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(Stock Exchange Code 4828)

June 2, 2023

(Date of commencing the measures for electronic provision: May 30, 2023)

To Shareholders with Voting Rights:

Masakazu Haneda
President & Chief Executive Officer
Business Engineering Corporation
1-8-1 Otemachi, Chiyoda-ku, Tokyo

**NOTICE OF CONVOCATION OF
THE 44th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

Please be informed that the 44th Annual General Meeting of Shareholders of Business Engineering Corporation (the “Company”) will be held for the purposes as described below.

If you do not attend the General Meeting of Shareholders in person, as you can exercise voting rights either via the Internet or in writing, please review the Reference Documents for the General Meeting of Shareholders attached to the Japanese version of this document and exercise your voting rights no later than 5:30 p.m. on Thursday, June 22, 2023, Japan time.

1. Date and Time: Friday, June 23, 2023, at 10:00 a.m., Japan time

2. Place: “Ho’oh,” First floor, The Capital Hotel Tokyu
2-10-3 Nagatacho, Chiyoda-ku, Tokyo

3. Meeting Agenda:

- Matters to be reported:**
1. Business Report and Consolidated Financial Statements for the Company’s 44th Fiscal Year (April 1, 2022–March 31, 2023) and results of audits by the Accounting Auditor and the Audit & Supervisory Committee of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 44th Fiscal Year (April 1, 2022–March 31, 2023)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Eight Directors (excluding Directors who are Audit & Supervisory Committee Members)
- Proposal 3:** Election of One Substitute Director who is an Audit & Supervisory Committee Member
- Proposal 4:** Determination of the Amount and Details of Stock Compensation, etc. for Directors (excluding Directors who are Audit & Supervisory Committee Members)

4. Matter regarding measures for electronic provision

In convening this General Meeting of Shareholders, the Company has taken measures for electronic provision of information contained in the reference materials for the General Meeting of Shareholders, etc. (“Electronically Provided Information”) by posting the Electronically Provided Information on the Company’s website on the Internet. Please access the following website of the Company to see the Electronically Provided Information:

The Company’s website:

<https://www.b-en-g.co.jp/ir/soukai.html> (in Japanese)

In addition to the above website, the Electronically Provided Information is also posted on the Tokyo Stock Exchange’s website. If the Electronically Provided Information cannot be viewed on the Company’s website, please access the following website of the Tokyo Stock Exchange, enter “Business Engineering” in “Issue name (company name)” or the Company’s Stock Exchange Code “4828” in “Code” to search the Company and click “Basic information” and then “Documents for public inspection/PR information” to see the Electronically Provided Information.

The Tokyo Stock Exchange’s website (Tokyo Stock Exchange Company Announcements Service):

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

1. This paper copy sent to you also serves as the paper copy describing the Electronically Provided Information that is sent to shareholders who have requested it, provided that the following matters are not described in this paper copy pursuant to laws and regulations and the provision of Article 15 of the Company’s Articles of Incorporation, and the paper copy therefore only constitutes a part of the documents audited by the Accounting Auditor and the Audit & Supervisory Committee of the Company when preparing the audit reports:
 - “Principal business,” “Major offices,” “Status of employees,” “Principal lenders,” “Matters regarding the Company’s Shares,” “Outline of the contents of liability limitation agreements,” “Outline of the contents of directors and officers liability insurance agreements,” “Status of the main activities of outside directors (and other officers) in this fiscal year,” “Status of the accounting auditor,” and “System to ensure the appropriateness of business activities and status of operation of the system” of the Business Report;
 - “Consolidated Balance Sheet,” “Consolidated Statements of Income,” “Consolidated Statement of Changes in Equity,” and “Notes to Consolidated Financial Statements” of the Consolidated Financial Statements;
 - “Non-consolidated Balance Sheet,” “Non-consolidated Statements of Income,” “Non-consolidated Statement of Changes in Equity,” and “Notes to Non-consolidated Financial Statements” of the Non-consolidated Financial Statements; and
 - “The Accounting Auditor’s audit report regarding the consolidated financial statements,” “The Accounting Auditor’s audit report,” and “Audit & Supervisory Committee’s audit report” of the audit reports
2. If any changes arise to the Electronically Provided Information, the Company will post the details of those revisions on each of the websites on which the Electronically Provided Information is posted.
3. When attending the meeting in person, please submit the enclosed Voting Rights Exercise Form at the reception desk. In addition, please bring this Notice of Convocation with you.
4. If any matters arise as to the procedure of the General Meeting of Shareholders of which you should be informed, the Company will post them on the Company’s website described above.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company's policy is to provide shareholders returns through the payment of dividends, which are determined by comprehensive consideration of projections regarding the Company's business environment, business results forecasts, and the Company's financial standing, among other factors. Additionally, while working to provide continuous and stable dividends, the Company's basic policy is to make efforts toward a dividend payout ratio of over 30% for the medium to long term. Regarding the frequency of dividends, the basic policy is twice a year, consisting of an interim dividend and a year-end dividend.

For its 44th fiscal year, the Company achieved record-high levels of profit for the seventh consecutive year. As a gesture of appreciation to our shareholder for their support, the year-end dividend for the 44th fiscal year is proposed as stated below based on the policy mentioned above.

As a result, combined with the interim dividend of 21 yen, the annual dividend will be 64 yen per share.

Matters concerning the year-end dividend

- (1) Type of dividend property
Cash
- (2) Matters related to allocation of dividend property to shareholders and its total amount
43 yen per share of the Company's common stock; total of 515,991,486 yen
- (3) Effective date of distribution of surplus
June 26, 2023

Proposal 2: Election of Eight Directors (excluding Directors who are Audit & Supervisory Committee Members)

The terms of office of all seven Directors (excluding Directors who are Audit & Supervisory Committee Members, the same applies hereinafter in this Proposal) will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of eight Directors, increasing the number of Directors by one for the purpose of strengthening its management system.

The candidates for Director are as follows:

Candidate No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Masakazu Haneda (January 13, 1965) <div style="border: 1px solid black; display: inline-block; padding: 2px;">Reelection</div> <div style="border: 1px solid black; display: inline-block; padding: 2px;">Male</div>	<p>Apr. 1987 Joined Toyo Engineering Corporation</p> <p>Apr. 1999 Joined the Company</p> <p>Apr. 2004 Division General Manager, MCFRAME Business Division</p> <p>Apr. 2006 Division General Manager, Products Business Division</p> <p>Jun. 2010 Director</p> <p>Jun. 2014 In charge of Kansai Branch; in charge of Chubu Office</p> <p>Jun. 2015 Managing Director</p> <p>Jun. 2015 Division General Manager, Product & Service Planning Division</p> <p>Jun. 2019 Senior Managing Director</p> <p>Apr. 2020 Representative Director</p> <p>Apr. 2020 President & Chief Executive Officer To the present</p> <p>(Currently Representative Director, President & Chief Executive Officer, and Chief Executive Officer (CEO) of the Company)</p>	29,600 shares
<p>[Reasons for selection as a candidate for Director]</p> <p>Mr. Masakazu Haneda has a wealth of experience in the Company's businesses relating to in-house products and has advanced insight in the Company's business fields. The Company believes that this will be useful in the Company's management, and thus requests his election.</p>			

Candidate No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	Shigeaki Betsunou (March 26, 1964) <div style="border: 1px solid black; display: inline-block; padding: 2px;">Reelection</div> <div style="border: 1px solid black; display: inline-block; padding: 2px;">Male</div>	Apr. 1986 Joined Toyo Engineering Corporation Sep. 1999 Joined the Company Apr. 2011 Deputy Division General Manager, Solutions Project Division Jun. 2013 Director Jun. 2013 Division General Manager, Solutions Project Division Jun. 2015 Division General Manager, Solutions Business Division Apr. 2019 Division General Manager, Administration & Finance Division Jun. 2019 Managing Director Apr. 2020 Division General Manager, Corporate Administration & Planning Division; in charge of Global Business Promotion Division Jun. 2022 Representative Director Jun. 2022 Senior Managing Director To the present (Currently Representative Director, Senior Managing Director, Chief Financial Officer (CFO), Division General Manager, Corporate Administration & Planning Division, and in charge of Global Business Promotion Division of the Company)	13,600 shares
[Reasons for selection as a candidate for Director] Mr. Shigeaki Betsunou has been involved in businesses which provide IT services mainly using other companies' products for many years and has served as an executive officer, in charge of corporate departments since April 2019. He has a wealth of experience and advanced insight in a wide range of fields. The Company believes that this will be useful in the Company's management, and thus requests his election.			

Candidate No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	<p style="text-align: center;">Atsushi Nakano (March 14, 1965)</p> <p style="text-align: center;">Reelection Male</p>	<p>Apr. 1989 Joined Toyo Engineering Corporation</p> <p>Apr. 1999 Joined the Company</p> <p>Apr. 2009 Chief General Manager, Systems Development Division, Products Business Division</p> <p>Apr. 2014 Chief General Manager, Sales Division, Products Business Division</p> <p>Jun. 2015 Director</p> <p>Jun. 2015 Division General Manager, Products Business Division; in charge of Kansai Branch; in charge of Chubu Office</p> <p>Jun. 2022 Managing Director</p> <p>Apr. 2023 In charge of Kansai and Chubu Region Management Division</p> <p>To the present</p> <p>(Currently Managing Director, Division General Manager, Products Business Division, and in charge of Kansai and Chubu Division)</p>	24,700 shares
<p>[Reasons for selection as a candidate for Director] Mr. Atsushi Nakano has been involved in businesses relating to in-house products for many years and is familiar with the Company's business fields. The Company believes that his track record and insight will be useful in the Company's management, and thus requests his election.</p>			

Candidate No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	<p data-bbox="371 499 576 562">Yusuke Sato (October 6, 1967)</p> <p data-bbox="411 591 536 654">Reelection Male</p>	<p data-bbox="644 275 1187 752"> Apr. 1993 Joined Toyo Engineering Corporation Jul. 2000 Joined the Company Apr. 2006 General Manager, Corporate Planning Department, Corporate Planning Division Apr. 2015 Deputy Division General Manager, Corporate Planning Division Apr. 2016 Chief General Manager, Sales Division 2, Solutions Business Division Apr. 2019 Division General Manager, Solutions Business Division Jun. 2019 Director To the present (Currently Director and Division General Manager, Solutions Business Division of the Company) </p>	5,900 shares
<p data-bbox="331 891 1401 1043"> [Reasons for selection as a candidate for Director] Mr. Yusuke Sato has been involved in businesses which provide IT services mainly using other companies' products as well as corporate planning for many years and is familiar with the Company's business fields. The Company believes that his track record and insight will be useful in the Company's management, and thus requests his election. </p>			

Candidate No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	<p>Toshiyuki Irimajiri (May 28, 1968)</p> <p>New election</p> <p>Male</p>	<p>Apr. 1993 Joined Toyo Engineering Corporation</p> <p>Apr. 2000 Joined the Company</p> <p>Apr. 2010 Chief General Manager, Sales Division, Products Business Division</p> <p>Apr. 2013 Chief General Manager, Marketing Division, Products Business Division</p> <p>Jun. 2015 Deputy Division General Manager, Product & Service Planning Division</p> <p>Oct. 2016 Division General Manager, Marketing Planning Division, Product & Service Development Division</p> <p>Apr. 2019 Deputy Division General Manager, Product & Service Development Division</p> <p>Apr. 2021 Deputy Division General Manager, Products Business Division; Chief General Manager, Systems Development Division, Products Business Division</p> <p>To the present</p> <p>(Currently Deputy Division General Manager, Products Business Division and Chief General Manager, Systems Development Division, Products Business Division)</p>	4,000 shares
<p>[Reasons for selection as a candidate for Director]</p> <p>Mr. Toshiyuki Irimajiri has been involved in businesses relating to in-house products for many years and is familiar with the Company's business fields. The Company believes that his track record and insight will be useful in the Company's management, and thus requests his election.</p>			

Candidate No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	Yumiko Miyazawa (November 13, 1969) New election Female	Apr. 1992 Joined Toyo Engineering Corporation Jan. 2000 Joined the Company Apr. 2014 General Manager, b-ridge Business Division, Solution Project Division Apr. 2015 Chief General Manager, b-ridge Division, Solutions Business Division Oct. 2016 Deputy Division General Manager, Marketing Planning Division, Product & Service Development Division Apr. 2018 Chief General Manager, Sales Division 1, Solutions Business Division Apr. 2019 Deputy Division General Manager, Solutions Business Division To the present (Currently Deputy Division General Manager, Solutions Business Division)	38,800 shares
[Reasons for selection as a candidate for Director] Ms. Yumiko Miyazawa has been involved in businesses which provide IT services mainly using other companies' products for many years and is familiar with the Company's business fields. The Company believes that her track record and insight will be useful in the Company's management, and thus requests her election.			
7	Hiroshi Shimizu (March 29, 1961) Reelection Male Candidate for Outside Director Candidate for Independent Director	Apr. 1984 Joined Toyo Engineering Corporation (Retired in Sep. 1990) Oct. 1990 Joined Arthur D. Little Japan Inc. Jan. 2003 Director Apr. 2010 Professor, Graduate School of Management of Technology, Nippon Institute of Technology Jun. 2011 Outside Director, the Company Apr. 2015 Senior Advisor, Arthur D. Little Japan Inc. To the present (Currently Outside Director of the Company) Significant concurrent positions Professor, Graduate School of Management of Technology, Nippon Institute of Technology Senior Advisor, Arthur D. Little Japan Inc.	9,200 shares
[Reasons for selection as a candidate for Outside Director and overview of expected roles] Mr. Hiroshi Shimizu has a wealth of experience in strategic consulting operations and advanced insight regarding business strategy primarily in the manufacturing industry, which is the Company's main client base. The Company expects that this background will enable him to provide advice and appropriate supervision of the Company's management from a broad, medium- to long-term perspective, and thus requests his election.			

Candidate No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
8	<p>Masahito Kitamura (January 3, 1959)</p> <p>New election Male</p> <p>Candidate for Outside Director</p> <p>Candidate for Independent Director</p>	<p>Apr. 1982 Joined Olympus Optical Co., Ltd. (currently Olympus Corporation)</p> <p>Oct. 1999 Assigned to Olympus Singapore Pte. Ltd.</p> <p>Oct. 2001 General Manager, Industrial Information Department, Olympus Optical Co., Ltd. (currently Olympus Corporation)</p> <p>Apr. 2003 Head of IT Strategy Office</p> <p>Apr. 2006 General Manager, IT Reform Promotion Department; General Manager, IT Infrastructure Department</p> <p>Jul. 2009 Head of IT Division</p> <p>Apr. 2012 Executive Officer, Chief Compliance Officer</p> <p>Apr. 2016 Executive Officer, Head of CSR Division</p> <p>Oct. 2018 Executive Officer, Chief Information Security Officer</p> <p>Apr. 2019 Executive Officer, Vice President, Chief Information Security Officer</p> <p>Mar. 2022 External Member of Board, Cybernet Systems Co., Ltd.</p> <p>Apr. 2022 Professor, School of Business Administration, Kansai University of International Studies To the present</p> <p>Significant concurrent positions External Member of Board, Cybernet Systems Co., Ltd. Professor, School of Business Administration, Kansai University of International Studies</p>	– shares
<p>[Reasons for selection as a candidate for Outside Director and overview of expected roles] Mr. Masahito Kitamura has a wealth of experience and advanced insight regarding corporate management and the IT sector within Olympus Corporation as well as experience in establishing a global business system. The Company expects that this background will enable him to provide advice and appropriate supervision of the Company's management from a broad, medium- to long-term perspective, and thus requests his election.</p>			

- (Notes)
- There are no special interests between any of the candidates and the Company.
 - Ms. Yumiko Miyazawa's registered name under the family registration system of Japan is Yumiko Uchitsu.
 - The number of shares held by Mr. Toshiyuki Irimajiri and by Ms. Yumiko Miyazawa, respectively, includes the number of shares that they each hold under the Employee Stock Ownership Plan (in units of 100 shares).
 - Mr. Hiroshi Shimizu and Mr. Masahito Kitamura are candidates for Outside Director. The Company has submitted Mr. Hiroshi Shimizu to the Tokyo Stock Exchange as Independent Director under the stipulations of the Exchange, and if he is elected, he will continue to be an Independent Director. Similarly, if Mr. Masahito Kitamura is elected, the Company will submit him to the Tokyo Stock Exchange as an Independent Director.
 - The term of office of Mr. Hiroshi Shimizu as an Outside Director of the Company will be 12 years at the conclusion of this Annual General Meeting of Shareholders.
 - Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has concluded an agreement with Mr. Hiroshi Shimizu to limit liabilities for damages in Article 423, Paragraph 1 of the Companies Act. The limit of liability under said agreement is the minimum amount of liability as stipulated by laws and regulations. If Mr. Shimizu is elected, the Company plans to renew the agreement. If Mr. Masahito Kitamura is elected, the Company plans to conclude a similar agreement with him.

7. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The said insurance agreement will cover damages that may arise when an insured director or officer assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability. However, this policy includes certain exemption clauses, such as not providing compensation for damages attributable to acts in violation of laws or regulations that were carried out with full knowledge of their illegality. The insured parties of the insurance policy are Directors (including Directors who are Audit & Supervisory Committee Members) of the Company and Directors and Statutory Auditors of its subsidiaries, and the candidates for Directors are included as the insured under this insurance policy. Additionally, all premiums are borne by the Company, and the Company plans to renew the policy with the same contents at the next agreement renewal.

Proposal 3: Election of One Substitute Director who is an Audit & Supervisory Committee Member

In preparation for the situation in which the number of Directors who are Audit & Supervisory Committee Members falls short of the number stipulated by laws and regulations, the Company proposes the election of one substitute Director who is an Audit & Supervisory Committee Member in advance.

Additionally, regarding the effectiveness of this election, election may be nullified by a resolution of the Board of Directors upon gaining approval from the Audit & Supervisory Committee, provided that it is prior to assumption of office. Furthermore, this Proposal has received the approval of the Audit & Supervisory Committee.

The candidate for substitute Director who is an Audit & Supervisory Committee Member is as follows:

Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
<p>Masahito Kitamura (January 3, 1959)</p> <p style="text-align: center;">New election Male</p> <p style="text-align: center;">Candidate for Outside Director</p> <p style="text-align: center;">Candidate for Independent Director</p>	<p>Apr. 1982 Joined Olympus Optical Co., Ltd. (currently Olympus Corporation)</p> <p>Oct. 1999 Assigned to Olympus Singapore Pte. Ltd.</p> <p>Oct. 2001 General Manager, Industrial Information Department, Olympus Optical Co., Ltd. (currently Olympus Corporation)</p> <p>Apr. 2003 Head of IT Strategy Office</p> <p>Apr. 2006 General Manager, IT Reform Promotion Department; General Manager, IT Infrastructure Department</p> <p>Jul. 2009 Head of IT Division</p> <p>Apr. 2012 Executive Officer, Chief Compliance Officer</p> <p>Apr. 2016 Executive Officer, Head of CSR Division</p> <p>Oct. 2018 Executive Officer, Chief Information Security Officer</p> <p>Apr. 2019 Executive Officer, Vice President, Chief Information Security Officer</p> <p>Mar. 2022 External Member of Board, Cybernet Systems Co., Ltd.</p> <p>Apr. 2022 Professor, School of Business Administration, Kansai University of International Studies To the present</p> <p>Significant concurrent positions External Member of Board, Cybernet Systems Co., Ltd. Professor, School of Business Administration, Kansai University of International Studies</p>	<p style="text-align: center;">– shares</p>
<p>[Reasons for selection as a candidate for Outside Director and overview of expected roles]</p> <p>Mr. Masahito Kitamura has a wealth of experience and advanced insight regarding corporate management and the IT sector within Olympus Corporation as well as experience in establishing a global business system. The Company expects that this background will enable him to provide advice and appropriate supervision and audit of the Company’s management from a broad, medium- to long-term perspective, and thus requests his election.</p> <p>Additionally, if Proposal 2 is approved as originally proposed, he will assume the position of Director (excluding Director who is an Audit & Supervisory Committee Member), but if the number of Directors who are Audit & Supervisory Committee Members falls short of the number stipulated by laws and regulations, he will resign from the position of Director and assume the position of Director who is an Audit & Supervisory Committee Member.</p>		

- (Notes)
1. There are no special interests between the candidate and the Company.
 2. Mr. Masahito Kitamura is a candidate for substitute Outside Director who is an Audit & Supervisory Committee Member. If Proposal 2 is approved as originally proposed, the Company plans to submit him to the Tokyo Stock Exchange as Independent Director under the stipulations of the Exchange, and additionally, if he assumes the position of Director who is an Audit & Supervisory Committee Member, he will be an Independent Director.
 3. If Mr. Masahito Kitamura assumes the position of Director who is an Audit & Supervisory Committee Member, the Company plans to conclude a new agreement with him pursuant to Article 427, Paragraph 1 of the Companies Act to limit liabilities for damages in Article 423, Paragraph 1 of the Companies Act. The limit of liability under said agreement is the minimum amount of liability as stipulated by laws and regulations.
 4. If Mr. Masahito Kitamura assumes the position of Director who is an Audit & Supervisory Committee Member, he will be included as the insured under a directors and officers liability insurance agreement provided for in Article 430-3, paragraph 1 of the Companies Act. An overview of the related insurance policy is as stated on page 11 (Note 7.) of this Notice of the Convocation of the 44th Annual General Meeting of Shareholders. Additionally, the Company plans to renew the policy with the same contents at the next agreement renewal.

Proposal 4: Determination of the Amount and Details of Stock Compensation, etc. for Directors (excluding Directors who are Audit & Supervisory Committee Members)

1. Reasons for the Proposal and reasons that the Company considers this Proposal appropriate

The remuneration, etc. for Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members) of the Company consists of basic compensation and bonuses. This Proposal is to ask shareholders to approve newly introducing a stock compensation plan for Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members) of the Company using a trust (hereinafter “the Plan”), provided that details of the Plan will be left to the Board of Directors, subject to the conditions described in item 2 below.

The Plan is intended to make the remuneration, etc. for Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members) of the Company more clearly linked to shareholders’ value of the Company and make Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members) share with shareholders the benefits and risks resulting from changes in the price of the Company’s stock, thereby motivating them to contribute to improving the Company’s medium- to long-term performance and enhancing the Company’s corporate value.

This Proposal is to pay stock compensation newly introduced under the Plan to those Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members) serving in the position in the three fiscal years from the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2026 (hereinafter “Applicable Period”), provided that the Applicable Period may be extended as described in item 2. (2) below. The stock compensation is separate from the maximum amount of the remuneration, etc. for Directors (excluding Directors who are Audit & Supervisory Committee Members) that was approved at the 37th Annual General Meeting of Shareholders held on June 22, 2016 (not more than 360 million yen per year (including the remuneration, etc. for Outside Directors, which shall be not more than 60 million yen per year), but not including salaries paid to Directors who are concurrently employees for their service as employees).

The purpose of introducing the Plan is as described above. While the outline of the contents of the Company’s policies governing the determination of the contents of the remuneration, etc. for each Director is as described in “2. (2) (i) Matters regarding the policies governing the determination of the contents of the remuneration, etc. for each director” of the Business Report, the Board of Directors resolved at its meeting held on May 12, 2023, based on the deliberation by and the report from the Remuneration Advisory Committee, that the contents of the policies shall be revised as described in this Proposal on the condition that this Proposal be approved at this General Meeting of Shareholders. The Company considers the contents of this Proposal appropriate because the contents of this Proposal are necessary and reasonable to pay remuneration, etc. in accordance with the policies after revision.

If Proposal 2 “Election of Eight Directors (excluding Directors who are Audit & Supervisory Committee Members)” is approved as originally proposed, six Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members; the same applies hereinafter in this Proposal) will be eligible for the Plan.

2. The amount and details, etc. of remuneration, etc. under the Plan

(1) Outline of the Plan

The Plan is a stock compensation plan under which a trust established by the Company by contributing cash (hereinafter “the Trust”) acquires shares of the Company’s common stock (hereinafter “the Company’s Stock”) and those shares of the Company’s Stock are allotted through the Trust to each Director, with the number of shares allotted to be determined by the number of points granted by the Company to each Director.

In principle, the Company’s Stock is allotted to each Director when he or she retires as Director.

(i)	Persons eligible for the Plan	Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members) of the Company
(ii)	Applicable Period	From the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2026
(iii)	Maximum amount of cash to be contributed by the Company during the three fiscal years of the Applicable Period defined in item (ii) above as the fund used to acquire the shares of the Company's Stock necessary to be allotted to the eligible persons defined in item (i) above	117 million yen in total
(iv)	Method of acquiring the Company's Stock	From the Company through disposal of treasury stock by the Company or from the stock exchange (including after-hours trading)
(v)	Maximum total number of points to be granted to the eligible persons defined in item (i) above	21,000 points per fiscal year
(vi)	Criteria for granting points	Points to be granted based on position in the Company, etc.
(vii)	When the Company's Stock is to be allotted to the eligible persons defined in item (i) above	In principle, when each of the eligible persons retires as Director

(2) Maximum amount of cash to be contributed by the Company

The initial period of trust of the Trust shall be about three years. The Company shall contribute cash of up to 117 million yen in total during the Applicable Period as the fund used to acquire the shares of the Company's Stock necessary to be allotted to Directors under the Plan and as remuneration, etc. for Directors serving in the position in the Applicable Period and thereby establish the Trust, of which the beneficiaries are Directors who acquire the beneficiary right as described in item (3) (iii) below. Using the cash contributed by the Company, the Trust shall acquire the Company's Stock from the Company through disposal of treasury stock by the Company or from the stock exchange (including after-hours trading).

(Note) In addition to the above fund used to acquire the Company's Stock, the Company shall also contribute to the Trust necessary expenses such as trust fees and trust administrator fees.

The Plan may be continued, by decision of the Board of Directors of the Company, by extending the Applicable Period for a period that shall be determined each time and shall be not more than five fiscal years and extending the trust period of the Trust accordingly (including practically extending the trust period by transferring the trust assets of the Trust to a trust established by the Company that has the same purpose as the Trust; the same applies hereinafter in this Proposal). In this case, the Company shall additionally contribute to the Trust cash of up to the sum obtained by multiplying the number of fiscal years included in such extended period of the Applicable Period by 39 million yen during such extended period of the Applicable Period as additional funds used to acquire the shares of the Company's Stock necessary to be allotted to Directors under the Plan and shall continue the granting of points and allotment of shares of the Company's Stock described in item (3) below (the same shall apply to any subsequent extended period of the Applicable Period).

In addition, even if the Applicable Period is not extended and the Plan is not continued as described above, should there be any Director who has been granted points but has yet to retire as Director at the time of the expiry of the trust period of the Trust, the trust period may be extended until the Director retires and the allotment of shares of the Company's Stock to the Director is completed.

(3) Method of calculating the number of shares of the Company's Stock to be allotted to Directors and the maximum number of shares to be allotted

(i) Method of granting points to Directors, etc.

The Company shall, pursuant to the rules on stock allotment established by the Board of Directors of the Company, grant each Director points based on his or her position in the Company, etc. on the dates of granting points during the trust period provided for in the rules on stock allotment.

The total number of points to be granted by the Company to Directors shall be not more than 21,000 points per fiscal year.

(ii) Allotment of shares of the Company's Stock based on the number of points granted

In accordance with the procedure described in item (iii) below, shares of the Company's Stock shall be allotted to Directors based on the number of points granted as described in item (i) above.

One share of the Company's Stock shall be allotted for one point granted, provided that if an event occurs relating to the Company's Stock, such as share split and reverse share split, so that adjusting the number of shares of the Company's Stock to be allotted is considered reasonable, the number of shares of the Company's Stock to be allotted for one point granted shall be adjusted based on the share split ratio, reverse share split ratio, etc.

(iii) Allotment of the Company's Stock to Directors

Each Director shall acquire the beneficiary right of the Trust by carrying out a designated procedure, in principle when he or she retires as Director, to receive from the Trust, as a beneficiary of the Trust, the shares of the Company's Stock allotted as described in item (ii) above.

However, a certain portion of those shares of the Company's Stock may be sold and cashed by the Trust and provided for Directors in cash, rather than as shares of the Company's Stock, in order for the Company to withhold funds to pay taxes such as withholding income tax. In addition, if shares of the Company's Stock in the Trust are cashed, for example when the Trust has accepted a tender offer and sold shares of the Company's Stock in the Trust, cash may be provided for Directors instead of shares of the Company's Stock.

(4) Exercise of voting rights

Based on an instruction from a trust administrator independent of the Company and its officers, none of the voting rights pertaining to shares of the Company's Stock in the Trust shall be exercised. By means of this practice, the Company intends to ensure neutrality about the management of the Company with respect to the exercise of voting rights pertaining to shares of the Company's Stock in the Trust.

(5) Handling of dividends

Dividends pertaining to shares of the Company's Stock in the Trust shall be received by the Trust and used for the acquisition of shares of the Company's Stock, the payment of trust fees to trustees involved in the Trust, etc.

Reference: Policy on selection of candidates for directors and skills matrix

Views on the composition of the board of directors

The Company emphasizes the composition of executive Directors and non-executive Directors (Directors who are Audit & Supervisory Committee Members and Outside Directors, etc. The same shall apply hereinafter) having a good overall balance of knowledge in the Company's business (including knowledge in international aspects related to the Company's business domains), a wealth of knowledge related to management, and qualities such as a high level of expertise to effectively perform their respective role and responsibilities and ensuring both an appropriate size and diverse perspectives and values.

In addition, in order to have a highly effective supervisory function, the Company has a policy of maintaining the percentage of Outside Directors on the Board of Directors at one-third or more.

Policy and procedure of selecting candidates for Directors and Directors who are Audit & Supervisory Committee Members

In order to ensure transparency of processes related to policy and procedure of selecting candidates for Directors and Directors who are Audit & Supervisory Committee Members; nomination process of candidates for Directors (including Directors who are Audit & Supervisory Committee Members); as well as selection and dismissal process of Representative Directors and Directors with executive titles, the Company has established a Nomination Advisory Committee which is chaired by an Independent Outside Director and comprised of a majority of Independent Outside Directors.

When selecting candidates for executive Directors and non-executive Directors, the Board of Directors makes a decision in light of the report of the Nomination Advisory Committee, taking into consideration the balance of the entire Board of Directors based on the Company's business, scale, and structure.

Skills and Expertise of Directors (if each candidate is elected at this General Meeting of Shareholders)

Classification	Name	Corporate Management	IT and Technology	Global	Finance and Accounting	Risk Management and Legal Affairs
Directors	Masakazu Haneda	○	○	○		
	Shigeaki Betsunou			○	○	○
	Atsushi Nakano		○	○		
	Yusuke Sato		○	○		
	Toshiyuki Irimajiri		○	○		
	Yumiko Miyazawa		○	○		
	Hiroshi Shimizu	○	○	○		
	Masahito Kitamura	○	○	○		
Directors (Audit & Supervisory Committee Members)	Ryuji Maruyama	○			○	○
	Naoki Shimizu	○			○	○
	Hirofumi Otsuka	○	○	○		

Note: For each candidate, up to three categories were selected from the fields in which candidates have experience and expertise. They are indicated with circles (○).