

To Our Shareholders

36-1, Shimorenjyaku 3-chome, Mitaka-shi, Tokyo

ABIST Co., Ltd.

Akira Shin,

Representative Directors and President

Convocation Notice for the 18th Term Annual General Shareholders Meeting

To whom it may concern, Thank you for continuously doing business with us.

We would like to inform you that the 18th Annual General Shareholders Meeting of ABIST Co., Ltd. (the “Company”) will be held as described below.

In convening this shareholders’ meeting, the Company has taken measures for electronic provision of information, and posted matters to be provided electronically as “Convocation Notice for the 18th Term Annual General Shareholders Meeting” on the following website on the Internet.

The Company’s website <https://www.abist.co.jp/ir/>

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

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

(Please visit the TSE website above, enter/search “ABIST” under “Issue name (company name)” or its securities code “6087” under “Code,” and choose “Basic information,” “Documents for public inspection / PR information” and “Notice of General Shareholders Meeting / Informational Materials for a General Shareholders Meeting.”)

You may exercise your voting rights in advance in writing or via the Internet in lieu of voting in person at the meeting. After reviewing the Reference Documents for the General Shareholders Meeting included in the matters provided electronically, please exercise your voting rights following the instructions below no later than 5:30 p.m. on Thursday, December 21, 2023.

Sincerely,

Details

1. Date and Time Friday, December 22, 2023, at 10:00 a.m. (JST)
(Reception desk opens at 9:30 a.m.)
2. Location Kichijoji Tokyu REI Hotel Musashino room,
1-6-3, Kichijoji-minamicho, Musashino-shi, Tokyo
(The venue is different from last year. Please refer to the map above to ensure that you will be in the right place.)
<https://www.tokyuhotelsjapan.com/global/kichijoji-r/access/index.html>
3. Meeting Agenda
Matters for reporting: Business reports and non-consolidated financial statements for the Company’s 18th term (from October 1, 2022 to September 30, 2023)
Matters for resolution:
 Proposal No. 1: Appropriation of surplus
 Proposal No. 2: Partial amendment to the Articles of Incorporation
 Proposal No. 3: Election of five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members)
 Proposal No. 4: Presentation of retirement bonuses to retiring Directors and special remuneration for the founder
 Proposal No. 5: Payment of retirement allowance to Directors associated with the abolishment of the officers’ retirement bonus plan
 Proposal No. 6: Introduction of a long-term incentive remuneration system for Directors and other officers

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- When attending the meeting, please submit the enclosed voting rights exercise form at the reception desk to register your attendance.
 - If there are any changes to the matters concerning the measures for the electronic provision, we will post the corrections on each website.

Reference Documents for the General Shareholders Meeting

Proposals and Reference Issues

Proposal No. 1: Appropriation of surplus

The Company proposes the appropriation of surplus as follows:

Matters related to year-end dividends

We plan to pay the year-end dividends for the 18th term as detailed below based on our policy to provide stable and continuous profit return according to the financial results for the fiscal year under review.

(1) Type of dividend property

Cash

(2) Allotment of dividend property and their aggregate amount

The Company proposes to pay a dividend of ¥102 per common share of the Company.

Total amount: ¥405,917,364

(3) Effective date of dividends of surplus

December 25, 2023

Proposal No. 2: Partial amendment to the Articles of Incorporation

1. Reason for proposal

To pursue a capital policy and a dividend policy in a flexible manner and enable the Company to pay the dividend of surplus by resolution of the Board of Directors pursuant to the provisions of Article 459, Paragraph 1 of the Companies Act, the Company will establish Article 41 (Organization that Determines Dividends of Surplus, etc.) and Article 42 (Record Date for Distribution of Surplus), delete Article 6 (Acquisition of Own Shares), Article 42 (Year-end Dividends) and Article 43 (Interim Dividends), and change Article 44 (Period of Exclusion of Dividends) in the current Articles of Incorporation in the proposed amendments. The number of articles will also be changed due to the new establishment and deletion of articles.

The proposed amendments made to the Articles of Incorporation will go into effect upon the closing of the General Shareholders Meeting.

2. Details of amendments

Details of the amendments are as follows.

(Underlining indicates amendments)

Existing Articles of Incorporation	Proposed Amendments
<p>(Purchase of Treasury Shares) Article 6. The Company may acquire treasury stock by a resolution of the Board of Directors pursuant to the provisions of Article 165, Paragraph 2 of the Companies Act.</p> <p>Article 7 to Article 41 (omitted)</p> <p style="text-align: right;">(New)</p> <p style="text-align: right;">(New)</p>	<p style="text-align: center;">(Delete)</p> <p>Article 6 to Article 40 (unchanged)</p> <p><u>(Organization that Determines Dividends of Surplus, etc.)</u> <u>Article 41. The Company may determine the distribution of dividends from surplus and other matters specified in the items of Article 459, Paragraph 1 of the Companies Act by a resolution of the Board of Directors unless otherwise provided for by laws and regulations.</u> <u>(Record Date for Distribution of Surplus)</u> <u>Article 42. The record date for the Company's year-end dividend payments shall be September 30 every year.</u> <u>2. The record date for the Company's interim dividend payments shall be March 31 every year.</u> <u>3. In addition to the preceding two paragraphs, the Company may distribute dividends from its surplus by specifying the record date.</u></p>

Existing Articles of Incorporation	Proposed Amendments
<p>(Year-end Dividends) <u>Article 42. The Company shall, by resolution of the General Meeting of Shareholders, pay the dividend of surplus in cash (hereinafter referred to as “Year-end Dividends”) to the shareholders or registered pledgees of shares whose names are entered or recorded on the last shareholder register as of September 30 each year.</u></p>	(Delete)
<p>(Interim Dividend) <u>Article 43. The Company may, by resolution of the Board of Directors, pay the dividend of surplus stipulated in Article 454, Paragraph 5 of the Companies Act (hereinafter referred to as “Interim Dividends”) to the shareholders or registered pledgees of shares whose names are entered or recorded on the last shareholder register as of March 31 each year.</u></p>	(Delete)
<p>(Period of Exclusion of Dividends) <u>Article 44. If the Year-end Dividends and the Interim Dividends are not received even if three (3) whole years have passed since the commencement date of payment, the Company shall be exempt from the obligation to pay them.</u> <u>2. No interest shall be paid on unpaid Year-end Dividends and Interim Dividends.</u></p>	<p>(Period of Exclusion of Dividends) <u>Article 43. When the distributed asset is money, the Company shall be relieved of its obligation to pay cash dividends if they have not been distributed after three (3) full years have elapsed from the first date of payment.</u> <u>2. No interest shall be paid on the money mentioned in the preceding paragraph.</u></p>

Proposal No. 3: Election of five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members)

Accordingly, the Company proposes the election of five (5) Directors (excluding Directors serving as Audit and Supervisory Committee Members) as the term of office of all Directors (six (6) Directors excluding Directors serving as Audit and Supervisory Committee Members) will expire at the conclusion of this General Shareholders Meeting.

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows.

List of candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members)

No.	Name	Current positions at the Company	Attendance at the Board of Directors' meetings
1	Akira Shin	Reappointment <input type="checkbox"/> Male Representative Director and President	Board of Directors 100% (12/12)
2	Norikazu Maruyama	Reappointment <input type="checkbox"/> Male Managing Director	Board of Directors 100% (12/12)
3	Kenji Shibayama	Reappointment <input type="checkbox"/> Male Director and Senior Managing Executive Officer	Board of Directors 100% (12/12)
4	Teiichi Misawa	Reappointment <input type="checkbox"/> Outside <input type="checkbox"/> Male <input type="checkbox"/> Independent Outside Director	Board of Directors 100% (12/12)
5	Makiko Takao	Reappointment <input type="checkbox"/> Outside <input type="checkbox"/> Female <input type="checkbox"/> Independent Outside Director	Board of Directors 100% (12/12)

Reappointment Candidates for Directors to be reappointed |

Outside Candidates for Outside Director

Independent Independent Officer based on the provisions of the Tokyo Stock Exchange

No. 1	Akira Shin	(November 13, 1970)	Number of shares held: 75,000 shares	
Reappointment	[Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company]			
	April 1993	Joined Meiji-Ya Co., Ltd.	December 2018	Assistant to Managing Director (in charge of new businesses/ABIST H&F), ABIST Co., Ltd.
	December 2006	Transferred to Meiji-ya Shoji Co., Ltd.		
	October 2011	Transferred to Mitsubishi Shokuhin Co., Ltd.	October 2019	Assistant to Managing Director (in charge of new businesses/AI solution business), ABIST Co., Ltd.
	July 2012	Joined ABIST Co., Ltd. and served as the head of Related Business Division	April 2020	Senior Managing Directors of the Company
	October 2012	Head of new business development, ABIST Co., Ltd.	December 2021	Representative Directors and Senior Managing Director of the Company
	March 2013	President, ABIST H&F Co., Ltd.	October 2022	Representative Director and President of the Company(current position)
Reasons for nomination as a candidate for Director				
Mr. Akira Shin held an important post in new business development, served as Senior Managing Director, and currently has a leadership role in the overall business as President. He is expected to contribute to the continued growth of the Company and an increase in corporate value using his profound knowledge and management perspective, and the Company requests that its shareholders again appoint him as Director.				
No. 2	Norikazu Maruyama	(March 10, 1970)	Number of shares held: 6,700 shares	
Reappointment	[Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company]			
	April 1992	Joined Shinko Denki K.K. (current Sinfonia Technology Co., Ltd.)	March 2019	Director, Executive Officer, head of General Administration Department, and head of AI Solution Division, the Company
	May 2000	Joined Every Net Co., Ltd.		
	April 2001	Joined then Japan Business Development Co., Ltd.	October 2019	Director, Senior Executive Officer, and head of AI Solution Division, the Company
	April 2006	Joined JBS Engineering Co., Ltd. (current ABIST Co., Ltd.)		
	October 2013	Head of General Administration Department, the Company	January 2020	Director, Executive Officer, and head of AI Solution Division, the Company
	October 2014	Head of Business Management and Planning Division, the Company	April 2020	Director, Senior Managing Executive Officer of the Company
	October 2016	Executive Officer and head of General Administration Department, the Company		General Manager of AI Solution Business Department
	December 2018	Director, Executive Officer, and head of General Administration Department, the Company	October 2020	Managing Director of the Company (current position)
Reasons for nomination as a candidate for Director				
Mr. Norikazu Maruyama has held posts in the overall management division and led AI Solution Business Development Division and has played roles and fulfilled responsibilities as Managing Director. The Company requests that its shareholders appoint him again as Director due to his extensive knowledge of the technology business and his expertise in overall management.				
No. 3	Kenji Shibayama	(March 23, 1973)	Number of shares held: 2,400 shares	
Reappointment	[Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company]			
	April 1997	Joined World Furnishing Co., Ltd.	October 2012	Senior Managing Director and head of Management Division, the Company.
	September 2000	Joined World Tokai Co., Ltd.		
	November 2001	Joined then Japan Business Development Co., Ltd.	October 2015	Senior Managing Director and head of Business Development Division, the Company
	April 2006	Joined JBS Engineering Co., Ltd. (current ABIST Co., Ltd.) as Nagoya branch manager	December 2017	Director, Senior Executive Officer, and head of Business Development Division, the Company
	October 2008	Executive Officer and Chubu Kansai branch manager, ABIST Co., Ltd.		
	October 2009	Senior Managing Directors and head of Management Division, the Company.	October 2019	Director and Executive Officer in charge of President's special missions, the Company
	December 2009	Senior Executive Officer, and head of Management Division, ABIST Co., Ltd.	January 2020	Director, Senior Executive Officer in charge of President's special missions, the Company
	December 2011	Senior Managing Director and head of Management Division and Related Business Division, the Company.	April 2021	Managing Director of the Company
			October 2023	Director and Senior Managing Executive Officer (current position)
Reasons for nomination as a candidate for Director				
Mr. Kenji Shibayama has held a number of important posts since the founding of the Company and led its growth. The Company requests that its shareholders appoint him again as Director, considering his extensive business experience, profound knowledge of the industry, and effective personal connections.				

No. 4	Teiichi Misawa		(March 10, 1949)	Number of shares held: 0 shares
Reappointment	[Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company]			
Outside	December 1973	Worked (internship) at Ginza Law Office (current Abe, Ikubo & Katayama Law Firm)	November 1999	Director, Management Law Club, LLC.
Independent	February 1985	Assistant to trustee for corporate reorganization of Riccer Co., Ltd.	November 2005	Auditor, Setup, Inc.
	November 1987	Director, MLD K.K. (current position)	November 2005	Auditor, Vintage Japan Co., Ltd.
	November 1987	Director, MLD K.K. (current position)	December 2011	Representative Director, M.L.D. Senior Office (current position)
	January 1991	Head clerk and team member, Abe, Ikubo & Katayama Law Firm	December 2011	Auditor of the Company
	December 1991	Assistant to trustee for corporate reorganization of Maruko Co., Ltd.	December 2022	Director of the Company (current position)
Reason for nomination as a candidate for Outside Director and expected roles				
Mr. Teiichi Misawa has worked for business rehabilitation such as corporate reorganization procedures and civil rehabilitation proceedings, crisis management, M&A, supporting overall corporate activities for many years, and has extensive experience such as the operation of a law firm as a head clerk. The Company continues to ask that shareholders appoint him as an Outside Director, expecting that he will provide appropriate advice and remarks to ensure the appropriateness of decisions made by the Board of Directors.				

No. 5	Makiko Takao		(May 6, 1962)	Number of shares held: 0 shares
Reappointment	[Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company]			
Outside	April 1985	Joined Long-term Credit Bank Management Research Institute, Inc.	April 2015	Joined Hosei University Professor at Hosei Graduate School of Regional Policy Design (current position)
Independent	March 1999	Joined Value Management Institute, Inc.	December 2021	Director of the Company (current position)
Reason for nomination as a candidate for Outside Director and expected roles				
Ms. Makiko Takao engaged in research of economy and financial conditions at a think tank for many years and currently conducts research in a wide range of fields such as regional policies and social security as a professor at Hosei University Graduate School of Regional Policy Design, having specialized knowledge and experience in company management and social issues. While she has never been involved directly in the Company's management, the Company requests that its shareholders appoint her as an Outside Director again for the Company to continue receiving appropriate suggestions and advice about sustainability management from her.				

(Notes) 1. There is no special interest between the Company and each of the candidates.

- Mr. Teiichi Misawa and Ms. Makiko Takao are candidates for Outside Directors, and the Company designated them independent officers pursuant to the provisions of the Tokyo Stock Exchange (TSE) and registered them with the TSE.
- Mr. Teiichi Misawa's term of office as Outside Director of the Company will be 1 year (total of 12 years since his accession to office as Outside Auditor of the Company) at the conclusion of the Annual General Shareholders Meeting.
- Ms. Makiko Takao's term of office as Outside Director of the Company will be two years at the conclusion of the Annual General Shareholders Meeting.
- The Company has signed a liability limitation agreement with Mr. Teiichi Misawa and Ms. Makiko Takao pursuant to the provisions of paragraph (1), Article 427 of the Companies Act, to limit the amount of compensation to the minimum liability specified in paragraph (1), Article 425 of the Companies Act in connection with the liability for damages in paragraph (1), Article 423 of the Companies Act. If they assume the position of Director, the Company will maintain the liability limitation agreement signed with each of them.
- The Company has concluded an agreement on liability insurance for officers provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. This insurance agreement covers compensation for damages and litigation expenses incurred by insured persons as a result of claims made against them by a third party for action taken by them (or inaction) within the scope of their role as officer, etc. of the Company. The Company takes measures to prevent any loss of the appropriateness of the officer's performance of duties by setting a limit on the amount of compensation and excluding damages caused by intentional violations of the law by the insured from the insurance coverage. All premiums are paid by the Company, the policies are renewed every year, and all candidates for Director will be included in the insured of the insurance policy if they are appointed as Director. When the insurance contract is renewed next time, it plans to be renewed with the same content.
- The name of Ms. Makiko Takao, the candidate for Director, on her family register is Makiko Tsuzura.

Proposal No. 4: Presentation of retirement benefits to retiring Directors and special reward to the founder

In order to reward Mr. Katsuhiko Shin, who will retire as Director at the conclusion of the 18th Annual General Shareholders Meeting to be held on December 22, 2023, for his achievements during his tenure, the Company proposes to present him with special remuneration, in addition to retirement benefits to Directors and other officers already reserved based on the officers' retirement bonus plan of the Company.

Mr. Shin founded the business in February 1998 as a division of Japan Business Development Co., Ltd., which is the predecessor of the Company, and has been dedicated to the development of the Company for 17 years as a Director since the Company was split into an independent company in April 2006. When the Company was first established, it began with few engineers, and Mr. Shin led recruitment and sales from the front based on the Company's founding spirit of "Establishing a group of design engineers working together for their own benefit." Since then, he has made a major contribution to building the foundation of the Company, including building relationships with universities and major automobile-related companies. The Company was listed on the First Section of the Tokyo Stock Exchange in March 2015, and in recent years, Mr. Shin has succeeded in building a strong business foundation that can withstand drastic changes in the economic environment.

The Company would therefore like to present him with 147 million yen as a special reward, in addition to retirement benefits to Directors and other officers, and asks for the approval of shareholders.

This proposal has been resolved by the Board of Directors through deliberations at the Remuneration Committee according to the predetermined rules on retirement benefits to Directors and other officers, and the Company has determined that it is appropriate.

The Company would like to ask that the total amount, timing and method of presentation be left to the resolution of the Board of Directors.

The career summary of Mr. Katsuhiko Shin is as follows.

Name	Career profile	
Katsuhiko Shin	March 2006	Representative Director and President of the Company
	December 2022	Representative Director and Chairman of the Company
	December 2023	Representative Director and Chairman of the Company (current position)

Proposal No.5: Payment of retirement allowance to Directors associated with the abolishment of the officers' retirement benefits plan

As part of revisions to the officers' remuneration system, the Company decided at the meeting of the Board of Director held on November 14, 2023 to abolish its conventional officers' retirement benefit plan (former officers' retirement benefit plan) at the closing of the 18th Annual General Shareholders Meeting. Accordingly, the Company proposes to pay a retirement allowance to Directors and other officers corresponding to their period of service from the time of assumption of office to the conclusion of the Annual General Shareholders Meeting to the three (3) Directors (excluding Directors who are Audit and Supervisory Committee Members) to be reappointed and one (1) incumbent Director who is an Audit and Supervisory Committee Member, in accordance with the Company's prescribed standards, on the condition that Proposal No. 3 "Election of five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members)" is approved and passed as originally proposed.

The amount of retirement allowance for each Director will be calculated based on the standards set forth in the Company's rules on the officers' retirement benefits plan. The retirement allowances to Directors and other officers will be paid when each Director retires from office, and the Company asks that their specific amount and method, etc. be left to a resolution of the Board of Directors.

This proposal has been decided by the Board of Directors through deliberations at the Remuneration Committee in accordance with the Company's decision-making policy and internal regulations regarding the details of individual Directors' remuneration, etc., as decided in advance by the Board of Directors, and the Company has determined that it is appropriate. The Company asks that the payment of a retirement allowance to Mr. Hidehiko Kurushima for his period of service be left to discussions among Directors who are Audit and Supervisory Committee Members.

The Company's decision-making policy regarding the details of individual Directors' remuneration, etc. is as stated in "3. Matters concerning to the Company's Directors and Other Officers, (4) Remuneration, etc. for Director for the fiscal year under review" in this convocation notice.

Directors to whom a retirement allowance will be paid in association with the abolition of the conventional officers' retirement benefits plan are as follows.

Name	Career profile	
Akira Shin	December 2018 April 2020 December 2021 October 2022	Managing Director of the Company Senior Managing Directors of the Company Representative Directors and Senior Managing Director of the Company Representative Director and President of the Company (current position)
Norikazu Maruyama	December 2018 October 2019 January 2020 April 2020 October 2020	Director, Executive Officer of the Company Director, Senior Executive Officer of the Company Director, Executive Officer of the Company Director, Senior Managing Executive Officer of the Company Managing Director of the Company (current position)
Kenji Shibayama	December 2011 December 2017 October 2019 January 2020 April 2021 October 2023	Senior Managing Directors of the Company Director, Senior Managing Executive Officer of the Company Director, Executive Officer of the Company Director, Senior Executive Officer of the Company Managing Director of the Company Director and Senior Managing Executive Officer (current position)
Hidehiko Kurushima	December 2006 December 2007 December 2010 December 2022	Director of the Company Retired from the position of Director of the Company Director of the Company Director of the Company (Audit and Supervisory Committee Member) (current position)

Proposal No. 6: Introduction of a long-term incentive remuneration system for Directors and other officers

Although the Company adopted the former officers' retirement benefit plan as remuneration to reward Directors for their long period of distinguished service in the past, the Company proposes to introduce a long-term incentive remuneration system for Directors and other officers as a new officers' retirement benefit plan for Directors (excluding Outside Directors) and Directors who are Audit and Supervisory Committee Members (excluding Outside Directors) for the purpose of providing them with an incentive to improve the business results for the long term and enhance the corporate value of the Company and sharing more value with the shareholders.

With this proposal, the Company requests that its shareholders approve the specific calculation method and details of the amount of remuneration, etc. in order to pay the remuneration based on this system to the Company's Directors (excluding Outside Directors) and Directors who are Audit and Supervisory Committee Members (excluding Outside Directors) within the range of an annual remuneration amount of 550 million yen for Directors (excluding Directors who are Audit and Supervisory Committee Members) (of which, an annual amount of 30 million yen for Outside Directors) and an annual remuneration amount of 50 million yen for Directors who are Audit and Supervisory Committee Members (excluding Outside Directors) (of which, an annual amount of 20 million yen for Outside Directors), both of which were approved at the 17th Annual General Shareholders Meeting held on December 23, 2022. The Company proposes that the amount of remuneration, etc. for Directors (excluding Directors serving as Audit and Supervisory Committee Members) do not include the employee salaries of Directors who concurrently serve as employees. Please leave the details of the Plan to the discretion of our Board of Directors within the range indicated in the paragraph (2) below.

This proposal is made to introduce a new officers' retirement benefit plan associated with the abolition of the conventional officers' retirement benefit plan, and the Company has determined that it is appropriate, given that it is within the range of the annual remuneration amount approved at the 17th Annual General Shareholders Meeting and that it was decided through discussion at meetings of the Board of Directors by taking into comprehensive account the Company's business scale, financial condition, remuneration system and remuneration payment level, etc.

If Proposal No. 3 is approved and passed as originally proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) and Directors who are Audit and Supervisory Committee Members for this system will be three (3) and one (1), respectively.

Specific calculation method and details of the amounts of remuneration, etc. under the system

(1) Outline of the System

In this system, monetary remuneration (estimated amount) that varies depending on the degree of achievement of goals related to business performance for each fiscal year is set aside once a year in the standard amount of remuneration based on the Company's prescribed standards, for the purpose of providing Directors (including Directors who are Audit and Supervisory Committee Members but excluding Outside Directors) with a long-term incentive. The fixed amount will be recalculated as of the date of retirement and paid at the time of retirement, in principle.

(2) Calculation method of payment amount

The payment amount will be calculated by multiplying the standard amount by the payment rate based on the degree of achievement of goals.

Payment amount = Standard amount x Payment rate based on the degree of achievement of goals (%)

Standard amount = Total remuneration (Basic remuneration standard amount + Representative rights remuneration standard amount) / 12 x Multiplier by position

Payment rate based on the degree of achievement of goals (%) = ((Relative TSR (Total Shareholder Return) - 1) x 2 + 1) x 100

Relative TSR = (The Company's average TSR during the term of office / Average TOPIX including dividends) x 100

The Company's TSR = (Share price on the last day of each fiscal year + Cumulative amount of dividends per share from four fiscal years before the current fiscal year to each fiscal year) / Share price on the last day of the five fiscal years before the current fiscal year

[Supplementary information]

- Relative TSR = Degree of achievement: Fluctuation range 50%~150%

- Payment rate based on the degree of achievement of goals (%) Lower limit, upper limit: 0%~200%

(3) Decision process of payment amount

In order to ensure objectivity and transparency in deciding remuneration for Directors and other officers, the Company has established the Remuneration Committee, the majority of which is composed of independent Outside Directors, as an advisory body to the Board of Directors. The remuneration amount under this system is decided by the Board of Directors after consultation with the Remuneration Committee.

[Reference] The composition of the Board of Directors after the approval of Proposal No.3

If Proposal No. 3: “Election of five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members)” is approved and passed as originally proposed,

The composition of the Board of Directors will be as follows.

Name	Corporate management	Marketing and sales	Financial affairs and finance	IT and digitization	Human resources, labor affairs, human resources development	Legal affairs and risk management	Overseas experience
Akira Shin	•						
Norikazu Maruyama	•			•	•		
Kenji Shibayama		•					
Teiichi Misawa	•						
Makiko Takao	•				•		
Hidehiko Kurushima		•					
Mamoru Yamamoto	•		•				
Naho Ebata						•	•
Toru Nakayama					•	•	