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Securities code: 3921

April 10, 2023

(Commencement date of measures for electronic provision of information: April 5, 2023)

**To Shareholders with Voting Rights:**

Akinori Saito  
Representative Director and President  
**NEOJAPAN Inc.**  
10th Floor, Yokohama Landmark Tower  
2-2-1 Minatomirai, Nishi-ku  
Yokohama City, Kanagawa, Japan

**NOTICE OF  
THE 31st ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We hereby inform you that the 31st Annual General Meeting of Shareholders of NEOJAPAN Inc. (the “Company”) will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for electronic provision of information. Thus, information subject to the measures for electronic provision is posted in the Notice of the 31st Annual General Meeting of Shareholders on the Company’s website below.

The Company’s website: <https://www.neo.co.jp/en/ir/library/>

Please select the link titled “Various Reports” on the Company’s website above.

In addition to the above, the information is also posted on the website below.

Tokyo Stock Exchange’s website:

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

Please access the above website, enter and search for the Issue name (company name) or securities code, select “Basic information” and “Documents for public inspection/PR information,” in that order, and view the information.

**In lieu of attending the meeting in person, you may exercise your voting rights in writing or via the internet. Please review the Reference Documents for the General Meeting of Shareholders included in the information subject to the measures for electronic provision, and exercise your voting rights by no later than 6:00 p.m. on Wednesday, April 26, 2023, Japan time.**

- 1. Date and Time:** Thursday, April 27, 2023 at 10:00 a.m. Japan time  
(Reception will start at 9:30 a.m.)
- 2. Venue:** Banquet Room B, 25th Floor, Yokohama Landmark Tower  
2-2-1 Minatomirai, Nishi-ku, Yokohama City, Kanagawa, Japan  
(Please refer to the map at the end of the Japanese version of this Notice.)

### 3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company's 31st Fiscal Year (February 1, 2022 - January 31, 2023) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company's 31st Fiscal Year (February 1, 2022 - January 31, 2023)

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Election of Seven Directors  
**Proposal 3:** Election of Three Audit & Supervisory Board Members  
**Proposal 4:** Election of One Substitute Audit & Supervisory Board Member  
**Proposal 5:** Determination of Compensation for Granting Performance Condition-based Restricted Stock to Directors (excluding Outside Directors)

### 4. Matters Determined for Convocation of General Meeting of Shareholders:

- (1) If there is no indication of a vote for or against each proposal on the Voting Rights Exercise Form, it shall be deemed and treated as an indication of consent.
- (2) When you exercise your voting rights both via the internet and in writing, the voting rights exercised via the internet shall be deemed and treated as a valid vote. Additionally, when exercising your voting rights twice or more via the internet, the voting rights exercised last shall be deemed and treated as a valid vote.

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- ⊙ When attending the meeting, please bring the enclosed Voting Rights Exercise Form and submit it at the reception desk. Additionally, please bring this Notice with you in order to conserve resources.
  - ⊙ In accordance with laws and regulations and Article 14 of the Company's Articles of Incorporation, the following items are not stated in the document to be sent to shareholders who have requested the provision of physical documents. Therefore, the document is part of documents audited by the Audit & Supervisory Board and the Accounting Auditor in the preparation of the audit report and accounting audit report, respectively.
    - Notes to the Consolidated Financial Statements
    - Notes to the Non-consolidated Financial Statements
  - ⊙ Should the information subject to electronic provision require revisions, the revised versions will be posted on the relevant websites.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

The Company's basic policy is to continue to return profits to shareholders in line with business performance while establishing a stable management base over the long term and increasing internal reserves necessary for future business expansion. Specifically, the Company targets a dividend payout ratio of 30% or more, which shall be determined in consideration of the future business environment.

With regard to the year-end dividend for the fiscal year under review, the Company proposes the following in accordance with the above policy.

- (1) Type of dividend property:  
Cash
- (2) Matters concerning the allotment of dividend property to shareholders and the total amount:  
20.00 yen per share of the common stock of the Company  
Total amount: 298,291,540 yen
- (3) Effective date of the dividend of surplus:  
April 28, 2023

**Proposal 2: Election of Seven Directors**

The number of current Directors of the Company is six and their terms of office will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of seven Directors (including three Outside Directors), an increase of the number of Outside Directors by one, to further strengthen corporate governance.

The candidates for Directors are as shown below.

The election of candidates for Directors has been deliberated by the non-statutory Nomination and Remuneration Committee.

No.	Name (Date of birth)	Career summary, significant concurrent positions, positions and responsibilities at the Company	Number of shares of the Company held
1	<p>[Reappointment]</p> <p>Akinori Saito (Name on the family register: Akihiro Saito) (December 16, 1961) Male</p>	<p>April 1980      Joined Nippon Telegraph and Telephone Public Corporation (current Nippon Telegraph and Telephone Corporation)</p> <p>August 1990      Joined Business Infor Co., Ltd.</p> <p>February 1992      Founded the Company as Representative Director and President (current position)</p> <p>November 2006      Representative Director of Prosidus Inc. (current position)</p> <p>August 2019      Chairman of the Board of Pro-SPIRE Inc. (current position)</p> <p>December 2019      Director of NEOREKA ASIA Sdn. Bhd. (current position)</p> <p>February 2021      Director of NEO THAI ASIA Co., Ltd. (current position)</p>	3,568,000
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Akinori Saito is the founder of the Company and has extensive experience and knowledge in internet-related technologies, service operations, and commissioned development. He has played an important role in the planning, decision-making, and execution of management policies and business strategies as Representative Director and President of the Company since its establishment. Therefore, the Company has deemed it appropriate to reappoint him as Director of the Company.</p>			
2	<p>[Reappointment]</p> <p>Mamoru Okanda (October 8, 1956) Male</p>	<p>July 1980      Joined Toshiba Engineering Corporation (current TOSHIBA DIGITAL SOLUTIONS CORPORATION)</p> <p>February 2005      Joined the Company as General Manager of Product Management Division</p> <p>July 2005      Director</p> <p>May 2016      Managing Director (current position)</p> <p>October 2020      General Manager of Product Management Division and supervising Marketing Management Department</p> <p>February 2023      General Manager of Product Management Division (current position)</p>	100,000
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Mamoru Okanda has been in charge of the sales division of the Company for many years and has made a significant contribution to the establishment and expansion of the Company's revenue base as Director since 2005 and as Managing Director from 2016 to the present. The Company has deemed it appropriate to reappoint him as Director because he is expected to continue to play a proper role in the expansion of the Company's business by leveraging his extensive experience and knowledge in all aspects of business operations.</p>			

No.	Name (Date of birth)	Career summary, significant concurrent positions, positions and responsibilities at the Company	Number of shares of the Company held
3	[Reappointment]  Tsuneko Aoki (August 6, 1959) Female	<p>April 1982      Joined The Mitsui Bank, Ltd. (current Sumitomo Mitsui Banking Corporation)</p> <p>April 1991      Joined KPMG Peat Marwick Accounting Office (Current KPMG AZSA LLC)</p> <p>September 1991      Joined YAHAGI CONSULTANTS, INC.</p> <p>October 1998      Joined Research Institute of Next Generation Communication Inc.</p> <p>February 2001      Joined Diamond Capital Co., Ltd. (current Mitsubishi UFJ Capital Co., Ltd.)</p> <p>July 2005      General Manager of Sales Group III (current Investment Department III)</p> <p>October 2005      Outside Director of the Company</p> <p>January 2007      Outside Director (retired)</p> <p>April 2019      Outside Director</p> <p>April 2021      Director in charge of IR/General, Personnel, and Legal Affairs and General Manager of Corporate Department</p> <p>March 2023      Director in charge of General, Personnel, and Legal Affairs and General Manager of Corporate Department (current position)</p>	—
<p>[Reason for nomination as candidate for Director]</p> <p>Ms. Tsuneko Aoki has acquired a wide range of insight and abundant experience in corporate management from her many years of experience in venture capital and advisory work for growth companies. In addition, as an Outside Director of the Company and then as a Director since 2021, she has contributed to strengthening the function of the Company's corporate division. The Company has deemed it appropriate to reappoint her as Director because she is expected to continue to contribute to the Company's sustainable growth and enhanced corporate value.</p>			
4	[Reappointment]  Makoto Tokiwa (May 27, 1975) Male	<p>October 1998      Joined Showa Ota &amp; Co. (current Ernst &amp; Young ShinNihon LLC)</p> <p>April 2002      Register as a certified public accountant</p> <p>October 2004      Opened Tokiwa CPA Office (current position)</p> <p>April 2005      Joined Nakamura CPA Office</p> <p>January 2007      Joined the Company as Executive Officer and General Manager in charge of Accounting and Finance</p> <p>January 2011      Registered as a certified social insurance labor consultant</p> <p>August 2016      Registered as a medium and small business consultant</p> <p>February 2021      Director of NEOREKA ASIA Sdn. Bhd. (current position)</p> <p>April 2021      Director in charge of Accounting and Finance and General Manager of Corporate Department of the Company (current position)</p>	28,800
<p>[Reason for nomination as candidate for Director]</p> <p>In addition to his extensive experience and expertise as a certified public accountant, Mr. Makoto Tokiwa has contributed to strengthening the function of the corporate division, most notably in the areas of accounting and finance, as Executive Officer and General Manager in charge of Accounting and Finance of the Company since 2007 and as Director since 2021. The Company has deemed it appropriate to reappoint him as Director because he is expected to contribute to the Company's sustainable growth and enhanced corporate value.</p>			

No.	Name (Date of birth)	Career summary, significant concurrent positions, positions and responsibilities at the Company	Number of shares of the Company held
5	[Reappointment]  Hirofumi Ozaki (November 3, 1972) Male	April 1996      Joined DDI Pocket Co., Ltd. (current SoftBank Corp.) May 1998      Joined Ozaki Accounting Office April 2005      Registered as a certified tax accountant Founded Hirofumi Ozaki Tax Accountant Office as Director July 2015      Outside Director of the Company (current position) July 2022      Representative Partner of Surugadai Tax Accountant Corporation (current position) November 2022 Representative Partner of Surugadai Associates Limited Liability Company (current position)	—
[Reason for nomination as candidate for Outside Director] Mr. Hirofumi Ozaki has acquired expertise as a certified tax accountant as well as extensive knowledge of finance and accounting. Serving as an Outside Director of the Company since 2015, he has contributed to ensuring the validity and adequacy of decision-making by the Board of Directors. The Company has determined that his expertise and extensive knowledge of finance and accounting are necessary to strengthen the supervisory function of the Board of Directors, and therefore requests his continued appointment as Outside Director. Although he has never been involved in corporate management in any way other than by serving an outside officer, for the reasons stated above, the Company has determined that he will be able to adequately perform his duties as Outside Director.			
6	[Reappointment]  Shigehiko Matsumoto (August 6, 1954) Male	April 1978      Joined Sumitomo Bank, Limited (current Sumitomo Mitsui Banking Corporation) April 2010      Assumed the position of Executive Officer of The Japan Research Institute, Limited June 2011      Assumed the position of Director and Managing Executive Officer of The Japan Research Institute, Limited June 2015      Assumed the position of Director and Senior Managing Executive Officer of The Japan Research Institute, Limited April 2018      Outside Director of the Company (current position)	—
[Reason for nomination as candidate for Outside Director] Mr. Shigehiko Matsumoto has a wealth of experience and extensive knowledge from his many years of involvement in a wide range of corporate operations at financial institutions and the management of business companies engaged in system development and other similar business. Serving as an Outside Director of the Company since 2018, he has been providing useful advice and recommendations on the Company's management. The Company has determined that his abundant experience and extensive knowledge of management are necessary to strengthen the supervisory function of the Board of Directors, and therefore requests his continued appointment as Outside Director.			

No.	Name (Date of birth)	Career summary, significant concurrent positions, positions and responsibilities at the Company	Number of shares of the Company held
7	[New appointment]  Toshio Iwasaki (July 9, 1946) Male	<p>May 1970      Joined The Mitsubishi Bank, Ltd. (current MUFG Bank, Ltd.)</p> <p>February 1999      Senior Managing Director of Diamond Capital Co., Ltd. (current Mitsubishi UFJ Capital Co., Ltd.)</p> <p>December 2002      Director of CellFree Sciences Co., Ltd. (current position)</p> <p>June 2006      Director of R-Tech Ueno, Ltd.</p> <p>April 2007      Corporate Auditor of e-Conservo Inc.</p> <p>April 2007      Assumed the position of Advisor of the Company</p> <p>June 2007      Director of Anicom Holdings, Inc.</p> <p>September 2010      Outside Director of archetype corporation</p> <p>June 2011      Corporate Auditor of ReqMed Company, Ltd.</p> <p>June 2011      Director of HAKONE COUNTRY CLUB Co., Ltd.</p> <p>June 2014      Director of ReqMed Company, Ltd. (current position)</p> <p>April 2015      Audit &amp; Supervisory Board Member of the Company (current position)</p> <p>June 2015      Representative Director of HAKONE COUNTRY CLUB Co., Ltd. (current position)</p>	—
<p>[Reason for nomination as candidate for Outside Director]</p> <p>Mr. Toshio Iwasaki has many years of experience in financial institutions and a wealth of insight and experience in management. Serving as an Outside Audit &amp; Supervisory Board Member since 2015, he has properly audited the execution of duties by the Directors of the Company. The Company has determined that his extensive experience and broad knowledge of management are necessary to strengthen the supervisory function of the Board of Directors, and therefore requests his election as Outside Director.</p>			

- Notes:
1. There are no special interests between each candidate and the Company.
  2. Mr. Hirofumi Ozaki, Mr. Shigehiko Matsumoto, and Mr. Toshio Iwasaki are candidates for Outside Director.
  3. Mr. Hirofumi Ozaki has assumed the position of Outside Director of the Company since July 2015. He will have been in the position for seven years and ten months at the conclusion of this Annual General Meeting of Shareholders.
  4. Mr. Shigehiko Matsumoto has assumed the position of Outside Director of the Company since April 2018. He will have been in the position for five years at the conclusion of this Annual General Meeting of Shareholders.
  5. Mr. Toshio Iwasaki is scheduled to retire from the position of Outside Audit & Supervisory Board Member of the Company due to the expiration of the term of office at the conclusion of this Annual General Meeting of Shareholders. He will have served as Audit & Supervisory Board Member for eight years at the conclusion of this Annual General Meeting of Shareholders.
  6. The Company has concluded a directors and officers liability insurance contract with all Directors as the insured. The contract will cover damages that may arise due to insured Directors assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability. If each candidate assumes the position of Director, each candidate will be included as the insured under this insurance contract, and the Company will renew this insurance contract during the term of office of each candidate.
  7. The Company has entered into agreements with Mr. Hirofumi Ozaki, Mr. Shigehiko Matsumoto, and Mr. Toshio Iwasaki in accordance with Article 427, Paragraph 1 of the Companies Act to limit their liability for compensation as set forth in Article 423, Paragraph 1 of the same Act. The maximum amount of liability for compensation under the agreements

is one million yen or the minimum liability amount as set forth in laws and regulations, whichever is higher. If the election of each candidate is approved, the Company will continue the said agreements with each candidate.

8. Mr. Hirofumi Ozaki, Mr. Shigehiko Matsumoto, and Mr. Toshio Iwasaki have been registered as Independent Directors as stipulated in the regulations of the Tokyo Stock Exchange. If their election is approved, they will remain registered as Independent Directors.

#### [Reference] Skill Matrix of Directors

The following is a skill matrix for each of the candidates if elected at this Annual General Meeting of Shareholders. This table does not represent all of the skills of each Director, but rather indicates the areas in which the Company expects each director to contribute to the discussions at the Board of Directors in light of that Director's knowledge and experience.

Name	Corporate management	Technology / R&D	Sales strategy	Finance and accounting	Personnel and labor affairs / Human resources development	Legal affairs / Compliance / Risk management	Overseas businesses
Akinori Saito	●	●	●		●		●
Mamoru Okanda	●	●	●				
Tsuneko Aoki	●		●		●	●	
Makoto Tokiwa	●			●		●	
Hirofumi Ozaki	●			●			
Shigehiko Matsumoto	●				●		●
Toshio Iwasaki	●					●	●



**Proposal 3: Election of Three Audit & Supervisory Board Members**

The number of current Audit & Supervisory Board Members of the Company is three and their terms of office will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of three Audit & Supervisory Board Members is proposed.

The Audit & Supervisory Board has previously given its approval to the submission of this Proposal. The candidates for Audit & Supervisory Board Members are as follows.

No.	Name (Date of birth)	Career summary, significant concurrent positions, and positions at the Company	Number of shares of the Company held
1	[New appointment]  Masahiro Kobayashi (August 27, 1957) Male	April 1980      Joined Showa Information Systems Co. Ltd. September 1989      Joined ITOCHU Techno-Solutions Corporation November 2017      Representative Director and President of CTC Business Expert Corporation July 2021      General Manager of Internal Audit Office of the Company (current position)	—
	[Reason for nomination as candidate for Audit & Supervisory Board Member] Mr. Masahiro Kobayashi has many years of experience in the IT industry and in management. Serving as General Manager of the Internal Audit Office of the Company since July 2021, he has been conducting internal audits in light of the effectiveness and efficiency of operations and providing useful recommendations to management and field personnel. The Company has deemed it appropriate to appoint him as Audit & Supervisory Board Member because he is expected to play a proper role in auditing the performance of management duties on the basis of his experience and knowledge.		
2	[Reappointment]  Masahiko Umezono (April 27, 1954) Male	April 1977      Joined The Mitsubishi Bank, Ltd. (current MUFG Bank, Ltd.) June 1983      Graduated from Master Course of Harvard Business School in the U.S. (MBA) May 2003      General Manager of Business Department III of The Mitsubishi Bank, Ltd. (current MUFG Bank, Ltd.) May 2004      General Manager of Structured Finance Department of The Mitsubishi Bank, Ltd. (current MUFG Bank, Ltd.) March 2007      Executive Officer and General Manager of Corporate Planning Office, General Manager of Logistics Operation Office, and General Manager of Overseas Business Office of MIYOSHI OIL & FAT CO., LTD. March 2009      Executive Officer of Mitsubishi UFJ Asset Management Co., Ltd. June 2012      Full-time Corporate Auditor of Mitsubishi UFJ Capital Co., Ltd. January 2017      Corporate Auditor of Chitose Kosan Co., Ltd. January 2017      Corporate Auditor of Chitose Facilities Co., Ltd. April 2019      Full-time Audit & Supervisory Board Member of the Company (current position)	—
	[Reason for nomination as candidate for Outside Audit & Supervisory Board Member] Mr. Masahiko Umezono has many years of experience at financial institutions and as a Full-time Audit & Supervisory Board Member at the Company and other companies. He has considerable knowledge of finance and accounting and is expected to appropriately perform his duties. Therefore, the Company has deemed it appropriate to appoint him as Outside Audit & Supervisory Board Member.		

No.	Name (Date of birth)	Career summary, significant concurrent positions, and positions at the Company	Number of shares of the Company held
3	[New appointment]  Yuriko Kanematsu (Name on the family register: Yuriko Aeba) (January 23, 1961) Female	<p>April 1988 Registered as an attorney-at-law</p> <p>April 1988 Joined Ozaki and Momo-o Legal Office</p> <p>April 1989 Joined MOMO-O, MATSUO &amp; NAMBA</p> <p>October 1994 Graduated from Master Course in Graduate School of University of Ottawa, Canada</p> <p>Earned the degree of Master of Laws</p> <p>January 1997 Assumed the position of Partner of MOMO-O, MATSUO &amp; NAMBA (current position)</p> <p>June 2006 Corporate Auditor of ReqMed Company, Ltd. (current position)</p> <p>February 2019 Assumed the position of Member of Radio Regulatory Council of Ministry of Internal Affairs and Communications</p>	—
<p>[Reason for nomination as candidate for Outside Audit &amp; Supervisory Board Member]</p> <p>Ms. Yuriko Kanematsu has a wealth of experience and a high level of expertise as an attorney, and the Company has deemed it appropriate to appoint her as Outside Audit &amp; Supervisory Board Member because she is expected to appropriately execute her duties. Although she has never been involved in corporate management in any way other than by serving as an outside officer, the Company has determined that she will be able to appropriately perform her duties as an Outside Audit &amp; Supervisory Board Member for the reasons stated above.</p>			

- Notes:
1. There are no special interests between each candidate and the Company.
  2. Mr. Masahiro Kobayashi is a candidate for Full-time Audit & Supervisory Board Member.
  3. Ms. Yuriko Kanematsu (name on the family register: Yuriko Aeba) uses her maiden name in the course of her duties, so her name as it appears on the family register is written alongside her name.
  4. Mr. Masahiko Umezono and Ms. Yuriko Kanematsu are candidates for Outside Audit & Supervisory Board Members.
  5. Mr. Masahiko Umezono is currently an Outside Audit & Supervisory Board Member, and he will have been in the position for four years at the conclusion of this Annual General Meeting of Shareholders.
  6. Mr. Masahiko Umezono has been registered as an Independent Auditor as stipulated in the regulations of the Tokyo Stock Exchange. If his election is approved, he will remain registered as an Independent Auditor.
  7. Ms. Yuriko Kanematsu satisfies the requirements for Independent Auditors stipulated in the regulations of the Tokyo Stock Exchange. If she assumes the position of Outside Audit & Supervisory Board Member, the Company will register her as an Independent Auditor with the Exchange.
  8. The Company has entered into an agreement with Mr. Masahiko Umezono in accordance with Article 427, Paragraph 1 of the Companies Act to limit his liability for compensation as set forth in Article 423, Paragraph 1 of the same Act. The maximum amount of liability for compensation under the agreement is one million yen or the minimum liability amount as set forth in laws and regulations, whichever is higher. If his reelection is approved, the Company will continue the said agreement with him. Additionally, if the election of Mr. Masahiro Kobayashi and Ms. Yuriko Kanematsu is approved, the Company will enter into similar liability limitation agreements with them.
  9. The Company has concluded a directors and officers liability insurance contract with all Audit & Supervisory Board Members as the insured. The contract will cover damages that may arise due to insured Audit & Supervisory Board Members assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability. If each candidate assumes the position of Audit & Supervisory Board Member, each candidate will be included as the insured under this insurance contract, and the Company will renew this insurance contract during the term of office of each candidate.

[Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members of the Company]

The Company shall deem an Outside Director, Outside Audit & Supervisory Board Member, or a candidate therefor to be independent if, as a result of the Company's investigation to an extent reasonably possible, it is determined that said person falls under none of the following items:

1. Any person who purports to be a major business partner of the Company<sup>\*1</sup> or any Executive Director, Executive Officer, Manager or other employee thereof;
2. Any person who is a major business partner of the Company<sup>\*2</sup> or any Executive Director, Executive Officer, Manager or other employee thereof;
3. Any person belonging to a company, association or other organization such as a law firm, auditing firm, tax accountant corporation and consultancy which receives monies or other economic benefits above a certain amount<sup>\*3</sup> from the Company;
4. Any attorney-at-law, certified public accountant, consultant or other expert who receives monies or other economic benefits above a certain amount<sup>\*4</sup> from the Company, in addition to his or her compensation as a Director or Audit & Supervisory Board Member;
5. A large shareholder (a person directly or indirectly holding 10% or more of total voting rights) of the Company or an executive of that shareholder;
6. A person of which the Company directly or indirectly holds 10% or more of total voting rights or an executive thereof;
7. If an Executive Director or Full Time Audit & Supervisory Board Member of the Company concurrently holds a position as an Outside Director or Outside Audit & Supervisory Board Member at another company, any person who is an Executive Director, Executive Officer, Manager or other employee of that company;
8. Any person who received donations from the Company above a certain amount<sup>\*4</sup> or a person who is a board member or other executive in a company, association or other organization which received donations from the Company above a certain amount<sup>\*4</sup>;
9. Any person who has come under one of the categories listed in items 1 through 8 above in the past three years;
10. If a person coming under one of the categories listed in items 1 through 8 above is an important person,<sup>\*5</sup> that person's spouse or relative within the second degree of kinship; or
11. The spouse or relative within the second degree of kinship of any person who is a Director, Executive Officer, Audit & Supervisory Board Member, Manager or other important employee of the Company

(Notes)

- \*1 Where it reads "any person who purports to be a major business partner of the Company," this means any company (or person) who has received a payment from the Company of 2% or more of its annual consolidated net sales for the most recent business year.
- \*2 Where it reads "any person who is a major business partner of the Company," this means any company (or person) who has paid to the Company an amount of 2% or more of the Company's annual net sales for the most recent business year.
- \*3 Where it reads "above a certain amount," this means more than 2% of the organization's annual consolidated net sales for the most recent business year.
- \*4 Where it reads "above a certain amount," this means the amount is more than 10 million yen in the most recent business year.
- \*5 Where it reads "an important person," this means a director (excluding an outside director), an executive officer, or an employee in a management position of general manager or higher.

**Proposal 4: Election of One Substitute Audit & Supervisory Board Member**

In order to prepare for the case where a vacancy results in a shortfall in the number of Audit & Supervisory Board Members prescribed by laws and regulations, we propose the election of one Substitute Audit & Supervisory Board Member in advance.

The Audit & Supervisory Board has previously given its approval to the submission of this Proposal. The candidate for Audit & Supervisory Board Member is as follows.

Name (Date of birth)	Career summary, significant concurrent positions, and positions at the Company	Number of shares of the Company held
<p>Taizo Fukushima (June 3, 1970) Male</p>	<p>April 1992      Joined KEC Co., Ltd.</p>	—
	<p>October 1996    Joined Showa Ota &amp; Co. (current Ernst &amp; Young ShinNihon LLC)</p>	
	<p>January 2003    Joined Tohmatsu &amp; Co. (current Deloitte Touche Tohmatsu LLC)</p>	
	<p>November 2015    Founded Akutsu &amp; Fukushima Accounting Office</p>	
	<p>December 2015    Assumed the position of Director of MM Principal Investment Co., Ltd.</p>	
	<p>April 2016        Assumed the position of Director of OMG Holdings Co., Ltd. (current position)</p>	
	<p>May 2016         Assumed the position of Director (Audit and Supervisory Committee Member) of gremz, Inc. (current position)</p>	
	<p>September 2016    Assumed the position of Director of Keystone Technology Inc.</p>	
	<p>March 2017        Assumed the position of Auditor of alt Inc. (current position)</p>	
	<p>                         Assumed the position of Director (Audit and Supervisory Committee Member) of SIGLEAD Inc.</p>	
	<p>June 2017         Founded Taizo Fukushima CPA Office and assumed the position of Director (current position)</p>	
	<p>September 2017    Assumed the position of Director of M&amp;A no Madoguchi Co., Ltd. (current position) Founded AKAHOSHI AUDIT CORPORATION and assumed the position of Representative Partner (current position)</p>	
	<p>June 2020         Assumed the position of Corporate Auditor of Crooober Co., Ltd.</p>	
	<p>October 2020      Assumed the position of Audit &amp; Supervisory Board Member of atDose Co., Ltd. (current position)</p>	
	<p>April 2021         Assumed the position of Director of Crooober Co., Ltd. (current position)</p>	
<p>May 2021         Assumed the position of Director of Apollo Japan Co., Ltd. (current position)</p>		
<p>[Reason for nomination as candidate for Substitute Outside Audit &amp; Supervisory Board Member] Mr. Taizo Fukushima is a certified public accountant with expertise and extensive experience in accounting and finance and is expected to perform audits appropriately from an independent standpoint. The Company therefore requests his election as a Substitute Outside Audit &amp; Supervisory Board Member.</p>		

- Notes: 1. There are no special interests between Mr. Taizo Fukushima and the Company.  
2. The Company appointed Mr. Tsutomu Matsuo as a Substitute Audit & Supervisory Board Member at the 28th Annual General Meeting of Shareholders. The order of precedence for

the appointment of a Substitute Audit & Supervisory Board Member to the position of Audit & Supervisory Board Member is as follows.

- If a Substitute Audit & Supervisory Board Member assumes the position of an Audit & Supervisory Board Member upon the resignation of a Full-time Audit & Supervisory Board Member, Mr. Tsutomu Matsuo shall have first priority, and Mr. Taizo Fukushima shall have second priority. In other cases where a Substitute Audit & Supervisory Board Member is appointed as an Audit & Supervisory Board Member, Mr. Taizo Fukushima shall have first priority, and Mr. Tsutomu Matsuo shall have second priority.
3. Mr. Taizo Fukushima is a candidate for a Substitute Outside Audit & Supervisory Board Member. He satisfies the requirements for outside officers stipulated in the regulations of the Tokyo Stock Exchange and the Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members of the Company. Therefore, if he assumes the position of Outside Audit & Supervisory Board Member, the Company will register him as an Independent Auditor in accordance with the regulations of the Exchange.
  4. The appointment of a candidate may be revoked by a resolution of the Board of Directors only with the consent of the Audit & Supervisory Board prior to that candidate's appointment.
  5. If Mr. Taizo Fukushima assumes the position of Audit & Supervisory Board Member, the Company will enter into a liability limitation agreement with him as set forth in the stipulations in Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability for compensation under the agreement is one million yen or the minimum liability amount as set forth in laws and regulations, whichever is higher.
  6. The Company has concluded a directors and officers liability insurance contract with all Audit & Supervisory Board Members as the insured. The contract will cover damages that may arise due to insured Audit & Supervisory Board Members assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability. If Mr. Taizo Fukushima assumes the position of Audit & Supervisory Board Member, he will be included as the insured under this insurance contract, and the Company will renew this insurance contract during his term of office.

**Proposal 5:** Determination of Compensation for Granting Performance Condition-based Restricted Stock to Directors (excluding Outside Directors)

The amount of compensation of the Company's Directors was approved at the Extraordinary General Meeting of Shareholders held on April 28, 2004 as an amount not exceeding 200 million yen per annum. However, in order to provide Directors with incentives to improve the Company's corporate value in the medium and long term and to continuously improve the shareholders' value and to incentivize a commitment to performance, the Company proposes to establish a compensation system for granting performance condition-based restricted stock to the Company's Directors (excluding Outside Directors; hereinafter referred to as "Eligible Directors") (such compensation system is hereinafter referred to as the "Stock Compensation System").

The compensation to be paid to Eligible Directors for granting the restricted stock in accordance with this Proposal shall be a monetary claim (hereinafter referred to as "Monetary Compensation Claims"), and the total amount of the compensation, which is separate from the above compensation, shall be no more than 30 million yen per annum, taking into consideration the contribution of Eligible Directors and various other matters, as well as the amount considered appropriate in light of the above-mentioned objectives. The specific timing and allocation of the payment to each Eligible Director will be determined by the Board of Directors of the Company.

If this Proposal is approved, the Company's Board of Directors, at a meeting held after the conclusion of this General Meeting of Shareholders, plans to make changes to the policy for determining the details of individual director compensation described in the Business Report of the Japanese version of this document, "4 Matters Concerning Corporate Officers, (3) Amount of Compensation of Directors and Corporate Auditors, 3) Matters Concerning Policy for Determining the Content of Individual Director Compensation", as described in this Proposal (Reference), so that the contents will be consistent with those approved by the shareholders. The Company believes that this Proposal is in line with the policy after said change and is appropriate.

The number of current Eligible Directors is four. If Proposal 2 is approved as proposed, the number of Eligible Directors will be four.

Furthermore, the Company will pay Eligible Directors Monetary Compensation Claims within the above annual amount as compensation, related to the restricted stock in accordance with a resolution of the Board of Directors of the Company, and each Eligible Director will receive all such Monetary Compensation Claims as assets contributed in kind to the Company, and will be allotted the restricted stock of the Company. The total number of restricted stocks to be allocated to Eligible Directors will be limited to 20,000 shares per annum. However, in the event of a stock split (including gratis allotment of shares of the Company's common stock) or reverse stock split of the Company's common stock after the date of the resolution of this Proposal and if any other unavoidable circumstances arise that require adjustment of the total number of restricted stocks to be allotted in accordance with these cases, the total number of such restricted stock may be adjusted in a reasonable manner.

The amount to be paid for the restricted stock will be determined by the Company's Board of Directors on the basis of the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Company's Board of Directors regarding the issuance or disposal of the restricted stock (or the closing price of the most recent trading day prior to that day if no such trading exists on that date), to the extent that such amount is not particularly favorable to the Eligible Directors who will subscribe to such stock.

Furthermore, the above Monetary Compensation Claims shall be paid subject to the Eligible Directors' consent to the above contribution-in-kind and the execution of a performance-based restricted stock allotment agreement (the "Allotment Agreement") between the Company and the Eligible Directors, which includes the following terms and conditions.

(1) Transfer restriction period

During the period between the date of delivery of the restricted stock and the date on which Eligible Directors resign or retire from any of their positions as Directors of the Company or other positions determined by the Board of Directors of the Company (the "Positions of Office, etc.") (the "Transfer Restriction Period"), Eligible Directors may not transfer, grant a security interest in, make a living gift, bequest or otherwise dispose of the restricted stock allocated to them under the Allotment Agreement (the "Allotted Shares").

(2) Removal of transfer restrictions

The Company will lift the transfer restriction on all of the Allotted Shares upon the expiration of the Transfer Restriction Period, provided that the Eligible Directors to whom the restricted stock is allotted have continuously held their positions from the beginning of the Transfer Restriction Period until the date of the first Annual General Meeting of Shareholders of the Company (the "Service Period"), and

that they have achieved the performance goals set by the Board of Directors of the Company for the fiscal year determined by the Board of Directors of the Company. However, if the Eligible Directors resign or retire from any of their Positions of Office, etc., by the day before the expiration date of the Service Period due to death or other reasons deemed justifiable by the Board of Directors of the Company, the number of Allotted Shares to be released from the lifting of the transfer restrictions and the timing of the lifting of the transfer restrictions shall be reasonably adjusted as necessary.

(3) Acquisition of the restricted stock without consideration

If the Eligible Directors to whom the restricted stock is allotted resign or retire from any of their Positions of Office, etc., by the day before the expiration of the Service Period, the Company shall as a matter of course acquire the Allotted Shares without compensation, except for reasons that the Board of Directors of the Company deems justifiable.

Furthermore, upon expiration of the Transfer Restriction Period, all of the Allotted Shares for which the restrictions on transfer have not been lifted in accordance with the provisions of (2) above shall as a matter of course be acquired without compensation.

(4) Treatment in the event of reorganization, etc.

Notwithstanding the provisions of (1) above, in the event that a merger agreement in which the Company becomes a dissolving company, a share exchange agreement in which the Company becomes a wholly owned subsidiary, a share transfer plan or other proposals related to organizational restructuring, etc. are approved at a general meeting of shareholders (provided, however, that in cases where approval by the general meeting of shareholders of the Company is not required for such organizational restructuring, etc., the Board of Directors of the Company shall approve such organizational restructuring, etc.) of the Company during the Transfer Restriction Period, the transfer restriction shall be removed by resolution of the Board of Directors of the Company for the number of the Allotted Shares reasonably determined on the basis of the period from the start of the Transfer Restriction Period to the date of which such organizational restructuring, etc. is approved, prior to the effective date of such organizational restructuring, etc. In such a case, the Company shall, in accordance with the stipulations above, naturally acquire without consideration the Allotted Shares for which the transfer restriction has not yet been removed as of the time immediately following the removal of the restriction.

(5) Other matters

Other matters related to the Allotment Agreement shall be determined by the Company's Board of Directors.

(Reference)

- 1) Matters related to the policy for determining the details of compensation, for each individual Director

(Basic policies)

The compensation system for the Company's Directors shall place emphasis on enhancing corporate value over the medium to long term by realizing the Company's vision of "supporting all workers with the power of ICT" and its management philosophy of "contributing to the creation of a prosperous society through realistic IT communication."

Compensation shall consist of basic compensation and non-monetary compensation. Outside Directors who are in charge of supervisory functions shall only receive basic compensation in consideration of their duties.

(Policy on the amount of compensation, per individual)

Basic compensation for the Company's Directors shall be a monthly fixed monetary compensation and shall be determined by fully taking into consideration factors such as position, responsibilities, the realization of the vision, the realization of management philosophy, contribution to the Company's performance over the medium to long term, and the level of employee salaries.

Non-monetary compensation shall be performance condition-based restricted stock with the objective of providing incentives to increase the Company's corporate value over the medium and long term and to sustainably increase shareholder value, as well as to incentivize a commitment to performance. Performance condition-based restricted stock shall be subject to the condition that the Company achieves the performance targets set by the Board of Directors of the Company with respect to the fiscal year as determined by the Board of Directors of the Company, and the restriction on transfer shall be lifted at the expiration of the restriction period. The specific timing and allocation of payments to Eligible Directors shall be determined by fully taking into consideration various factors, including the contribution level of the Eligible Directors.