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Securities Code: 9702

Date of mailing out the notice: March 8, 2024

Start date of measures for electronic provision: March 5, 2024

To our shareholders:

Kazufumi Wakao
Representative Director and President
ISB Corporation
5-1-11 Osaki, Shinagawa-ku, Tokyo, Japan

Notice of the 54th Ordinary General Meeting of Shareholders

First, we would like to express our deepest sympathies to all those who have been affected by the 2024 Noto Peninsula Earthquake, and we sincerely hope for a quick reconstruction.

We hereby give notice that the 54th Ordinary General Meeting of Shareholders of ISB Corporation (the “Company”) will be held as follows.

When convening this General Meeting of Shareholders, the Company takes measures for providing information that constitutes the content of Reference Documents for the General Meeting of Shareholders, etc. (matters for which measures for providing information in electronic format) in electronic format, and posts this information on the Company’s website. Please access the website using the Internet address shown below to review the information.

Moreover, documents describing matters for which measures for providing information in electronic format at this General Meeting of Shareholders will be sent to all shareholders regardless of whether a request was made for delivery of documents.

Company website: <https://www.isb.co.jp/> (in Japanese)

(For more information, visit the above website and select “Shareholder and Investor-relations Information,” “Investor-relations Documents,” and “General Shareholders Meeting Related.”)

Matters for which measures for providing information in electronic format will also be posted on the website of the Tokyo Stock Exchange in addition to the Company website. If you are unable to view the matters for which measures for providing information in electronic format on our Company website, please visit the following site.

Tokyo Stock Exchange website (Listed Company Search):

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

(Access the above website, enter “ISB” for Stock Name (Company Name) or enter the Company’s securities code “9702” for Code, and click Search. In the search results, select “Basic Information” and confirm the “Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting” field under “Filed information available for public inspection” on the “Listed Company Details (Documents for Public Inspection/PR Information)” page.)

If you cannot attend the meeting on the day, please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights via the Internet, etc. or in writing by postal mail by 5:30 p.m. on Tuesday, March 26, 2024.

Handling when there is no indication of “For” or “Against” a proposal on the voting form

In the event that no indication is given “For” or “Against” a proposal on the form for exercising voting rights, it shall be considered an indication of “For.”

Handling of duplicate exercising of voting rights

If you exercise your voting rights in duplicate both via the Internet, etc. and by the voting form via postal mail, the Company will only deem your exercise via the Internet, etc. valid. **If you exercise your voting rights via the Internet, etc. multiple times, the vote exercised last shall be deemed valid.**

- 1. Date and Time:** Wednesday, March 27, 2024, at 10:00 a.m. JST
Please note that the start time is different from the last meeting.
- 2. Venue:** Conference Room, 2nd floor of the Company’s head office
5-1-11 Osaki, Shinagawa-ku, Tokyo, Japan

3. Purpose of the Meeting

Matters to be reported:

1. The Business Report, Consolidated Financial Statements, and Results of Audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee for the 54th Fiscal Term (January 1, 2023 to December 31, 2023).
2. Non-consolidated Financial Statements for the 54th Fiscal Term (January 1, 2023 to December 31, 2023)

Matters to be resolved:

- | | |
|-----------------------|--|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Election of Five Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) |
| Proposal No. 3 | Election of Five Directors Who Are Audit and Supervisory Committee Members |
| Proposal No. 4 | Presentation of Special Retirement Allowance to Retiring Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) |

For those attending the meeting on the day, please submit the voting form at the reception desk. Moreover, if revisions to the matters for which measures for providing information in electronic format are to be taken arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the Company’s aforementioned website and the Tokyo Stock Exchange website.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Year-end dividends

The Company considers returning profits to shareholders as an important task of management. In order to maintain a sound financial position and proactively develop business with this background, the Company's basic policy is to allocate profits by comprehensively considering the performance of each fiscal year, strategies for future investments and business development, and the dividend payout ratio.

In terms of returning profits to shareholders specifically, the Company emphasizes dividends and targets a dividend payout ratio of 30% or more of net profit on a consolidated basis. The Company intends to offer a stable dividend where possible within a range that enables it to maintain room for investments and financial soundness, focusing on the ratio of dividends to net assets.

In accordance with the above policy, the Company proposes to pay year-end dividends for the fiscal year as follows:

- (1) Type of dividend property
To be paid in cash.
- (2) Allotment of dividend property and their aggregate amount
The Company plans to offer a dividend of ¥42 (ordinary dividend of ¥42) per share of common stock of the Company.
In this event, the total dividends will be ¥479,545,542.
- (3) Effective date of dividends of surplus
The effective date of dividends will be March 28, 2024.

Proposal No. 2 Election of Five Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all six Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter, the same shall apply in this proposal) will expire at the conclusion of this meeting. The Company proposes the election of five Directors.

The Board of Directors decided upon the candidates for Directors after receiving a report from the Nomination and Compensation Advisory Committee. The Audit and Supervisory Committee has provided the opinion that all Director candidates are qualified for the position.

The candidates for Director are as follows:

Candidate No.	Name Date of birth	Brief biography, and position and responsibility in the Company Significant concurrent positions outside the Company	Number of the Company's shares owned
1	Kazufumi Wakao (April 10, 1972)	<p>Sept. 1999 Joined Wakao Shoji Ltd.</p> <p>Jan. 2002 Joined Software Maintenance Corporation (currently, SMC Corporation)</p> <p>Nov. 2002 Transferred to the Company</p> <p>Jan. 2007 Senior Executive Manager, Subsidiaries Relations Division</p> <p>Apr. 2008 Senior Executive Manager, Purchasing and Outsourcing Division</p> <p>Apr. 2013 Representative Director and President of Wakao Shoji Ltd. (current position)</p> <p>Aug. 2013 Manager, Accounting and Finance Division of the Company</p> <p>Jan. 2014 Executive Officer, Senior Executive Manager, Subsidiaries Relations Division, and Manager, Management and Planning Division</p> <p>Jan. 2015 Executive Officer, Senior Executive Manager, Management and Planning Division, and Senior Executive Manager, Subsidiaries Relations Division</p> <p>Mar. 2016 Director (Full-time Audit and Supervisory Committee Member)</p> <p>Mar. 2020 Managing Director in charge of Integrated Management</p> <p>Mar. 2020 Representative Director and Chairman of SMC Corporation</p> <p>Mar. 2020 Representative Director and Chairman of Knox Data Corporation</p> <p>Mar. 2020 Representative Director and Chairman of ISB Tohoku Corporation</p> <p>Mar. 2020 Representative Director and Chairman of SSS Corporation</p> <p>Mar. 2020 Representative Director and Chairman of ART Japan Co., Ltd.</p> <p>Mar. 2020 Representative Director and Chairman of Computer House Corporation</p> <p>Mar. 2020 Representative Director and Chairman of TAKES Co., Ltd.</p> <p>Mar. 2020 Director and Chairman of ISB Vietnam Company Limited</p> <p>Jan. 2021 Representative Director and President of the Company (current position)</p> <p>Significant concurrent positions outside the Company</p> <p>Representative Director and President of Wakao Shoji Ltd.</p>	293,518
<p>Reasons for nomination as candidate for Director</p> <p>Kazufumi Wakao possesses broad knowledge of the Group's business areas gained through his experience as a Director of the Company and Group companies. As a result, the Company requests his re-election as a Director because it believes he is an ideal candidate for the implementation of management strategies and business plans as well as the Group's overall management.</p>			

Candidate No.	Name Date of birth	Brief biography, and position and responsibility in the Company Significant concurrent positions outside the Company	Number of the Company's shares owned
2	Yoshifumi Sekimoto July 13, 1965	<p>Apr. 1988 Joined Wako Securities Co., Ltd. (currently, Mizuho Securities Co., Ltd.)</p> <p>June 2007 Joined FinanTec Co., Ltd.</p> <p>Jan. 2010 Joined the Company, Senior Executive Manager, Accounting and Finance Division</p> <p>Jan. 2011 Senior Executive Manager, Accounting and Finance Division, and Senior Executive Manager, Subsidiaries Relations Division</p> <p>Jan. 2012 Executive Officer, Senior Executive Manager, Accounting and Finance Division, and Senior Executive Manager, Subsidiaries Relations Division</p> <p>Apr. 2016 Executive Officer, Associate Executive General Manager, Administrative Headquarters, Senior Executive Manager, Accounting and Finance Division, and Senior Executive Manager, Subsidiaries Relations Division</p> <p>Jan. 2017 Representative Director and President of ART Japan Co., Ltd. (current position) Representative Director and President of ART Service Japan Co., Ltd. (current position)</p> <p>Mar. 2017 Director, and Senior Executive Manager, Integrated Management Control Division of the Company</p> <p>July 2019 Director in charge of management control</p> <p>Mar. 2023 Director in charge of security systems (current position)</p> <p>Significant concurrent positions outside the Company</p> <p>Representative Director and President of ART Japan Co., Ltd., Representative Director and President of ART Service Japan Co., Ltd.</p>	16,057
<p>Reasons for nomination as candidate for Director</p> <p>Yoshifumi Sekimoto possesses abundant experience and broad knowledge having been involved for many years in the accounting and finance operations, the subsidiaries management, and the security systems of the Company and Group companies. The Company judges that he can utilize his knowledge in strengthening the Company's management strategies and for this reason the Company requests that he be re-elected as a Director.</p>			

Candidate No.	Name Date of birth	Brief biography, and position and responsibility in the Company Significant concurrent positions outside the Company	Number of the Company's shares owned
3	Yoshiichi Ogasawara January 6, 1968	<p>Sept. 1987 Joined Cosmo Enterprise Co., Ltd.</p> <p>Feb. 1988 Joined the Company</p> <p>Jan. 2008 Senior Executive Manager, Abiko Division</p> <p>Jan. 2014 Executive Officer, and Executive Manager, Business Unit 1 Director of ISB Vietnam Company Limited</p> <p>Jan. 2018 Executive Officer, Executive Manager, Embedded Software Solutions Business Unit 2, and Senior Executive Manager, Product Business Development Division of the Company</p> <p>Jan. 2019 Executive Officer, Associate Executive General Manager, Technology Solutions and Services Headquarters, and Senior Executive Manager, Product Business Division</p> <p>Mar. 2019 Director, Executive General Manager, Technology Solutions and Services Headquarters, and Senior Executive Manager, Product Business Division</p> <p>Mar. 2021 Director, Executive General Manager, Technology Solutions and Services Headquarters, and Executive General Manager, Sales Headquarters</p> <p>Jan. 2023 Director, Executive General Manager, Technology Solutions and Services Headquarters (current position), and General Manager, Digital Transformation Division</p>	19,301
<p>Reasons for nomination as candidate for Director</p> <p>Yoshiichi Ogasawara is a Director of the Company and Group companies and possesses abundant experience and broad knowledge in the Group's business areas. The Company judges that he can utilize his knowledge in strengthening the Company's business management structure and for this reason the Company requests that he be re-elected as a Director.</p>			

Candidate No.	Name Date of birth	Brief biography, and position and responsibility in the Company Significant concurrent positions outside the Company	Number of the Company's shares owned
4	Koki Makita November 16, 1966	Apr. 1986 Joined FUJI Software Services Co., Ltd. Oct. 1988 Joined the Company Jan. 2013 Senior Executive Manager, Business Systems Division Apr. 2016 Director of ISB Vietnam Company Limited Jan. 2019 Executive Officer, and Executive Manager, Information Technology Business Unit of the Company Director of Computer House Corporation July 2019 Executive Officer, Executive Manager, Information Technology Business Unit, and Executive Manager, Public and Financial Solutions Business Unit of the Company Jan. 2020 Executive Officer, and Executive Manager, Business Solutions Business Unit Jan. 2021 Executive Officer, Associate Executive General Manager, Sales Headquarters, and Executive Manager, Solutions Marketing and Sales Division Mar. 2022 Director, and Executive General Manager, Sales Headquarters (current position)	5,459
Reasons for nomination as candidate for Director Koki Makita is a Director of the Company and Group companies and possesses abundant experience and broad knowledge in the Group's business areas. The Company judges that he can utilize his knowledge in strengthening the Company's business management structure and for this reason the Company requests that he be re-elected as a Director.			

Candidate No.	Name Date of birth	Brief biography, and position and responsibility in the Company Significant concurrent positions outside the Company	Number of the Company's shares owned
5	* Masaya Hirose June 12, 1967	<p>Apr. 1990 Joined the Company</p> <p>Jan. 2007 General Manager, Administration Division</p> <p>Jan. 2012 General Manager, Administration and Human Resources Division</p> <p>Jan. 2015 General Manager, Administration and Human Resources Division, and Manager, Management and Planning Division</p> <p>Jan. 2017 Executive Officer, Deputy General Manager, Administrative Headquarters, General Manager, Administration and Human Resources Division, Manager, Management and Planning Division, and Senior Executive Manager, Subsidiaries Relations Division</p> <p>Jan. 2020 Executive Officer, Deputy General Manager, Administrative Headquarters, Senior Executive Manager, Integrated Management Control Division, General Manager, Administration Division, and Senior Executive Manager, Subsidiaries Relations Division</p> <p>Apr. 2020 Executive Officer, and Senior Executive Manager, Integrated Management Control Division (current position)</p> <p>Mar. 2021 Director of TAKES Co., Ltd.</p>	9,471
<p>Reasons for nomination as candidate for Director</p> <p>Masaya Hirose possesses abundant experience and broad knowledge having been involved in the subsidiaries management as an executive officer of the Company and a director of Group companies. The Company judges that he can utilize his knowledge in strengthening the Company's management structure and for this reason the Company requests that he be elected as a Director.</p>			

- Notes:
1. New candidates for Director are indicated by an asterisk (*).
 2. Kazufumi Wakao serves as Representative Director and President of Wakao Shoji Ltd., which owns 2,001,400 shares of the Company (ownership ratio of 17.52%). There is no special interest between the other candidates and the Company.
 3. The Company has entered into a directors and officers liability insurance policy with an insurance company as provided for in Article 430-3, paragraph (1) of the Companies Act. This insurance policy will cover losses incurred in cases when an insured bears the responsibility of performing the duties as an officer, or from claims related to the pursuit of that responsibility. The Company pays the entire amount of the insurance premiums. All Director candidates are insured under this liability insurance policy. If their election is approved and adopted, each of them will be insured under this policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.

Proposal No. 3 Election of Five Directors Who Are Audit and Supervisory Committee Members

The terms of office of all five Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this meeting. The Company proposes the election of five Directors who are Audit and Supervisory Committee Members.

The Board of Directors decided upon the candidates for Director who is an Audit and Supervisory Committee Member after receiving a report from the Nomination and Compensation Advisory Committee. The consent of the Audit and Supervisory Committee has also been obtained for this proposal.

The candidates for Director who is an Audit and Supervisory Committee Member are as follows:

Candidate No.	Name Date of birth	Brief biography, and position and responsibility in the Company Significant concurrent positions outside the Company	Number of the Company's shares owned
1	* Yoichi Takeda February 12, 1963	Apr. 1985 Joined The Mitsubishi Bank, Limited (currently, MUFG Bank, Ltd.) June 2001 Joined In.X Inc. Oct. 2002 Joined the Company, as Section Manager, Total Solutions Section Jan. 2004 President of ISB VIETNAM CORPORATION (currently, ISB Vietnam Company Limited) Jan. 2008 Executive Manager, Overseas Business Unit of the Company Jan. 2010 Executive Officer, Senior Executive Manager, Subsidiaries Relations Division, and Manager, Business Development Division Feb. 2010 Director of E Storm Co., Ltd. Apr. 2010 Director of ISB Vietnam Company Limited Jan. 2011 Executive Officer, and Senior Executive Manager, Sales Division 1 of the Company Mar. 2014 Director, Executive General Manager, Technology Solutions and Services Headquarters 1, and Senior Executive Manager, Sales Division 1 June 2014 Director of GIOT Corporation (currently, VeriServe Okinawa Test Center Corporation) Jan. 2016 Director, Executive General Manager, Technology Solutions and Services Headquarters 1 of the Company Mar. 2016 Chairman of ISB Vietnam Company Limited Jan. 2018 Director, and Executive General Manager, Sales Headquarters of the Company Mar. 2018 Representative Director and Chairman of SMC Corporation Representative Director and Chairman of Knox Data Corporation Jan. 2019 Director, and Executive General Manager, Administrative Headquarters of the Company (current position)	26,664
Reasons for nomination as candidate for Director Yoichi Takeda is a Director of the Company and Group companies and possesses abundant experience and broad knowledge. Therefore, the Company expects that he can monitor overall management and provide useful advice, and requests that he be re-elected as a Director who is an Audit and Supervisory Committee Member.			

Candidate No.	Name Date of birth	Brief biography, and position and responsibility in the Company Significant concurrent positions outside the Company	Number of the Company's shares owned
2	Yoshiki Watanabe January 25, 1963	<p>Oct. 1989 Joined Chuo Shinko Audit Corporation (subsequently Misuzu Audit Corporation)</p> <p>Feb. 1993 Registered as a certified public accountant</p> <p>Jan. 1997 Established Watanabe Yoshiki CPA office (currently, Watanabe Tax Corporation) and served as its Chief</p> <p>Feb. 1997 Registered as a tax accountant</p> <p>Apr. 1999 Established YUSEI Audit & Co. and served as its Representative Partner</p> <p>Dec. 2000 Established Capital Strategy Consulting Co., Ltd. and serves as its Representative Director (current position)</p> <p>June 2004 Established Watanabe Tax Corporation and serves as its Representative Partner (current position)</p> <p>July 2013 Director of The Japanese Institute of Certified Public Accountants</p> <p>July 2016 Executive Director of The Japanese Institute of Certified Public Accountants</p> <p>Mar. 2018 Outside Director (Audit and Supervisory Committee Member) of the Company (current position)</p> <p>Significant concurrent positions outside the Company</p> <p>Representative Director of Capital Strategy Consulting Co., Ltd.</p> <p>Representative Partner of Watanabe Tax Corporation</p>	-
<p>Reasons for nomination as candidate for outside Director and summary of expected roles</p> <p>Yoshiki Watanabe possesses abundant experience acquired as a director of other companies and broad knowledge of accounting audit operations acquired as a certified public accountant. The Company expects that he can strengthen the Company's audit system and requests that he be re-elected as an outside Director who is an Audit and Supervisory Committee Member.</p>			

Candidate No.	Name Date of birth	Brief biography, and position and responsibility in the Company Significant concurrent positions outside the Company	Number of the Company's shares owned
3	Aki Shimizu June 18, 1977	<p>Oct. 2006 Assistant Judge of Saitama District Court</p> <p>Apr. 2009 Public Prosecutor of Litigation Division, Sapporo Legal Affairs Bureau</p> <p>Apr. 2011 Assistant Judge of Yokohama Family Court</p> <p>Apr. 2012 Assistant Judge of Yokohama District Court</p> <p>Apr. 2015 Assistant Judge of Matsudo Branch, Chiba District and Family Court</p> <p>Oct. 2016 Judge of Matsudo Branch, Chiba District and Family Court</p> <p>Jan. 2018 Registered as an attorney Joined SEIWA MEITETSU LAW OFFICE (currently, MEITETSU LAW OFFICES) (current position)</p> <p>Mar. 2022 Outside Director (Audit and Supervisory Committee Member) of EBARA JITSUGYO CO., LTD. (current position)</p> <p>Outside Director (Audit and Supervisory Committee Member) of the Company (current position)</p> <p>Significant concurrent positions outside the Company</p> <p>Outside Director (Audit and Supervisory Committee Member) of EBARA JITSUGYO CO., LTD.</p>	-
<p>Reasons for nomination as candidate for outside Director and summary of expected roles</p> <p>Aki Shimizu has never been involved in the management of a company in the past. However, the Company expects that she will make efforts to strengthen the supervisory function of the Company's overall management mainly from the viewpoint of legal affairs by utilizing her abundant experience and discernment as a legal expert cultivated as a judge and attorney, and requests that she be re-elected as an outside Director who is an Audit and Supervisory Committee Member.</p>			

Candidate No.	Name Date of birth	Brief biography, and position and responsibility in the Company Significant concurrent positions outside the Company	Number of the Company's shares owned
4	Kayo Sato July 22, 1979	<p>Oct. 2004 Registered as an attorney</p> <p>May 2014 Established LAW OFFICE TAITO and serves as its Representative Attorney (current position)</p> <p>Apr. 2015 Member of Infectious Diseases Committee and Tuberculosis Committee, Council for Infectious Diseases Examination of Taito-ku, Tokyo (current position)</p> <p>Apr. 2018 Expert of Tokyo Support Center for helping to solve problems in schools</p> <p>Apr. 2019 Member of Certified Committee for Regenerative Medicine for class III (current position)</p> <p>Oct. 2019 Part-time Lecturer of Japan College of Social Work (Graduate School)</p> <p>June 2020 Outside Auditor of Advanced Media, Inc. (current position)</p> <p>Dec. 2021 Outside Audit and Supervisory Board Member of Noevir Holdings Co., Ltd. (current position)</p> <p>Mar. 2022 Outside Director (Audit and Supervisory Committee Member) of the Company (current position)</p> <p>Significant concurrent positions outside the Company</p> <p>Representative Attorney of LAW OFFICE TAITO</p> <p>Outside Auditor of Advanced Media, Inc.</p> <p>Outside Audit and Supervisory Board Member of Noevir Holdings Co., Ltd.</p>	100
<p>Reasons for nomination as candidate for outside Director and summary of expected roles</p> <p>Kayo Sato has not been involved in the management of a company in the past except as an outside officer. However, the Company expects that she will make efforts to strengthen the supervisory function of the Company's overall management because of her abundant experience and discernment as an attorney and her experience as an outside auditor of a listed company, and requests that she be re-elected as an outside Director who is an Audit and Supervisory Committee Member.</p>			

Candidate No.	Name Date of birth	Brief biography, and position and responsibility in the Company Significant concurrent positions outside the Company	Number of the Company's shares owned
5	* Tomohiko Hasegawa November 24, 1962	<p>Oct. 1988 Joined Mitsubishi Research Institute, Inc.</p> <p>Jan. 2002 Established Wing Research and Consulting Inc. (currently, D-Engine, Inc.) and serves as its Representative Director and President Director of Global Venture Capital Inc.</p> <p>Aug. 2002 Established Fixstars Ltd. (later reorganized as a joint-stock company), Director</p> <p>Oct. 2002 Representative Director and Chairman of Fixstars Corporation</p> <p>Mar. 2007 Outside Director of D. Western Therapeutics Institute, Inc.</p> <p>Jan. 2016 Representative Director and President of Wing Research and Consulting Inc. (currently, D-Engine, Inc.) (current position)</p> <p>Apr. 2017 Director of Nishida Gakuen Educational Corporation (current position)</p> <p>Feb. 2019 Director of COGNITEE Inc.</p> <p>Feb. 2019 Outside Director of T&S inc.</p> <p>Jan. 2023 Corporate Auditor of LEBO ROBOTICS Co. (current position)</p> <p>Significant concurrent positions outside the Company Representative Director and President of D-Engine, Inc. Corporate Auditor of LEBO ROBOTICS Co.</p>	300
<p>Reasons for nomination as candidate for outside Director and summary of expected roles</p> <p>Tomohiko Hasegawa has been involved in management for many years as a director of other companies and possesses abundant experience and broad knowledge of the IT field. Therefore, the Company expects that he can monitor overall management and provide useful advice, and requests that he be elected as an outside Director who is an Audit and Supervisory Committee Member.</p>			

- Notes:
1. New candidates for Director who is an Audit and Supervisory Committee Member are indicated by an asterisk (*).
 2. There is no special interest between any of the candidates and the Company.
 3. Yoshiki Watanabe, Aki Shimizu, Kayo Sato, and Tomohiko Hasegawa are candidates for outside Director.
 4. Yoshiki Watanabe, Aki Shimizu, and Kayo Sato are current outside Directors who are Audit and Supervisory Committee Members, and their terms of office will be six years for Yoshiki Watanabe and two years for Aki Shimizu and Kayo Sato.
 5. With Yoshiki Watanabe, Aki Shimizu, and Kayo Sato, the Company has concluded an agreement that limits liability for damages stipulated in Article 423, paragraph (1) of the Companies Act in line with Article 427, paragraph (1) of the same Act. The limit on liability for damages based on the agreement is the minimum amount stipulated by laws and regulations. If their election is approved and adopted, the Company will maintain the agreements with them. If Yoichi Takeda and Tomohiko Hasegawa are elected, the Company will conclude a similar agreement with them.
 6. The Company has entered into a directors and officers liability insurance policy with an insurance company as provided for in Article 430-3, paragraph (1) of the Companies Act. This insurance policy will cover losses incurred in cases when an insured bears the responsibility of performing the duties as an officer, or from claims related to the pursuit of that responsibility. The Company pays the entire amount of the insurance premiums. If their election is approved and adopted, each of them will be insured under this policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.
 7. While Yoshiki Watanabe, Aki Shimizu, and Kayo Sato were serving as outside Directors of the Company, during a tax investigation around mid-November 2022, the tax authorities indicated that there might have been inappropriate transactions over several years by the officers of our consolidated subsidiary SSS Corporation, and its former consolidated subsidiary, Infix Inc., which was absorbed and merged into SSS Corporation on January 1, 2019. Although each of these outside Directors were not aware of this incident until it came to light, they were regularly reminded of the importance of legal compliance at meetings of the Board of Directors and other meetings. After the incident came to light, they properly fulfilled their responsibilities through means such as accurately understanding the circumstances of the incident and requesting reports. Aki Shimizu was appointed as a member of the Special Investigation Committee for the purpose of accurately ascertaining the circumstances of the incident and examining measures to prevent recurrence, and expressed her opinion on recommendations for measures to prevent recurrence.
 8. The Company has notified the Tokyo Stock Exchange that Yoshiki Watanabe, Aki Shimizu, and Kayo Sato are independent Directors, and if they are re-elected, the notification that they are independent Directors will be resubmitted. If Tomohiko Hasegawa is elected, notification that he is an independent Director will be submitted.

Reference - Skills Matrix of the Board of Directors after the General Meeting of Shareholders

In order to ensure an effective corporate governance system for sustainable growth and enhancement of corporate value over the medium and long term, the Company ensures that the Board of Directors consists of directors with abundant management experience, high level of discernment, and a wide range of high-level expertise and capabilities, while taking into consideration diversity aspects such as gender and internationality.

In addition, in order to strengthen the supervisory function of the Board of Directors, the Company has decided to appoint 1/3 or more of the Directors as independent officers who meet the requirements of independent officers as established by the Company.

The following will be the Skills Matrix of the Board of Directors if Proposal No. 2 and 3 are approved as proposed.

Director	Position	Attributes	Corporate management	Corporate governance	Industry knowledge	International experience	Finance and accounting	Legal and intellectual property
Kazufumi Wakao	Representative Director and President		●	●	●	●		
Yoshifumi Sekimoto	Director		●		●	●	●	
Yoshiichi Ogasawara	Director		●		●	●		
Koki Makita	Director		●		●	●		
Masaya Hirose	Director (new candidate)		●	●	●			
Yoichi Takeda	Full-time Audit and Supervisory Committee Member Director (new candidate)		●	●		●	●	
Yoshiki Watanabe	Audit and Supervisory Committee Member Director	Outside Independent	●	●			●	●
Aki Shimizu	Audit and Supervisory Committee Member Director	Outside Independent		●				●
Kayo Sato	Audit and Supervisory Committee Member Director	Outside Independent		●				●
Tomohiko Hasegawa	Audit and Supervisory Committee Member Director (new candidate)	Outside Independent	●	●	●			

Proposal No. 4 Presentation of Special Retirement Allowance to Retiring Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Director (excluding Directors who are Audit and Supervisory Committee Members; hereinafter, the same shall apply in this proposal) Itsuo Wakao will retire from his position at the conclusion of this meeting. He has been responsible for the management of the Company for 27 years since his appointment as a director in March 1997 and has made significant contributions to the development of the Group.

Accordingly, in order to reward him for his services during his term of office as a director, the Board of Directors, based on certain criteria and in accordance with the report of the Nomination and Compensation Advisory Committee and after deliberations by the Board of Directors, proposes to present him with a special retirement allowance of ¥145,000 thousand, in addition to the accumulated retirement benefits for directors under the retirement benefits for directors system (abolished in March 2020) and the restricted stocks already granted.

The Board of Directors considers that this proposal is in line with the “Policy on the determination of the content of executive remuneration” as stated in the Business Report and that the content of the proposal is appropriate.

The Audit and Supervisory Committee has expressed its opinion that the presentation of the special retirement allowance to him is appropriate, taking into account his business execution and performance during his term of office.

The Board of Directors will be asked to determine the timing and method of presentation of the special retirement allowance.

A brief biography of the retiring director is as follows.

Name	Brief biography	
Itsuo Wakao	Mar. 1997	Director of the Company
	Mar. 2001	Executive Director
	Mar. 2003	Managing Director
	Mar. 2007	Representative Director and President
	Jan. 2021	Representative Director and Chairman (current position)