3. A purchase whose conditions (including the value and type of consideration, timing, legality of methods, feasibility, and policies, etc., concerning other shareholders of the Company as well as employees, customers, business partners, and other stakeholders of the Group after the purchase, etc. is over) are not deemed sufficient or appropriate in light of the Company's corporate value.
4. A purchase that may cause serious consequences that go against the Company's corporate value or shareholders' common interests as it impairs the Company's relationships with employees, customers, business partners, and other stakeholders of the Group essential for creating the Company's corporate value.
5. A purchase that is equivalent to 1. through 4. above and is judged as a case where 1) it is objectively and rationally judged to threaten to cause serious harm to the interests of the Company's shareholders, and 2) it is unavoidable that the interests of shareholders of the Company would be significantly compromised or it is judged that such consequences are possible if countermeasures were not activated at that time.

(Appendix 2)

Outline of the Special Committee

I. Rules for Administration of the Special Committee

(Establishment)

Article 1 The Special Committee shall be established based on the resolution of the Board of Directors.

(Composition)

Article 2 The Special Committee shall comprise three (3) or more committee members.

2. The Special Committee shall comprise the following committee members that are appointed by the Board of Directors.

(1) One (1) or more Outside Director(s)

(2) One (1) or more Outside Corporate Auditor(s)

(3) Outside experts independent from the executive management of the Company, nominated by the Board of Directors of the Company (in principle, professionals including attorneys, certified public accountants, academics, experts familiar with transactions of financial instruments, and those with experience as corporate managers or corporate management experts, etc.)

3. If additional committee members are required, the Board of Directors may determine the candidates at its own discretion, or based on the recommendations thereto made by the Special Committee, which shall be subject to a review thereat.

4. The Board of Directors shall appoint one (1) of the committee members as Chairperson of the Special Committee, and appoint another committee member as Deputy Chairperson of the Special Committee.

(Term of Office)

Article 3 The term of office for committee members shall be as follows, and reappointment shall be allowed.

(1) Committee members who concurrently serve as an Outside Director or Outside Corporate Auditor

The term of office of such committee members shall be equivalent to their term of office as an Outside Director or Outside Corporate Auditor.

(2) Committee members who are outside experts

The term of office of such committee members shall be three (3) years after appointment.

(Role)

Article 4 The Special Committee shall, at the request of the Board of Directors, decide and make recommendations to the Board of Directors, along with the reasons therebehind, regarding the following matters in principle. The Board of Directors shall give maximum respect to such recommendations when making final decisions.

(1) Implementation of a gratis allotment of share acquisition rights as a countermeasure against a Large-scale Purchase

(2) Acquisition of issued share acquisition rights and/or suspension of the issuance of share acquisition rights, subject to ex-post negotiation with the proposer of the Large-scale Purchase

(3) Other important matters equivalent to the above (1) and (2)

(4) Other matters on which the Board of Directors may request recommendations from the Special Committee

2. The Special Committee shall, in making its decisions, make efforts to obtain sufficient information regarding the proposer of the Large-scale Purchase and the contents, etc. of the proposal.

3. The Special Committee shall, at the expense of the Company, be able to seek the professional advice necessary to examine the case from external experts including securities companies, investment banks, attorneys, and certified public accountants.

4. Committee members shall make decisions not for personal interests as individuals or Directors, but by judging whether such decisions can contribute to the Company's corporate value.

(Convocation)

Article 5 The Special Committee meeting shall be called by the President and CEO (or by a Director appointed by the Board of Directors if the President and CEO is unable to call the meeting due to an accident or other circumstance), or by any committee member.

(Quorum, Requirements for Resolution, Chairperson, and Observers)

Article 6 The Special Committee meeting shall be established by the attendance of all committee members, excluding persons with special interests, at which resolutions shall be passed by a majority of the committee members present (excluding persons with special interests); provided, however, that a quorum for the Special Committee meeting may, under unavoidable circumstances, be established by the attendance of at least one-half (1/2) of all of the committee members, excluding persons with special interests, at which resolutions shall be passed by a majority of the committee members present (excluding persons with special interests).

2. The Special Committee meeting shall be chaired by the Chairperson, or by the Deputy Chairperson if the Chairperson is unable to chair the meeting due to an accident or other circumstance.

3. Committee members with special interests in the Large-scale Purchase which is the subject of a resolution of the Committee shall not have votes in passing the resolution.

4. The following persons shall be able to attend the Special Committee meeting as non-voting observers.

(1) The President and CEO (or a Director appointed by the Board of Directors if the President and CEO is unavailable due to an accident or other circumstance)

(2) Any person required to attend the meeting by the President and CEO

(3) Any person required to attend the meeting by the Special Committee

(Secretariat)

Article 7 The Special Committee shall establish a Secretariat managed by the General Manager of the Corporate Department

(Revision)

Article 8 Any revision of the Rules for the administration of the Special Committee shall be enforced by the Board of Directors, subject to consultation by the Special Committee.