

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation

Securities Code: 9692

March 31, 2022

To Our Shareholders:

1-11 Higashihara 5-chome, Zama-shi, Kanagawa
Computer Engineering & Consulting Ltd.
Hitoshi Ooishi, President

Notice of the 54th Ordinary General Meeting of Shareholders

We are pleased to announce the 54th Ordinary General Meeting of Shareholders of Computer Engineering & Consulting Ltd. to be held as described below.

To prevent COVID-19 infections from spreading, you are advised to consider refraining from attending the General Meeting of Shareholders by exercising your voting rights in advance in writing or by an electromagnetic means (such as the internet).

If you intend to exercise your voting rights in advance, you are kindly asked to refer to the following Reference Document for the General Meeting of Shareholders and exercise your voting rights no later than 5:45 p.m. on Thursday, April 21, 2022 (JST).

Sincerely yours,

1. **Date:** 10:00 a.m., Friday, April 22, 2022 (JST)
Meeting Room, 6th Floor, Building A of the Registered Office
 2. **Venue:** (Sagamino System Laboratory)
1-11 Higashihara 5-chome, Zama-shi, Kanagawa
 3. **Purposes:**
 1. **Items to be reported:** The business report, the consolidated financial statements and the results of consolidated financial statement audited by the Accounting Auditor and the Board of Corporate Auditors for the 54th business period (February 1, 2021 to January 31, 2022)
 2. The non-consolidated financial statements for the 54th business period (February 1, 2021 to January 31, 2022)
- Items to be resolved:**
- Item No. 1:** Appropriation of Retained Earnings
 - Item No. 2:** Partial amendments to the Articles of Incorporation
 - Item No. 3:** Election of eight (8) Directors who are not Audit & Supervisory Committee Members
 - Item No. 4:** Election of three (3) Directors who are Audit & Supervisory Committee Members
 - Item No. 5:** Election of two (2) substitute Directors for Directors who are Audit & Supervisory Committee Members
 - Item No. 6:** Decision on the amounts of remuneration for Directors who are not Audit & Supervisory Committee Members
 - Item No. 7:** Decision on the amounts of remuneration for Directors who are Audit & Supervisory Committee Members
 - Item No. 8:** Issuance of new share subscription rights as stock remuneration-type stock options for Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members)

- ◎ When you attend the meeting, we kindly request that you submit the enclosed voting form to the receptionist at the venue. Our reception desk will become operational from 9 a.m. on the day.
- ◎ If there are any revisions to the Reference Document for the General Meeting of Shareholders, the business report, and/or the consolidated and the non-consolidated financial statements, such revisions will be listed on the Company's website. (URL: <https://www.cec-ltd.co.jp/>)
- ◎ Pursuant to applicable laws and Article 15 of the Articles of Incorporation, of documents required to be submitted, the following are not presented in the Attachment of this Notice of Convocation as they are shown on the Company's official website (<https://www.cec-ltd.co.jp/>): i) main lenders, information on new share subscription rights from the Company, information on Accounting Auditors, an outline of a system to secure the appropriateness of the Company's operations and the operation status that are each stated in the Business Report; and ii) Consolidated Statement of Changes in Shareholders' Equity and Notes to Consolidated Financial Statements that are contained in Consolidated Financial Statements; iii) Statement of Changes in Shareholders' Equity and Notes to Non-consolidated Financial Statements that are contained in Non-consolidated Financial Statements. These pieces of information are contained in the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements that were audited by Accounting Auditors or Corporate Auditors in the course of preparing an accounting audit report or an accounting report.

< Kind request to attending shareholders >

- ◎ If intending to attend the General Meeting of Shareholders, you are hereby kindly asked to check the state of COVID-19 infections and your health condition on the day of the meeting before coming to the venue.
- ◎ You will be asked to bring and wear a face mask.
- ◎ You will be subjected to a body temperature check before entering the venue. It should be noted beforehand that any shareholder who is found to have a high temperature or seems to be in a poor health condition might be asked not to enter the venue.
- ◎ It should be noted beforehand that officers and operation staff will wear a mask to provide service.
- ◎ It should be noted beforehand that, in the venue, we will take infection-prevention measures such as placing alcohol sanitizers and distancing seats.
- ◎ When intending to alter the operation of the General Meeting of Shareholders due to developments in the coming days, we will post the information on the Company's official website (<https://www.cec-ltd.co.jp/>).

* This year, we will refrain from giving souvenirs to shareholders attending the general meeting of shareholders. We would appreciate your understanding.

Reference Document for the General Meeting of Shareholders

Item No. 1: Appropriation of Retained Earnings

The Company regards returning profits to shareholders as one of its significant challenges and has a policy of paying dividends steadily. The Company hereby proposes the following for year-end dividends for the fiscal year under review in comprehensive consideration of its business results, financial position, and future operational expansion.

Year-end Dividend

| | |
|-------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Type in which dividends are paid | Cash payment |
| Allocation of dividends to shareholders and total amount of dividends | Dividends per common share of the Company 20 yen Total amount of dividends 699,864,800 yen Accordingly, the annual dividend including interim dividend paid (20 yen per share) will be 40 yen per share. |
| Effective date on which dividends are disbursed from retained earnings | April 25, 2022 |

Item No. 2: Partial amendments to the Articles of Incorporation

(1) Reason for proposal

- i. Computer Engineering & Consulting Ltd. will transition to a Company with Audit and Supervisory Committee in order to further improve its corporate governance by bolstering the supervision function of the Board of Directors and expediting its decision-making for business execution.

Accordingly, we hereby propose establishing regulations on Directors who are Audit & Supervisory Committee Members and the Audit and Supervisory Committee and amending the rules on Corporate Auditors and the Board of Corporate Auditors such as deleting provisions or actions required to be taken to transition to a Company with Audit and Supervisory Committee.

- ii. We intend to amend Article 30 of the Articles of Incorporation now in force in order to enable Outside Directors and non-executive Directors to amply fulfill their expected roles by allowing them to enter into agreements that limit their liability. Consent has been obtained from the Corporate Auditors for the amendment.
- iii. The Company hereby proposes amending its Articles of Incorporation as follows in order to prepare for an introduction of a system for providing materials for a general meeting of shareholders in an electronic format since the amendment set forth in the proviso clause of Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) will come into force on September 1, 2022.
 - a. Article 15, Paragraph 1 of the post-amendment Articles of Incorporation stipulates that the Company shall take a measure to electronically provide information contained in items such as reference documents for a general meeting of shareholders.
 - b. Article 15, Paragraph 2 of the post-amendment Articles of Incorporation stipulates that the Company shall establish regulations intended to limit the scope of matters to be stated in a letter to be delivered to shareholders requesting one.
 - c. The Company intends to eliminate the clause “Disclosure via the Internet and deemed provision of reference documents, etc. for general meetings of shareholders” (Article 15 of the pre-amendment Articles of Incorporation).
 - d. The Company will put in place supplementary provisions on effective dates due to the above-mentioned establishment and elimination.
- iv. Of the amendments to the pre-amendment Articles of Incorporation in this proposal, the amendment due to the introduction of the electronic provision of reference documents for a general meeting of shareholders as shown in item (iii) above shall come into force as provided for in the supplementary provisions on effective dates. Other amendments to the Articles of Incorporation shall come into force at the conclusion of this General Meeting of Shareholders.

(2) Amendments

Proposed amendments are as shown below.

(Underlined parts denote proposed amendments)

| Pre-amendment Articles of Incorporation | Proposed amendments |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Chapter 1 General Provisions Article 1 through 3 (Provisions were omitted)</p> <p>(Organs) Article 4 The Company shall have the following organs in addition to the General Meeting of Shareholders and Directors: (1) Board of Directors; (2) <u>Corporate Auditors</u>; (3) <u>Board of Corporate Auditors</u>; and (4) Accounting Auditors</p> <p>Article 5 (Provisions were omitted)</p> <p>Chapter 2 Stocks Article 6 through 10 (Provisions were omitted)</p> <p>(Share Handling Regulations) Article 11 The handling of shares of the Company, related fees, and procedures for the exercise of shareholders' rights, etc. shall be governed by the Share Handling Regulations established by the Board of Directors, in addition to relevant laws and regulations and these Articles of Incorporation.</p> <p>Article 12 (Provisions were omitted)</p> <p>Chapter 3 General Meeting of Shareholders Article 13 through 14 (Provisions were omitted)</p> | <p>Chapter 1 General Provisions Article 1 through 3 (Unchanged)</p> <p>(Organs) Article 4 The Company shall have the following organs in addition to the General Meeting of Shareholders and Directors: (1) Board of Directors; (2) <u>Audit and Supervisory Committee</u>; (Eliminated)and (3) Accounting Auditors</p> <p>Article 5 (Unchanged)</p> <p>Chapter 2 Stocks Article 6 through 10 (Unchanged)</p> <p>(Share Handling Regulations) Article 11 The handling of shares of the Company, related fees, and procedures for the exercise of shareholders' rights, etc. shall be governed by the Share Handling Regulations established by the Board of Directors, in addition to relevant laws and regulations and <u>these</u> Articles of Incorporation.</p> <p>Article 12 (Unchanged)</p> <p>Chapter 3 General Meeting of Shareholders Article 13 through 14 (Unchanged)</p> |

| Pre-amendment Articles of Incorporation | Proposed amendments |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p data-bbox="336 264 855 353"><u>(Disclosure via Internet and Deemed Provision of Reference Documents, etc. for General Meetings of Shareholders)</u></p> <p data-bbox="336 360 855 869"><u>Article 15 Upon convening a general meeting of shareholders, the Company may deem that the information required to be described or indicated in the reference documents for the general meeting of shareholders, business reports, financial statements, and consolidated financial statements has been provided to the shareholders when such information is disclosed through a method that uses the Internet in accordance with the Ministry of Justice Ordinances.</u></p> <p data-bbox="336 936 580 965">(Newly Established)</p> | <p data-bbox="877 264 1356 387"><u>(Disclosure via Internet and Deemed Provision of Reference Documents, etc. for General Meetings of Shareholders)</u> (Eliminated)</p> <p data-bbox="877 902 1246 931"><u>(Electronic provision measure)</u></p> <p data-bbox="877 938 1385 1182"><u>Article 15 In convening a general meeting of shareholders, the Company shall take an electronic provision measure for information contained in reference documents for a general meeting of shareholders.</u></p> <p data-bbox="970 1189 1385 1500">2. <u>In a letter to be delivered to shareholders who request one no later than the record date for voting rights, the Company may refrain from stating the whole or a part of matters stipulated in Ministry of Justice ordinances, among matters for which an electronic provision measure is taken.</u></p> |

| Pre-amendment Articles of Incorporation | Proposed amendments |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(Method of Resolution) Article 16 Unless otherwise set forth in any applicable laws and regulations or in these Articles of Incorporation of the Company, resolutions of a general meeting of shareholders shall be adopted by an affirmative vote of a majority of the voting rights of the shareholders in attendance who are entitled to vote.</p> <p>2. Resolutions of a general meeting of shareholders set forth in Article 309, Paragraph 2 of the Companies Act shall be adopted by an affirmative vote of two-thirds (2/3) or more of the voting rights of the shareholders in attendance who hold in aggregate not less than one-third (1/3) of the total number of voting rights of all shareholders who are entitled to vote, unless otherwise set forth in these Articles of Incorporation.</p> <p>Article 17 through 18 (Provisions were omitted)</p> <p>Chapter 4 Directors and Board of Directors</p> <p>(Number of Directors) Article 19 The Company shall have not more than <u>twenty (20)</u> Directors.</p> <p>(Newly Established)</p> | <p>(Method of Resolution) Article 16 Unless otherwise set forth in any applicable laws and regulations or in <u>these</u> Articles of Incorporation of the Company, resolutions of a general meeting of shareholders shall be adopted by an affirmative vote of a majority of the voting rights of the shareholders in attendance who are entitled to vote.</p> <p>2. Resolutions of a general meeting of shareholders set forth in Article 309, Paragraph 2 of the Companies Act shall be adopted by an affirmative vote of two-thirds (2/3) or more of the voting rights of the shareholders in attendance who hold in aggregate not less than one-third (1/3) of the total number of voting rights of all shareholders who are entitled to vote, unless otherwise set forth in <u>these</u> Articles of Incorporation.</p> <p>Article 17 through 18 (Unchanged)</p> <p>Chapter 4 Directors and Board of Directors</p> <p>(Number of Directors) Article 19 The Company shall have not more than <u>fifteen (15) Directors who are not Audit & Supervisory Committee Members.</u></p> <p>2. <u>The Company shall have not more than four (4) Directors who are Audit & Supervisory Committee Members.</u></p> |

| Pre-amendment Articles of Incorporation | Proposed amendments |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(Election of Directors) Article 20 Directors of the Company shall be elected by a resolution at a general meeting of shareholders.</p> <p>2. A resolution for the election of Directors shall be adopted at a general meeting of shareholders by an affirmative vote of a majority of the voting rights of the shareholders in attendance who hold voting rights representing in aggregate one-third (1/3) or more of the total number of voting rights of all shareholders who are entitled to vote.</p> <p>3. Resolutions for the election of Directors of the Company shall not be made by cumulative voting.</p> | <p>(Election of Directors) Article 20 Directors of the Company shall be elected by resolution of a general meeting of shareholders <u>separately as those who are Audit & Supervisory Committee Members and who are not.</u></p> <p>2. A resolution for the election of Directors shall be adopted at a general meeting of shareholders by an affirmative vote of a majority of the voting rights of the shareholders in attendance who hold voting rights representing in aggregate one-third (1/3) or more of the total number of voting rights of all shareholders who are entitled to vote.</p> <p>3. Resolutions for the election of Directors of the Company shall not be made by cumulative voting.</p> |

| Pre-amendment Articles of Incorporation | Proposed amendments |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(Term of Office of Directors) Article 21 The term of office of Directors shall expire at the close of the ordinary general meeting of shareholders held in respect of the last business year ending within one (1) year after their election.</p> <p>(Newly Established)</p> <p>(Newly Established)</p> <p>(Representative Directors and Directors with Special Titles) Article 22 The Board of Directors shall elect, by its resolution, <u>one or more</u> Representative Directors from among the <u>Directors with special titles</u>.</p> <p>2. The Board of Directors may elect, by its resolution, one President and one or more Chairmen, Vice Chairmen, Vice President, Senior Managing Directors, Managing Directors, <u>and Counselors from among the Directors</u>.</p> <p>Article 23 (Provisions were omitted)</p> | <p>(Term of Office of Directors) Article 21 The term of office of Directors <u>who are not Audit & Supervisory Committee Members</u> shall expire at the close of the ordinary general meeting of shareholders held in respect of the last business year ending within one (1) year after their election.</p> <p>2. <u>The term of office of Directors who are Audit & Supervisory Committee Members shall expire at the close of the ordinary general meeting of shareholders held in respect of the last business year ending within two (2) years after their election.</u></p> <p>3. <u>The term of office of a Director who is an Audit & Supervisory Committee Member who has been elected as a substitute for a Director who was Audit & Supervisory Committee Member who resigned prior to the expiration of his/her term of office shall be until the expiry of the original term of office of the Director who resigned.</u></p> <p>(Representative Directors and Directors with Special Titles) Article 22 The Board of Directors shall, by its resolution, elect one or more Representative Directors from among <u>Directors who are not Audit & Supervisory Committee Members</u>.</p> <p>2. The Board of Directors may elect, by its resolution, one President and one or more Chairmen, Vice Chairmen, Vice President, Senior Managing Directors, <u>and</u> Managing Directors from among <u>the Directors who are not Audit & Supervisory Committee Members</u>.</p> <p>Article 23 (Unchanged)</p> |

| Pre-amendment Articles of Incorporation | Proposed amendments |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(Procedures for Convocation of Board of Directors Meetings) Article 24 Notice to convene a meeting of the Board of Directors shall be given to each Director <u>and Corporate Auditor</u> at least three (3) days prior to the date of such meeting. However, in cases of emergency, this period may be shortened.</p> | <p>(Procedures for Convocation of Board of Directors Meetings) Article 24 Notice to convene a meeting of the Board of Directors shall be given to each Director at least three (3) days prior to the date of such meeting. However, in cases of emergency, this period may be shortened.</p> |
| <p>(Resolution of Board of Directors Meetings) Article 25 Resolutions of a meeting of the Board of Directors shall be adopted by an affirmative vote of a majority of the Directors present who constitute in number a majority of all the Directors of the Company.</p> | <p>(Resolution of Board of Directors Meetings) Article 25 Resolutions of a meeting of the Board of Directors shall be adopted by an affirmative vote of a majority of the Directors present <u>entitled to vote</u> who constitute in number a majority of all the Directors of the Company.</p> |
| <p>(Omission of Resolution of Board of Directors Meetings) Article 26 With respect to the matters to be resolved by the Board of Directors, the Company shall deem that such matters have been approved by a resolution of the Board of Directors when all the Directors express their agreement in writing or by an electromagnetic record; <u>provided, however, that this shall not apply if any of the Corporate Auditors expresses an objection.</u></p> | <p>(Omission of Resolution of Board of Directors Meetings) Article 26 <u>With respect to the matters to be resolved by the Board of Directors</u>, the Company shall deem that such matters have been approved by a resolution of the Board of Directors when all the Directors all Directors <u>entitled to vote</u> on a proposal at a Board of Directors of the Company <u>express their agreement</u> in writing or by an electromagnetic record.</p> |
| <p>(Regulations of the Board of Directors) Article 27 (Provisions were omitted)</p> | <p>(Regulations of the Board of Directors) Article 27 (Unchanged)</p> |
| <p>(Remuneration for Directors) Article 28 Remuneration, etc. for Directors shall be determined by a resolution of a general meeting of shareholders.</p> | <p>(Remuneration for Directors) Article 28 Remuneration, etc. for Directors shall be determined by a resolution of a general meeting of shareholders <u>separately as those who are Audit & Supervisory Committee Members and who are not.</u></p> |
| <p>Article 29 (Provisions were omitted)</p> | <p>Article 29 (Unchanged)</p> |

| Pre-amendment Articles of Incorporation | Proposed amendments |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(Exemption from Liability of <u>Outside Directors</u>) Article 30 Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may execute agreements with <u>outside Directors</u> that limit their liability for failure to perform their duties; provided, however, that the limit of the liability under such agreements shall be the minimum liability amount prescribed by laws.</p> <p>(Newly Established)</p> | <p>(Exemption from Liability of <u>Directors</u>) Article 30 Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may execute agreements with <u>Directors (excluding executive Directors)</u> that limit their liability for failure to perform their duties; provided, however, that the limit of the liability under such agreements shall be the minimum liability amount prescribed by laws.</p> <p>(<u>Delegation of decision on important duty execution</u>) Article 31 Pursuant to Article 399-13, <u>Paragraph 6 of the Companies Act, the Company may delegate to the Directors the whole or a part of a decision on important duty execution other than those set forth in the items of Paragraph 5 of the said article by resolution of the Board of Directors.</u></p> |
| <p><u>Chapter 5 Corporate Auditors and Board of Corporate Auditors</u></p> | <p>(Eliminated)</p> |
| <p>(<u>Number of Corporate Auditors</u>)</p> | <p>(Eliminated)</p> |
| <p><u>Article 31 The Company shall have not more than four (4) Corporate Auditors.</u></p> | <p>(Eliminated)</p> |
| <p>(<u>Method of Election of Corporate Auditors</u>)</p> | <p>(Eliminated)</p> |
| <p><u>Article 32 The Corporate Auditors of the Company shall be elected at a general meeting of shareholders by an affirmative vote of a majority of the voting rights of the shareholders in attendance who hold voting rights representing in aggregate one-third (1/3) or more of the total number of voting rights of all shareholders who are entitled to vote at the meeting.</u></p> | <p>(Eliminated)</p> |

| Pre-amendment Articles of Incorporation | Proposed amendments |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| <p><u>(Election of Substitute Corporate Auditors)</u> <u>Article 33 The Company may preliminarily elect substitutes for Corporate Auditors at a general meeting of shareholders in case the number of Corporate Auditors falls short of the number stipulated by laws and regulations.</u></p> <p><u>2. A resolution for the election of substitute Corporate Auditors shall be adopted at a general meeting of shareholders by an affirmative vote of a majority of the voting rights of the shareholders in attendance who hold voting rights representing in aggregate one-third (1/3) or more of the total number of voting rights of all shareholders who are entitled to vote.</u></p> <p><u>3. The preliminary election pursuant to the provisions of Paragraph 1 shall be effective until the opening of the first ordinary general meeting of shareholders held after the general meeting of shareholders at which such election was held.</u></p> | (Eliminated) |
| <p><u>(Term of Office of Corporate Auditors)</u> <u>Article 34 The term of office of Corporate Auditors shall expire at the close of the ordinary general meeting of shareholders held in respect of the last business year ending within four (4) year after their election.</u></p> <p><u>2. The term of office of a Corporate Auditor elected to fill a vacancy created by the retirement of a Corporate Auditor before the expiration of his/her term of office shall be the remaining term of office of the retired Corporate Auditor.</u></p> <p><u>3. In the case where a preliminarily elected substitute Corporate Auditor referred to in Paragraph 1 of the preceding Article assumes office as Corporate Auditor, his/her term of office shall be the remaining term of office of the retired Corporate Auditor</u></p> | (Eliminated) |

| Pre-amendment Articles of Incorporation | Proposed amendments |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <p><u>(Corporate Auditors)</u> <u>Article 35 The Board of Corporate Auditors shall elect Corporate Auditors by its resolution</u></p> | (Eliminated) |
| <p><u>(Procedures for Convocation of Board of Corporate Auditors Meetings)</u> <u>Article 36 A notice to convene a meeting of the Board of Corporate Auditors shall be given to each Corporate Auditor at least three (3) days prior to the date of such meeting. However, in cases of emergency, this period may be shortened.</u></p> | (Eliminated) |
| <p><u>(Resolution of Board of Corporate Auditors Meetings)</u> <u>Article 37 Unless otherwise set forth in any applicable laws and regulations, resolutions of the Board of Corporate Auditors shall be adopted by an affirmative vote of a majority of the Corporate Auditors.</u></p> | (Eliminated) |
| <p><u>(Regulations of the Board of Corporate Auditors)</u> <u>Article 38 Matters relating to the Board of Corporate Auditors shall be governed by the "Regulations of the Board of Corporate Auditors" established by the Board of Corporate Auditors in addition to the applicable laws and regulations and these Articles of Incorporation.</u></p> | (Eliminated) |
| <p><u>(Remuneration for Corporate Auditors)</u> <u>Article 39 Remuneration, etc. for Corporate Auditors shall be determined by a resolution of a general meeting of shareholders.</u></p> | (Eliminated) |
| <p><u>(Minutes of Board of Corporate Auditors)</u> <u>Article 40 A summary of the proceedings at a meeting of the Board of Corporate Auditors and the outcome as well as other matters provided for by laws and regulations shall be stated or recorded in the minutes.</u></p> | (Eliminated) |

| Pre-amendment Articles of Incorporation | Proposed amendments |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>(Exemption from Liability of Outside Corporate Auditors)</u> <u>Article 41 Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may execute agreements with outside Corporate Auditors that limit their liability for failure to perform their duties; provided, however, that the limit of the liability under such agreements shall be the minimum liability amount prescribed by laws.</u></p> | <p>(Eliminated)</p> |
| <p>(Newly Established)</p> | <p><u>Chapter 5 Audit and Supervisory Committee</u> <u>(Full-time Audit and Supervisory Committee Members)</u></p> |
| <p>(Newly Established)</p> | <p><u>Article 32 Audit and Supervisory Committee may elect, by its resolution, Full-time Audit and Supervisory Committee Members.</u></p> |
| <p>(Newly Established)</p> | <p><u>(Procedures for Convocation of Audit and Supervisory Committee)</u> <u>Article 33 A notice to convene a meeting of Audit and Supervisory Committee shall be given to each Audit & Supervisory Committee Member at least three (3) days prior to the date of such meeting. However, in cases of emergency, this period may be shortened.</u></p> |
| <p>(Newly Established)</p> | <p><u>(Resolution of Audit and Supervisory Committee)</u> <u>Article 34 Unless otherwise set forth in any applicable laws and regulations, resolutions of the Audit and Supervisory Committee shall be adopted by an affirmative vote of a majority of the Audit & Supervisory Committee Members present entitled to vote who constitute in number a majority of all the Audit & Supervisory Committee Members of the Company.</u></p> |

| Pre-amendment Articles of Incorporation | Proposed amendments |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(Newly Established)</p> <p>(Newly Established)</p> <p>Chapter 6 Accounting Auditors (Election of Accounting Auditors) Article <u>42</u> Accounting Auditors shall be elected by a resolution at a general meeting of shareholders.</p> <p>(Terms of Office of Accounting Auditors) Article <u>43</u> The term of office of Accounting Auditors shall expire at the close of the ordinary general meeting of shareholders held in respect of the last business year ending within one (1) year after their election.</p> <p>2. If there is no resolution to the contrary at the ordinary general meeting of shareholders referred to in the preceding Paragraph, the Accounting Auditor shall be deemed to be reappointed at such meeting.</p> <p>Chapter 7 Accounts (Business Year) Article <u>44</u> The business year of the Company shall commence on February 1 of each year and end on January 31 of the following year.</p> | <p><u>(Regulations of the Audit and Supervisory Committee)</u> <u>Article 35 Matters relating to the Audit and Supervisory Committee shall be governed by the "Regulations of the Audit and Supervisory Committee" established by the Audit and Supervisory Committee in addition to the applicable laws and regulations and these Articles of Incorporation.</u></p> <p><u>(Minutes of Audit and Supervisory Committee meeting)</u> <u>Article 36 A summary of the proceedings at a meeting of the Audit and Supervisory Committee and the outcome as well as other matters provided for by laws and regulations shall be stated or recorded in the minutes.</u></p> <p>Chapter 6 Accounting Auditors (Election of Accounting Auditors) Article <u>37</u> Accounting Auditors shall be elected by a resolution at a general meeting of shareholders.</p> <p>(Terms of Office of Accounting Auditors) Article <u>38</u> The term of office of Accounting Auditors shall expire at the close of the ordinary general meeting of shareholders held in respect of the last business year ending within one (1) year after their election.</p> <p>2. If there is no resolution to the contrary at the ordinary general meeting of shareholders referred to in the preceding Paragraph, the Accounting Auditor shall be deemed to be reappointed at such meeting.</p> <p>Chapter 7 Accounts (Business Year) Article <u>39</u> The business year of the Company shall commence on February 1 of each year and end on January 31 of the following year.</p> |

| Pre-amendment Articles of Incorporation | Proposed amendments |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(Year-end Dividends) Article <u>45</u> By resolution at a general meeting of shareholders, the Company shall distribute cash dividends from surplus (hereinafter referred to as “Year-end Dividends”) to the shareholders or registered share pledgees whose names have been entered or recorded in the latest register of shareholders as of January 31 of each year.</p> <p>(Interim Dividends) Article <u>46</u> By resolution of the Board of Directors, the Company may distribute the dividends from surplus set forth in Article 454, Paragraph 5 of the Companies Act (hereinafter referred to as “Interim Dividends”) to the shareholders or registered share pledgees whose names have been entered or recorded in the latest register of shareholders as of July 31 of each year.</p> <p>(Period of Exclusion Concerning <u>Year-end Dividends, Etc.</u>) Article <u>47</u> If the Year-end Dividends and the Interim Dividends are not received even after the lapse of three full years from the date of commencement of payment thereof, the Company shall be released from the obligation to pay them.</p> <p>2. Unpaid Year-End Dividends and Interim Dividends shall bear no interest.</p> <p>(Newly Established)</p> | <p>(Year-end Dividends, Etc.) Article <u>40</u> By resolution at a general meeting of shareholders, the Company shall distribute cash dividends from surplus (hereinafter referred to as “Year-end Dividends”) to the shareholders or registered share pledgees whose names have been entered or recorded in the latest register of shareholders as of January 31 of each year.</p> <p><u>(Interim Dividends)</u> Article <u>41</u> By resolution of the Board of Directors, the Company may distribute the dividends from surplus set forth in Article 454, Paragraph 5 of the Companies Act (hereinafter referred to as “Interim Dividends”) to the shareholders or registered share pledgees whose names have been entered or recorded in the latest register of shareholders as of July 31 of each year.</p> <p>(Period of Exclusion Concerning <u>Dividends</u>) Article <u>42</u> If the Year-end Dividends and the Interim Dividends are not received even after the lapse of three full years from the date of commencement of payment thereof, the Company shall be released from the obligation to pay them.</p> <p>2. Unpaid Year-End Dividends and Interim Dividends shall bear no interest.</p> <p><u>(Supplementary Provisions)</u></p> |

| Pre-amendment Articles of Incorporation | Proposed amendments |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (Newly Established) | <p data-bbox="882 264 1385 667"><u>Article 1 The amendment to Article 15 of the pre-amendment Articles of Incorporation shall come into force on September 1, 2022, a date on which the amendment set forth in the proviso clause of Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) comes into force (the “Day of Coming into Force”).</u></p> <p data-bbox="882 667 1385 1104"><u>2. Notwithstanding the provision of the immediately preceding paragraph, Article 15, “disclosure via the Internet and deemed provision of reference documents, etc. for general meetings of shareholders” of the pre-amendment Articles of Incorporation shall still remain in force on a general meeting of shareholders held on a date within six months from the Day of Coming into Force.</u></p> <p data-bbox="882 1104 1385 1435"><u>3. This article shall be eliminated after the latter of a date on which six months have passed from the Day of Coming into Force or a date on which three months have passed from the date of the general meeting of shareholders set forth in the immediately preceding paragraph.</u></p> |
| (Newly Established) | |
| (Newly Established) | |

Item No. 3: Election of eight (8) Directors who are not Audit & Supervisory Committee Members

If Item No. 2 “Partial amendments to the Articles of Incorporation” is resolved as proposed, the Company will transition to a Company with Audit and Supervisory Committee, and the terms of office of all the Directors (nine persons) will expire when the transition-related amendments to the Articles of Incorporation come into force.

Therefore, the Company proposes the re-election of eight (8) Directors (excluding a director who are Audit & Supervisory Committee Members; this applies to this proposal). This proposal is intended to come into force on the condition of coming into force of the amendments to the Articles of Incorporation in relation to the transition to a Company with Audit and Supervisory Committee through Item No. 2 “Partial amendments to the Articles of Incorporation.”

The candidates for Director are as follows.

< Reference > The List of Candidates for Directors

| Candidate No | Name | Current position at the Company | Candidate category | Attendance of the Meetings of the Board of Directors |
|--------------|---------------------------------------|---------------------------------|--------------------------------------|------------------------------------------------------|
| 1 | <u>Reappointment</u> Hitoshi Ooishi | President | | 15 of 16 |
| 2 | <u>Reappointment</u> Hiroshi Tateishi | Managing Director | | 16 of 16 |
| 3 | <u>Reappointment</u> Toshirou Kawano | Managing Director | | 15 of 16 |
| 4 | <u>Reappointment</u> Masato Tamano | Director | | 16 of 16 |
| 5 | <u>Reappointment</u> Manabu Fujiwara | Director | | 16 of 16 |
| 6 | <u>Reappointment</u> Takashi Himeno | Director | | 16 of 16 |
| 7 | <u>Reappointment</u> Shin Nakayama | Outside Director | <u>Outside</u> <u>Independent</u> | 16 of 16 |
| 8 | <u>Reappointment</u> Masahiko Ootsuka | Outside Director | <u>Outside</u> <u>Independent</u> | 16 of 16 |

| Candidate No. | Name (Date of birth) | Brief profile, position, responsibility and significant concurrent positions | Number of the Company's shares owned |
|---------------|----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 1 | Hitoshi Ooishi (May 23, 1957) <u>Reappointment</u> | <p>April 1984 Joined Daikyo Kanko Incorporated (currently Daikyo Incorporated)</p> <p>September 1985 Joined Computer Engineering & Consulting Ltd.</p> <p>April 2012 Executive Officer</p> <p>April 2013 Director</p> <p>February 2017 Executive Officer Unit President, Corporate Support UnitGroup</p> <p>April 2017 Director Executive Officer Unit President, Corporate Support Business Group</p> <p>February 2020 President (incumbent)</p> <p>(Reason for nomination as a candidate for Director) Mr. Hitoshi Ooishi was appointed Representative Director in February 2020 and has since been working to bolster our compliance system and promoting the growth strategy. It is hereby proposed that Mr. Ooishi as a candidate for Director be reappointed since he is an important professional for further growth of the Group and deliver an improved corporate value.</p> | 20,200 shares |
| 2 | Hiroshi Tateishi (January 18, 1962) <u>Reappointment</u> | <p>April 1984 Joined Computer Engineering & Consulting Ltd.</p> <p>February 2005 General Manager, Control System Division, Nishinohon Business Group</p> <p>February 2010 Unit President, System Development Unit, System Development Business Group I</p> <p>February 2011 Executive Officer</p> <p>February 2013 Unit President, Solution Service Unit</p> <p>April 2015 Director Executive Officer Unit President, Smart Factory Unit</p> <p>June 2017 Managing Director Executive Officer Unit President, Nishinohon Service Unit, Industry Automation Business Group</p> <p>February 2019 Managing Director Executive Officer</p> <p>February 2021 President, CEC Customer Service Ltd. (incumbent)</p> <p>February 2022 Managing Director Executive Officer Group President, Digital Industry Business Group, Computer Engineering & Consulting Ltd. (incumbent)</p> <p>(Significant concurrent positions) President, CEC Customer Service Ltd.</p> <p>(Reason for nomination as a candidate for Director) It is hereby proposed that Mr. Hiroshi Tateishi as a candidate for Director be reappointed since he will likely make decisions properly and swiftly due to serving concurrently as President of a subsidiary of the Group in addition to being equipped with extensive experience and insights mainly concerning the Company's system development side.</p> | 7,400 shares |

| Candi date No. | Name (Date of birth) | Brief profile, position, responsibility and significant concurrent positions | Number of the Company's shares owned |
|----------------------|-------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 3 | Toshirou Kawano (November 14, 1961) <u>Reappointment</u> | <p>April 1982 Joined Computer Engineering & Consulting Ltd.</p> <p>February 2003 General Manager, Kyushu System Division I</p> <p>February 2010 Unit President, Platform Services Unit, Professional Services Business Group</p> <p>February 2011 Executive Officer</p> <p>April 2014 Director Executive Officer Unit President, Cloud Services Unit</p> <p>June 2017 Managing Director Executive Officer Manager, Platform Integration Business Group</p> <p>February 2018 Managing Director Executive Officer</p> <p>April 2018 President, Oita Computer Engineering & Consulting Ltd. (incumbent)</p> <p>February 2020 Director Executive Officer</p> <p>February 2021 Managing Director Executive Officer</p> <p>February 2021 President, Computer Engineering & Consulting (Shanghai), Ltd. (incumbent)</p> <p>February 2022 Managing Director Executive Officer Group President, Service Integration Business Group, Computer Engineering & Consulting Ltd. (incumbent)</p> <p>(Significant concurrent positions) President, Oita Computer Engineering & Consulting Ltd. President, Computer Engineering & Consulting (Shanghai), Ltd.</p> | 12,600 shares |
| | | <p>(Reason for nomination as a candidate for Director) It is hereby proposed that Mr. Toshirou Kawano as a candidate for Director be reappointed since he will likely make decisions properly and swiftly due to serving concurrently as President of a subsidiary of the Group in addition to being equipped with extensive experience and insights mainly concerning the Company's system development and creation sides.</p> | |

| Candidate No. | Name (Date of birth) | Brief profile, position, responsibility and significant concurrent positions | Number of the Company's shares owned |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 4 | Masato Tamano (January 21, 1960) <u>Reappointment</u> | <p>April 1982 Joined Toyota Motor Co., Ltd. (currently Toyota Motor Corporation)</p> <p>July 2006 General Manager, Production and Logistics Office, Corporate IT Department</p> <p>January 2007 Was sent on loan to Toyota Communication System Co., Ltd. (currently Toyota Systems Corporation)</p> <p>April 2011 Was sent on loan to Automobile Recycling Promotion Center</p> <p>April 2015 Was sent on loan to Computer Engineering & Consulting Ltd. Director and Executive Officer</p> <p>April 2018 Became an officer of Computer Engineering & Consulting Ltd.</p> <p>February 2022 Director Executive Officer Group President, Area Control Business Group (incumbent)</p> | 4,900 shares |
| <p>(Reason for nomination as a candidate for Director) It is hereby proposed that Mr. Masato Tamano as a candidate for Director be reappointed since he will likely make decisions properly and swiftly due to being equipped with extensive experience and insights mainly concerning system development in the assembly manufacturing field.</p> | | | |
| 5 | Manabu Fujiwara (October 27, 1963) <u>Reappointment</u> | <p>April 1986 Joined Computer Engineering & Consulting Ltd.</p> <p>February 2007 Manager, Sales Division, Control System Business Group</p> <p>April 2014 Corporate Auditor</p> <p>April 2015 Director Executive Officer Unit President, Corporate Support Business Group</p> <p>February 2018 Director Executive Officer Unit President, Digital Engineering Unit, Digital Industry Business Group</p> <p>February 2020 Director Executive Officer Unit President, Corporate Administration Unit (incumbent)</p> | 6,900 shares |
| <p>(Reason for nomination as a candidate for Director) It is hereby proposed that Mr. Manabu Fujiwara as a candidate for Director be reappointed since he will likely make decisions properly and swiftly due to being equipped with extensive experience and insights mainly concerning the Company's sales, system development, human resources, general affairs, and accounting sides.</p> | | | |

| Candi date No. | Name (Date of birth) | Brief profile, position, responsibility and significant concurrent positions | Number of the Company's shares owned |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 6 | Takashi Himeno (May 2, 1967) <u>Reappointment</u> | <p>April 1992 Joined Computer Engineering & Consulting Ltd.</p> <p>February 2011 General Manager, Services Div.1, Platform Services Unit</p> <p>February 2013 Unit President, Platform Services Unit</p> <p>February 2014 Executive Officer</p> <p>February 2020 Unit President, Security Services Unit, Platform Architect Business Group</p> <p>April 2020 Director Executive Officer Unit President, Security Services Unit, Platform Architect Business Group President, COMSTAFF Co., Ltd. (incumbent)</p> <p>February 2022 Director Executive Officer Group President, Platform Architect Business Group (incumbent)</p> <p>(Significant concurrent positions) President, COMSTAFF Co., Ltd.</p> | 5,300 shares |
| <p>(Reason for nomination as a candidate for Director)</p> <p>It is hereby proposed that Mr. Takashi Himeno as a candidate for Director be reappointed since he will likely make decisions properly and swiftly due to serving concurrently as President of a subsidiary of the Group in addition to being equipped with extensive experience and insights mainly concerning the Company's system creation, data center, and security service sides.</p> | | | |

| Candi date No. | Name (Date of birth) | Brief profile, position, responsibility and significant concurrent positions | Number of the Company's shares owned |
|----------------------|---------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7 | Shin Nakayama (November 19, 1939) <u>Reappointment</u> <u>Outside</u> <u>Independent</u> | March 1962 Joined Yaskawa Electric Corporation June 1988 Director June 1995 Managing Director June 1998 Senior Managing Director March 2000 Representative Director, President March 2004 Representative Director, Chairman of the Board March 2010 Director June 2010 Special Advisor April 2011 Outside Corporate Auditor, Computer Engineering & Consulting Ltd. April 2015 Outside Director, Computer Engineering & Consulting Ltd. (incumbent) | – shares (Reason for nomination as a candidate for Outside Directors and expected roles) It is hereby proposed that Mr. Shin Nakayama as a candidate for Outside Director be reappointed since he as an Outside Director will likely give us advice and fulfill a function to oversee our business execution from a broad management perspective due to knowledge and experience accumulated while serving as an officer at a major electrical manufacturer. |

| Candidate No. | Name (Date of birth) | Brief profile, position, responsibility and significant concurrent positions | | Number of the Company's shares owned |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 8 | Masahiko Ootsuka (July 16, 1953) <u>Reappointment</u> <u>Outside</u> <u>Independent</u> | April 1978 April 2002 April 2005 April 2007 October 2010 June 2013 June 2013 April 2018 | Joined Nissan Motor Co., Ltd. General Manager, Cost Reduction Promotion Office VP, JATCO Ltd. CEO, Automotive Energy Supply Corporation. (currently Envision AESC Japan Ltd.) Advisor Outside Statutory Auditor, Nissan Shatai Co., Ltd. Outside Corporate Auditor, Nissan Kohki Co., Ltd. Outside Director, Computer Engineering & Consulting Ltd. (incumbent) | – shares |
| (Reason for nomination as a candidate for Outside Directors and expected roles) It is hereby proposed that Mr. Masahiko Ootsuka as a candidate for Outside Director be reappointed since he as an outside Director will likely give us advice and fulfill a function to oversee our business execution from a broad management perspective due to knowledge and experience accumulated while serving as an officer at a major automobile manufacturer. | | | | |

Notes:

- The Company has software development and other transactions with CEC Customer Service Ltd. served by Mr. Hiroshi Tateishi as President, Oita Computer Engineering & Consulting Ltd. and Computer Engineering & Consulting (Shanghai), Ltd. served by Toshiro Kawano as President, and COMSTAFF Co., Ltd. served by Mr. Takashi Himeno as president.
- The Company has no particular relationship of interests with candidates other than those shown above.
- Mr. Shin Nakayama and Mr. Masahiko Ootsuka are candidates for outside directors.
- The Company appointed Mr. Shin Nakayama and Mr. Masahiko Ootsuka as an independent Executive Officer as set forth by the Tokyo Stock Exchange, Inc. and has registered Mr. Nakayama and Mr. Ootsuka with the Tokyo Stock Exchange, Inc.
- At the conclusion of this General Meeting of Shareholders, 11 years will have passed since Mr. Shin Nakayama took office as Outside Director and Corporate Auditor of the Company, where he was in office as Outside Director for seven years (took office on April 16, 2015) and as Corporate Auditor for four years (took office on April 15, 2011).
- At the conclusion of this General Meeting of Shareholders, 4 years will have passed since Mr. Masahiko Ootsuka took office as Outside Director of the Company (took office on April 18, 2018).
- As regards the damage compensation liability set forth in Article 423, Paragraph 1 of the Companies Act, the Company executed liability limitation agreements with Mr. Shin Nakayama and Mr. Masahiko Ootsuka that stipulate that the amount of liability to be incurred shall be a minimum liability limit as set forth in Article 425, Paragraph 1 of the Companies Act. If their proposed re-election is resolved, the Company will continue the agreements with them.
- The Company, having executed with insurance companies officer compensation liability insurance contracts as set forth in Article 430-3, Paragraph 1 of the Companies Act, will compensate in an amount up to 500 million yen for damage when an officer of the Company is subjected to such a damage compensation claim incurred due to his/her corporate officer service as is incurred by an insured person. If the proposed election of the candidates is resolved and they take office, they will be included in the insured under the insurance contract. On the occasion of next contract renewal, the renewal is scheduled without change to the terms and conditions.

Item No. 4: Election of three (3) Directors who are Audit & Supervisory Committee Members

If Item No. 2 “Partial amendments to the Articles of Incorporation” is resolved as proposed, the Company will transition to a Company with Audit and Supervisory Committee.

Accordingly, the Company proposes the re-election of three (3) Directors who are Audit & Supervisory Committee Members

With regard to this agenda item, the consent of the Board of Corporate Auditors has been obtained.

This proposal is intended to come into force on the condition of coming into force of the amendments to the Articles of Incorporation in relation to the transition to a Company with Audit and Supervisory Committee through Item No. 2 “Partial amendments to the Articles of Incorporation.”

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

< Reference > The List of Candidates for Directors who are Audit & Supervisory Committee Members

| Candidate No | Name | Current position at the Company | Candidate category | Attendance of the Meetings of the Board of Directors | Attendance of the Meetings of the Board of Corporate Auditors |
|--------------|---------------------------------------------------------------------------------------|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|---------------------------------------------------------------|
| 1 | New Hiroshi Yoshida | – | | – | – |
| 2 | New Eiichiro Nakatani | Outside Corporate Auditor | Outside Independent | 16 of 16 | 13 of 13 |
| 3 | New Katsunori Taniguchi | Outside Corporate Auditor | Outside Independent | 16 of 16 | 13 of 13 |

| Candidate No. | Name (Date of birth) | Brief profile, position, responsibility and Significant concurrent positions | Number of the Company's shares owned |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 1 | Hiroshi Yoshida (April 24, 1963) New | <p>April 1986 Joined Yamazaki Baking Co., Ltd.</p> <p>January 1992 Joined Computer Engineering & Consulting Ltd.</p> <p>February 2013 General Manager, Internal Audit Div., of the Company</p> <p>April 2014 General Manager, General Affairs Div., of the Company</p> <p>February 2017 General Manager, Internal Audit Div., of the Company (incumbent)</p> | 19,000 shares |
| <p>(Reason for nomination as a candidate for a Director who is an Audit & Supervisory Committee Member)</p> <p>It is hereby proposed that Mr. Hiroshi Yoshida be elected Audit & Supervisory Committee Member as we concluded he is suitable for the post due to having experience in internal audits of the Company.</p> | | | |
| 2 | Eiichiro Nakatani (January 21, 1959) New Outside Independent | <p>April 1984 Was registered as a lawyer (Dai-ichi Tokyo Bar Association)</p> <p>October 1991 Began to serve Allen & Overy, United Kingdom</p> <p>January 2002 Partner for foreign laws, Anderson Mori & Tomotsune (incumbent)</p> <p>April 2007 Part-time Lecturer, Faculty of Law, Waseda University</p> <p>April 2015 Outside Corporate Auditor of Computer Engineering & Consulting Ltd. (incumbent)</p> <p>April 2016 Member, Japanese Law Translation Council, Ministry of Justice (incumbent)</p> <p>(Significant concurrent positions) Partner, Anderson Mori & Tomotsune</p> | – shares |
| <p>(Reason for nomination as a candidate for Director who is an Audit & Supervisory Committee Member and expected roles)</p> <p>It is hereby proposed that Mr. Eiichiro Nakatani Yoshida be elected Outside Director who is an Audit & Supervisory Committee Member as he is equipped with expert knowledge and experience as a lawyer and will likely audit and supervise appropriately on the basis of such experience despite having not been directly involved in corporate management.</p> | | | |

| Candidate No. | Name (Date of birth) | Brief profile, position, responsibility and Significant concurrent positions | Number of the Company's shares owned |
|---------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 3 | Katsunori Taniguchi (August 13, 1958) <u>New</u> <u>Outside</u> <u>Independent</u> | <p>April 1981 Joined Tohmatsu & Aoki Audit Corporation (currently Deloitte Touche Tohmatsu LLC)</p> <p>April 1988 Was registered as a Certified Public Accountant</p> <p>April 1993 Senior Manager, Tohmatsu & Aoki Audit Corporation (currently Deloitte Touche Tohmatsu LLC)</p> <p>April 1999 Principal, Deloitte Tohmatsu Consulting Co., Ltd. (currently ABeam Consulting Ltd.)</p> <p>September 2002 Chief Researcher, Japan Research Institute</p> <p>December 2006 Associate Partner, IBM Business Consulting Services KK (currently IBM Japan, Ltd.)</p> <p>April 2007 Part-time Lecturer, Nihonbashi Gakkan University (currently Kaichi International University)</p> <p>June 2007 Corporate Auditor, NJK Corporation (currently NTT DATA NJK Corporation)</p> <p>September 2012 President, Katsunori Taniguchi Certified Public Accountant Office (incumbent)</p> <p>April 2014 Full-time Associate Professor, Nihonbashi Gakkan University (currently Kaichi International University)</p> <p>April 2017 Part-time Lecturer, Kaichi International University</p> <p>April 2019 Outside Corporate Auditor, Computer Engineering & Consulting Ltd. (incumbent)</p> <p>June 2020 Outside Auditor, Happinet Corporation (incumbent)</p> <p>(Significant concurrent positions) President, Katsunori Taniguchi Certified Public Accountant Office Outside Auditor, Happinet Corporation</p> | – shares |
| | | <p>(Reason for nomination as a candidate for Director who is an Audit & Supervisory Committee Member and expected role)</p> <p>It is hereby proposed that Mr. Katsunori Taniguchi be elected as candidate for Outside Director who is an Audit & Supervisory Committee Member as he is equipped with expert knowledge and experience as a certified public accountant, coupled with experience as a corporate auditor at a system development company, and thus he will likely audit and supervise appropriately on the basis of such experience despite having not been directly involved in corporate management.</p> | |

Notes:

1. There are no special conflicts of interest between the candidates and the Company.
2. Mr. Eiichiro Nakatani and Mr. Katsunori Taniguchi are the candidates for Outside Directors who are Audit & Supervisory Committee Members.
3. The Company, having designated Mr. Eiichiro Nakatani and Mr. Katsunori Taniguchi as independent officers under the regulations of the Tokyo Stock Exchange, Inc., notified the exchange of their names. If their proposed election is resolved by this general meeting of shareholders and they take office as Outside Directors, the Company will continue to designate them as independent officers.

4. At the conclusion of this General Meeting of Shareholders, 7 years will have passed since Mr. Eiichiro Nakatani took office as Outside Corporate Auditor of the Company (took office on April 16, 2015)
5. At the conclusion of this General Meeting of Shareholders, 3 years will have passed since Mr. Katsunori Taniguchi took office as Outside Corporate Auditor of the Company (took office on April 17, 2019).
6. As regards the damage compensation liability set forth in Article 423, Paragraph 1 of the Companies Act, the Company executed liability limitation agreements with Mr. Eiichiro Nakatani and Mr. Katsunori Taniguchi that stipulate that the amount of liability to be incurred shall be a minimum liability limit as set forth in Article 425, Paragraph 1 of the Companies Act. If they are elected Directors who are Audit & Supervisory Committee Members, the Company will execute agreements with identical provisions with them.
7. The Company, having executed with insurance companies officer compensation liability insurance contracts as set forth in Article 430-3, Paragraph 1 of the Companies Act, will compensate in an amount up to 500 million yen for damage when an officer of the Company is subjected to such a damage compensation claim incurred due to his/her corporate officer service as is incurred by an insured person. If the proposed election of the candidates is resolved and they take office, they will be included in the insured under the insurance contract. On the occasion of next contract renewal, the renewal will be done without change to the terms and conditions.

< Reference > Shown below is a skill matrix that will apply if the candidates shown in this notice of convocation are elected as proposed in Items No. 3 and 4.

| Name | Business administration | Legal / Compliance | HR / Labor | Finance / Accounting | Sales / Marketing | R&D |
|-------------------------------------------------------------------------------|-------------------------|--------------------|------------|----------------------|-------------------|-----|
| Hitoshi Ooishi | ○ | | ○ | ○ | | |
| Hiroshi Tateishi | | | | | ○ | ○ |
| Toshirou Kawano | | | | | ○ | ○ |
| Masato Tamano | | | | | ○ | ○ |
| Manabu Fujiwara | | ○ | ○ | ○ | | |
| Takashi Himeno | | | | | ○ | ○ |
| Shin Nakayama (Outside) | ○ | | | | | |
| Masahiko Ootsuka (Outside) | ○ | | | | | |
| Hiroshi Yoshida (Audit & Supervisory Committee Member) | | ○ | | | | |
| Eiichiro Nakatani (Audit & Supervisory Committee Member / Outside) | | ○ | | ○ | | |
| Katsunori Taniguchi (Audit & Supervisory Committee Member / Outside) | | ○ | | ○ | | |

Item No. 5: Election of two (2) substitute Directors for Directors who are Audit & Supervisory Committee Members

If Item No. 2 “Partial amendments to the Articles of Incorporation” is resolved as proposed, the Company will transition to a Company with Audit and Supervisory Committee.

Accordingly, it is hereby proposed that two substitute Directors for Directors who are Audit & Supervisory Committee Members be elected in case the number of directors who are Audit & Supervisory Committee Member falls below a number of such directors that is stipulated in laws.

Shown below are candidates for substitute Directors for Directors who are Audit & Supervisory Committee Members on the condition of Item No. 4 being resolved. Mr. Kazuaki Matsumoto is a candidate for substitute Director for Mr. Hiroshi Yoshida, a candidate for Director who is an Audit & Supervisory Committee Member, and Ms. Etsuko Hara is a candidate for substitute Director for Mr. Eiichiro Nakatani and Mr. Katsunori Taniguchi who are candidates for Directors who are Audit & Supervisory Committee Members.

With regard to this agenda item, the consent of the Board of Corporate Auditors has been obtained.

This proposal is intended to come into force on the condition of coming into force of the amendments to the Articles of Incorporation in relation to the transition to a Company with Audit and Supervisory Committee through Item No. 2 “Partial amendments to the Articles of Incorporation.”

The candidates for substitute Directors for Directors who are Audit & Supervisory Committee Members are as follows

| Candidate No. | Name (Date of birth) | Brief profile, position, responsibility and Significant concurrent positions | Number of the Company’s shares owned |
|---------------|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 1 | Kazuaki Matsumoto (March 29, 1962) New | <p>April 1985 Joined SYSTEM CONSULTANT Nagasaki CO. LTD (currently SYSTEM CONSULTANT CO. LTD)</p> <p>July 1989 Joined Computer Engineering & Consulting Ltd.</p> <p>August 2012 Unit President, Development Service Unit 3</p> <p>February 2013 Executive Officer, Unit President, Nishinohon Service Unit</p> <p>November 2017 Executive Officer</p> <p>February 2018 Unit President, Business Promotion Unit</p> <p>(Reason for nomination as a candidate for substitute Directors for Directors who are Audit & Supervisory Committee Members) It is hereby proposed that Mr. Kazuaki Matsumoto be elected as substitute Director for Director who is an Audit & Supervisory Committee Member as we concluded he is suitable for the post due to being well-versed in the Company’s system development side.</p> | 1,000 shares |

| Candidate No. | Name (Date of birth) | Brief profile, position, responsibility and Significant concurrent positions | | Number of the Company's shares owned |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 2 | Etsuko Hara (October 18, 1974) New Outside Independent | October 2001 | Was registered as a lawyer (Daini Tokyo Bar Association) | – shares |
| | | October 2001 | Joined Anderson Mori & Tomotsune | |
| | | September 2006 | Joined Allen & Overy, Belgium | |
| | | April 2007 | Was registered as a lawyer (State of New York, U.S.A.) | |
| | | January 2011 | Partner, Anderson Mori & Tomotsune (incumbent) | |
| | | April 2012 | Member, Japanese Law Translation Council, Ministry of Justice | |
| | | April 2013 | Adjunct professor, Graduate School of Law, Hitotsubashi University | |
| | | April 2019 | Associate Professor, Graduate School of Law and Politics, the University of Tokyo | |
| | | March 2020 | Visiting Professor in a faculty exchange program between Columbia University School of Law, U.S.A. and the University of Tokyo Faculty of Law | |
| (Reason for nomination as a candidate for substitute Directors for Directors who are Audit & Supervisory Committee Members and expected roles) It is hereby proposed that Ms. Etsuko Hara be elected as substitute Outside Director for Outside Director who is an Audit & Supervisory Committee Member as she is equipped with expert knowledge and experience as a lawyer, and thus she will likely audit and supervise appropriately on the basis of such experience despite having not been directly involved in corporate management. | | | | |

Notes:

1. There are no special conflicts of interest between the candidates and the Company.
2. Ms. Etsuko Hara is the candidates for substitute Outside Director who is an Audit & Supervisory Committee Member.
3. If Ms. Etsuko Hara takes office as Outside Director, the Company will designate her as an independent officer as stipulated by the Tokyo Stock Exchange, Inc. and will inform her name to the exchange.
4. If Ms. Etsuko Hara takes office as Outside Director, as regards the damage compensation liability set forth in Article 423, Paragraph 1 of the Companies Act, the Company will execute liability limitation agreements with Ms. Etsuko Hara that stipulates that the amount of liability to be incurred shall be a minimum liability limit as set forth in Article 425, Paragraph 1 of the Companies Act.
5. The Company, having executed with insurance companies officer compensation liability insurance contracts as set forth in Article 430-3, Paragraph 1 of the Companies Act, will compensate in an amount up to 500 million yen for damage when an officer of the Company is subjected to such a damage compensation claim incurred due to his/her corporate officer service as is incurred by an insured person. If the proposed election of the candidates is resolved and they take office, they will be included in the insured under the insurance contract.

Item No. 6: Decision on the amounts of remuneration for Directors who are not Audit & Supervisory Committee Members

If Item No. 2 “Partial amendments to the Articles of Incorporation” is resolved as proposed, the Company will transition to a Company with Audit and Supervisory Committee.

The 53rd Ordinary General Meeting of Shareholders held on April 21, 2021 resolved a proposal to set the remuneration for Directors of the Company at not more than 700 million yen a year. However, due to transitioning to a Company with Audit and Supervisory Committee, it is hereby proposed that the Company to make the amount null and void before deciding the remuneration for Directors who are not Audit & Supervisory Committee Members and set the remuneration for such Directors at not more than 700 million yen a year (not more than 50 million yen a year for Outside Directors).

We concluded this proposal to be reasonable as it had been decided by the Board of Directors in comprehensive consideration of the Company’s business size and officer remuneration system as well as amounts paid, the current number of officers, and future developments.

As shown on page 35 of our reference document, we will amend the policy to decide the remuneration for individual Directors of the Company.

The above-mentioned remuneration will not include the employee salary for Directors serving concurrently as employees.

The Company currently has nine (9) Directors (including two (2) Outside Directors). If Items No. 2 and 3 are resolved as proposed, the number of Directors who are not Audit & Supervisory Committee Members will be eight (8) persons (including two (2) Outside Directors).

This proposal is intended to come into force on the condition of coming into force of the amendments to the Articles of Incorporation in relation to the transition to a Company with Audit and Supervisory Committee through Item No. 2 “Partial amendments to the Articles of Incorporation.”

Item No. 7: Decision on the amounts of remuneration for Directors who are Audit & Supervisory Committee Members

If Item No. 2 “Partial amendments to the Articles of Incorporation” is resolved as proposed, the Company will transition to a Company with Audit and Supervisory Committee.

Accordingly, it is hereby proposed that the Company sets the amounts of remuneration for Directors who are Audit & Supervisory Committee Members at not more than 50 million yen a year.

We concluded this proposal to be reasonable in comprehensive consideration of the Company’s business size and officer remuneration system as well as amounts paid, the current number of officers, and future developments.

If Items No. 2 and 4 are resolved as proposed, the number of Directors who are Audit & Supervisory Committee Members will be three (3) persons.

This proposal is intended to come into force on the condition of coming into force of the amendments to the Articles of Incorporation in relation to the transition to a Company with Audit and Supervisory Committee through Item No. 2 “Partial amendments to the Articles of Incorporation.”

Item No. 8: Issuance of new share subscription rights as stock remuneration-type stock options for Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members)

As part of its director remuneration scheme revision, the Company abolished the director retirement benefit program at the conclusion of the 44th Ordinary General Meeting of Shareholders held on April 18, 2012. We introduced the stock remuneration-type stock option program for Directors of the Company as a scheme in place of the director retirement benefit program, and the 53rd Ordinary General Meeting of Shareholders held on April 21, 2021 resolved the outline of this proposal. It is hereby proposed that the following be resolved as we will transition to a Company with Audit and Supervisory Committee and abolish the stock remuneration-type stock option program for Corporate Auditors.

The total amount of the remuneration for Directors who are not Audit & Supervisory Committee Members will be not more than 700 million yen a year (including 50 million yen a year for Outside Directors) if the following are resolved: i) Item No. 2 “Partial amendments to the Articles of Incorporation” stemming from the planned transition to a Company with Audit and Supervisory Committee; and ii) Proposal 6 “Decision on the amounts of remuneration for Directors who are not Audit & Supervisory Committee Members.”

In this proposal, it is hereby proposed that the amount of remuneration for stock-remuneration-type options for Directors (excluding Directors who are Audit & Supervisory Committee Members and excluding Outside Directors; this shall apply hereinafter in this proposal) of the Company be set at not more than 70 million yen a year within the aforementioned limit (excluding Outside Directors).

As resolved by the 53rd Ordinary General Meeting of Shareholders, the amount of payment for new share subscription rights will be a fair value to be computed with the Black-Scholes model on a day on which new share subscription rights are allotted. The Company will pay to persons to be allotted new share subscription rights a monetary remuneration equivalent to a total amount of payment for new share subscription rights, and will offset the remuneration claim with the liability for the payment for new share subscription rights. Accordingly, the amount of remuneration for stock options will be an amount to be determined by multiplying a fair value of each new subscription right to be computed on a day of allotting new share subscription rights by a total number of new share subscription rights to be allotted.

If Item No. 3 is resolved as proposed, the number of Directors to be granted new share subscription rights will be six due to this proposal.

Shown below are details of new share subscription rights to be issued.

(1) Number of new share subscription rights

The maximum number of new share subscription rights to be issued from the ordinary general meeting of shareholders of the Company for a given fiscal year to a date one year from the meeting will be 1,800.

(2) Class and number of shares for new share subscription rights

The class of shares for new share subscription rights will be common stock and the number of shares per new share subscription right will be 100 shares.

If it is appropriate to change the number of shares due to conducting a stock split or stock merger for the common stock of the Company, it will be adjusted as deemed to be required.

(3) Amount of money to be paid in exchange for new share subscription rights

The amount of payment for new share subscription rights will be a fair value to be computed with the Black-Scholes model on a day on which new share subscription rights are allotted. The Company, however, will pay to persons to be allotted new share

subscription rights a monetary remuneration equivalent to a total amount of payment for new share subscription rights, and will offset the remuneration claim with the liability for the payment for new share subscription rights.

(4) Value of an asset to be contributed upon exercise of new share subscription rights

The value of an asset to be contributed upon exercise of new share subscription rights will be an amount to be determined by multiplying one yen, an amount to be paid for each share to be granted by exercising new share subscription rights, by the number of shares to be granted.

(5) Period during which new share subscription rights are allowed to be exercised

New share subscription rights are allowed to be exercised during a period to be determined by the Board of Directors and within a period up to a date on which 30 years have passed from the date of allotment.

(6) Restriction on acquisition of new share subscription rights through sale

An acquisition of new share subscription rights through sale is subject to approval by the Board of Directors.

(7) Conditions for exercises of new share subscription rights

- i. A holder of new share subscription rights is allowed to entirely exercise the rights only within 10 days from the day following the day on which he/she ceases to be a Director of the Company (if the 10th day falls on a non-business day, the previous business day applies) and within the periods set forth in item (5) above.
- ii. Other conditions to exercise of new share subscription rights will be decided by resolution of the Board of Directors.

(8) Matters for acquisition of new share subscription rights

- i. The Company may acquire the whole of new share subscription rights at no charge when reaching a date to be specified separately by the Board of Directors of the Company if a general meeting of shareholders has resolved any of the following: (i) a proposal for a merger agreement whereby the Company becomes the dissolving company, (ii) a proposal for a company split agreement or company split plan whereby the Company becomes the splitting company, or (iii) a proposal for a share exchange agreement or share transfer plan whereby the Company becomes a wholly owned subsidiary.
- ii. Any other matter for acquisition of new share acquisition rights will be decided by resolution of the Board of Directors.

(9) Matters on solicitation for new share subscription rights

Other details of new share subscription rights will be decided at a Board of Directors meeting that determines matters for solicitation for new share subscription rights.

(10) Reason for justifying granting of new share subscription rights

New share subscription rights will be granted to Directors of the Company in the form of stock options in order for them to share the merits and risk of stock price fluctuations with shareholders and to clarify management responsibility for delivering an improved corporate value, by allotting.

If Items No. 2 and 6 and this proposal are resolved, we will revise a policy as described below.

■ Policy on deciding the amounts of remuneration for individual Directors who are not Audit & Supervisory Committee Members

The remuneration for Directors (hereinafter excluding those who are Audit & Supervisory Committee Members and Outside Directors) is composed of basic remuneration (fixed remuneration) and stock remuneration-type stock options, and no performance-linked remuneration has been adopted. The value of stock remuneration-type stock options for an individual Director is decided at an amount conforming to his/her basic remuneration amount (monthly amount) and up to the amount combined with a maximum amount resolved by a general meeting of shareholders. Basic remuneration (fixed remuneration) is paid periodically to a director during his/her term of office. Given that the stock remuneration-type stock option scheme was adopted as a program replacing the director retirement benefits program, the Company allots new share subscription rights to each director in the form of stock options during his/her term of office with such rights being exercised after resignation as director. The fair value of a stock remuneration-type stock option is computed with the Black-Sholes model.

The amount basic remuneration and the number of stock remuneration-based stock options for each individual director are decided by the President in comprehensive consideration of the Company's business results and achievements in operations for which the director is responsible, as fully delegated by the Board of Directors.