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Securities Code: 9692

(Start date of electronic provision measure) March 28, 2023

(Issue date) April 5, 2023

To Our Shareholders:

1-11 Higashihara 5-chome, Zama-shi, Kanagawa
Computer Engineering & Consulting Ltd.
Takashi Himeno, President

Notice of the 55th Ordinary General Meeting of Shareholders

We are pleased to announce the 55th Ordinary General Meeting of Shareholders (the “General Meeting of Shareholders”) of Computer Engineering & Consulting Ltd. (the “Company”) to be held as described below.

In convening this meeting, the Company takes an electronic provision measure for information contained in reference documents for the General Meeting of Shareholders (the “matters covered by the electronic provision measures”). “Notice of the 55th Ordinary General Meeting of Shareholders” is shown on the Company’s official website. You are kindly asked to access the below website to see the document.

The Company’s official website

https://www.cec-ltd.co.jp/en/ir/shareholders_meeting/

The matters covered by the electronic provision measures are shown, in addition to the above website, on the Tokyo Stock Exchange (TSE) official website. You are kindly asked to access the below TSE website (Search for a listed company), enter Issue name (company name) (Computer Engineering & Consulting Ltd.) or Code (9692), continue selecting “Basic information” and “Documents for public inspection/PR information” and choose “Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting” under “Filed information available for public inspection” to see the matters.

TSE website (Search for a listed company)

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

If you are unable to attend the meeting, you may exercise your voting rights by post or via the Internet. You are kindly asked to refer to reference documents for the General Meeting of Shareholders shown on the above websites and exercise your voting rights no later than 5:45 p.m. on Monday, April 24, 2023 (JST).

- 1. Date:** 10 a.m., Tuesday, April 25, 2023 (JST)
- 2. Venue:** Meeting Room, 6th Floor, Building A of the Registered Office (Sagamino System Laboratory)
1-11 Higashihara 5-chome, Zama-shi, Kanagawa

3. Purposes:

- Items to be reported:**
1. The business report, the consolidated financial statements and the results of audits of the consolidated financial statements performed by the Accounting Auditor and Audit and Supervisory Committee for the 55th business period (February 1, 2022 to January 31, 2023)
 2. The non-consolidated financial statements for the 55th business period (February 1, 2022 to January 31, 2023)

Items to be resolved:

- Item No. 1:** Appropriation of surplus
- Item No. 2:** Election of nine (9) Directors who are not Audit and Supervisory Committee Members
- Item No. 3:** Election of one (1) Director who is Audit and Supervisory Committee Member
- Item No. 4:** Election of two (2) substitute Directors who are Audit and Supervisory Committee Members
- Item No. 5:** Introduction of performance-linked remuneration for Directors who are not Audit and Supervisory Committee Members (excluding Outside Directors)

4. Matters Decided for Convocation:

- (1) Among the matters covered by the electronic provision measures, the following matters are not stated in a document to be delivered to shareholders requesting one, pursuant to applicable laws and Article 15 of the Company's Articles of Incorporation.

Accordingly, a document to be delivered to shareholders requesting one is part of the documents audited by the Audit and Supervisory Committee and the Accounting Auditor in the course of preparing audit reports:

- i) business progress and results, issues to be addressed, transition of status of assets and profits and losses, main business, main business sites, state of employees, main lenders, other important information relating to present situation of the Group, information relating to shares of the Company, information on new share subscription rights from the Company, change of Directors during the reporting fiscal year, an outline of the contents of liability limitation agreements, an outline of the contents of directors and officers liability insurance agreements, information on Outside Directors, information on Accounting Auditors, an outline of a system to secure the appropriateness of the Company's operations and the operation status that are each stated in the Business Report; and ii) Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Shareholders' Equity and Notes to Consolidated Financial Statements that are contained in Consolidated Financial Statements; iii) Balance Sheet, Statement of Income, Statement of Changes in Shareholders' Equity and Notes to Non-consolidated Financial Statements that are contained in Non-consolidated Financial Statements; iv) financial audit report on Consolidated Financial Statements, financial audit report on Non-consolidated Financial Statements; and v) audit report by the Audit and Supervisory Committee.
- (2) If voting rights are exercised in duplicate via the Internet or other electronic measures and via a voting form, the vote via the Internet or other electronic measures shall be effective. If more than one vote is exercised electronically, the latest vote shall be effective.
- (3) If a shareholder provides no indication of approval or disapproval on a returned voting form with regard to individual proposals, the shareholder shall be considered to have expressed approval, which shall be handled accordingly.

- ◎ If you attend the meeting in person, we kindly request that you submit the enclosed voting form to the receptionist at the venue. Our reception desk will become operational from 9 a.m. on the day.
- ◎ If there are any revisions to matters covered by the electronic provision measures, such facts and matters before and after the revisions will be posted on the websites of the Company and TSE.
- ◎ To reduce environmental burden, the number of copies of materials for the General Meeting of Shareholders is limited for distribution in the venue of the meeting. Shareholders who will attend the meeting and want to see the materials are kindly requested to print the materials beforehand and bring them or make their own electronic devices ready for displaying the materials.

Kind request to attending shareholders

- ◎ If intending to attend the General Meeting of Shareholders, you are hereby kindly asked to check the state of COVID-19 infections and your health condition on the day of the meeting before coming to the venue.
- ◎ You may be subjected to a body temperature check before entering the venue. We would appreciate your cooperation.
- ◎ Note in advance that officers present and management staff will wear a mask to communicate with shareholders.
- ◎ Note in advance that, in the venue, we will take infection-prevention measures such as placing alcohol sanitizers and distancing seats.
- ◎ When intending to alter the operation of the General Meeting of Shareholders due to developments in the coming days, we will post the information on the Company's official website (<https://www.cec-ltd.co.jp>).

* This year, we will refrain from giving souvenirs to shareholders attending the General Meeting of Shareholders. We would appreciate your understanding.

Reference Document for the General Meeting of Shareholders

Item No. 1: Appropriation of surplus

The Company regards returning profits to shareholders as one of its significant challenges and has a policy of paying dividends steadily.

The Company hereby proposes the following for year-end dividends for the fiscal year under review in comprehensive consideration of its business results, financial position, and future operational expansion.

Year-end Dividends

Type of dividend property	Cash
Allocation of dividend property to shareholders and total amount	Dividends per common share of the Company 20 yen
	Total amount of dividends 671,340,800 yen
	Accordingly, the annual dividend including the interim dividend paid (25 yen per share including 5 yen of special dividend) will be 45 yen per share.
Effective date of dividends from surplus	April 26, 2023

Item No. 2: Election of nine (9) Directors who are not Audit and Supervisory Committee Members

At the conclusion of the General Meeting of Shareholders, the terms of office of all eight (8) Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter to this proposal) will expire. Accordingly, the Company proposes the election of nine (9) Directors, including one (1) additional candidate.

Candidates for Directors are decided at a meeting of the Board of Directors after deliberation by the Nomination Committee, in which more than half the members are Outside Directors. The Audit and Supervisory Committee has reported it has no objection with regard to candidates and their selection process.

The candidates for Director are as follows.

[Reference] List of Candidates for Directors

Candidate No.	Name	Current position at the Company	Candidate category	Attendance of the Meetings of the Board of Directors
1	Reappointment Takashi Himeno	President	Male	16 of 16
2	Reappointment Manabu Fujiwara	Managing Director	Male	16 of 16
3	Reappointment Masato Tamano	Director	Male	16 of 16
4	New appointment Hideki Takagi	–	Male	–
5	New appointment Atsushi Ookita	–	Male	–
6	New appointment Yasuo Sakai	–	Male	–
7	Reappointment Masahiko Ootsuka	Outside Director	Outside Independent Male	16 of 16
8	New appointment Shizuyo Takahashi	–	Outside Independent Female	–
9	New appointment Noriko Kosugi	–	Outside Independent Female	–

Candidate No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares owned
1	<p>Takashi Himeno (May 2, 1967) Reappointment Male</p>	<p>April 1992 Joined the Company February 2011 General Manager, Services Division 1, Platform Services Unit February 2013 Unit President, Platform Services Unit February 2014 Executive Officer February 2020 Unit President, Security Services Unit, Platform Architect Business Group April 2020 Director Executive Officer Unit President, Security Services Unit, Platform Architect Business Group February 2022 President, COMSTAFF Co., Ltd. Director Executive Officer Group President, Platform Architect Business Group, the Company February 2023 President (incumbent)</p> <p>(Reason for nomination as a candidate for Director) Mr. Takashi Himeno has been serving as Director since 2020 and was appointed Representative Director in February 2023, after working in the Company's system creation, data center, and security service areas. Mr. Himeno has extensive knowledge, experience and expertise in the Company's business and management. Therefore, the Company proposed Mr. Himeno as a candidate for Director to be reappointed since he is an important professional for the Group to achieve continuous growth and development.</p>	5,700
2	<p>Manabu Fujiwara (October 27, 1963) Reappointment Male</p>	<p>April 1986 Joined the Company February 2007 Manager, Sales Division, Control System Business Group April 2014 Corporate Auditor April 2015 Director Executive Officer Unit President, Corporate Support Unit February 2018 Director Executive Officer Unit President, Digital Engineering Unit, Digital Industry Business Group February 2020 Director Executive Officer Unit President, Corporate Administration Unit February 2023 Managing Director Executive Managing Officer Group President, Corporate Management Group (incumbent)</p> <p>(Reason for nomination as a candidate for Director) Mr. Manabu Fujiwara has extensive experience and insights mainly concerning the Company's sales, system development, human resources, general affairs, and accounting & finance sides. Therefore, the Company proposed Mr. Fujiwara as a candidate for Director to be reappointed since he will likely make decisions properly and swiftly.</p>	7,000

Candidate No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares owned
3	Masato Tamano (January 21, 1960) <u>Reappointment</u> <u>Male</u>	April 1982 Joined Toyota Motor Co., Ltd. (currently Toyota Motor Corporation) July 2006 General Manager, Production and Logistics Office, Corporate IT Department January 2007 Sent on loan to Toyota Communication Systems Co., Ltd. (currently TOYOTA SYSTEMS CORPORATION) April 2011 Sent on loan to Japan Automobile Recycling Promotion Center April 2015 Sent on loan to the Company Director Executive Officer April 2018 Became an officer of the Company February 2022 Director Executive Officer Group President, Area Control Business Group (incumbent)	6,600
(Reason for nomination as a candidate for Director) Mr. Masato Tamano has extensive experience and insights mainly concerning system development in the assembly and manufacturing field. Therefore, the Company proposed Mr. Tamano as a candidate for Director be reappointed since he will likely make decisions properly and swiftly.			
4	Hideki Takagi (December 11, 1968) <u>New Appointment</u> <u>Male</u>	April 1992 Joined the Company February 2011 Manager, Sales Division 3, PROVEQ Service Unit February 2014 Unit President, Manager, Sales Division, PROVEQ Service Unit February 2015 Unit President, Digital Engineering Unit Unit President, Product Development Support Unit May 2020 Executive Officer Unit President, Data Center Services Unit, Service Integration Business Group February 2021 Executive Officer Unit President, Security Services Unit, Platform Architect Business Group February 2022 Executive Officer Unit President, Security Services Unit, Platform Architect Business Group February 2023 Executive Officer Group President, Platform Architect Business Group (incumbent)	1,800
(Reason for nomination as a candidate for Director) Mr. Hideki Takagi has extensive experience and insights mainly concerning the Company's system creation, data center, and security service areas. Therefore, the Company proposed Mr. Takagi as a candidate for Director to be elected since he will likely make decisions properly and swiftly.			

Candidate No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares owned
5	<p style="text-align: center;">Atsushi Ookita (November 23, 1969) New Appointment Male</p>	<p>April 1990 Joined Robin Co., Ltd. (currently ESECTOR, LTD.)</p> <p>July 2007 Transferred to the Company</p> <p>February 2013 General Manager, Services Division 2, Chubu Service Unit</p> <p>February 2017 Unit President, Chubu Service Division 1, Industry Automation Business Group</p> <p>May 2020 Executive Officer Unit President, Chubu Service Unit, Digital Industry Business Group</p> <p>February 2022 Executive Officer Unit President, Nishinohon Service Unit, Area Control Business Group</p> <p>February 2023 Executive Officer Group President, Service Integration Business Group (incumbent)</p> <p>(Significant concurrent positions) President, Computer Engineering & Consulting (Shanghai), Ltd.</p> <p>(Reason for nomination as a candidate for Director) Mr. Atsushi Ookita has extensive experience and insights mainly concerning system development in the assembly and manufacturing field. Therefore, the Company proposed Mr. Ookita as a candidate for Director to be elected since he will likely make decisions properly and swiftly.</p>	200
6	<p style="text-align: center;">Yasuo Sakai (May 28, 1965) New Appointment Male</p>	<p>April 1989 Joined the Company</p> <p>February 2013 General Manager, Service Division 5, Chubu Service Unit</p> <p>February 2017 Unit President, Chubu Service Unit 2, Industry Automation Business Group</p> <p>May 2020 Executive Officer Unit President, Mobility Services Unit, Digital Industry Business Group</p> <p>February 2022 Executive Officer Unit President, Connected Services Unit, Digital Industry Business Group</p> <p>February 2023 Executive Officer Group President, Digital Industry Business Group (incumbent)</p> <p>(Reason for nomination as a candidate for Director) Mr. Yasuo Sakai has extensive experience and insights mainly concerning system development in the assembly and manufacturing field. Therefore, the Company proposed Mr. Sakai as a candidate for Director to be elected since he will likely make decisions properly and swiftly.</p>	200

Candidate No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares owned
7	Masahiko Ootsuka (July 16, 1953) Reappointment Male Outside Independent	April 1978 Joined Nissan Motor Co., Ltd. April 2002 General Manager, Cost Reduction Promotion Office April 2005 VP, JATCO Ltd. April 2007 CEO, Automotive Energy Supply Corporation (currently Envision AESC Japan Ltd.) October 2010 Advisor June 2013 Outside Statutory Auditor, NISSAN SHATAI CO., LTD. June 2013 Outside Corporate Auditor, Nissan Kohki Co., Ltd. April 2018 Outside Director, the Company (incumbent)	-
(Reason for nomination as a candidate for Outside Director and expected roles) Mr. Masahiko Ootsuka has knowledge and experience accumulated while serving as an officer at affiliate companies of a major automobile manufacturer. Therefore, the Company proposed Mr. Ootsuka as a candidate for Outside Director to be reappointed since he will likely give us advice and fulfill a function to oversee our business execution from a broad management perspective.			
8	Shizuyo Takahashi (February 24, 1962) New Appointment Female Outside Independent	April 1984 Joined Tokyo Branch, Chase Manhattan Bank (currently JPMorgan Chase & Co.) December 1990 Joined Chuo Coopers & Lybrand Consulting Co Ltd. October 1994 Joined Future System Consulting Corp. (currently Future Corporation) April 2004 Executive officer Unit President April 2008 Executive officer Unit Manager, Human Resources Unit January 2016 Joined Business Brain Showa-Ota Inc. July 2017 Joined WELLNET CORPORATION September 2017 Director Administration Manager July 2020 Outside Director, baby calendar Inc. (incumbent)	-
(Reason for nomination as a candidate for Outside Director and expected roles) Ms. Shizuyo Takahashi has experience as a head of a business division and human resources division in a system development company and as Director and head of an administrative division in a former TSE First Section company (currently listed on the Prime market). Therefore, the Company proposed Ms. Takahashi as a candidate for Outside Director to be elected as she will likely give advice from a comprehensive point of view and supervise business execution based on a practical perspective, particularly on challenges regarding human resources in the Company.			

Candidate No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares owned
9	<p style="text-align: center;">Noriko Kosugi (June 29, 1966)</p> <p style="text-align: center;">New Appointment</p> <p style="text-align: center;">Female</p> <p style="text-align: center;">Outside</p> <p style="text-align: center;">Independent</p>	<p>April 1990 Joined Kawasaki Steel Corporation (currently JFE Steel Corporation)</p> <p>April 2005 Manager, Finance and IR Department, JFE Holdings, Inc.</p> <p>May 2006 Manager, Accounting Section, Planning Department, East Japan Works, JFE Steel Corporation</p> <p>August 2008 Director, Division Planning, Finance, Molex Japan Co., Ltd. (currently Molex Japan LLC)</p> <p>October 2011 Senior Director, Division Strategy Planning</p> <p>January 2016 Senior Director, Management System, Operations</p> <p>August 2017 Financial Controller, Imerys Minerals Japan KK</p> <p>April 2018 Managing Executive Officer, Financial Planning Department (Deputy in charge) and Corporate Planning Department (Deputy in charge), UNIZO Holdings ComApany, Limited</p> <p>June 2019 Executive Managing Officer and Board Director, Financial Planning Department</p> <p>August 2020 Bursar, The British School in Tokyo (incumbent)</p> <p>(Reason for nomination as a candidate for Outside Director and expected roles)</p> <p>Ms. Noriko Kosugi has broad experience regarding management planning and investor relations in addition to experience in finance and accounting in various companies in Japan and abroad. Therefore, the Company proposed Ms. Kosugi as a candidate for Outside Director to be elected as she will likely give advice properly to management particularly from investor relations, planning and financial viewpoints and from internationality and diversity perspectives, and give supervision of business execution.</p>	—

Notes:

1. The Company has software development and other transactions with Computer Engineering & Consulting (Shanghai), Ltd. where Mr. Atsushi Ookita serves as President.
2. The Company has no special interest with candidates other than those shown above.
3. Mr. Masahiko Ootsuka, Ms. Shizuyo Takahashi, and Ms. Noriko Kosugi are candidates for Outside Directors.
4. The Company designated Mr. Masahiko Ootsuka as an independent officer under the regulations of the Tokyo Stock Exchange, Inc. and has registered him with the Tokyo Stock Exchange, Inc. If his proposed reappointment is resolved, the Company will continuously designate Mr. Ootsuka as an independent officer and register Mr. Ootsuka with the Tokyo Stock Exchange, Inc. If the proposed election of Ms. Shizuyo Takahashi and Ms. Noriko Kosugi is resolved, the Company will designate Ms. Takahashi and Ms. Kosugi as independent officers under the regulations of the Tokyo Stock Exchange, Inc. and register them with the Tokyo Stock Exchange, Inc.
5. At the conclusion of the General Meeting of Shareholders, 5 years will have passed since Mr. Masahiko Ootsuka took office as Outside Director of the Company (took office on April 18, 2018).
6. As regards the damage compensation liability set forth in Article 423, Paragraph 1 of the Companies Act, the Company entered into liability limitation agreements with Mr. Masahiko Ootsuka that stipulate that the amount of liability to be incurred shall be the minimum liability limit as set forth in Article 425, Paragraph 1 of the Companies Act. If his proposed reappointment is resolved, the Company will continue the agreements with him. If the proposed election of Ms. Shizuyo Takahashi and Ms. Noriko Kosugi is resolved, the Company will enter into similar liability limitation agreements with them.
7. The Company, having entered into a directors and officers liability insurance agreement with an insurance company as set forth in Article 430-3, Paragraph 1 of the Companies Act, will compensate in an amount up to 500 million yen for damage when an officer/Director of the Company is subjected to such a damage compensation claim incurred due to his/her corporate officer service as is incurred by an insured person. If the proposed election of the candidates is resolved and they take office, they will be included in the insured under the said insurance contract. On the occasion of next contract renewal, the renewal is scheduled to be without change to the terms and conditions.

Item No. 3: Election of one (1) Director who is an Audit and Supervisory Committee Member

Mr. Hiroshi Yoshida, Director who is an Audit and Supervisory Committee Member, will resign at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of one (1) Director who is an Audit and Supervisory Committee Member as a substitute for Mr. Yoshida.

The candidate for Director who is Audit and Supervisory Committee Member is as follows.

The Company has obtained approval for this proposal from Audit and Supervisory Committee.

The term of office of a Director who is an Audit and Supervisory Committee Member who will be elected shall be until the expiry of the original term of office of the Director who is an Audit and Supervisory Committee Member who will resign.

[Reference] List of Candidate for Director who is Audit and Supervisory Committee Member

Name	Current position at the Company	Candidate category	Attendance of the Meetings of the Board of Directors	Attendance of the Meetings of Audit and Supervisory Committee
New Appointment Toshiharu Sakai	–	Male	–	–

Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares owned
Toshiharu Sakai (July 15, 1964) New Appointment Male	April 1987 Joined the Company	–
	February 2007 Manager, Sales Division, IT Solution Group	
	February 2017 Manager, General Affairs Division, Corporate Support Unit	
	February 2020 Manager, General Affairs Division Corporate Administration Unit	
	April 2022 Manager, Internal Audit Division	
	February 2023 Executive Officer (incumbent)	
	(Reason for nomination as a candidate for Director who is an Audit and Supervisory Committee Member) Mr. Toshiharu Sakai has experience in sales and administration and internal audits of the Company, and thus we concluded he is suitable for the post. Therefore, the Company proposed Mr. Sakai to be elected as a candidate for Director who is an Audit and Supervisory Committee Member.	

Notes:

1. The Company has no special interest with a candidate.
2. The Company, having entered into a directors and officers liability insurance agreement with an insurance company as set forth in Article 430-3, Paragraph 1 of the Companies Act, will compensate in an amount up to 500 million yen for damage when an officer/Director of the Company is subjected to such a damage compensation claim incurred due to his/her corporate officer service as is incurred by an insured person. If the proposed election of the candidate is resolved and he takes office, he will be included in the insured under the said insurance contract. On the occasion of next contract renewal, the renewal is scheduled to be without change to the terms and conditions.

[Reference] Shown below is a skill matrix that will apply if the candidates shown in this notice of convocation are elected as proposed in Items No. 2 and 3.

Name	Business administration/ Governance	Legal/ Compliance	HR/ Labor	Finance/ Accounting	Sales/ Marketing	ICT
Takashi Himeno	✓					
Manabu Fujiwara		✓	✓	✓		
Masato Tamano					✓	✓
Hideki Takagi					✓	✓
Atsushi Ookita					✓	✓
Yasuo Sakai					✓	✓
Masahiko Ootsuka (Outside)	✓					
Shizuyo Takahashi (Outside)			✓	✓		✓
Noriko Kosugi (Outside)			✓	✓		
Toshiharu Sakai (Audit and Supervisory Committee Member)		✓			✓	
Eiichiro Nakatani (Audit and Supervisory Committee Member/ Outside)		✓		✓		
Katsunori Taniguchi (Audit and Supervisory Committee Member/ Outside)		✓		✓		

Item No. 4: Election of two (2) substitute Directors who are Audit and Supervisory Committee Members

At the commencement of the General Meeting of Shareholders, the effect of the election of substitute Directors for Directors who are Audit and Supervisory Committee Members will expire. Accordingly, the Company proposes the election of two (2) substitute Directors who are Audit and Supervisory Committee Members in case the number of Directors who are Audit and Supervisory Committee Members falls below the number of such Directors that is stipulated by laws and regulations.

Shown below are candidates for substitute Directors who are Audit and Supervisory Committee Members on the condition of Item No. 3 being resolved. Mr. Kazuaki Matsumoto is a candidate for substitute Director for Mr. Toshiharu Sakai, a candidate for Director who is an Audit and Supervisory Committee Member, and Ms. Etsuko Hara is a candidate for substitute Director for Mr. Eiichiro Nakatani and Mr. Katsunori Taniguchi who are Directors who are Audit and Supervisory Committee Members.

Assumption of office as a Director who is an Audit and Supervisory Committee Member is subject to the condition that the number of Directors who are Audit and Supervisory Committee Members falls short of the number stipulated by laws and regulations and the term of office shall be the remaining term of office of the predecessor. This resolution shall be effective until the commencement of the next General Meeting of Shareholders.

The Company has obtained approval for this proposal from the Audit and Supervisory Committee.

The candidates for substitute Directors who are Audit and Supervisory Committee Members are as follows.

Candidate No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares owned
1	Kazuaki Matsumoto (March 29, 1962) Male	<p>April 1985 Joined SYSTEM CONSULTANT Nagasaki CO., LTD. (currently System Consultant Co., Ltd.)</p> <p>July 1989 Joined the Company</p> <p>August 2012 Unit President, Development Service Unit 3</p> <p>February 2013 Executive Officer Unit President, Nishinihon Service Unit</p> <p>November 2017 Executive Officer</p> <p>February 2018 Unit President, Business Promotion Unit</p>	1,000
<p>(Reason for nomination as a candidate for substitute Director who is an Audit and Supervisory Committee Member)</p> <p>Mr. Kazuaki Matsumoto is well versed in the Company's system development side, and thus we concluded he is suitable for the post. Therefore, the Company proposed Mr. Matsumoto to be elected as a candidate for substitute Director who is an Audit and Supervisory Committee Member.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares owned
2	Etsuko Hara (October 18, 1974) Outside Independent Female	<p>October 2001 Registered as a lawyer (Daini Tokyo Bar Association)</p> <p>October 2001 Joined Anderson Mori & Tomotsune</p> <p>September 2006 Joined a law firm Allen & Overy, Belgium</p> <p>April 2007 Registered as a lawyer (State of New York, U.S.A.)</p> <p>January 2011 Partner, Anderson Mori & Tomotsune (incumbent)</p> <p>April 2012 Member, Japanese Law Translation Council, Ministry of Justice</p> <p>April 2013 Adjunct professor, Graduate School of Law, Hitotsubashi University</p> <p>April 2019 Associate Professor, Graduate School for Law and Politics, the University of Tokyo</p> <p>March 2020 Visiting Professor in a faculty exchange program between Columbia University School of Law (U.S.A.) and the University of Tokyo Faculty of Law</p> <p>April 2022 Adjunct Professor, Graduate School for Law and Politics, the University of Tokyo (incumbent)</p>	—
<p>(Reason for nomination as a candidate for substitute Outside Director who is an Audit and Supervisory Committee Member and expected roles) Ms. Etsuko Hara has expert knowledge and experience as a lawyer. Therefore, the Company proposed Ms. Hara to be elected as a candidate for substitute Outside Director who is an Audit and Supervisory Committee Member since she will likely audit and supervise appropriately on the basis of such experience despite having not been directly involved in corporate management.</p>			

Notes:

1. The Company has no special interest with candidates.
2. Ms. Etsuko Hara is a candidate for substitute Outside Director who is an Audit and Supervisory Committee Member.
3. If Ms. Etsuko Hara takes office as Outside Director, the Company will designate her as an independent officer under the regulations of the Tokyo Stock Exchange, Inc. and will register her with the Tokyo Stock Exchange, Inc.
4. If Ms. Etsuko Hara takes office as Outside Director, as regards the damage compensation liability set forth in Article 423, Paragraph 1 of the Companies Act, the Company will enter into a liability limitation agreement with her that stipulates that the amount of liability to be incurred shall be the minimum liability limit as set forth in Article 425, Paragraph 1 of the Companies Act.
5. The Company, having entered into a directors and officers liability insurance agreement with an insurance company as set forth in Article 430-3, Paragraph 1 of the Companies Act, will compensate in an amount up to 500 million yen for damage when an officer/Director of the Company is subjected to such a damage compensation claim incurred due to his/her corporate officer service as is incurred by an insured person. If the proposed election of the candidates is resolved and they take office, they will be included in the insured under the said insurance contract.

Item No. 5: Introduction of performance-linked remuneration for Directors who are not Audit and Supervisory Committee Members (excluding Outside Directors)

The total amount of the remuneration, etc. for Directors who are not Audit and Supervisory Committee Members of the Company is not more than 700 million yen a year (including 50 million yen a year for Outside Directors) as resolved in the 54th Ordinary General Meeting of Shareholders held on April 22, 2022. Currently, the remuneration for Directors of the Company only consists of fixed remuneration (cash and stock remuneration-type stock options). This time, for the purpose of achieving the Company's goal and improving corporate value as well as shareholder value, the Company revises its director remuneration scheme and proposes to introduce a new scheme consisting of "fixed remuneration" and "performance-linked remuneration" for Directors (excluding Directors who are Audit and Supervisory Committee Members and excluding Outside Directors; the same shall apply hereinafter) of the Company. Details of stock remuneration-type stock options (including the maximum number to be issued, etc. in each business year) are as resolved in the 54th Ordinary General Meeting of Shareholders held on April 22, 2022, and the calculation method of the number of units granted to each Director and other matters shall be updated in accordance with the details of this proposal.

Accordingly, the Company hereby proposes that the introduction of "fixed remuneration" and "performance-linked remuneration" be resolved, up to the above amount of the remuneration, etc. for Directors without changing the existing remuneration level. This revision has been decided at a Board of Directors meeting after consultation with the Remuneration Committee, in which more than half the members are independent Outside Directors. If this proposal is resolved, we will amend the policy to decide the remuneration, etc. for individual Directors of the Company in accordance with "■ Policy on deciding the amounts of remuneration for individual Directors who are not Audit and Supervisory Committee Members" shown below. As stated in the said policy, the percentage of "performance-linked remuneration" is assumed to be at most 33% of the total remuneration. We concluded this proposal to be reasonable as it had been decided in comprehensive consideration of the basis of calculating individual performance-linked remuneration provided for by the said policy, the current number of officers and future developments, etc. The decision of performance-linked remuneration, as shown in the said policy, is premised on the amount calculated by a factor based on the percentage of budget achievement. After consultation with and report from the Remuneration Committee, the President will finally make a decision by comprehensively judging matters including the progress of issues in the medium-term plan. Remuneration for Directors, as before, does not include employee salaries paid to Directors who concurrently serve as employees.

The Audit and Supervisory Committee has not expressed a particular opinion on the introduction of this scheme.

There are currently six (6) Directors who are eligible for this proposal. If Item No. 2 is resolved as proposed, the number of Directors who are eligible for this proposal will be six (6).

■ Policy on deciding the amounts of remuneration for individual Directors who are not Audit and Supervisory Committee Members

- a. The remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply hereinafter) is for the purpose of achieving the Company's goal and improving corporate value as well as shareholder value. The Board of Directors consults with and receives reports from the Remuneration Committee and makes decisions, taking them into account and giving consideration to fairness and transparency.

b. The remuneration for Directors is composed of “fixed remuneration,” “performance-linked remuneration” and “stock remuneration-type stock options.”

i. “Fixed remuneration”

This is paid monthly during his/her term of office not exceeding the basic amount decided by the type of director.

ii. “Performance-linked remuneration”

Of the basic amount, 100% shall be paid if the goal decided at the beginning of the fiscal year is achieved.

Performance-linked remuneration is composed of company-wide performance-linked remuneration and individual performance-linked remuneration, which is paid once a year as a bonus.

(a) Company-wide performance-linked remuneration is calculated and decided by a factor based on the percentage of budget achievement in consolidated earnings (net sales and operating income), applied to the basic amount by the type of director.

(b) Individual performance-linked remuneration is calculated and decided by a factor based on the percentage of budget achievement in earnings by business group in charge (net sales and operating income), applied to the basic amount by the type of director.

iii. “Stock remuneration-type stock options”

The stock remuneration-type stock option scheme was adopted as a program replacing the officer retirement benefits program. New share subscription rights will be granted to Directors of the Company in the form of stock options in order for them to share the merits and risks of stock price fluctuations with shareholders and to clarify management’s responsibility for delivering improved corporate value, by allotting rights. The number of new share subscription rights granted is decided to be an amount conforming to his/her fixed remuneration amount and performance-linked remuneration amount adjusted to the monthly amount and up to the amount combined with the maximum amount resolved by a general meeting of shareholders.

The Company allots new share subscription rights to each Director in the form of stock options during his/her term of office with such rights being exercised after resignation as Director.

c. Percentage of each type of remuneration, etc. to the amount of individual Director’s remuneration, etc.

The percentage of each type of remuneration shall be guided as in the below table.

If 100% of performance-linked remuneration is paid, the percentage of fixed remuneration (cash and stock remuneration-type stock options) and performance-linked remuneration (cash and stock remuneration-type stock options) becomes 67% and 33%.

(In case performance remuneration and stock remuneration-type stock options are paid as pre-determined)

Type of director	Fixed remuneration		Performance-linked remuneration	
	Cash	Stock Option	Cash	Stock Option
Director	61.8~92.3%	5.2~7.7%	0~30.5%	0~2.5%
Outside	100%		0%	

- d. Outside Directors are paid only fixed remuneration and are not eligible for performance-linked remuneration (both company-wide and individual) and stock remuneration-type stock options.
- e. The decision on the details of remuneration, etc. for Directors of the Company shall be partly delegated to Takashi Himeno, the President, whose details of authority and scope of discretion shall be limited to the individual remuneration amount in relation to each Director's performance-linked remuneration and shall be made after taking a report from the Remuneration Committee into account.