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Request for cooperation in preventing spread of COVID-19

In order to ensure safety of shareholders at the General Meeting of Shareholders, we will offer an opportunity for them to remotely attend the meeting via the Internet. Shareholders will be able to speak up by telephone, etc. just as when they attend in person. Thorough preventative measures against the disease will be taken at the meeting. We ask that you register in advance for this meeting. Please see pages 8 to 12 of the Japanese version of this document.

Securities code: 9749
February 22, 2022

To Shareholders with Voting Rights:

Satoyasu Sakashita
President & Representative Director
FUJI SOFT INCORPORATED
1-1 Sakuragi-cho, Naka-ku, Yokohama-shi,
Kanagawa

**NOTICE OF CONVOCATION OF
THE 52ND ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

This is to notify you that the 52nd Annual General Meeting of Shareholders of FUJI SOFT INCORPORATED (the "Company") will be held for the purposes as described below.

Instead of attending the meeting, you may exercise your voting rights in writing or by voting via the Internet. Please review the Reference Documents for the General Meeting of Shareholders as described hereinafter and exercise your voting rights by no later than 5:30 p.m. on Thursday, March 10, 2022, Japan Time.

- 1. Date and Time:** Friday, March 11, 2022 at 3:00 p.m., Japan time (reception starts at 2:00 p.m.)
- 2. Place:** FUJISOFT AKIBA HALL, 5F, FUJISOFT Akihabara Building,
3 Kandanebuchi-cho, Chiyoda-ku, Tokyo
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the Company's 52nd Fiscal Year (January 1, 2021 - December 31, 2021) and results of audits by the Accounting Auditor and the Board of Auditors of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 52nd Fiscal Year (January 1, 2021 - December 31, 2021)

Proposals to be resolved:

<Proposals by the Company>

- Proposal 1:** Partial Amendments to the Articles of Incorporation
- Proposal 2:** Election of Nine (9) Directors
- Proposal 3:** Granting of Retirement Benefits to Retiring Directors and Final Payment of Retirement Benefits upon the Abolishment of the Retirement Benefits System for Directors (Excluding Outside Directors)
- Proposal 4:** Final Payment of Retirement Benefits upon the Abolishment of the Retirement Benefits System for Auditors (Excluding Outside Auditors)
- Proposal 5:** Decision on Remuneration for Granting Restricted Stocks to Directors (Excluding Outside Directors)
- Proposal 6:** Decision on Remuneration for Granting Subscription Rights to Shares as Stock Options to Directors (Excluding Outside Directors)

<Proposal by Shareholders>

- Proposal 7:** Election of Two (2) Directors

4. Matters Decided upon Convocation with regard to the Exercise of Voting Rights:

- (1) You can exercise your voting rights by attending the meeting, either in person or via the Internet, or in writing or by voting via the Internet in advance of the meeting.
- (2) If you submit a Voting Rights Exercise Form without indicating your approval or disapproval or abstention for any proposal, your vote for the proposal shall be counted as approval for the Company's proposals and disapproval for the shareholder proposal.
- (3) If you exercise your voting rights in advance via the Internet more than once, only your final vote shall be counted as valid.
- (4) If you exercise your voting rights in advance both via the Internet and by submitting a Voting Rights Exercise Form, your votes via the Internet shall be counted as valid.
- (5) Please note that if you exercise your voting rights in advance in writing or via the Internet and attend the meeting, either in person or via the Internet, the voting rights you have exercised in advance shall be invalidated.
- (6) You may exercise your voting rights by appointing one other shareholder with voting rights of the Company as your proxy. In this case, please note that the proxy must submit to the Company a document certifying authority of representation.

Guidance for Exercising Your Voting Rights

- **If you attend the meeting:**

Please submit the enclosed Voting Rights Exercise Form at the reception desk on the day of the meeting (Opens at 3:00 p.m. on Friday, March 11, 2022).

Shareholders can attend the meeting via the Internet, but (i) the Company allows only shareholders in Japan to attend the meeting via the Internet, considering issues related to IT systems and communication environments, and (ii) the system it offers is available in Japanese only.

- **If you do not attend the meeting in person:**

If you do not attend the General Meeting of Shareholders in person or via the Internet, you can exercise your voting rights in advance either in writing or via the Internet.

(1) Voting by mail (in writing):

Please review the Reference Documents for the General Meeting of Shareholders and return the Voting Rights Exercise Form with your votes by mail. The completed form must reach us by 5:30 p.m., Thursday, March 10, 2022, Japan time.

(2) Voting via the Internet:

Please access our designated website for exercising voting rights (<https://evote.tr.mufg.jp/>) from your PC or smartphone, enter the log-in ID and temporary password indicated in your Voting Rights Exercise Form, and enter your votes by following the instructions on the screen after reviewing the Reference Documents for the General Meeting of Shareholders. Your votes must be entered by no later than 5:30 p.m., Thursday, March 10, 2022, Japan time.

* You can read this Notice of Convocation using a PC, a smartphone, or a tablet device.

The following items are posted on the Company's website on the Internet (Japanese only), according to the provisions of laws and regulations and Article 14 of the Articles of Incorporation of the Company and are not included in the documents attached to this Notice of Convocation of the Annual General Meeting of Shareholders:

- “Development of the System for Ensuring Appropriateness of Operations of the Company and the Business Group Consisting of the Company and its Subsidiaries” in the Business Report
- The “Consolidated Statements of Changes in Net Assets” and the “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements
- The “Non-consolidated Statements of Changes in Net Assets” and the “Notes to the Non-consolidated Financial Statements” in the Non-consolidated Financial Statements

The documents attached to this Notice are therefore part of the documents audited by the Auditors and the Accounting Auditor for the preparation of their Audit Report.

Any revisions to the Reference Documents for the General Meeting of Shareholders and other appendices will be posted on the Company's website.

<https://www.fsi.co.jp/ir/soukai/meeting.html> (Japanese only)

Reference Documents for the General Meeting of Shareholders

Proposals and References

<Proposals by the Company (Proposals 1 to 6)>

Proposals 1 to 6 are those made by the Company.

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

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

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

2. Details of the amendments

Details of the amendments are as follows:

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed amendments
Articles 1.-13. (Omitted)	Articles 1.-13. (Unchanged)
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u></p> <p><u>Article 14 The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information using the internet in accordance with the provisions in the Ordinance of the Ministry of Justice.</u></p>	<Deleted>

Current Articles of Incorporation	Proposed amendments
<Newly established>	<p><u>(Measures for Electronic Provision, Etc.)</u> <u>Article 14 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u> <u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p>
Articles 15-34 (Omitted)	Articles 15-34 (Unchanged)
(Supplementary provisions)	(Supplementary provisions)
Articles 1.-19. (Omitted)	Articles 1.-19. (Unchanged)
<Newly established>	<p><u>20. The deletion of Article 14 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation and the establishment of Article 14 (Measures for Electronic Provision, Etc.) shall come into effect on the date of enforcement of the amended provisions stipulated in the proviso to Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u></p>
<Newly established>	<p><u>21. Notwithstanding the provisions of the preceding paragraph, Article 14 of the current Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the Effective Date.</u></p>

Proposal 2: Election of Nine (9) Directors

The terms of office of all nine (9) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of nine (9) Directors is proposed.

The candidates for Director are as follows and matters concerning each candidate for Director are stated on pages 7 through 12.

No.	Name	Age	Current positions in the Company	Attendance at the Board of Directors meetings
1	Hiroshi Nozawa (Reappointment)	79	Director & Executive Adviser	100.0% (17/17)
2	Satoyasu Sakashita (Reappointment)	60	President & Representative Director	100.0% (17/17)
3	Mari Morimoto (Reappointment)	48	Director & Operating Officer	100.0% (14/14)
4	Minoru Koyama (Reappointment) Outside Independent	67	Director	100.0% (17/17)
5	Tateki Oishi (Reappointment) Outside Independent	66	Director	100.0% (17/17)
6	Tateyuki Oosako (New candidate)	46	Senior Executive Operating Officer	-
7	Tadashi Tsutsui (New candidate)	56	Executive Operating Officer	-
8	Masashi Umetsu (New candidate)	47	Operating Officer	-
9	Tomoko Aramaki (New candidate) Outside Independent	53	-	-

(Notes)

1. The age given for the candidates for Director represents their full age as of the conclusion of this General Meeting of Shareholders.
2. Mr. Minoru Koyama, Mr. Tateki Oishi and Ms. Tomoko Aramaki are the candidates for Outside Director. If they assume office as Outside Directors, they will become independent officers under the provisions of the Tokyo Stock Exchange.
3. Director candidate Mari Morimoto's name on the family registry is Mari Ishibashi.
4. Director candidate Tateyuki Oosako was appointed Senior Executive Operating Officer on January 1, 2022, after the end of the fiscal year.

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Hiroshi Nozawa (May 17, 1942) [Reappointment]	<p>May 1970 Director, FUJI SOFTWARE LABORATORY, LTD. (present FUJI SOFT INCORPORATED)</p> <p>May 1973 President & Representative Director</p> <p>April 2001 Chairman & Representative Director</p> <p>June 2004 Chairman, President & Representative Director</p> <p>June 2008 Chairman & Representative Director</p> <p>September 2009 Resigned as Director</p> <p>October 2009 Chairman</p> <p>October 2011 Chairman & Operating Officer</p> <p>June 2012 Chairman & Representative Director</p> <p>March 2020 Chairman Director</p> <p>April 2021 Director & Executive Adviser (to the present)</p> <p>[Reasons for nomination] Mr. Hiroshi Nozawa, who has been serving the Company since its foundation in 1970, has performed duties as President & Representative Director and Chairman & Representative Director and has a wealth of management experience and achievements. His experience and knowledge will continue to be indispensable for the management of the Company. Therefore, we nominate him as a candidate for Director.</p>	1,765,330
2	Satoyasu Sakashita (July 22, 1961) [Reappointment]	<p>April 1985 Joined Nomura Computer Systems Co., Ltd. (present Nomura Research Institute, Ltd.)</p> <p>April 2003 General Manager of 2nd Knowledge System Business Department, Nomura Research Institute, Ltd.</p> <p>April 2004 Joined the Company Assistant Director of Outsourcing Business Division</p> <p>May 2005 Deputy Director of IT Business Division</p> <p>June 2005 Director</p> <p>June 2007 Executive Director</p> <p>June 2009 Retired as Director</p> <p>June 2009 Executive Operating Officer</p> <p>June 2010 Executive Director</p> <p>September 2011 Representative Senior Executive Director</p> <p>October 2011 President & Representative Director</p> <p>June 2012 President & Representative Director (to the present)</p> <p>[Reasons for nomination] Mr. Satoyasu Sakashita, after experiencing and participating in the execution of business in various business divisions of the Company, has achieved experience in management as a President & Representative Director since 2011. His experience and knowledge will continue to be indispensable for the management of the Company. Therefore, we nominate him as a candidate for Director.</p>	10,800

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Mari Morimoto (January 1, 1974) [Reappointment]	<p>April 1996 Joined the Company April 2012 General Manager of MS Department, Solution Business Division October 2013 Director of MS Business Department April 2017 Deputy Director of Sales Division April 2018 Operating Officer and Deputy Director of Sales Division June 2019 Outside Director, ACE SECURITIES CO., LTD. March 2021 Director & Operating Officer Director of Sales Division August 2021 Director & Operating Officer (to the present) Director of Sales Division (to the present) COO of L Career Promotion Section (to the present)</p> <p>[Reasons for nomination] Ms. Mari Morimoto has promoted business as Director of Sales Division after serving in various business divisions. Her experience and knowledge will be indispensable for the management of the Company. Therefore, we nominate her as a candidate for Director.</p>	100
4	Minoru Koyama (September 12, 1954) [Reappointment] [Outside Director] [Independent Officer]	<p>April 1977 Joined Amano Corporation April 1991 General Manager of Yokohama Factory, Amano Corporation April 1996 Vice President, Amano Cincinnati, Inc. (USA) April 1999 General Manager of Yokohama Procurement, Amano Corporation June 2001 Director, Amano Corporation April 2004 Director & General Manager of General Affairs, Amano Corporation April 2008 Director & Managing Operating Officer, Amano Corporation April 2009 Director & Managing Operating Officer; General Manager of General Affairs and Supervisory of Yokohama Factory, Tsukui Factory and Shanghai Production, Amano Corporation April 2011 Director & Managing Operating Officer; Global Production Supervisory and Factory Operations Supervisory, Amano Corporation April 2014 Director & Managing Operating Officer; Global Manufacturing Supervisory and Time Products Manufacturing Supervisory, Amano Corporation June 2016 Advisor, Amano Corporation March 2019 Outside Director (to the present)</p> <p>[Reasons for nomination and expected roles] Mr. Minoru Koyama has a wealth of experience and a wide range of knowledge as an executive manager. He has appropriately supervised and advised the Company in its business operations, and is expected to appropriately perform his duties as an Outside Director of the Company. Therefore, we nominate him as a candidate for Outside Director.</p>	600

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	Tateki Oishi (November 30, 1955) [Reappointment] [Outside Director] [Independent Officer]	<p>April 1979 Joined CASIO COMPUTER CO., LTD.</p> <p>June 2002 Operating Officer and Deputy Director of Communications Department, CASIO COMPUTER CO., LTD.</p> <p>April 2004 President & Representative Director, CASIO Hitachi Mobile Communications Co., Ltd.</p> <p>June 2010 Director & Senior Executive Operating Officer, NEC CASIO Mobile Communications, Ltd.</p> <p>June 2015 Outside Director, Cyber Com Co., Ltd.</p> <p>March 2019 Outside Director, VINX CORP Outside Director (to the present)</p> <p>[Reasons for nomination and expected roles] Mr. Tateki Oishi has a wealth of business experience related to the industry and a wide range of knowledge in ICT. He has appropriately supervised and advised the Company in its business operations, and is expected to appropriately perform his duties as an Outside Director of the Company. Therefore, we nominate him as a candidate for Outside Director.</p>	300
6	Tateyuki Oosako (October 8, 1975) [New candidate]	<p>April 1999 Joined the Company</p> <p>April 2008 General Manager of Solution Service 2, Industrial System Business Department, IT Business Division</p> <p>April 2010 General Manager of Enterprise System Unit, System Development Business Group</p> <p>April 2011 General Manager of Cloud Business Management Group</p> <p>April 2014 General Manager of Information Business Department, Solution Business Division</p> <p>October 2015 Deputy Director of Solution Business Division</p> <p>April 2016 Operating Officer, Deputy Director of Solution Business Division</p> <p>March 2018 Outside Vice President, iDEA Consulting Inc. (to the present)</p> <p>April 2019 Operating Officer, Director of Solution Business Division</p> <p>April 2021 Executive Operating Officer, Director of Solution Business Division</p> <p>January 2022 Senior Executive Operating Officer, Director of Solution Business Division (to the present)</p> <p>[Significant concurrent position] Vice President, iDEA Consulting Inc.</p> <p>[Reasons for nomination] Mr. Tateyuki Oosako has a wealth of business experience in the IT system establishment field, the core of the Company's business. His experience and knowledge will be indispensable for the management of the Company to further expand its business in the information service industry. Therefore, we nominate him as a candidate for Director.</p>	1,400

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
7	Tadashi Tsutsui (December 16, 1965) [New candidate]	<p>April 1988 Joined the Company</p> <p>April 2009 General Manager of System Department 1, Regional Area Management Division, IT Development Business Group</p> <p>April 2012 General Manager of Business Planning Department, Regional Area Business Division</p> <p>July 2013 Deputy Director of Regional Area Business Division</p> <p>April 2016 Deputy Director of ASI Business Department</p> <p>October 2016 Deputy Director of Administration Division</p> <p>October 2017 General Manager of Administration Reform Supervision Department</p> <p>April 2018 Operating Officer, COO of Corporate Planning and Human Resources</p> <p>April 2019 Operating Officer, COO of Administration Division</p> <p>April 2020 Executive Operating Officer, COO of Administration Division</p> <p>March 2021 Executive Operating Officer, COO of Administration Division and Facility Business (to the present)</p> <p>[Reasons for nomination] After serving in various business divisions, Mr. Tadashi Tsutsui has demonstrated his outstanding capacity in promoting management reforms in the Company's Administration Division and contributed to reinforcing the Company's corporate governance and risk compliance system. His experience and knowledge will be indispensable for the management of the Company. Therefore, we nominate him as a candidate for Director.</p>	3,000
8	Masashi Umetsu (October 23, 1974) [New candidate]	<p>April 1997 Joined the Company</p> <p>April 2013 General Manager of Business Planning Department, Solution Business Division, and General Manager of Business Planning Department, Financial System Business Division</p> <p>October 2013 General Manager of Business Planning Department, Solution Business Division, General Manager of Business Planning Department, Financial System Business Division, and General Manager of MS Business Department</p> <p>October 2015 General Manager of Innovation Promotion Section</p> <p>April 2016 General Manager of Sales Supervision Department, Sales Division</p> <p>March 2017 Auditor, Tosho Computer Systems Co., Ltd. (to the present)</p> <p>October 2017 General Manager of Sales Planning Department, Sales Division</p> <p>April 2018 General Manager of Corporate Planning Department</p> <p>April 2019 Deputy Director of Administration Reform Supervision Department, and General Manager of Corporate Planning Department</p> <p>April 2020 Operating Officer, COO of Finance and Public Relations (to the present)</p> <p>[Significant concurrent position] Auditor, Tosho Computer Systems Co., Ltd.</p> <p>[Reasons for nomination] After serving in various business divisions, and involved in business planning and sales planning, Mr. Masashi Umetsu has demonstrated excellent skills and knowledge in the Company's Administration Division. His experience and knowledge will be indispensable for the management of the Company to plan and promote management strategies with the aim of expanding the Company's business under the diversifying business environment. Therefore, we nominate him as a candidate for Director.</p>	500

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
9	Tomoko Aramaki (November 7, 1968) [New candidate] [Outside Director] [Independent Officer]	<p>October 1991 Joined Century Audit Corporation</p> <p>March 1995 Registered as Certified Public Accountant</p> <p>July 1999 Seconded to Regional Financial Cooperation Division, Trade Policy Bureau, Ministry of International Trade and Industry</p> <p>May 2002 Joined IBM Japan, Ltd.</p> <p>February 2006 Director, Aramaki CPA Office (to the present)</p> <p>April 2006 Registered as Certified Tax Accountant</p> <p>June 2008 Audit & Supervisory Board Member, PARIS MIKI HOLDINGS Inc.</p> <p>June 2015 Director, in charge of Investor Relations, PARIS MIKI HOLDINGS Inc.</p> <p>December 2015 Audit & Supervisory Board Member, SACOS CORPORATION (to the present)</p> <p>January 2017 Member of Conference Committee on Asset Management by Japan Pension Service</p> <p>April 2018 Member of Outside Expert Committee, Organization for Postal Savings, Postal Life Insurance and Post Office Network (to the present)</p> <p>June 2018 Outside Audit & Supervisory Board Member, EXEO Group, Inc. (to the present)</p> <p>[Significant concurrent positions] Audit & Supervisory Board Member, SACOS CORPORATION Member of Outside Expert Committee, Organization for Postal Savings, Postal Life Insurance and Post Office Network Outside Audit & Supervisory Board Member, EXEO Group, Inc.</p> <p>[Reasons for nomination and expected roles] Ms. Tomoko Aramaki has expertise and a wealth of business experience as a Certified Public Accountant and a Certified Tax Accountant, as well as deep insight into corporate management gained through serving numerous positions as an auditor and a director at corporations. We expect her to supervise management and give advice as an Outside Director of the Company. Therefore, we nominate her as a candidate for Outside Director.</p>	0

(Notes)

1. Figures for the “Number of shares of the Company held” are as of December 31, 2021.
2. There are no special interests between any of the candidates for Director and the Company.
3. Mr. Minoru Koyama and Mr. Tateki Oishi will have served as Outside Director of the Company for three (3) years at the conclusion of this General Meeting of Shareholders.
4. When the Company nominates the candidates for Director, the Management Conference, a body that includes Outside Directors, deliberates in advance on the nomination pursuant to the Standard for Personnel Affairs of Officers.
5. The Company makes it a rule to nominate persons who can supervise and advise the Company from outside and impartial perspectives and who have high-level insight and a wealth of knowledge and experience in their particular areas, in addition to following the standards for independence of independent officers set forth in the regulations of the Tokyo Stock Exchange, as the standards for independence of an Outside Director.
6. Mr. Minoru Koyama, Mr. Tateki Oishi and Ms. Tomoko Aramaki are the candidates for Outside Director. If they assume office as Outside Directors, they will become independent officers pursuant to the provisions of the Tokyo Stock Exchange.
7. The Company has entered into liability limitation agreements with Mr. Minoru Koyama and Mr. Tateki Oishi and will renew the agreements if their re-election is approved. The maximum liability limit under each agreement is 10 million yen or the amount provided by laws and regulations, whichever is greater, on the condition that they have respectively conducted their duties in good faith and without gross negligence. The Company will enter into a similar liability limitation agreement with Ms. Tomoko Aramaki if her election is approved.
8. Director candidate Mari Morimoto’s name on the family registry is Mari Ishibashi.

In order to achieve sustainable growth and enhance corporate value over the medium to long term, the Board of Directors of the Company is composed of Directors and Auditors who are well versed in corporate management, business administration, industry knowledge, sales, finance/accounting, legal affairs, etc., taking into consideration the balance of the Board of Directors as a whole in terms of diversity and size. The following is a matrix of skills held by Directors and Auditors.

◎ Area of particular expertise

Position	Name	Corporate management	Business administration	Human resources	IT system development	Product services	New businesses	Sales	Finance / Accounting	Legal affairs
Director & Executive Adviser	Hiroshi Nozawa	◎	○	◎	◎	◎	◎	◎	○	○
President & Representative Director	Satoyasu Sakashita	◎	○	○	◎	◎	○	○	○	○
Director & Senior Executive Operating Officer	Tateyuki Oosako	○	○	○	◎	◎	○	○		
Director & Executive Operating Officer	Tadashi Tsutsui	○	◎	◎	○			○		○
Director & Operating Officer	Mari Morimoto	○				○	○	◎		
Director & Operating Officer	Masashi Umetsu	○	◎		○			○	○	
Outside Director	Minoru Koyama	○	◎	○					○	○
Outside Director	Tateki Oishi	◎	○		○	◎	◎			
Outside Director	Tomoko Aramaki	○	○						◎	
Standing Auditor	Hiroyuki Kimura	○			○	○	○	○	○	○
Outside Auditor	Shigeo Ishii								◎	
Outside Auditor	Yukako Oshimi									◎

(Note) The positions will be formally determined at the Board of Directors meeting following the approval of Proposal 2 “Election of Nine (9) Directors,” as proposed.

Proposal 3: Granting of Retirement Benefits to Retiring Directors and Final Payment of Retirement Benefits upon the Abolishment of the Retirement Benefits System for Directors (Excluding Outside Directors)

We propose that retirement benefits be granted to Mr. Masaki Shibuya, Mr. Seto Arai and Mr. Motohiro Harai, in accordance with the standard provided by the Company, upon their retirement as Directors due to the expiration of their terms of office at the conclusion of this General Meeting of Shareholders, to reward them of their service during their terms of office.

We also propose that the decisions on the time and method for granting the benefits be entrusted to the Board of Directors.

The names and career summary of the retiring Directors and amounts to be paid are as follows.

Name	Amounts to be paid	Career summary	
Masaki Shibuya	13,580 thousand yen	March 2017 April 2018	Director & Executive Operating Officer Director & Senior Executive Operating Officer (to the present)
Seto Arai	12,060 thousand yen	March 2018 April 2019	Director & Executive Operating Officer Director & Senior Executive Operating Officer (to the present)
Motohiro Harai	6,400 thousand yen	March 2018	Director & Executive Operating Officer (to the present)

In addition, as part of the review of the remuneration system for officers, the Company resolved at the Board of Directors meeting held on February 10, 2022 to abolish the retirement benefits system for Directors at the conclusion of this General Meeting of Shareholders.

Accordingly, subject to the approval and passing of Proposal 2 “Election of Nine (9) Directors,” as proposed, the Company proposes that the final payment of retirement benefits be made as described below to two (2) Directors who are scheduled to be reappointed, in accordance with the standard provided by the Company, in order to reward them for their service during their terms of office up to the conclusion of this General Meeting of Shareholders.

We propose that the payment be made upon the retirement of each Director, and that the decisions on the method of payment and other matters be entrusted to the Board of Directors.

The names and career summary of the Directors eligible for the final payment and amounts to be paid are as follows.

Name	Amounts to be paid	Career summary	
Satoyasu Sakashita	41,775 thousand yen	June 2010 September 2011 October 2011 June 2012	Executive Director Representative Senior Executive Director President & Representative Director President & Representative Director (to the present)
Mari Morimoto	1,340 thousand yen	March 2021	Director & Operating Officer (to the present)

(Note) The payment of retirement benefits for Director Hiroshi Nozawa has already been approved by shareholders at the 40th Annual General Meeting of Shareholders held on June 28, 2010 (Proposal 2 “Granting of Retirement Benefits to Retiring Directors”) and therefore he is not eligible for the final payment in this proposal. The specific amount of retirement benefits to be paid to Mr. Hiroshi Nozawa based on the said approval is 60,000 thousand yen.

This proposal has been determined by the Board of Directors upon deliberation by the Management Conference in accordance with a policy for deciding details of remuneration, etc. for individual Directors and internal rules predetermined by the Company’s Board of Directors, and therefore the Company considers that the proposal is appropriate.

The policy for deciding details of remuneration, etc. for individual Directors is provided on pages 52 and 53 of this document in Japanese. The Company plans to amend the policy after the abolishment of the retirement benefits system for officers.

Proposal 4: Final Payment of Retirement Benefits upon the Abolishment of the Retirement Benefits System for Auditors (Excluding Outside Auditors)

As part of the review of the remuneration system for officers, the Company resolved at the Board of Directors meeting held on February 10, 2022 to abolish the retirement benefits system for Auditors at the conclusion of this General Meeting of Shareholders.

Accordingly, the Company proposes that the final payment of retirement benefits be made as described below in accordance with the standard provided by the Company, in order to reward the Auditor for his service during his term of office up to the conclusion of this General Meeting of Shareholders.

The proposal has been approved by the Board of Auditors.

We propose that the payment be made upon the retirement of the Auditor, and that the decisions on the method of payment and other matters be entrusted to the Auditors' discussion.

The name and career summary of the Auditor who is eligible for the final payment and the amount to be paid are as follows.

Name	Amount to be paid	Career summary
Hiroyuki Kimura	950 thousand yen	March 2021 Standing Auditor of the Company (to the present)

The retirement benefits for Auditors are determined by the Auditors' discussion in accordance with the internal rules predetermined by the Company's Board of Directors, and therefore the Company considers that they are appropriate.

Proposal 5: Decision on Remuneration for Granting Restricted Stocks to Directors (Excluding Outside Directors)

At the 37th Annual General Meeting of Shareholders held on June 25, 2007, the amount of remuneration, etc. for Directors of the Company was approved to be within 700 million yen per year (excluding employees' salaries). At the 49th Annual General Meeting of Shareholders held on March 15, 2019, the amount of remuneration, etc. related to stock options for Directors (excluding Outside Directors) of the Company was approved to be within 150 million yen per year, in addition to the above amount of remuneration, etc. for Directors.

As part of the review of the remuneration system for officers of the Company, for the purpose of providing the eligible directors (excluding Outside Directors) of the Company (the "Eligible Directors") with incentives to continuously improve the corporate value of the Company and further promoting sharing of value with our shareholders, we propose that remuneration be paid for granting restricted stocks to the Eligible Directors in addition to the above remuneration scheme.

Based on this proposal, remuneration to be paid for granting restricted stocks to the Eligible Directors shall be monetary claims, and the total amount of such remuneration shall be within 150 million yen per year (excluding employees' salaries for Directors who concurrently serve as employees). The specific timing and allocation of payment to each Eligible Director shall be decided by the Board of Directors. The Company also plans to make payment in the same manner to Operating Officers after the resolution is made by the Board of Directors.

Currently, there are nine (9) Directors (including three (3) Outside Directors), but if Proposal 2 "Election of Nine (9) Directors" and Proposal 7 "Election of Two (2) Directors" are approved and passed as originally proposed, the number of Directors will be eleven (11) (including five (5) Outside Directors).

The Eligible Directors shall, based on a resolution of the Board of Directors of the Company, contribute all monetary claims provided in accordance with this proposal as assets contributed in kind, and receive the issuance or disposal of common shares of the Company. The total number of common shares of the Company to be thereby issued or disposed of shall not exceed 30,000 shares per year (provided, however, that, if a stock split of the Company's common shares (including gratis allotment of the Company's common shares) or a reverse stock split of the Company's common shares is carried out, or if any other event arises requiring adjustments of the total number of the Company's common shares to be issued or disposed of as restricted stocks after the date on which this proposal is approved and passed, such total number shall be adjusted to a reasonable extent).

The amount to be paid in per share will be decided by the Board of Directors based on the closing price of the common shares of the Company at the Tokyo Stock Exchange on the business day immediately before the date of the resolution of the Board of Directors (the closing price on the transaction date immediately preceding the said date if no transaction has been executed on the same day) to the extent that the amount is not particularly favorable to the Eligible Directors who subscribe to the common shares. The issuance or disposal of common shares of the Company and the payment of monetary claims as assets contributed in kind shall be subject to the execution of a restricted stock allotment agreement (the "Allotment Agreement") between the Company and the Eligible Directors with the following contents. The maximum amount of remuneration, the total number of common shares of the Company to be issued or disposed of and other terms and conditions of granting restricted stocks to the Eligible Directors under this proposal are to be determined by the Board of Directors upon consulting the Management Conference by comprehensively taking into account the degree of contributions made by the Eligible Directors to the Company and other matters, and therefore the Company believes that the details are appropriate.

[Outline of the contents of the Allotment Agreement]

(1) Transfer Restriction Period

The Eligible Directors shall not transfer, pledge, or otherwise dispose of the common shares of the Company allotted to them under the Allotment Agreement (the "Allotted Shares") during the period from the date of allotment under the Allotment Agreement to the time immediately after retirement from the positions of officers or employees of the Company that are determined in advance by the Board of Directors of the Company (the "Transfer Restriction Period") (the "Transfer Restriction").

(2) Handling at the time of retirement

If the Eligible Directors retire from the positions of officers or employees of the Company that are determined in advance by the Board of Directors of the Company before the expiration of the period that is determined in advance by the Board of Directors of the Company (the "Service Period"), the Company duly acquires the Allotted Shares without consideration, except in cases where there is a justifiable reason

for such retirement, such as expiration of the term of office or death.

(3) Release of the Transfer Restriction

The Company releases the Transfer Restriction of all of the Allotted Shares upon expiration of the Transfer Restriction Period, provided that the Eligible Directors have continuously held the positions of officers or employees of the Company that are determined in advance by the Board of Directors of the Company during the Service Period. However, if (i) the Eligible Directors retire from the positions of officers or employees of the Company that are determined in advance by the Board of Directors of the Company before the expiration of the Service Period for a justifiable reason, or (ii) the Eligible Directors retire from the positions that are determined in advance by the Board of Directors of the Company after the expiration of the Service Period but before the expiration of the Transfer Restriction Period for a reason other than a justifiable reason, the number of the Allotted Shares for which the Transfer Restriction is released and the time of releasing the Transfer Restriction shall be reasonably adjusted as necessary. In addition, the Company duly acquires, without consideration, the Allotted Shares for which the Transfer Restriction has not yet been released at the time immediately after the Transfer Restriction is released in accordance with the above provisions.

(4) Treatment in organizational restructuring, etc.

Notwithstanding the provisions of (1) above, if, during the Transfer Restriction Period, a merger agreement in which the Company becomes an extinct company, a share exchange agreement or a share transfer plan in which the Company becomes a wholly owned subsidiary, or any other matter relating to organizational restructuring, etc. is approved at a general meeting of shareholders of the Company (or, if such organizational restructuring, etc. does not require approval at a general meeting of shareholders of the Company, by the Board of Directors of the Company), the Company, by a resolution of the Board of Directors of the Company, releases the Transfer Restriction of the Allotted Shares at a number reasonably determined based on the period from the commencement date of the Transfer Restriction Period to the date of approval of the organizational restructuring, etc. prior to the effective date of the organizational restructuring, etc. In the case specified above, the Company duly acquires, without consideration, the Allotted Shares for which the Transfer Restriction has not yet been released at the time immediately after the Transfer Restriction is released.

(5) Other matters

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

Proposal 6: Decision on Remuneration for Granting Subscription Rights to Shares as Stock Options to Directors (Excluding Outside Directors)

The Company requests approval for the granting of stock options to its Directors (excluding Outside Directors) and also approval for the details of the subscription rights to shares to be delivered as stock options for the purpose of improving the soundness of its management and social trust by encouraging its Directors to share the benefits and risk of stock price fluctuations with shareholders and raising their motivation and morale to improve the Company's business performance.

1. The amount of remuneration, etc. related to stock options

In accordance with Article 361, Paragraph 1 of the Companies Act, at the 37th Annual General Meeting of Shareholders held on June 25, 2007, it was approved that the remuneration for Directors of the Company shall be within 700 million yen per year as monetary remuneration (excluding employees' salaries), and in addition to the above amount of remuneration, etc. for Directors, at the 49th Annual General Meeting of Shareholders held on March 15, 2019, the amount of remuneration, etc. related to stock options for Directors (excluding Outside Directors) of the Company was approved to be within 150 million yen per year (excluding employees' salaries), and remains unchanged to date.

In accordance with the "Act Partially Amending the Companies Act" (Act No. 70 of 2019) effective as of March 1, 2021, the matters to be resolved at the General Meeting of Shareholders regarding the granting of subscription rights to shares as remuneration for Directors have been clarified. Accordingly, the Company requests approval once again for the amount of remuneration for stock options for Directors (excluding Outside Directors) of the Company to be within 100 million yen per year (excluding employee's salaries), and its details as set forth below.

The amount of subscription rights to shares to be issued as remuneration for stock options to the Directors of the Company shall be the amount obtained by multiplying the fair value per unit of subscription right to shares calculated on the date of the allotment of subscription rights to shares, by the total number of the rights to be allotted. To calculate the fair value per unit of subscription right to shares defined herein, we use a commonly used method to calculate the fair value of the subscription rights to shares, based on various conditions including the Company's stock price and the exercise price on the allotment date.

Currently, there are nine (9) Directors (including three (3) Outside Directors), but if Proposal 2 "Election of Nine (9) Directors" and Proposal 7 "Election of Two (2) Directors" are approved and passed as originally proposed, the number of Directors will be eleven (11) (including five (5) Outside Directors).

In addition to the Company's Directors, we plan to allocate similar stock options to Operating Officers of the Company. The specific grantees, payment timing and distribution are to be determined by the Board of Directors upon consulting the Management Conference by comprehensively taking into account the degree of contributions made by the eligible persons to the Company and other matters, and therefore the Company believes that the details are appropriate.

2. Details of remuneration, etc. (Details of remuneration for subscription rights to shares to be issued as stock options over one year)

(1) Number of units of subscription rights to shares

The maximum number of units of subscription rights to shares to be issued within one year from the annual general meeting of shareholders for each fiscal year shall be 1,000.

(2) The class and number of shares underlying the subscription rights to shares

The maximum number of shares underlying the subscription rights to shares within one year from the annual general meeting of shareholders for each fiscal year shall be 100,000 shares. The class of shares underlying the subscription rights to shares shall be common shares, and the number of shares underlying each unit of subscription right to shares shall be 100 shares.

The Company shall make adjustments deemed necessary in circumstances that justify a change in the number of shares such as a stock split or a reverse stock split of its common shares.

(3) The amount paid in exchange for subscription rights to shares

No cash payment shall be required in exchange for subscription rights to shares.

(4) Value of assets to be contributed upon exercise of subscription rights to shares

The value of assets to be contributed upon exercise of a unit of subscription right to shares shall be the amount obtained by multiplying the amount to be paid in per share that may be delivered through the exercise of the subscription right to shares (the "Exercise Value") by the number of granted shares.

The Exercise Value shall be the amount obtained by multiplying the average closing price of the common shares of the Company at Tokyo Stock Exchange, Inc. on days (excluding days on which no transactions were made) of the month before the subscription right to shares is allotted, by 1.05 (with

fractions of less than 1 yen rounded up). However, if the value falls below the closing price on the allotment date of the subscription right to shares, the Exercise Value shall be the closing price on the allotment date of the subscription right to shares (the closing price on the transaction date immediately before the said date if no transactions were made on the allotment date).

The Company shall make adjustments deemed necessary in circumstances that justify a change in the Exercise Value such as a stock split or a reverse stock split of its common shares.

(5) Exercise period of subscription rights to shares

The exercise period of subscription rights to shares shall be a period determined by the Board of Directors within the period from the day on which two (2) years have passed from the date of the resolution granting subscription rights to shares to the day on which five (5) years have passed after the date of the resolution.

(6) Restrictions on the acquisition of subscription rights to shares through transfer

The acquisition of subscription rights to shares through transfer must be approved by the Board of Directors.

(7) Conditions for the exercise of subscription rights to shares

1) When exercising subscription rights to shares, share subscription right holders must be in either of the Company's positions of Director (excluding Outside Director), Auditor (excluding Outside Auditor), Operating Officer and employee (employee of the Company prescribed in Article 2 of the Rules of Employment of the Company), unless subscription right holders are transferred to subsidiaries and affiliates of the Company and their exceptional treatment is approved by the Board of Directors, or the Board of Directors acknowledges that there is a justifiable reason not to apply the rule.

2) If a share subscription right holder falls under any of the following instances, the holder cannot exercise the subscription rights to shares thereafter.

i. The holder has received a ruling for commencement of assistance, conservatorship, or guardianship.

ii. The holder has received a ruling for commencement of bankruptcy proceedings.

iii. The holder is appointed as an officer, employee or consultant of a company in a competitive relationship with the Company (excluding subsidiaries or affiliates of the Company) unless approved in advance by the Board of Directors of the Company.

iv. A breach of trust against the Company has been recognized, such as a violation of laws and regulations or the Company's internal rules.

v. A violation of the share subscription right allotment agreement concluded between the Company and the allottee of the subscription rights to shares.

3) Other conditions for the exercise of subscription rights to shares shall be prescribed in a share subscription right allotment agreement to be concluded between the Company and the share subscription right holders.

4) Other conditions for the exercise of subscription rights to shares shall be determined by a resolution of the Board of Directors.

(8) Acquisition of subscription rights to shares

1) In the event that a merger agreement in which the Company becomes an extinct company, a company split agreement or a company split plan in which the Company becomes a split company, or a share exchange agreement or a share transfer plan in which the Company becomes a wholly owned subsidiary is approved at a general meeting of shareholders (or by a resolution of the Board of Directors if an approval of the general meeting of shareholders is not required), the Company may acquire all of the subscription rights to shares without consideration on a date separately determined by the Board of Directors of the Company.

2) In the event that, prior to the exercise of subscription rights to shares by the share subscription right holders, the subscription rights become unexercisable pursuant to the provisions set forth in (7) 2) above, the Company may acquire the subscription rights to shares without consideration on a date separately determined by the Board of Directors of the Company.

(9) Other terms and conditions for the offering of subscription rights to shares

Other details of the subscription rights to shares shall be determined at the meeting of the Board of Directors that determines the terms and conditions for the offering of subscription rights to shares.

<Proposal by Shareholders (Proposal 7)>

Proposal 7 is a proposal made by a shareholder.

The following details of the proposal (outline of the agenda) and reasons for the proposal are presented in their original form as submitted by the proposing shareholder in Japanese.

The Board of Directors is opposed to the shareholder's proposal.

The reasons for opposition to Proposal 7 are stated below on page 22.

Proposal by Shareholders

Proposal 7 was proposed by shareholder 3D OPPORTUNITY MASTER FUND.

Proposal 7: Election of Two (2) Directors

Outline and Reason of the Proposal

(1) Outline of the Proposal

Mr. Kanya Hasegawa and Mr. Keiji Torii shall be elected as Directors.

(2) Reason for the Proposal

The board of directors of a listed company is expected to maximize corporate value over the medium- to long-term by allocating corporate capital appropriately and effectively to growth investment, internal reserves, and shareholder returns.

The Corporate Governance Code, which is a set of guidelines for corporate governance of listed companies, also states that “given its fiduciary responsibility and accountability to shareholders, in order to promote sustainable corporate growth and the increase of corporate value over the mid- to long-term and enhance earnings power and capital efficiency, the board¹” should appropriately fulfill its roles and responsibilities.

The Company has not been allocating capital in a way that contributes to sustainable growth and medium- to long-term corporate value improvement. In fact, the Company's average return on equity (ROE) for the most recent fiscal year and the past 10 years was 7.4% and 5.4%, respectively, which is about half of the average of 14.1% and 10.7% of peer companies² for the same periods.

The proposer believes that the reason behind the Company's chronically large inferiority in capital efficiency compared to peer companies is that the Company allocates capital in an inappropriate and inefficient manner. The Company has been continuously reinvesting profits generated by the embedded systems development and systems integration business, its core businesses, in areas where synergies with the core businesses are unclear, rather than reinvesting them in the core businesses or returning profits to shareholders. For example, over the past 20 years, the Company has invested a large amount of money, in excess of 100 billion yen, in the acquisition of property, plant and equipment, mainly by investing in office real estate, which is not the Company's core business. In recent years, while the Company has clearly stated its medium-term policy to focus on its core businesses³, it has not only allocated more than the cumulative net income for the last five years to the acquisition of property, plant and equipment, mainly for the development of building complexes (offices and restaurants)⁴, but also plans to invest billions of yen in real estate related to such development in the three-year period from 2021 to 2023⁵.

Brokerage analysts and other market participants have been pointing out for the past several years the irrationality of the Company's capital allocation, including excessive investments in real estate. Under these circumstances, the proposer has engaged in multiple rounds of dialogue with the Company regarding reconsideration and review of capital allocation, including reinvestment in core businesses in which the Company has a competitive edge and business portfolio management, with the aim of achieving sustainable growth and enhancing corporate value over the medium- to long-term. However, the current Board of Directors does not recognize that there are issues regarding capital allocation, and continues to invest in businesses and assets where the synergies with the core businesses and the contribution to corporate value are unclear.

The proposer believes that the capital allocation by the current Board of Directors is damaging the corporate value of the Company. What is required of the Company now is to reexamine and review its current capital allocation based on objective criteria, and to strengthen its highly effective supervisory function with regard to its future capital allocation policy. The proposer believes that in order to realize this, it will be necessary to appoint independent outside directors with experience and expertise in capital allocation who can appropriately reflect the opinions of stakeholders, including minority shareholders, and conduct sufficient verification and highly effective supervision of all options from the

perspective of sustainable growth and medium- to long-term corporate value enhancement.

Therefore, the proposer proposes that two persons, Mr. Kanya Hasegawa and Mr. Keiji Torii, be elected as Outside Directors of the Company. The proposer believes that the addition of these two persons to the Board of Directors will improve the independence of the Board of Directors, and that the Board of Directors will not only be more active in deliberations that reflect the common interests of all shareholders including minority shareholders, but will also be able to reconsider and review all options for capital allocation in the past and in the future under highly effective supervision. In addition, the proposer believes that these changes will give the Board of Directors a stronger mandate from shareholders in making decisions regarding capital allocation and other matters.

The career summary of the candidates are shown in “(3) Candidates’ names and career summary,” and the reasons for their nominations are summarized below.

- Mr. Kanya Hasegawa has extensive experience and broad insight in capital allocation, having been involved in a wide range of investment activities in Japan and Asia for nearly 20 years, including credit, real estate and listed equities. Since 2015, he has founded and been engaged in the management as CEO & CIO of 3D Investment Partners Pte Ltd., the asset management company of the proposer, who is also a shareholder of the Company. In this capacity, he has been engaging in constructive dialogues with Japanese listed companies and contributing to the enhancement of corporate value through the strengthening of corporate governance and improvement of capital efficiency. In addition, as he has engaged in dialogues with the management teams (including outside directors) of various Japanese listed companies as one of their shareholders, he is able to incorporate not only the shareholders’ perspective but also the best practices of outside directors of listed companies into the Board of Directors. Based on this extensive track record, we believe that he is the most suitable person to represent the interests of minority shareholders and to enhance the corporate value of the Company through improved corporate governance and capital allocation.
- Mr. Keiji Torii has served as Representative Director & Deputy President of Mizuho Financial Group, Inc., and as Outside Audit & Supervisory Board Member of ITOCHU Corporation, both listed companies, and has extensive experience and broad insight not only in finance and accounting but also in the management of major Japanese companies as a director of a listed company. He has also served as Director & Deputy President of Mizuho Research & Technologies, Ltd. (formerly Mizuho Information & Research Institute, Inc.) and as Executive Advisor to Salesforce.com Co., Ltd. and has outstanding expertise and experience backed by practice in corporate management in the IT sector, the Company’s core business. In his current role as Special Advisor to 3D Investment Partners Pte Ltd., he engages in constructive dialogues with Japanese listed companies, leveraging his extensive network and understanding of Japanese corporate management to address complex governance issues and contributes to enhancing corporate value at listed companies. In addition, we believe that he is the most suitable person to enhance the corporate value of the Company by addressing the issue of capital allocation, while taking into consideration the opinions of various stakeholders such as the Board of Directors, shareholders and management, based on his extensive experience and outstanding expertise not only in finance and accounting but also in corporate management spanning the IT sector as well as his network.

The Company’s Articles of Incorporation stipulate that the number of Directors of the Company shall be 30 or less. Even if the candidates for Directors recommended by the proposer are elected, the number of Directors will not exceed the limit.

(3) Candidates' names and career summary

Candidate	Kanya Hasegawa	Date of birth: January 25, 1980
		Number of shares the Company held: 0
■ Career summary, positions, responsibilities and significant concurrent positions		
2002	Joined Goldman Sachs Japan, Co., Ltd.	
2008	Joined Tudor Capital Singapore Pte. Ltd. as Investment Analyst	
2010	Joined Broad Peak Investment Advisers Pte. Ltd. as Managing Director and Partner	
2015	Established 3D Investment Partners Pte. Ltd. and became CEO & CIO (to the present)	
	[Significant concurrent position]	
	CEO & CIO of 3D Investment Partners Pte. Ltd.	

Candidate	Keiji Torii	Date of birth: July 25, 1947
		Number of shares the Company held: 0
■ Career summary, positions, responsibilities and significant concurrent positions		
1971	Joined Dai-Ichi Bank, Ltd.	
1998	Outside Director of THE CIT GROUP, INC. (listed on the New York Stock Exchange)	
1999	Managing Director and General Manager of NY Branch of Dai-Ichi Kangyo Bank, Ltd.	
2000	Managing Director of Dai-Ichi Kangyo Bank, Ltd.	
2004	Representative Director & Deputy President of Mizuho Financial Group, Inc.	
2005	Director & Deputy President of Mizuho Information & Research Institute, Inc. (now Mizuho Research & Technologies, Ltd.)	
2009	Outside Audit & Supervisory Board Member of ITOCHU Corporation	
2009	Outside Director Board Member of Tokyo Coca-Cola Bottling Co., Ltd. (now Coca-Cola Bottlers Japan Inc.)	
2009	Executive Advisor to Salesforce. com Co., Ltd.	
2017	Adviser to 3D Investment Partners Pte Ltd.	
2019	Audit & Supervisory Board Member of Cogent Labs Inc. (to the present)	
2020	Outside Auditor, SYLA HOLDINGS Co., Ltd. (to the present)	
2021	Special Adviser to 3D Investment Partners Pte Ltd. (to the present)	
	[Significant concurrent positions]	
	Audit & Supervisory Board Member of Cogent Labs Inc.	
	Outside Auditor, SYLA HOLDINGS Co., Ltd.	
	Special Adviser, 3D Investment Partners Pte Ltd.	

Footnotes:

¹ Principle 4 of the Corporate Governance Code

² The following companies are used for comparison as peers: ITOCHU Techno-Solutions, TIS, SCSK, Nihon Unisys, NS Solutions, Net One Systems, Information Services International-Dentsu, NSD, Systema, and DTS, all of which have a market capitalization of 100 billion yen to 1 trillion yen and whose core businesses are embedded systems development and systems integration.

³ In the annual securities report for the 51st fiscal year, the Company set forth its medium-term policy as the "Basic Management Policy," to achieve added value by "becoming an innovative corporate group that links ICT development to greater value for customers." In addition, the Company's medium- and long-term management strategies are "Taking on bold challenges toward new technologies: AIS-CRM x DX," "Promotion of high-value-added system integration," "Reinforcement of human resources and steady growth of the contract development business," "Extensive promotion of the product business," and "Growth of the entire group and aggressive global development."

⁴ Over the past five years, the Company has allocated 36.1 billion yen to the acquisition of property, plant and equipment, compared to total net income attributable to shareholders of the parent of 33.8 billion yen.

⁵ The Company disclosed in its the annual securities report for the 51st fiscal year that it plans to invest a total of 12.8 billion yen in the Shiodome Building Construction buildings A and B by 2023, of which 4.4 billion yen has already been invested, as "New Installation of Significant Facilities, etc."

○ **Opposition from the Board of Directors on Proposal 7**

[Opinion]

The Board of Directors of the Company is opposed to Proposal 7.

We have been steadily improving our performance and corporate value as one of the largest independent SI vendors in Japan in the IT sector, a growth industry, and are currently recording the eighth consecutive year of expanded net sales and profit since the fiscal year ended December 31, 2013.

At the same time, we are fully aware of the importance of capital efficiency, and have been managing our business taking into account financial discipline. In particular, as a result of our efforts to improve productivity in software development work, our capital efficiency has been improving, with ROE increasing for five consecutive years (from 5.3% in the fiscal year ended December 31, 2016 to 7.4% in the fiscal year ended December 31, 2021). The Total Shareholder Return (TSR) for the same period (from the end of December 2016 to the end of December 2021) was 208.0%, which is much higher than the dividend-included TOPIX performance of 146.9% for the same period, so we believe that we are managing our business in a way that meets the expectations of our shareholders. Furthermore, on February 10, 2022, the Company announced its medium-term management plan for the next three years. In this plan, we will strive to increase our net sales and profits as well as continue to improve capital efficiency with an ROE target of 9.0% for the fiscal year ending December 31, 2024.

The reason we are acquiring and holding real estate is that we consider it as an investment that contributes to our core business of software development, as we strive for sustainable growth and enhance added value and improve our corporate value over the medium to long term.

Software development, which is our core business, requires a work space that can accommodate a large number of people. We value the fact that self-held real estate allows us to ensure security and other safety features that meet our standards, flexibly change the layout and environment to best suit each project, provide office space to employees at a lower cost than comparable leased office space, and there is less risk of impairment of value over the medium to long term, among others. In addition, based on the medium- to long-term growth potential of our business, we have determined that it is necessary to acquire and hold properties from time to time, taking into consideration such factors as human resource recruitment plans, contribution to employee motivation, and how it can help reinforce trust and business with customers and partner companies. We believe that Company-held real estate has contributed to our growth and improved corporate value in the past decade. On the other hand, during times of recession such as the world financial crisis of 2008 in the past, we were able to mitigate business risks by effectively utilizing our self-held buildings. In the recent COVID-19 pandemic, operating with a self-held building was especially effective because we were able to install droplet-proof partitions around employee desks, keep doors open, set up individual booths, and take other infection prevention measures on the floor in a flexible and prompt manner, giving employees who need to physically be present in the office with a sense of security. Going forward, we will continue to make decisions on real estate ownership based on timely and multifaceted evaluations from the perspective of improving corporate value over the medium to long term.

The Company's Board of Directors selects candidates for Director who can be expected to help maximize the Company's corporate value over the long term and on an ongoing basis, giving due consideration to the balance of their skills and experience, after deliberations by the Management Conference, the majority of which is composed of independent outside directors, and which functions as the nomination committee. Accordingly, the Board has in place a structure with an optimal and effective management supervisory function that can enhance corporate value under the Company's basic policy and medium-term policy.

In the director system proposed in Company Proposal 2, we propose the election of candidates for independent Outside Directors who have high financial and accounting skills as well as experience in the IT industry where the Company operates based on the results of the evaluation of the effectiveness of the Board of Directors. Therefore the Company has a system in place to supervise important themes such as capital allocation from various perspectives so as to further contribute to the enhancement of corporate value. The proposed Board of Directors is composed of three (3) candidates for independent Outside Directors out of a total of nine (9) candidates for Directors, with independent Outside Directors accounting for one-third of the total number of Directors, thus realizing a highly transparent Board of Directors. For this reason, the Board of Directors of the Company believes that the nine (9) candidates for Directors proposed in Proposal 2 are the most appropriate lineup. As both of the candidates in the shareholder proposal are also CEOs or special advisors of corporations affiliated to the same investment group as the proposing shareholder, there are concerns that their representation may be limited to the interests of certain shareholders. Therefore, we believe that the election of the two (2) candidates in the shareholder proposal is inappropriate.

For these reasons, the Board of Directors of the Company is opposed to the shareholder proposal.

*See page 12 for a matrix of skills of executives in the Company Proposal 2, Election of Nine (9) Directors.