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Securities code: 7088

June 4, 2024

To Our Shareholders

Tsutomu Sato
Representative Director & President
Forum Engineering Inc.
2-10-4 Toranomom, Minato-ku, Tokyo

Notice of the 44th Annual General Meeting of Shareholders

We are pleased to announce that the 44th Annual General Meeting of Shareholders of Forum Engineering Inc. (the “Company”) will be held as indicated below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters regarding measures for electronic provision) in electronic format, and has posted the information on the Company’s website. Please access the following website to view the information.

The Company’s website:

<https://www.forumeng.co.jp/ir/stock/meeting.html> (in Japanese)

<https://www.forumeng.co.jp/en/ir/stock/> (in English)

In addition to the Company’s website, matters regarding measures for electronic provision are also posted on the Tokyo Stock Exchange (TSE) website. Please see below.

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Access the TSE website by using the internet address shown above, enter “Forum Engineering” in “Issue name (company name)” or the Company’s securities code “7088” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

If you are unable to attend the Meeting in person, you may exercise your voting rights beforehand in writing or via the Internet. Please review the attached Reference Documents for General Meeting of Shareholders, and exercise your voting rights by 6 p.m. on Monday, June 24, 2024 (JST).

1. **Date and Time:** Tuesday, June 25, 2024 at 10 a.m. (JST)
2. **Venue:** Maple, 7th Floor, The Okura Prestige Tower, The Okura Tokyo
2-10-4 Toranomom, Minato-ku, Tokyo

3. **Purpose of the Meeting**

Matters to Be Reported

1. The Business Report, Consolidated Financial Statements, and Results of the Audit of Consolidated Financial Statements by the independent auditor and Audit & Supervisory Board for the 44th fiscal year (from April 1, 2023 to March 31, 2024)
2. The Business Report and the Financial Statements for the 44th fiscal year (from April 1, 2023 to March 31, 2024)

Matters to Be Resolved

- Proposal No. 1** Appropriation of Surplus
- Proposal No. 2** Partial Amendments to the Articles of Incorporation
- Proposal No. 3** Election of three (3) Directors (excluding Directors who are Audit & Supervisory Committee Members)
- Proposal No. 4** Election of Three (3) Directors who are Audit & Supervisory Committee Members
- Proposal No. 5** Determination of Amount of Remuneration, etc., for Directors (excluding Directors who are Audit & Supervisory Committee Members)
- Proposal No. 6** Determination of Amount and Details, etc. of Remuneration, etc. for Granting of Shares with Transfer Restrictions to Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors)
- Proposal No. 7** Determination of Amount of Remuneration, etc., for Directors who are Audit & Supervisory Committee Members
- Proposal No. 8** Determination of Amount and Details, etc. of Remuneration, etc. for Granting of Restricted Shares to Directors who are Audit & Supervisory Committee Members (excluding Outside Directors)

In the paper-based documents sent to shareholders who have requested delivery of paper-based documents, the following matters among the matters regarding measures for electronic provision shall not be included in accordance with the provisions of laws and regulations and Article 15, paragraph 2 of the Company's Articles of Incorporation.

■ The following matters of the Business Report:

- Status of shares
- Status of share acquisition rights
- Matters concerning outside officers
- Status of independent auditor
- System to ensure the properness of operations and operational status of the system

■ The following matters of the consolidated financial statements:

- Consolidated statement of changes in equity
- Notes to consolidated financial statements

■ The following matters of the non-consolidated financial statements:

- Statement of changes in equity
- Notes to non-consolidated financial statements

The Business Report audited by the Audit & Supervisory Board Members when preparing the audit report includes each of the aforementioned matters of the Business Report. In addition, the consolidated and non-consolidated financial statements audited by the independent auditor and Audit & Supervisory Board Members at the time of preparing the accounting audit report and audit report contain each of the aforementioned matters of the consolidated and non-consolidated financial statements. In the event a revision is made to this convocation notice or the matters regarding measures for electronic provision, notification containing the matters before and after revision will be posted on the Company's website and the TSE's website.

Any major changes to the operation method of the General Meeting of Shareholders will be published on the Company's website.

Reference Documents for General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

Returning appropriate levels of profits to all shareholders is one of the most important management issues for the Company and as a matter of basic policy, continuous and stable dividend payments to shareholders are implemented based on business results. As part of its commitment to achieving stable dividends and sustainably enhancing corporate value, the Company will maintain a dividend payout ratio of 60% or more and introduce progressive dividends during the period of the Mid-Term Management Plan (cognavi Vision 2026).

*Progressive dividends: A dividend policy that, in principle, “does not reduce dividends, but instead maintains or increases dividends.”

Year-end dividends

The Company proposes the year-end dividends for the 44th fiscal year, in comprehensive consideration of the performance, financial position and future business development, as follows:

Type of dividend property

Cash

Allotment of dividend property and their aggregate amount

¥37.50 per common share of the Company

In this event, the total dividends will be ¥1,958,183,175.

Effective date of dividends of surplus

June 26, 2024

(Notes) The Company conducted a 2-for-1 stock split of shares of common stock with an effective date of December 1, 2023. Therefore, the above-mentioned year-end dividend is equivalent to ¥75 per share before the stock split, which is an increase of ¥25 from the previous fiscal year.

Proposal No. 2 Partial Amendments to the Articles of Incorporation

1. Reason for Amendment

- (1) In order to strengthen the audit and supervisory functions and speed up decision-making, the Company has decided to transition its governance structure to a Company with an Audit & Supervisory Committee, and will make amendments such as the establishment of new regulations regarding Directors who are Audit & Supervisory Committee Members and the Audit & Supervisory Committee, and the deletion of provisions regarding Audit & Supervisory Board Members and the Audit & Supervisory Board.
- (2) The business objectives will be reorganized and amended in order to make them in line with the current state of our business activities.
- (3) Amendments will be made to the provisions of the convenor and chairperson of the General Meeting of Shareholders in order to match the actual situation of the business execution system.
- (4) The above new articles will be added, changes will be made to the number of articles, corrections to lexical expressions will be made, and other amendments will be made following these amendments and deletions.

2. Details of Amendments

The details of the amendments are as follows.
 Furthermore, the amendments to the Articles of Incorporation will take effect at the conclusion of this Annual General Meeting of Shareholders.

(Sections to be amended are the underlined parts.)

Current Articles of Incorporation	Proposed Amendments
Chapter 1 General Provisions	Chapter 1 General Provisions
Article 1 (text omitted)	Article 1 (unchanged)
(Purpose)	(Purpose)
Article 2 (1) to (11) (text omitted)	Article 2 (1) to (11) (unchanged)
<u>(12) Contracting of civil engineering and construction and other construction work in general, as well as surveying, planning, designing, and supervising related to such</u>	(Deleted)
(13) Sorting, packing, delivery, and sales of goods	<u>(12) Production</u> , sorting, packing, delivery, and sales of <u>novelty items</u> and <u>other goods</u>
<u>(14)</u> (text omitted)	(13) Renumbering
<u>(15) Manufacture, processing and sale of foods, soft drinks, and food additives</u>	(Deleted)
<u>(16) Management of restaurants</u>	(Deleted)
<u>(17) Real estate leasing business</u>	(Deleted)
<u>(18) All operations incidental to the preceding items</u>	<u>(14)</u> (unchanged)
Article 3 (text omitted)	Article 3 (unchanged)
(Institutions)	(Institutions)
Article 4	Article 4
In addition to the General Meeting of Shareholders and Directors, the Company shall have the following institutions.	In addition to the General Meeting of Shareholders and Directors, the Company shall have the following institutions.
(1) (text omitted)	(1) (unchanged)
(2) <u>Audit & Supervisory Board Member</u>	(2) <u>Audit & Supervisory Committee</u>
(3) <u>Audit & Supervisory Board</u>	(Deleted)
(4) Financial Auditor	<u>(3)</u> (unchanged)
Article 5 (text omitted)	Article 5 (unchanged)
Chapter 2 Stock	Chapter 2 Stock
Article 6 to Article 11 (text omitted)	Article 6 to Article 11 (unchanged)
Chapter 3 General Meeting of Shareholders	Chapter 3 General Meeting of Shareholders
Article 12 and Article 13 (text omitted)	Article 12 and Article 13 (unchanged)

Current Articles of Incorporation	Proposed Amendments
<p>(Chairperson) Article 14</p> <ol style="list-style-type: none"> The General Meeting of Shareholders shall be convened by the Director and <u>President</u>, who shall also chair the meeting. In the event of the Director and <u>President</u> being unable to so act, another Director shall convene and chair the Genera Meeting of Shareholders pursuant to the order predetermined by the Board of Directors. <p>Article 15 to Article 17 (text omitted) Chapter 4 Directors and Board of Directors</p> <p>(Number of Directors) Article 18</p> <p>The number of Directors of the Company shall not exceed <u>15</u>.</p> <p>(Newly Established)</p> <p>(Election Method) Article 19</p> <ol style="list-style-type: none"> Directors shall be elected at the General Meeting of Shareholders. Resolutions for the election of Directors shall be made by a majority of the voting rights of shareholders who hold one-third or more of the voting rights of shareholders who are entitled to exercise their voting rights. Resolutions for the election of Directors shall not be based on cumulative voting. <p>(Newly Established)</p> <p>(Term of office) Article 20</p> <p>The term of office of Directors <u>shall be until</u> the close of the Annual General Meeting of Shareholders relating to the last fiscal year ending within one (1) year after the appointment to office.</p> <p>(Newly Established)</p>	<p>(Chairperson) Article 14</p> <ol style="list-style-type: none"> The General Meeting of Shareholders shall be convened by the <u>Representative Director stipulated in advance by the Board of Directors</u>, who shall also chair the meeting. In the event of the <u>Representative Director of the preceding paragraph</u> being unable to so act, another Director shall convene and chair the Genera Meeting of Shareholders pursuant to the order predetermined by the Board of Directors. <p>Article 15 to Article 17 (unchanged) Chapter 4 Directors and Board of Directors</p> <p>(Number of Directors) Article 18</p> <ol style="list-style-type: none"> The number of Directors of the Company (<u>excluding Directors who are Audit & Supervisory Committee Members</u>) shall not exceed <u>six (6)</u>. <u>The number of Directors of the Company who are Audit & Supervisory Committee Members shall not exceed five (5)</u>. <p>(Election Method) Article 19</p> <ol style="list-style-type: none"> Directors shall be elected at the General Meeting of Shareholders <u>to distinguish between Directors who are Audit & Supervisory Committee Members and other Directors</u>. Resolutions for the election of Directors shall be made by a majority of the voting rights of shareholders who hold one-third or more of the voting rights of shareholders who are entitled to exercise their voting rights. Resolutions for the election of Directors shall not be based on cumulative voting. <u>The effect of the nomination of a substitute Director who is an Audit & Supervisory Committee Member shall be until the start of the Annual General Meeting of Shareholders relating to the last fiscal year ending within two (2) years after the appointment to office.</u> <p>(Term of office) Article 20</p> <ol style="list-style-type: none"> The term of office of Directors (<u>excluding Directors who are Audit & Supervisory Committee Members</u>) shall be until the close of the Annual General Meeting of Shareholders relating to the last fiscal year ending within one (1) year after the appointment to office. <u>The term of office of Directors who are Audit & Supervisory Committee Members shall be until the close of the Annual General Meeting of Shareholders relating to the last fiscal year ending within two (2) years after the appointment to office.</u>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">(Newly Established)</p> <p>(Representative Director and Directors with Special Titles) Article 21</p> <ol style="list-style-type: none"> 1. The Board of Directors shall elect a Representative Director by resolution. 2. The Board of Directors shall elect one (1) President from among the Directors by resolution, and may elect one (1) Chairman and a few Vice Presidents, Senior Managing Directors, and Managing Directors as necessary. <p>(Convocation Notice of Meetings of the Board of Directors) Article 22</p> <ol style="list-style-type: none"> 1. Notice of convocation of a meeting of the Board of Directors shall be issued to each Director <u>and each Audit & Supervisory Board Member</u> at least three (3) days prior to the date of the meeting. However, if there is an urgent need, this period may be shortened. 2. With the consent of all Directors <u>and Audit & Supervisory Board Members</u>, a meeting of the Board of Directors may be held without going through the convocation procedure. <p>Article 23 (text omitted) <p style="text-align: center;">(Newly Established)</p> <p><u>Article 24</u> (text omitted) (Remuneration, etc.) <u>Article 25</u> Remuneration, bonuses, and other financial benefits received from the Company as compensation for the execution of duties by Directors (hereinafter, "remuneration, etc."). shall be determined by resolution of the General Meeting of Shareholders.</p> <p><u>Article 26</u> (text omitted) <p style="text-align: center;">Chapter 5 <u>Audit & Supervisory Board Members and Audit & Supervisory Board</u> (Chapter 5) <u>Article 27</u> <u>The number of Audit & Supervisory Board Members of the Company shall not exceed 5.</u></p> </p></p>	<p><u>3. The term of office of an elected substitute for a Director who is an Audit & Supervisory Committee Member who retired before the expiration of their term of office, shall expire at the expiration of the term of office of the retired Director who is an Audit & Supervisory Committee member.</u></p> <p>(Representative Director and Directors with Special Titles) Article 21</p> <ol style="list-style-type: none"> 1. The Board of Directors shall elect a Representative Director <u>from among Directors (excluding Directors who are Audit & Supervisory Committee Members)</u> by resolution. 2. The Board of Directors shall elect one (1) President from among the Directors <u>(excluding Directors who are Audit & Supervisory Committee Members)</u> by resolution, and may elect one (1) Chairman and a few Vice Presidents, Senior Managing Directors, and Managing Directors as necessary. <p>(Convocation Notice of Meetings of the Board of Directors) Article 22</p> <ol style="list-style-type: none"> 1. Notice of convocation of a meeting of the Board of Directors shall be issued to each Director at least three (3) days prior to the date of the meeting. However, if there is an urgent need, this period may be shortened. 2. With the consent of all Directors, a meeting of the Board of Directors may be held without going through the convocation procedure. <p>Article 23 (unchanged) <u>(Delegation of Important Business Execution Decisions)</u> <u>Article 24</u> <u>In accordance with the provisions of Article 399-13, paragraph (6) of the Companies Act, the Company may delegate Directors for all or part of decisions of execution of important operations (excluding matters set forth in items of the preceding paragraph) by the resolution of the Board of Directors meeting.</u></p> <p><u>Article 25</u> (unchanged) (Remuneration, etc.) <u>Article 26</u> Remuneration, bonuses, and other financial benefits received from the Company as compensation for the execution of duties by Directors (hereinafter, "remuneration, etc."). shall be determined by resolution of the General Meeting of Shareholders, <u>distinguishing between Directors who are Audit & Supervisory Committee Members and all other Directors.</u></p> <p><u>Article 27</u> (unchanged) <p style="text-align: center;">Chapter 5 <u>Audit & Supervisory Committee</u> (Chapter 5) (Deleted)</p> </p>

Current Articles of Incorporation	Proposed Amendments
<p><u>(Election Method)</u> <u>Article 28</u> 1. <u>Audit & Supervisory Board Members shall be elected at the General Meeting of Shareholders.</u> 2. <u>Resolutions for the election of Audit & Supervisory Board Members shall be made by a majority of the voting rights of shareholders who hold one-third or more of the voting rights of shareholders who are entitled to exercise their voting rights.</u></p> <p><u>(Term of Office)</u> <u>Article 29</u> 1. <u>The term of office of Audit & Supervisory Board Members shall be until the close of the Annual General Meeting of Shareholders relating to the last fiscal year ending within four (4) years after the appointment to office.</u> 2. <u>The term of office of an elected substitute for an Audit & Supervisory Board Member who retired before the expiration of his or her term of office, shall expire at the expiration of the term of office of the retired Audit & Supervisory Board Member.</u></p> <p><u>(Full time Audit & Supervisory Board Members)</u> <u>Article 30</u> <u>The Audit & Supervisory Board shall select full time Audit & Supervisory Board Members by resolution.</u></p> <p><u>(Convocation Notice of Meetings of the Audit & Supervisory Board)</u> <u>Article 31</u> 1. <u>Notice of convocation of a meeting of the Audit & Supervisory Board shall be issued to each Director and each Audit & Supervisory Board Member at least three (3) days prior to the date of the meeting. However, if there is an urgent need, this period may be shortened.</u> 2. <u>With the consent of all Audit & Supervisory Board Members, a meeting of the Audit & Supervisory Board may be held without going through the convocation procedure.</u></p> <p><u>(Audit & Supervisory Board Regulations)</u> <u>Article 32</u> Matters related to the <u>Audit & Supervisory Board</u> shall be governed by laws and regulations, these Articles of Incorporation, and the <u>Audit & Supervisory Board Regulations</u> established by the <u>Audit & Supervisory Board</u>.</p> <p><u>(Remuneration, etc.)</u> <u>Article 33</u> <u>The remuneration, etc. of Audit & Supervisory Board Members shall be determined by resolution of the General Meeting of Shareholders.</u></p>	<p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Convocation Notice of Meetings of the <u>Audit & Supervisory Committee</u>) <u>Article 28</u> 1. <u>Notice of convocation of a meeting of the Audit & Supervisory Committee shall be issued to each Audit & Supervisory Committee Member at least three (3) days prior to the date of the meeting. However, if there is an urgent need, this period may be shortened.</u> 2. <u>With the consent of all Audit & Supervisory Committee Members, a meeting of the Audit & Supervisory Committee may be held without going through the convocation procedure.</u></p> <p><u>(Audit & Supervisory Board Regulations)</u> <u>Article 29</u> Matters related to the <u>Audit & Supervisory Committee</u> shall be governed by laws and regulations, these Articles of Incorporation, and the <u>Audit & Supervisory Committee Regulations</u> established by the <u>Audit & Supervisory Committee</u>.</p> <p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>(Exemption of Audit & Supervisory Board Members from Liability)</u> <u>Article 34</u></p> <ol style="list-style-type: none"> <u>In accordance with the provisions of Article 426, paragraph (1) of the Companies Act, the Company may give exemption with respect to the liability to Audit & Supervisory Board Members (including persons who were an Audit & Supervisory Board Member) for damages due to neglect of his or her duties by a resolution of the Board of Directors meeting to the extent permitted by law.</u> <u>In accordance with the provisions of Article 427, paragraph (1) of the Companies Act, the Company may enter into an agreement with the Audit & Supervisory Board Members that limits liability for damages due to neglect of his or her duties. However, pursuant to these agreements, the defined maximum amount of liability for damages shall be the minimum liability amount provided for under laws and ordinances.</u> <p style="text-align: center;">Chapter 6 Independent Auditor</p> <p><u>Article 35</u> (text omitted) (Term of office)</p> <p><u>Article 36</u></p> <ol style="list-style-type: none"> The term of office of the Independent Auditor <u>shall be until</u> the close of the Annual General Meeting of shareholders relating to the last fiscal year ending within one (1) year after the appointment to office. (text omitted) <p>(Remuneration, etc.)</p> <p><u>Article 37</u> The remuneration of the Independent Auditor shall be determined by the Representative Director with the consent of the <u>Audit & Supervisory Board</u>.</p> <p><u>Article 38</u> (text omitted)</p> <p style="text-align: center;">Chapter 7 Financial Statements</p> <p><u>Article 39 to Article 42</u> (text omitted)</p>	<p style="text-align: center;">(Deleted)</p> <p style="text-align: center;">Chapter 6 Independent Auditor</p> <p><u>Article 30</u> (unchanged) (Term of office)</p> <p><u>Article 31</u></p> <ol style="list-style-type: none"> The term of office of the Independent Auditor <u>shall be until</u> the close of the annual general meeting of shareholders relating to the last fiscal year ending within one (1) year after the appointment to office. (change in Japanese only) (unchanged) <p>(Remuneration, etc.)</p> <p><u>Article 32</u> The remuneration of the Independent Auditor shall be determined by the Representative Director with the consent of the <u>Audit & Supervisory Committee</u>.</p> <p>Article 33 (unchanged)</p> <p style="text-align: center;">Chapter 7 Financial Statements <u>Article 34 to Article 37</u> (unchanged)</p>
<p>(Newly Established)</p>	<p><u>Supplementary Provisions</u> <u>(Transitional Measures Concerning the Exemption of Audit & Supervisory Board Members from Liability)</u> <u>Article 1</u> <u>In accordance with the provisions of Article 426, paragraph (1) of the Companies Act, the Company may give exemption with respect to the liability to an Audit & Supervisory Board Member (including a person who was formerly an Audit & Supervisory Board Member) for damages due to neglect of his or her duties by a resolution of the Board of Directors meeting to the extent permitted by law.</u></p>

Proposal No. 3 Election of three (3) Directors (excluding Directors who are Audit & Supervisory Committee Members)


Subject to the approval of Proposal No. 2 “Partial Amendments to the Articles of Incorporation,” the Company will transition its governance structure to a Company with an Audit & Supervisory Committee. In accordance with the provisions of Article 332, paragraph (7), item (i) of the Companies Act, the term of office of all seven Directors shall expire at the time the amendments to the Articles of Incorporation take effect. Accordingly, the Company requests the election of three Directors (excluding Directors who are Audit & Supervisory Committee Members; hereinafter the same shall apply in this proposal).


The effect of the resolution of this proposal shall be subject to the approval of Proposal No. 2 “Partial Amendments to the Articles of Incorporation” as originally proposed, and the effect of the amendment to the Articles of Incorporation by the resolution of the same proposal.


Furthermore, in selecting the candidates for this proposal, the Board of Directors of the Company made the decision after having the matter discussed by the Nomination and Remuneration Committee, an optional advisory body.

The candidates for Director are as follows.

Candidate No.	Name	Current position in the Company	Attributes
1	Tsutomu Sato	Representative Director & President Nomination and Compensation Committee Member	Reelection
2	Hiroto Motohata	Special Advisor	New election
3	Heizo Takenaka	Advisor	New election Outside Independent

Candidate No. 1	Tsutomu Sato	Reelection
 <p data-bbox="245 663 414 712">Date of birth January 19, 1964</p> <p data-bbox="204 743 456 824">Number of the Company's shares owned 1,407,838</p> <p data-bbox="204 855 456 990">Number of years in office as a Director 15 years and 11 months (at the conclusion of this shareholders' meeting)</p> <p data-bbox="217 1021 443 1128">Rate of attendance at Board of Directors meetings 100% (14/14 meetings)</p>	Career summary, and position and responsibility in the Company	
	<p data-bbox="481 282 1222 309">Apr. 1984 Joined American Life Insurance Company, Japan Branch</p> <p data-bbox="481 318 954 344">Nov. 1984 Joined Staff Service Co., Ltd.</p> <p data-bbox="481 353 900 380">Jan. 2006 Representative Director</p> <p data-bbox="481 389 868 416">May 2008 Joined the Company</p> <p data-bbox="481 425 938 452">July 2008 Director and Vice President</p> <p data-bbox="481 461 1021 488">Nov. 2017 Representative Director & President</p> <p data-bbox="481 497 1193 524">Jan. 2021 Representative Director of SUCRE Co., Ltd. (present)</p> <p data-bbox="481 533 1145 560">Nov. 2022 Director, Cognavi India Private Limited (present)</p> <p data-bbox="481 568 1331 654">June 2023 Representative Director & President in charge of Overseas Business Dept., Public Relations and Investor Relations Dept., and Internal Auditing Dept. of the Company (present)</p>	
	Significant concurrent positions outside the Company	
	Representative Director of SUCRE Co., Ltd.	
	Director, Cognavi India Private Limited	
Reasons for nomination as candidate for Director		
<p data-bbox="481 810 1388 1249">Tsutomu Sato serves as the Representative Director & President of the Company, and also serves as a Director of Cognavi India Private Limited, a subsidiary of the Company. Tsutomu Sato has a track record of contributing to expanding business, having played a central role in management as a person responsible for sales since joining the Company by drawing on his abundant knowledge and experience in the human resources business. He has also shown strong leadership and achieved positive results, including contributing to creating new businesses focused on skill matching functions since assuming office as President in November 2017. In addition, he has developed a human resources service business in India, contributing to the creation of the Company's first global business. In order to strengthen the growth foundation of the Group, he makes decisions on important business execution matters and supervises the execution of duties by Directors in an appropriate manner, and having determined he is the right choice for the realization of the sustainable enhancement of corporate value and the promotion of growth strategies in the future, the Company proposes his reelection as a Director. After being elected as a Director, he will assume responsibilities as Representative Director & President, Operating Officer. He will also serve as a member of the Nomination and Compensation Committee.</p>		

Candidate No. 2	Hiroto Motohata	New election
 <p data-bbox="245 815 416 869">Date of birth January 17, 1964</p> <p data-bbox="204 898 456 981">Number of the Company's shares owned 1,065,600</p>	Career summary, and position and responsibility in the Company	
	Apr. 1986	Joined Nomura Securities Co., Ltd.
	Dec. 1990	Joined Goldman Sachs Securities Japan Co., Ltd. (currently, Goldman Sachs Japan Co., Ltd.)
	Jan. 1994	Joined Merrill Lynch Japan Securities Co., Ltd. (currently, BofA Securities Japan Co., Ltd.)
	Nov. 2000	Joined Credit Suisse First Boston Securities (Japan) Co., Ltd. (currently, Credit Suisse Securities (Japan) Co., Ltd.)
	Apr. 2004	Joined Mizuho Securities Co., Ltd.
	Apr. 2005	Representative Director of Bookfield Capital
	Nov. 2013	Representative Director of MOKKEI Co., Ltd. (present)
	Mar. 2015	Director of SBI SECURITIES Co., Ltd.
	June 2017	Managing Director
June 2019	Senior Managing Director	
Nov. 2022	Established Vision Craft Inc. and became Representative Director, President and CEO (present)	
Feb. 2023	Special Advisor of the Company (present)	
Oct. 2023	Outside Director of PST Inc. (present)	
Significant concurrent positions outside the Company		
Representative Director of MOKKEI Co., Ltd.		
Representative Director, President and CEO of Vision Craft Inc.		
Reasons for nomination as candidate for Director		
<p>Hiroto Motohata has a wealth of experience and advanced professional expertise having worked at financial institutions over many years, a track record of promoting global business and building good relationships with investors, and also has a broad and deep insight cultivated as a corporate manager. Based on this wealth of experience and knowledge, he has provided appropriate recommendations to management as Special Advisor of the Company. In the future, he is expected to contribute to the sustainable growth of the Group and the continuous enhancement of corporate value, including IR and SR measures, and having determined that he is the right choice for management of the company, the Company proposes his election as a new Director.</p>		

Candidate No. 3 Heizo Takenaka		New election Outside Independent
 <p>Date of birth March 3, 1951</p> <p>Number of the Company's shares owned 0</p>	Career summary, and position and responsibility in the Company	
	Apr. 1990	Assistant Professor, Faculty of Policy Management, Keio University
	Apr. 1996	Professor, Faculty of Policy Management, Keio University
	Apr. 2001	Minister of State for Economic and Fiscal Policy
	Sept. 2002	Minister of State for Financial Services and for Economic and Fiscal Policy
	July 2004	Member of the House of Councillors
	Sept. 2004	Minister of State for Economic and Fiscal Policy and Minister of State for Privatization of the Postal Services
	Oct. 2005	Minister for Internal Affairs and Communications and Minister of State for Privatization of the Postal Services
	Nov. 2006	Director of Global Security Research Institute, Keio University
	Dec. 2006	President of Academyhills (present)
	Sept. 2007	Member of the Board of Trustees, World Economic Forum (present)
	Aug. 2009	Chairman of the Board of Pasona Group Inc.
	June 2015	Outside Director of ORIX Corporation
	Apr. 2016	Professor Emeritus of Keio University (present)
	June 2016	Outside Director of SBI Holdings, Inc. (present)
Dec. 2020	External Director of Xica Co., Ltd. (present)	
Mar. 2023	Non-Executive Chairman of Investcorp Japan, LLC (present)	
Nov. 2023	Advisor of the Company (present)	
Significant concurrent positions outside the Company		
Professor Emeritus of Keio University		
Member of the Board of Trustees, World Economic Forum		
Outside Director of SBI Holdings, Inc.		
Reasons for nomination as candidate for outside Director and overview of the expected roles		
In addition to his background as a professor at a university, Heizo Takenaka has held key positions in the government, has experience as an outside director in the private sector, and has knowledge of the human resources business. Based on this wealth of experience and knowledge, the Company proposes his election as a new candidate for outside Director to assume the role of supervising and checking management from a perspective independent of the management team that executes business. For the above reasons, the Company expects him to provide advice to the Board of Directors from a multifaceted perspective and to supervise the management of the Group from an independent standpoint.		

- (Notes) 1. There is no special interest between any of the candidates and the Company.
2. Heizo Takenaka is a new candidate for outside Director.
3. Heizo Takenaka plans to retire as President of Academyhills in June 2024.
4. Limited liability agreements
Pursuant to Article 427, paragraph (1) of the Companies Act, the Company intends to enter into an agreement with Heizo Takenaka, if he is elected, to limit his liability for damages under Article 423, paragraph (1) of the Companies Act. Pursuant to these agreements, the defined maximum amount of liability for damages is the minimum liability amount provided for under Article 425, paragraph (1) of the Companies Act.
5. Directors and officers liability insurance policy
The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with all of the Directors as the insureds. If this Proposal is approved as originally proposed and each candidate assumes the office as a Director, every such Director will be included as insureds in the insurance policy. Under the insurance policy, losses that may arise from the insured's assumption of liability incurred in the course of the performance of duties as an officer, or a person at a certain position, or receipt of claims pertaining to the pursuit of such liability will be covered. Provided, however, that there are certain reasons for coverage exclusion such as damages attributable to activities that the insured engages in with full knowledge of their illegality. The insurance premiums are fully borne by the Company, and there are no insurance

premiums actually borne by the insured. In addition, the Company plans to renew the insurance policy in May 2025 during the term of office of each candidate.

6. Notification of independent officers

Heizo Takenaka satisfies the requirement of the independence criteria for outside officers as provided for by the Tokyo Stock Exchange and the criteria of the independence prescribed by the Company. Accordingly, if the election of Heizo Takenaka as the outside Director is approved, the Company plans to designate him as an independent officer.

Proposal No. 4 Election of Three (3) Directors who are Audit & Supervisory Committee Members

Subject to the approval of Proposal No. 2 “Partial Amendments to the Articles of Incorporation,” the Company will transition its governance structure to a Company with an Audit & Supervisory Committee. Therefore, the Company requests the election of three (3) Directors who are Audit & Supervisory Committee Members.


Furthermore, in selecting the candidates for this proposal, the Board of Directors of the Company made the decision after having the matter discussed by the Nomination and Remuneration Committee, an optional advisory body.


Additionally, the Company has obtained the approval from the Audit & Supervisory Board with respect to the submission of this proposal.


The effect of this proposal shall be subject to the approval of Proposal No. 2 “Partial Amendments to the Articles of Incorporation” as originally proposed, and the effect of the amendment to the Articles of Incorporation by the resolution of the same proposal.

The candidate for Directors who are Audit & Supervisory Committee Members are as follows.

Candidate No.	Name	Current position in the Company	Attributes
1	Toshihiro Uno	Senior Operating Officer	New election
2	Kasei Ninomiya	Audit & Supervisory Board Member (full time)	New election Outside Independent
3	Kazuko Nakada	Director	New election Outside Independent

Candidate No. 1	Toshihiro Uno	New election																								
 <p data-bbox="231 792 427 846">Date of birth September 14, 1959</p> <p data-bbox="204 875 453 958">Number of the Company's shares owned 148,804</p>	Career summary, and position and responsibility in the Company																									
	<table border="0"> <tr><td>Apr. 1983</td><td>Joined Kyoei Fire & Marine Insurance Co., Ltd.</td></tr> <tr><td>Mar. 1984</td><td>Joined Rikei Corporation</td></tr> <tr><td>July 2000</td><td>Joined en Japan Inc.</td></tr> <tr><td>Dec. 2000</td><td>Director of en Japan Inc.</td></tr> <tr><td>May 2002</td><td>Joined Uni Device Corporation</td></tr> <tr><td>July 2011</td><td>Joined Marubun Semicon Corporation</td></tr> <tr><td>June 2016</td><td>Joined the Company as Operating Officer of the Accounting & Finance Dept.</td></tr> <tr><td>Feb. 2017</td><td>Operating Officer, Accounting & Finance Dept. of the Company</td></tr> <tr><td>June 2018</td><td>Director of the Company</td></tr> <tr><td>Apr. 2020</td><td>President of Forum Engineering Corporate Health Insurance Society (present)</td></tr> <tr><td>June 2021</td><td>Operating Officer, Accounting & Finance Dept. and Business Administration Dept. of the Company</td></tr> <tr><td>July 2022</td><td>Senior Operating Officer, Accounting and Finance Dept. of the Company (present)</td></tr> </table>	Apr. 1983	Joined Kyoei Fire & Marine Insurance Co., Ltd.	Mar. 1984	Joined Rikei Corporation	July 2000	Joined en Japan Inc.	Dec. 2000	Director of en Japan Inc.	May 2002	Joined Uni Device Corporation	July 2011	Joined Marubun Semicon Corporation	June 2016	Joined the Company as Operating Officer of the Accounting & Finance Dept.	Feb. 2017	Operating Officer, Accounting & Finance Dept. of the Company	June 2018	Director of the Company	Apr. 2020	President of Forum Engineering Corporate Health Insurance Society (present)	June 2021	Operating Officer, Accounting & Finance Dept. and Business Administration Dept. of the Company	July 2022	Senior Operating Officer, Accounting and Finance Dept. of the Company (present)	
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July 2022	Senior Operating Officer, Accounting and Finance Dept. of the Company (present)																									
Reasons for nomination as candidate for Director who is an Audit & Supervisory Committee Member																										
<p>Toshihiro Uno is well-versed in the fields of finance, accounting, and taxation, and has broad knowledge and extensive experience. He also has a career background in the human resources industry, and since joining the Company, he has played a central role in management as the person in charge of finance and accounting based on this extensive knowledge and experience. He has played a role in ensuring financial stability and enhancing the effectiveness of medium- to long-term growth strategies by utilizing his specialized knowledge. In addition, as a member of the Company's Compliance Committee, he is involved in the promotion of compliance with laws and regulations.</p> <p>For the reasons above, the Company proposes his election as a Director who is an Audit & Supervisory Committee Member as it expects him to offer appropriate recommendations from an objective standing and reasonable and appropriate point of view in order to strengthen the supervisory functions of the Board of Directors.</p>																										

Candidate No. 2 Kasei Ninomiya		New election Outside Independent
 <p>Date of birth September 4, 1954</p> <p>Number of the Company's shares owned 0</p> <p>Number of years in office as an Audit & Supervisory Board Member 7 years (at the conclusion of this shareholders' meeting)</p> <p>Rate of attendance at Board of Directors meetings 100% (14/14 meetings)</p> <p>Rate of attendance at Audit & Supervisory Board meetings 100% (15/15 meetings)</p>	Career summary, and position and responsibility in the Company	
	<p>Apr. 1977 Joined The Dai-Ichi Kangyo Bank, Ltd. (currently, Mizuho Bank, Ltd.)</p> <p>July 2003 General Manager, Risk Management Operations Dept., Mizuho Corporate Bank, Ltd. (currently, Mizuho Bank, Ltd.)</p> <p>Aug. 2007 Retired from Mizuho Corporate Bank Ltd. (currently, Mizuho Bank, Ltd.)</p> <p>Oct. 2007 Director, Executive Officer, General Manager of Risk Management Division, Aeon Bank Ltd.</p> <p>Mar. 2011 Outside Auditor (full time), Nippon Office Systems Ltd.</p> <p>June 2015 Outside Auditor (part time), KIKUSUI ELECTRONICS CORPORATION</p> <p>June 2017 Outside Audit & Supervisory Board Member (full time) of the Company (present)</p>	
	Reasons for nomination as candidate for outside Director who is an Audit & Supervisory Committee Member and overview of the expected roles	
	<p>Kasei Ninomiya possesses knowledge of risk management at financial institutions and experience in auditing of listed companies and other industries. Through his auditing work based on his extensive knowledge and broad insight, he has contributed to strengthening the supervisory functions of the Company's management.</p> <p>For the reasons above, the Company proposes his election as an outside Director who is an Audit & Supervisory Committee Member as it expects him to offer appropriate recommendations from an independent, objective standing and reasonable and appropriate point of view in order to strengthen the supervisory functions of the Board of Directors.</p> <p>In addition, if he is elected, he will be involved in the selection of candidates for Director of the Company and the determination of executive remuneration from an objective and neutral standpoint as a member of the Nomination and Compensation Committee.</p>	

Candidate No. 3 Kazuko Nakada		New election Outside Independent
 <p>Date of birth January 15, 1965</p> <p>Number of the Company's shares owned 0</p> <p>Number of years in office as a Director 3 years (at the conclusion of this shareholders' meeting)</p> <p>Rate of attendance at Board of Directors meetings 100% (14/14 meetings)</p>	Career summary, and position and responsibility in the Company	
	Apr. 1987 Joined Dentsu Young & Rubicam Inc.	
	Jan. 1997 Joined Starbucks Coffee Japan, Ltd.	
	Jan. 2005 Joined Gaba Corporation	
	Apr. 2008 Joined LIFENET INSURANCE COMPANY	
	Apr. 2011 Managing Director	
	May 2019 Outside Director of MONEY SQUARE, INC.	
	Dec. 2019 Outside Director of Advance Create Co.,Ltd.	
	Mar. 2020 Established and became Representative Director of actuali inc. (present)	
	June 2021 Outside Director of the Company (present)	
July 2021 Outside Audit & Supervisory Board Member, ispace, Inc.		
June 2022 External Director of ispace, Inc. (present)		
Dec. 2023 Independent Director (Audit & Supervisory Board Member) of Enito Group, Inc. (present)		
Significant concurrent positions outside the Company		
Representative Director of actuali inc. External Director, ispace, Inc.		
Reasons for nomination as candidate for outside Director who is an Audit & Supervisory Committee Member and overview of the expected roles		
<p>In addition to her insight and expertise in marketing and PR communications, Kazuko Nakada has experience as a corporate manager and experience as an outside Audit & Supervisory Board Member. The Company's Board of Directors also receives her supervision, opinions, and recommendations from an independent standpoint. For the reasons above, the Company proposes her election as an outside Director who is an Audit & Supervisory Committee Member as it expects her to offer appropriate recommendations from an independent, objective standing and reasonable and appropriate point of view in order to strengthen the supervisory functions of the Board of Directors.</p> <p>In addition, if she is elected, she will be involved in the selection of candidates for Director of the Company and the determination of executive remuneration from an objective and neutral standpoint as a member of the Nomination and Compensation Committee.</p>		

- (Notes) 1. There is no special interest between any of the candidates and the Company.
2. Kasei Ninomiya and Kazuko Nakada are new candidates for outside Director.
3. Kazuko Nakada is currently an outside Director of the Company, and her tenure as an outside Director of the Company will be three years at the conclusion of this General Meeting of Shareholders. The number of years in office as a Director includes her tenure as an outside Director before the transition of the governance structure to a Company with an Audit & Supervisory Committee.
4. Limited liability agreements
Pursuant to Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with Kasei Ninomiya and Kazuko Nakada to limit their liability for damages under Article 423, paragraph (1) of the Companies Act. Pursuant to these agreements, the defined maximum amount of liability for damages is the minimum liability amount provided for under Article 425, paragraph (1) of the Companies Act. If the election of Kasei Ninomiya and Kazuko Nakada is approved, the Company plans to renew the same agreements with them. If Toshihiro Uno is elected, the Company plans to newly enter into the same agreement with him.
5. Directors and officers liability insurance policy
The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with all of the Directors as the insureds. If this Proposal is approved as originally proposed and each candidate assumes the office as a Director who is an Audit & Supervisory Committee Member, every such Audit & Supervisory Committee Member will be included as insureds in the insurance policy. Under the insurance policy, losses that may arise from the insured's assumption of liability incurred in the course of the performance of duties as an officer, or a person in a certain position, or receipt of claims pertaining to the pursuit of such liability will be covered. Provided, however, that there are certain reasons for coverage exclusion such as damages attributable to activities that the insured engages in with full knowledge of their illegality. The insurance premiums are fully borne by the Company, and there are no insurance premiums actually borne by the

insured. In addition, the Company plans to renew the insurance policy in May 2025 during the term of office of each candidate.

6. Notification of independent officers

Kasei Ninomiya and Kazuko Nakada satisfy the requirements of the independence criteria for outside officers as provided for by the Tokyo Stock Exchange and the criteria of the independence prescribed by the Company, and the Company has submitted notification to the aforementioned exchange that they have been designated as independent officers as provided for by the aforementioned exchange. If the election of Kasei Ninomiya and Kazuko Nakada is approved, the Company plans to continue submitting notification that they are designated as independent officers.

Proposal No. 5 Determination of Amount of Remuneration, etc., for Directors (excluding Directors who are Audit & Supervisory Committee Members)

At the Extraordinary General Meeting of Shareholders held on March 2, 2017, it was resolved that the amount of remuneration, etc. for the Company's Directors shall not exceed ¥1,000 million per year (of which the amount for outside Directors shall not exceed ¥50 million per year, and shall not include the portion of employee salaries of directors who concurrently serve as employees), a maximum which remains in place today. However, the Company will transition its governance structure to a Company with an Audit & Supervisory Committee subject to approval of Proposal No. 2 "Partial Amendments to the Articles of Incorporation."

Therefore, in accordance with the provisions of Article 361, paragraphs (1) and (2) of the Companies Act, the Company proposes to abolish the above limit of remuneration, etc. for current Directors, and in consideration of various circumstances such as the economic situation, set the amount of remuneration, etc. for Directors (excluding Directors who are Audit & Supervisory Committee Members) not to exceed ¥500 million per year (of which the amount for outside Directors shall not exceed ¥100 million per year, and shall not include the portion of employee salaries of Directors who concurrently serve as employees).

In addition, the specific amount, timing, and method of payment, etc., for Directors (excluding Directors who are Audit & Supervisory Committee Members) will be determined by a resolution of the Board of Directors. After the transition of the governance structure to a Company with an Audit & Supervisory Committee, the Company intends to determine a policy concerning decisions on details such as remuneration for individual Directors of the Company by resolution of the Board of Directors in accordance with the provisions of Article 361, paragraph (7) of the Companies Act.

The content of this proposal is consistent with the policy to be decided, and the decision was made in consideration of the report by the Nomination and Compensation Committee and various other circumstances. As a result, the Company judges it to be appropriate.

Currently, there are seven (7) Directors (including three (3) outside Directors), but if Proposal No. 2 "Partial Amendments to the Articles of Incorporation" and Proposal No. 3 "Election of Three (3) Directors (excluding Directors who are Audit & Supervisory Committee Members)" are approved as originally proposed, there will be three (3) Directors (excluding Directors who are Audit & Supervisory Committee Members) (including one (1) outside Director) who are eligible for remuneration, etc. per the resolution based on this proposal.

Furthermore, the effect of the resolution of this proposal shall be subject to the approval of Proposal No. 2 "Partial Amendments to the Articles of Incorporation" as originally proposed, and the effect of the amendment to the Articles of Incorporation by the resolution of the same proposal.

Proposal No. 6 Determination of Amount and Details, etc. of Remuneration, etc. for Granting of Shares with Transfer Restrictions to Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors)

In regard to remuneration, etc. for granting restricted shares to Directors of the Company (excluding outside Directors), at the Annual General Meeting of Shareholders held on June 24, 2021, it was resolved that, within the approved amount of remuneration, etc. for Directors (up to ¥1,000 million per year, of which, up to ¥50 million for outside Directors, excluding the portion of employee salaries of Directors who concurrently serve as employees), the annual amount shall not exceed ¥200 million per year and the total number of shares of the Company's common stock to be issued or disposed of as restricted share remuneration shall not exceed 150,000 shares per year (provided, however, that if after the date on which the proposal is approved a stock split of the Company's common stock (including the allotment of common shares of the Company without consideration) implemented or a reverse stock split takes place, or in the event of any other reason that requires an adjustment of the total number of shares of the Company issued or disposed of as restricted shares, the total number shall be adjusted to a reasonable extent. The upper limit on the total number of shares of the Company's common stock to be issued or disposed of has been adjusted to 300,000 shares per year in accordance with the stock split effective December 1, 2023). However, the Company will transition its governance structure to a Company with an Audit & Supervisory Committee subject to the approval of Proposal No. 2 "Partial Amendments to the Articles of Incorporation."

Therefore, in accordance with the provisions of Article 361, paragraphs (1) and (2) of the Companies Act, the above limit of remuneration, etc. for current Directors will be abolished, and the Company proposes that total amount of monetary remuneration paid to Directors (excluding Directors who are Audit & Supervisory Committee Members and outside Directors, hereinafter, the "Eligible Directors," hereinafter the same shall apply in this proposal) for the granting of restricted shares will be set at ¥200 million per year, within the limit of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) (not to exceed ¥500 million per year [of which the amount for outside Directors shall not exceed ¥100 million per year, and shall not include the portion of employee salaries of Directors who concurrently serve as employees]), for which approval has been requested in Proposal No. 5 "Determination of Amount of Remuneration, etc., for Directors (excluding Directors who are Audit & Supervisory Committee Members)." After the transition of the governance structure to a Company with an Audit & Supervisory Committee, the Company intends to determine a policy concerning decisions on details such as remuneration for individual Directors of the Company by resolution of the Board of Directors in accordance with the provisions of Article 361, paragraph (7) of the Companies Act.

The content of this proposal is consistent with the policy to be decided, and the decision was made in consideration of the report by the Nomination and Compensation Committee and various other circumstances. As a result, the Company judges it to be appropriate.

If Proposal No. 2 "Partial Amendments of the Articles of Incorporation" and Proposal No. 3 "Election of Three (3) Directors (excluding Directors who are Audit & Supervisory Committee Members)" are approved as originally proposed, the number of Eligible Directors or payment of remuneration, etc. under the resolution based on this proposal will be two (2).

Furthermore, the effect of the resolution of this proposal shall be subject to the approval of Proposal No. 2 "Partial Amendments to the Articles of Incorporation" as originally proposed, and the effect of the amendment to the Articles of Incorporation by the resolution of the same proposal.

Based on this proposal, the remuneration paid to the Eligible Directors for the granting of restricted shares shall be monetary claims. In accordance with the resolution of the Board of Directors of the Company, Eligible Directors shall pay in all monetary claims provided under this Proposal in the form of properties contributed in kind, and shall, in return, receive common shares of the Company issued or those subject to the disposal. The total number of common shares of the Company thereby issued or disposed of shall be not more than 300,000 shares per year. (Provided; however, that on or after the date of the approval and adoption of this Proposal, if a share split (including the allotment of common shares of the Company without consideration) or a reverse share split of the common shares of the Company takes place, or there is any other reason that requires an adjustment to the total number of common shares of the Company issued or disposed as restricted shares, such total number shall be adjusted accordingly within a reasonable range.)

In addition, the paid-in amount per share shall be determined by the Board of Directors, based on the closing price of the common share of the Company on the Tokyo Stock Exchange, as of the business day immediately preceding the date of each resolution by the Board of Directors (or the closing price on the transaction day immediately prior thereto if no transaction is made on such a business day), within the extent that the amount

will not be particularly advantageous to Eligible Directors who will receive such common shares. Furthermore, the common shares of the Company thereby issued or disposed and the provision of monetary remuneration claims in the form of the properties contributed in kind thereof shall be subject to a restricted share allotment agreement (the “Allotment Agreement”), including the following terms and conditions, to be entered into by and between the Company and Eligible Directors.

Overview of terms and conditions of the Allotment Agreement

(1) Transfer restriction period

Eligible Directors shall not transfer, pledge as collateral, or otherwise dispose of (the “Transfer Restriction”) common shares of the Company they are allotted under the Allotment Agreement (the “Shares Allotted”) for a period that is predesignated by the Board of Directors of the Company between three (3) to thirty (30) years from the date when Eligible Directors are allotted the share under the Allotment Agreement (the “Transfer Restriction Period”).

(2) Treatment on retirement from the position

If Eligible Directors retire from the position predesignated by the Board of Directors of the Company prior to the expiration of the Transfer Restriction Period, the Company shall acquire the Shares Allotted without consideration rightfully except when there are legitimate reasons for the retirement such as the expiration of the term of office, or death of the Eligible Directors.

(3) Lifting of Transfer Restriction

Notwithstanding the provision (1) above, the Company shall lift the Transfer Restriction for all of the Shares Allotted at a point in time when the Transfer Restriction Period is expired on the condition that the Eligible Directors maintain the positions predesignated by the Board of Directors of the Company continuously during the Transfer Restriction Period. Provided, however, that if the Eligible Directors retire from the positions predesignated by the Board of Directors of the Company prior to the expiration of the Transfer Restriction Period on the grounds that they have legitimate reasons for the retirement such as the expiration of the term of office or death as provided for in the provision (2) above, the number of the Shares Allotted for which the Transfer Restriction is lifted, and the timing of the lifting of the Transfer Restriction shall be reasonably adjusted as necessary. In addition, the Company shall rightfully acquire without consideration the Shares Allotted for which the Transfer Restriction is not yet lifted at a point in time immediately after the lifting of the Transfer Restriction in accordance with the provision above.

(4) Treatment during reorganization, etc.

Notwithstanding the provision (1) above, if the General Meeting of Shareholders of the Company approves, during the Transfer Restriction Period, merger agreement under which the Company becomes a non-surviving company, share exchange agreement under which the Company becomes a wholly owned subsidiary, or share transfer plan and other matters including reorganization (however, the Board of Directors approves matters such as the reorganization that do not require the approval by the General Meeting of Shareholders of the Company), the Board of Director of the Company shall resolve to lift, prior to the effective date of the reorganization, etc., the Transfer Restriction for the number of the Shares Allotted, which is reasonably determined based on the period from the commencement date of the Transfer Restriction Period to the date of the approval of the reorganization, etc. In addition, the Company shall rightfully acquire without consideration the Shares Allotted for which the Transfer Restriction is not yet lifted at a point in time immediately after the lifting of the Transfer Restriction in the event prescribed above.

(5) Other matters

The Board of Directors of the Company shall determine the other matters concerning the Allotment Agreement.

Proposal No. 7 Determination of Amount of Remuneration, etc., for Directors who are Audit & Supervisory Committee Members

Subject to the approval of Proposal No. 2 “Partial Amendments to the Articles of Incorporation,” the Company will transition its governance structure to a Company with an Audit & Supervisory Committee. Therefore, the Company proposes that the amount of remuneration, etc. for Directors who are Audit & Supervisory Committee Members be set at ¥100 million per year or less, in consideration of various circumstances such as economic conditions, in accordance with the provisions of Article 361, paragraphs (1) and (2) of the Companies Act.

In addition, the Company proposes the specific amount, timing, and method of payment, etc., for Directors who are Audit & Supervisory Committee Members to be determined by a resolution of the Board of Directors. After the transition of the governance structure to a Company with an Audit & Supervisory Committee, the Company intends to determine a policy concerning decisions on details such as remuneration for individual Directors of the Company by resolution of the Board of Directors in accordance with the provisions of Article 361, paragraph (7) of the Companies Act.

The Board of Directors has approved the content of this proposal while comprehensively taking into account the scale of the Company’s business, the remuneration system for officers and the level of these payments, the current number of officers, and future trends, and has determined that the proposal is appropriate.

If Proposal No. 2 “Partial Amendments of the Articles of Incorporation” and Proposal No. 4 “Election of Three (3) Directors who are Audit & Supervisory Committee Members” are approved as originally proposed, the number of Directors who are Audit & Supervisory Board Members eligible for payment of remuneration, etc. per the resolution based on this proposal will be three (3).

Furthermore, the effect of the resolution of this proposal shall be subject to the approval of Proposal No. 2 “Partial Amendments to the Articles of Incorporation” as originally proposed, and the effect of the amendment to the Articles of Incorporation by the resolution of the same proposal.

Proposal No. 8 Determination of Amount and Details, etc. of Remuneration, etc. for Granting of Restricted Shares to Directors who are Audit & Supervisory Committee Members (Excluding Outside Directors)

Subject to the approval of Proposal No. 2 “Partial Amendments to the Articles of Incorporation,” the Company will transition its governance structure to a Company with an Audit & Supervisory Committee.

Therefore, in accordance with the provisions of Article 361, paragraphs (1) and (2) of the Companies Act, the Company proposes that total amount of monetary remuneration paid to Directors who are Audit & Supervisory Committee Members (excluding outside Directors, hereinafter, the “Eligible Directors,” hereinafter the same shall apply in this proposal) for the granting of restricted shares will be set at ¥20 million per year, within the limit of remuneration for Directors who are Audit & Supervisory Committee Members (not to exceed ¥100 million per year), for which approval has been requested in Proposal No. 7 “Determination of Amount of Remuneration, etc., for Directors who are Audit & Supervisory Committee Members,” with the aim of providing incentives to prevent damage to the Company’s corporate value and maintain credibility through shared value with shareholders.

After the transition of the governance structure to a Company with an Audit & Supervisory Committee, the Company intends to determine a policy concerning decisions on details such as remuneration for individual Directors of the Company by resolution of the Board of Directors in accordance with the provisions of Article 361, paragraph (7) of the Companies Act.

The Board of Directors has approved the content of this proposal while comprehensively taking into account the scale of the Company’s business, the remuneration system for officers and the level of these payments, the current number of officers, and future trends, and has determined that the proposal is appropriate.

If Proposal No. 2 “Partial Amendments of the Articles of Incorporation” and Proposal No. 4 “Election of Three (3) Directors who are Audit & Supervisory Committee Members” are approved as originally proposed, the number of Eligible Directors for payment of remuneration, etc. per the resolution based on this proposal will be one (1).

Furthermore, the effect of the resolution of this proposal shall be subject to the approval of Proposal No. 2 “Partial Amendments to the Articles of Incorporation” as originally proposed, and the effect of the amendment to the Articles of Incorporation by the resolution of the same proposal.

Based on this proposal, the remuneration paid to the Eligible Directors for the granting of restricted shares shall be monetary claims.

In accordance with the resolution of the Board of Directors of the Company (furthermore, the amount of monetary claims paid under this proposal will be determined by consultation among Directors who are Audit & Supervisory Committee Members), Eligible Directors shall pay in all monetary claims provided under this Proposal in the form of properties contributed in kind, and shall, in return, receive common shares of the Company issued or those subject to the disposal. The total number of common shares of the Company thereby issued or disposed of shall be not more than 30,000 shares per year. (Provided; however, that on or after the date of the approval and adoption of this Proposal, if a share split (including the allotment of common shares of the Company without consideration) or a reverse share split of the common shares of the Company takes place, or there is any other reason that requires an adjustment to the total number of common shares of the Company issued or disposed as restricted shares, such total number shall be adjusted accordingly within a reasonable range.)

In addition, the paid-in amount per share shall be determined by the Board of Directors, based on the closing price of the common share of the Company on the Tokyo Stock Exchange, as of the business day immediately preceding the date of each resolution by the Board of Directors (or the closing price on the transaction day immediately prior thereto if no transaction is made on such a business day), within the extent that the amount will not be particularly advantageous to Eligible Directors who will receive such common shares.

In addition, the issuance or disposal of the Company’s common stock and the payment of monetary remuneration claims as in-kind contributions shall be subject to the Company and the Eligible Directors concluding an agreement on allotment of shares with transfer restrictions that is the same as the allotment agreement per [Summary of the Contents of the Allotment Agreement] in Proposal No. 6 “Determination of Amount and Details, etc. of Remuneration, etc. for Granting of Shares with Transfer Restrictions to Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors).”

Reference: Policy concerning decisions on details such as remuneration for individual Directors of the Company

The overview of the remuneration system for Directors is as follows, provided that Proposal No. 2, Proposal No. 5, Proposal No. 6, Proposal No. 7, and Proposal No. 8 are approved.

The remuneration of Directors who are Audit & Supervisory Committee Members shall be determined through consultation among the Directors who are Audit & Supervisory Committee Members.

(i) Basic policy

The basic policy for deciding remuneration for Directors of the Company is as follows.

- a. The objective of the remuneration system for Directors is to secure talent and serve as an appropriate incentive to drive the sustainable development of the Company.
- b. The remuneration system for Directors reflects the role, responsibility assumed, and achievement made by each Director.
- c. The remuneration system for Directors is linked to company’s business results and corporate value in light of the management environment of the Company.
- d. The level of the remuneration system for Directors shall be competitive to secure talent, reflecting a survey and the like conducted by a third party.

(ii) Remuneration levels

The Company sets the level of remuneration for Directors based on the aforementioned basic policy, giving consideration to the Company’s management environment, and a survey and the like on executive remuneration conducted by a third party.

(iii) Content of remuneration

The content of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) shall consist of the following.

Type of remuneration, etc.	Time of granting remuneration	Details
Fixed remuneration	Monthly provision	Ranks are set depending on the size of the area each officer is in charge of, the degree of responsibility, and contribution made by each officer to the corporate management. The remuneration system for Director is designed to remunerate the officers for their outcomes with fixed remuneration, allowing a pay rise at the same rank within a certain range depending on the achievement made by each Director in the previous fiscal year (business results figures and assessment of the individual performance.)
Performance-linked remuneration	To be paid once a year, after the determination of the company’s performance for each fiscal year	Performance-linked remuneration is set to be provided within a range of 0–25% of the fixed remuneration, depending on the degree of achievement toward the benchmarks of operating profit and profit attributable to owners of parent that are determined in annual budgeting and approved by the Board of Directors.
Restricted share-based remuneration	The one-off annual provision at a set time	Restricted share-based remuneration is provided in the amount calculated by multiplying the fixed remuneration by 20%.

Directors who are Audit & Supervisory Committee Members (excluding outside Directors) will be paid fixed remuneration and restricted share-based remuneration. Meanwhile, only fixed remuneration is provided for outside Directors.

(iv) Composition ratios of remuneration

In the case of 100% degree of achievement for every performance-linked remuneration target, the ratios are as follows.

Fixed remuneration	:	Performance-linked remuneration	:	Restricted share-based remuneration	=	1	:	0.2	:	0.2
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(v) Procedure to determine remuneration, etc.

Total remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) shall be within the range of the total amount of remuneration resolved at the General Meeting of Shareholders held on June 25, 2024, and the amount of individual remuneration shall be determined in accordance with the “Policy concerning decisions on details such as remuneration for individual Directors of the Company” and this Standard, which will be amended and abolished by resolution of the Board of Directors.

The total amount of remuneration for Directors who are Audit & Supervisory Committee Members shall be within the range of the total amount of remuneration resolved at the General Meeting of Shareholders held on June 25, 2024, and the amount of individual remuneration shall be determined through consultation among the Directors who are Audit & Supervisory Committee Members.

The Board of Directors, taking into account a third-party investigation of management remuneration regarding the level of remuneration for Directors, has determined that the content of remuneration for each individual is in line with the policy, because of the business environment and the objectivity and transparency of the decision-making procedures are ensured based on the above basic policy.

At the 44th Annual General Meeting of Shareholders to be held on June 25, 2024, it is planned to be resolved that the maximum remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) be set at no more than ¥500 million per year (of which the amount for outside Directors shall be no more than ¥100 million per year and the portion of employee salaries of Directors who concurrently serve as employees shall not be included). At the 44th Annual General Meeting of Shareholders to be held on June 25, 2024, it is planned to be resolved that the maximum remuneration for Directors who are Audit & Supervisory Committee Members shall be no more than ¥100 million per year.

The maximum limit (no more than ¥200 million per year) on remuneration for the payment of remuneration for the granting of restricted shares to Directors (excluding Directors who are Audit & Supervisory Committee Members) is within the range of the amount of remuneration for Directors above (excluding Directors who are Audit & Supervisory Committee Members). The maximum limit (no more than ¥20 million per year) on remuneration for the payment of remuneration for the granting of restricted shares to Directors who are Audit & Supervisory Committee Members is within the range of the amount of remuneration for Directors who are Audit & Supervisory Committee Members.