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(Stock Exchange Code 3771)

June 3, 2025

(Start date of measures for electronic provision: June 2, 2025)

**To Shareholders with Voting Rights:**

Hiroshi Hirayama  
Representative Director and President  
SYSTEM RESEARCH CO., LTD.  
12, Iwatsukahontori 2-chome, Nakamura-ku,  
Nagoya-shi

**NOTICE OF  
THE 45TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

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

We are pleased to announce that the 45th Ordinary General Meeting of Shareholders of SYSTEM RESEARCH CO., LTD. (the “Company”) will be held for the purposes as described below.

When convening this General Meeting of Shareholders, the Company has taken steps to provide information electronically that is the content of the Reference Materials for the General Meeting of Shareholders, etc. (the matters subject to measures for electronic provision) which are posted on the following websites on the Internet. Please access either of these websites to review the said information.

**(1) Company’s website**

The matters subject to measures for electronic provision are posted on the following website as the “Notice of the 45th Ordinary General Meeting of Shareholders” and “Other Matters Subject to Measures for Electronic Provision (Matters Excluded From Paper-based Documents).”

<https://www.sr-net.co.jp/ir/library/?id=ir-library-en>

In addition to the above, the information is posted on the following website on the Internet.

**(2) Tokyo Stock Exchange website**

(Listed Company Search)

Please access the following website, search by entering the “SYSTEM RESEARCH” in the “Issue name (company name)” field or “3771” in the “Code” field and select “Basic information” on the row of the Company’s information, “Documents for public inspection/PR information” and “Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting” to view the information.

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

If you are unable to attend, you can exercise your voting rights in writing (by mail) or via the Internet so please review the Reference Documents for the General Meeting of Shareholders included in the matters subject to measures for electronic provision and exercise your voting rights by following the Instructions for Exercising Voting Rights provided below by 6:00 p.m. on Tuesday, June 24, 2025, Japan time.

- 1. Date and Time:** Wednesday, June 25, 2025 at 10:00 a.m. Japan time
- 2. Place:** Conference room on the 7th floor of Corporate Headquarters, located at 12, Iwatsukahontori 2-chome, Nakamura-ku, Nagoya-shi
- 3. Meeting Agenda:**
  - Matters to be reported:**
    1. The Business Report, Consolidated Financial Statements for the Company's 45th Fiscal Year (April 1, 2024 - March 31, 2025) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
    2. Non-consolidated Financial Statements for the Company's 45th Fiscal Year (April 1, 2024 - March 31, 2025)

**Proposals to be resolved:**

- Proposal 1:** Election of Six Directors (excluding Directors serving as Audit and Supervisory Committee Members)
- Proposal 2:** Election of Four Directors serving as Audit and Supervisory Committee Members
- Proposal 3:** Election of One Substitute Director serving as Audit and Supervisory Committee Member
- Proposal 4:** Introduction of a Restricted Stock Remuneration Plan for Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors)

**4. Instructions for Exercising Voting Rights**

The right to exercise voting rights at the General Meeting of Shareholders is an important right for our shareholders. We strongly encourage you to exercise your voting rights by one of the following three methods.

**If you attend the meeting in person:**

Please submit the enclosed Voting Rights Exercise Form at the reception desk. For the purpose of saving resources, please bring this Notice with you when attending the meeting.

**If you exercise voting rights in writing (by mail):**

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that it arrives by 6:00 p.m. on Tuesday, June 24, 2025, Japan time. If you have sent the form without indicating your vote for or against each proposal, it shall be deemed that you have voted for the proposal.

**If you exercise voting rights via the internet:**

Please access the voting rights exercise website designated by the Company and follow the instructions on the screen to input your vote for or against the proposals by 6:00 p.m. on Tuesday, June 24, 2025, Japan time.

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- ◎ The paper-based documents sent to shareholders serve as documents containing the matters subject to measures for electronic provision based on the request for paper-based delivery. In accordance with the provisions of laws and regulations as well as Article 16 of the Company's Articles of Incorporation, following items are not stated in such documents. Therefore, the paper-based documents are parts of the statements audited by the Audit and Supervisory Committee and Accounting Auditor when preparing the Audit Report.
    - Systems to Ensure the Appropriateness of Operations
    - Status of Operation of Systems to Ensure the Appropriateness of the Operations
    - Basic Policy on Corporate Control
    - Notes to the Consolidated Financial Statements
    - Notes to the Non-consolidated Financial Statements
  - ◎ In the event of revisions to the matters subject to measures for electronic provision, these shall be provided on each of the websites listed above.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Election of Six Directors (excluding Directors serving as Audit and Supervisory Committee Members)

The terms of office of all five Directors (excluding Directors serving as Audit and Supervisory Committee Members) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of six Directors (excluding Directors serving as Audit and Supervisory Committee Members) is proposed. From the perspective of ensuring objectivity, timeliness, and transparency, the selection of each candidate has been deliberated by the Nomination and Compensation Committee that Independent Outside Directors compose half of the committee, and all of the candidates have been judged to be appropriate.

Besides, the Audit and Supervisory Committee expressed their opinion that all of the candidates have been judged to be appropriate.

The candidates for Directors (excluding Directors serving as Audit and Supervisory Committee Members) are as follows.

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Hiroshi Hirayama (November 20, 1959)	August 1984    Joined the Company April 1998    General Manager, System Engineering Department June 2000    Appointed as Operating Officer February 2005    Appointed as Director July 2019    Appointed as Representative Director and President (To the present) [Significant concurrent position] Director, Sowel Co., Ltd.	120,956
		[Reason for nomination as candidate for Director] Mr. Hiroshi Hirayama has a great deal of achievements in business expansion, supervising the system development business department of the Company. The Company judges that his wealth of experience, wide-ranging insights and strong leadership are essential to the continuous promotion of business expansion in the future as well, and has thus nominated him as a candidate for Director.	
2	Mie Umemoto (November 20, 1961)	April 1980    Joined Toho Gas Co., Ltd. March 1989    Joined the Company April 2013    General Manager, System Engineering 2 Department April 2016    Appointed as Operating Officer In charge of System Development 1 Department and Osaka Branch June 2018    Appointed as Director In charge of Industrial System Business Division (To the present)	31,400
		[Reason for nomination as candidate for Director] Ms. Mie Umemoto has a great deal of achievements in business expansion, supervising the system development business department of the Company. The Company judges that her wealth of experience, wide-ranging insights and strong leadership are essential to the continuous promotion of business expansion in the future as well, and has thus nominated her as a candidate for Director.	

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Takafumi Watanabe (July 8, 1964)	<p>April 1986      Joined Daiwa Calculation Center, Ltd. (currently Daiwa Systems-Create, Ltd.)</p> <p>June 1988      Joined the Company</p> <p>April 2007      General Manager, System Engineering 2 Department</p> <p>April 2013      General Manager, Tokyo Branch</p> <p>April 2015      Appointed as Operating Officer</p> <p>                 In charge of Tokyo Branch and ilii Solution Department</p> <p>June 2019      Appointed as Director</p> <p>April 2023      Director, in charge of Tokyo 1st System Business Division</p> <p>April 2025      Director and General Manager of Tokyo Branch, in charge of Tokyo 1st System Business Division (To the present)</p>	33,500
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Takafumi Watanabe has a great deal of achievements in business expansion, supervising the system development business department of the Company. The Company judges that his wealth of experience, wide-ranging insights and strong leadership are essential to the continuous promotion of business expansion in the future as well, and has thus nominated him as a candidate for Director.</p>			
4	Kazutomo Isozumi (September 16, 1972)	<p>April 1995      Joined the Company</p> <p>April 2013      General Manager, System Development 3 Department</p> <p>April 2018      Operating Officer and Division Manager, Automotive System Business Division</p> <p>January 2022    Operating Officer and Division Manager, Manufacturing System Business Division</p> <p>June 2023      Appointed as Director</p> <p>                 In charge of Manufacturing System Business Division</p> <p>April 2025      Director and General Manager of Osaka Branch, in charge of Manufacturing System Business Division (To the present)</p>	26,000
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Kazutomo Isozumi has a great deal of achievements in business expansion, supervising the system development business department of the Company. The Company judges that his wealth of experience, wide-ranging insights and strong leadership are essential to the continuous promotion of business expansion in the future as well, and has thus nominated him as a candidate for Director.</p>			
5	Yoshinobu Ohta (November 26, 1972)  (New)	<p>April 1995      Joined the Company</p> <p>April 2014      General Manager, Business Management Department</p> <p>April 2018      Operating Officer and General Manager, Business Planning Department</p> <p>April 2025      Operating Officer and General Manager, Administrative Division (To the present)</p>	17,200
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Yoshinobu Ohta has a great deal of achievements supervising the Company's administrative divisions and has been involved with core aspects of corporate governance, including corporate planning, general affairs, human resources, and legal affairs. The Company judges that his wealth of experience, wide-ranging insights and strong leadership are essential to the continuous promotion of business expansion in the future as well, and has thus nominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	Satoshi Nakagawa (October 12, 1964)  (New)	<p>April 1987      Joined TOYOTA MOTOR CORPORATION</p> <p>January 2014    Seconded to Toyota Communication Systems Co., Ltd. (currently TOYOTA SYSTEMS CORPORATION)</p> <p>January 2021    Joined the Company as an Operating Officer</p> <p>April 2021      Operating Officer and Division Manager in charge of the Automotive System Business Division</p> <p>January 2022    Operating Officer and Division Manager, Automotive System Business Division (To the present)</p>	2,200
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Satoshi Nakagawa has a great deal of achievements in business expansion, supervising the system development business department of the Company. The Company judges that his wealth of experience, wide-ranging insights and strong leadership are essential to the continuous promotion of business expansion in the future as well, and has thus nominated him as a candidate for Director.</p>			

(Notes) 1. There are no special interests between any of the candidates and the Company.

2. The Company has entered into a directors and officers liability insurance agreement with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance agreement covers damages that may arise due to insured persons assuming liability for the execution of their duties, or receiving a claim for the pursuit of such liability. The candidates will be included as insured persons under the insurance policy. The Company plans to renew this insurance policy with the same contents in September 2025.

**Proposal 2:** Election of Four Directors serving as Audit and Supervisory Committee Members

The terms of office of five of the Directors serving as Audit and Supervisory Committee Members will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of four Directors serving as Audit and Supervisory Committee Members is proposed.

Furthermore, the Audit and Supervisory Committee has given its approval to this proposal in advance.

The candidates for Directors serving as Audit and Supervisory Committee Members are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Satoru Yasui (January 15, 1954)	<p>April 1977    Joined Nippon Life Insurance Company</p> <p>April 2003    General Manager, Finance and Sales Office, Tokai Area Corporate Finance Department</p> <p>April 2011    Seconded to Nissay Credit Guarantee Co., Ltd. General Manager, Nagoya Branch</p> <p>April 2013    Transferred to Nissay Credit Guarantee Co., Ltd.</p> <p>March 2014    Retired from Nissay Credit Guarantee Co., Ltd.</p> <p>June 2014    Appointed as Director, the Company</p> <p>June 2019    Appointed as Director (Audit and Supervisory Committee Member)</p> <p>(To the present)</p>	-
<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>Mr. Satoru Yasui has a wealth of experience and wide-ranging insights in the insurance business as well as highly professional expertise as a labor and social security attorney, and has appropriately supervised the management of the Company as an Outside Director. The Company appreciates his experience and capabilities, and expects that he will continue to objectively supervise and provide advice on overall management from a legal point of view from an independent standpoint. Therefore, the Company has nominated him as a candidate for Outside Director serving as an Audit and Supervisory Committee Member. Although he has never been involved in corporate management except as an Outside Director, the Company has judged that he is capable of adequately performing his duties as an Outside Director for the above reasons.</p>			
2	Yasuyuki Koshikawa (May 14, 1967)	<p>April 1993    Joined The Long-Term Credit Bank of Japan, Limited (currently SBI Shinsei Bank, Limited)</p> <p>October 1998    Seconded to Broadcasting Bureau, the Ministry of Posts and Telecommunications (currently the Ministry of Internal Affairs and Communications)</p> <p>December 2000    Public Finance Headquarters, SBI Shinsei Bank, Limited</p> <p>July 2012    Retired from SBI Shinsei Bank, Limited</p> <p>September 2012    Established Cincuenta Corporation</p> <p>Appointed as Representative Director (incumbent)</p> <p>June 2016    Appointed as Corporate Auditor, the Company</p> <p>June 2019    Appointed as Director (Audit and Supervisory Committee Member)</p> <p>(To the present)</p> <p>[Significant concurrent positions]</p> <p>Representative Director, Cincuenta Corporation</p>	-
<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>Mr. Yasuyuki Koshikawa has a wealth of experience and wide-ranging insights in the banking business and financial consulting business, and has appropriately supervised the management of the Company as an Outside Director. The Company appreciates his experience and capabilities, and expects that he will continue to objectively supervise and provide advice on overall management from an independent standpoint. Therefore, the Company has nominated him as a candidate for Outside Director serving as an Audit and Supervisory Committee Member.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Hitoshi Suzuki (January 7, 1956)	<p>April 1980      Joined The Kyowa Bank, Ltd. (currently Resona Bank, Limited.)</p> <p>April 2002      General Manager, Atsuta Branch, The Asahi Bank, Ltd. (currently Resona Bank, Limited.)</p> <p>April 2007      Joined KANEFUSA CORPORATION</p> <p>August 2007    General Manager, Business Management Department</p> <p>June 2011      Appointed as Director and General Manager, General Affairs Department</p> <p>June 2012      Appointed as Managing Director</p> <p>June 2020      Retired as Managing Director and Operating Officer from KANEFUSA CORPORATION</p> <p>June 2021      Appointed as Director (Audit and Supervisory Committee Member)</p> <p>(To the present)</p>	-
<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>Mr. Hitoshi Suzuki has specialized knowledge in the finance business as well as a wealth of experience and wide-ranging insights and abilities related to corporate management obtained in management in the manufacturing industry. The Company appreciates his experience and capabilities, and expects that he will continue to objectively supervise and provide advice on overall management from an independent standpoint. Therefore, the Company has nominated him as a candidate for Outside Director serving as an Audit and Supervisory Committee Member.</p>			
4	Harumi Suzuki (March 12, 1970)	<p>April 1994      Joined Sugiura Masayasu Tax Accountant Office (currently Aoi General Tax Accountant Office)</p> <p>May 1996      Registered as a Certified Public Tax Accountant, Nagoya Certified Public Tax Accountant Association (Registration Number: 82797)</p> <p>April 2000      Established Suzuki Harumi Tax Accountant Office</p> <p>June 2023      Part-time lecturer, Graduate School, Meijo University</p> <p>Appointed as Director (Audit and Supervisory Committee Member)</p> <p>(To the present)</p> <p>[Significant concurrent position]</p> <p>Director, Business Support LLC</p>	-
<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>Ms. Harumi Suzuki has specialized knowledge as a Certified Public Tax Accountant as well as a wealth of experience and wide-ranging insights and abilities obtained as an educator. The Company appreciates her experience and capabilities, and expects that she will continue to objectively supervise and provide advice on overall management from an independent standpoint. Therefore, the Company has nominated her as a candidate for Outside Director serving as an Audit and Supervisory Committee Member. Although she has never been directly involved in corporate management, the Company has judged that she is capable of adequately performing her duties as an Outside Director because she is well versed in corporate finance and has insight into corporate governance as a Certified Public Tax Accountant.</p>			

(Notes)

1. There are no special interests between any of the candidates and the Company.
2. Messrs. Satoru Yasui, Yasuyuki Koshikawa, Hitoshi Suzuki and Ms. Harumi Suzuki are candidates for Outside Director. Mr. Satoru Yasui's term of office as Outside Director will be eleven years and his term of office as Outside Director serving as an Audit and Supervisory Committee Member will be six years at the conclusion of this General Meeting of Shareholders. Mr. Yasuyuki Koshikawa's term of office as Outside Director serving as an Audit and Supervisory Committee Member will be six years at the conclusion of this General Meeting of Shareholders. Mr. Hitoshi Suzuki's term of office as Outside Director serving as an Audit and Supervisory Committee Member will be four years at the conclusion of this General Meeting of Shareholders. Ms. Harumi Suzuki's term of office as Outside Director serving as an Audit and Supervisory Committee Member will be two years at the conclusion of this General Meeting of Shareholders.
3. Messrs. Satoru Yasui, Yasuyuki Koshikawa, Hitoshi Suzuki and Ms. Harumi Suzuki are currently Independent Directors as prescribed by the regulations of Tokyo Stock Exchange, Inc. The Company intends to continue to register them as Independent Directors.
4. The Company has entered into a directors and officers liability insurance agreement with an insurance company as

stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance agreement covers damages that may arise due to insured persons assuming liability for the execution of their duties, or receiving a claim for the pursuit of such liability. The candidates will be included as insured persons under the insurance policy. The Company plans to renew this insurance policy with the same contents in September 2025.

5. The Company has entered into an agreement with Messrs. Satoru Yasui, Yasuyuki Koshikawa, Hitoshi Suzuki and Ms. Harumi Suzuki to limit their liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of the same Act. The maximum amount of liability for damages pursuant to the said agreement shall be the minimum amount as stipulated in Article 425, Paragraph 1 of the Companies Act. If the appointment of each of the candidates as Director or Outside Director serving as an Audit and Supervisory Committee Member is approved, the Company intends to enter into a liability limitation agreement with the same terms and conditions as said liability limitation agreement.



**Proposal 3:** Election of One Substitute Director serving as Audit and Supervisory Committee Member

The election of one Substitute Director serving as an Audit and Supervisory Committee Member is proposed in preparation for a vacancy in the number of Directors who are Audit and Supervisory Committee Members as provided for in the laws and regulations.

Furthermore, the Audit and Supervisory Committee has given its approval to this proposal in advance.

The candidate for Substitute Director serving as an Audit and 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
Miyoko Ueda (September 20, 1950)	July 1973      Joined Computer Services Corporation (currently SCSK Corporation) July 1984      Joined the Company June 2000      Appointed as Operating Officer February 2005      Appointed as Director April 2014      Director In charge of Accounting Department June 2015      Appointed as Corporate Auditor June 2019      Appointed as Director (Audit and Supervisory Committee Member) (To the present)	118,660
[Reason for nomination as candidate for Substitute Director] Ms. Miyoko Ueda has a wealth of experience and wide-ranging insights in the Company's business through her practice in the accounting division of the Company. The Company judges that she is capable of appropriately performing her duties of Director serving as an Audit and Supervisory Committee Member, and has thus nominated her as a candidate for Substitute Director serving as an Audit and Supervisory Committee Member.		

(Notes)

1. There are no special interests between Ms. Miyoko Ueda and the Company.
2. The Company has entered into a directors and officers liability insurance agreement with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance agreement covers damages that may arise due to insured persons assuming liability for the execution of their duties, or receiving a claim for the pursuit of such liability. The candidate will be included as an insured person under the insurance policy. The Company plans to renew this insurance policy with the same contents in September 2025.
3. If Ms. Miyoko Ueda takes office as Director serving as Audit and Supervisory Committee Member, the Company intends to enter into an agreement with her to limit her liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of the same Act. The maximum amount of liability for damages pursuant to the said agreement shall be the minimum amount as stipulated in Article 425, Paragraph 1 of the Companies Act.

**Proposal 4:** Introduction of a Restricted Stock Remuneration Plan for Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors)

As described below, the Company proposes to introduce a remuneration plan (hereinafter referred to as the “Plan”) that allocates common stock of the Company that is subject to certain transfer restriction periods and grounds for the Company to acquire the stock without compensation (hereinafter referred to as the “Restricted Stock”), with the aim of providing Directors of the Company (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors; hereinafter referred to as “Eligible Directors”) with an incentive to sustainably increase the Company’s corporate value and further promoting shared value between the Company’s Directors and shareholders.

The maximum amount of remuneration for the Company’s Directors (excluding Directors serving as Audit and Supervisory Committee Members) was approved as up to 300 million yen per year at the 39th Ordinary General Meeting of Shareholders held on June 26, 2019. At the General Meeting of Shareholders, the Company plans to ask for shareholders’ approval to newly introduce the Plan and set a remuneration framework for Restricted Stock for Eligible Directors, which will be separate from the maximum amount of remuneration for the Company’s Directors (excluding Directors serving as Audit and Supervisory Committee Members). The total amount of monetary compensation claims to be paid to Eligible Directors under the Plan will be up to 45 million yen per year. The specific timing and distribution of payments to each Eligible Director will be discussed by the Nomination and Remuneration Advisory Committee, then a proposal will be submitted to the Company’s Board of Directors for decision before being submitted for approval by shareholders.

Currently, there are five Directors (excluding Directors serving as Audit and Supervisory Committee Members) and six Directors (including four Outside Directors) serving as Audit and Supervisory Committee Members. If Proposal 1 and Proposal 2 are approved as originally proposed, there will be six Directors (excluding Directors serving as Audit and Supervisory Committee Members) and five Directors (including four Outside Directors) serving as Audit and Supervisory Committee Members.

**1. Allocation and Payment of Restricted Stock**

Under the Plan, the Company shall provide Eligible Directors with monetary compensation claims within the range of the above annual amount as compensation related to Restricted Stock, and Eligible Directors shall receive all such monetary compensation claims in the form of in-kind contributions, and shall be allocated Restricted Stock.

In addition, the amount to be paid per share of the Restricted Stock to be issued or disposed of under the Plan will be determined by the Company’s Board of Directors based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately prior to the date of the Company’s Board of Directors’ resolution relating to the allocation of Restricted Stock (or, if no transaction is made on that day, the closing price on the most recent trading day), within a range that is not particularly advantageous to the Eligible Directors who receive the Restricted Stock. In addition, such monetary compensation claims shall be granted on the condition that the Eligible Directors have agreed to receive the in-kind contribution described above and have concluded a restricted stock allocation agreement that includes the provisions set forth in 3. below.

**2. Total number of Restricted Stock**

The maximum number of Restricted Stock to be allocated to Eligible Directors shall be 25,000 shares per year. However, in the event of unavoidable circumstances that require an adjustment to the number of shares, such as a stock split, allotment of shares without compensation, or stock consolidation of the common shares of the Company, the number of Restricted Stock may be reasonably adjusted.

**3. Total number of Restricted Stock**

The restricted stock allocation agreement to be concluded between the Company and the Eligible Directors to whom the Restricted Stock is to be allocated shall include the following provisions.

**(1) Details of Transfer Restrictions**

An Eligible Director who has received the allocation of Restricted Stock shall not transfer, establish a pledge on, establish a security interest on, give before death, bequeath or otherwise dispose of the Company’s common stock allocated under the restricted stock allocation agreement (hereinafter referred to as the “Allocated Shares”) to a third party during the period from the day of the allocation to the day on which the Eligible Director retires from the position of Director of the Company, or the day on which the securities report

pertaining to the Company's business year to which the day of the allocation belongs (if the day of the allocation is a day within six months from the beginning of the business year, the semi-annual report pertaining to the business year) is submitted, whichever is later (hereinafter referred to as the "Transfer Restriction Period").

(2) Lifting of Transfer Restrictions

The Company shall cancel the Transfer Restriction on all of the Allocated Shares upon the expiration of the Transfer Restriction Period, on the condition that the Eligible Directors who have received the allocation of the Allocated Shares have continuously served in the positions set forth in (1) above for a period determined by the Company's Board of Directors (hereinafter referred to as the "Service Provision Period"). However, if an Eligible Director retires from the position described in (1) above prior to the expiration of the Service Provision Period for reasons deemed justifiable by the Company's Board of Directors, the number of Allocated Shares for which the Transfer Restriction is to be removed and the timing of the removal of the Transfer Restriction shall be reasonably adjusted as necessary.

(3) Acquisition of Restricted Stock without compensation

If there are any Allocated Shares for which the Transfer Restriction has not been lifted at the time of the expiration of the Transfer Restriction Period in (1) above in accordance with the provisions of the grounds for lifting the Transfer Restriction in (2) above, the Company shall rightfully acquire such Allocated Shares without consideration.

(4) Handling in the event of organizational restructuring, etc.

If, during the Transfer Restriction Period, a matter concerning a merger agreement in which the Company becomes a non-surviving company, a share exchange agreement or a share transfer plan in which the Company becomes a wholly-owned subsidiary, or any other organizational restructuring, etc. is approved by the General Meeting of Shareholders of the Company (or by the Board of Directors of the Company in the case where the approval of the General Meeting of Shareholders of the Company is not required for the said organizational restructuring, etc.), the Company shall, by resolution of the Board of Directors of the Company, cancel the Transfer Restriction prior to the effective date of the said organizational restructuring, etc., with respect to the number of Allocated Shares reasonably determined in light of the period from the start date of the Service Provision Period to the date of approval of the said organizational restructuring. In this case, the Company shall, as a matter of course, acquire without compensation the Allocated Shares for which the Transfer Restriction has not been removed, even at the time immediately after the removal of the Transfer Restriction.

(5) Other matters

Other matters related to the restricted stock allocation agreement shall be determined by the Company's Board of Directors.

4. Reasons for appropriateness of granting Restricted Stock

The Company proposes to grant Restricted Stock to Eligible Directors for the purpose of providing them with an incentive to sustainably increase the Company's corporate value and further promoting shared value between the Company's Directors and shareholders.

At a meeting of the Board of Directors held on April 16, 2021, the Company established a policy for determining the content of compensation, etc., for individual Directors. An overview of the policy is as described on page 16 of the Business Report. If this proposal is approved, the Company plans to revise the policy so that it is consistent with the content approved, and provide for the content, calculation method, payment timing, etc., of stock compensation. In addition, the amount evaluated at the market price as of the date of the resolution of the Board of Directors regarding the allocation of the Restricted Stock shall be within the upper limit of the annual amount approved by the General Meeting of Shareholders, and the ratio of the Restricted Stock to the total number of issued shares is 0.14% (the ratio of the Restricted Stock to the total number of issued shares in the case where the maximum number of Restricted Stock is issued over 10 years is 1.49%), making the dilution slight; therefore, the Company has judged that the granting of the Restricted Stock is appropriate.

[Reference]

#### Director Skill Matrix

The expected fields for each Director to realize sustainable growth of the Group are defined as following six fields: 1. Corporate Management, 2. Finance and Accounting, 3. Legal Affairs and Risk Management, 4. HR, 5. Information Technology and Digital Transformation Technology, 6. Sales and Marketing. Each Director is properly placed based on each skill, which are listed below.

Name	Positions at the Company		Corporate Management	Finance, Accounting	Legal Affairs, Risk Management	HR*	Information Technology, Digital Transformation Technology	Sales, Marketing
Hiroshi Hirayama	Representative Director and President		●	●		●		
Mie Umemoto	Director					●	●	●
Takafumi Watanabe	Director					●	●	●
Kazutomo Isozumi	Director					●	●	●
Yoshinobu Ohta	Director			●	●	●		
Satoshi Nakagawa	Director					●	●	●
Fumitaka Torii	Director, Audit and Supervisory Committee Member			●				
Satoru Yasui	Director, Audit and Supervisory Committee Member	Outside, Independent		●	●			
Yasuyuki Koshikawa	Director, Audit and Supervisory Committee Member	Outside, Independent	●	●	●			
Hitoshi Suzuki	Director, Audit and Supervisory Committee Member	Outside, Independent	●	●				
Harumi Suzuki	Director, Audit and Supervisory Committee Member	Outside, Independent		●				

(Notes)

The expected fields for each Director are limited to three fields.

The list above shows only the typical knowledge and experiences instead of all the skills which Directors have.

\*HR is short for “Human Resources,” and refers to skills related to the entire Human Resources.